Consolidated Annual Accounts 2024

redeia

Valuing the essentials

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Independent Auditors' Report

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Audit Report on Consolidated Financial Statements issued by an Independent Auditor

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AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 35)

To the shareholders of REDEIA CORPORACIÓN, S.A.:

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of REDEIA CORPORACIÓN, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2024, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2024 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Recording and Valuation of Additions to Property, Plant, and Equipment

Description

As indicated in note 1 of the accompanying consolidated financial statements, one of the Group's main activities is the management of the Spanish electricity transport network, which it carries out through its dependent company, Red Eléctrica de España, S.A.U.

For the development of the aforementioned activity, and following the Development Plans for the Electricity Transmission Network approved by the Spanish Government (2021-2026), the Group makes significant investments in property, plant, and equipment, reaching 1,030 million euros in 2024, mainly carried out by Red Eléctrica de España, S.A.U.

The compensation for this activity, which in 2024 amounted to 1,277 million euros, is determined by Circular 5/2019 of the National Commission for Markets and Competition (CNMC), which establishes a methodology based on the costs necessary to build, operate and maintain electricity technical installations.

We have considered this area a key audit matter due to the existing interrelation between the recognized investments in electrical infrastructure and the income derived from the activity of managing the Spanish electricity transport network, as well as the relevance of the amounts involved.

Information related to the applied valuation standards and corresponding breakdowns can be found in notes 4, 7 and 23 of the accompanying consolidated financial statements.

Our response

Our audit procedures in this regard included, among other, the following:

- Understanding the process established by the Group's Management for recording additions to property, plant, and equipment (specifically, the "recording of additions and disposals of fixed assets" and "acquisition of goods and services, certification of constructions" cycles), evaluating the design and implementation of relevant controls established in the mentioned process and verifying the operational effectiveness of these controls.
- Reviewing the current regulations applicable to the activity of managing the Spanish electricity transmission network.
- Analyzing the additions to property, plant and equipment that occurred during the fiscal year along with their corresponding supporting documentation and evaluating their appropriate accounting record and their possible inclusion in the Electricity Transmission Network Development Plan 2021-2026.
- Performing substantive procedures on a sample of ongoing projects, for which the reasonableness of cost allocation has been evaluated through the corresponding supporting documentation.
- Reviewing the breakdowns included in the consolidated report and evaluating their compliance with the applicable financial reporting regulatory framework.

Audit Report on Consolidated Financial Statements issued by an Independent Auditor

(continued)

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Valuation of non-current non-financial assets

Description

As of December 31, 2024, the Group has recorded intangible assets (including goodwill), Property, plant and equipment, and investments accounted for using the equity method in non-current assets, amounting to 492, 9,753, and 804 million euros, respectively. These are assigned to various cash-generating units (CGUs).

The Group's Management subjects goodwill to impairment tests annually and whenever circumstances suggest that its book value may be affected. For the rest of the intangible assets, tangible assets, and investments accounted for using the equity method, Management evaluates, at least at the end of each fiscal year, the existence of indications that they may be impaired. If there are indications, Management estimates their recoverable amounts based on the present value of future cash flows generated by the CGUs to which these assets are assigned.

We considered this area a key audit matter because the determination of the recoverable amount requires estimations, which involve the application of judgments in establishing the assumptions considered by the Group's Management in relation to these estimations. These are subject to the inherent uncertainty about the success of achieving the business plans and can be affected by the development of the environment, as well as the relevance of the amounts involved.

Information regarding the applied valuation standards and the main assumptions considered by the Group's Management for the determination of impairment of value of the mentioned assets can be found in notes 4, 6, 7, and 10 of the accompanying consolidated financial statements.

Our response

Our audit procedures in this regard included, among other, the following:

- Understanding of the processes established by the Group's Management for identifying indications of impairment and determining the recoverable amount of intangible assets, Property, plant and equipment, and investments accounted for using the equity method. We evaluated the design and implementation of relevant controls established in these processes and verified the operational effectiveness of these controls.
- We reviewed and assessed the analyses conducted by the Group's Management concerning the indicators of impairment of value of the assets mentioned.
- We reviewed the model used by the Group's Management to determine the recoverable amount, including the valuations made by the independent expert hired, in collaboration with our valuation specialists. This covered, in particular, the mathematical consistency of the model and the reasonableness of projected cash flows and long-term discount and growth rates.
- We reviewed the reasonableness of the projected financial information in the business plan of each participated company and each cash-generating unit that were subject to the recoverability analysis. This involved analysing historical and budgetary financial information, current market conditions, and expectations about its potential evolution.
- We assessed the sensitivity of the analyses performed to changes in relevant assumptions.
- We reviewed the breakdowns included in the consolidated report and assessed their compliance with the applicable financial information regulatory framework.

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Classification and Valuation of Assets and Liabilities Held for Sale and of Income and Expenses from Discontinued Operations

Description

The Group, through its subsidiary Redeia Sistemas de Telecomunicaciones, S.A.U., formalized on January 31, 2025, the sale of the shares it held in Grupo Hispasat, S.A. (satellite business operator), a process that began in the second half of the fiscal year 2024.

The Group has recorded as non-current assets held for sale and liabilities associated with assets held for sale, and as discontinued operations, the main assets and liabilities and income and expenses, respectively, related to the operation of satellite infrastructure, in compliance with the conditions established in IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations." According to this regulation, the net assets corresponding to discontinued operations are valued at the lower of their carrying amount and their fair value less costs to sell and are not subject to depreciation.

As of December 31, 2024, the amounts of the headings "Non-current Assets Held for Sale" and "Liabilities Associated with Assets Held for Sale" in the consolidated statement of financial position amount to 1,243 million euros and 479 million euros, respectively. Additionally, the "Profit/(loss) after tax for the year from discontinued operations" in the consolidated income statement shows a negative amount of 138 million euros, corresponding to the results of the aforementioned activity and the impairment of goodwill amounting to 65 million euros (net of tax effect) and 73 million euros, respectively.

We have considered this area as a key matter in our audit due to the quantitative and qualitative relevance of the mentioned operation, as well as its impact on the attached consolidated annual accounts.

The information regarding the valuation standards applied and the corresponding breakdowns is included in notes 4.y) and 5 of the attached consolidated financial statements.

Our response

Our audit procedures in this regard included, among other, the following:

- Understanding the process established by the Group's Management for the classification of assets and liabilities as held for sale and of income and expenses as results from discontinued operations, and for their valuation.
- We reviewed the documentation supporting the classification of the assets and liabilities of the satellite infrastructure operation as held for sale, as well as their income and expenses as results from discontinued operations, in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations."
- We reviewed the results of the comparison made by the Group's Management between the carrying amount and the fair value less costs to sell of the discontinued operations, as well as their correct accounting.
- We reviewed and analyzing the terms and conditions included in the corresponding sale agreements signed by the Group's Management.
- We conducted analyses and specific procedures on the activities subject to sale to ensure their correct classification in the Group's accounting records.

Audit Report on Consolidated Financial Statements issued by an Independent Auditor

(continued)

- Reviewing the breakdowns included in the consolidated financial statements and evaluating their compliance with the applicable financial reporting framework, as well as reviewing the restated figures from the comparative year 2023, considering the impact of the classification of discontinued activities, in accordance with IFRS 5.

Other information: consolidated management report

Other information refers exclusively to the 2024 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the consolidated management report, in conformity with prevailing audit regulations in Spain, entails:

a. Checking only that the consolidated non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b. Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2024 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company´s directors and the audit committee for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the parent company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Audit Report on Consolidated Financial Statements issued by an Independent Auditor

(continued)

We also provide the audit committee of the parent company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of REDEIA CORPORACIÓN, S.A. and subsidiaries for the 2024 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of REDEIA CORPORACIÓN S.A. are responsible for submitting the annual financial report for the 2024 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation).

Our responsibility consists of examining the digital files prepared by the directors of the parent company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, in all material respects, in accordance with the ESEF Regulation.

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on February 26, 2025.

Term of engagement

The ordinary general shareholders' meeting held on June 7, 2022 appointed us as auditors for 3 years, commencing on December 31, 2023.

ERNST & YOUNG, S.L.
(Registered in the Official Register of Auditors under No. S0530)

(Signature on the original in Spanish)

David Ruiz-Roso Moyano
(Registered in the Official Register of Auditors under No. 18336)

February 26, 2025

Consolidated Financial Statements

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Redeia Corporación, S.A. and subsidiaries
Consolidated statement of financial position at 31 December 2024

Thousands of euros

Assets	Note	31 Dec. 2024	31 Dec. 2023
Non-current assets			
Intangible assets	6	492,182	826,267
Property, plant and equipment	7	9,753,148	9,990,817
Investment properties	9	558	558
Investments accounted for using the equity method	10	803,500	969,177
Non-current financial assets	18	445,092	341,014
At fair value through other comprehensive income		76,194	78,196
At fair value through profit or loss		17,696	12,884
At amortised cost		351,202	249,934
Non-current derivatives	19	20,984	83,982
Deferred tax assets	22	30,937	46,253
Other non-current assets		1,023	4,682
Total non-current assets		**11,547,424**	**12,262,750**
Current assets			
Non-current assets held for sale	5	1,242,539	–
Inventories	11	97,741	61,252
Trade and other receivables	12	1,259,065	1,444,934
Trade receivables		16,749	73,149
Other receivables		1,240,951	1,162,584
Current tax assets	22	1,365	209,201
Other current financial assets	18	33,618	39,243
At amortised cost		33,618	39,243
Current derivatives	19	20,194	1,251
Cash and cash equivalents		889,638	675,417
Total current assets		**3,542,795**	**2,222,097**
Total assets		**15,090,219**	**14,484,847**

The accompanying notes 1 to 34 and Appendix I are an integral part of these consolidated financial statements.

Redeia Corporación, S.A. and subsidiaries
Consolidated statement of financial position at 31 December 2024

Thousands of euros

Liabilities and equity	Note	31 Dec. 2024	31 Dec. 2023
Equity			
Capital and reserves		5,307,863	5,453,324
Capital		270,540	270,540
Reserves		4,288,747	4,159,889
Own shares (-)		(11,780)	(19,496)
Profit for the year attributable to equity holders of the parent		368,438	689,640
Interim dividend (-)		(108,082)	(147,249)
Other equity instruments		500,000	500,000
Valuation adjustments		(153,906)	(44,564)
Financial assets at fair value through other comprehensive income		9,592	11,594
Hedging transactions		6,728	7,724
Translation differences		(170,226)	(63,882)
Equity attributable to equity holders of the parent		**5,153,957**	**5,408,760**
Equity attributable to non-controlling interests		**106,111**	**120,297**
Total equity	13	**5,260,068**	**5,529,057**
Non-current liabilities			
Grants and other items	14	1,121,850	945,097
Non-current provisions	15	123,368	134,473
Non-current financial liabilities	18	5,143,185	5,244,976
Bank borrowings, notes and other marketable securities		5,131,362	5,166,765
Other non-current financial liabilities		11,823	78,211
Deferred tax liabilities	22	363,076	378,533
Non-current derivatives	19	10,824	14,958
Other non-current liabilities	16	58,062	134,849
Total non-current liabilities		**6,820,365**	**6,852,886**

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Redeia Corporación, S.A. and subsidiaries

Consolidated statement of financial position at 31 December 2024 / continued

Thousands of euros

Liabilities and equity	Note	31 Dec. 2024	31 Dec. 2023
Current liabilities			
Liabilities associated with assets held for sale	5	478,532	–
Current provisions	15	3,172	30,606
Current financial liabilities	18	1,859,172	1,398,621
Bank borrowings, notes and other marketable securities		1,269,950	567,977
Other current financial liabilities		589,222	830,644
Trade and other payables	20	668,910	671,189
Trade payables		397,250	406,915
Other payables		260,473	251,797
Current tax liabilities	22	11,187	12,477
Current derivatives	19	–	2,488
Total current liabilities		**3,009,786**	**2,102,904**
Total equity and liabilities		**15,090,219**	**14,484,847**

The accompanying notes 1 to 34 and Appendix I are an integral part of these consolidated financial statements.

Redeia Corporación, S.A. and subsidiaries
Consolidated statement of profit or loss for the year ended 31 December 2024

Thousands of euros

	Note	31 Dec. 2024	31 Dec. 2023 (*)
Revenue	23.a	1,594,204	1,818,791
Self-constructed assets	6 & 7	62,831	57,269
Share of profits of equity-accounted investees (with similar businesses to that of the Group)	10	53,298	61,106
Cost of sales	23.c	(24,512)	(38,589)
Other operating income	23.b	106,111	65,023
Employee benefits expense	23.d	(180,557)	(178,002)
Other operating expenses	23.c	(401,259)	(403,784)
Depreciation and amortisation	6, 7 & 9	(461,691)	(438,744)
Release of grants related to non-financial assets and other grants	14	13,284	13,007
Impairment of and gains/(losses) on disposal of fixed assets	7	(349)	1,245
Operating profit		**761,360**	**957,322**
Finance income	23,e	59,988	49,049
Finance costs	23,e	(143,572)	(121,170)
Change in fair value of financial instruments		(165)	3,056
Exchange gains/(losses)		(1,978)	(3,050)
Net finance cost		**(85,727)**	**(72,115)**
Profit before tax		**675,633**	**885,207**
Income tax	22	(148,791)	(195,072)
Profit/(loss) for the year from continuing operations		**526,842**	**690,135**
Profit/(loss) after tax for the year from discontinued operations	5	**(138,245)**	**29,538**
Profit for the year		**388,597**	**719,673**
A) Profit for the year attributable to equity holders of the parent		**368,438**	**689,640**
A.1) Profit for the year from continuing operations attributable to equity holders of the parent	5	498,760	662,777
A.2) Profit/(loss) for the year from discontinued operations attributable to equity holders of the parent	5	(130,322)	26,863
B) Profit for the year attributable to non-controlling interests	13	**20,159**	**30,033**
B.1) Profit for the year from continuing operations attributable to non-controlling interests	5	28,082	27,358
B.2) Profit/(loss) for the year from discontinued operations attributable to non-controlling interests	5	(7,923)	2,675
Earnings per share (euros)			
Basic earnings per share (euros)	32	0.68	1.28
Diluted earnings per share (euros)	32	0.68	1.28

The accompanying notes 1 to 34 and Appendix I are an integral part of these consolidated financial statements.

(*) The consolidated statement of profit or loss for 2023 has been restated to reflect the impact of the business classified as a discontinued operation in 2024 under IFRS 5, as outlined in notes 1 and 5.

Redeia Corporación, S.A. and subsidiaries

Consolidated statement of changes in equity for the year ended 31 December 2024

Thousands of euros

Equity	Note	Share capital	Reserves	Interim dividend	Other equity instruments	Own shares	Profit for the year attributed to equity holders of the parent	Valuation adjustments	Equity attributable to equity holders of the parent	Equity attributable to non-controlling interests	Total equity
Balance at 1 January 2023		**270,540**	**4,064,486**	**(147,143)**	**–**	**(26,296)**	**664,731**	**(36,783)**	**4,789,535**	**104,741**	**4,894,276**
1. Other comprehensive income		–	2,946	–	–	–	689,640	(7,781)	684,805	29,124	713,929
II. Transactions with shareholders or owners		–	(1,023)	(147,249)	500,000	6,800	(392,437)	–	(33,909)	(13,565)	(47,474)
- Dividend distribution	14	–	–	(147,249)	–	–	(392,437)	–	(539,686)	(29,735)	(569,421)
- Transactions with own shares	14	–	(1,023)	–	–	6,800	–	–	5,777	–	5,777
- Other transactions with shareholders and owners	14	–	–	–	500,000	–	–	–	500,000	16,170	516,170
III. Other changes in equity		–	93,480	147,143	–	–	(272,294)	–	(31,671)	(3)	(31,674)
- Transfers between equity items		–	125,151	147,143	–	–	(272,294)	–	–	–	–
- Other changes	14	–	(31,671)	–	–	–	–	–	(31,671)	(3)	(31,674)
Balance at 31 December 2023		**270,540**	**4,159,889**	**(147,249)**	**500,000**	**(19,496)**	**689,640**	**(44,564)**	**5,408,760**	**120,297**	**5,529,057**
Balance at 1 January 2024		**270,540**	**4,159,889**	**(147,249)**	**500,000**	**(19,496)**	**689,640**	**(44,564)**	**5,408,760**	**120,297**	**5,529,057**
1. Other comprehensive income		–	(1,876)	–	–	–	368,438	(109,342)	257,220	20,249	277,469
II. Transactions with shareholders or owners		–	(441)	(108,082)	–	7,716	(392,718)	–	(493,525)	(34,435)	(527,960)
- Dividend distribution	14	–	–	(108,082)	–	–	(392,718)	–	(500,800)	(34,435)	(535,235)
- Transactions with own shares	14	–	(441)	–	–	7,716	–	–	7,275	–	7,275
- Other transactions with shareholders and owners	14	–	–	–	–	–	–	–	–	–	–
III. Other changes in equity		–	131,175	147,249	–	–	(296,922)	–	(18,498)	–	(18,498)
- Transfers between equity items		–	149,673	147,249	–	–	(296,922)	–	–	–	–
- Other changes	14	–	(18,498)	–	–	–	–	–	(18,498)		(18,498)
Balance at 31 December 2024		**270,540**	**4,288,747**	**(108,082)**	**500,000**	**(11,780)**	**368,438**	**(153,906)**	**5,153,957**	**106,111**	**5,260,068**

The accompanying notes 1 to 34 and Appendix I are an integral part of these consolidated financial statements.

Redeia Corporación, S.A. and subsidiaries
Consolidated statement of comprehensive income for the year ended 31 December 2024

Thousands of euros

	Note	31 Dec. 2024	31 Dec. 2023 (*)
A) Profit for the year (as per statement of profit or loss)		**388,597**	**719,673**
B) Other comprehensive income - Items that will not be reclassified to profit or loss in subsequent periods:		**(3,788)**	**(3,285)**
Actuarial gains/(losses)	15	(2,381)	4,071
Equity instruments at fair value through other comprehensive income	18	(2,002)	(6,338)
Tax effect		595	(1,018)
C) Other comprehensive income - Items that may be reclassified to profit or loss in subsequent periods:		**(107,340)**	**(2,459)**
Hedging transactions:	20	(10,825)	(13,837)
a) Valuation gains/(losses)		(20,596)	(14,691)
b) Amounts reclassified to profit or loss		9,771	854
Translation differences:		(106,344)	10,418
a) Valuation gains/(losses)		(106,344)	10,418
Share of other comprehensive income of joint ventures and associates		7,123	(2,499)
a) Valuation gains/(losses)	10	7,123	(2,499)
Tax effect		2,706	3,459
Total comprehensive income for the period (A + B + C)		**277,469**	**713,929**
a) Attributable to equity holders of the parent		**257,220**	**684,805**
Continuing operations		416,777	643,800
Discontinued operations		(159,557)	41,005
b) Attributable to non-controlling interests		**20,249**	**29,124**
Continuing operations		28,172	26,449
Discontinued operations		(7,923)	2,675

The accompanying notes 1 to 34 and Appendix I are an integral part of these consolidated financial statements.

(*) The consolidated statement of comprehensive income for 2023 has been restated to reflect the impact of the business classified as a discontinued operation in 2024 under IFRS 5, as outlined in notes 1 and 5.

Redeia Corporación, S.A. and subsidiaries

Consolidated statement of cash flows for the year ended 31 December 2024

Thousands of euros

	Note	31 Dec. 2024	31 Dec. 2023 (*)
Net cash flows from operating activities		**955,629**	**382,734**
Profit before tax		**675,633**	**885,207**
Adjustments to reconcile profit before tax to net cash flows:		**459,660**	**431,795**
Depreciation and amortisation	7, 8 & 10	461,691	438,744
Other adjustments (net)		(2,031)	(6,949)
Share of profit of equity-accounted investees		(53,298)	(61,106)
Gains/losses on disposal/impairment of non-financial assets and financial instruments		514	(864)
Accrual of finance income	24.e	(59,988)	(49,049)
Accrual of finance costs	24.e	143,572	121,170
Recognition/reversal of provisions	12, 14 & 16	9,266	17,810
Release of grants related to assets and other grants	15	(30,605)	(27,163)
Other income and expenses	17	(11,492)	(7,747)
Changes in working capital		**(231,736)**	**(644,632)**
Changes in inventories, receivables, current prepayments and other current assets		(127,486)	(76,632)
Changes in trade payables, current contract liabilities and other current liabilities		(104,250)	(568,000)
Other cash flows from/(used in) operating activities:		**52,072**	**(289,636)**
Interest paid		(124,041)	(138,028)
Dividends received	24.e	54,088	6,948
Interest received		54,133	45,949
Income tax received/(paid)		71,314	(199,987)
Other operating activity receipts/(payments)		(3,422)	(4,518)
Provisions settled		(3,422)	(4,518)

The accompanying notes 1 to 34 and Appendix I are an integral part of these consolidated financial statements.

Continued on the next page

(*) The consolidated statement of cash flows for 2023 has been restated to reflect the impact of the business classified as a discontinued operation in 2024 under IFRS 5, as outlined in notes 1 and 5.

Redeia Corporación, S.A. and subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2024 / continued

Thousands of euros

	Note	31 Dec. 2024	31 Dec. 2023 (*)
Net cash flows used in investing activities		**(947,376)**	**(29,353)**
Payments for investments		**(2,750,281)**	**(1,563,398)**
PP&E, intangible assets and investment properties	6, 7 & 9	(1,078,626)	(877,563)
Group companies, associates and business units	11	(1,845)	(1,082)
Other financial assets	18	(1,669,810)	(684,753)
Proceeds from disposals		**1,522,350**	**1,316,927**
PP&E, intangible assets and investment properties	6, 7 & 9	–	2,400
Other financial assets	18	1,522,350	1,314,527
Other cash flows from investing activities	14	**280,555**	**217,118**
Other proceeds from investing activities	14	280,555	217,118
Net cash flows from/(used in) financing activities		**324,460**	**(516,586)**
Proceeds from and payments for equity instruments:	13	**7,275**	**516,499**
Issuance		–	510,720
Disposal		7,275	5,779
Proceeds from/(repayment) of financial liabilities	18	**848,130**	**(459,264)**
Issuance and disposal		1,237,588	170,374
Repayment		(389,458)	(629,638)
Dividends and payments on other equity instruments	13	**(572,474)**	**(565,451)**
Other cash flows from/(used in) financing activities		**41,529**	**(8,370)**
Other proceeds from/(payments for) financing activities		41,529	(8,370)
Net foreign exchange difference		**1,397**	**2,846**
Net increase/(decrease) in cash and cash equivalents - Continuing operations		**334,110**	**(160,359)**
Cash and cash equivalents at 1 January - Continuing operations		**555,528**	**715,886**
Cash and cash equivalents at 31 December - Continuing operations		**889,638**	**555,528**
Net (decrease)/increase in cash and cash equivalents - Discontinued operations		**(17,217)**	**40,952**
Cash and cash equivalents at 1 January - Discontinued operations		**119,889**	**78,938**
Cash and cash equivalents at 31 December - Discontinued operations		**102,672**	**119,889**

The accompanying notes 1 to 34 and Appendix I are an integral part of these consolidated financial statements.

(*) The consolidated statement of cash flows for 2023 has been restated to reflect the impact of the business classified as a discontinued operation in 2024 under IFRS 5, as outlined in notes 1 and 5.

Consolidated Annual Accounts

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App. I Breakdown of equity investments at 31 December 2024 and 2023 / 130

In order to make it easier to understand the information provided in this document, certain alternative performance measures have been included. The definition of those alternative performance measures can be retrieved from: https://www.redeia.com/en/shareholders-and-investors/financial-information/alternative-performance-measures

1 Activities of the Group companies

Redeia Corporación, S.A. (formerly, Red Eléctrica Corporación, S.A.) changed its registered name in 2023. It is the parent (hereinafter, the Parent or the Company) of a Group of subsidiaries. The Group also has investments in joint operations together with other venturers. The Parent and its subsidiaries comprise Redeia (hereinafter, the Group or Redeia). The Company's registered office is located at Paseo del Conde de los Gaitanes, 177, Alcobendas (Madrid) and its shares are traded on the Spanish stock exchange as part of the IBEX 35 index of blue chip stocks.

The Group's business is articulated around three main segments:

- **Management and operation of national electricity infrastructure:** this includes the transmission of electricity, operation of the system and management of the Spanish electricity transmission grid. These activities are carried out by Red Eléctrica de España S.A.U. (hereinafter, Red Eléctrica), which is Spain's transmission and system operator (TSO).

- **Management and operation of international electricity infrastructure:** the Group carries out electricity transmission activities outside of Spain through Red Eléctrica Internacional S.A.U. and its investees (hereinafter, Redinter).

- **Telecommunications (satellites and fibre optic):** The Group provides telecommunications services to third parties through Redeia Infraestructuras de Telecomunicación, S.A., mainly via the lease of its dark fibre backbone network and through the Hispasat subgroup (hereinafter, Hispasat), which operates satellites. As disclosed in note 5, at year-end 2024, the Group classified its satellite communications business, carried out by Hispasat, as a discontinued operation, so that the assets and liabilities associated with that subgroup, which do not yet qualify for recognition as a completed sale, are presented as non-current assets held for sale and the earnings of that subgroup are classified within discontinued operations, as prescribed in IFRS 5 - Non-current assets held for sale and discontinued operations.

In addition, the Group carries out activities designed to stimulate and accelerate technological innovation through Elewit S.A.U.

Through its subsidiaries, the Group also carries out activities aimed at financing its businesses and hedging its risks by reinsuring its assets and activities. Lastly, it develops and builds electricity infrastructure and plant through its subsidiaries and investees, Red Eléctrica Infraestructuras en Canarias, S.A.U. and Interconexión Eléctrica Francia-España, S.A.S. (Inelfe).

Appendix I itemises the business activities and registered offices of the Parent and its subsidiaries, indicating the Parent's direct and indirect shareholdings in its various investees.

2 Basis of Presentation of the Consolidated Annual Accounts

a) General information

The accompanying consolidated financial statements were authorised for issue by the directors of the Parent and have been prepared to present fairly the equity and financial position of the Company and its subsidiaries at 31 December 2024, as well as its financial performance, cash flows and the changes in its equity, all of which on a consolidated basis, for the year then ended.

These consolidated financial statements, which were authorised for issue at a meeting of the Parent's Board of Directors on 25 February 2025, were prepared from the individual accounting records of the Company and the rest of the Group companies, which together form Redeia (Appendix I). Each company prepares its separate financial statements using the principles and criteria in effect in the country in which they operate; accordingly, uniformity adjustments and reclassifications are made upon consolidation to align these principles and criteria with the International Financial Reporting Standards adopted by the EU (IFRS-EU). The accounting policies used by the consolidated companies are adjusted as necessary to ensure uniformity with those applied by the Company.

The 2023 consolidated financial statements were approved at the Annual General Meeting held on 4 June 2024. The 2024 consolidated financial statements are pending ratification at the Annual General Meeting. However, the Parent's Board of Directors expects them to be approved without modification.

These consolidated financial statements were prepared using the historical cost convention, except with respect to the accounting of financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

These consolidated financial statements are presented in thousands of euros, rounded to the nearest thousand, which is the functional and presentation currency of the Parent, and were prepared in accordance with IFRS-EU and other applicable financial reporting rules.

No mandatory accounting policy with a significant effect on the consolidated financial statements has been omitted.

b) New standards and amendments to IFRS-EU

The consolidated financial statements were prepared under IFRS-EU and consider the standards, amendments and interpretations adopted by the European Union:

Effective since	IFRS-EU amendments
1 January 2024	Amendments to IAS 1 *Presentation of financial statements - Non-current liabilities with covenants*
	Amendments to IAS 7 and IFRS 7 - *Supplier finance arrangements*
	Amendments to IFRS 16 *Leases - Lease liability in a sale and leaseback*

- **Amendments to IAS 1:** Clarifications regarding how entities classify liabilities as current or non-current; in particular, how an entity makes that distinction when settlement is subject to compliance with covenants.
- **Amendments to IAS 7 and IFRS 7:** These amendments introduce specific disclosure requirements for supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The new disclosures required under these amendments are provided in note 20.
- **Amendments to IAS 16:** These amendments clarify the subsequent measurement of lease liabilities arising from sale and leaseback transactions.

The above-listed amendments have not had a material impact on the preparation of the accompanying consolidated financial statements.

The Group is also assessing the impact of the improvements issued and approved for application in the European Union from 1 January 2025:

Effective since	Amendments
1 January 2025	Amendments to IAS 21 - *Lack of exchangeability*

These amendments are not expected to have a significant effect on the annual consolidated financial statements in which their application is mandatory.

c) Use of estimates and assumptions

Preparation of the consolidated financial statements in accordance with IFRS-EU requires the Group's management to use judgement and make estimates and assumptions that affect application of its accounting policies and the recognised amounts of assets, liabilities, income and expenses. The estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. Actual results may differ from these estimates.

The 2024 consolidated financial statements make occasional use of estimates made by the Group and consolidated companies' management, which are later ratified by their directors, in order to quantify certain of the assets, liabilities, income, expenses and obligations recognised therein.

Essentially, those estimates refer to:

- Estimation of the recoverability of assets by calculating their recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use. Asset impairment is generally calculated by discounting cash flows based on the financial projections used by the Group. The discount rate used is the weighted average cost of capital *(notes 6, 7 and 10)*.

- Estimation of the useful lives of property plant and equipment, intangible assets and investment properties *(notes 4.c, 4.d and 4.e)*.

- The assumptions used in actuarial calculations *(note 15)*.

- The assumptions used to calculate the fair value of derivatives *(note 19)*.

- The calculation of revenue from TSO activities in Spain *(note 3)*.

- The assumptions used to calculate the fair value of non-current assets held for sale and the associated non-current liabilities *(note 5)*.

As a general rule, liabilities are recognised when it is considered probable that an obligation will result in an outflow of resources. The Group assesses and estimates the amounts payable in the future, including those corresponding to income tax, contractual obligations, the settlement of outstanding lawsuits or other obligations. These estimates require interpreting current events and circumstances, projecting future developments and estimating what financial impacts those events will have *(note 15)*. The Group has insurance coverage against third-party claims that could arise in the ordinary course of its business activities.

In the event that IFRS-EU does not specify the accounting treatment for a specific transaction, management, in accordance with IAS 8, relies on its best judgement, based on the economic substance of the transaction and the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards. Specifically, as tax credits given for investments are outside the scope of IAS 12 and IAS 20, the Group's management, having analysed all existing facts and circumstances, has determined that the tax credits for investments in fixed assets in the Canary Islands awarded to the Group by the public authorities are equivalent to a grant related to assets, and so accounts for them applying IAS 20 Government grants *(note 4.k)*.

For a better understanding of the consolidated financial statements, the various estimates and assumptions made are outlined in each note.

Although the estimates were made on the basis of the best information available at 31 December 2024 regarding the facts analysed, future events could make it necessary to revise them (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively in accordance with IFRS-EU, recognising the effects of any change in estimates in the related consolidated statement of profit or loss.

d) Basis of consolidation

The types of investees consolidated by the Group and the consolidation methods used for each are detailed next:

Subsidiaries

Subsidiaries are investees over which the Company exercises control either directly or indirectly via other subsidiaries. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with it and has the ability to affect those returns through its power over the investee. The Company is deemed to have power over an investee when it has existing rights that give it the current ability to direct its relevant activities. The Company is exposed, or has rights, to variable returns from its involvement with the investee when the returns obtained from its involvement have the potential to vary as a result of the entity's performance.

Subsidiaries' income, expenses and operating cash flows are consolidated from the acquisition date, i.e., the date on which the Group obtains effective control over them. Subsidiaries are deconsolidated from the date on which such control is relinquished.

Intragroup balances and transactions have been eliminated in full upon consolidation, as have unrealised profits and losses from intragroup transactions. However, unrealised losses are deemed an indication of the potential impairment of the assets sold.

Joint arrangements

Joint arrangements are those in which control over an economic activity is contractually shared, which means that the key decisions relating to the activity require the unanimous consent of the Group and the other venturers. The existence of control is assessed using the definition of control used to classify a subsidiary.

For each joint arrangement the Group assesses all of the facts and circumstances in order to classify it as a joint venture or a joint operation, specifically considering whether the joint arrangement gives the venturers rights to assets and obligations for the liabilities relating to the arrangement.

A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement. For these investments, the Group's consolidated financial statements recognise its assets, including its share of the assets held jointly; its liabilities, including its share of any liabilities incurred jointly with the other venturers; its revenue from the sale of its share of the output arising from the joint operation; and its expenses, including its share of any expenses incurred jointly.

Joint ventures are joint arrangements in which control over an economic activity is contractually shared and the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The Group's interests in joint ventures are accounting for using the equity method prescribed in IFRS 11.

When the Group acquires an interest in a joint operation whose activity constitutes a business, it applies the relevant principles on business combinations accounting, recognising the Group's share of the operation's individual assets and liabilities. However, in subsequent acquisitions of additional interests in a joint operation, its previously held interest in the individual assets and liabilities is not remeasured.

In a sale or contribution of assets by the Group to a joint operation, the Group recognises the resulting gains and losses only to the extent of the other parties' interests in the joint operation, unless the transactions provide evidence of a reduction in net realisable value of the assets to be sold or contributed or of an impairment loss of those assets, in which case the losses are recognised in full by the Group.

In a purchase of assets by the Group from a joint operation, the Group only recognises its share of the resulting gains or losses when it resells those assets to a third party, unless the losses provide evidence of a reduction in the net realisable value of the assets to be purchased or of an impairment loss of those assets, in which case the Group recognises the losses in full.

Associates

Associates are investees over which the Company exercises significant influence, either directly or indirectly through subsidiaries. Significant influence is the power to participate in the financial and operating policy decisions of an investee but is not control or joint control over those policies. In assessing whether it has significant influence, the Group considers the existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity.

Investments in associates are accounted for using the equity method from the date on which significant influence is obtained until the date on which the Company can no longer justify its continuing existence. If, however, on the acquisition date, some or all of the investment qualifies for classification as a non-current asset or disposal group held for sale, it is recognised at fair value less costs of disposal.

Investments in associates are initially recognised at acquisition cost, including any directly attributable acquisition costs and any contingent consideration that depends on future events or delivery of certain conditions. If the cost of the acquisition is higher than the Group's share of the acquisition-date fair value of the identifiable net assets of the associate, the difference is recognised as goodwill within investments accounted for using the equity method in the consolidated statement of financial position. If the cost of the acquisition is less than the Group's share of the acquisition-date fair value of the identifiable net assets of the associate (i.e., a bargain acquisition), the gain is recognised in profit and loss in the period in which the associate is acquired.

The Group classifies its share of these investees' profits within operating profit when their activity is similar to the Group's operating activities. If not, its share of their earnings is classified outside of operating profit.

Appendix I itemises the Company's investments in subsidiaries, joint arrangements and associates, the method used to account for them in these consolidated financial statements and other relevant information.

The separate financial statements of the subsidiaries, joint ventures, joint operations and associates used in the consolidation process relate to the same date and period as those of the Parent.

The following basic consolidation principles were used to account for the Parent's and its subsidiaries' transactions:

- Uniformity adjustments were made to the accounting principles and criteria used by the Group companies to align them with those used by the Parent.
- Translation of the financial statements of foreign operations:
  - The financial statements of foreign operations were translated to euros using the closing exchange rate for their assets and liabilities, the average exchange rate for items of income and expense and the historical exchange rate for equity items.
  - All resulting exchange differences were recognised as translation differences in other comprehensive income.
  - The same criteria are used to translate the financial statements of the companies accounted for using the equity method, with the Group's share of any translation differences recognised in other comprehensive income.
- All transactions between fully-consolidated companies and the resulting year-end balances were eliminated on consolidation.
- Profits or losses resulting from intragroup transactions that are recognised in assets were eliminated in full.

e) Non-controlling interests

For each business combination, the Group measures, at the acquisition date, components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation at either: (a) fair value; or (b) the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Non-controlling interests are presented as a separate line item in equity under equity attributable to non-controlling interests.

Non-controlling interests' share of the Group's profit for the year is presented in the consolidated statement of profit or loss as a separate line item under profit for the year attributable to non-controlling interests.

Transactions with non-controlling interests are recognised as transactions with owners of the Group. Accordingly, in acquisitions of non-controlling interests, the difference between the consideration paid and the corresponding share of the carrying amount of the subsidiary's net assets is recognised in equity. Likewise, any gains or losses on the sale of non-controlling interests are recognised in the Group's equity.

f) Comparative information

For comparative purposes, the information contained in these annual consolidated financial statements is presented not only for the current year but also for the previous year.

As outlined in note 5, the consolidated statement of profit or loss, the consolidate statement of comprehensive income and the consolidated statement of cash flows for 2023 provided in the annual consolidated financial statements for comparative purposes have been restated for uniformity purposes, specifically to reflect the classification of the satellite telecommunications business as a discontinued operation.

g) Changes in the scope of consolidation

The changes in the scope of consolidation in 2024:

- In September 2024, Elewit, S.A.U. acquired 94.94% of SAFEDELIMIT, S.A.U., a company set up to carry out the project selected under the umbrella of Redeia's First Intrapreneurship Programme. This investee is fully consolidated.

- In June 2024, Elewit, S.A.U. acquired a 17.04% interest in Unusuals World, S.L., adding this investee to its consolidation scope due to the existence of significant influence. This investee is consolidated using the equity method.

- In May 2024, the loss of significant influence over Nearby Computing, S.L. triggered the derecognition of that investment, which is now accounted for in the accompanying consolidated statement of financial position as a financial asset at fair value through profit and loss ***(note 10)***.

- Axess Networks Solutions Arabia Saudita, S.L. (an equity investment held through Axess Networks Solutions, S.L.U.) was liquidated in March 2024.

- Axess Networks Solutions, S.L.U. was merged into Hispasat, S.A. in June 2024.

The changes in the scope of consolidation in 2023:

- Liquidation of the Axess subgroup companies:

- Axesat Mobility S.A. de C.V. (held through Axess Networks Solutions México S.A. de C.V.) in August 2023.

- Ingux S.A. (held through Axess Networks Solutions Colombia S.A.S.) in September 2023.

- Axess Saudi Arabian Telecommunications Company (investee accounted for using the equity method through Axess Networks Solutions Arabia Saudita S.L.) in December 2023.

- In November 2023, a new company, Compañía Operadora de Infraestructuras Eléctricas, S.A. (COIESA), 50%-owned by each of Red Eléctrica Chile, SpA and Engie Energía Chile SA., was incorporated to jointly operate a control centre in Chile. This investee is consolidated using the equity method.

3 Sector regulations

a) The electricity sector in Spain

The Spanish electricity sector's general regulatory framework is that established in Law 24/2013 of 26 December, hereinafter the Electricity Sector Act or the Act. Specifically, it sets out the following regulatory framework for the activities carried out by Red Eléctrica:

- For transmission, the Act recognises Red Eléctrica as the sole transmission agent, an activity it carries out on an exclusive basis.

  The Spanish government sets the remuneration for this activity based on the general principles defined in the Act and the methodology essentially implemented in Spain's National Markets and Competition Commission (CNMC for its acronym in Spanish) Circular 5/2019 of 5 December 2019, which establishes the methodology for calculating the remuneration applicable to electricity transmission.

  Other remuneration parameters for the new model were established for the current regulatory period (2020-2025) in the following regulations: (i) Circular 2/2019, which establishes the methodology for calculating the financial rate of return for electricity transmission and distribution, regasification and natural gas transmission and distribution; and (ii) Circular 7/2019, which approves the standard facilities and reference unit values for operation and maintenance per asset used to calculate the remuneration assigned to owners of electricity transmission facilities. Regarding the investment reference unit values that were in force in the previous regulatory period, established by Ministry of Industry, Energy and Tourism Order IET/2659/2015, the Circular extended them for the 2020-2025 period.

Order IET/981/2016 established the definitive regulated revenue for transmission for the first year of application of Royal Decree 1047/2013; i.e. 2016. Subsequently, regulated revenue was established provisionally from 2017 to 2024, extending the amount of remuneration established for 2016 and establishing settlements on account.

The reason for using provisional amounts was because of the "detriment proceedings" brought by the Spanish General State Administration against Order IET/981/2016 requesting that Spain's Supreme Court declare certain of its articles null and void so that definitive revenue for 2016 could be corrected. The Supreme Court's ruling was published on 29 June 2020, requiring Order IET/981/2016 and revenue for 2016 to be corrected.

To enforce this ruling, the Ministry published Order TED/1311/2022, establishing Red Eléctrica's definitive remuneration for 2016. After establishing the definitive remuneration for 2016, the Ministry approved Order TED/1343/2022 of 23 December 2022 establishing the remuneration for 2017, 2018 and 2019 for electricity transmission facility owners.

The CNMC then approved resolutions establishing the remuneration of electricity transmission facility owners for 2020 and 2021 after this authority was attributed to it via Royal Decree-Law 1/2019.

Therefore, the CNMC had yet to publish the definitive remuneration for 2022, 2023 and 2024 at the end of the reporting period.

- As the operator of the Spanish electricity system, the Company's main duty is to ensure the continuity and security of electricity supply and guarantee the correct coordination of the production and transmission system. It exercise its duties in conjunction with the operators and agents of the Iberian Electricity Market (MIBEL), framed by the principles of transparency, objectivity and independence.

Law 24/2013 also attributes the function of transmission grid manager to the system operator. The process for designating Red Eléctrica as the Spanish electricity system's transmission grid manager, as provided for in the Act, was completed in 2015. Pursuant to this designation, Red Eléctrica operates under the framework of ownership unbundling provided for in article 43 of Directive (EU) 2019/944 on common rules for the internal market for electricity.

Red Eléctrica has also been assigned the functions of settlement, notification of payments and receipts and management of guarantees relating to security of supply and of effective imbalances between generation and consumption units, as well as short-term energy exchanges aimed at maintaining quality and security of supply.

It also oversees the technical and economic dispatch for electricity supply from non-mainland electricity systems (i.e., the Balearic Islands, the Canary Islands, Ceuta and Melilla) and the settlement of payments and receipts arising from the economic dispatch of electricity generated by these systems.

Following publication of Royal Decree-Law 1/2019, the CNMC established the first methodology for remunerating system operation via Circular 4/2019. The core principle underlying this remuneration model is to provide a suitable return for a low-risk activity, considering those costs prudently incurred by an efficient and well-managed company. The CNMC has applied the remuneration methodology provided for in Circular 4/2019 to establish the remuneration of the system operator since 2020. Based on the experience gained, the methodology was updated via the publication of CNMC Circular 1/2023 of 7 February 2023.

Nonetheless, it is the Ministry for the Ecological Transition and Demographic Challenge (hereinafter, the Ministry) that holds the authority to approve the methodology for calculating the system operator's remuneration for 2014-2019. In the absence of such methodology, the annual remuneration provided for in successive ministerial orders approving the electricity access tolls for the 2014-2019 period was provisional. The aim was to adjust the amounts set out in these orders once the Ministry had approved the methodology. In 2021, the Ministry submitted for public consultation the draft Royal Decree outlining the methodology for calculating the remuneration of the system operator applicable to each year of the specified period.

As for the functions assigned to Red Eléctrica in respect of the non-mainland electricity systems, Law 17/2013 stipulates that ownership of pumped-storage hydropower facilities in those systems, to the extent their main purpose is to guarantee supply and system security and the integration of non-manageable renewable energies, should be attributed to the system operator. This regulatory framework was validated by the European Commission in Commission Decision (EU) 2024/560.

Consequently, in 2015, the 200-MW pumped-storage hydropower facility in Salto de Chira in Gran Canary Island was transferred to the system operator, as required by Order IET/728/2014 of 28 April 2014. After taking ownership, in 2016, Red Eléctrica submitted a project to amend the original project that included technical and environmental enhancements aimed at increasing the capacity for integrating renewable energy and reducing the environmental impact of this new infrastructure.

On 17 December 2022, Order TED/1243/2022 of 2 December 2022 was published, approving the methodology for calculating the remuneration for the 200-MW pumped-storage hydropower facility in Salto de Chira in Gran Canary Island owned by the system operator. Under this methodology, the facility's total cost is calculated considering certain remuneration parameters: the facility's investment value the year it is commissioned; the unit value of variable operation and maintenance costs; and the unit value of the annual payment for fixed operation and maintenance costs.

Against the backdrop of that general regulatory framework, the regulatory developments of greatest relevance for Red Eléctrica's transmission activities in 2024 were:

- The Secretary of State for Energy Resolution of 22 April 2024, amending certain specific aspects of the so-called Plan for the Development of the Electricity Transmission Network, 2021-2026. The amendments imply additional investments of 489 million euros with respect to the original plans dated to 2022. As a result, the total amount of investments contemplated under that plan increased from the originally approved 6.96 billion euros to 7.45 billion euros.

- Work has already begun on the new plan, which will cover 2025-2030, with publication of Ministerial Order TED/1375/2023 of 21 December 2023, initiating the procedure for making proposals for the development of the electricity transmission network through to 2030.

- CNMC Resolution of 4 April 2024, establishing the remuneration assigned to owners of electricity transmission facilities for 2021. In the case of Red Eléctrica, that remuneration amounts to 1.46 billion euros.

- CNMC Resolution of 27 June 2024, establishing the adjustment to be made to the remuneration of electricity transmission and distribution companies for 2020 to 2024 for the use of fibre optics in performing different activities.

- Ministerial Order TED/1193/2024, establishing energy policy guidelines for the CNMC in relation to the methodology for calculating the financial rate of return applicable to electricity transmission and distribution, regasification, and natural gas transportation and distribution.

- As for regulations currently in process, note that the consultation process concerning the circular establishing the financial rate of return is expected to start soon with the circular itself slated for approval by the last quarter of 2025.

As for the regulatory developments affecting system operation:

- Royal Decree-Law 4/2024 of 26 June 2024 extends certain measures implemented to address the economic and social consequences of the conflicts in Ukraine and the Middle East. This Royal Decree-Law amends the Electricity Sector Act (Law 24/2013) in order to assign a new function to the system operator regarding the collection and handling of dynamic information from electric charging stations.

- CNMV Circular 1/2024 of 27 September 2024, establishing the methodology and terms of access and connection to the electricity transmission and distribution demand-side facilities.

Additional pieces of regulation of relevance for the sector implemented in 2024 include the updated 2023-2030 Integrated National Energy and Climate Plan (NECP), making the plan targets more ambitious, and Royal Decree 962/2024 of 24 September 2024, regulating the production of electricity from renewable sources at offshore facilities.

b) International electricity sector regulations

Redinter has built and acquired electricity transmission facilities which it currently operates and maintains in the Peruvian, Chilean and Brazilian electricity systems.

The electricity sector in Peru

In Peru, electricity sector liberalisation began in 1992 with the publication of the Electricity Concessions Law (LCE). The shaping of the electricity sector was subsequently completed by the 2006 reforms (Law 28832, Law for the Efficient Development of Electricity Generation, LGE).

These two laws and certain amendments and/or extensions, together with the Regulation implementing the LCE (Supreme Decree No. 009-93-EM enacted in 1993), make up the basic regulatory framework governing the electricity sector in Peru.

The basic regulatory framework for the transmission activity also includes the Transmission Regulation (Supreme Decree No. 027-2007-EM). Other key regulatory developments instituted by the regulatory agency OSINERGMIN include the Resolutions approving the annual settlement procedure for electricity transmission service revenue (Resolutions No. 055-2020-OS/CD and No. 056-2020-OS/CD), as well as Resolution No. 217-2013-OS/CD, regulating Tariffs and Remuneration for Secondary Transmission Systems (STS) and Complementary Transmission Systems (CTS).

In transmission, the 2006 reforms (LGE) entailed the introduction of auctions as a mechanism for awarding contracts to construct new facilities in the backbone transmission network. The auction procedure required the development of an energy planning process, which did not exist prior to the publication of the LGE.

The Peruvian regulatory framework is currently open to discussion. On 20 June 2019 Supreme Resolution No. 006-2019-EM was published, creating the CRSE (multi-sector power reform commission) for the purpose of reviewing and adjusting the existing legal and regulatory framework in order to optimise the efficient development of the Peruvian electricity market while adhering to international standards and best practices, ultimately seeking to guarantee the sustainability of the electricity subsector. Publication of Supreme Resolution No. 011-2024-EM extended the CRSE for an additional 20 months, from 14 July 2024, thanks to which the goal is to have a white book containing legislative and institutional proposals and regulatory reforms addressing the challenges facing the electricity system some time in 2026.

The electricity sector in Chile

The legal framework governing the electricity transmission business in Chile is contained in Decree with Force of Law (DFL) No. 4/2006, which sets out the revised, coordinated and systematised text of Ministry of Mining DFL No. 1 of 1982, the General Electricity Services Law (DFL No. 1/1982) and subsequent amendments thereto. The amendments include Law 19,940 (Short Law I) enacted on 13 March 2004, Law 20,018 (Short Law II) enacted on 19 May 2005, and Law 20,257 (Generation through Non-conventional Renewable Energy Sources) enacted on 1 April 2008. These regulations are supplemented by the Regulation of the General Electricity Services Law of 1997 (Ministry of Mining Supreme Decree No. 327 of 1997) and respective amendments thereto, and by the Technical Standard for Safety and Quality of Service (Exempt Ministerial Resolution No. 40 of 16 May 2005) and subsequent amendments thereto.

The new Transmission Law was enacted on 11 July 2016. This law provides for a new independent coordinating body for the National Electricity System, known as the National Electricity Coordinator (CEN). It also defines a new electricity transmission system wherein the facilities forming part of the Backbone, Sub-transmission and Additional Transmission Systems were amalgamated into the National, Zonal and Dedicated Transmission Systems, respectively.

Ministry of Energy Supreme Decree No. 37, approving the regulation for transmission systems and transmission planning, was published in the official state journal on 25 May 2021. This Decree lays down the regulations for open access to transmission facilities; in particular, the possibility of interested third parties (especially generation companies) accessing fibre optic data transmission.

On 16 February 2023, the Ministry of Energy approved Decree 7T, the Tariff Decree, regulating the remuneration of transmission facilities for 2020-2023. That Tariff Decree puts an end to the remuneration-setting process for the national transmission facilities subject to four-year assessments. On 26 April 2022, via Resolution No. 288, the National Energy Commission (CNE) approved the Definitive Technical and Administrative Rules of the Remuneration Appraisal for 2024-2027, establishing the scope of rules applicable to the external consultant to be selected by the CNE to draw up the remuneration analysis for the 2024-2027 four-year period.

The electricity sector in Brazil
The transmission model in Brazil is based on government concessions, for which the core principles of public service are enshrined in the Constitution of 1988, and the principles that govern concessions, in Law 8,987 and Law 9,074 of 1995, respectively. This framework provides that concession arrangements are administrative contracts entered into with the federal government (national), represented by the regulatory agency ANEEL, which cannot be amended or early terminated by the government, except for duly supported reasons deemed to be in the public interest.

Under this model, the concession for backbone network facilities is put out for tender by ANEEL through auctions. The auctions determine which transmission companies will build, maintain and operate the electricity assets during the concession period. By way of remuneration for the service rendered during this period, transmission companies receive the annual permitted remuneration specified in the auction (RAP for its acronym in Portuguese).

In terms of sector regulations, there are no laws that govern the transmission activity in general; rather, specific aspects are regulated (e.g. extension of concession terms under Law 12,783 of 2013) individually. There are also ministerial and government orders, and specific rules are included in the concession arrangements themselves.

For example, in December 2022, Decree 11,314/2022, regulated bidding for and extension of transmission concessions, establishing a new bidding process for expiring transmission concession agreements.

c) Telecommunications

Telecommunications in Spain

The telecommunications sector in Spain was regulated by the General Telecommunications Act (Law 9/2014 of 9 May 2014), the main objective of which is to encourage competition in the market and guarantee access to networks, and by Royal Decree 330/2016 of 9 September 2016, on measures to reduce the cost of deploying high-speed electronic communications networks.

The General Telecommunications Act was implemented by Royal Decree 123/2017 of 24 February 2017, approving the Regulation on the use of public radio domain, which also regulates the grant of rights of use over orbit and spectrum resources and permits for the ground satellite segment and the associated spectrum. As required under that legislation, Reintel and Hispasat are on file in the CNMC's Register of Electronic Communications Operators. Hispasat, specifically, has been awarded the permits for the ground segment and the concessions to use the related radio spectrum, as well as concessions to operate various orbit and spectrum resources.

Law 9/2014 has since been replaced by a new General Communications Act (Law 11/2022 of 28 June 2022), which transposes Directive (EU) 2018/1972 establishing the European Electronic Communications Code into Spanish law. Importantly, it promotes investment in very high capacity networks, introducing geographical surveys, co-investment agreements and shared use of public spectrum and private property, encouraging shared use of associated infrastructures and other facilities and end-user network access.

Telecommunications in Europe

At the EU level, a noteworthy regulatory development in 2024 was the publication of Regulation 2024/1309 on measures to reduce the cost of deploying gigabit electronic communications networks (the "Gigabit Infrastructure Act"), which took effect in April 2024. It repeals Directive 2014/64/EU. The new measures include increasing the use of available infrastructure by allowing third-party access thereto by means of negotiated access prices.

4 Material accounting policies

The material accounting policies used to prepare these consolidated financial statements, applied consistently to the reporting periods presented, are as follows:

a) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The acquisition date is that on which the Group obtains control of the acquired business. The consideration transferred in a business combination is the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred or assumed and the equity instruments issued and any contingent consideration, i.e., consideration subject to the occurrence of future events or fulfilment of specific conditions, in exchange for control of the acquired business. The consideration transferred excludes any amounts that do not form part of the exchange for the acquiree. Acquisition-related costs are recognised as incurred.

For each business combination, the Group measures, at the acquisition date, components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation at either: (a) fair value; or (b) the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

As of the acquisition date, the Group recognises the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. This accounting only applies in the case of non-controlling interests that are present ownership interests and entitle their holder to a proportionate share of the net assets of the acquiree in the event of liquidation. If not, non-controlling interests are measured at their fair value or a value based on market prices. The liabilities assumed include contingent liabilities to the extent that they represent present obligations that arise as a result of past events and their fair value can be reliably measured. The Group also recognises any indemnification assets granted by the seller at the same time as it recognises the indemnified item, measured on the same basis as the indemnified item, factoring in an assessment of the collectability of the indemnification asset and any contractual limitations on the indemnified amount.

The positive difference between the consideration delivered, plus the amount of any non-controlling interest in the acquiree, and the net identifiable assets acquired is recognised as goodwill. If, after analysing the amount of the consideration transferred and the amount of any non-controlling interest and identifying and measuring the net assets acquired, that difference is negative, the resulting gain is recognised in a separate line item in the consolidated statement of profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period, the identified net assets are initially recognised at provisional amounts; any adjustments to those amounts are recognised during the measurement period as if the information about the facts and circumstances underlying the adjustments had been known on the acquisition date, restating the prior-year comparative figures as required. Provisional amounts are only adjusted for new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

After the one-year measurement period ends, the Group only revises the initial accounting to correct an error.

b) Service concession arrangements

The Group operates a number of assets under concessions granted by different public bodies. The Group analyses the terms of these arrangements to determine whether they fall within the scope of IFRIC 12 *Service concession arrangements*. IFRIC 12 applies to public-to-private service concession arrangements that meet two conditions:

– The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and

– The grantor controls any significant residual interest in the infrastructure at the end of the term of the arrangement.

Based on the nature of the consideration to be received, by reference to the contract terms, a service concession arrangement is recognised either as a financial asset or as an intangible asset. Specifically, the Group recognises:

• A financial asset: when it has an unconditional right to receive cash or another financial asset from, or at the direction of the grantor, and the grantor has little, if any, discretion to avoid payment.

The financial model entails identifying the separate performance obligations in the arrangement and recognising revenue and expenses based on progress towards completion of the performance obligations in accordance with the revenue and expense recognition policies explained in section g) of this note, giving rise to a financial asset for the consideration receivable. The carrying amount of the financial asset is adjusted annually in accordance with the implicit interest rate of the concession.

Redeia, through Red Eléctrica, holds a concession over the pumped storage hydropower facility in Salto de Chira in Gran Canary Island which is accounted for using the financial model, as outlined in note 18. The financial asset is presented within financial assets at amortised cost under non-current financial assets in the consolidated statement of financial position.

• An intangible asset: to the extent that it receives a right to charge for access to or use of the public service that is not an unconditional right to receive cash or another financial asset.

The intangible asset model implies initially recognising the fair value of the consideration due in exchange for providing the construction or upgrade services under a service concession arrangement as an intangible asset. After initial recognition, the intangible asset is recognised at cost, including capitalised borrowing costs, less accumulated amortisation and any accumulated impairment losses. These concession arrangements are carried in assets at their acquisition cost less accumulated amortisation and any accumulated impairment losses recognised and are amortised on a straight-line basis over the term of the concession. As detailed in *note 6,* Redeia accounts for its electricity transmission concessions in Peru using the intangible asset model. The related intangible assets are recognised under service concession arrangements and industrial property within intangible assets in the consolidated statement of financial position.

The contractual obligations assumed by the Group to maintain the infrastructure during the period of operation or restore it before it is handed over to the grantor at the end of the service arrangement, to the extent that these activities do not generate revenue, are recognised in accordance with the policy for accounting for provisions.

c) Intangible assets

Intangible assets are measured at acquisition cost, which is reviewed periodically and adjusted for any impairment. Annual amortisation charges are accounted for as an expense, measured on a straight-line basis over the estimated useful life assigned to each item or class of intangible assets.

The Group's intangible assets include:

Licences and industrial property
Licences have finite useful lives and are carried at the cost of obtaining them less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of licenses over their estimated useful life of five years.

Industrial property is measured initially at acquisition or production cost and is subsequently carried net of accumulated amortisation and any impairment losses. These assets are amortised over an estimated useful life of five years.

Trademarks
Trademarks are carried at the cost incurred to acquire them less accumulated amortisation and any accumulated impairment losses. Trademarks are amortised on a straight-line basis over a period of 10 years.

Development costs
Development costs directly attributable to the design and testing of new or improved computer software that is identifiable, unique and likely to be controlled by the Group are recognised as intangible assets when it is probable that the project will be successful, based on its technical feasibility and commercial viability, and the cost of the asset can be estimated reliably. Expenditure that does not meet this criteria is recognised as an expense when it is incurred. Development costs are capitalised and amortised when the asset is available for use on a straight-line basis over a period no longer than five years. Costs associated with maintaining software programmes are recognised as an expense as incurred.

Software
This heading includes software usage licenses acquired. They are capitalised at the cost incurred to acquire them and get them ready for use. Software is amortised on a straight-line basis over a period of between three and five years from when it is put into use.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Goodwill
Goodwill is calculated using the criteria outlined in the section on business combinations. Goodwill is not amortised but is tested for impairment annually, or more often if there are indications of impairment. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Internally generated goodwill is not recognised as an asset.

Other intangible assets
This heading mainly includes (i) the perpetual right to receive regulated tariffs arising from a business combination; and (ii) the allocation of the business combination purchase price to a customer portfolio. These assets are originally recognised at fair value.

The right to regulated tariffs has an indefinite useful life and is tested for impairment annually *(note 4.i)*.

The customer portfolio is being amortised on a straight-line basis over 10 years, which is how long the portfolio is expected to remain intact.

Intangible assets under development
During the construction period, service concession arrangements are measured at the amounts effectively paid until completion of the construction work in accordance with IFRIC 12.

d) Property, plant and equipment

The main assets under this heading are electricity and telecommunications facilities, which have been measured at production or acquisition cost less accumulated depreciation and any accumulated impairment losses. Items of property, plant and equipment acquired in a business combination are initially recognised at their fair value.

Cost can include the following items:

- External borrowing costs related directly to asset construction work in progress accrued exclusively during the construction period. However, capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted, unless the temporary delay is a necessary part of the process of getting an asset ready for its intended use.
- The operating expenses related directly with construction work in progress under the Group companies' control and management.
- The initial estimate of asset dismantling and removal costs.

Costs incurred to develop assets under construction (work in progress) are capitalised under PP&E in progress. The Group transfers assets from PP&E in progress to property, plant and equipment in use as soon as the asset is ready for its intended use, provided it is in working condition. Property, plant and equipment in progress is not depreciated.

Items of property, plant and equipment are subsequently measured using cost accounting, i.e., they are carried at cost less accumulated depreciation and any impairment losses.

The costs incurred to extend or upgrade items of property, plant and equipment that entail an increase in the asset's productivity or capacity or an extension of its useful life are capitalised.

Repair and maintenance costs that do not increase the assets' productivity or capacity or lengthen their useful lives are expensed directly as incurred.

Depreciation
Property, plant and equipment is depreciated by distributing the cost of the various items on a straight-line basis over the estimated years of useful life, which is the period over which the Group expects to use the asset, as follows:

	Annual rate
Buildings	2% - 10%
Electricity facilities	2.5% - 8.5%
Fibre optic telecommunications facilities	5% - 12.5%
Other facilities, machinery, tools, furniture and other PP&E	4% - 33%

Most of the undepreciated items of property, plant and equipment are depreciated at an annual rate of 2.5%. Depreciation charges are recognised in profit or loss for the year.

The assets' residual values and useful lives are reviewed at least annually and adjusted, if appropriate, to reflect current circumstances.

Impairment
When the carrying amount of an item of property, plant and equipment exceeds its estimated recoverable amount, the asset is considered impaired and written down immediately to its recoverable amount. Recoverable amount is the higher of:

- Fair value less costs to sell;

- Value in use, calculated as the present value of estimated future flows from continuing use of the assets less disposal costs.

The Group carries out additional analysis in the event of significant changes in the remuneration regime applicable to electricity transmission assets in Spain.

The Group tests the cash-generating unit (CGU) to which the assets are allocated for impairment and recognises any impairment losses (or reversals thereof) in accordance with the policy disclosed in section i) of this note.

Other considerations
Government grants and equivalent amounts received to finance the acquisition of items of property, plant and equipment are recognised as deferred income and reclassified to profit or loss over the useful lives of the subsidised assets.

The carrying amount of property, plant and equipment is derecognised when they are withdrawn from use and no future economic benefits are expected from their disposal. The loss or gain arising from the derecognition of an asset is calculated at the difference between the sale proceeds and its carrying amount (initial cost less depreciation and impairment). These losses or gains are included in profit for the year in which the asset is derecognised. They are not included in ordinary profit.

e) Investment properties

The Group companies measure their investment properties at their acquisition cost. When the carrying amount of these assets exceeds their estimated recoverable amount, the asset is considered impaired and written down immediately. The fair values of the Group's investment properties are disclosed in *note 9*.

The Group's investment properties other than land are depreciated on a straight-line basis by distributing the cost of the various items linearly over their estimated useful life, which is the period of time for which the Group expects to use them (annual rate of 2%).

f) Leases

As prescribed in IFRS 16, at the inception of a contract, the Group assesses whether it is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The period of time the Group uses an asset includes consecutive and non-consecutive periods of time. The Group only reassesses the conditions afterwards if the contract is modified:

As lessee

In contracts that contain lease components and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Payments made by the Group that do not imply the transfer of goods or services to it by the lessor do not constitute a separate lease component but rather form part of the total lease consideration.

At the commencement date, the Group recognises a right-of-use asset and a lease liability. The right-of-use asset is initially recognised at the amount of the lease liability, plus lease payments made at or before the commencement of the lease, any initial direct costs incurred and an estimation of the costs to be incurred to dismantle or restore the asset (as indicated in the accounting policy for provisions), less any incentive received.

The Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted at the lessee's incremental borrowing rate, unless the interest rate implicit in the lease can be readily determined.

Outstanding lease payment obligations comprise fixed payments less any incentives receivable, variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option that the lessee is reasonably certain to exercise and payments for terminating the lease if the lease term reflects early termination.

The Group measures right-of-use assets at cost less accumulated depreciation and any impairment losses, adjusted for any remeasurement of the associated lease liabilities.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. If not, the Group depreciates the right-of-use assets from the commencement date to the earlier of the useful life of the right-of-use asset or the end of the lease term.

The Group approaches right-of-use asset impairment using the non-financial asset impairment criteria outlined in note 4.c) above.

After initial recognition, the Group measures its lease liabilities by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications and revised in-substance fixed lease payments.

It recognises variable lease payments not included in the initial measurement of the lease liability in profit or loss in the period in which the event or condition that triggers those payments occurs.

The Group recognises lease liability remeasurements by adjusting the right-of-use asset. After the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasurement is recognised in profit or loss.

The Group remeasures a lease liability by discounting the lease payments using a revised discount rate, if there is a change in the lease term or a change in the assessment of the likelihood that the purchase option will be exercised.

It remeasures a lease liability by discounting the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or if there is a change in an index or a rate used to determine those payments, including for example a change to reflect changes in market rental rates following a market rent review.

The Group accounts for a lease modification as a separate lease if the modification increases the scope of the lease by adding the right to use one or more underlying assets and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification the Group allocates the consideration in the modified contract applying the criteria described above, determines the lease term of the modified lease and remeasures the lease liability by discounting the revised lease payments using a revised discount rate. The Group decreases the carrying amount of a right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, recognising any resulting gain or loss in profit or loss. The Group adjusts the carrying amount of the right-of-use asset for all other lease modifications.

The Group has elected not to apply these lease accounting requirements to short-term leases and leases for which the underlying asset is of low value, defined as less than 5,000 euros.

In the consolidated statement of cash flows, the lease payments for the principal portion of the liability under the scope of and accounted for under IFRS 16 are recognised within financing activities, specifically other cash flows used in financing activities. Cash payments for the interest portion of the lease liability are classified under interest paid within other cash flows used in operating activities.

As lessor

The Group recognises income from operating leases on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

g) Financial assets and liabilities

Initial recognition and measurement

Financial instruments are classified upon initial recognition as a financial asset, a financial liability or an equity instrument, in accordance with the economic substance of the contractual agreement and the definitions of 'financial asset', 'financial liability' and 'equity instrument' provided in IAS 32 Financial Instruments: Presentation.

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are measured at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Trade receivables that do not have a significant financing component are measured initially at their transaction price.

Classification and subsequent measurement

Financial assets

Financial assets are classified at initial recognition at amortised cost; at fair value through other comprehensive income; or at fair value through profit or loss. This classification is determined by the business model and contractual terms of the asset.

A financial asset is measured at amortised cost if both of the following conditions are met and it is not measured at fair value through profit or loss:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met and it is not classified as at fair value through profit or loss:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition, the Group may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument that is not held for trading in other comprehensive income. This election is made separately for each investment.

All financial assets not classified within financial assets at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

Financial assets are not reclassified after initial recognition unless the Group changes the financial asset business model.

The Group classifies its financial assets, other than investments accounted for using the equity method, in the following categories:

- **Amortised cost:** The financial assets classified into this category are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is reduced by impairment allowances. Interest income, translation gains or losses and impairment allowances are recognised in profit or loss. Gains or losses arising on derecognition of these assets are recognised directly in the consolidated statement of profit or loss.

- **Fair value through other comprehensive income:** These assets are subsequently measured at fair value. Any resulting gains or losses are recognised in other comprehensive income. Upon derecognition, the gains or losses accumulated in other comprehensive income are reclassified to profit or loss. In the case of equity instruments classified into this category, the fair value remeasurement gains or losses at year-end are recognised directly in other comprehensive income and are never reclassified to profit or loss.

Dividends from equity investments classified at fair value through other comprehensive income are recognised in the consolidated statement of profit or loss when the right to receive them is established.

- **Fair value through profit or loss:** These assets are subsequently measured at fair value. Net fair value gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial liabilities

Financial liabilities, which include loans, issued notes and similar instruments, are initially recognised at fair value less attributable transaction costs. They are subsequently measured at amortised cost using the effective interest rate method, except for liabilities that have been hedged *(section o)*.

Borrowings are classified under current liabilities in the consolidated statement of financial position unless they mature more than 12 months after the reporting date, in which case they are classified under non-current liabilities.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers substantially all the risks and rewards of ownership of the financial asset or it neither transfers nor retains substantially all the risks and rewards of ownership and it has not retained control of the transferred asset.

Financial liabilities

The Group derecognises a financial liability when the obligation specified in the contract is discharged or cancelled or expires. It also derecognises a financial liability whose terms are modified to the extent that the modified liability's cash flows are substantially different. In this instance it recognises a new financial liability at fair value using the new terms. When a modified financial liability is derecognised, the difference between the carrying amount of the financial liability extinguished and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

h) Inventories

Inventories of materials and spare parts are valued at the lower of cost, determined using the weighted average cost formula, and net realisable value.

The costs of purchase comprise the purchase price, import duties and other taxes (other than those subsequently recoverable from the tax authorities), and transport, handling and other costs directly attributable to the acquisition of materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

If the Group incurs borrowings to finance the purchase of these inventories, the borrowing costs can be capitalised within the cost of inventories until they are substantially ready for their intended use or sale.

The Group assesses the net realisable value of its inventories at each year-end. Where cost exceeds market value or there is uncertainty about whether inventories will be used, they are written down to net realisable value and an expense is recognised in profit or loss. When the circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed and recognised as income in profit or loss.

i) Impairment of assets

Financial assets

The Group uses the general approach to calculate expected losses on its financial assets other than trade and other receivables, for which it uses the simplified approach prescribed in IFRS 9, measuring the loss allowance at an amount equal to lifetime expected credit losses.

In order to determine whether there has been a significant increase in credit risk of a financial asset since its initial recognition, or to estimate the lifetime expected credit losses of the asset, the Group considers all reasonable and supportable information that is relevant and available without undue cost and effort. This includes quantitative and qualitative information based on the historical credit loss experience of the Group or other entities and observable market information about the credit risk of the specific financial instrument or similar financial instruments. The Group assumes that the credit risk of a financial asset has increased significantly if it is more than 30 days past due. Similarly, the Group considers that a financial asset is in default when it is more than 90 days past due, unless there is reasonable and supportable information that demonstrates its recoverability.

The Group considers that a debt instrument presents a low level of risk when its credit rating is at least 'investment grade' at one of the prestigious rating agencies. The maximum period over which expected credit losses are measured is the maximum contractual period over which the Group is exposed to credit risk.

The general approach prescribed in IFRS 9 defines expected credit losses as the weighted average of credit losses from default events with the probability of default as the weights. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows it expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Broadly speaking, expected loss is based on the following formula:

EAD (*Exposure at Default*) x PD (*Probability of Default*) x LGD (*Loss Given Default*) x DF (*Discount factor*)

EAD is the exposure to risk and is measured based on the accounting balances (outstanding balances receivable in the form of a cash flow or other financial asset) less any prepayments and any sureties or other guarantees provided by the customer. PD is the probability of default. LGD is the loss that would be incurred in the event of debtor default and is calculated as (1 – recovery rate). The recovery rate depends on the specific guarantees of the receivable or loan. The DF represents the time value of money.

Following the IFRS 13 fair value hierarchy, ranking the variables from most observable to least observable, the Group uses the following models:

- If the debtor has quoted credit default swaps (CDS), the probability of default is generally obtained from the CDS, as this is the most objective credit market measure of the probability of default of a company at a specific point in time.

- If the debtor does not have a quoted CDS, the company's ratings from the credit rating agencies that have issued a report are used to calculate the probability of default.

- If the debtor does not have a rating, a theoretical rating can be calculated by comparing the debtor's credit ratios with those of other companies that do have a rating.

Provisions for the impairment of financial assets at amortised cost are deducted from the gross carrying amount of these assets.

Impairment losses on trade and other receivables, including contract assets under IFRS 15, are presented in the consolidated statement of profit or loss.

Non-financial assets

The Group companies analyse the recoverability of their assets at each reporting date and whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. Assets with indefinite useful lives are tested for impairment at least annually and the remaining assets are tested whenever there are indications of impairment.

Impairment is deemed to exist when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss. An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and its value in use. Value in use is calculated based on expected future cash flows.

Impairment losses recognised for an asset in prior periods are reversed if there has been a change in the estimates used to determine the asset's recoverable amount by increasing the value of the asset to its recoverable amount with a credit to profit or loss up to the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. Goodwill impairment losses cannot be reversed in future periods.

Impairment is calculated for individual assets. Where it is not possible to estimate the fair value of an asset, the fair value of the cash-generating unit (CGU) to which the asset belongs is determined.

The Group has CGUs, which are the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Group's identified CGUs are those related to the transmission of electricity (in Spain, Peru, Chile and Brazil) and those related to the fibre optic and satellite telecommunications businesses. The satellite telecommunications business was classified within non-current assets held for sale at year-end 2024 *(note 5)*.

The Group carries out impairment tests when it identifies indications of impairment, such as amendments to sector regulations, changes in investment plans or in business performance and other parameters that could evidence the potential impairment of non-financial assets subject to amortisation/depreciation. In calculating impairment, the Group verifies that the recoverable amount of each cash-generating unit (CGU) to which the assets or individual assets belong exceeds the carrying amount.

If it does not, it recognises an impairment loss in profit or loss at the difference between the two under impairment of and gains/(losses) on disposal of fixed assets up to the limit of the higher of: (i) the CGU's fair value less costs to sell; and (ii) its value in use.

j) Share capital, own shares and dividends

The Parent's share capital is represented by ordinary shares. The cost of issuing new shares, net of taxes, is deducted from equity.

Own shares are measured at acquisition cost and presented as a deduction from equity in the consolidated statement of financial position. Any gain or loss arising on the purchase, sale, issuance or cancellation of own shares is recognised directly in equity.

Interim dividends are deducted from equity for the year to which the dividend relates on the basis of the corresponding Board resolution. The final dividend is not deducted from equity until it is approved at the corresponding Annual General Meeting.

k) Grants and other items

Non-repayable government grants related to assets awarded by different official bodies, and other equivalent amounts awarded to finance the Group's fixed assets, are recognised when the related investments are made.

The Group recognises these grants in profit or loss each year under release of grants related to non-financial and other assets matching the period during which the assets for which the grants are extended are depreciated. Where the grant is awarded based on units of product sold and is included in the selling price of the goods and services, the amount is included in the item of revenue to which it relates.

Income tax credit provided by the public authorities that is in substance a government grant related to assets is recognised following the above criteria for government grants related to assets.

l) Contract liabilities

Non-current contract liabilities, which usually arise under multi-year contracts or commitments, are recognised in profit or loss within revenue over the term of the underlying contracts or commitments.

m) Provisions

Employee benefits

Pension obligations

The Group has defined contribution plans, meaning plans that define the benefit an employee will receive upon retirement as a function of one or more factors, such as age, fund performance, years of service or pay. A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separate entity and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions are recognised under employee benefits when accrued.

Other long-term employee benefits

Other long-term employee benefits include defined benefit plans other than pension plans, such as health insurance, for serving and retired Group employees. The expected costs of these benefits are recognised under provisions over the working life of the employees. These obligations are measured each year by independent qualified actuaries. The effects of changes in actuarial assumptions are recognised, net of tax, in reserves within equity in the year they arise, while past service cost is recognised in the consolidated statement of profit or loss.

This heading also includes the long-term remuneration plans approved by the competent bodies of each of the Group companies *(note 15)*.

In 2015, the Group's Appointments and Remuneration Committee approved the rollout of the Structural Management Plan (the "Plan") for some of the management team with a view to managing succession in certain key management positions in an orderly and efficient manner. When the executives affected by this Plan reach the defined age, they are entitled to a sum equivalent to up to 3.5 times their annual fixed and variable pay, depending on their category, at the time of leaving the Group. Participation in the Plan is subject to compliance with certain terms and conditions. The Plan can be modified or revoked by the Group in certain circumstances, including a consecutive adverse Group earnings performance *(note 15)*.

Other provisions

The Group recognises provisions to cover present legal or constructive obligations as a result of past events, so long as it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated. They are recognised when the liability or obligation arises. No provision is recognised for proceedings where the probability that the event will occur is less than 50% as the Group considers that the outcome of these proceedings will be favourable.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax risk-free rate that reflects current assessments of the time value of money and the risks specific to the obligation. The increase in the carrying amount of a provision due to the passage of time is recognised as interest expense in the consolidated statement of profit or loss.

n) Transactions in currencies other than the euro

Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the respective Group companies using the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the rate of exchange prevailing on the reporting date. During the year, the differences arising as a result of movements between the exchange rate used for initial recognition purposes and that prevailing on the date of collection or payment are recognised in profit or loss.

Fixed-income securities and credits and debits denominated in a currency other than the euro are translated at the closing exchange rate each year. Any resulting measurement differences are recognised as exchange gains or losses in the consolidated statement of profit or loss.

Financial derivative instruments and other instruments arranged in foreign currency to hedge the Group's exposure to exchange rate risk are accounting for as outlined in derivative financial instruments and hedging transactions below.

Foreign operations

The assets and liabilities of foreign operations are translated into euros using the exchange rates prevailing on the reporting date. The items of income and expenses of foreign operations are translated into euros using the transaction date exchange rates.

The resulting translation differences are recognised in other comprehensive income within equity.

o) Derivative financial instruments and hedging transactions

The Group holds derivative financial instruments to hedge its exposure to foreign exchange and interest rate risk. It designates certain derivatives as hedging instruments for mitigating exposure to variability in cash flows attributable to a highly probable forecast transaction arising from changes in interest and foreign exchange rates.

At the inception of the hedge, the Group formally designates and documents the hedging relationship and the risk management objective and strategy for undertaking the hedge.

Hedge accounting is only applied when at the inception of the hedge and in subsequent periods, the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated.

Derivative financial instruments are initially recognised at fair value on the purchase date (acquisition cost) and are subsequently remeasured to fair value at every reporting date. The treatment of the resulting gains or losses depends on whether the derivative has been designated as a hedging instrument and, if so, the nature of the hedged item.

When a hedging instrument expires or is sold, or no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in equity remains in equity and is reclassified to profit or loss as the changes in the cash flows of the hedged item are recognised in profit or loss. The gain or loss deferred in equity is likewise recognised in the consolidated statement of profit or loss when a forecast transaction is no longer expected to occur.

Fair value measurement gains or losses on hedging instruments corresponding to the portion of the hedge determined to be effective are recognised under other comprehensive income in equity. The portion of the hedge considered ineffective and the specific component of the gain or loss or related cash flows on the hedging instrument excluded from the assessment of hedge effectiveness (excluded components) is recognised with a debit or credit to finance costs or income.

The separate component of other comprehensive income associated with the hedged items is adjusted to the lesser of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value (present value) of the expected future cash flows on the hedged item from inception of the hedge. However, if the Group expects that all or a portion of a loss recognised directly in other comprehensive income will not be recovered in one or more future periods, it reclassifies the amount that is not expected to be recovered to finance income or costs.

The fair value of the derivative financial instruments used for hedging purposes is disclosed in ***note 19***. The related movements under equity are disclosed in ***note 13***.

p) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Financial asset and liability fair value measurements are classified using a hierarchy articulated around the relevance of the inputs used to make the corresponding measurements. The hierarchy categorises the inputs used in valuation techniques into three levels:

- **Level 1:** Fair value measurements based on quoted prices in active markets for identical instruments.
- **Level 2:** Fair value measurements based on inputs that are observable for the asset or liability.
- **Level 3:** Measurements based on inputs that are not underpinned by observable market data.

If there is no quoted price from an active market, the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. More specifically, for the various derivative financial instruments not traded on active markets, the Group estimates fair value using valuation techniques which include the use of recent arm's length transactions between knowledgeable, willing parties, reference to other instruments that are substantially the same, discounted cash flow analysis discounted using the market interest and exchange rates prevailing at the reporting date and options pricing models enhanced to reflect the issuer's specific circumstances.

q) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Payables falling due within one year for which there is no contractual interest rate that are expected to be settled in the short term are measured at their nominal amount.

r) Income and expenses

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised so as to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services.

Most of the Group's revenue is regulated revenue from its transmission and system operation (TSO) activities in Spain *(notes 3, 23 and 27).* Group subsidiary, Red Eléctrica de España, S.A.U. (Red Eléctrica), has been designated to carry out electricity TSO activities on an exclusive basis. Both of these activities are regulated by the Electricity Sector Act (Law 24/2013). This legislation, as subsequently implemented by Royal Decree 1047/2013 and the CNMC Circulars approved in 2019, sets the annual amount of remuneration receivable for both activities to cover the uninterrupted services provided by Red Eléctrica to consumers and other electricity sector agents during the year.

The provision of electricity transmission service is considered a single performance obligation. Therefore, the total price is allocated to that obligation. Similarly, the legal obligations included under the electricity system operator's obligation are considered a single performance obligation, identified as “providing the electricity system operation service”. Therefore, revenue from TSO performance obligations is recognised over time on a straight-line basis, for each year.

Revenue in the telecommunications business is primarily generated from:

- Service provision agreements consisting of the lease of satellite capacity to a number of customers from the telecommunications sector; these services are considered a single performance obligation and the related revenue is recognised on a straight-line basis over the period for which the customer service is provided.

- Contracts granting a number of customers from the telecommunications sector the right to use backbone fibre optic network and cables, and the provision of services to these same customers, all of which considered a single performance obligation. Revenue under these contracts is recognised over time, as the services are provided to the Group’s customers.

If unfolding circumstances change the initial estimates of revenue, management proceeds to review those estimates. Revisions may result in increases or decreases in estimated revenue which would be recognised in the profit or loss in the period in which the circumstances giving rise to the revisions are known and agreed by the parties.

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

s) Tax matters

Tax expense (income) comprises current tax and deferred tax. Current and deferred tax is recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from (i) a transaction or event which is recognised, in the same or a different period, directly in equity or (ii) a business combination.

Current tax is the amount expected to be paid, using enacted tax rates, in respect of the current year, as well as any tax payable as a result of prior-year adjustments.

Income tax credit and other tax relief originating from transactions arising during the year are deducted from accrued tax expense unless there is uncertainty about their utilisation.

Deferred tax and tax expense are calculated and accounted for using the liability method considering temporary differences between the amounts recognised for financial reporting purposes and those used for tax purposes. The liability method consists of determining deferred tax assets and liabilities as a function of the differences between the carrying amount and tax bases of assets and liabilities, using the tax rates objectively expected to be prevailing when the assets and liabilities are realised and incurred, respectively.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the tax assets can be utilised.

Deferred income tax is recognised on temporary differences arising on investments in subsidiaries and associates, except when the Group can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The corporate tax expense accrued by the companies that file their returns under the consolidated tax regime is determined by factoring in, in addition to the parameters of relevance in the case of individual corporate taxpayers, outlined above, the following considerations:

- The temporary and permanent differences arising as a result of the elimination of gains or losses on intragroup transactions in the course of determining consolidated taxable income.

- The tax credits and relief corresponding to each company within the tax group; in this instance the tax credit or tax relief is allocated to the company that performed the activity or obtained the income necessary for entitlement to the related credit or relief.

- The temporary differences arising as a result of the elimination of gains or losses on transactions between the entities comprising the consolidated Tax Group are recognised at the company that generated the gain or loss and measured using the tax rate applicable thereto.

- The Parent recognises the total amount of consolidated income tax payable/(receivable) with a charge/(credit) to loans to/(borrowings from) group companies and associates.

- The amount owed to/(receivable) by the subsidiaries is recognised with a credit/(charge) to borrowings from/(loans to) group companies and associates.

If the Group believes it is not probable that the tax authorities will accept an uncertain tax treatment or group of uncertain tax treatments, it factors that uncertainty into determination of its taxable profit, tax bases, unused tax losses, unused tax credits and tax rates. In the event that the tax assets or liabilities calculated in this manner exceed the amount presented in the corresponding tax returns, the amounts are recognised in the consolidated statement of financial position. Changes in facts and circumstances around uncertain tax positions are recognised as a change of estimate.

The Group offsets deferred tax assets and deferred tax liabilities only if it has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Law 7/2024, implementing the Pillar Two minimum global taxation rules in Spain, was published in the official state journal on 21 December 2024. This legislation establishes, with retroactive effect for the years beginning on or after 31 December 2023, a top-up tax, designed to ensure that large multinational enterprise groups are subject to a minimum effective tax rate of 15% wherever they operate.

The Redeia Group is subject to that top-up tax. To that end, the Group has analysed the potential impacts for it of application of this tax in 2024, assuming application of the transitional safe harbours contemplated in transitional provision four of Law 7/2024 and the full calculation, if necessary. The transitional safe harbours are designed to facilitate the transition to the Pillar Two rules by stipulating a top-up tax of zero if any of the three required tests are met.

t) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year, without including the average number of own shares held during the year.

In the consolidated financial statements for the years ended 31 December 2024 and 2023, the basic earnings per share figures coincide with the diluted earnings per share figures as there were no potential ordinary shares in either reporting period.

u) Insurance

The Group has a number of insurance policies to cover the risks to which its companies' activities expose it. The chief risks are potential damage to the Group companies' facilities and potential third-party claims arising in the course of their activities. The cost of the related insurance premiums is accrued in the consolidated statement of profit or loss. The income due from insurance companies as a result of claims is recognised in the consolidated statement of profit or loss when entitlement is established.

v) Environment

Expenses arising from actions taken by the Group to protect and improve the environment are expensed as incurred. Expenses incurred to acquire property, plant and equipment for the purpose of minimising the Company's environmental impact and protecting and improving the environment are capitalised as an increase in the value of the assets.

w) Share-based payments

The Group has implemented share purchase plans whereby employees can receive Parent company shares as part of their annual pay packages. That remuneration is measured using the closing share price as of the date of delivery. Expenses incurred under these plans are recognised within employee benefits expenses in the consolidated statement of profit or loss.
All of the shares delivered to employees come from the Parent's treasury stock.

x) Contingent assets and liabilities

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs.

Contingent liabilities are not recognised in the financial statements, except in business combinations to the extent they represent present obligations that arise as a result of past events and their fair value can be reliably measured. These liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable; if it has become probable for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs.

y) Non-current assets held for sale, liabilities associated with assets held for sale and discontinued operations

Non-current assets held for sale, net of the associated liabilities, are measured at the lower of their carrying amount had they not been so classified and fair value less costs to sell. Non-current assets are classified as held for sale when it is estimated that their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the sale of the asset must be highly probable, the asset must be available for immediate sale in its present condition and the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification as a non-current asset held for sale *(note 5)*.

5 Non-current assets held for sale and discontinued operations

On 31 January 2025, Redeia, through its subsidiary, Redeia Sistemas de Telecomunicaciones S.A.U., agreed to sell Indra Sistemas S.A. its 89.68% interest in the share capital of Hispasat for 725 million euros.

The sale is expected to close in 2025 as it is subject to delivery of certain suspensive conditions, including approval by Spain's Council of Ministers, the anti-trust authorities and several regulators in both Spain and other jurisdictions; it is also subject to approval at Indra's Annual General Meeting and to the execution of certain agreements so that Indra can increase its interest and consolidate Hisdesat, a government satellite services operator in the areas of defence, security, intelligence and foreign affairs, for accounting purposes.

As a result, at 31 December 2024, the assets and liabilities belonging to the satellite telecommunications segment carried out by the Hispasat subgroup, whose parent company is Hispasat S.A. and which is controlled by Redeia through its 89.68% shareholding, have been classified as non-current assets held for sale.

This classification meets the criteria prescribed in IFRS 5 - Non-current assets held for sale and discontinued operations *(note 4.y)*. Moreover, since the satellite telecommunications business represents a separate major line of business, the Group has classified its operations as a discontinued operation in its consolidated statement of profit or loss, as the Group estimates that at 31 December 2024 the conditions for reclassification under IFRS were met. As a result, the comparative amounts for 2023 have been similarly reclassified and likewise re-presented within a separate line item of Redeia's consolidated statement of profit or loss for the year ended 31 December 2023.

The breakdown of non-current assets held for sale and the associated liabilities at year-end 2024 and 2023 and the post-tax profit or loss of discontinued operations for the years then ended:

		2024			2023
Non-current assets held for sale	Liabilities associated with assets held for sale	Profit/(loss) after tax for the year from discontinued operations	Non-current assets held for sale	Liabilities associated with assets held for sale	Profit/(loss) after tax for the year from discontinued operations
1,242,539	478,532	(138,245)	–	–	29,538

The next table itemises the impact of the discontinuation of the satellite telecommunications business by statement of financial position line item at 31 December 2024:

Thousands of euros

	31 Dec. 2024
Assets	
Intangible assets, property, plant and equipment and investment properties	908,422
Investments accounted for using the equity method	89,402
Other non-current assets	86,922
Total non-current assets	**1,084,746**
Inventories	1,448
Trade and other receivables	51,441
Other current assets	2,231
Cash and cash equivalents	102,673
Total current assets	**157,793**
Total assets	**1,242,539**

Thousands of euros

	31 Dec. 2024
Liabilities	
Grants and other items	46,514
Non-current financial liabilities	235,916
Other non-current liabilities	66,631
Total non-current liabilities	**349,061**
Current financial liabilities	51,929
Trade and other payables	77,542
Total current liabilities	**129,471**
Total liabilities	**478,532**

Non-current assets held for sale (1,243 million euros) less total liabilities associated with assets held for sale (479 million euros) less the non-controlling interests in the Hispasat subgroup (39 million euros) is equivalent to the offer received in the amount of 725 million euros.

The breakdown of the post-tax profit or loss from discontinued operations in 2024 and 2023:

Thousands of euros

	2024	2023 (*)
Revenue	230,791	245,280
Share of profits of equity-accounted investees (with similar businesses to that of the Group)	5,863	4,014
Other operating income	7,936	2,973
Total income	**244,590**	**252,267**
Other operating expenses	(109,102)	(121,127)
Depreciation and amortisation	(121,045)	(98,798)
Impairment of and gains/(losses) on disposal of fixed assets	(168,878)	–
Operating profit	**(154,435)**	**32,342**
Net finance cost	**(15,165)**	**(8,220)**
Profit before tax	**(169,600)**	**24,122**
Income tax	**31,355**	**5,116**
PROFIT/(LOSS) AFTER TAX FOR THE YEAR FROM DISCONTINUED OPERATIONS	**(138,245)**	**29,238**

(*) The consolidated statement of profit or loss for 2023 has been restated to reflect the impact of the business classified as a discontinued operation in 2024 under IFRS 5, as outlined in *notes 1 and 5.*

The breakdown of profit/(loss) after tax for the year from discontinued operations:

Millions of euros

	Total	Attributable to equity holders of the parent	Attributable to non-controlling interests
Profit/(loss) after tax attributable to the Hispasat subgroup	(70,623)	(62,700)	(7,923)
Goodwill impairment loss *(note 6)*	(73,642)	(73,642)	–
Other income derived from adjustments recognised as part of the PPA	6,020	6,020	–
Profit/(loss) after tax for the year from discontinued operations	**(138,245)**	**(130,322)**	**(7,923)**

The loss recognised by the Hispasat subgroup corresponds almost entirely to the impairment loss recognised against its satellite assets in the amount of 95 million euros (before tax) *(note 7)*. The overall impact of the impairment attributable to the Parent in order to recognise the net assets of the satellite business at their fair value of 725 million euros was a loss of 137 million euros (63 million euros originating from its share of the loss of the Hispasat subgroup and a goodwill impairment loss of 74 million euros *(note 6)*).

The net cash flows attributable to the operating, investing and financing activities of the discontinued operation in 2024 and 2023:

Thousands of euros

	2024	2023(*)
Net cash flows from operating activities	125,995	142,251
Net cash flows used in investing activities	(31,897)	(78,366)
Net cash flows used in financing activities	(111,315)	(22,934)
Impact on cash flows	**(17,217)**	**40,952**

(*) The consolidated statement of cash flows for 2023 has been restated to reflect the impact of the business classified as a discontinued operation in 2024 under IFRS 5, as outlined in *notes 1 and 5.*

6

Intangible assets

The reconciliation of the carrying amounts of the various items of intangible assets and the related accumulated amortisation in 2024 and 2023 is as follows:

Thousands of euros

	31 Dec. 2022	Exchange differences	Changes in consolidated group	Additions	Derecognitions	Transfers	31 Dec. 2023	Exchange differences	Additions	Derecognitions	Transfers	Transfers to/of non-current assets held for sale and discontinued operations	31 Dec. 2024
Service concession arrangements and industrial property	449,015	(13,585)	–	446	(9,099)	36,946	463,723	27,434	74	–	330	(40,283)	451,278
Trademarks	15,234	–	–	–	–	–	15,234	–	–	–	–	(15,234)	–
Development costs and software	117,095	567	–	24,663	(2,849)	3,948	143,424	887	1,716	(109)	46,805	(13,934)	178,790
Goodwill	286,955	(1,600)	–	–	–	–	285,355	2,847	–	–	–	(284,253)	3,949
Other intangible assets	109,698	(3,540)	–	–	–	1,966	108,124	4,637	–	–	–	(59,325)	53,437
Intangible assets under development	65,459	(1,200)	–	12,674	–	(37,846)	39,087	–	49,196	–	(44,828)	–	43,455
Total intangible assets	**1,043,456**	**(19,358)**	**–**	**37,783**	**(11,948)**	**5,014**	**1,054,947**	**35,805**	**50,986**	**(109)**	**2,307**	**(413,028)**	**730,908**
Accumulated amortisation Service concession arrangements and industrial property	(92,057)	2,896	–	(21,140)	8,968	(1,257)	(102,590)	(14,041)	(17,924)	–	(410)	12,420	(122,545)
Accumulated amortisation Trademarks	(4,951)	–	–	(1,523)	–	–	(6,474)	–	(1,523)	–	–	7,997	–
Accumulated amortisation Development costs and software	(79,996)	21	–	(22,540)	2,791	(79)	(99,803)	(252)	(22,784)	108	97	6,454	(116,180)
Accumulated amortisation Other intangible assets	(5,626)	88	–	(5,749)	–	(2,847)	(14,134)	1,099	(5,629)	–	(765)	19,429	–
Total accumulated amortisation	**(182,630)**	**3,005**	**–**	**(50,952)**	**11,759**	**(4,183)**	**(223,001)**	**(13,194)**	**(47,860)**	**108**	**(1,078)**	**46,300**	**(238,725)**
Impairment of service concession arrangements and industrial property	(5,357)	–	–	–	–	–	(5,357)	–	–	–	–	5,357	–
Impairment of trademarks and goodwill	–	–	–	–	–	–	–	–	(73,642)	–	–	73,642	–
Impairment of development costs and software	(322)	–	–	–	–	–	(322)	–	–	–	–	322	–
Total impairment	**(5,679)**	**–**	**–**	**–**	**–**	**–**	**(5,679)**	**–**	**(73,642)**	**–**	**–**	**79,321**	**–**
Carrying amount	**855,147**	**(16,353)**	**–**	**(13,169)**	**(189)**	**831**	**826,267**	**22,611**	**(70,516)**	**(1)**	**1,229**	**(287,407)**	**492,182**

Gross intangible assets

Administrative concessions and industrial property mainly include the service concession arrangements awarded by different public entities to Group companies for the construction and operation of electricity facilities in Peru.

The breakdown of concession arrangements under operation and/or construction in Peru at 31 December 2024 and 2023:

Thousands of euros

	Redesur	Tesur	Tesur 2	Tesur 3	Tesur 4(*)	CCNCM
Grantor	Peruvian state	Peruvian state	Peruvian state	Peruvian state	Peruvian state	Peruvian state
Activity	Electricity transmission	Electricity transmission	Electricity transmission	Electricity transmission	Electricity transmission	Electricity transmission
Country	Peru	Peru	Peru	Peru	Peru	Peru
Concession term from start-up of commercial operations	30 years	30 years	30 years	30 years	30 years	30 years
Remaining useful life	7 years	20 years	24 years	26 years	28 years	23 years
Tariff review frequency	Annual	Annual	Annual	Annual	Annual	Annual
Carrying amount at 31 Dec. 2024	24,207	47,816	43,923	26,806	34,076	152,433
Carrying amount at 31 Dec. 2023	26,365	47,272	43,058	26,206	32,654	149,567
Revenue in 2024	20,588	8,213	6,475	3,596	2,033	19,197
Revenue in 2023	19,710	7,841	6,298	3,429	1,846	18,140
Profit/(loss) for 2024	5,819	499	1,302	282	(1,065)	(899)
Profit/(loss) for 2023	4,056	1,380	1,221	(7)	(1,398)	(1,903)
Renewal options	Not contractually stipulated	Not contractually stipulated	Not contractually stipulated	Not contractually stipulated	Not contractually stipulated	Not contractually stipulated

(*) Tesur 4 began commercial operations on 14 January 2023.

This heading used to also include the different band licences held by the Hispasat subgroup to operate orbital slots, as well as other satellite rights over orbital slots, which were transferred to non-current assets held for sale on the accompanying consolidated statement of financial position at 31 December 2024 *(notes 1 and 5)*.

Trademarks used to include the Hispasat trademark in the amount of 15,234 thousand euros recognised as a result of the Hispasat business combination in October 2019. This item was being amortised on a straight-line basis over 10 years. At 31 December 2024, this balance was transferred to non-current assets held for sale on the accompanying statement of financial position *(notes 1 and 5)*.

Goodwill in the amount of 4 million euros at 31 December 2024 (2023: 285 million euros), derives from the CCNCM business combination. The goodwill has not given rise to any deferred tax liabilities as it is not expected to be deductible in the future. Goodwill is not amortised but is tested for impairment annually. The goodwill arising from the Hispasat subgroup and Axess business combinations, totalling 285 million euros, was transferred to non-current assets held for sale at 31 December 2024 *(notes 1 and 5)*.

Other intangible assets at 31 December 2024 include the perpetual right to regulated tariffs arising from the acquisition of transmission facilities forming part of the Chilean National Transmission System, accounted for at Redenor 2, in an amount of 53,437 thousand euros (2023: 52,241 thousand euros). This asset is not being amortised as it had an indefinite useful life but is tested for impairment annually. At 31 December 2024, 59 million euros related to the satellite segment were reclassified to non-current assets held for sale.

Intangible assets under development at 31 December 2024 and 2023 mainly include the acquisition and development of software for Group's TSO activities.

Capitalised expenditure

In 2024, the Group capitalised 1,644 thousand euros of costs directly related to internally generated intangible assets (2023: 1,977 thousand euros). The Group recognised 8.2 million euros of innovation and development costs in its consolidated statement of profit or loss in 2024 (2023: 6.5 million euros).

The Group did not capitalise any borrowing costs within intangible assets in 2024 (2023: 65 thousand euros).

Fully amortised intangible assets

At 31 December 2024, the original cost of fully-amortised intangible assets still in use was 87,170 thousand euros (2023: 103,466 thousand euros), most of which related to development costs and software.

Investments in intangible assets outside of Spain

At 31 December 2024 the carrying amount of intangible assets located outside of Spain was 386,399 thousand euros (2023: 410,491 thousand euros).

Investment commitments

The Group does not have material contractual commitments for the acquisition of intangible assets relative to its current volume of assets or its planned investments.

Insurance

The Group has taken out a range of insurance policies to cover the risks to which its intangible assets are exposed. These policies provide adequate coverage against the risks covered.

Impairment testing of intangible assets subject to amortisation

The Group tests its assets subject to depreciation/amortisation for indications of impairment in order to check that their carrying amount remains above their recoverable amount, defined as costs to sell less value in use.

The Group tested the intangible assets subject to amortisation in the electricity transmission CGU in Peru for impairment. The Group did not have to recognise any impairment as a result of those tests.

The Group used projected cash flow analysis to perform those tests. The projections were drawn up for the term of each concession (30 years from commissioning). The cash flow projections beyond year five are considered reliable on the basis of the Group's experience with concession-based businesses in the Peruvian electricity transmission market, where revenue is regulated for 30 years.

The assumptions underpinning the projections were based on updated business forecasts and past experience. The following assumptions were used:

- Regulated remuneration: the projections include estimated cash flows up to the end of the concession arrangements, assuming the rate of return on investment provided for in current regulations in Peru.
- Capital expenditure: the best information available regarding plans to invest in assets and infrastructure maintenance over the projection time horizon.
- Operating and maintenance expenses: projected in line with the growth forecasts derived from the capital expenditure plan.
- Other costs: projected on the basis of sector knowledge, past experience and in line with the outlook for growth derived from the capital expenditure plan.

- Discount rate: the cash flows were discounted at a pre-tax rate based on a weighted average cost of capital (WACC) of 9.39% (2023: 9.62%), taken from a report prepared by an independent expert.

The sensitivity analysis modelling the reasonably possible variations in the main inputs, specifically an increase in the discount rate of 0.25%, did not imply impairment. Given the regulated nature of this business, no other inputs were varied for the sensitivity analysis.

With respect to the intangible assets subject to amortisation allocated to the satellite business CGUs, in 2024 and 2023, the Group tested those assets for indications of impairment and ran impairment tests, concluding that they were not impaired. The assumptions used in those tests are outlined in *note 7*.

Impairment testing of intangible assets with indefinite useful lives

At both year-ends, the Group tested its intangible assets with indefinite useful lives (goodwill and the right to regulated tariffs) for impairment.

Goodwill

At 31 December 2024, goodwill related primarily to the goodwill recognised in connection with the CCNCM business combination in the amount of 4 million euros. This goodwill was tested and not considered impaired at year-end.

At 31 December 2024, the assets and liabilities belonging to the Hispasat subgroup were classified as non-current assets held for sale; the recoverable amount of those net assets was measured at the sale price agreed with Indra *(notes 1 and 5)*, which implied recognising an impairment loss on the goodwill recognised in connection with the Hispasat business combination of 73.6 million euros.

Other intangible assets

As for the assets allocated to the **electricity transmission CGU** in Chile, which include the intangible asset recognised for its perpetual right to receive a regulated tariff, the items of property, plant and equipment outlined in *note 7* and the equity-accounted investment in TEN detailed in *note 10,* the Group conducted impairment tests in 2024 concluding that these assets are not impaired, as was also the case in 2023.

The Group used projected cash flow analysis to perform those tests. The estimated cash flows span a period of 40 years of explicit projections from commissioning and assume a rate of growth in perpetuity thereafter. The cash flow projections beyond year five are considered reliable on the basis of the Group's experience with regulated businesses in the Chilean electricity transmission market that imply a perpetual right to a regulated tariff.

The assumptions underpinning the projections were based on updated business forecasts and past experience. The following assumptions were used:

- Regulated revenue: projected using the figures approved in the tariff decree issued by the Chilean ministry of energy in 2023, updated subsequently using the tariff reset mechanisms provided for in prevailing legislation.
- Capital expenditure: the best information available regarding plans to invest in assets and infrastructure maintenance over the projection time horizon.
- Operating and maintenance expenses: projected in line with the growth forecasts derived from the capital expenditure plan.
- Other costs: projected on the basis of sector knowledge, past experience and in line with the outlook for growth derived from the capital expenditure plan.
- Growth rate: the weighted average growth in perpetuity rate was estimated at 2.52% (2023: 2.56%).
- Discount rate: the cash flows were discounted at a pre-tax rate based on a weighted average cost of capital (WACC) of 9.89% (2023: 10.21%), taken from a report prepared by an independent expert.

The sensitivity analysis modelling the reasonably possible variations in the main inputs, specifically an increase in the discount rate of 0.25%, did not imply impairment. Nor did a 0.25% decrease in the growth in perpetuity rate used imply any impairment. Given the regulated nature of this business, no other inputs were varied for the sensitivity analysis.

7

Property, plant and equipment

The reconciliation of the carrying amounts of the various items of property, plant and equipment and the related accumulated depreciation and impairment in 2024 and 2023 is as follows:

Thousands of euros

	31 Dec. 2022	Exchange differences	Changes in consolidated group	Additions and other	Derecognitions, and impairment	Transfers	31 Dec. 2023	Exchange differences	Additions and other	Derecognitions and, impairment	Transfers	Transfers to/of non-current assets held for sale and discontinued operations	31 Dec. 2024
Cost													
Land and buildings	128,341	128	–	16,901	(1,183)	1,648	145,835	(1,831)	6,146	(1,830)	2,164	(34,023)	116,461
Electricity facilities	15,564,405	(6,228)	–	2,704	(1,568)	468,459	16,027,772	11,750	3,510	(15,989)	648,779	–	16,675,822
Telecommunications facilities	1,456,325	5,592	–	68,372	(30,260)	246,431	1,746,460	(10,259)	9,222	(4,682)	9,870	(1,277,932)	472,679
Other facilities, machinery, tools, furniture and other PP&E	294,438	6	–	4,560	(253)	13,417	312,168	(285)	6,339	(101)	16,101	(19,251)	314,971
Prepayments and PP&E in progress	1,136,610	95	–	790,278	(358)	(710,077)	1,216,548	(2,133)	1,005,081	(19,916)	(679,135)	(8,029)	1,512,416
Total cost	**18,580,119**	**(407)**	**–**	**882,815**	**(33,622)**	**19,878**	**19,448,783**	**(2,758)**	**1,030,298**	**(42,518)**	**(2,221)**	**(1,339,235)**	**19,092,349**
Accumulated depreciation													
Depreciation - buildings	(34,640)	297	–	(5,454)	–	(56)	(39,853)	(252)	(6,668)	1,675	254	5,495	(39,349)
Depreciation - Electricity facilities	(7,965,678)	373	–	(360,355)	1,568	–	(8,324,092)	(755)	(384,904)	15,475	–	–	(8,694,276)
Depreciation - Telecommunications facilities	(482,975)	(3,617)	–	(104,565)	3,489	(20,117)	(607,785)	5,027	(127,031)	3,745	2,332	493,353	(230,359)
Depreciation - Other fixtures, machinery, tools, furniture and other PP&E	(257,716)	(3)	–	(16,191)	612	(536)	(273,834)	303	(12,444)	495	(1,594)	7,403	(279,671)
Total accumulated depreciation	**(8,741,009)**	**(2,950)**	**–**	**(486,565)**	**5,669**	**(20,709)**	**(9,245,564)**	**4,323**	**(531,047)**	**21,390**	**992**	**506,251**	**(9,243,655)**
Impairment													
Impairment - Land and buildings	(1,091)	–	–	–	–	–	(1,091)	–	–	–	–	1,091	–
Impairment - Telecommunications facilities	(104,263)	(217)	–	–	–	–	(104,480)	127	(95,236)	–	–	199,589	–
Impairment - Electricity facilities	(95,544)	–	–	–	–	–	(95,544)	–	–	–	–	–	(95,544)
Impairment - Other fixtures, machinery, tools, furniture and other PP&E	(11,407)	120	–	–	–	–	(11,287)	–	–	–	–	11,287	–
Impairment	**(212,305)**	**(97)**	**–**	**–**	**–**	**–**	**(212,402)**	**127**	**(95,236)**	**–**	**–**	**211,967**	**(95,544)**
Carrying amount	**9,626,805**	**(3,454)**	**–**	**396,250**	**(27,953)**	**(831)**	**9,990,817**	**1,692**	**404,013**	**(21,129)**	**(1,230)**	**(621,015)**	**9,753,148**

Gross property, plant and equipment

Electricity facilities encompass assets subject to regulated remuneration *(note 3)*. Additions to electricity facilities in 2024 and 2023 related mainly to transmission grid facilities.

Telecommunications facilities mainly consist of the investments associated with the concession of the rights to use and manage the operation of the fibre optic cable network and other related items, pursuant to the 20-year agreement entered into by Reintel with ADIF-AV in 2014. At 31 December 2024, the investments associated with the satellite fleet were transferred to non-current assets held for sale on the accompanying statement of financial position *(notes 1 and 5)*.

Property, plant and equipment include right-of-use assets in an amount of 15.481 thousand euros at 31 December 2024 (2023: 62,010 thousand). These assets are included under the various property, plant and equipment headings based on their nature (land and buildings; telecommunications facilities; and other fixtures, machinery, tools, furniture and other PP&E), as detailed in *note 8*.

Capitalised expenditure

Capitalised operating costs directly related to PP&E under construction amounted to 61,187 thousand euros in 2024 (2023: 56,275 thousand euros). The Group includes all operating expenses incurred to provide support to the units directly involve in the activity as capitalised expenditure.

In 2024, the Group companies capitalised borrowing costs related to construction as an increase in the value of its property, plant and equipment in the amount of 15,763 thousand euros (2023: 18,740 thousand). Borrowing costs were capitalised at a weighted average rate of 2.18% in 2024 (2023: 1.9%).

Fully depreciated property, plant and equipment

At 31 December 2024, the original cost of fully-depreciated items of property plant and equipment still in use was 3,024,232 thousand euros (2023: 3,318,270 euros), of which 2,775,558 thousand euros (2023: 2,694,515 euros) related to electricity facilities.

Investments in property, plant and equipment outside of Spain

At 31 December 2024 the carrying amount of property, plant and equipment located outside of Spain was 198,568 thousand euros (2023: 252,058 thousand euros).

Investment commitments

The Group places orders periodically to meet its requirements under its investment plans. The different amounts in these orders will normally result in delivery orders as and when the different projects included in the plans are activated, so that they do not constitute contractual commitments to acquire assets when they are placed.

The Group does not have material contractual commitments for the acquisition of property, plant and equipment relative to its current volume of assets or its planned investments.

Government grants

The breakdown of government grants and other non-current advances received related to items of property plant and equipment is provided in *note 14.*

Insurance

The Group has taken out a range of insurance policies to cover the risks to which its property plant and equipment are exposed. These policies provide adequate coverage against the risks covered.

Impairment testing of property, plant and equipment subject to depreciation

The Group tests its assets subject to depreciation/amortisation for indications of impairment in order to check that their carrying amount remains above their recoverable amount, defined as costs to sell less value in use *(ver nota 4.i).*

Satellite business

In 2024 the Group updated its recoverable amount calculations for the assets at the **legacy satellite business CGU** that were written down for impairment in 2020 to identify any potential adjustments with respect to the impairment losses recognised in prior years. The identified assets comprising the legacy satellite business CGU have not changed since the last recoverable amount estimation exercise.

The cash flows were projected for 2025-2040, which is aligned with the satellites' useful lives. The cash flow projections beyond year five are considered reliable on the basis of the Group's experience with investments with a significant technology component that involve long-term contracts and commitments. Specifically, the satellite business materialises in long-term contractual commitments with customers, which usually cover most of the satellites' useful lives, with a view to locking in a minimum return before launching new satellites. The idea is to attempt to lay solid foundations for earning the estimated return from a satellite before embarking on the project.

The Group used the following key assumptions to calculate the recoverable amount of its legacy satellite business:

- Revenue was estimated on the basis of the portfolio of existing contracts, the historical renewal rate, past contract renegotiation experience and new sales forecasts for the expanding growth verticals identified in sector market research and included in the Hispasat subgroup's strategic plan.

- Useful life: 16.5 years from the start of commercial service for the fleet of satellites in the CGU, with the exception of the H74W-1 and H55W-2 satellites, which have an estimated useful life of between 13 and 15 years.

- Gross margin: The gross margin modelled for the projection period analysed ranged between 49% and 64% between 2026 and 2040 (average gross margin of 66% in 2023).

- Exchange rates: the following benchmarks were used: EUR/USD 1.08, EUR/BRL 6.15; and EUR/MXN 17.27.

- Discount rate (WACC): 8.67% (pre-tax) (2023: 7.85%), taken from a report prepared by an independent expert.

Based on the analysis performed using the above-listed assumptions, the present value of the cash flows projected for the legacy satellite business CGU amounted to 559 million euros, which is 95 million euros below those assets' carrying amount at 31 December 2024, so that an impairment loss was recognised in that amount at year-end.

At year-end 2023, the impairment tests were performed using the value in use and yielded a recoverable amount similar to the assets' carrying amount, so that the assets were not deemed impaired at that reporting date.

At 31 December 2024, the assets and liabilities belonging to the Hispasat subgroup were classified as non-current assets held for sale and the recoverable amount of those net assets was calculated based on the sale price agreed with Indra ***(notes 1 and 5).***

Transmission business in Chile

Lastly, in relation to the electricity transmission CGU in Chile, the Group tested this CGU's assets for impairment ***(note 6).*** The calculations yielded a recoverable amount that is higher than the CGU's carrying amount and the Group concluded that the assets in this CGU are therefore not impaired.

8 Right-of-use assets and lease liabilities

There are right-of-use assets within property plant and equipment and lease liabilities within other financial liabilities. The main Group assets held under leases accounted for under IFRS 16 are:

- Vehicles: mainly vehicle leases. These leases amounted to 5.9 million euros at 31 December 2024 (2023: 5.6 million euros).

- Buildings: offices, premises and land needed to carry out the Group's activities. These leases amounted to 9.6 million euros at 31 December 2024 (2023: 10.8 million euros).

- Telecommunications facilities: Satellite capacity leases. At 31 December 2024, this balance was transferred to non-current assets held for sale on the accompanying statement of financial position (2023: 45.6 million euros).

Right-of-use assets

The reconciliation of right-of-use assets at the beginning and end of 2024 and 2023:

Thousands of euros

	2024	2023
Opening balance	62,010	26,462
Additions	11,199	47,758
Transfers	951	1,207
Derecognitions	(2,831)	(2,803)
Depreciation charge for the year	(15,320)	(10,736)
Translation differences	(409)	122
Transfers to/of non-current assets held for sale and discontinued operations	(40,120)	–
Closing balance	**15,480**	**62,010**

At 31 December 2024, the Group's most significant finance lease agreements related to the lease of offices, premises and land needed to carry out the Group's activities and vehicle leases.

Lease liabilities

The breakdown of the minimum future lease payments under non-current lease liabilities at year-end 2024 and 2023:

Thousands of euros

	2025	2026	2027	2028	2029	Beyond	Total 2024
Minimum future lease payments	5,789	5,789	4,017	–	–	–	15,595

Thousands of euros

	2024	2025	2026	2027	2028	Beyond	Total 2023
Minimum future lease payments	21,649	18,284	3,533	4,541	978	11,927	60,912

Amounts recognised in profit or loss

The amounts recognised in the consolidated statement of profit or loss for leases under the scope of IFRS 16 in 2024 and 2023:

Thousands of euros

	2024	2023
Interest expense on lease liabilities	697	1,497
Depreciation charges	4,087	10,736
Total	**4,784**	**12,233**

These amounts do not include those related to the satellite segment, which have been reclassified to discontinued operations.

The Group also recognised 1,179 thousand euros (2023: 1,226 thousand euros) of operating lease expense outside the scope of IFRS 16.

Amounts recognised in the statement of cash flows
Below are the lease payments made in 2024 and 2023:

Thousands of euros

	2024	2023
Lease payments	7,775	11,251
Interest paid under lease liabilities	697	1,497
Total	**8,472**	**12,748**

9 Investment properties

The reconciliation of the carrying amount of the Group's investment properties at the beginning and end of 2024 and 2023:

Thousands of euros

	31 Dec. 2022	Additions	Derecognitions	31 Dec. 2023	Additions	Derecognitions	31 Dec. 2024
Cost							
Land	558	–	–	558	–	–	558
Buildings	1,680	–	(1,680)	–	–	–	–
Total cost	**2,238**	**–**	**(1,680)**	**558**	**–**	**–**	**558**
Accumulated depreciation							
Buildings	(534)	(25)	559	–	–	–	–
Total accumulated depreciation	**(534)**	**(25)**	**559**	**–**	**–**	**–**	**–**
Impairment	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Carrying amount	**1,704**	**(25)**	**(1,121)**	**558**	**–**	**–**	**558**

There were no movements under the Group's investment properties in 2024. In 2023, the Group derecognised one property following the sale of premises in Valencia.

On the basis of market appraisals at year-end 2024 and 2023, the Group concluded that its investment properties were not impaired, as their recoverable amounts remained above their carrying amounts. The investment properties did not accrue any lease income in 2024 or 2023.

The market value of the Group's investment properties, appraised by an independent expert, was approximately 1.4 million euros at 31 December 2024 (2023: 1.2 million euros).

10 Investments accounted for using the equity method

This heading includes the investments accounted for using the equity method in these consolidated financial statements due to the existence of significant influence ***(note 2.d)***:

- Transmisora Eléctrica del Norte, S.A. (TEN), which is 50%-owned by the Group through Red Eléctrica Chile SpA. TEN was incorporated on 1 March 2007 and undertook the construction in Chile of a transmission line spanning approximately 580 km and the corresponding substations. This project has connected the Far North Interconnection System to the Central Interconnected System in Chile since 2018. TEN currently operates and maintains the constructed facilities.

- Compañía Operadora de Infraestructuras Eléctricas, S.A. (COIESA), which is 50%-owned by each of Red Eléctrica Chile, SpA and Engie Energía Chile SA and was incorporated in November 2023 to jointly operate a control centre in Chile.

- Argo Energia Empreendimentos e Participações S.A. (Argo), which is 50%-owned by Redeia through Red Eléctrica Brasil Holding, Ltda. Argo was incorporated in Brazil in 2016 where it holds nine electricity concessions, encompassing 4,209 km of 500-kV and 230-kV voltage lines and 34 substations.

- Elewit investments constituting significant influence: investments made by this entity in a number of innovative start-ups. In 2024, Elewit's 750 thousand euros investment in Unusuals World, S.L. was added to the scope of consolidation. Elsewhere, the investment in Nearby Computing, S.L. was deconsolidated, generating a gain of 629 thousand euros in the consolidated statement of profit or loss for 2024 ***(note 2.g)***.

- At 31 December 2023, this heading included companies belonging to the Hispasat subgroup, which at 31 December 2024 were reclassified to non-current assets held for sale on the accompanying statement of financial position ***(notes 1 and 5)***. Those companies are:

  - Hisdesat Servicios Estratégicos, S.A., which is 38.56%-owned by Redeia through Hispasat S.A and engages in the commercialisation of spatial systems for government use.

  - Grupo Sylvestris, S.L., which is 9.73%-owned by the Group through Hispasat, S.A., and engages in reforestation.

- Other investees of the Hispasat subgroup include Grupo de Navegación Sistemas y Servicios, S.L (GSS), 12.82%-owned by Redeia through Hispasat S.A. GSS operates satellite systems.

The reconciliation of the carrying amounts of these investments at the beginning and end of 2024 and 2023:

Thousands of euros

Investee	31 Dec. 2023	Exchange differences	Capital increase	Changes in consolidated group	Dividends	Share of profit/(loss)	Valuation and other adjustments	Transfers to/of non-current assets held for sale and discontinued operations	31 Dec. 2024
Transmisora Eléctrica del Norte S.A. (TEN)	236,134	14,740	–	–	–	6,181	7,123	–	264,178
Argo Energia Empreendimentos e Participações S.A.	644,327	(109,217)	–	–	(48,746)	46,213	–	–	532,577
Hisdesat Servicios Estratégicos, S.A.	78,894	–	–	–	–	5,708	–	(84,602)	–
Grupo Sylvestris, S.L.	4,688	–	–	–	(97)	154	(63)	(4,682)	–
Other investees Hispasat subgroup	118	–	–	–	–	–	–	(118)	–
Elewit investees (significant interest)	5,016	–	–	(109)	(216)	861	–	–	5,552
COIESA	–	55	–	1,095	–	43	–	–	1,193
Total	**969,177**	**(94,422)**	**–**	**986**	**(49,059)**	**59,160**	**7,060**	**(89,402)**	**803,500**

In 2024, the Group's share of the profit of the Hisdesat investees, Grupo Sylvestris, S.L. and GSS, in the amount of 5,862 thousand euros, is recognised under profit/(loss) after tax for the year from discontinued operations in the accompanying consolidated statement of profit or loss *(notes 1 and 5)*.

Thousands of euros

Investee	31 Dec. 2022	Exchange differences	Capital increase	Changes in consolidated group	Dividends	Share of profit/(loss)	Valuation and other adjustments	31 Dec. 2023
Transmisora Eléctrica Norte S.A. (TEN)	233,143	(7,998)	–	–		13,488	(2,499)	236,134
Argo Energia Empreendimentos e Participações S.A.	574,594	23,753	–	–	(1,854)	47,834	–	644,327
Hisdesat Servicios Estratégicos, S.A.	75,134	(44)	–	–	–	3,804	–	78,894
Grupo Sylvestris, S.L.	4,478	–	–	–	–	210	–	4,688
Otras investees Hispasat subgroup	118	–	–	–			–	118
Elewit investees (significant interest)	4,150	–	1,082	–	–	(216)	–	5,016
Total	**891,617**	**15,711**	**1,082**	**–**	**(1,854)**	**65,120**	**(2,499)**	**969,177**

In 2023, the Group's share of the profit of the Hisdesat investees, Grupo Sylvestris, S.L. and GSS, in the amount of 4,014 thousand euros, is recognised under profit/(loss) for the year from discontinued operations in the accompanying consolidated statement of profit or loss *(notes 1 and 5)*.

The key financial indicators for the most significant investees at 31 December 2024 and 2023:

Thousands of euros

	Transmisora Eléctrica del Norte S.A. (TEN)		Argo Energia Empreendimentos e Participações S.A.		Hisdesat Servicios Estratégicos, S.A.		Grupo Sylvestris, S.L.	
Fiscal Year	2024	2023	2024	2023	2024 (*)	2023	2024 (*)	2023
Non-current assets	645,565	624,920	1,930,664	2,340,589	698,089	654,091	4,383	4,917
Current assets	129,737	112,178	210,158	306,095	244,414	292,745	8,730	8,457
Cash and cash equivalents	76,523	75,183	4,950	5,272	196,271	250,927	4,291	4,291
Total assets	**775,302**	**737,098**	**2,140,822**	**2,646,684**	**942,503**	**946,836**	**13,113**	**13,374**
Non-current liabilities	549,409	541,613	873,930	1,058,461	581,966	590,129	–	5
Current liabilities	42,590	43,355	172,064	235,019	43,996	57,635	–	5,407
Total liabilities	**591,999**	**584,968**	**1,045,994**	**1,293,480**	**625,962**	**647,764**	**–**	**5,412**
Net assets	**183,303**	**152,130**	**1,094,828**	**1,353,204**	**316,541**	**299,072**	**13,113**	**7,962**
Revenue	71,885	94,154	162,060	185,268	51,060	51,049	1,109	2,159
Gross operating profit (EBITDA)	61,732	83,897	146,670	169,706	31,526	32,510	1,109	2,159
Net operating profit (EBIT)	45,924	68,156	145,256	166,116	10,116	11,266	1,109	2,159
Profit after tax	**12,362**	**26,975**	**104,318**	**111,010**	**14,804**	**9,866**	**1,109**	**2,159**
Dividends received by the Group	–	–	48,746	1,854	–	–	–	–

(*) Classified as non-current assets held for sale at 31 December 2024.

At 31 December 2024, the Group had extended TEN a loan carried at 16,118 thousand euros (2023: 13,938 thousand euros) *(note 18)*.

Lastly regarding the investment in TEN, which is part of the **electricity transmission CGU in Chile,** the Group tested this CGU's assets for impairment in 2023 *(note 7)*. The calculations yielded a recoverable amount that is higher than the CGU's carrying amount and the Group concluded that the assets in this CGU are therefore not impaired.

11 Inventories

The breakdown of inventories at 31 December 2024 and 2023:

Thousands of euros

	2024	2023
Inventories	136,348	97,697
Impairment	(38,607)	(36,445)
Total	**97,741**	**61,252**

Inventories mainly comprise materials and spare parts related to electricity facilities. No inventories were pledged as collateral at either 31 December 2024 or 2023.

The Group companies calculate inventory impairment losses regularly on the basis of the following assumptions:

- Impairment due to ageing, based on inventory turnover ratios.
- Impairment due to surplus stock, based on estimated use in future years.

In 2024, as a result of this analysis, the Group recognised an impairment loss of 2,162 thousand euros in profit or loss (2023: impairment of 3,009 thousand euros).

12 Trade and other receivables

The breakdown of trade and other receivables at 31 December 2024 and 2023:

Thousands of euros

	2024	2023
Trade receivables	16,749	73,149
Other receivables	1,240,951	1,162,584
Current tax assets	1,365	209,201
Total	**1,259,065**	**1,444,934**

Trade receivables mainly includes the balances due collection from the lease of satellite capacity and the provision of telecommunications services. This heading also includes contract assets with customers in the amount of 10,031 thousand euros at 31 December 2024 (2023: 7,385 thousand euros).

Other receivables at both year-ends mainly reflects income pending invoice and/or collection from the provision of regulated transmission and system operation services. Under the settlement system set up by the Spanish regulator, a portion of these receivables are settled and collected in the following year. These balances additionally include amounts receivable from applying the methodology provided in the prevailing remuneration model for transmission activities in Spain, which stipulates that remuneration of facilities commissioned in year 'n' begins as of year 'n+2'.

Current tax assets decreased in 2024 due to collection from the Spanish tax authorities of income tax paid on account in 2022.

The fair value estimates reflect market participant assumptions based on available market information and conditions at the measurement date, including as necessary the risk premiums associated with the prevailing macroeconomic situation. There are no significant differences between the fair value and carrying amount of these assets at 31 December 2024 or 31 December 2023.

No material amounts were past due by more than 12 months at 31 December 2024 or 2023 *(note 18)*.

In 2024, the Group recognised receivable impairment losses of 181 thousand euros (2023: reversal of 139 thousand euros).

The expected loss impairment allowance recognised against trade and other receivables stood at 501 thousand euros at 31 December 2024 (2023: 1,617 thousand euros, a figure that included the expected credit loss recognised in the satellite business, which was reclassified to non-current assets held for sale in 2024).

13 Equity

a) Capital risk management

The Group's capital management objectives are to safeguard its ability to continue as a going concern in order to generate returns for its shareholders and maintain an optimum capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Group can adjust the dividends it pays shareholders, return capital to shareholders or issue new shares.

The Group monitors its capital using a leverage ratio, in line with sector practice. Specifically, it measures the ratio of net debt over Group equity plus net debt. Net debt is calculated as follows:

Thousands of euros

	2024	2023
Non-current borrowings (*)	5,131,182	5,164,911
Current borrowings (*)	1,188,015	506,251
Foreign exchange derivatives	(34,708)	(20,313)
Short-term money market investments (**)	(25,000)	–
Cash and cash equivalents	(889,638)	(675,417)
Net debt	**5,369,851**	**4,975,432**
Equity	5,260,068	5,529,057
Leverage ratio	**50.5%**	**47.4%**

(*) Interest payable was excluded from both the 2024 and 2023 ratios.

(**) Term deposits and other similar financial assets that are recognised under other current financial assets at amortised cost that do not meet the criteria for classification within cash and cash equivalents despite being identical in nature to a cash equivalent.

At both reporting dates the Group was compliant with the financial covenants stipulated in its financing agreements.

On 12 April 2024, Standard & Poor's issued a report reiterating the most recently assigned credit ratings and outlook. Specifically, the Parent, Redeia Corporación, and its subsidiary, Red Eléctrica, both hold long-term ratings of A- and short-term ratings of A-2, with a stable outlook.

On 8 October 2024, Fitch Ratings ratified the Parent's long-term rating of A- with a stable outlook. As a result, the Parent and Red Eléctrica currently hold long-term ratings of A- and short-term ratings of F1 from Fitch Ratings, all with a stable outlook.

b) Equity attributable to equity holders of the parent

Capital and reserves

Share capital

At 31 December 2024 and 2023, the Company's share capital comprised 541,080,000 shares with a unit par value of 0.50 euros represented by book entries, all subscribed and paid in, carrying the same voting and dividend rights (notwithstanding the limits outlined in the paragraph below), with a unit par value of fifty euro cents. They are admitted to trading on the four Spanish stock exchanges and are traded through the continuous market (SIBE for its acronym in Spanish).

The Parent is subject to the shareholder limitations stipulated in additional provision twenty-three of the Spanish Law 54/1997 (27 November 1997) and article 30 of the Electricity Sector Act.

Specifically, any individual or entity may hold shares in the Parent, provided that the sum of their direct or indirect interests in its share capital does not exceed 5% and their voting rights do not surpass 3% of the total. These share may not be syndicated for any purpose. Voting rights in the Parent are limited to 1% in the case of entities that carry out activities in the electricity sector, and individuals and entities that hold direct or indirect interests exceeding 5% of the share capital of such companies, notwithstanding the limits applicable to generators and agents under article 30 of the Electricity Sector Act. The above limits on shareholdings in the Parent do not apply to the state industrial holding company, SEPI for its acronym in Spanish, which must maintain a shareholding of at least 10%. At 31 December 2024 and 2023, SEPI held 20% of the Company's share capital.

Reserves

This heading includes:

Legal reserve

Spanish companies must transfer 10% of profit for the year to a legal reserve until this reserve is equivalent to at least 20% of share capital. This reserve cannot be distributed to shareholders until that threshold is met and may only be used to offset losses, provided no other reserves are available. Under certain conditions, this reserve may also be used to increase share capital. At 31 December 2024 and 2023, the Parent's legal reserve was equal to 20% of its share capital (54,199 thousand euros).

Other reserves

This heading includes the Parent's voluntary reserves, its reserves in subsidiaries and first-time application reserves. At 31 December 2024, they amounted to 3,769,868 thousand euros (2023: 3,756,198 thousand euros).

This heading also includes reserves set aside under legal requirements of 464,680 thousand euros (2023: 349,500 thousand euros), notably including:

- The asset revaluation reserve generated at the Parent in 1996 in the amount of 247,022 thousand euros. This reserve can be used, without becoming taxable, to offset losses, increase capital or, 10 years after its creation, as unrestricted reserves, as prescribed in Royal Decree-Law 2607/1996. However, this balance may only be distributed, directly or indirectly, when the restated assets have been fully depreciated, sold or derecognised.

- As allowed under article 25 and in article 62.1.d) of Law 27/2014 of 27 November 2014, the Tax Group, of which the Company is the parent, recognised the capitalisation reserve at Red Eléctrica, S.A.U. and Redeia Corporación, S.A. in a total amount of 217,658 thousand euros, corresponding to 2015 (29,110 thousand euros), 2016 (15,406 thousand euros), 2017 (11,312 thousand euros), 2018 (16,707 thousand euros), 2019 (19,668 thousand euros), 2020 (8,160 thousand euros), 2021 (4,548 thousand euros), 2022 (18,685 thousand euros) and 2023 (94,062 thousand euros). This reserve will be restricted for three years.

The proposed endowment of the capitalisation reserve for the year ended 31 December 2024, in keeping with the above-mentioned article 62.1.d), in the amount of 10,490 thousand euros, will be made at Red Eléctrica, S.A.U., as the Tax Group company that is making the corresponding adjustment to its income tax for 2024 *(note 22)*.

Interim dividends and motion for the distribution of dividends by the Parent

The interim dividend approved by the Board of Directors in 2024 has been recognised by reducing the Group's equity by 108,082 thousand euros at 31 December 2024 (and by 147,249 thousand euros at year-end 2023) *(note 18)*.

On 29 October 2024, the Board of Directors agreed to pay an interim dividend from 2024 earnings in the amount of 0.20Company's euros per share (before withholding tax), payable on 7 January 2025 (2023: 0.2727 per share).

The dividends paid in 2024 and 2023 were as follows:

Thousands of euros

			2024			2023
	% of par value	Euros per share	Amount	% of par value	Euros per share	Amount
Ordinary shares	200.00%	1.0000	539,968	200.00%	1.0000	539,579
Total dividends paid	200.00%	1.0000	539,968	200.00%	1.0000	539,579
Dividends charged against profit	200.00%	1.0000	539,968	200.00%	1.0000	539,579

The cash flow forecast for the period elapsing between 30 September 2024 and 7 January 2025 showed the existence of sufficient liquidity to substantiate its distribution, as required under article 277 a) of the Corporate Enterprises Act:

As required in article 277 a) of the Corporate Enterprises Act, the Board authorised the issuance of the following liquidity statement:

Liquidity statement of Redeia Corporación, S.A.
Thousands of euros

Funds available at 30 September 2024	
Undrawn non-current loans	689,908
Undrawn current loans	25,000
Short-term financial investments and cash	50,715
Forecast inflows	
Operating transactions	43,093
Financing transactions	143,136
Forecast outflows:	–
Operating transactions	(107,572)
Financing transactions	(459)
Forecast fund availability at 7 January 2025	**843,821**

The Parent's Board of Directors has proposed a final dividend of 0.60 euros per share, a motion to be put before the Annual General Meeting, which would put the total 2024 dividend at 0.80 euros per share (2023: 1 euro).

In addition, given the Company's ability to generate cash and its undrawn credit facilities *(note 17)*, it expected to have sufficient liquidity during a period of one year from declaration of the interim dividend.

Other equity instruments

Redeia Corporación issued subordinated perpetual notes in 2023. The securities were structured into a single tranche of 500 million euros and qualify as green financing. The par value of each security was 100 thousand euros and they were issued at a price of 99.67% of par. They carry a coupon of 4.625%.

Given that the repayment of the principal and payment of the coupon are entirely at the discretion of the Company, these subordinated notes qualify as an equity instrument and are presented within other equity instruments on the consolidated statement of financial position at 31 December 2024 and 2023 and in the consolidated statements of total changes in equity for the years then ended.

Own shares

At 31 December 2024, the Parent held own shares representing 0.12% of its share capital; specifically, it held 671,942 shares with a unit par value of 50 euro cents for an aggregate par value of 336 thousand euros, which it acquired at an average price of 17.53 euros per share (2023: 1,112,017 own shares representing 0.21% of its share capital with a unit par value of 50 euro cents for an aggregate par value of 556 thousand euros, acquired at an average price of 17.53 euros per share).

These shares are recognised as a reduction in the Group's equity and were carried at 11,780 thousand euros at 31 December 2024 (2023: 19,496 thousand euros).

The Parent is compliant with all of its obligations under article 509 of the Corporate Enterprises Act which stipulates that, other than in the exceptional cases itemised in company law, the par value of any own shares acquired by listed companies, plus those already held directly or indirectly by a parent and its subsidiaries, may not exceed 10% of share capital. The subsidiaries do not hold any own shares or any Parent shares.

Profit for the year attributable to equity holders of the parent

In 2024, the profit attributable to equity holders of the parent amounted to 368,438 thousand euros (2023: 689,640 thousand euros).

Valuation adjustments

Financial assets at fair value through other comprehensive income

At both reporting dates, this heading includes the changes in the fair value of the equity instruments classified as financial assets at fair value through other comprehensive income as a result of movements in the quoted share price of Redes Energéticas Nacionais, S.G.P.S., S.A. (hereinafter, REN), a company traded in the benchmark Portuguese stock index, the PSI 20, in which the Group has a 5% interest. At 31 December 2024, the fair value gain stood at 9,592 thousand euros (2023: 11,594 thousand euros).

Hedging transactions

This heading includes the changes in the value of the Group's derivative financial instruments. At 31 December 2024, the fair value gain stood at 6,728 thousand euros (2023: 7,724 miles thousand euros).

Translation differences

This heading mainly includes the exchange differences arising from the translation of the financial statements of foreign operations into euros. At 31 December 2024, they amounted to exchange losses of 170,226 thousand euros (2023: losses of 63,882 thousand euros), generated mainly by the movement in the Brazilian real relative to the euro.

c) Equity attributable to non-controlling interests

This equity heading of the accompanying consolidated statement of financial position reflects the non-controlling interests in all the Hispasat subgroup companies, in Reintel and in Redenor, of Chile.

The reconciliation of the carrying amount of non-controlling interests at the beginning and end of 2024 and 2023:

Thousands of euros

	31 Dec. 2022	Changes in consolidation scope and capital increases	Profit for the year	Payment of dividends and other	31 Dec. 2023	Changes in consolidation scope and capital increases	Comprehensive income	Payment of dividends and other	31 Dec. 2024
Non-controlling interests	104,741	16,170	30,033	(30,647)	120,297	–	20,249	(34,435)	106,111

The table below provides summarised financial information for the non-controlling interests that are material to the Group at year-end 2024 and 2023:

Thousands of euros

	Redenor		Hispasat subgroup		Reintel	
	2024	2023	2024	2023	2024	2023
Non-current assets	120,638	111.533	–	1,111,898	400,777	412,152
Current assets	6,850	19.003	–	230,869	83,482	76,480
Non-current assets held for sale	–	–	1,105,603	–	–	–
Assets	**127,488**	**130.536**	**1,105,603**	**1,342,767**	**484,259**	**488,632**
Non-current liabilities	50	54	–	451,326	363,468	363,595
Current liabilities	59,822	67,801	–	163,557	28,872	25,819
Liabilities associated with assets held for sale	–	–	487,955	–	–	–
Liabilities	**59,872**	**67,855**	**487,955**	**614,883**	**392,340**	**389,414**
Equity	**67,617**	**62,681**	**617,648**	**727,884**	**91,919**	**99,218**
Revenue	7,040	6,800	–	249,317	148,443	150,191
Expenses	2,392	11,823	–	218,722	64,976	64,992
Gross operating profit (EBITDA)	4,649	(5,023)	–	30,595	83,467	85,199
Profit/(loss) for the year from continuing operations	**910**	**(9,510)**	**–**	**17,505**	**58,971**	**58,883**
Profit/(loss) after tax for the year from discontinued operations	**–**	**–**	**(70,623)**	**–**	**–**	**–**
Profit/(loss) attributable to non-controlling interests	**(770)**	**(1,502)**	**(7,893)**	**2,675**	**28,852**	**28,850**

The equity of the Hispasat subgroup includes non-controlling interests in the amount of 39 million euros.

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Grants and other non-current advances received

The reconciliation of the carrying amount of these assets at the beginning and end of 2024 and 2023:

Thousands of euros

	31 Dec. 2022	Additions	Derecognitions	Transfers to profit or loss	31 Dec. 2023	Additions	Transfers to profit or loss	Transfers to/of non-current assets held for sale and discontinued operations	31 Dec. 2024
Grants related to assets and other non-current advances received	746,498	255,772	(23,304)	(33,869)	945,097	253,872	(30,605)	(46,514)	1,121,850

Government grants related to assets mainly include the amounts received by Red Eléctrica for the construction of its electricity facilities and by Hispasat for the construction of satellite assets.

This heading also includes the tax relief received in exchange for investments in fixed assets in the Canary Islands, which, by nature are akin to grants related to assets *(note 2.c)* and the amounts or technical facilities received by the Group under agreements with third parties.

Additions in 2024 mainly recognise the grant received for the electricity interconnection between Spain and France through the Bay of Biscay, which Red Eléctrica is building together with RTE, through its investee, INELFE.

The amounts transferred to the consolidated income statement of profit or loss for the year reflect the annual release schedule that matches the depreciation schedules for the assets associated with the above grants and tax relief.

46.5 million euros of grants related to the Hispasat subgroup were reclassified to non-current assets held for sale at 31 December 2024.

15 Non-current and current provisions

The reconciliation of the carrying amount of this consolidated statement of financial position heading at the beginning and end of 2024 and 2023:

Thousands of euros

	31 Dec. 2023	Additions	Utilised / Derecognised	Transfers	Actuarial gains and losses	Exchange differences	Transfers to/of non-current assets held for sale and discontinued operations	31 Dec. 2024
Non-current provisions								
Provisions for staff costs	65,839	6,357	(2,686)	(4,985)	2,381	–	(5,738)	61,168
Other provisions	68,634	4,541	(6,565)	1,771	–	686	(6,867)	62,200
Total non-current	**134,473**	**10,898**	**(8,801)**	**(3,214)**	**2,381**	**686**	**(12,605)**	**123,368**
Current provisions								
Other provisions	30,606	3,172	(26,402)	–	–	–	(4,204)	3,172
Total current	**30,606**	**3,172**	**(26,402)**	**–**	**–**	**–**	**(4,204)**	**3,172**
Total provisions	**165,079**	**14,070**	**(35,507)**	**(3,214)**	**2,381**	**686**	**(16,809)**	**126,540**

Thousands of euros

	31 Dec. 2022	Additions	Utilised	Transfers	Actuarial gains and losses	31 Dec. 2023
Non-current provisions						
Provisions for staff costs	69,497	7,293	(1,641)	(5,238)	(4,071)	65,839
Other provisions	70,325	7,160	(2,504)	(6,347)	–	68,634
Total non-current	**139,822**	**14,453**	**(4,145)**	**(11,585)**	**(4,071)**	**134,473**
Current provisions						
Other provisions	30,536	2,219	(2,149)			30,606
Total current	**30,536**	**2,219**	**(2,149)**	**–**	**–**	**30,606**
Total provisions	**170,358**	**16,672**	**(6,294)**	**(11,585)**	**(4,071)**	**165,079**

Provisions for employee benefits include the defined benefit plans, which mainly reflect the Group's future commitments with employees (mostly health insurance) upon their retirement, calculated based on actuarial studies carried out by an independent expert. The reconciliation of the movement in those defined benefit plans is provided below:

Thousands of euros

	31 Dec. 2023	Additions	Utilised	Actuarial gains/ (losses)	31 Dec. 2024
Non-current liability under defined benefit plans	48,039	2,315	(2,126)	2,381	50,609

Thousands of euros

	31 Dec. 2022	Additions	Utilised	Actuarial gains/ (losses)	31 Dec. 2023
Non-current liability under defined benefit plans	50,904	2,522	(1,316)	(4,071)	48,039

The movements recorded in 2024 and 2023 were driven mainly by annual accruals, as well as changes in the actuarial assumptions used. The additions are recognised as employee benefits expense or as finance costs, depending on their nature. The effects of changes in actuarial assumptions are recognised in reserves.

The amount recognised under employee benefits expense in the 2024 consolidated statement of profit or loss was 912 thousand euros (2023: 862 thousand euros) and the amount recognised under finance costs was 1,403 thousand euros (2023: 1,660 thousand euros).

Changes in the actuarial assumptions implied a gain of 2,381 thousand euros in 2024 (2023: loss of 4,071 thousand euros). The actuarial gains recognised in 2024 were shaped by losses due to changes in financial assumptions in the amount of 2,289 thousand euros (2023: losses of 3,824 thousand euros) offset by gains due to changes in demographic assumptions in the amount of 4,525 thousand euros (2023: losses of 247 thousand euros).

The assumptions used in 2024 and 2023 were as follows:

Actuarial assumptions

	2024	2023
Discount rate	3.26%	3.31%
Cost increase	3.00%	3.00%
Mortality tables	PER2020_Col_1er.orden	PER2020_Col_1er.orden

The impact of a one-point increase and a one-point decrease on health insurance costs in 2024 would be as follows:

Sensitivity to change in growth in costs assumption

Thousands of euros

	2024		2023	
	(+1%)	(-1%)	(+1%)	(-1%)
Current service cost	212	(162)	222	(167)
Net interest cost of the cost of the post-employment health insurance	3	(4)	4	(3)
Accumulated post-employment benefit obligations for health insurance	9,472	(7,405)	8,902	(6,963)

Elsewhere, the impact of a half-point increase and decrease in the discount rate used by way of actuarial assumption in 2024 is shown below:

Sensitivity to changes in discount rate

Thousands of euros

	2024		2023	
	(+0.5%)	(-0.5%)	(+0.5%)	(-0.5%)
Current service cost	(85)	96	(87)	101
Net interest cost of the cost of the post-employment health insurance	206	(208)	220	(220)
Accumulated post-employment benefit obligations for health insurance	(3,808)	4,339	(3,572)	4,070

Provisions for employee benefits also includes the Group's long-term remuneration plans and other obligations *(note 4 l).* In 2024, the Group recognised 2,973 thousand euros under employee benefits expense in connection with these plans (2023: 2,634 thousand euros). At 31 December 2024, 5.7 million euros of provisions for employee benefits related to the Hispasat subgroup were reclassified to liabilities associated with assets held for sale.

Other provisions includes primarily the amounts recognised by the Group annually to cover potentially unfavourable rulings on administrative proceedings, administrative disciplinary proceedings, judicial reviews (mostly expropriation proceedings) and out-of-court claims. The amounts of the provisions recognised for these events are measured considering the economic compensation of the ongoing appeals, litigation, claims and general legal or out-of-court proceedings to which the Group companies are party.

Provisions at 31 December 2023 likewise included the fair value of the contingent liabilities identified in the Hispasat subgroup business combination, in the amount of 23 million euros, mainly associated with legal and tax contingencies in Brazil that had yet to be ruled on. A portion of these provisions was derecognised at 31 December 2024 following the finalisation in 2024 of the court proceedings related with ICMS, VAT levied by the Brazilian states on the circulation of goods and the provision of interstate and inter-municipal transportation and communications services, which culminated in favourable rulings that cannot be appealed. At 31 December 2024, the remaining balance of 1.9 million euros was reclassified to liabilities associated with assets held for sale on the accompanying consolidated statement of financial position.

16 Other non-current liabilities

Other non-current liabilities mainly includes contract liabilities derived from revenue collected in advance under the agreements signed with several telecommunications players for the right to use the fibre optic network, which are taken to the consolidated statement of profit or loss over the terms of those agreements, which run until 2046 and amounted to 33,624 thousand euros at 31 December 2024 (2023: 33,922 thousand euros).

At 31 December 2023, this heading also included 42,160 thousand euros of revenue collected in advance for satellite capacity services to be provided in the future. At that year-end it also included the prepayment received in 2023 from Spain's Ministry of Economic Affairs and Digital Transformation in the amount of 36,000 thousand euros to fund the Single Rural Demand Plan under the scope of Spain's post-pandemic Recovery, Transformation and Resilience Plan. At 31 December 2024, these items were recognised under liabilities associated with assets held for sale on the accompanying consolidated statement of financial position *(notes 1 and 5)*.

17 Financial risk management policy

The Group's comprehensive risk management policy establishes principles and guidelines to ensure that any significant risks that could compromise the objectives and activities of Redeia are identified, analysed, assessed, managed and controlled, and that these processes are carried out systematically, framed by uniform criteria.

The main guidelines set down in those principles can be summed up as follows:

- Risk management should be fundamentally proactive and directed towards the medium and long term, taking into account possible scenarios in an increasingly global environment.
- Risk should generally be managed in accordance with consistent criteria, distinguishing between the importance of the risk (probability/impact) and the investment and resources needed to mitigate it.
- Financial risk management should be designed to avoid undesirable movements in the Group's fundamental value, rather than generating extraordinary gains.

Redeia's finance management is responsible for managing financial risk, ensuring consistency with the Group's strategy and coordinating risk management across the various Group companies, identifying the main risks and defining the initiatives to be taken, based on different financial scenarios.

The methodology for identifying, measuring, monitoring and controlling financial risks, as well as the performance indicators and measurement and control tools specific to each risk, are set down in Redeia's Comprehensive Risk Management System and are formally documented in the Comprehensive Risk Management Policy, the General Management Procedure and the internal risk control system.

The financial risks to which the Group is exposed are:

a) Market risk

Market risk reflects the risk of movements in the financial markets with respect to prices, interest rates, exchange rates, lending terms and conditions and other variables that could affect the Group's finance costs in the short, medium or long term.

These risks are managed by borrowing in specific currencies, at specific maturities and opting for specific interest rate formulas, and by using financial hedging instruments that modify the characteristics of the Company's financial structure. Market risk specifically includes:

Interest rate risk

Movements in interest rates affect both the fair value of the assets and liabilities that carry interest at a fixed rate and the future cash flows of assets and liabilities benchmarked to floating rates. The structuring of the Company's borrowings at 31 December 2024 and 2023:

Thousands of euros

	2024		2023	
	Fixed rate	Floating rate	Fixed rate	Floating rate
Non-current issues	3,688,609	15,000	3,709,449	14,960
Non-current bank borrowings	989,783	437,790	1,209,057	231,445
Current issues	1,049,504	–	5,970	–
Current bank borrowings	68,037	70,474	103,956	396,325
Total gross borrowings	**5,795,933**	**523,264**	**5,028,432**	**642,730**
Percentage	**92%**	**8%**	**89%**	**11%**

The Group's debt structure implies low exposure to interest rate risk, framed by its borrowing policy, specifically including its target of aligning its borrowing cost with the rate of return applied to the Group's regulated assets.

The Group's exposure to interest rate risk at year-end 2024 and 2023 primarily affects equity for the year due to exposure to changes in the fair value of derivative financial instruments (no impact on its earnings for the year). The sensitivity analysis performed around this risk is shown below:

Impact on consolidated equity of change in market interest rates

Thousands of euros

	2024		2023	
	+0.10%	-0.10 %	+0.10%	-0.10%
Interest rate hedges:				
Cash flow hedge: Interest rate swap	881	(884)	2,339	(2,349)
Interest rate and exchange rate hedges:				
Cash flow hedge: Cross currency swap	(62)	62	(11)	11

An increase or decrease of 0.10% in interest rates in 2024 would have decreased or increased consolidated earnings by 548 thousand euros (2023: 649 thousand euros).

The valuation technique used to test the sensitivity of the Group's exposure to this risk was to discount the future cash flows at the market interest rates prevailing at 31 December 2024 and 2023.

Foreign exchange risk

This risk factor encompasses transaction risk as a result of having to collect or pay cash in a currency other than the euro (mainly in US dollars and Brazil reais) and translation risk as a result of translating the financial statements of subsidiaries whose functional currency is not the euro.

In order to eliminate the foreign exchange risk derived from the Group's private placements in the US, it has arranged cash flow hedges, specifically USD/EUR cross-currency swaps, which cover the total amount and duration of those placements until October 2035 ***(notes 18 and 19).*** Appreciation or depreciation of 10% by the euro against the US dollar would have had the following impacts on equity at 31 December 2024 and 2023:

Impact on consolidated equity of change in exchange rates

Thousands of euros

	2024		2023	
	+10% euro appreciation	-10% euro appreciation	+10% euro appreciation	-10% euro appreciation
US dollar	26,222	(18,854)	15,426	(18,854)
Total	**26,222**	**(18,854)**	**15,426**	**(18,854)**

The Group mitigates the translation risk arising on assets located in countries whose functional currency is not the euro by financing part of these investments in those companies' functional currencies. The Group has also arranged a hedge of its net investment in US dollars in the form of a cross-currency swap to January 2026 *(note 19)*. As a result of these arrangements, appreciation or depreciation of 10% by the euro against the currencies to which the Group was exposed at year-end would have decreased or increased the equity attributable to equity holders of the parent by approximately 67 million euros, of which 16 million euros relates to dollar exposure and 51 million euros to exposure to the Brazilian real (2023: 86 million euros, of which 16 million euros related to dollar exposure and 68 million euros to exposure to the Brazilian real).

Price risk

The Group is exposed to the risk of movements in the price of the equity instruments classified in its consolidated statement of financial position as financial assets at fair value through other comprehensive income. The Group's main investment in listed shares it its 5% interest in REN. At 31 December 2024 a gain or correction of 10% in REN's share price on the Portuguese stock exchange would have increased or decreased equity by approximately 8 million euros (2023: 8 million euros).

b) Credit risk

The characteristics of the revenue generated by Redeia's core electricity system transmission and operation activities and the solvency of electricity system agents mean the Group is not materially exposed to credit risk. The credit risk exposure of the rest of the Group companies is managed mainly through controls and risk mitigation measures.

In any case, credit risk is managed through policies stipulating requirements regarding counterparty creditworthiness and the provision of additional guarantees when necessary.

Elsewhere, at year-end the Group's exposure to credit risk due to changes in the fair value of its derivatives was insignificant; since 2015, it has had collateral assignment agreements involving collateral swaps with various counterparties. At 31 December 2024, excluding Hispasat, less than 1% of receivables were past due (2023: 3%) and the Group companies believe there is no uncertainty as to their recoverability. The credit quality of the Group's accounts receivable is considered to be high.

c) Liquidity risk

Liquidity risk arises from differences between the amounts and timing of receipts and payments under the Group companies' various assets and liabilities.

This risk is managed primarily by controlling the maturities of its borrowings, holding a considerable volume of available funds throughout the year and setting ceilings on the amounts of maturities concentrated in any defined time interval. This process is carried out by the various Group companies in accordance with each of their practices and limits. The limits set vary by region so as to factor in liquidity conditions in the various companies' markets. In addition, liquidity management policy involves drawing up cash flow projections in the main operating currencies, factoring in the amounts of liquid assets and undrawn funds, controls over the liquidity ratios gleaned from the consolidated financial statements and comparison with market requirements.

The Group's borrowings at 31 December 2024 had an average maturity of 4.7 years (2023: 4.5 years). The maturity schedule of the Group's issued securities and bank borrowings is provided in *note 18.*

The Group boasts a solid financial position. Group liquidity at year-end 2024 stood at 2,929 million euros (2023: 2,351 million euros): 890 million euros of unrestricted cash (2023: 409 million euros), 25 million euros of short-term deposits due within less than three months from the reporting date (2023: 266 million euros) and 2,014 million euros of undrawn credit lines (2023: 1,675 million euros), all of which excluding the equivalent liquidity instruments of Hispasat, which have been reclassified to non-current assets held for sale. This liquidity position ensures the Group's ability to meet its operating cash flow requirements and honour its debt maturities in 2025 and deal with any potential adverse situations in the financial markets in the months to come.

18 Financial assets and liabilities

a) Financial assets

The breakdown of the Group's current and non-current financial assets at 31 December 2024 and 2023:

Thousands of euros

31 Dec. 2024

	At fair value through other comprehensive income	At fair value through profit or loss	At amortised cost	Hedging derivatives	Total
Equity instruments	76,194	16,153	–	–	92,347
Derivatives	–	–	–	20,984	20,984
Other financial assets	–	1,543	351,202	–	352,745
Non-current	**76,194**	**17,696**	**351,202**	**20,984**	**466,076**
Other financial assets	–	–	33,618	–	33,618
Derivatives	–	–	–	20,194	20,194
Current	**–**	**–**	**33,618**	**20,194**	**53,812**
Total	**76,194**	**17,696**	**384,820**	**41,178**	**519,888**

31 Dec. 2023

	At fair value through othe comprehensive income	At fair value through profit or loss	At amortised cost	Hedging derivatives	Total
Equity instruments	78,196	10,059	–	–	88,255
Derivatives	–	–	–	83,982	83,982
Other financial assets	–	2,825	249,934	–	252,759
Non-current	**78,196**	**12,884**	**249,934**	**83,982**	**424,996**
Other financial assets	–	–	39,243	–	39,243
Derivatives	–	–	–	1,251	1,251
Current	**–**	**–**	**39,243**	**1,251**	**40,494**
Total	**78,196**	**12,884**	**289,177**	**85,233**	**465,490**

Equity instruments

Equity instruments mainly include the Group's 5% shareholding in REN (75,726 thousand euros at 31 December 2024 and 77,728 thousand euros at 31 December 2023), the holding company for the operation of the electricity transmission assets and a number of items of gas infrastructure in Portugal. The Group acquired its investment in REN in 2007 for 98,822 thousand euros. In 2017 it participated in REN's rights issue, purchasing 6,659,563 new shares for 12,500 thousand euros, so keeping its shareholding at 5%.

At 31 December 2023, REN presented consolidated equity of 1,512,116 thousand euros, having reported a profit after tax of 149,236 thousand euros that year.

These instruments are classified as financial assets at fair value through other comprehensive income *(note 2 b)*. The value of this investment varies as a function of the investee's share price performance (Level 1). The decrease in the fair value of this equity instrument in 2024 was recognised directly against equity. Specifically, it decreased by 2,002 thousand euros (2023: decrease of 6,338 thousand euros).

Equity instruments measured at fair value through other comprehensive income also include smaller shareholdings in a number of companies, including in Coreso, S.A., a company with registered office in Belgium that is owned by the main European TSOs whose core business is helping European transmission grid operators maintain optimum security of supply in Europe through regional coordination services.

At both reporting dates, this heading also included the investments made by Elewit, S.A.U. in a range of innovative start-ups, in the amount of 16,153 thousand euros at 31 December 2024 (2023: 10,059 thousand euros). These investments are recognised at fair value through profit or loss.

In 2024, Elewit increased its investments in Adara Ventures III, S.C.A., Cardumen Fund I, Adara Ventures Energy I FCRE, Nearby Computing, S.L. and Splight, Inc. by 5,400 thousand euros.

Derivatives

The derivative financial instrument analysis is provided in *note 19*.

Other financial assets

Other non-current financial assets at amortised cost include the financial asset recognised following application of IFRIC 12 Service concession arrangements in respect of the non-current balance pending invoice and collection from the grantor (the Gran Canary Island water board) in relation to the 200-MW pumped storage hydropower facility in Salto de Chira in Gran Canary Island in the amount of 266,084 thousand euros at year-end 2024 (2023: 172,478 thousand euros). Following the publication of the ministerial order approving the period and methodology for calculating remuneration (note 3), this project was classified as a service concession arrangement, and the financial model was applied.

Other financial assets at amortised cost also include the credit facility extended by Reintel to its non-controlling shareholder, Rudolph Bidco, S.à.r.l. The size of that facility is 72,500 thousand euros and it was drawn down by 41,034 thousand euros at 31 December 2024 (2023: 37,691 thousand euros). This heading also includes the loan extended to the equity-accounted investee, TEN, in the amount of 16,118 thousand euros (2023: 13,938 thousand euros). The first loan accrues interest at EURIBOR plus a spread of 471 basis points and the second, at LIBOR plus a spread of 270 basis points. Lastly, this heading includes security deposits provided and loans extended by Redeia to members of its staff that mature in the long term. There are no significant differences between the fair value and carrying amount of these assets at 31 December 2024 or 31 December 2023.

Other financial assets at fair value through profit and loss include the Group's 1,543 thousand euros (2023: 2,825 thousand euros) of investments in economic interest groupings (EIGs) which lease assets that are managed by another company that is unrelated to Redeia, which retains substantially all the risks and rewards associated with the assets, with the Group simply availing itself of the tax incentives provided for in Spanish legislation. The Group recognises the difference between the tax losses that are generated and declared by the economic interest groupings and its investments in them as finance income *(note 23 e)*.

Fair value hierarchy levels

The following table classifies the Group's financial assets carried at fair value as a function of the level of inputs used to calculate their fair value at 31 December 2024 and 2023:

Thousands of euros

31 Dec. 2024	Level 1	Level 2	Level 3	Total
Equity instruments	75,726	–	16,621	92,347
Derivatives	–	41,178	–	41,178
Other financial assets	–	1,543	–	1,543

Thousands of euros

31 Dec. 2023	Level 1	Level 2	Level 3	Total
Equity instruments	77,728	–	10,527	88,255
Derivatives	–	85,233	–	85,233
Other financial assets	–	2,825	–	2,825

The equity instruments classified as valued using Level 1 inputs are the shares comprising the Group's 5% interest in REN. The Level 3 investments are mainly those made by Elewit in investment funds and start-ups focused on innovation.

The other financial assets classified in Level 2 are the investments in economic interest groupings.

b) Financial liabilities

The breakdown of the Group's current and non-current financial liabilities at 31 December 2024 and 2023:

Thousands of euros

31 Dec. 2024	Financial liabilities	Hedging derivatives	Total
Bank borrowings	1,427,753	–	1,427,753
Notes and other marketable securities	3,703,609	–	3,703,609
Derivatives	–	10,824	10,824
Other financial liabilities	11,823	–	11,823
Non-current	**5,143,185**	**10,824**	**5,154,009**
Bank borrowings	151,501	–	151,501
Notes and other marketable securities	1,118,449	–	1,118,449
Derivatives	–	–	–
Other financial liabilities	589,222	–	589,222
Current	**1,859,172**	**–**	**1,859,172**
Total	**7,002,357**	**10,824**	**7,013,181**

Thousands of euros

31 Dec. 2023	Financial liabilities	Hedging derivatives	Total
Bank borrowings	1,442,356	–	1,442,356
Notes and other marketable securities	3,724,409	–	3,724,409
Derivatives	–	14,958	14,958
Other financial liabilities	78,211	–	78,211
Non-current	**5,244,976**	**14,958**	**5,259,934**
Bank borrowings	515,755	–	515,755
Notes and other marketable securities	52,222	–	52,222
Derivatives	–	2,488	2,488
Other financial liabilities	830,644	–	830,644
Current	**1,398,621**	**2,488**	**1,401,109**
Total	**6,643,597**	**17,446**	**6,661,043**

Bank borrowings, notes and other marketable securities

The carrying amount and fair value of bank borrowings and notes and other marketable securities at 31 December 2024 and 2023, excluding outstanding interest, are shown below:

Thousands of euros

	Carrying amount		Fair value	
	2024	2023	2024	2023
Issues in euros	4,362,331	3,357,027	4,111,081	3,103,694
Issues in US dollars	390,782	373,352	421,808	367,220
Bank borrowings in euros	1,114,752	1,457,144	1,019,227	1,379,014
Bank borrowings in other currencies	451,332	483,639	450,978	485,217
Total	**6,319,197**	**5,671,162**	**6,003,094**	**5,335,145**

The fair value of the Group's bank borrowings and issues was estimated using a valuation technique based on discounting the securities' future cash flows at the rate of interest prevailing at each measurement date (Level 2).

At 31 December 2024, the interest accrued and outstanding on these borrowings amounted to 58,990 thousand euros (2023: 40,455 thousand euros). It also included interest outstanding on other equity instruments in the amount of 23,125 thousand euros (2023: 23,215 thousand euros).

Issues in euros at 31 December 2024 include the eurobonds issued by Red Eléctrica Financiaciones, S.A.U. and Redeia Corporación, S.A. in the amount of 4,362,331 thousand euros (2023: 3,357,027 thousand euros). In 2024, Red Eléctrica Financiaciones, S.A.U. issued 500 million euros of green notes on the euromarket. The notes are secured by Redeia Corporación, S.A. and Red Eléctrica de España, S.A.U. Redeia Corporación S.A. also issued 500 million euros of green notes on the euromarket in 2024. The proceeds from both issues will be used to finance and/or refinance eligible projects under the umbrella of the Group's green finance framework.

Issues in US dollars at 31 December 2024 amounted to 390,782 thousand euros (2023: 373,352 thousand euros) and include Redeia Financiaciones, S.L.U.'s USD 500 million private placement in the US, on which USD 250 million was pending payment at year-end 2024 (240,639 thousand euros); and three issues in US dollars undertaken in Peru by Sociedades Red Eléctrica del Sur, S.A.C., Transmisora Eléctrica del Sur, S.A.C., and Concesionaria Línea de Transmisión CCNCM, S.A.C. on which the balance outstanding stood at USD 156 million, equivalent to 150 million euros (2023: 147 million euros) ***(for an analysis of the related currency risk, refer to note 17)***.

Bank borrowings in euros at year-end 2024 include non-current loans and credit facilities in the amount of 1,114,752 thousand euros (2023: 1,457,144 thousand euros).

Bank borrowings in other currencies at year-end 2024 include non-current loans and credit facilities, mainly denominated in US dollars, in the amount of 451,332 thousand euros (2023: 483,639 thousand euros).

The maturity schedule for issues and bank borrowings at 31 December 2024 was as follows:

Maturities at 31 December 2024

Thousands of euros

	2025	2026	2027	2028	2029	Beyond	Amortised cost and other adjustments	Total
Issues in euros	900,000	500,000	675,000	700,000	15,000	1,600,000	(27,669)	4,362,331
Issues in US dollars	151,382	7,494	8,017	8,548	9,156	209,761	(3,577)	390,782
Bank borrowings in euros	79,993	74,993	63,882	380,549	95,644	421,190	(1,499)	1,114,752
Bank borrowings in US dollars	58,540	196,361	3,204	20,838	110,911	63,893	(2,415)	451,332
Total	**1,189,915**	**778,848**	**750,103**	**1,109,935**	**230,711**	**2,294,844**	**(35,160)**	**6,319,197**

Maturities at 31 December 2023

Thousands of euros

	2024	2025	2026	2027	2028	Beyond	Amortised cost and other adjustments	Total
Issues in euros	–	900,000	500,000	675,000	700,000	615,000	(32,973)	3,357,027
Issues in US dollars	6,141	130,138	19,234	7,538	8,037	205,822	(3,558)	373,352
Bank borrowings in euros	324,116	124,121	97,860	79,112	395,779	440,524	(4,368)	1,457,144
Bank borrowings in US dollars	177,128	34,521	185,919	7,796	7,931	81,738	(11,394)	483,639
Total	**507,385**	**1,188,780**	**803,013**	**769,446**	**1,111,747**	**1,343,084**	**(52,293)**	**5,671,162**

The average rate of interest on bank borrowings and issues was 2.27% in 2024 (2023: 2.14%).

At 31 December 2024, the Group companies had undrawn credit lines totalling 2,014 million euros (2023: 1,676 million euros), of which 1,859 million euros were non-current (2023: 1,383 million euros) and 155 million euros were current (2023: 293 million euros).

The breakdown of the Company's notes and other marketable securities at 31 December 2024 and 2023:

Thousands of euros

					31 Dec. 2024
	Balance outstanding at 31 Dec. 2023	(+) Issues	(-) Repurchases or redemptions	(+/-) Exchange rate and other adjustments	Balance outstanding at 31 Dec. 2024
Debt securities issued in a fixed-income market requiring the registration of a prospectus	3,357,027	1,000,000	–	5,304	4.362,331
Debt securities issued in a fixed-income market not requiring the registration of a prospectus	–	–	–	–	–
Other debt securities issued outside an EU member state	373,352	–	(6,786)	24,216	390,782
Total	**3,730,379**	**1,000,000**	**(6,786)**	**29,520**	**4,753,113**

Thousands of euros

					31 Dec. 2023
	Balance outstanding at 31 Dec. 2022	(+) Issues	(-) Repurchases or redemptions	(+/-) Exchange rate and other adjustments	Balance outstanding at 31 Dec. 2023
Debt securities issued in a fixed-income market requiring the registration of a prospectus	3.641,742	–	(300,000)	15,285	3,357,027
Debt securities issued in a fixed-income market not requiring the registration of a prospectus	–	–	–	–	–
Other debt securities issued outside an EU member state	392,747	–	(5,889)	(13,506)	373,352
Total	**4,034,489**	**–**	**(305,889)**	**1,779**	**3,730,379**

The movement in the outstanding balance of debt securities issued in a market requiring the registration of a prospectus related to issues registered in Luxembourg in both years.

The table below presents the changes in liabilities arising from financing activities in 2024 and 2023 distinguishing between those arising from cash flows and those not arising from cash flows:

Thousands of euros

	31 Dec. 2023	Arising from cash flows	Not arising from cash flows		31 Dec. 2024	Transfers to/of non-current assets held for sale and discontinued operations	31 Dec. 2024
			Changes in foreign exchange rates	Other changes			
Issues in euros	3,357,027	1,000,000	–	5,304	4,362,331		4,362,331
Issues in US dollars	373,352	(6,786)	23,751	465	390,782		390,782
Bank borrowings in euros	1,457,143	(202,078)	–	143	1,255,208	(140,456)	1,114,752
Bank borrowings in other currencies	483,640	(8,178)	33,349	2,534	511,345	(60,013)	451,332
Total Debt	**5,671,162**	**782,958**	**57,100**	**8,446**	**6,519,666**	**(200,469)**	**6,319,197**

Thousands of euros

	31 Dec. 2022	Arising from cash flows	Not arising from cash flows		31 Dec. 2023
			Changes in foreign exchange rates	Other changes	
Issues in euros	3,641,742	(300,000)	–	15,285	3,357,027
Issues in US dollars	392,747	(5,889)	(13,657)	151	373,352
Bank borrowings in euros	1,616,541	(160,229)	–	831	1,457,143
Bank borrowings in other currencies	521,101	(15,539)	(21,596)	(326)	483,640
Total Debt	**6,172,131**	**(481,657)**	**(35,253)**	**15,941**	**5,671,162**

Derivatives

The derivative financial instrument analysis is provided in *note 19*.

Other financial liabilities

The breakdown other financial liabilities at year-end:

Thousands of euros

	31 Dec. 2024	31 Dec. 2023
Non-current lease liabilities	9,806	39,263
Payable to fixed-asset suppliers and other borrowings	2,017	38,948
Total non-current	**11,823**	**78,211**
Dividend payable *(note 13)*	108,082	147,249
Current lease liabilities	5,789	21,649
Payable to fixed-asset suppliers	317,808	346,134
Other liabilities	157,543	315,612
Total current	**589,222**	**830,644**
Total other financial liabilities	**601,045**	**908,855**

Payable to fixed-asset suppliers mainly reflects balances arising on the construction of electricity facilities.

The breakdown of the minimum future lease payments under non-current lease liabilities is provided in *note 8*.

The Group, in its capacity as lessee, believes it is not potentially exposed to significant future cash outflows that are not reflected in the above measurement of its lease liabilities.

Other liabilities mainly reflect certain amounts pending payment to the Spanish electricity system and security deposits taken.

Fair value hierarchy levels

The Group's non-current and current financial liabilities' fair values and the level of inputs used to arrive at those figures are shown below:

Thousands of euros

				31 Dec. 2024
	Level 1	Level 2	Level 3	Total
Bank borrowings	–	1,566,084	–	1,566,084
Notes and other marketable securities	–	4,753,113	–	4,753,113
Interest and exchange rate derivatives	–	10,824	–	10,824
Total	**–**	**6,330,021**	**–**	**6,330,021**

Thousands of euros

				31 Dec. 2023
	Level 1	Level 2	Level 3	Total
Bank borrowings	–	1,940,783	–	1,940,783
Notes and other marketable securities	–	3,730,379	–	3,730,379
Interest and exchange rate derivatives	–	17,446	–	17,446
Total	**–**	**5,688,608**	**–**	**5,688,608**

The liabilities measured using Level 2 inputs include the Group's bank borrowings, notes and other issued securities and its foreign exchange and interest rate derivatives. There are no significant differences between the fair value and carrying amount of these balances at 31 December 2024 or 2023.

The fair value estimates reflect market participant assumptions based on available market information and conditions at the date of preparing these financial statements, including as necessary the risk premiums associated with the prevailing macroeconomic situation. The estimates include own and counterparty credit risk adjustments. Management additionally considered whether unobservable inputs had become significant.

19 Derivative financial instruments

Framed by its financial risk management policy, the Group has arranged three types of derivative financial instruments: interest rate swaps, forward interest rate swaps and cross-currency swaps. Interest rate swaps consist of exchanging floating-rate borrowings for fixed-rate borrowings, where interest payments are the future cash flows to be hedged. Forward interest rate swaps hedge the finance cost of highly probable forecast transactions. Similarly, cross-currency swaps allow fixed- or floating-rate borrowings denominated in US dollars to be exchanged for fixed-rate borrowings denominated in euros, with scope for hedging future interest and principal payments in US dollars, future flows at floating rates in euros and the exchange rate risk arising from highly probable forecast transactions denominated in US dollars.

Application of IFRS 13 *(note 4 n)* to the measurement of derivative financial instruments and hedging instruments in these financial statements requires adjusting valuation techniques to obtain the fair value of the derivative financial instruments. The Group layers in adjustments for credit risk in order to reflect own credit risk and counterparty credit risk in the estimated fair value of its derivative financial instruments, calculated using generally accepted valuation models.

To eliminate the credit risk embedded in the cross-currency swaps arranged to hedge the foreign exchange risk arising from private placements in the US, collateral assignment agreements were entered into with counterparties in 2015 entailing collateral swaps.

To determine the credit risk adjustment for the remaining derivatives, it uses a technique based on the calculation, using simulations, of the total expected exposure (which therefore includes current and potential exposure), adjusted for the probability of default over time and the loss given default assigned to the Group and each of its counterparties.

The total expected exposure of derivative financial instruments is obtained using observable market inputs such as yield, currency and volatility curves, factoring in market conditions at the measurement date.

The inputs used to determine own credit risk and counterparty credit risk (which in turn determine the probability of default) are mainly based on own credit spreads and the spreads of comparable companies currently traded on the market (CDS curves, yields on bond issues).

Also, to adjust fair value for credit risk, the Group factors in credit enhancements from guarantees and collateral when determining the loss given default rate to apply to each position. Loss given default is considered constant in time. If there are no credit enhancements from guarantees or collateral, a minimum recovery rate of 40% is modelled.

The Group believes that most of the inputs used to determine the fair value of its derivative financial instruments are Level 2 inputs (using the hierarchy outlined in *note 4*), including the data used to calculate the own and counterparty credit risk adjustments.

In the event it used Level 3 inputs, the Group calculated whether the use of those inputs was significant to the entire measurement of its derivative financial instruments, concluding that it was not significant. As a result, the Group has classified the entire derivative financial instruments portfolio within Level 2 of the fair value hierarchy.

The Group uses mid-market prices (taken from external sources of information widely used in the financial markets) as observable inputs.

The breakdown of the Group's hedges at 31 December 2024 and 2023:

Thousands of euros

	Notional amount	Maturity date	Average rate under derivative		2024			
			Payable	Receivable	Non-current		Current	
					Assets	Liabilities	Assets	Liabilities
Interest rate hedge								
Cash flow hedges								
Interest rate swap	EUR 50,000 thousand	Until 2026	2.40%	3m EURIBOR	–	(126)	–	–
Interest rate swap	EUR 325,000 thousand	Until 2026	2.70%	1m EURIBOR	–	(4,297)	–	–
SOFR interest rate swap	USD 50,000 thousand	Until 2026	3.40%	3m Term SOFR rate	440	–	–	–
Forward cash flow hedge								
Interest rate swap with deferred start in 2025	EUR 100,000 thousand	Until 2031	0.20 %	6 m EURIBOR	11,373	–	–	–
Foreign exchange hedge								
Hedge of a net investment								
Cross currency swap	USD 150 million	Until 2026	–	–	–	(6,401)	–	–
Interest and exchange rate hedge								
Cross currency swap								
Interest rate hedge	USD 250,000 thousand	Until 2035	4.12% EUR	5.35% USD	(4,713)	–	(631)	–
Foreign exchange hedge					13,883	–	20,825	–
Total					**20,984**	**(10,824)**	**20,194**	**–**

Thousands of euros

	Notional amount	Maturity date	Average rate under derivative					2023
			Payable	Receivable	Non-current		Current	
					Assets	Liabilities	Assets	Liabilities
Interest rate hedge								
Cash flow hedges								
Interest rate swap	EUR 385,746 thousand	Until 2031	2.50%	EURIBOR + 0.11%	4,587	(4,603)	166	–
Forward cash flow hedge								
Interest rate swap with deferred start in 2024	EUR 200,000 thousand	Until 2030	0.09%	6m EURIBOR	25,049	–	–	–
Interest rate swap with deferred start in 2025	EUR 200,000 thousand	Until 2031	0.20%	6m EURIBOR	21,780	–	–	–
Foreign exchange hedge								
Hedge of a net investment								
Cross currency swap	USD 150 million	Until 2026	–	–	2,168	–	–	–
Forward cash flow hedge								
Cross currency swap	USD 46,596 thousand	Until 2031	–	–	–	(3,546)	–	–
Currency forward	USD 195,462 thousand	Until 2032	–	–	8,818	(634)	1,085	(2,488)
Interest and exchange rate hedge								
Cross currency swap								
Interest rate hedge	USD 250,000 thousand	Until 2035	4.12% EUR	5.35% USD	(2,385)	–	–	–
Foreign exchange hedge					20,313	–	–	–
Cross currency swap								
Interest rate hedge	USD 73,004 thousand	Until 2031	2.975% USD	EURIBOR + 0.38%	3,652	–	–	–
Foreign exchange hedge					–	(6,175)	–	–
Total					**83,982**	**(14,958)**	**1,251**	**(2,488)**

The breakdown of the flows expected under the above derivatives as of 31 December 2024 and 2023, which are similar to their expected impact on earnings, by year of materialisation, is provided below:

Maturities at 31 December 2024

Thousands of euros

	Notional amount	Maturity date	2025	2026	2027	2028	2029	2030 and beyond	Total
Interest rate hedge									
Cash flow hedges									
Interest rate swap	EUR 50,000 thousand	Until 2026	–	(126)	–	–	–	–	(126)
Interest rate swap	EUR 325,000 thousand	Until 2026	–	(4,297)	–	–	–	–	(4,297)
SOFR interest rate swap	USD 50,000 thousand	Until 2026	–	440	–	–	–	–	440
Cash flow pre-hedging									
Interest rate swap with deferred start in 2025	EUR 100,000 thousand	Until 2031	–	–	–	–	–	11,373	11,373
Foreign exchange hedge									
Hedge of a net investment									
Cross currency swap	USD 150 million	Until 2026	–	(6,401)	–	–	–	–	(6,401)
Interest and exchange rate hedge									
Cross currency swap									
Interest rate hedge	USD 250,000 thousand	Until 2035	(631)	–	–	–	–	(4,713)	(5,344)
Foreign exchange hedge			20,825	–	–	–	–	13,883	34,708
Total			**20,194**	**(10,383)**	**–**	**–**	**–**	**20,543**	**30,353**

Maturities at 31 December 2023

Thousands of euros

	Notional amount	Maturity date	2024	2025	2026	2027	2028	2029 and beyond	Total
Interest rate hedge									
Cash flow hedges									
Interest rate swap	EUR 385,746 thousand	Until 2031	166	573	(4,029)	573	573	2,294	150
Forward cash flow hedge									
Interest rate swap with deferred start in 2024	EUR 200,000 thousand	Until 2030	–	–	–	–	–	25,049	25,049
Interest rate swap with deferred start in 2025	EUR 200,000 thousand	Until 2031	–	–	–	–	–	21,780	21,780
Foreign exchange hedge									
Hedge of a net investment									
Cross currency swap	USD 150 million	Until 2026	–	–	2,168	–	–	–	2,168
Forward cash flow hedge									
Cross currency swap	USD 46,596 thousand	Until 2031	–	(2,836)	(710)	–	–	–	(3,546)
Currency forward	USD 195,462 thousand	Until 2032	(1,403)	87	1,418	2,106	1,332	3,241	6,781
Interest and exchange rate hedge									
Cross currency swap									
Interest rate hedge	USD 250,000 thousand	Until 2035	–	(7,550)	–	–	–	5,165	(2,385)
Foreign exchange hedge			–	14,106	–	–	–	6,207	20,313
Cross currency swap									
Interest rate hedge	USD 73,004 thousand	Until 2031	–	456	456	456	456	1,828	3,652
Foreign exchange hedge			–	(772)	(772)	(772)	(772)	(3,087)	(6,175)
Total			**(1,237)**	**4,064**	**(1,469)**	**2,363**	**1,589**	**62,477**	**67,787**

The Group recognised the following amounts in its financial statements in 2024 and 2023 as a result of its cash flow hedges:

Thousands of euros

	2024				2023			
	Financial liabilities at amortised cost	Hedging derivatives(*)	Investments accounted for using the equity method	Total	Financial liabilities at amortised cost	Hedging derivatives(*)	Investments accounted for using the equity method	Total
Gain/(loss) recognised in the consolidated statement of profit or loss	5,398	4,373	–	9,771	8,917	(8,063)	–	854
Gain/(loss) recognised in the consolidated statement of other comprehensive income	(20,596)	–	7,123	(13,473)	(14,691)	–	(2,499)	(17,190)
Total	**(15,198)**	**4,373**	**7,123**	**(3,702)**	**(5,774)**	**(8,063)**	**(2,499)**	**(16,336)**

(*) Corresponds to a hedge of the cash flows from a highly probable forecast transaction held by entities belonging to the segment reclassified to discontinued operations in 2024.

20 Trade and other payables

The breakdown of this consolidated statement of financial position heading at year-end 2024 and 2023:

Thousands of euros

	2024	2023
Trade payables	397,250	406,915
Other payables	260,473	251,797
Current tax liabilities	11,187	12,477
Total	**668,910**	**671,189**

Trade payables includes balances due payment for the purchase of goods and services in the ordinary course of the Group's business, which are mainly payables derived from repair, maintenance and facility upgrade work.

This heading also includes current contract liabilities with customers in the amount of 85,925 thousand euros at 31 December 2024 (2023: 71,361 thousand euros). These liabilities were recognised as advances collected against works to modify lines for third parties and to build grid access points.

Other accounts payable mainly include items pending reimbursement to customers as a result of the application of provisional rates generated by the difference between the amount charged and collected and the income accrued for electricity transmission services between 2021 and 2023 *(notes 3 and 23)*. This heading also includes the balances payable to the tax authorities with respect to VAT, personal income tax withholdings and other balances related with the purchase of goods and services.

The Group, specifically Red Eléctrica de España, has reverse factoring agreements with several banks to facilitate early payment to its suppliers; specifically, eligible suppliers can discount their collection claims against the Group before maturity, obtaining the amount invoiced less the interest cost charged to discount them and the fees and commissions applied by the various financial institutions. The Group in turn commits to pay the bank within a term that matches the maturity of the suppliers' invoices, in keeping with the terms and conditions of the agreements. These agreements therefore allow the Group's suppliers to collect what is owed to them before the invoice maturity date; they do not alter this company's payment terms as it continues to settle on the original maturity date of the supplier's invoice. For all of the above reasons, these amounts continue to be recognised as trade payables.

At 31 December 2024, the amount of liabilities related to these supplier trade finance agreements, recognised under other accounts payable and other current financial liabilities in the tables above, amounted to 74,865 thousand euros (2023: 66,409 thousand euros) and 109,690 thousand euros (2023: 54,528 thousand euros), respectively. Of the total, Group suppliers had discounted payments against their invoices totalling 18,622 thousand euros at year-end 2024 (2023: 6,361 thousand euros).

At both reporting dates, the liabilities included under these agreements are settled between 40 and 60 days from the date of invoice, a term that does not differ from the payment term on trade invoices that are not included under these agreements, so that use of these instruments does not have a significantly impact on the entity's cash flows.

21 Disclosures regarding average supplier payment term. Additional Provision Three - "Disclosure requirements" under Law 15/2010

One of the objectives of Law 18/2022 of 28 September 2022, on business creation and growth, is to reduce late payments on trade debt and enhance access to financing.

Among other things, it amends Law 15/2010 of 5 July 2010, which in turn amended Law 3/2004 of 29 December 2004, establishing measures to tackle supplier non-payment, regulating the deadlines for settling business transactions between companies or between companies and the public sector, specifically in Additional Provision Three thereof.

The amendments made to Additional Provision Three by Law 18/2022 require:

- All corporate enterprises to expressly disclose their average supplier payment terms in the notes to their annual financial statements.

- Listed companies and unlisted companies that do not present short-form financial statements are required to publish, in addition to their average payment terms, the monetary value and number of invoices paid within the legally stipulated deadline and their percentage shares of the corresponding totals. That information must be included in their financial statement notes and on their corporate websites if they have one.

In its official journal no. 132/2022, the ICAC writes that this new legislation expands the disclosures that corporate enterprises must include in their financial statement notes and on their corporate website, to the extent they have one.

The disclosures regarding the average payment terms in 2024 and 2023 are provided below:

Days

	2024	2023
Average supplier payment term	44	44
Paid transactions ratio	45	45
Outstanding transactions ratio	22	22

Thousands of euros

	2024	2023
Total payments made	596.196	539.689
Total payments outstanding	16.937	20.950

Thousands of euros

	2024	2023
Monetary amount of invoices paid within the legal deadline	584,122	510,897
Total payments made	596,196	539,689
Monetary amount of invoices paid within the legal deadline as a % of total payments made	98%	95%

	2024	2023
Number of invoices paid within the maximum period stipulated	29,724	29,324
Total number of invoices paid	30,564	31,012
No. of invoices paid within the legal deadline as a % of total invoices paid	97%	95%

22 Tax matters

Consolidated Tax Group

The Tax Group headed up by Redeia Corporación has been paying tax under the consolidated tax regime in Spain since 2002 (Tax Group No. 57/02). In addition to the Parent, at 31 December 2023, the Tax Group included the following companies: Red Eléctrica, Redinter, Redeia Financiaciones, Red Eléctrica Financiaciones, Red Eléctrica Infraestructuras en Canarias, Redeia Sistemas de Telecomunicaciones, Elewit, Hispasat S.A., Hispasat Canarias S.L and Hispamar Exterior, S.L.

Hispasat, S.A. and Hispasat Canarias, S.L.U. joined the Redeia Tax Group with effect from 1 January 2020 and Hispamar Exterior, S.L.U. joined it with effect from 1 January 2022. Hispasat, S.A. was the parent of the Hispasat tax group until 31 December 2019.

As a result of the merger of Axess Networks Solutions S.L.U. into its parent Hispasat S.A. on 2 July 2024 (a transaction carried out under the tax neutrality regime set out in Chapter 7 of Title VII on the special regime for mergers and de-mergers provided for in Law 27/2014 of 27 November 2024 on Corporate Income Tax), Axess Networks Solutions S.L.U. was extinguished and liquidated and accordingly exited the Redeia Tax Group.

Axess Networks Solutions Arabia Saudita, S.L. also left the Redeia Tax Group in 2024 having been liquidated that year.

The Group companies that are not part of the Tax Group apply the tax legislation applicable in their countries of domicile.

Income tax expense and effective tax rate

The reconciliation of the statutory tax rate in force in Spain and the Group's effective tax rate is as follows:

Thousands of euros

	2024	2023(*)
Accounting profit before tax	675,633	885,207
Permanent differences and consolidation adjustments	(63,820)	(140,915)
Taxable profit	611,813	744,292
Tax rate	**25%**	**25%**
Tax expense at statutory rate	152,953	186,073
Effect of application of different tax rates	(1,212)	1,562
Income tax calculated at the rates prevailing in each country	151,741	187,635
Tax credits utilised and other adjustments	(2,950)	7,437
Income tax	**148,791**	**195,072**
Current income tax	207,871	206,329
Deferred income tax	(59,080)	(11,257)
Effective tax rate	**22.02%**	**22.04%**

(*) The consolidated statement of profit or loss for 2023 has been restated to reflect the impact of the business classified as a discontinued operation in 2024 under IFRS 5, as outlined in *notes 1 and 5.*

The effective tax rate is shaped primarily by permanent differences and tax credits. The effective rate in 2024 was 22.02% (2023: 22.04%).

The permanent differences in 2024 and 2023 related mainly to investment management expenses associated with the dividends collected from subsidiaries (article 21 of Law 27/2014 on Corporate Income Tax) and the adjustment for the capitalisation reserve derived from the increase in equity, as contemplated in article 25 of Law 27/2014.

The capitalisation reserve endowment for 2024 will be made at Red Eléctrica de España, S.A.U., in accordance with article 62.1 d) of Law 27/2014 *(note 13)*.

The consolidation adjustments in both 2024 and 2023 stem mainly from the Group's share of earnings of several equity-accounted investees which do not compute as taxable at the consolidated level.

Tax credits utilised and other adjustments mainly reflect tax relief related with research, development and innovation expenditure, exemption arrangements aimed at avoiding double taxation and donations.

Note that the tax relief received in exchange for investments in fixed assets in the Canary Islands is accounted for as a grant which is released to profit or loss over the years of useful life of the assets for which this relief is provided *(note 4.j)*.

6,151 thousand euros of tax relief accounted for as a grant was reclassified to profit or loss in 2024 (2023: 5,890 thousand euros) and the amount pending reclassification at 31 December 2024 stood at 148,993 thousand euros (2023: 139,586 thousand euros).

The Redeia Group's current tax expense is not affected by the Pillar Two global minimum tax rules. Additionally, the Group is availing itself of the exception regarding the recognition of deferred tax effects derived from implementation of Spanish Law 7/2024, as allowed in IAS 12.

Deferred tax

The movements in deferred tax assets and deferred tax liabilities:

Thousands of euros

				2024			2023
	Transfers to/of non-current assets held for sale and discontinued operations	Statement of profit or loss, business combinations and other	Income and expense recognised directly in equity	Total	Statement of profit or loss	Income and expense recognised directly in equity	Total
Deferred tax assets							
Originated in prior years		114,789	29,457	144,246	122,516	29,457	151,973
Business combinations		–	–	–	–	–	–
Movements during the year	(72,779)	26,140	–	(46,639)	(7,727)	–	(7,727)
Total deferred tax assets, gross	(72,779)	140,929	29,457	97,607	114,789	29,457	144,246
Offset of deferred taxes from the Tax Group in Spain				(66,670)			(97,993)
Total deferred tax assets, net				**30,937**			**46,253**
Deferred tax liabilities							
Originated in prior years		459,098	17,428	476,526	484,141	16,265	500,406
Business combinations		–	–	–	–	–	–
Movements during the year	(15,450)	(32,940)	1,610	(46,780)	(25,043)	1,163	(23,880)
Total deferred tax liabilities, gross	(15,450)	435,472	19,038	429,746	459,098	17,428	476,526
Offset of deferred taxes from the Tax Group in Spain				(66,670)			(97,993)
Total deferred tax liabilities, net				**363,076**			**378,533**

The breakdown of deferred tax assets and deferred tax liabilities at year-end:

Thousands of euros

	2024	2023
Restatement of assets (Spanish Law 16/2012)	17,222	18,099
Limit on deductibility of depreciation (Spanish Law 16/12)	3,283	6,796
Asset impairment	383	23,406
Commitments with employees	22,787	22,527
Derivatives	1,855	2,462
Unused tax credits	–	23,281
Unused tax losses	45,230	31,972
Other	6,847	15,703
Offset of deferred tax assets and liabilities	(66,670)	(97,993)
Total deferred tax assets	**30,937**	**46,253**
Accelerated depreciation	397,748	417,130
Non-deductible assets	8,282	20,947
Other	23,715	38,449
Offset of deferred tax assets and liabilities	(66,670)	(97,993)
Total deferred tax liabilities	**363,076**	**378,533**

Deferred tax assets feature reversals of taxes that were prepaid in 2013 and 2014 as a result of application of the limit on the deduction of depreciation charges under article 7 of Law 16/2012 of 27 December 2012, introducing a range of tax measures designed to consolidate Spain's public finances and shore up economic activity, and as a result of the start in 2015 of depreciation for tax purposes of the net increase in value resulting from the asset revaluation exercise undertaken at 31 December 2012, as stipulated in article 9 of that same piece of legislation. This heading also includes, principally, amounts related with long-term employee benefit obligations, changes in the fair value of cash flow hedges and unused tax losses.

The deferred tax liabilities derive from the free and accelerated depreciation of certain assets and the inclusion of the assets and liabilities of REDALTA and INALTA, which were taken over and absorbed by Redeia Corporación, S.A. in 2006. In 2024, deferred tax liabilities due to accelerated depreciation, as provided for in additional provision eleven of Royal Legislative Decree 4/2004 and transitional provision thirty-four of Spain's Corporate Income Tax Law 27/2014, amounted to 342,106 miles thousand euros (2023: 359,868 thousand euros).

In its consolidated statement of financial position, the Group has offset 66,670 thousand euros of deferred tax assets derived from its Tax Group in Spain (2023: 97,993 thousand euros) against deferred tax liabilities, as provided for in IAS 12.

At 31 December 2024, deferred tax assets and liabilities are expected to be recovered and settled as follows:

Thousands of euros

	More than 1 year	Less than 1 year	Adjustment for offset of assets and liabilities	Net total
Deferred tax assets	92,824	4,783	(66,670)	30,937
Deferred tax liabilities	409,345	20,401	(66,670)	363,076

The recovery and settlement of the Group's deferred tax assets and liabilities depends on certain assumptions that are subject to change.

The notes to Redeia Corporación's financial statements for 2006 included the disclosures required under 86 of Law 27/2014 regarding the merger between REDALTA and INALTA and its financial statements for 2008 included the disclosures regarding the contribution by Redeia Corporación of the Company's Spanish grid TSO business to Red Eléctrica.

Likewise, the notes to the 2015 financial statements of Redeia Corporación and Reintel included the disclosures required under article 86 of Law 27/2014 regarding the spin-off and contribution of the telecommunications business of Redinter to Reintel and the notes to the 2015 financial statements of Redeia Corporación and Redinter included the corresponding disclosures for the non-monetary contribution of the shares in REN.

Years open to inspection

In accordance with prevailing tax legislation, tax returns cannot be considered final until they have been inspected by the tax authorities or until the applicable inspection period has elapsed.

In 2022, the authorities initiated general inspection proceedings with respect to corporate income tax (consolidated tax regime) covering 2017 to 2020. In 2023, the Group received notice of the expansion of the partial proceedings to 2021 and to 2015 - 2019 in the case of Hispasat S.A. and Hispasat Canarias, S.L.

In 2023, the Group signed uncontested assessments implying tax payable of 2,739 thousand euros and assessments which it is challenging that imply tax payable of 35,929 thousand euros; no fines were imposed.

In 2024, the Group received settlement agreements in response to the pleas presented against the assessments challenged. The amount payable under those agreements has been reduced to 34,316 thousand euros, of which 33,727 thousand euros have been appealed before the National Economic-Administrative Court.

The settlement agreements derived from the assessments being challenged relate to the authorities' understanding that the adjustment of taxable income under article 31.2 of the Income Tax Act is not applicable and that the IT expenses deducted, related to the costs incurred by Hispasat Canarias, S.L.U. to manufacture the Amazonas Nexus, are not deductible for tax purposes.

The Group, based on the opinion of its tax advisors, expects the outcome of the positions questioned in the wake of the inspections to be favourable to its interests and that the probability that a higher court of instance will hand down a favourable ruling is at least 50%, to which end it has not recognised any provisions in connection with these matters.

In Spain, the Group remains party to certain ongoing court proceedings related to its income tax from 2011 and 2016.

The Tax Group has also requested the rectification of the tax paid in instalments between 2016 and 2022. In 2020, the tax authorities ruled in favour of the rectification requested in respect of 2016 and 2017 and the decision regarding the other years requested has been appealed.

In accordance with prevailing tax legislation, the tax returns presented for the various different taxes cannot be considered final until they have been inspected by the tax authorities or until the applicable inspection period has elapsed (four years in the case of the Spanish companies).

Since existing tax laws and regulations are subject to interpretation, tax inspections initiated in the future for years open to inspection could give rise to tax liabilities that are currently not possible to quantify objectively. However, the Group estimates that any liabilities that could arise as a result of any such inspections would not have a material impact on its future earnings.

23 Income and expenses

a) Revenue

The breakdown of revenue in 2024 and 2023 by geography is provided below:

Thousands of euros

	2024	2023 (*)
Spain	1,483,655	1,717,749
International	110,549	101,042
a) European Union	27,100	26,764
a.1) Eurozone	27,100	26,764
a.2) Non-eurozone	–	–
b) Other countries	83,449	74,278
Total	**1,594,204**	**1,818,791**

(*) The consolidated statement of profit or loss for 2023 has been restated to reflect the impact of the business classified as a discontinued operation in 2024 under IFRS 5, as outlined in *notes 1 and 5*.

Spain in the table above mainly includes regulated revenue *(note 3)* from the provision of electricity transmission and system operation services. The CNMC sets the remuneration for these services through Circulars establishing the methods and parameters for calculating the remuneration of the transmission activity based on the costs required to build, operate and maintain the electricity facilities, as well as the remuneration for the system operator, in exercising the authority conferred on the Commission in Royal Decree-Law 1/2019 *(note 3.a)*.

Revenue from the transmission activity in Spain in 2024 and 2023 was accrued primarily on basis of Red Eléctrica's calculations in accordance with prevailing regulations, since the CNMC has yet to publish the definitive remuneration for 2022 to 2024 *(note 3.a)*. The revenue recognised from the transmission activity in Spain amounted to 1,277 million euros in 2024 (2023: 1,520 million euros).

Moreover, as the latest annual tariff order settled by the CNMC relates to 2021, the statement of financial position reflects a liability for the estimated amount to be reimbursed to the system for the difference between the amount settled provisionally and the revenue accrued from 2022 to 2024 *(note 20)*.

Meanwhile, for system operation, revenue for 2024 and 2023 was accrued in accordance with CNMC Circular 4/2019, which establishes the system operator's remuneration for 2021 and beyond. Based on the experience gained, the methodology was updated via the publication of CNMC Circular 1/2023 of 7 February 2023.

Revenue for 2014 to 2019, which is provisional, was accrued based on the best estimate using the specific remuneration methodology for each activity. At year-end 2024, as described in *note 3.a*, approval of the definitive remuneration for those years was still pending.

The Group does not expect the revenue resulting from the final decisions in these processes to differ materially from the estimated revenue recognised.

International revenue generated in the European Union in 2024 and 2023 includes revenue from reinsurance services and in other countries it mainly includes revenue from the provision of transmission services by the Group's Peruvian and Chilean companies.

b) Other operating income

This heading includes revenue recognised using the stage-of-completion method from the construction of the 200-MW pumped-storage hydropower station in Salto de Chira, as well as the finance income recognised using the effective interest rate method on the financial asset, which in 2024 amounted to 93,905 thousand euros (2023: 57,846 thousand euros) *(note 18.a)*.

In both reporting periods, it also includes non-trading and other operating income, which primarily stemmed from insurance claims settled by insurance companies in relation to covered damage, breakdowns and claims.

c) Cost of sales and other external expenses

The breakdown of this heading in 2024 and 2023 was as follows:

Thousands of euros

	2024	2023(*)
Cost of sales	24,512	38,589
Other operating expenses	401,259	403,784
Total	**425,771**	**442,373**

(*) The consolidated statement of profit or loss for 2023 has been restated to reflect the impact of the business classified as a discontinued operation in 2024 under IFRS 5, as outlined in *notes 1 and 5*.

Cost of sales and other external expenses mainly include the expenses derived from the maintenance, repair and conservation of the Group's facilities, in addition to expenses associated with IT services, advisory services, leases and other services. It also includes 82 million euros of costs associated with 200-MW pumped-storage hydropower station in Salto de Chiro (2023: 50 million euros) *(note 23.b)*.

d) Employee benefits expense

The breakdown of this consolidated statement of profit or loss heading in 2024 and 2023:

Thousands of euros

	2024	2023(*)
Wages, salaries and other remuneration	138,857	137,944
Social security	33,241	31,479
Contributions to pension funds and similar obligations	2,790	2,610
Other items and employee benefits	5,669	5,969
Total	**180,557**	**178,002**

(*) The consolidated statement of profit or loss for 2023 has been restated to reflect the impact of the business classified as a discontinued operation in 2024 under IFRS 5, as outlined in *notes 1 and 5*.

Wages, salaries and other remuneration includes employee remuneration, termination benefits and the accrual of deferred remuneration. Note that this heading also includes director remuneration.

The Group companies capitalised staff costs *(notes 6 and 7)* totalling 55,162 thousand euros in 2024 (2023: 49,768 thousand euros) related with self-constructed assets.

Headcount

The average number of Group employees, including at discontinued operations, in 2024 and 2023 by employee category is as follows:

	2024	2023
Management team	163	161
Senior technicians and middle managers	787	774
Technicians	951	917
Specialists and administrative staff	570	595
Total	**2,471**	**2,447**

Headcount at year-end, including discontinued operations, by gender and employee category:

	2024			2023		
	Men	Women	Total	Men	Women	Total
Management team	105	62	167	104	59	163
Senior technicians and middle managers	531	294	825	512	289	801
Technicians	736	194	930	737	191	928
Specialists and administrative staff	396	171	567	409	176	585
Total	**1,768**	**721**	**2,489**	**1,762**	**715**	**2,477**

The average number of employees with a disability of a severity of 33% or higher by gender and employee category in 2024 and 2023:

	2024			2023		
	Men	Women	Total	Men	Women	Total
Management team	–	–	–	–	–	–
Senior technicians and middle managers	7	4	11	6	3	9
Technicians	9	1	10	8	1	9
Specialists and administrative staff	4	2	6	3	3	6
Total	**20**	**7**	**27**	**17**	**7**	**24**

Not included in the Group headcount figures above, the Parent's Board of Directors consisted of 12 members, six men and six women, at both year-ends.

e) Finance income and costs

Finance income in 2024 was generated primarily by term deposits and current and other accounts (46,797 thousand euros in 2024 and 22,925 thousand euros in 2023), investments in EIGs (5,308 thousand euros in 2024 and 4,784 thousand euros in 2023) ***(notes 18 and 22)*** and interest on loans extended to TEN ***(note 24)*** (1,345 thousand euros in 2024 and 1,195 thousand euros in 2023).

It also includes the dividends collected on the Group's 5% shareholding in REN in the amount of 5,137 thousand euros (2023: 5,137 thousand euros).

Finance costs mainly reflect interest expense, net of capitalised borrowing costs, on borrowings, notes and other marketable securities, in the amount of 159,335 thousand euros ***(note 18)*** (2023: 135,155 thousand euros).

In 2024, the Group capitalised 15,763 thousand euros of borrowing costs ***(notes 6 and 7)*** (2023: 16,197 thousand euros).

24 Transactions with equity-accounted investees and related parties

a) Transactions with equity-accounted investees and year-end balances

The transactions were performed with TEN and Hisdesat. They were all arranged on an arm's length basis. The main transactions carried out between Group companies and TEN and Hisdesat in 2024 and 2023 and the resulting year-end balances were as follows:

Thousands of euros

	2024				2023			
	Balances		Transactions		Balances		Transactions	
	Receivable	Payable	Expenses	Revenue	Receivable	Payable	Expenses	Revenue
Transmisora Eléctrica del Norte S.A. (TEN)	16,749	(630)	(208)	1,345	14,528	102	(293)	1,195
Hisdesat Servicios Estratégicos, S.A.(*)	–	–	–	2,394	–	–	–	2,271
Total	**16,749**	**(630)**	**(208)**	**3,739**	**14,528**	**102**	**(293)**	**3,466**

(*) These transactions are included under profit/(loss) after tax for the year from discontinued operations in the accompanying consolidated statement of profit or loss.

b) Related party transactions

The transactions completed with related parties, which were carried out at arm's length, are disclosed below:

Thousands of euros

			2024
	Group companies	Other related parties	Total
Expenses and income			
Leases	–	–	–
Other expenses	208	39,081	39,289
Expenses	**208**	**39,081**	**39,289**
Provision of services	2,394	27,858	30,252
Finance income	1,345	–	1,345
Revenue	**3,739**	**27,858**	**31,597**
Other transactions:			
Financing agreements: loans and capital contributions (lender)	16,118	–	16,118
Other transactions	–	–	–
Other transactions	**16,118**	**–**	**16,118**

The transactions with Group companies are those performed with TEN and Hisdesat, as already detailed in section a) above. The balance recognised under financing agreements: loans and capital contributions (lender) corresponds to the credit facility extended to TEN ***(note 18)***, whose maximum drawdown in 2024 and 2023 was 16,745 thousand dollars.

Other related party transactions includes transactions performed with public sector entities, mainly transactions between ADIF, which provides fibre optic network maintenance services, and Group company, Reintel. It also reflects transactions between Indra Sistemas group companies and Redeia companies.

There were no transactions involving directors or key management personnel in 2024 or 2023.

25 Director remuneration

The Director Remuneration Policy for Redeia Corporación, S.A. for 2022 - 2024 was approved at the Annual General Meeting held on 29 June 2021 (the former policy was approved in 2019 and covered 2019 to 2021).

At the Annual General Meeting held on 4 June 2024, and as stipulated in the Company's bylaws, the Parent's shareholders ratified the motion presented by the Board of Directors for the approval of the Annual Report on Director Remuneration, which included, among other matters, the proposal for director remuneration in 2024.

The remuneration approved, which covers the members of the Board of Directors, the Chairwoman and the CEO, is unchanged from 2023.

The Chairwoman, in her capacity as non-executive chair, receives a fixed annual sum in addition to remuneration for her membership of the Board of Directors. She only receives fixed remuneration, i.e., she has not been allocated any variable remuneration (neither an annual bonus nor participation in long-term incentive schemes) and she is not entitled to any termination benefits.

The CEO, on the other hand, receives fixed and variable remuneration (an annual bonus and participation in a long-term incentive scheme) for the performance of his executive duties, and a fixed amount in his capacity as member of the Board of Directors. He also receives certain benefits. Some of both components of his variable remuneration is settled via the delivery of Company shares.

In addition, the CEO is a beneficiary of a defined contribution pension scheme, covering retirement, death and permanent disability. Redeia Corporación, S.A.'s obligation under this scheme is limited to making an annual contribution equivalent to 20% of the CEO's fixed compensation for his performance of executive duties.

The CEO's annual variable remuneration is framed by predetermined and quantifiable objective criteria and targets established by the Parent's Appointments and Remuneration Committee at the start of each year. The targets are aligned with the strategies and initiatives laid down in the Group's Strategic Plan and their delivery is assessed by that same committee.

The CEO also participates in the Long-Term Incentive Plan (LTIP) for Promoting the Energy Transition, Reducing the Digital Divide and Boosting Diversification. That Plan's targets are likewise associated with those set out in the Group's Strategic Plan and are aligned with the key aspects of the Director Remuneration Policy. The LTIP has a duration of six years and will end on 31 December 2025.

Under the Director Remuneration Policy, the CEO's contract, in line with generally accepted market practice, includes a termination benefit equivalent to one year's remuneration in the event his contract is terminated by the Company or as a result of a change of control.

Likewise in line with market practices in these cases, following his appointment as CEO, his previous employment contract was suspended. In the event of his termination, he would accrue, for severance purposes, the remuneration in force at the date of suspension, taking into consideration his length of service at the Group up until his appointment as CEO (15 years) plus the period during which he provides his services, if any, following his discontinuation as CEO, all of which in keeping with prevailing labour legislation.

As for the members of the Board of Directors, their remuneration consists of a fixed annual payment, remuneration for attending board meetings, remuneration for membership of the board committees, as the case may be, and specific annual remuneration for the chairs of those committees and for the position of lead independent director. These remuneration concepts and the related amounts have not changed in 2024.

Lastly, the directors are compensated or reimbursed for reasonable and duly justified expenses incurred in order to attend the meetings and perform other tasks directly related to their director duties, such as travel, accommodation and meals.

The breakdown of the remuneration accrued by the members of the Parent's Board of Directors in 2024 and 2023 is provided below:

Thousands of euros

	2024	2023
Total remuneration in their capacity as directors	2,504	2,503
Remuneration of certain directors in their capacity as executives [1]	743	743
Total	**3,247**	**3,246**

(1) Includes the fixed remuneration and the annual variable remuneration accrued during the year.

The breakdown of director remuneration by class of director:

Thousands of euros

	2024	2023
Executive directors	890	890
Proprietary directors	525	525
Independent external directors	1,286	1,285
Other external directors	546	546
Total director remuneration	**3,247**	**3,246**

The breakdown by item and individual director of the remuneration accrued by the members of the Company's Board of Directors in 2024 and 2023 is provided below:

Thousands of euros

	Fixed remuneration	Variable remuneration	Board meeting attendance fees	Committee membership	Board committee chairs	Lead Independent Director	Other (4) remuneration	Total 2024	Total 2023
Beatriz Corredor Sierra	530	–	16	–	–	–	–	546	546
Roberto García Merino	481	263	16	–	–	–	130	890	890
Mercedes Real Rodrigálvarez (1)	131	–	16	28	–	–	–	175	175
Ricardo García Herrera	131	–	16	28	–	–	–	175	175
Esther María Rituerto Martínez	131	–	16	28	–	–	–	175	175
Socorro Fernández Larrea	131	–	16	28	15	–	–	190	190
Antonio Gómez Ciria	131	–	16	28	15	–	–	190	190
José Juan Ruiz Gómez	131	–	16	28	–	–	–	175	175
Marcos Vaquer Caballería	131	–	16	28	8	8	–	191	175
Elisenda Malaret García	131	–	16	28	–	–	–	175	175
José María Abad Hernández	131	–	16	28	–	–	–	175	175
Guadalupe de la Mata Muñoz (2)	75	–	9	16	–	–	–	100	–
Carmen Gómez de Barreda Tous de Monsalve (3)	56	–	8	12	7	7	–	90	205
Total remuneration accrued	**2,321**	**263**	**193**	**280**	**45**	**15**	**130**	**3,247**	**3,246**

(1) Amounts received by SEPI.
(2) New director appointed at the Annual General Meeting of 4 June 2024.
(3) Stepped down as director with effect from the Annual General Meeting of 4 June 2024.
(4) Includes the costs derived from the company benefits included in the CEO's pay package.

The Group did not recognise any loans, advances or guarantees extended to the members of the Parent's Board of Directors on its consolidated statement of financial position at either 31 December 2024 or 31 December 2023. Not did it have any pension or life insurance obligations, other than as outlined above, on their behalf at either reporting date.

The Group had arranged director and officer liability insurance at both reporting dates. Those policies cover the directors and executives of the various Group companies. The annual cost of the related premiums, including tax, was 460 thousand euros in 2024 (2023: 536 thousand euros). These premiums are calculated based the nature of the Group's activities and as a function of its financial metrics, so that it is not feasible to apportion them between the directors and key management personnel or to allocate them to each individual.

The members of the Board of Directors did not perform any transactions with the Parent or its Group companies, either directly or through persons acting on their behalf, outside of the ordinary course of business or other than on an arm's length basis in either reporting period.

26 KMP remuneration

The key management personnel who provided services to the Group in 2024 and 2023 and their positions at year-end are as follows:

Name	Position
María Concepción Sánchez Pérez	Chief Operating Officer
Ángel Luis Mahou Fernández	Managing Director of Transmission
Juan Majada Tortosa	Managing Director of International Business
Mariano Aparicio Bueno	Managing Director of Telecommunications
Emilio Cerezo Diez	Chief Financial Officer
Carlos Méndez-Trelles García	General Secretary and Secretary of the Board of Directors
José Antonio Vernia Peris	Chief Resources Officer
Miryam Aguilar Muñoz	Chief Communications Officer
Eva Pagán Díaz	Chief Sustainability Officer
Silvia María Bruno De La Cruz	Director of Innovation and Technology
Carlos Puente Pérez	Director of Corporate Development
Eva Rodicio González	Director of Internal Audit and Risk Control
Mónica Moraleda Saceda (1)	Director of Legal Services
Julián Díaz-Peñalver Carrasco (1)	Director of Regulation
Laura de Rivera García de Leániz (2)	Director of Regulation and Legal Services

(1) The former Regulation and Legal Services Department was restructured on 27 May 2024 to create two separate departments, the Regulation Department and the Legal Services Department.

(2) Laura de Rivera García de Leániz presented her resignation from the Group on 18 January 2024.

In 2024, the Group's key management personnel accrued 3,794 thousand euros of remuneration, which is recognised under employee benefits expense in the accompanying consolidated statement of profit or loss. Note that there were organisational changes and changes in the consolidation scope that affected the number of key management personnel and the composition and members of that team in 2024. On a like-for-like basis, i.e., only analysing remuneration for the professionals who were part of the Group's key management personnel for all of 2023 and 2024, the year-on-year increase in their remuneration narrows to 2.32%.

These amounts include the accrual of variable annual remuneration, on the assumption that the objectives set each year will be met. After delivery of the corresponding targets has been verified, these bonuses are paid out in the early months of the following year, adjusted for the definitive delivery metrics.

Of the total remuneration accrued by key management personnel in 2024, 102 thousand euros was accounted for by contributions to life insurance and pension plans (2023: 73 thousand euros).

The Group had not extended any advances or loans to these executives at either 31 December 2024 or 31 December 2023. The Group had assumed life insurance commitments on behalf of these executives at both reporting dates; the premiums on those policies cost approximately 26 thousand euros in 2024 (2023: 21 thousand euros).

The key management personnel also participate in the Long-Term Incentive Plan (LTIP) for Promoting the Energy Transition, Reducing the Digital Divide and Boosting Diversification. That Plan's targets are likewise associated with those set out in the Group's Strategic Plan and are aligned with the key aspects of the Director Remuneration Policy. The LTIP has a duration of six years and will end on 31 December 2025.

Note that in order to reinforce the TSO's independence, the Operations Department of Red Eléctrica de España, S.A.U. has been assigned a series of specific targets that exclude all aspects unrelated to the operation of Spain's electricity system.

The Group's serving key management personnel do not enjoy any guarantees or golden parachute clauses in the event of dismissal. In the event of the termination of their employment agreements, their severance would be calculated in keeping with ordinary labour legislation.

In 2015, the Group implemented a Structural Management Plan that applies to some of its key management personnel. The beneficiaries of this Plan must comply with certain requirements and their participation can be modified or revoked by the Group under certain circumstances.

The Group had arranged director and officer liability insurance at both reporting dates. These policies cover all of the Group's key management personnel. The annual cost of the premiums in 2024 amounted to 460 thousand euros, including tax (2023: 536 thousand euros). These premiums are calculated based on the nature of the Group's activities and as a function of its financial metrics, so that it is not feasible to apportion them between the key management personnel and directors or to allocate them to each individual.

27 Segment information

Redeia articulates its reportable operating segments around the main lines of business considered by the Group in its management and decision-making.

At 31 December 2024, Redeia was divided into the following operating segments whose main products, services and operations are outlined next:

Management and operation of national electricity infrastructure

This segment comprises the Redeia's main business activity, as the sole transmission and system operator (TSO) for the Spanish electricity system. Its mission is to guarantee the security and continuity of the electricity supply at all times and manage high-voltage electricity transmission in Spain.

Redeia engages in the high-voltage transmission of electricity through Red Eléctrica. To this end, it manages the electricity transmission network infrastructure that connects the power plants to the consumer distribution points. As transmission network manager, Red Eléctrica is responsible for the development and expansion of the network, its maintenance, managing the transfer of electricity between island systems and the mainland, and guaranteeing equal, third-party access to the transmission network.

In addition, Red Eléctrica operates the mainland Spanish electricity system and the non-mainland systems in the Canary Islands, Balearic Islands, Ceuta and Melilla, guaranteeing the security and continuity of the electricity supply at all times. Operation of the system encompasses the activities that are necessary to guarantee security and continuity, as well as proper coordination between the generation system and transmission network, ensuring that the energy produced by the generators is transmitted to the distribution networks at the standards of quality required under applicable legislation.

Management and operation of international electricity infrastructure

This segment comprises activities related to international business development, as a source of organic growth, mainly focused on the construction and operation of electricity transmission networks outside of Spain, specifically in Peru, Chile and Brazil at 31 December 2024.

Telecommunications

The telecommunications segment comprises the operation of satellite infrastructure in Spain, Portugal and South America, as well as the lease in Spain of a broad dark fibre backbone network, and technical sites and spaces for housing customers' telecommunications equipment.

Redeia also carries out reinsurance activities and fosters innovation in the electricity and telecommunications sectors. These activities do not meet the quantitative thresholds for presentation as separate reportable operating segments.

Inter-segment sales prices are established at arm's length, i.e., at the same price agreed in a comparable transaction between two unrelated parties.

Below are the key measures for the operating segments so identified:

Business segments at 31 December 2024

Thousands of euros

	Management and operation of national electricity infrastructure	Management and operation of international electricity infrastructure	Telecommunications (fibre optics and satellites)		Other, corporation & adjustments	Total
			Satellites	Fibre optic		
Revenue	1,396,344	83,549	–	148,316	(34,005)	1,594,204
External customers	1,392,570	83,449	–	90,714	27,471	1,594,204
Inter-segment revenue	3,774	100	–	57,602	(61,476)	–
Share of profits of equity-accounted investees (with comparable businesses)	–	52,437	–	–	861	53,298
Depreciation and amortisation	(406,164)	(21,797)	–	(24,093)	(9,637)	(461,691)
Impairment of and gains/(losses) on fixed asset disposals	–	(549)	–	–	200	(349)
Operating profit	**581,736**	**78,615**	**–**	**83,467**	**17,542**	**761,360**
Finance income	42,765	10,840	–	7,690	(1,307)	59,988
Finance costs	(110,746)	(48,811)	–	(12,431)	28,416	(143,572)
Income tax	(115,741)	4,486	–	(19,754)	(17,782)	(148,791)
Profit after tax from continuing operations attributable to equity holders of the parent	397,995	43,880	–	30,075	26,810	498,760
Profit after tax from discontinued operations attributable to equity holders of the parent	–	–	(130,322)	–	–	(130,322)
Profit for the year attributable to equity holders of the parent	**397,995**	**43,880**	**(130,322)**	**30,075**	**26,810**	**368,438**
Segment assets	**11,733,007**	**1,667,026**	**1,242,539**	**484,259**	**(36,612)**	**15,090,220**
Equity-accounted investments	–	797,947	–	–	5,553	803,500
Segment liabilities	**6,761,528**	**821,328**	**478,532**	**392,340**	**1,376,423**	**9,830,151**

Business segments at 31 December 2023 (*)

Thousands of euros

	Management and operation of national electricity infrastructure	Management and operation of international electricity infrastructure	Telecommunications (fibre optics and satellites)		Other, corporation & adjustments	Total
			Satellites	Fibre optic		
Revenue	1,625,165	74,424	–	150,022	(30,820)	1,818,791
External customers	1,620,866	74,424	–	96,537	27,110	1,818,937
Inter-segment revenue	4,299	–	–	53,485	(57,930)	(146)
Share of profits of equity-accounted investees (with comparable businesses)	–	61,321	–	–	(215)	61,106
Depreciation and amortisation	(384,971)	(21,486)	–	(23,858)	(8,422)	(438,737)
Impairment of and gains/(losses) on fixed asset disposals	–	(33)	–	–	1,278	1,245
Operating profit	**768,453**	**83,437**	**–**	**85,198**	**20,240**	**957,328**
Finance income	27,750	10,468	–	5,793	5,038	49,049
Finance costs	(85,489)	(46,730)	–	(12,385)	23,434	(121,170)
Income tax	(164,930)	1,616	–	(19,724)	(12,034)	(195,072)
Profit after tax from continuing operations attributable to equity holders of the parent	545,784	50,294	–	30,027	36,672	662,777
Profit after tax from discontinued operations attributable to equity holders of the parent			26,863			26,863
Profit for the year	**545,784**	**50,294**	**26,863**	**30,027**	**36,672**	**689,640**
Segment assets	**10,537,737**	**1,667,118**	**1.595,298**	**488,632**	**196,062**	**14,484,847**
Equity-accounted investments	–	880,461	83,711	–	5,005	969,177
Segment liabilities	**6,879,074**	**766,397**	**650,008**	**389,414**	**270,897**	**8,955,790**

(*) Restated figures.

The breakdown by geography of revenue in 2024 and 2023 and of non-current assets at 31 December 2024 and 2023:

Thousands of euros

Revenue	2024	2023(*)
Spain	1,483,655	1,717,749
Other	110,549	101,042
Total	**1,594,204**	**1,818,791**

(*) Restated figures.

Thousands of euros

Fixed assets(*)	2024	2023
Spain	10,246,145	10,140,659
Other	819,433	1,660,685
Total	**11,065,578**	**11,801,344**

(*) Excludes non-current financial assets, deferred tax assets, trade receivables or other non-current receivables.

28 Interests in joint arrangements

The Group, through Red Eléctrica, and the French TSO Réseau de Transport d'Électricité (RTE) each hold 50% in the joint arrangement, INELFE, with registered office in Paris, set up to study and execute interconnections between Spain and France to increase the electricity exchange capacity between the two countries. Decisions at this arrangement require the unanimous consent of the two venturers. Both RTE and Red Eléctrica have rights to the assets, and obligations for the liabilities, relating to the arrangement, which has accordingly been classified as a joint operation. In its consolidated financial statements, the Group therefore recognises its assets, including its share of the assets held jointly and its liabilities, including its share of any liabilities incurred jointly, at INELFE *(note 2.d)*.

The Group also has a 50% interest in a joint arrangement through Red Eléctrica Chile S.P.A. with Engie Energía Chile, S.A. (E.C.L. S.A.), which holds the other 50%, at TEN of Chile. The Group has classified this joint arrangement as a joint venture as the venturers have rights to the net assets of the arrangement *(note 10)*.

Red Eléctrica Chile S.P.A. also has a 50% interest, together with Engie Energía Chile, S.A. (E.C.L. S.A.) in Chile's Compañía Operadora de Infraestructuras Eléctricas, S.A. The Group has classified this joint arrangement as a joint venture as the venturers have rights to the net assets of the arrangement *(note 10)*.

Since 2020, the Group has had a 50% interest, through Red Eléctrica Brasil Holding Ltda., together with Grupo Energía Bogotá S.A. E.S.P., which holds the other 50%, in Argo Energía Emprendimientos y Participaciones S.A. (Argo) of Brazil. The Group has also classified this joint arrangement as a joint venture as the venturers have rights to the net assets of the arrangement *(note 10)*.

Lastly, the Group also has joint control over the Balalink consortium through Redeia Infraestructuras de Telecomunicación, S.A., by virtual of the existence of contractual agreements under which decisions about the relevant activities require the unanimous consent of the two venturers. The Group has classified this investment as a joint operation as the venturers have rights over the arrangement's assets and obligations for its liabilities.

This consortium was set up to provide dark fibre optic services, with an availability guarantee, between the Balearic Islands and the Spanish Mediterranean coast.

Redeia Infraestructuras de Telecomunicación, S.A. - Balalink, S.A.U., Unión Temporal de Empresas (Reintel-Balalink, U.T.E. II for short) was incorporated on 13 December 2024 to provide a dark fibre link, with a guarantee of availability, between RedIRIS's point of presence in the Balearic Islands and certain of RedIRIS-NOVA's points of presence on the Spanish mainland, along the Mediterranean coast. That service is scheduled to start up in 2025, upon completion of the services being provided currently by Redeia Infraestructuras de Telecomunicación, S.A. - Balalink, S.A.U.

29 Guarantees and other commitments extended to third parties and other contingent liabilities

At both year-ends, the Company, together with Red Eléctrica, was a joint and several guarantor of the USD 250 million private bonds issued in the United States by Redeia Financiaciones, S.L.U. and of Red Eléctrica Financiaciones, S.L.U.'s eurobond programme in the amount of up to 5 billion euros. A total of 3,490 million euros had been issued under the latter at 31 December 2024 (2023: 2,990 million euros).

In addition, at both reporting dates, the Company, together with Red Eléctrica, was a joint and several guarantor of the Euro Commercial Paper (ECP) Programme issued by Red Eléctrica Financiaciones, S.A.U. for up to 1 billion euros. There were no drawdowns under that programme at either year-end.

On 19 February 2015, Redesur, Tesur and Scotia Sociedad Titulizadora S.A. created a securitisation trust to hold the Redesur-Tesur trust assets, in order to secure the obligations arising from bond issues amounting to USD 65 million at 31 December 2024 (2023: USD 71 million).

At 31 December 2024, the Group had extended bank sureties required in the ordinary course of its business to third parties totalling 425,333 thousand euros (2023: 381,805 thousand euros), including those extended in the course of discontinued operations. Those sureties are not expected to have any impact on the Group's equity.

At year-end 2024, the Group was party to a series of proceedings, mainly administrative and disciplinary proceedings. The Group has assessed the related risks and does not expect any events to arise that would result in liabilities and/provisions that have not been recognised in its consolidated financial statements or that would have a significant impact on its earnings, having estimated its maximum exposure to these possible risks at around 78 million euros.

30 Environmental disclosures

In 2024, the Group incurred ordinary expenses of 24,102 thousand euros in protecting and improving the environment (2023: 24,947 thousand euros), essentially related to biodiversity protection, fire prevention, landscape integration, climate change and pollution prevention measures.

Also in 2024, a total of 5,639 thousand euros (2023: 2,938 thousand euros) was earmarked to environmental issues associated with investment projects (including environmental impact studies, environmental oversight of work, and the adoption of preventive, corrective and accompanying measures).

The Group companies are not party to any environmental lawsuits that could result in significant contingencies.
As for material environmental grants, it is worth noting Elewit's ECOFOSS R&D project, subsidised at the European level, for which expenditure topped 1.2 million euros in 2024.

31 Other information

The services for which the auditor has been engaged meet the independence requirements stipulated in Spain's Audit Act (Law 22/2015 of 20 July 2015).

The lead audited for the Group companies' financial statements in both 2024 and 2023 was Ernst & Young, S.L. and members of its network (hereinafter, EY). The Group remunerated EY the sum of 1,496 thousand euros in 2024 (2023: 1,192 thousand euros), a figure that reflects all of the fees related to the services received, regardless of when they were invoiced. These amounts break down as follows:

Thousands of euros

			2024			2023
	Ernst & Young, S.L.	Other EY network firms	Total	Ernst & Young, S.L.	Other EY network firms	Total
Audit services	555	454	1.009	533	423	956
Audit-related services	256	26	282	130	17	147
Other services	205	—	205	89	—	89
Total	**1,016**	**480**	**1,496**	**752**	**440**	**1,192**

The amounts included in the table above include the fees related to the companies reclassified to discontinued operations.

Audit services include the fees corresponding to the audit of the separate and consolidated financial statements of Redeia Corporación, S.A. and other Group companies.

Audit-related services mainly include an assurance engagement related to the issue of comfort letters, the effectiveness of internal control over financial reporting (ICFR) assurance report under ISAE 3000 and the agreed-upon procedures engagement related to covenant compliance.

Other services include assurance of the consolidated non-financial information statement and sustainability information included in the consolidated management report and other annual sustainability reports.

The fees for audit services engaged by the Group from PricewaterhouseCoopers Audit, SAS in France for the audit of INELFE, a joint operation, for the years ended 31 December 2024 and 2023 are shown below:

Thousands of euros

	2024	2023
Audit services	20	15
Total	**20**	**15**

Note in relation to the investees accounted for using the equity method, EY is the auditor at TEN, while KPMG audits Hisdesat and Argo.

32 Earnings per share

The earnings per share amounts for 2024 and 2023:

	2024	2023(*)
Earnings (thousands of euros)	368,438	689,640
Number of shares	541,080,000	541,080,000
Average number of own shares	1,051,733	1,449,953
Basic earnings per share for continuing operations (euros)	0.92	1.23
Basic earnings per share for discontinued operations (euros)	(0.24)	0.05
Diluted earnings per share for continuing operations (euros)	0.92	1.23
Diluted earnings per share for discontinued operations (euros)	(0.24)	0.05
Basic earnings per share (euros)	0.68	1.28
Diluted earnings per share (euros)	0.68	1.28

(*) The consolidated statement of profit or loss for 2023 has been restated to reflect the impact of the business classified as a discontinued operation in 2024 under IFRS 5, as outlined in *notes 1 and 5*.

Basic and diluted earnings per share coincided in both reporting periods.

33 Share-based payments

The share-based payments made to executives and employees in 2024 and 2023:

	2024			2023		
	Number of shares	Average price (euros)	Amount (thousand euros)	Number of shares	Average price (euros)	Importe en (thousand euros)
Senior executives	8,156	16.53	135	8,197	14.90	122
Employees	431,919	16.53	7,140	379,686	14.90	5,657
Total	**440,075**	**16.53**	**7,275**	**387,883**	**14.90**	**5,779**

These payments relate to payments to participating employees with a charge against their earnings for the year; there are no assets or liabilities associated with these payments.

The shares were valued at their quoted price on the date of their delivery. These share deliveries were carried out under the scope of authorisations given at the Parent's Annual General Meetings and the related expense was recognised under employee benefits expense in the consolidated statement of profit or loss.

34 Events after the reporting date

As disclosed in *note 5*, on 31 January 2025, Redeia, through its subsidiary, Redeia Sistemas de Telecomunicaciones S.A.U., agreed to sell Indra Sistemas S.A. its 89.68% interest in the share capital of Hispasat S.A. to Orbitude, S.L.U, a wholly-owned subsidiary of Indra.

The agreed sale price for that 89.68% interest in Hispasat is 725 million euros. The sale is subject to delivery of certain suspensive conditions and is expected to close in 2025.

35 Explanation added for translation to English

The abridged Financial Statement are presented on the basis of the regulatory financial reporting framework applicable to the Company in Spain. Certain accounting practices applied by the Company that conform to that regulatory framework may not conform to other generally accepted accounting principles and rules.

In the event of a discrepancy, the Spanish-language prevails for legal purposes.

Appendix I List of investees at 31 December 2024 and 2023

Breakdown of equity investments at 31 December 2024 and 2023
- Company
- Registered office
- Core business

	2024 Percentage interest[1]		2023 Percentage interest[1]	
	Direct	Indirect	Direct	Indirect
Redeia Corporación S.A., the Parent, incorporated in 1985 - Paseo del Conde de los Gaitanes, 177. Alcobendas, Madrid (Spain). - Management of the group of companies, provision of assistance/support services to investees and operation of the property owned by the Company.				
A) Fully consolidated subsidiaries				
Red Eléctrica de España, S.A.U. (Red Eléctrica) - Paseo del Conde de los Gaitanes, 177. Alcobendas, Madrid (Spain). - Transmission and operation of the Spanish electricity system and management of the transmission network.	100%	–	100%	–
Red Eléctrica Internacional, S.A.U. (Redinter) - Paseo del Conde de los Gaitanes, 177. Alcobendas, Madrid (Spain). - Acquisition and holding of international equity investments. Provision of advisory, engineering and construction services. Performance of electricity activities outside the Spanish electricity system.	100%	–	100%	–
Redeia Infraestructuras de Telecomunicación, S.A. - Paseo del Conde de los Gaitanes, 177. Alcobendas, Madrid (Spain). - Provision of advisory, engineering and construction services.	51%	–	51%	–
Red Eléctrica Infraestructuras en Canarias, S.A.U. - Calle Juan de Quesada, 9. Las Palmas, Gran Canary Island (Spain). - Management of the construction of energy storage facilities and of the water cycle.	100%	–	100%	–

Continued on the next page

Appendix I List of investees at 31 December 2024 and 2023

Breakdown of equity investments at 31 December 2024 and 2023
- Company
- Registered office
- Core business

	2024 Percentage interest [1]		2023 Percentage interest [1]	
	Direct	Indirect	Direct	Indirect
Redeia Financiaciones, S.L.U. - Paseo Conde de los Gaitanes, 177. Alcobendas. Madrid (Spain). - Financing activities.	100%	–	100%	–
Red Eléctrica Financiaciones, S.A.U. - Paseo del Conde de los Gaitanes, 177. Alcobendas. Madrid (Spain). - Financing activities.	100%	–	100%	–
Redeia Sistemas de Telecomunicaciones, S.A.U. - Paseo del Conde de los Gaitanes, 177. Alcobendas. Madrid (Spain). - Acquisition, holding, management and administration of Spanish and foreign equity securities.	100%	–	100%	–
Elewit, S.A.U. - Paseo del Conde de los Gaitanes, 177. Alcobendas. Madrid (Spain). - Activities geared towards driving and accelerating technological innovation.	100%	–	100%	–
Safedelimit, S.L - Paseo del Conde de los Gaitanes, 177. Alcobendas. Madrid (Spain). - Development and sale of safety devices for personal and industrial use.	–	94.94% [I]	–	–

Continued on the next page

Appendix I List of investees at 31 December 2024 and 2023

Breakdown of equity investments at 31 December 2024 and 2023 - Company - Registered office - Core business	2024 Percentage interest [1]		2023 Percentage interest [1]	
	Direct	Indirect	Direct	Indirect
Redcor Reaseguros, S.A (Redcor) - 26, Rue Louvigny (Luxembourg). - Reinsurance activities. Incorporated in 2010 in Luxembourg in order to reinsure the risks of the Group companies, thereby guaranteeing better access to the international reinsurance markets.	100%	–	100%	–
Red Eléctrica Andina, S.A.C. (REA) - Av. Javier Prado Este 492 Int. 1001 Urb. Jardín San Isidro. Lima (Peru). - Provision of line and substation maintenance services.	–	100% [a]	–	100% [a]
Red Eléctrica del Sur, S.A.C. (Redesur) - Av. Javier Prado Este 492 Int. 1001 Urb. Jardín San Isidro. Lima (Peru). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	100% [a]	–	100% [a]
Transmisora Eléctrica del Sur, S.A.C. (Tesur) - Av. Javier Prado Este 492 Int. 1001 Urb. Jardín San Isidro. Lima (Peru). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	100% [c]	–	100% [c]
Transmisora Eléctrica del Sur 2, S.A.C. (Tesur 2) - Av. Javier Prado Este 492 Int. 1001 Urb. Jardín San Isidro. Lima (Peru). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	100% [c]	–	100% [c]

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Appendix I List of investees at 31 December 2024 and 2023

Breakdown of equity investments at 31 December 2024 and 2023
- Company
- Registered office
- Core business

	2024 Percentage interest [1]		2023 Percentage interest [1]	
	Direct	Indirect	Direct	Indirect
Transmisora Eléctrica del Sur 3, S.A.C. (Tesur 3) - Av. Javier Prado Este 492 Int. 1001 Urb. Jardín San Isidro. Lima (Peru). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	100% [c]	–	100% [c]
Transmisora Eléctrica del Sur 4, S.A.C. (Tesur 4) - Av. Javier Prado Este 492 Int. 1001 Urb. Jardín San Isidro. Lima (Peru). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	100% [j]	–	100% [j]
Red Eléctrica del Norte Perú, S.A.C. (Redelnor) - Av. Javier Prado Este 492 Int. 1001 Urb. Jardín San Isidro. Lima (Peru). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	100% [a]	–	100% [a]
Concesionaria Línea de Transmisión CCNCM, S.A.C. (CCNCM) - Av. Javier Prado Este 492 Int. 1001 Urb. Jardín San Isidro. Lima (Peru). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	100% [d]	–	100% [d]
Red Eléctrica Chile S.P.A. (Rech) - Isidora Goyenechea 3000, Oficina 1602 Las Condes, Santiago (Chile). - Acquisition, holding, management and administration of securities.	–	100% [a]	–	100% [a]

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Appendix I List of investees at 31 December 2024 and 2023

Breakdown of equity investments at 31 December 2024 and 2023
- Company
- Registered office
- Core business

	2024 Percentage interest[1]		2023 Percentage interest[1]	
	Direct	Indirect	Direct	Indirect
Red Eléctrica del Norte S.A. (Redenor) - Isidora Goyenechea 3000, Oficina 1602, Las Condes, Santiago (Chile). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	69.9%[e]	–	69.9%[e]
Red Eléctrica del Norte 2 S.A. (Redenor 2) - Isidora Goyenechea 3000, Oficina 1602, Las Condes, Santiago (Chile). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	100%[e]	–	100%[e]
Red Eléctrica Brasil Holding Ltda. (REB) - Av. Brigadeiro Faria Lima, No. 3729, 5º, 04538-905. São Paulo (Brazil). - Acquisition, holding, management and administration of securities.	–	100%[a]	–	100%[a]
Hispasat S.A.[*] - Calle de Anabel Segura, 11. Alcobendas. Madrid (Spain). - Parent of the Hispasat Subgroup. Operation of the satellite communications system and provision of space segment services for the geostationary orbital slots allocated to the Spanish state.	–	89.68%[f][g]	–	89.68%[f][g]
Hispasat Canarias, S.L.U.[*] - Calle Practicante Ignacio Rodriguez s/n Edificio Polivalente IV. Las Palmas, Gran Canary Island (Spain). - Sale and lease of satellites and their capacity.	–	89.68%[g]	–	89.68%[g]

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Appendix I List of investees at 31 December 2024 and 2023

Breakdown of equity investments at 31 December 2024 and 2023 - Company - Registered office - Core business	2024 Percentage interest[1]		2023 Percentage interest[1]	
	Direct	Indirect	Direct	Indirect
Hispasat Brasil, Ltda.[*] - Praia do Flamengo, 200 Rio de Janeiro (Brazil). - Sale and marketing of satellite capacity.	–	89.68%[g]	–	89.68%[g]
Hispamar Satélites, S.A.[*] - Praia do Flamengo, 200 Rio de Janeiro (Brazil). - Comercialización de capacidad de satélite.	–	89.68%[g]	–	89.68%[g]
Hispamar Exterior, S.L.U.[*] - Calle de Anabel Segura, 11. Alcobendas. Madrid (Spain). - Sale and marketing of satellite capacity.	–	89.68%[g]	–	89.68%[g]
Hispasat de México, S.A. de C.V.[*] - Agustín Manuel Chávez 1-001 Col. Centro de Ciudad Santa Fe, Mexico City (Mexico). - Use of radio spectrum, telecommunications networks and satellite communication.	–	89.68%[g]	–	89.68%[g]
Consultek Inc.[*] - 1036 Country Club Drive, Suite 202, Moraga, CA 94556 (USA). - Technical consultancy services.	–	89.68%[g]	–	89.68%[g]
Hispamar Satélites, S.A. (Venezuela)[*] - Torre Phelps, piso 10 ofic. 10, Caracas (Venezuela). - Sale and provision of satellite telecommunications services.	–	89.68%[g]	–	89.68%[g]

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Appendix I List of investees at 31 December 2024 and 2023

Breakdown of equity investments at 31 December 2024 and 2023
- Company
- Registered office
- Core business

	2024 Percentage interest[1]		2023 Percentage interest[1]	
	Direct	Indirect	Direct	Indirect
Hispasat UK, LTD.[(*)] - 30 Finsbury Square, London (England). - Sale and provision of satellite telecommunications services.	–	89.68%[(g)]	–	89.68%[(g)]
Hispasat Perú, S.A.C.[(*)] - Jr. Carlos Baca Flor N° 307, Dpto. No. 701, distrito de Magdalena del Mar. Lima (Perú). - Sale and provision of satellite telecommunications services.	–	89.68%[(g)]	–	89.68%[(g)]
Axess Networks Solutions, S.L.U. - MERGED COMPANY -[(*)(m)] - Calle Beethoven 15, 2° 1ª, 08021 Barcelona (Spain). - Management and administration of equity securities in entities not resident in Spanish territory	–	–	–	89.68%[(g)(h)]
Axess Networks Solutions Arabia Saudita, S.L. - LIQUIDATED COMPANY -[(*)(n)] - Calle Beethoven 15, 2° 1ª, 08021 Barcelona (Spain). - Management and administration of equity securities in entities not resident in Spanish territory	–	–	–	89.68%[(g)(h)]
Axess Networks Solutions Holding Germany, GmbH[(*)] - Falkenweg 1, 53809, Ruppichteroth (Germany). - Acquisition, holding and management of investments in companies involved in the technology telecommunications field.	–	89.68%[(g)(h)]	–	89.68%[(g)(h)]

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Breakdown of equity investments at 31 December 2024 and 2023
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- Registered office
- Core business

	2024 Percentage interest[1]		2023 Percentage interest[1]	
	Direct	Indirect	Direct	Indirect
Axess Networks Solutions Germany, GmbH [(*)] - Falkenweg 1, 53809, Ruppichteroth (Germany). - Provision of telecommunications services.	–	89.68%[(g)(h)]	–	89.68%[(g)(h)]
Axess Networks Solutions UK Ltd - SOCIEDAD EN LIQUIDACIÓN - [(*)] - 2nd Floor, 168 Shoreditch High Street, E1 6RA, London (United Kingdom) - Provision of telecommunications services.	–	89.68%[(g)(h)]	–	89.68%[(g)(h)]
Axess Networks Solutions Colombia S.A.S. [(*)] - Carrera 7 No. 71-52 Torre B Oficina 501 in Bogota City, D.C. Department of Cundinamarca (Colombia). - Provision of telecommunications services.	–	89.68%[(g)(h)]	–	89.68%[(g)(h)]
Axess Networks Cyprus LTD - IN LIQUIDATION - [(*)] - Ethnikis Antistaseos, 23, Flat/Office 303, 3025. Llimasol (Chipre). - Provision of telecommunications services.	–	89.68%[(g)(h)]	–	89.68%[(g)(h)]
Axess Networks Solutions Ecuador S.A. [(*)] - Avenida de los Shyris E9-38 y Bélgica Edificio Shyrus Cetury, Piso 7. Quito (Ecuador). - Provision of telecommunications services.	–	89.68%[(g)(h)]	–	89.68%[(g)(h)]

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Breakdown of equity investments at 31 December 2024 and 2023
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- Core business

	2024 Percentage interest[1]		2023 Percentage interest[1]	
	Direct	Indirect	Direct	Indirect
Axess Networks Solutions Perú S.A.C.[*] - Av. Alfredo Benavides No. 1555 Dpto. 301 – Urb. San Antonio – Miraflores – Lima (Peru). - Provision of telecommunications services.	–	89.68%[g][h]	–	89.68%[g][h]
Axess Networks Solutions Chile S.A.[*] - Isidora Goyenechea 3365, Piso 9, Comuna de Las Condes, Santiago de Chile (Chile). - Provision of telecommunications services.	–	89.68%[g][h]	–	89.68%[g][h]
Axess Networks Solutions México S.A de C.V[*] - Av. Paseo de la Reforma 26, Piso 16, Col. Juárez, C.P. 06600 Del. Cuauhtémoc, Mexico City (Mexico). - Provision of telecommunications services.	–	89.68%[g][h]	–	89.68%[g][h]
HPS Corporativo S. de R.L de C.V[*] - Mariano Escobedo No. 353-B, Interior 3A, Col. Polanco V Sección, Del. Miguel Hidalgo, CP 11560, Mexico City (Mexico). - Provision of telecommunications services.	–	89.68%[g][h]	–	89.68%[g][h]
B) Investees accounted using the proportionate method				
Interconexión Eléctrica Francia-España, S.A.S. (Inelfe) - Inmueble Window, 7 C Place du Dôme. Paris (France). - Study and execution of interconnections between Spain and France.	–	50%[b]	–	50%[b]

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Breakdown of equity investments at 31 December 2024 and 2023 - Company - Registered office - Core business	2024 Percentage interest (1)		2023 Percentage interest (1)	
	Direct	Indirect	Direct	Indirect
C) Consolidated companies using the equity method				
Transmisora Eléctrica del Norte S.A. (TEN) - Avenida Apoquindo No. 3721, piso 6, Las Condes, Santiago (Chile). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	50% (e)	–	50% (e)
Compañía Operadora de Infraestructuras Eléctricas, S.A. (COIESA) - Rómulo Peña No. 4008, Antofagasta, Santiago (Chile). - Monitoring, control and supervision of the national electricity system.	–	50% (e)	–	50% (e)
Argo Energía Empreendimentos y Participações S.A. - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil). - Acquisition, holding, management and administration of securities.	–	50% (i)(k)	–	50% (i)(k)
Argo Transmissão de Energia S.A. (Argo I) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	50% (k)	–	50% (k)
Argo II Transmissão de Energia S.A. (Argo II) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	50% (k)	–	50% (k)

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	Direct	Indirect	Direct	Indirect
Argo III T Transmissão de Energia S.A. (Argo III) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	50% (k)	–	50% (k)
Argo IV Transmissão de Energia S.A. (Argo IV) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	50% (k)	–	50% (k)
Argeb Energia Empreendimentos e Participações S.A. (Argeb) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil). - Acquisition, holding, management and administration of securities.	–	31.25% (k)	–	31.25% (k)
Argo V Transmissão de Energia S.A. (Argo V) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	31.25% (k)	–	31.25% (k)
Argo VI Transmissão de Energia S.A. (Argo VI) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	31.25% (k)	–	31.25% (k)

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	2024 Percentage interest [1]		2023 Percentage interest [1]	
	Direct	Indirect	Direct	Indirect
Transmissora José Maria de Macedo de Eletricidade S.A. (Argo VII) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	31.25% [k]	–	31.25% [k]
Giovanni Sanguinetti Transmissora de Energia S.A. (Argo VIII) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	31.25% [k]	–	31.25% [k]
Argo IX Transmissão de Energia S.A. (Argo IX) - Calle Tabapuã, 841 – 5º andar – Itaim Bibi – São Paulo/SP (Brazil). - Electricity transmission and operation and maintenance of electricity transmission networks.	–	31.25% [k]	–	31.25% [k]
Hisdesat Servicios Estratégicos, S.A. [*] - Paseo de la Castellana 143, 28046 Madrid (Spain). - Sale and marketing of space systems for government use.	–	38.56% [g]	–	38.56% [g]
Grupo de Navegación Sistemas y Servicios, S.L. [*] - Calle Isaac Newton 1, Madrid (Spain). - Operation of satellite systems.	–	12.82% [g]	–	12.82% [g]

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Breakdown of equity investments at 31 December 2024 and 2023 - Company - Registered office - Core business	2024 Percentage interest (1)		2023 Percentage interest (1)	
	Direct	Indirect	Direct	Indirect
Grupo Sylvestris, S.L. (*) - Paseo de la Ermita del Santo 5, 28011 Madrid (Spain). - Reforestation, gardening and rural development, combining engineering and social impact.	–	9.73% (g)	–	9.73% (g)
Okto Grid ApS - Gammel Kongevej 11, 5. 1610 København V, (Denmark). - Measurement systems for the energy industry.	–	13.07% (l)	–	13.07% (l)
Nearby Computing, S.L. (2) - Travessera de Gràcia 18, 3r, 3a, 08021 Barcelona (Spain). - Development of software and/or computer applications.	–	–	–	11,71% (l)
Hybrid Energy Storage Solutions, S.L. - Av. Benjamín Franklin, 12, Mód. No. 24, 46980 Paterna, Valencia (Spain). - Design, production and sale of energy storage technology solutions for next-generation electricity networks.	–	19.61% (l)	–	19.61% (l)
Aerolaser System, S.L. - Av. José Mesa y López, 45, L. D4, 35010 Las Palmas, Gran Canary Island (Spain) - Development and sale of sensory technological solutions for geospatial technology.	–	24.01% (l)	–	24.01% (l)

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Appendix I List of investees at 31 December 2024 and 2023

Breakdown of equity investments at 31 December 2024 and 2023 - Company - Registered office - Core business	2024 Percentage interest (1)		2023 Percentage interest (1)	
	Direct	Indirect	Direct	Indirect
Unusuals World S.L. - Avenida Gregorio Peces Barba (Business Incubator), 1, Leganés, 28819, Madrid (Spain). - IT solution for defining of models for halting anomalies in high-tension power lines	–	17.04%(l)	–	–

(1) Equivalent to voting rights.
(2) This investment was deconsolidated in 2023 ***(note 2.g)***.
(a) Shareholding held through Red Eléctrica Internacional S.A.U.
(b) Shareholding held through Red Eléctrica de España S.A.U.
(c) Shareholding held through Red Eléctrica del Sur, S.A.C.
(d) Shareholding held through Red Eléctrica del Norte Perú, S.A.C.
(e) Shareholding held through Red Eléctrica Chile SpA.
(f) Shareholding held through Redeia Sistemas de Telecomunicaciones, S.A.U.
(g) Company belonging to the Hispasat Subgroup, whose parent is Hispasat, S.A.
(h) Shareholding held through the Axess subgroup, whose parent is Axess Networks Solutions, S.L.U.
(i) Shareholding held through Red Eléctrica Brasil Holding Ltda.
(j) Shareholding held through Red Eléctrica del Sur, S.A.C. and Red Eléctrica Internacional, S.A.U.
(k) Company belonging to the Argo Subgroup whose parent is Argo Energía Empreendimentos y Participações S.A.
(l) Shareholding held through Elewit, S.A.U.
(m) Axess Networks Solutions, S.L.U. was merged into Hispasat, S.A. in June 2024.
(n) Company liquidated in June 2024 ***(note 2 g)***
(*) Companies reclassified to discontinued operations ***(note 5)***.

Consolidated Directors' Report

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The various sections of this consolidated management report contain certain forward-looking information reflecting projections and estimates and their underlying assumptions, statements referring to plans, objectives and expectations around future transactions, investments, synergies, products and services, as well as statements concerning future earnings and dividends and estimates made by the directors, based on assumptions they consider reasonable.

While the Group considers the expectations reflected in those statements to be reasonable, investors and holders of shares in the Parent are cautioned that the forward-looking information and statements are subject to risks and uncertainties, many of which are difficult to foresee and generally beyond the Group's control. As a result of such risks, Current performance and developments could differ significantly from those expressed, implied or forecasted in the forward-looking information and statements.

The forward-looking statements are not guarantees of future performance and have not been reviewed by the Group's external auditors or by other independent third parties. Investors and holders of shares in the Parent are cautioned not to make decisions on the basis of forward-looking statements that refer exclusively to information available as at the date of this report. All of the forward-looking statements contained in this report are expressly subject to this disclaimer. The forward-looking statements included in this document are based on the information available at the date of this management report. Unless required otherwise under applicable law, the Group undertakes no obligation to publicly update any forward-looking statement or revise its forecasts, whether as a result of new information, future events or otherwise.

In order to make it easier to understand the information provided in this document, certain alternative performance measures have been included. A definition of these is available at: https://www.redeia.com/es/accionistas-e-inversores/informacion-financiera/medidas-alternativas-rendimiento

1 Company overview

1.1 Organisational structure

Governing bodies of the Company

The Board of Directors and the shareholders are responsible for governing and managing the Group's parent company, Redeia Corporación, S.A. (hereinafter, the Parent or the Company).

The Annual General Meeting is governed by the bylaws and the general meeting regulations, in accordance with the Spanish Companies Act.

At 31 December 2024, the Board of Directors comprised 12 members and three committees: the Audit Committee, the Appointments and Remuneration Committee and the Sustainability Committee. These three essentially technical committees created by the Board of Directors to support it in its duties are designed to enhance efficiency and transparency.

The structure, composition, roles and responsibilities of the three board committees are set out in the bylaws and further specified in the Regulations of the Board of Directors. Both sets of corporate regulations have been fully brought to line with the Spanish Companies Act, the Good Governance Code of Listed Companies and the most recent international practices and recommendations on committee composition and committee member independence and fitness.

In line with international best practices in corporate governance, the Company continues to observe and respect the separation of the positions of Chair of the Board of Directors and Chief Executive Officer (CEO), as per the governance model approved in 2015.

The Chair of the Board of Directors is entrusted solely with the duties inherent in that position.

Meanwhile, the position of lead independent director, created in 2013, has been maintained, one of the reasons being that this role helps to ensure a system of balances and checks within the Board of Directors in favour of independent directors and also because it constitutes an effective good governance practice that is highly valued by shareholders and proxy advisors, given the responsibilities attaching to the role of lead director.

The Annual Corporate Governance Report, which is attached hereto, contains detailed information regarding the composition and operation of the governing bodies of the Parent.

Composition of Redeia

See note 1 and Appendix I to Redeia's consolidated financial statements for the year ended 31 December 2024 for details of how the Group is structured to undertake its activities.

1.2 Business and earnings performance

The Group carries out activities both in Spain and abroad. Most notably, its principal activities comprise the management and operation of electricity infrastructure in Spain, Peru, Chile and Brazil, and the provision of telecommunications services through the lease in Spain of an extensive dark fibre backbone network, and technical sites and spaces for housing customers' telecommunications equipment.

On 31 January 2025, Redeia and Indra SisTopics, S.A. (Indra) entered into a binding agreement for the purchase by the latter of the Group's satellite business, under which the two parties are committed to bringing that transaction to a close in the coming months. As is customary, the transaction is subject to delivery of certain suspensive conditions, which are essentially regulatory conditions, in both Spain and other jurisdictions; it is also subject to approval at Indra's Annual General Meeting and to the execution of certain agreements with respect to the segment being deconsolidated by the Redeia Group.

1.2.1 Management and operation of Spanish electricity transmission infrastructure

Transmission network

A total of 487 km of new transmission line came into service in 2024, bringing Red Eléctrica's transmission grid to 45,592 km at year-end. Transformation capacity likewise increased by 2,235 MVA to a nationwide total of 97,981 MVA. Total investment in the national transmission network amounted to 976.3 million euros in 2024.

In March 2022, Spain's Council of Ministers, on a recommendation from the Ministry for the Ecological Transition and Demographic Challenge (hereinafter, the Ministry), approved the Electricity Transmission Grid Development Plan for 2021-2026. That plan constitutes a fundamental tool for guaranteeing the energy transition and establishes the transmission grid development projects to be implemented over the coming years in order to achieve national and European energy policy objectives.

The main objective of the 2021-2026 Plan is to boost renewable production and maximise the use of the existing grid, thanks to new technologies such as batteries or power electronics. The environmental dimension takes on special relevance, with the main objective of making grid development compatible with respect for our environment. The Plan entails investing nearly 7,000 million euros to improve the transmission grid. The largest volume of investment is earmarked to improving the integration of renewable energy sources, providing a clear benefit to society in terms of reducing emissions, saving electricity system costs, and activating the economy.

In addition, a new Council Resolution was published on 22 April 2024, approving the modification of certain specific aspects of the original 2021-2026 Plan. Those modifications as a whole imply additional investments totalling 489 million euros, which is within the boundaries for total investment in the electricity transmission grid in 2021-2026 approved in Royal Decree 1047/2013.

In 2024, the most significant initiatives in terms of development of the transmission network, by major lines of initiative, were as follows:

- The interconnection between Spain and France via the Bay of Biscay continued to progress as scheduled. On the Spanish side, the administrative construction permit and declaration of public utility were obtained in February 2024. Meanwhile, RTE already has the necessary authorisations. The works continued with the ultimate goal of commissioning the first link-up as scheduled in 2027.

- The Interconnection between Mainland Spain and the Balearic Islands encompasses several complementary initiatives: a new high-voltage direct current connection between the mainland and Mallorca along with components fully integrated into the grid such as synchronous condensers in Mallorca and a battery system on the islands of Menorca and Ibiza, which will permit, in addition to additional connectivity between systems, higher utilisation to increase interchange between the mainland (where the share of renewable generation is high) and the Balearics, so improving efficiency, costs and supply security for the island system.

- The aim of the work underway at the Galicia - Portugal Interconnection is to reinforce the international connection with Portugal. In May 2025, the Beariz substation and Beariz entry-exit power line were commissioned, leaving the remaining actions planned for the first half of 2024, so culminating in the reinforcement of the international connection with Portugal.

- The purpose of the La Gomera - Tenerife Interconnection is to link up the electricity systems of both islands, increasing the quality and security of supply and lowering production costs by improving power generation efficiency and enabling greater integration of renewable energy.

- Improved security and quality of electricity supply in Ceuta is the goal of the Mainland - Ceuta Interconnection works to integrate Ceuta's grid with the mainland system. Administrative authorisation for starting the interconnection's civil engineering work was obtained in June 2024.

- Asset renewal. This set of actions was included for the first time in the 2021-2026 Plan, with the aim of ensuring security and continuity of supply in light of the gradual ageing, technological obsolescence and spare part shortages, while fostering the integration of renewable sources of energy and avoiding any adverse effects on the environment.

- Special Regime Evacuation (EvRE). These are actions for the evacuation of renewable power, as envisioned in Royal Decree-Law 15/2018 (on urgent measures to promote the energy transition) and included in the 2021-2026 Plan.

Red Eléctrica's transmission grid ended 2024 with high levels of service quality, within the maximum performance thresholds set out in Royal Decree 1955/2000. The availability ratio for the national transmission grid in 2024 was 97.99%, above that of 2023 (97.64%). By system, the availability of the mainland transmission grid was 97.98% in 2024, also up from 2024 (97.61%). In the Balearic Islands, availability was 98.53%, up from 2023 (97.84%) and in the Canary Islands it was 98.83%, down from 2023 (98.93%)[(1)].

(1) Data pending audit.

System operation

In 2024, investment in system operation amounted to 34.5 million euros, annual growth of 56.1%. In addition, the Company earmarked 94.1 million euros to storage in the Canaries (2023: 57.8 million euros).

Demand for electricity in Spain in 2024 amounted to 248.8 TWh, marking a growth of 0.9% from 2023. Electricity generation in 2024 amounted to 262.2 TWh, with energy from non-CO2 -emitting sources accounting for 76.8% of the total, compared to 72.0% in 2023. This growth is explained largely by annual increases in hydropower and photovoltaic power generation of 35.5% and 18.9%, respectively. Wind power, with a share of 23.2%, was the most widely used source for the second year in a row. Note, lastly, that 149.0 TWh of the electricity generated came from renewable sources, which is 56.8% of the total.

The most significant events to have taken place in 2024 are as follows:

Mainland system

- Mainland electricity demand totalled 233,462 GWh, up 0,9% from 2023. Correcting for calendar effects and temperatures, demand attributable primarily to economic activity increased by 1,5%. Despite this growth, demand for electricity in 2024 remained below that recorded in the year of the pandemic (236,755 GWh) and we would have to go back to 2003 to find a lower figure (225,728 GWh).

- Peak instantaneous power was recorded at 8:56pm on Tuesday, 9 January, at 38,272 MW, down 2.1% from the peak of the previous year and down 15.8% from the all-time high of 45,450 MW recorded on 17 December 2007. Peak hourly demand occurred on 11 January (between 8:00pm and 9:00pm), at 38,199 MWh, 14.9% below the all-time high reached in 2007.

- Installed capacity on the mainland ended 2024 at 126,082 MW, up 4.4% from December 2023 (5,292 MW). Additions to the system's installed capacity primarily reflect the incorporation of solar photovoltaic and wind power, with the former increasing by 21.5% with respect to 2023 and the latter, by 3.9%. The definitive exclusion of the Puentes de García Rodríguez thermal power plant in La Coruña reduced installed capacity by 1,400 MW. The other technologies experienced no, or only minor, changes in capacity.

- Hydropower production capacity stood at 35,160 GWh at the end of December 2024, up 24.1% from the historical average and 30.3% higher than in 2023. Reserves of hydroelectric power represented a fill level of 52.3% of total capacity across all reservoirs at the end of 2024, compared with 51.0% in the prior year.

- In 2024, wind accounted for 24.0% of total demand for power (24.6% in 2023), nuclear 21.1% (21.9% in 2023), solar 19.2% (16.6% in 2023), combined cycle technology 11.7% (16.0% in 2023) and hydro 14.0% (10.3% in 2023). Meanwhile, cogeneration, coal, other renewables and waste accounted for less than 10% each, together making up the remaining 12.0% of total demand.

- Notably, renewable energies increased their share of the overall production mix within the electricity system, registering their highest share to date at 59.0% of total production (53.2% in 2023). In absolute terms, renewable generation reached an all-time high of 146,489 GWh, up 10.3% on the previous year, largely due to a 35.5% increase in hydro power and a 18.8% increase in solar photovoltaic production.

- In terms of CO_2 emissions in the mainland electricity sector, the increase in renewable generation meant that 2024 marked the lowest CO_2 equivalent emissions on record, at 20.0 million tonnes, down 20.6% on the 25.1 million tonnes recorded in 2023.

- Electricity exchanges through the mainland-Balearic Islands link resulted in net exports to the islands of 1,580 GWh (down 10.8% compared to 2023), covering 26.2% of demand for power on the islands.

- International electricity exchanges yielded a net export balance, for the second year running, of -10,227 GWh in 2024. Exports came to 24,581 GWh (25,273 GWh in 2023), while imports stood at 14,354 GWh (11,316 GWh in 2023).

Non-mainland system

- In 2024, total demand for electricity across the non-mainland systems was 0.4% higher than in 2023. By system, demand in the Balearic Islands was 0.3% higher, in the Canary Islands it increased by 0.5%, in Ceuta rose 0.2%, and in Melilla it was 0.5% higher.

- Installed capacity in non-mainland systems increased by 1.1%, largely driven by the growth in solar photovoltaic and wind technology, where capacity climbed 10.4% and 0.8%, respectively.

- Under Spanish Law 17/2013, ownership of non-mainland pumped-storage hydropower facilities systems whose main purpose is to guarantee supply and system security and the integration of non-manageable renewable energies is attributed to the system operator.

  Against that backdrop, Red Eléctrica, as system operator, holds the concession over Salto de Chira pumped-storage hydropower facility in Gran Canary Island. Red Eléctrica Infraestructuras en Canarias, S.A.U. is tasked with providing certain consultancy, engineering, project management, monitoring and technical support services related to the implementation, start-up and effective operation of the facilities that make up the hydroelectric power plant complex. The aim of this development is to maximise the integration of renewable energy into the electricity system in Gran Canary Island, while also overcoming the challenge of being able to store it when there is surplus supply. Moreover, the desalination facility, which will make it possible to pump freshwater up to the Chira and Soria reservoirs, provides a solution for the periods of drought that affect the island.

In 2024, the civil engineering work to dig out the galleries and tunnels for accessing the water circuit and underground cavern continued, alongside the works for offtaking water from the Chira and Soria reservoirs. Significant progress was made on the Water to Wire contract with the manufacture of the turbines and their accessories. The water pressure pipeline was installed along the Arguineguín Ravine and environmental restoration work was done by replanting indigenous plants. Construction of the desalination processing plant (EDAM) finished and the permits were obtained for occupying the onshore and offshore public domain land and for discharging water overland and into the sea that are needed for the offshore works. The Gas Insulation Substation (GIS) procurement and assembly contract was awarded.

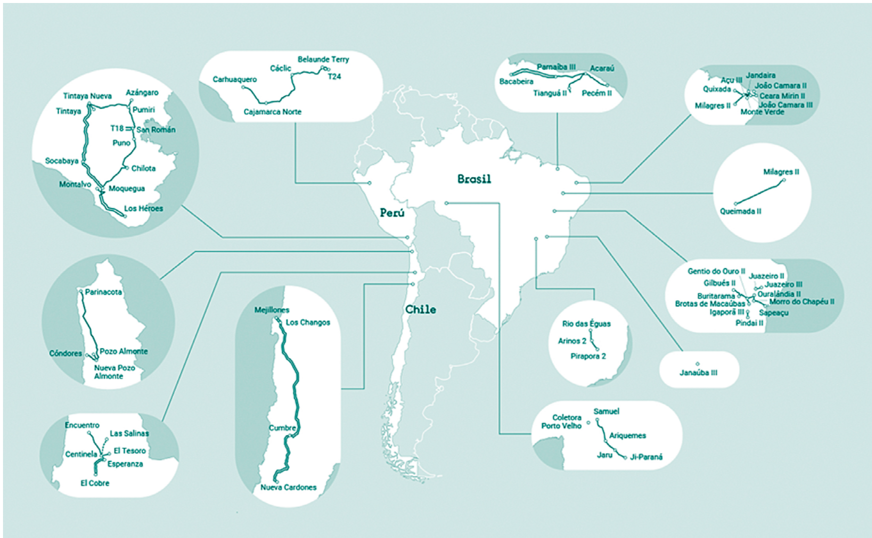
- Regarding the possibility of installing a pumped-storage hydropower plant in Tenerife, contacts continued with the various public organisations involved and further progress was made in drawing up the preliminary plans.

1.2.2 Management and operation of international electricity transmission infrastructure

The Group has been managing and operating international electricity infrastructure for over 20 years. This business is run through its subsidiary Red Eléctrica Internacional, S.A.U., which is present in Peru, Chile and Brazil. Overall, the Company manages and operates a network of 7,676 km across Peru, Chile and Brazil.

The start-up of operations in Peru, Chile and Brazil is the outcome of an ongoing analysis of business opportunities, and meets the Group's criterion of undertaking investments in countries with a favourable economic situation and a stable regulatory framework that ensures an adequate return on investment.

Red Eléctrica Internacional's presence in Peru, Chile and Brazil breaks down as follows:



Activity in Peru

In Peru, Red Eléctrica Internacional, S.A.U. (Redinter) operates power transmission infrastructure under a 30-year concession. It is the main transmission company in the south of the country and it has also been operating in the north of the country since 2019, following the acquisition of Concesionaria Línea de Transmisión CCNCM S.A.C. by its subsidiary Red Eléctrica del Norte de Perú, S.A. It has a total of 1,691 km of transmission lines in commercial operation.

It currently has six concessions in operation at the companies Red Eléctrica del Sur S.A., Transmisora Eléctrica del Sur S.A.C., Transmisora Eléctrica del Sur 2 S.A.C., Transmisora Eléctrica del Sur 3 S.A.C., Transmisora Eléctrica del Sur 4 S.A.C. and CCNCM S.A.C., all of which are adept in the management and commercial operation of power transmission infrastructure, allowing them to offer a power transmission service with the utmost availability and uptime while supporting the growth and development of the areas in which they operate.

During 2024, average voltage levels remained within the limits set out in the Technical Standard for the Quality of Electricity Services, reaching a cumulative grid availability in 2024 of 99.81% at Red Eléctrica del Sur S.A., 99.83% at Transmisora Eléctrica del Sur S.A.C., 99.80% at Transmisora Eléctrica del Sur 2 S.A.C, 99.91% at Transmisora Eléctrica del Sur 3 S.A.C., 99.93% at Transmisora Eléctrica del Sur 4 S.A.C. and 99.93% at CCNCM.

Red Eléctrica Andina S.A.C. also happens to provide maintenance services for the installations of all the concessions described above. It also carries out construction supervision work for other clients, thus cementing its position as a leading provider of such services in southern Peru.

Activity in Chile

The transmission business in Chile is articulated under the parent company for that market, namely Red Eléctrica Chile S.P.A., a company incorporated in 2015 which owns 50% of Transmisora Eléctrica del Norte S.A., 69.9% of Red Eléctrica del Norte S.A. and 100% of Red Eléctrica del Norte 2 S.A. Overall, the transmission business in Chile has a total of 1,776 km of lines in commercial operation.

- Transmisora Eléctrica del Norte S.A.: operates the 500 kV Changos – Cumbre – Nueva Cardones axis, which forms part of the National Transmission System, as well as the 220 kV Mejillones – Changos dedicated line.

- Red Eléctrica del Norte S.A.: the Chilean Ministry of Energy published a Decree on 18 November 2024 calling for the start of the work for expanding the Nueva Pozo Almonte 220kV substation by the contractor, AMETEL. Red Eléctrica del Norte S.A. is the entity tasked with managing the execution of that expansion. In addition, Exempt Decree No. 266 2023 was published on 5 November 2024, establishing the expansion works for the national and regional transmission systems. That Decree tasks the owner, Red Eléctrica del Norte S.A., to include the construction of a new position for a new 1 x 220kV line reactor, Nueva Pozo Almonte – Roncacho, at the Nueva Pozo Almonte Substation.

- Red Eléctrica del Norte 2 S.A.: this company continues to operate three transmission lines, as well as the new connection of a renewable energy facility (Sierra Gorda photovoltaic facility) to the interconnected system, which has been commercially operational since 27 February 2023. In 2024, the works began for connecting the Distrito Minera Centinela Development to the Centinela Substation, owned by Red Eléctrica del Norte 2 S.A. Judging by its current progress, these positions are expected to be commissioned in the second half of 2025. The expanded facilities envisaged under the Expansion Plan contemplated in Decree No. 198 for the Transmission System were commissioned in May 2024.

The transmission system availability rates through to 2024 are 100% at Red Eléctrica del Norte, 100% at Red Eléctrica del Norte 2, and 99.65% at Transmisora Eléctrica del Norte.

NEXPERIA was incorporated in November 2023 to provide service to the control centre in Chile; it is 50%-owned by Red Eléctrica Chile S.P.A. and

50%-owned by Engie Energía Chile S.A. NEXPERTIA's corporate object is to monitor, control and supervise the electricity facilities of the national electricity system (SEN), operate the facilities via SCADA commands and market and sell any surplus fibre optic capacity.

This control centre began operations in March 2024 and is expected to deliver efficiencies in terms of operating cost savings.

Activity in Brazil

Through its subsidiary Red Eléctrica Brasil, Redinter holds a 50% stake in the Brazilian holding company Argo Energia Empreendimentos e Participações S.A. (Argo) in Brazil, managing, alongside Grupo Energía Bogotá (GEB), various high voltage line concessions (500 kV and 230 kV) and electrical substations. The concessions are as follows:

- Argo I operates 1,110 km of 500kV lines and five substations in northeast Brazil.
- Argo II is a project to expand a substation in the state of Minas Gerais. Synchronous Condensers 2 and 1 are currently in service.
- Argo III operates 320 km of 230 kV power lines and five substations in the state of Rondônia.
- Argo IV, which was incorporated in 2022 following the acquisition of 100% of Rialma Transmissora de Energia III S.A. by Argo Energia, operates 313 km of 500 kV lines.

In addition, in 2022, 100% of the share capital of each of the five power transmission concessions (Argo V, VI, VII, VIII and IX) were acquired from Brasil Energia FIP, in what was a joint investment by Argo Energia (62.5%) and GEB (37.5%) on a co-governance basis between Redeia and GEB. Those five concessions are the following:

- Argo V, which operates 277 km of 500 kV power lines and four substations in the state of Bahía.
- Argo VI, which operates 490 km of 230kV and 500kV power lines and seven substations in the north-western states of Ceara and Río Grande del Norte.
- Argo VII, which operates 836 km of 230kV and 500kV power lines and seven substations in the north-eastern states of Piauí and Bahía.
- Argo VIII, which operates 427 km of 500 kV power lines and three substations in the state of Sanguinetti.
- Argo IX, which operates 436 km of 500kV power lines and three substations in the states of Bahia (north-east), Minas Gerais (south-east) and Goiás (central-west).

The acquisition of all these concessions has increased Argo Energia's installed transmission capacity to 4,209 km and positioned it as a transmission leader in the market, with a strong presence in the north-east of Brazil, one of the areas with the greatest potential for renewable power and most in need of transmission network development in Brazil.

The transmission system availability rates for the various concessions through to 2024 are: Argo I 99.99%, Argo II 99.24%, Argo III 99.53%, Argo IV 100%, Argo V 99.88%, Argo VI 99.94%, Argo VII 99.91%, Argo VIII 99.95%, and Argo IX 99.95%.

1.2.3 Telecommunications

Satellite business

The satellite telecommunications business used to be carried out through the Hispasat subgroup (hereinafter, Hispasat). Redeia SisTopics de Telecomunicaciones, S.A.U., a subsidiary of Red Eléctrica Corporación, held an 89.68% stake in Hispasat at year-end 2024.

As disclosed above, on 31 January 2025, a binding agreement was reached for the sale of the satellite business, with the seller and buyer committed to bringing that transaction to a close in the coming months.

Fibre optic business

The Group's fibre optic business primarily operates in Spain, through its subsidiary Redeia Infraestructuras de Telecomunicación, S.A. (hereinafter, Reintel), which is the Group company responsible for operating fibre optic networks and rendering telecommunications services to third parties. The Group holds a 51% stake in Reintel, with Kohlberg Kravis Roberts & Co. L.P. (KKR) holding the remaining 49% through its subsidiary, Rudolph Bidco S.À.R.L.

Reintel is a neutral provider of telecommunications infrastructure. Its principal activity is leasing dark fibre and associated infrastructure. Reintel also provides maintenance services for telecommunications equipment.

At present, this company operates a fibre optic network in excess of 53,851 km rolled out over the power transmission grid and the railway network, with 43 points interconnecting the two networks, guaranteeing transparent access on equal terms to its customers and to telecommunications sector players.

The fibre optic telecommunications business is performing well, with Reintel having forged a long-term business relationship with Spain's main telecommunications players.

2 Business and earnings performance

2.1 Key financial figures

Earnings: Revenue and share of profits of equity-accounted investees (with similar businesses)

Revenue plus the Group's **share of profits of equity-accounted investees** (with similar businesses to that of the Group) amounted to 1,647.5 million euros in 2024, down 12.4% from the 1,879.9 million euros recognised in 2023. However, on a like-for-like basis, i.e., eliminating the effect of the assets that date to before 1998 (260 million euros in total), the sum of revenue and the Group's share of equity investee profits increased by 1.7% year-on-year.

The revenue performance by main business line was as follows:

- **Management and operation of national electricity infrastructure:** revenue in this business amounted to 1,396.3 million euros, down 14.1% year-on-year, due to lower revenue from the transmission business (242.6 million euros) as the assets that date to before 1998 (the "pre-98 assets") have reached the end of their regulatory useful lives. Revenue from system operation amounted to 4.1 million euros.

- **International electricity transmission:** revenue plus the share of equity investee profits amounted to 136.0 million euros, year-on-year growth of 0.2%. The breakdown of that growth is as follows:

  - Revenue came to 83.5 million euros, compared to 74.4 million euros in 2023. The growth of 12.3% is attributable mainly to healthy performances in Peru and Chile.

- The Group's share of its international equity-accounted investees' profits totalled 52.4 million euros, compared to 61.3 million euros in 2024, shaped by lower earnings at TEN (Chile) and Argo (Brazil), the latter affected by exchange rate trends.

- **Fibre optic:** at 148.3 million euros, revenue decreased a slight 1.1% from 2023 due to the renegotiation of contracts in a very demanding market environment.

Other income: Other operating income and self-constructed assets

These two headings amounted to 168.9 million euros in 2024, annual growth of 38.1% from 122.3 million euros in 2023.

"Self-constructed assets" amounted to 62.8 million euros, compared to 57.3 million euros in 2023, due mainly to the start of new projects in Spain, partially mitigated by lower international construction volumes.

"Other operating income" includes the income related with the Chira-Soria pumped-storage hydropower station, which the Group has been accounting for as a finance asset under IFRIC 12 Service concession arrangements since December 2022. This accounting method implied the recognition of income of 93.6 million euros in 2024 (82.1 million euros of revenue related with construction and 11.5 million euros derived from the unwinding of the discount), compared to 57.8 million euros in 2023. The remainder of this heading amounted to 12.5 million euros, up on the 2023 figure due mainly to higher income from insurance claims collected and sundry other items of income.

Operating expenses

Operating expenses amounted to 606.3 million euros, down 2.3% from 2023. However, leaving aside the expenses with offsetting entries in other operating income, operating expenses Currently came down by 8.7%:

- Growth in **expenses with offsetting entries in operating income**, mainly at Chira-Soria as a result of progress on the construction work, as well as projects for third parties.

- **Other costs of sales and other operating expenses** decreased by 60.6 million euros due to lower maintenance costs related with the TSO assets, following completion of an extraordinary maintenance plan in 2023, partly offset by higher expenses related with System Operator projects at the European level. The year-on-year reduction in costs intensified year-on-year in the last quarter of the year as execution of the above-mentioned maintenance plan was largely concentrated in the second half of 2023.

- **Employee benefits expense** increased by 2.6 million euros due to a higher headcount, mitigated in part by the non-recurring effect of the new collective bargaining agreements recognised in 2023.

The **headcount** at 31 December 2024 was 2,489 employees, compared with 2,477 at year-end 2023. Meanwhile, the **average headcount** was 2,471, compared with 2,477 in 2023.

Earnings

EBITDA decreased by 12.4% year-on-year to 1,210.1 million euros in 2024, due primarily to the end of the useful life, for regulatory purposes, of the pre-98 assets, as noted earlier. On a like-for-like basis, however, i.e., eliminating the overall effect of the pre-98 assets, EBITDA was 7.8% higher than in 2023.

The trend in EBITDA by business is as follows:

- **Management and operation of national electricity infrastructure:** EBITDA in this business amounted to 976.2 million euros, a year-on-year decrease of 14.5%, due primarily to the impact of the pre-98 assets. On a like-for-like basis, again eliminating the effect of the pre-98 assets, EBITDA was Currently 11% higher, thanks to more assets in operation and reduced costs.

- **International electricity transmission:** EBITDA in this business amounted to 101.0 million euros, down 4.0 million euros (-3.8%) from 2023, due primarily to high non-recurring costs in Chile.

- **Fibre optic:** EBITDA decreased by 1.4% from 2023 to 112.2 million euros, shaped by the above-mentioned drop in revenue, coupled with flat operating expenses.

EBIT amounted to 761.4 million euros, down 20.5% from 2023. In addition to the above-mentioned trend in EBITDA, the drop in EBIT was shaped by higher depreciation charges, mainly at Red Eléctrica, due to more assets in operation.

The **net finance cost** widened by 18.9% to 85.7 million euros (net cost of 72.1 million euros in 2023). Finance costs amounted to 143.6 million euros in 2024, annual growth of 22.4 million euros, driven mainly by a higher average borrowing cost (from 2.11% in 2023 to 2.27% this year), as well as higher average balances. The growth in finance costs was partially offset by growth in finance income, to 60 million euros, thanks to efficient financial management of surplus liquidity.

Profit after tax for the year from continuing operations amounted to 526.8 million euros, down 23.7% from the 690.1 million euros reported in 2023. On a like-for-like basis, eliminating the effect of the pre-98 assets, profit for the year from continuing operations would have increased by 6.5%.

The Group reported a **loss after tax for the year from discontinued operations** of 138.2 million euros in 2024, compared to a profit of 29.5 million euros in 2023. This is mainly due the fact that the agreed sale of Hispasat has implied the recognition of a loss for accounting purposes in the consolidated statement of profit or loss for 2024 of approximately 137 million (after tax), which is the difference between the carrying amount of the net assets of the satellite business in Redeia's consolidated financial statements (862 million euros) and the agreed sale price.

The Group's **effective corporate income tax rate** was 22.0%, in line with that of 2023.

Lastly, **profit for the year** totalled 388.6 million euros, a decrease of 46.0% from 2023; **profit for the year attributable to equity holders of the parent** amounted to 368.4 million euros (down 46.6% from 2023), while the earnings attributable to non-controlling interests decreased by 9.9 million euros from 2023 due to the impact of the sale of Hispasat. By business line, the trend in the profit attributable to equity holders of the parent is as follows:

- **Management and operation of national electricity infrastructure:** the profit for the year attributable to this business amounted to 398.0 million euros, down 147.8 million euros from that of 2023, due mainly to the impact of the pre-98 assets. Eliminating the effect of the pre-98 assets, this profit measure would have increased by 13.5% in 2024.

- **International electricity transmission:** 43.9 million euros versus 50.3 million euros in 2023, shaped by the trend in EBITDA (outlined above), as well as higher finance costs.

- **Telecommunications:** the loss after tax attributable to equity holders of the parent from this activity amounted to 100.2 million euros, compared to a profit of 56.9 million euros in 2023, essentially reflecting the impairment loss recognised on the sale of Hispasat.

Capital expenditure

In 2024, capital expenditure amounted to 1,172.8 million euros, with Redeia continuing to accelerate its investment plan for the regulated Spanish market, exceeding its target of investing 1 billion euros during the reporting period, fuelled by its duty to articulate the energy transition.

The investments related with the **management and operation of national electricity infrastructure** totalled 1,104.9 million euros, year-on-year growth of 34.0%, and were aimed at facilitating the energy transition in Spain by paving the way for the integration of more renewable energy generation capacity. The breakdown by business line:

- **Development of the national transmission grid:** a total of 976.3 million euros of capital expenditure, compared to 744.6 million euros in 2023, reflecting intensification of the effort to build new lines and substations and upgrade assets, together with progress on the interconnections with other countries and between the mainland and island systems.

- In its capacity as **System Operator**, Redeia invested 34.5 million euros, up from 22.1 million euros in 2023.

- Lastly, the Group invested 94.1 million euros in **storage in the Canary Islands**, compared to 57.8 million euros in 2023, evidencing the progress being made on this important project.

Investment in the **management and operation of international electricity infrastructure** totalled 6.1 million euros, compared to 5.9 million euros in 2023. The capital expenditure in 2024 includes the acquisition of a control centre in Chile during the first quarter, among other items.

Investment in the **fibre optic** business amounted to 11.5 million euros, compared to 8.3 million euros in 2023, in line with the capital expenditure plan.

Lastly, the Group invested 50.4 million euros in other areas, including in technology and corporate applications for the Group and the investments made by Elewit, Redeia's private equity investment vehicle.

Cash flows

The main movements in cash flows in 2024 are analysed next:

Funds from operations (FFO), after tax, amounted to 1,187.4 million, up 15.6% from 2023, marked by collection of the tax reimbursable in respect of 2022, in the amount of 193 million euros, related mainly with the gain on the sale of Reintel, offset by lower pre-tax profits.

Changes in working capital implied a cash outflow of 231.7 million euros, compared to an outflow of 644.6 million euros in 2023, when the Group returned 564 million euros of surplus tariffs collected in prior years, compared to a lower 183 million euros in 2024. The balance pending repayment at year-end 2024 stood at around 220 million euros and is expected to be settled in the coming months.

Cash outflows for **capital expenditure** amounted to 1,172.8 million euros, up 33.7% year-on-year, driven mainly by higher investment in the Spanish regulated electricity business.

The movement in **other assets and liabilities** amounted to 333.5 million euros, down 54.3% from the 730 million euros recorded in 2023. This change mainly reflects the fact that in 2023 this heading included the proceeds from the hybrid bonds issued in January 2023 which implied the collection of 500 million euros. The other items making up this heading in 2024 relate mainly to the first tranche of connection-related funding for the underground interconnection with France in the amount of 200 million euros and other grants received during the year associated with access points at Red Eléctrica. It also reflects dividend collections offset by lease payments.

Dividends paid increased by 1.2% to 572.5 million euros.

The trend in these headings explains the increase in net debt of 394.4 million euros with respect to the year-end 2023 balance.

Trend in net debt

Net debt stood at 5,369.9 million euros at year-end 2024, growth of 394 million euros from the year-end 2023 balance of 4,975.4 million euros, reflecting heavy investments throughout the year, partially offset by funds from operations, grant collections and the deconsolidation of Hispasat's debt.

At year-end 2024, all of the Group's financial debt was **non-current. 92%** of the Group's debt carries **fixed rates**, with the remaining **8%** arranged at **floating** rates of interest.

The Group's **average cost of debt** was **2.27%** in 2024, compared to 2.11% in 2023.

Gross debt averaged 6,198 million euros in 2024, compared to 5,649 million euros in 2023.

Redeia has **pledged that 100% of its debt will be tied to ESG criteria by 2030.** Evidencing its progress towards achieving this target, at 31 December 2024, **69%** of the Group's borrowings already included **ESG criteria**, up from 59% at 31 December 2023.

Trend in equity

Redeia's **equity** stood at 5,260.1 million euros at 31 December 2024, down 269.0 million euros from the year-end 2023 figure. The trend in this heading reflects the Group's retained earnings in 2024, the distribution of dividends, translation differences and the movement in equity attributable to non-controlling interests.

2.2 Financial indicators

Thousands of euros

	2024	2023	Dif.%
EBITDA (*)	1,210.1	1,381.8	(12.4) %
Capital expenditure (*)	1,172.8	876.9	33.7 %
Net debt	5,369.9	4,975.4	7.9 %
Equity	5,260.1	5,529.1	(4.9) %
Dividends paid (*)	572.5	565.5	1.2 %
Leverage	50.5 %	47.4 %	6.62 %

(*) The consolidated statement of profit or loss for 2023 has been restated to reflect the impact of the business classified as a discontinued operation in 2024 under IFRS 5.

3 Liquidity and capital

The Group's liquidity policy is designed to ensure payment obligations are met, diversifying how financing requirements are covered and when debt matures.

The Group's robust liquidity position allows for prudent liquidity risk management. This position is essentially based on cash flow generation, mainly through regulated activities; sound management of collection and payment periods; and the financial capacity obtained through short- and long-term credit facilities.

At 31 December 2024, the undrawn balance on credit facilities amounted to 2,014 million euros (2023: 1,676 million euros) while cash surpluses totalled 915 million euros (2023: 675 million euros). The average maturity of the debt drawn down year-end was 4.7 years (2023: 4.5 years).

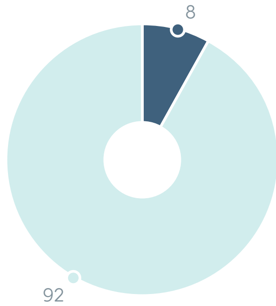
The Group's financial strategy is designed to mirror the nature of its businesses, at all times adhering to the legislation in force. The activities conducted by the Group are very capital-intensive, with a large portion of investments maturing over long periods. In addition, these assets are remunerated over long periods of time, which is why the Group's debt is primarily long-term and fixed-rate. The Group's strategic commitment to long-term, enterprise-wide sustainability is also present in its responsible and transparent management approach, which promotes sustainable sources of financing.

Financing structure:
%

Fixed vs. floating

92% Fixed rate

8% Floating rate



The Group's capital structure policy ensures a financial structure that optimises the cost of capital through a sound financial position, effectively balancing the generation of value for shareholders with competitive costs of financing. Capital is periodically monitored through the leverage ratio, which in 2024 stood at 50.5% (47.4% in 2023). This ratio is calculated as net debt divided by equity plus net debt.

To maintain and adjust the capital structure, the Parent can adjust the amount of dividends payable to shareholders, reimburse capital or issue new shares.

4 Risk management

Redeia has a Comprehensive Risk Management System in place designed to ensure that any risks that could affect the achievement of its strategies and objectives are sysTopictically identified, analysed, assessed, managed and controlled, framed by uniform criteria and within the established risk levels, in order to facilitate compliance with the Group's strategies and objectives. The Comprehensive Risk Management Policy was approved by the Board of

Directors of the Group's Parent. This Comprehensive Risk Management System, the Policy and the General Procedure regulating it are based on the COSO ERM (Committee of Sponsoring Organizations of the Treadway Commission) Enterprise Risk Management - Integrated Framework).

The ERM system is implemented in accordance with ISO 31000 on risk management principles and guidelines, which is comprehensive and ongoing in nature. Risk management is also strengthened at the business unit, subsidiary, support area and corporate levels.

The end-to-end risk management and control policy and procedure define the various duties of the governing bodies and those of each organisational unit, as well as the information flow and activities to be performed.

4.1 Corporate risks

The types of risk to which the Group is exposed (corporate risks) as regards the achievement of its strategies and objectives can be classified as follows:

Strategic risks

- Risks related to the regulatory framework in which the Group operates.
- Business risks associated with the business context itself or with decisions of a strategic nature.
- Risks related to sustainability and good governance.

Operational risks

- Risks associated with planned assets and/or those in progress.
- Risks associated with assets currently in service.
- Risks relating to information systems.
- Risks relating to personnel and their organisation.
- Compliance risks.

Financial risks

- Market risk.
- Risks related to Redeia's solvency
- Counterparty risk.
- Underwriting risks.

The Corporate Risk Map depicts the Group's most significant risks and is prepared on the basis of a bottom-up methodology, whereby the risks are identified, analysed and assessed by the different organisational units before being escalated for validation by the executive officers, general managers and corporate heads, until such time as they are ultimately presented to the Chair of the Group, the Executive Committee, the Audit Committee and the Board of Directors.

The main risks to which the Group is exposed and that could affect achievement of its objectives are regulatory risk, including tax risks, in as much as the Group's principal business lines are subject to regulations, operational risk, primarily arising from the activities carried out in the electricity and telecommunications sectors, financial risk, market risk and environmental risk.

The Comprehensive Risk Management Policy includes the policy for controlling and managing tax risks. It also covers financial risk management, as described in the note in the consolidated annual financial statements on the Group's financial risk management policies.

Redeia's Sustainability Report provides further details of the Group's main risks at present, as well as risks which could emerge in the future.

4.2 Climate change risks

The Group also manages climate change risks and opportunities in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Aside from reviewing the governance criteria, the Group has specific methodology for prioritising these criteria and quantifying their economic impact, which has been implemented on the basis of various scenarios.

Governance

Climate change risk management is built into the Group's broader risk management and such risks are subject to the same governance model, as described above. The pertinent risks are included in the Corporate Risk Map.

In addition to being supervised by the Audit Committee of the Board of Directors, as part of its oversight role over the end-to-end risk control system, climate risks and opportunities are passed on to the Board's Sustainability Committee. This Committee's duties include reviewing the corporate responsibility and climate change policies to enable decision-making based the results of the risk and opportunity analysis.

The strategic plans incorporate lines of action, objectives and high-level responsibilities in relation to climate change. The business areas set out goals, actions and specific responsibilities in their operational plans in order to keep exposure to climate change risks within acceptable levels.

Identifying and quantifying risks and opportunities

Climate change risks and opportunities comprise both physical risks and opportunities derived from changes in climate variables (which could have a direct effect on the facilities or on the services rendered by the Group) and transition risks and opportunities (related to changes stemming from the fight against climate change: technological, market and reputational).

Redeia has specific methodology in place for the identification, ranking and economic quantification of its climate risks.

As prescribed in the TCFD recommendations, the analysis is carried out taking into account various physical and transition scenarios:

- The physical scenarios considered are as set out in the Assessment Report AR5(2) of the Intergovernmental Panel on Climate Change (IPCC) (Representative Concentration Pathways RCP 2.6, RCP 4.5 and RCP 8.5). Projections by the Spanish meteorological office (AEMET) in the case of Spain and by the World Bank in the case of Latin America have been used to adjust the climate variable values.

- Scenarios published by the International Energy Agency (IEA) in its WEO-2023 report are used as a reference for transition scenarios. These scenarios are fleshed out with additional information referring to relevant factors based on the business and geographical area. In the case of electricity business risks in Spain, the scenarios included in the National Energy and Climate Plan (NECP) (trend and target scenarios), which correspond to the International Energy Agency's STEPS and NZE2050 scenarios, are used.

Transition risks and opportunities are analysed over the short, medium and long term. The economic impact or monetisation of the risks is quantified for a period of 10 years. The process of identifying and quantifying risks and opportunities is reviewed and updated at least annually.

(2) IPCC Fifth Assessment Report (2014), which is drawn up by scientists from different countries. RCP 4.5 is a target scenario and RCP 8.5 is a trend scenario, in which further changes in climate parameters are envisaged.

Conclusions: Material risks and opportunities

The following risks could materialise in the short and medium term:

Physical risks:

- Damage caused to overhead power lines by extreme winds.

- Fire damage caused to power lines and substations.

  The impact of these risks would materialise as damage to infrastructure, with or without affecting the electricity supply; an increase in maintenance costs, affecting third parties or the environment; and impacts on reputation.

  The rollout of specific projects and the application of different adaptation measures, including insurance policies significantly reduce the estimated economic impact of these risks, which does not exceed 2% of Group profit.

- Decline in water availability for hydroelectric generation.

  Were it to materialise, this risk would affect the operation of the electricity system by effectively reducing power availability, lack of firm capacity and lack of resources for pumping (flexibility mechanism). It would have no financial impact.

Transition risks:

- Insufficient information for the real-time operation of the system due to an increase in renewable generation facilities with outputs below 1 MW (current observation threshold set by the System Operator).

- Power disconnections due to a prevalence of renewable energy facilities within the power mix without the technical capabilities needed to cope with disturbances.

- Additional restrictions on renewable energy production and incidents that could affect supply security in the Canary Islands, due to the significant rise in the share of renewable energies in the energy mix forecast for future years.

- Loss of firm generation capacity due to the closure of conventional power plants.

  The impacts of these risks include increased difficulties with regard to system operation, further caps on production and additional technical constraints, and a possible effect on supply, which could in turn Redeia's reputation.

  Red Eléctrica is working hard to integrate renewables into the electricity system safely, thus minimising the probability of materialisation and impact of these risks.

- Stricter legal requirements governing the use of fluorinated gases (SF_6).

  The new requirements could lead to a rise in taxes associated with the use of gas, as well as increased management and maintenance costs to ensure that new requirements are met. Restrictions on the use of gas could also entail technical problems and high costs.

  It should be noted that Redeia has implemented a raft of measures to minimise SF_6 leaks, and to roll out projects focused on sourcing alternative solutions. Notably, Redeia is involved in work groups and legislative processes, and continues to collaborate closely with the authorities, all of which significantly helps to anticipate risk.

- Long lead time in commissioning the infrastructure needed for the energy transition: international interconnections.

To meet the objectives of the energy transition, the transmission network has to be further developed. However, due to social aversion to this type of infrastructure and the long waits to obtain the necessary authorisations for its development, there could be difficulties in bringing the required facilities into service.

To reduce this risk, preliminary studies are key in analysing the viability of the infrastructure proposed in the planning process. Numerous programmes have also been implemented relating to management of stakeholders and public engagement, together with other projects to improve infrastructure development processes, such as planning the materials supply and service requirements.

- Overload of grid access procedures due to high interest among renewable generation developers and consumption and storage facilities.

  Procedural setbacks can lead to an increase in claims and lawsuits that could result in sanctions or negatively affect the Group's reputation. To reduce this risk, the Group is firmly committed to making further progress in digitalising and automating processes and collaborating more with the regulator in improving levels of regulatory support.

Thanks to all these actions to address the various risks, the annual economic impact estimated for these transition risks would be less than 2% of Group profit.

Opportunities:
Energy transition policies provide huge opportunities for the Group, connected to the development of infrastructure to make the transition possible.

- Development of the existing network: integration of new renewable energy capacity, interconnections, high-speed trains and support for increased electrification of society (investment in lines, substations, interconnections, protection systems and other network infrastructure control and monitoring equipment).

- Development of storage in non-mainland systems.

- Development of infrastructure for the energy transition in Latin America.

  Moreover, new telecommunications business opportunities have been identified in the areas of digitalisation and increased connectivity.

  Lastly, the Group's improved performance in mitigating and adapting to climate change is expected to be a boon for its reputation and could lead to:

- Better financing opportunities and/or a higher stock price.

5 Disclosures regarding average supplier payment term. Additional Provision Three - "Disclosure requirements" under Law 15/2010, of 5 July 2010

In accordance with the Spanish Accounting and Auditing Institute (ICAC) resolution of 29 January 2016 regarding the disclosures that must be provided in the notes to the annual financial statements regarding the average supplier payment period in commercial transactions, the average supplier payment period in the case of the Spanish Group companies was 44 days at year-end 2024 (44 days in 2023).

The disclosures required under this resolution are contained in note 21 of the Group's consolidated financial statements for 2024.

6 Events after 31 December 2024

On 31 January 2025, Redeia, through its subsidiary, Redeia SisTopics de Telecomunicaciones S.A.U., agreed to sell Indra SisTopics S.A. its 89.68% interest in the share capital of Hispasat S.A. to Orbitude, S.L.U, a wholly-owned subsidiary of Indra.

The agreed sale price for that 89.68% interest in Hispasat is 725 million euros. The transaction, which is subject to approval by Spain's Council of Ministers, the anti-trust authorities and other regulators, is expected to close in 2025. Refer to notes 1 and 5 of the consolidated financial statements for 2024.

7 Outlook

As regards the management of its different businesses, Redeia plans to continue to implement its model articulated around balancing two major lines of action: operations subject to market risk which offset the concentration of regulatory risk; and regulated operations which offset market risk. Along these lines, it will continue to perform the role of Spanish Transmission System Operator (TSO), helping to make the energy transition in Spain a reality; continue to foster connectivity as a leading operator of fibre optic telecommunications infrastructure; consolidate its international business; and invest in technological acceleration and innovation.

Executing the strategy, underpinned by efficiency, digital transformation and personnel development, will enable the Group to adapt to the new, stricter regulatory and remuneration environment, and to generate more ways of creating value.

Redeia will work on guaranteeing electricity supply and connectivity and upholding its commitment to maximising value for its shareholders, offering an attractive dividend yield and generating value through efficient management of its activities, weighing up alternatives for growing the business and maintaining a sound capital structure. To do so, it will continue to pursue long-term value creation, promoting a fair ecological transition based on sustainability principles and contributing to social and regional cohesion.

Redeia continues to make inroads on delivering its 2030 Sustainability Commitment and maximising its contribution to the achievement of global targets, chief of which are the United Nations Sustainable Development Goals (SDGs). It will increase its social and environmental contributions across all the geographical and business areas in which it deploys its infrastructures, maximising the positive impact beyond its investment projects and providing solutions to the structural challenges that perpetuate territorial, generational, gender and digital inequality.

7.1 Outlook for the management and operation of national power transmission infrastructure

Advancing in regulated activities, aimed at making the energy transition in Spain a reality, primarily pursuing the following lines of initiative:

- Integration of new renewable sources of generation into the electricity system, supporting the shift toward emissions-free power generation and delivering greater energy efficiency.
- Placing the user at the centre of the electricity system, providing new services for an increasingly demanding and discerning user in terms of data and information.
- Developing storage based on the management needs of the system in order to implement a more flexible electricity system.
- Digitalisation and the rollout of smart grids, proposing new technological solutions to maximise the use of transmission assets.
- Achieving a higher degree of interconnection, furthering integration with the European market and improving the functioning of the non-mainland systems.

These challenges will require a significant level of investment in the transmission grid in the years to come, with a sharp focus on technology, all of which deployed in an increasingly stringent regulatory and remuneration environment.

Redeia will ensure its financial policy is in line with the remuneration regime for transmission activities, which involves maintaining a suitable financial structure to safeguard the Group's financial solvency, complying with the ratios laid down by the Spanish National Markets and Competition Commission (CNMC) and keeping a robust credit position.

7.2 Outlook for the management and operation of international electricity infrastructure

The Group will continue to focus its international business activity on strengthening its presence in its current international markets, specifically Peru, Chile and Brazil, as a way to diversify business.

It will also continue to explore viable and alternative financing streams at opportune market junctures in order to optimise the Group's capital structure and as a way of expanding the business.

7.3 Outlook for telecommunication activities

The telecommunications activities carried out by Reintel, as a provider of telecommunications infrastructure, will focus on the backbone fibre network market, specifically the lease of dark fibre and related infrastructure to telecommunications sector players.

The incorporation of KKR as a strategic shareholder in 2022 will enable Reintel, in the long term, to benefit from growth opportunities and maximise its capacity to generate value from its telecommunications business.

Reintel continues to implement its commercial plan and undertake the investments requested by customers, while also broadening its portfolio of fibre products in a bid to increase its revenues. Meanwhile, it is making progress in interconnecting rail and electricity fibre networks with the aim of offering new solutions to customers, such as new redundant sources and access points, without ever neglecting the high standards of service that it provides to its customers.

7.4 Other activities

When it comes to innovation, Elewit will help the Group to consolidate its commitment to innovation, entrepreneurship and technological development, which are the cornerstones of sustainability against a backdrop of transitions in both the energy and telecommunications sectors.

Through Elewit, Redeia will harness the potential of technology to further its various businesses and pursuits, while also exploring new value-added businesses. The Group will focus on initiatives focused on new technology verticals, such as cybersecurity, energy, AI and advanced analytics, Industry X.0, the Internet of Things (IoT), new communication technology, the platforms and networks of the future, and any other technology-driven opportunities is detected in the course of its constant screening of and interaction with the technology ecosystem.

Ultimately, Elewit will enable Redeia to forge stronger ties with society, increase the availability of its infrastructure, strengthen system security, maximise integration of renewable energies and use of its assets, enhance the efficiency and sustainable management of its assets, and improve the health and safety of people.

8 Innovation

Redeia continued its efforts to innovate in 2024, managing a total of 63 innovation projects entailing total expenditure of 8.2 million euros during the year. It also invested 3.7 million euros in startups, bringing the total invested in innovation and technological development to 11.9 million euros.

In 2024, Elewit continued to roll out all the necessary tools to capture and bring to fruition initiatives/projects at any stage of maturity that could further improve innovation at Redeia. One of its ambitions is to have a balanced portfolio of initiatives in terms of stage of technological maturity, thus providing both operational innovation that can be swiftly applied to businesses/activities, and more disruptive innovation linked to the technology required to address the challenges of the ecological transition and connectivity.

Along these lines, the achievements over the course of the year can be grouped as follows:

- Venture Client programmes: Organisation of the fifth edition of the Venture Client programme marked by the performance of four pilot tests with four different startups, focused on developing and quickly testing new solutions for enhancing management of cybernetic risks, restoring marine ecosystems and biodiversity, optimising operations and work flows and developing electric line coatings capable of increasing energy transmission.

- Corporate Venture Capital (CVC): ongoing configuration of a portfolio of innovative technology companies. In 2024, the portfolio welcomed Unusuals (a Spanish startup devoted to the development of AI-based software that digitalises the visual inspection of critical infrastructure assets) and Splight (an American startup that leverages artificial intelligence to facilitate greater penetration of renewable energy in the electricity system value chain). Key milestones in 2024 included the first close by the energy transition fund; the first co-investment with another TSO (the investment in Unusuals); and the reinforcement of Elewit's international footprint, specifically its presence in the innovation ecosystems of the US, Latin America and Europe.

- Ecosystem creation: further progress was made throughout 2024 on building an ecosystem that will ultimately unlock a large number of technological opportunities. In keeping with Redeia's Strategic Plan, the priorities in 2024 were the artificial intelligence and communication verticals. This meant arranging new models for engaging with allies, partners and employees to empower them to contribute to the creation of new venture and investment opportunities that fit well with the key challenges around technological innovation. Redeia works closely with more than 100 different innovation agents (entrepreneurs, investors, universities, research and technology centres, other corporations, opinion leaders, etc.) so as to ensure a constant supply of new ideas and knowledge. With a view to correctly managing and measuring the value contributed by these external partners, in 2024 an impact measurement model was devised for tracking the various collaboration mechanisms rolled out by Elewit; this model has made it possible to quantify the value generated by this company and will provide valuable input for the decision-making process.

- Intrapreneurship: the third edition of the Intrapreneurship programme was launched in 2024: four projects were selected, two of which have obtained financing and six more months to develop a minimum viable product (MVP) and validate its potential, while the other two were given a further three months to validate the ideas put forward. SafeLightning – Additional safety in earthing (Red Eléctrica); Downloads App (Red Eléctrica); and Spare Parts Marketplace (Redeia's Procurement Dept.). The programme evaluated another two projects which were channelled through the corporate departments involved.

- New Ventures: this initiative, conceived of to propel investment in startups tapping the market opportunities created by new technology, permitted the execution of three initiatives:
  - SafeDelimit. This venture, launched under the umbrella of the first edition of the Intrapreneurship programme, provides a laser-based solution for delimiting and protecting access by people and industrial vehicles to identified risk areas, has now been incorporated as a fully-fledged company: SafeDelimit S.L. Elewit closed its investment in this startup in September.
  - The programme also facilitated the materialisation of value from the EngineeringNow venture derived from the second edition of the Intrapreneurship programme (a solution for digitalising engineering processes in the electricity sector).
  - The third initiative concerns crystallisation of the venture for the development of a SO_2 sensor that can detect the decomposition of SF_6 insulating gas and thereby detect possible leaks from the assets that use it. This venture, developed by Red Eléctrica, will give rise to a new company that will industrialise, market and sell the sensor. The new company will be owned by Elewit, REDIT Ventures and the Electric Technology Institute (ITE) with Elewit capitalising the intellectual property generated via this venture.

- Tech Innovation Lab: the Lab aims to catalyse innovation at Redeia by enabling the introduction and swift adoption of disruptive technologies that are built into the innovative technological solutions being developed, thus ensuring the success of the innovation process from start to finish. In order to finance and promote the development of major projects, in 2024, Redeia relied on the support for innovation available from various public bodies under public-private partnerships. In 2024, the Group managed 16 R&D projects as part of public-private partnerships: six were managed by Elewit, including one new R&D project which Redeia was awarded in 2024 (InterSCADA), and 10 were managed by Hispasat.

A total of 13 innovative technology solutions were adopted in 2024 from among the 63 projects undertaken. Among the latter, it is worth highlighting: the development of renewable generation prediction models (CONVOL); improved prediction of electricity self-consumption (TERRAL and ETESIAN); fine-tuning of the predictive analysis of inter-area oscillation dampening (TALOS); the replacement of commercial applications for the performance of planning studies to make use of new load flow or system optimisation studies (SIROCO); the digitalisation and real-time management of assets at substations (ASUMO); and efficiency gains at aerial line inspections leveraging technological developments and the redesign of data management processes (DALIA -Detecting Anomalies in Lines Inspection Autonomously).

- Project Management Office: monitoring of the innovation funnel, with more than 100 initiatives received, 63 projects ongoing, and 13 innovative technological solutions adopted in 2024.

- Unlocking value: Elewit continued to work to identify projects that could lead to solutions for implementation both within and beyond the Group. Work was also ongoing on monetising the solutions generated via innovation projects. This activity is undertaken with the support of key partners for each project who are capable of bringing the solutions to market and compensating Redeia via favourable procurement terms, royalties or sales commissions.

In 2024, a number of commercialisation and outreach initiatives stood out. Most notable were the efforts to spark familiarity with the solutions in Latin America by working in coordination with Redinter, presenting solutions at events such as the so-called International Business Round, organised by COCIER in Bogota, and Expo Energy Peru 2024 in Lima. Elewit also collaborated closely with Aerolaser to promote DALIA in Peru, Chile, Uruguay, Colombia and Brazil. One of the most important events of 2024 was CIGRE, a biennial event that brings together the main global electricity players, in which our partners, Ampacimon and Arteche had the opportunity to present PDEye and ZEPAS. These initiatives were complemented by seminars organised with companies such as GEB (Colombia) and SAESA (Chile) where solutions and projects were presented and demonstrated.

That effort made it possible to launch DALIA offers for UTE (Uruguay) and TEN (Chile), and PDEye offers for TEN (Chile) and to offer the innovation services provided by Elewit (InnaaS – Innovation as a Service) to the ERIA Estabanell Innovation Hub. Acceptance of the offers presented in prior years led to implementation of DALIA at ARGO (Brazil) and UTE (Uruguay).

As for firm agreements derived from innovation efforts, in 2024, an RDI agreement was signed with the firm Unusuals in relation to the DALIA project. This venture, framed by the artificial intelligence technology vertical, is developing synthetic images in order to automatically improve identification of anomalies in aerial lines. The RDI agreement includes a profit-sharing arrangement whereby Red Eléctrica benefits from discounts and Redeia can capture royalties.

9 Own shares

At a meeting on 31 March 2020, the Company's Board of Directors decided to suspend own share transactions as of 14 April 2020, except where such transactions relate to employee remuneration.

Consequently, only one transaction took place in 2024, involving the sale of 440,075 own shares associated with Group employee remuneration. The shares sold had a par value of 0.22 million euros and a cash value of 7.3 million euros.

At 31 December 2024, the Company held own shares representing 0.12% of its share capital; more precisely, it held 671,942 shares with a par value of 0.50 euros per share and an aggregate par value of 0.34 million euros, which it acquired at an average price of 17.53 euros per share (note 13 to the consolidated financial statements) and a year-end market value of 11.1 million euros.

The Parent has complied with the requirements of article 509 of the Spanish Companies Act, which provides that the par value of acquired shares listed on official secondary markets, together with those already held by the Parent and its subsidiaries, must not exceed 10% of the share capital. The subsidiaries do not hold any own share or any Parent company shares.

10 Other relevant information

10.1 Stock market performance and shareholder return

All of the shares in Redeia Corporación, S.A., the Group's listed company, are quoted on the four Spanish stock exchanges and are traded through the Spanish automated quotation system.

The Company is also part of the IBEX 35 index of blue chip stocks, with a weighting of 1.51% at year-end 2024.

At 31 December 2024 and 2023, the Company's share capital amounted to 270.5 million and was represented by 541,080,000 shares, with a unit par value of 0.50 euros, all of which were fully subscribed for and paid up.

At year-end, the free float was 70.22%; 20% of the Company's shares were held by the state industrial holding company, SEPI for its acronym in Spanish, 5% by Pontegadea Inversiones, SL.[(2)], 4.46% by Blackrock (corresponding to the percentage of voting rights attached to the shares) and 0.13% were in the hands Board members or held as treasury stock.

(2) Amancio Ortega Gaona directly holds 99.99% of the voting rights of Pontegadea Inversiones, S.L.

The shareholder structure is as follows:

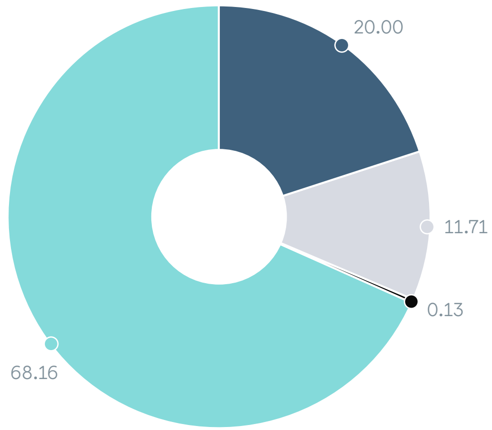
Shareholder structure
%

68.16% Foreing and domestic institutional inverstors

20.00% SEPI

11.71% Non Controlling

0.13% Tresuary stock and other Board members



- 68.16% of the shares are in the hands of foreign and domestic institutional investors.
- The state industrial holding company, SEPI, holds 20% of the shares.
- Retail investors account for 11.71% of share capital.
- The Company's treasury stock and shares held by other members of the Board of Directors account for 0.13%.

Redeia's share price stood at 16.50 euros at the close of trading on 31 December 2024. The share price gained 10.7% over the course of 2024, buoyed by the downtrend in interest rates throughout the year and the upcoming regulatory review of the electricity transmission businesses, which is expected to yield more favourable parameters, coupled with the high levels of capital expenditure anticipated in the regulated business in the coming years. The share price fluctuated between a high of 17.59 euros, on 27 September 2024, and a low of 14.40 euros, on 9 February 2024.

A total of 283.8 million shares were traded on the Spanish continuous market during the year, which is equivalent to 52.5% of the total outstanding. Cash transactions amounted to 4,613.9 million euros.

10.2 Dividend policy

Redeia's dividend policy is outlined in its 2021–2025 Strategic Plan, which initially envisioned a dividend payment of 1 euro per share until 2022, and a floor of 0.80 euros per share from 2023. The Group's stronger financial situation - largely thanks to the sale of a stake in Redeia Infraestructuras de Telecomunicación - allowed it to raise shareholder remuneration to 1 euro per share in 2023.

The dividends paid in 2024 out of prior-year profit amounted to 539.97 million euros.

The dividend paid out of 2024 earnings proposed by the Board of Directors and pending approval by the shareholders at the Annual General Meeting amounts to 0.80 euro per share.

That dividend will be paid in two instalments: an interim dividend already paid in January 2025 and a final dividend payable halfway through the year once the financial statements have been approved at the Annual General Meeting.

10.3 Credit ratings

On 12 April 2024, Standard & Poor's issued a report reiterating the most recently assigned credit ratings and outlook. Specifically, the Parent, Redeia Corporación, and its subsidiary, Red Eléctrica, both hold long-term ratings of A- and short-term ratings of A-2, with a stable outlook.

On 8 October 2024, Fitch Ratings ratified the Parent's long-term rating of A- with a stable outlook. As a result, the Parent and Red Eléctrica currently hold long-term ratings of A- and short-term ratings of F1 from Fitch Ratings, all with a stable outlook.

10.4 Excellence

Redeia has a Policy of Excellence, which was updated in 2021. It sets out the Company's principles and commitment to excellence in management and is focused on the creation of sustainable value that meets or surpasses the requirements and expectations of the stakeholders present within Redeia's ecosystem, acting as a lever for achieving truly excellent results both now and down the line.
In 1999, the Company adopted the EFQM (European Foundation for Quality Management) excellence management model as a tool to improve management, under which external assessments are performed on a regular basis. In 2022, Redeia arranged for an external assessment of Redeia Corporación and Red Eléctrica de España in accordance with the EFQM 2020 model, obtaining a score of above 700 points and earning, in the process, the EFQM 700+ Seal of Innovation and Sustainability Excellence. Following this assessment, the model will be expanded to cover Redeia's other business activities. Work began in 2023 to expand the model to cover Reintel and Redinter and continued throughout 2024.
Redeia also has quality assurance systems certified under ISO 9001 in place at the Parent and the main Group subsidiaries. In 2024, Reintel obtained ISO 9001 certification, so joining Redeia's multisite certificate. Redeia also boasts certification under international standard UNE-ISO 19650-1 and 2 for its information management systems in building and civil engineering works. Notably, it is

following the BIM (Building Information Modelling) collaborative work methodology as it builds the Salto de Chira pumped-storage hydropower station in Gran Canary Island.

11 Consolidated non-financial information statement and sustainability information for 2024

11.1 General Information

11.1.1 An introduction to Redeia

11.1.1.1 About this report

a. Adaptation to the European Corporate Sustainability Reporting Directive (CSRD)

Redeia's **consolidated non-financial information statement and sustainability information** (hereinafter, the Sustainability Statement) provides a transparent, faithful and balanced account of the Group's performance in 2024, focusing on the topics identified as material.

This report covers the disclosure requirements related with those material topics and the impacts, risks and opportunities associated with Redeia's value chain, as required under the new **European Sustainability Reporting Standards** (hereinafter, the ESRS) set down in **Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 as regards corporate sustainability reporting** (hereinafter, CSRD).

11.1.1.2 About Redeia

a. General basis for preparation **/ BP-1**

As regards the contents of this Sustainability Statement and in keeping ESRS 1, section 7.7 *Classified and sensitive information, and information on intellectual property, know-how or results of innovation*, the Group has not omitted any specific piece of information corresponding to intellectual property, know-how or the results of innovation; nor has it used the exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU.

- i. Scope of consolidation

  The Sustainability Statement contains relevant information about the management approach, actions and performance of all of Redeia's activities. The scope of consolidation is the same as that of the consolidated financial statements. Those consolidated financial statements detail the Group's corporate structure (refer to Appendix I of the consolidated financial statements of Redeia Corporación S.A. and subsidiaries). Whenever the information reported does not cover the full scope, the Current reporting scope is disclosed in the corresponding chapter. In those instances in which any of Redeia's investees are taken into consideration, this is specified where appropriate. With respect to the investees accounted for using the equity method (ARGO and TEN), note that these investments are referred to in the Scope 3 calculations.

  In keeping with Spanish Law 11/2018, the subsidiaries of Redeia Corporación, S.A. in Spain are exempt from drawing up a non-financial information statement as all of the required information is included in this consolidated Sustainability Statement of the parent undertaking, as provided for in articles 19a and 29a(8) of Directive 2013/34/EU.

- ii. Value chain
  This Sustainability Statement covers both Redeia's own operations and those of its value chain to the extent the available information so permits, considering the operations carried out by actors (persons and entities) upstream and downstream. For further information about the value chain, refer to section 1.2.1 *Double materiality assessment process.*

  To carry out its double materiality assessment, which includes the identification and assessment of impacts, risks and opportunities, the Company used the methodological approach prescribed in ESRS 1. To do so, it screened all of its site locations and business activities to determine the Current and potential ESG-related impacts, risks and opportunities connected with its own operations and its value chain, upstream and downstream.

  Note that Redeia's policies, actions and targets extend to its value chain to the extent there is any kind of relationship with the various actors.

b. Disclosures in relation to specific circumstances **/ BP-2**

- i. Time horizons
  Redeia has defined its own time horizons linked to the action plans it has implemented, specifically defining the following horizons:
  - **Short-term:** the current reporting period (from 1 January 2024 to 31 December 2024).
  - **Medium-term:** the time horizon until 2030 (from 1 January 2025 to 31 December 2029).
  - **Long-term:** the time horizon from 2030 (from 1 January 2030).
- ii. Value chain estimation
  Redeia has considered all relevant facts and circumstances, including information about low-probability and high-impact outcomes, which, when aggregated, could become material, on the basis of currently available information.
- iii. Sources of estimation and outcome uncertainty
  The performance indicators provided in the Sustainability Statement are not based on assumptions or estimates.

  However, in the disclosures about possible future events, assumptions and estimates were used. Therefore, the Current results could differ from those estimated as they refer to the future and future events are subject to uncertainty.
- iv. Changes in preparation or presentation of sustainability information
  So that Redeia's main stakeholders and users can get an understanding of the Group's development, performance, position and impact of its activity relating to the matters covered in this year's Sustainability Statement, the necessary references to last year's information, set out in its Non-Financial Information Statement, are provided throughout this report. For a better understanding of the comparative information in that statement, the following circumstances should be considered:

  - At the time of authorising this report, the Group's Management Report includes, among other information, the Non-Financial Information Statement (which in turn includes the sustainability information). The draft Spanish legislation for transposing Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 as regards corporate sustainability reporting (the CSRD) into Spanish law is not yet complete.

  - Redeia has opted to follow the recommendations issued by Spain's securities market regulator, the CNMV, and its accounting and auditing institute, the ICAC, as per their joint statement of

27 November 2024, urging voluntary compliance with the CSRD disclosure requirements and the ESRS, while additionally meeting their disclosure requirements under Spanish Law 11/2018 insofar as not covered by the CSRD; those additional disclosures are provided in Appendix 2.

Considering all of the above, the exceptional current circumstances, the timing of recent developments and the complexity of adjusting the information gathering and consolidation processes followed last year for the new criteria prescribed in the ESRS, Redeia has provided in this statement, in the instances in which it was not practical to present the comparative information in accordance with the new criteria, the 2023 figures in keeping with the criteria used to prepare the 2023 Non-Financial Information Statement, along with the information and explanations needed to allow stakeholders and users to understand the Group's development, performance, position and impacts under the newly applied criteria.

Elsewhere, specifically in relation to the sustainability information, prepared in accordance with the basis for preparation of the ESRS, Redeia has opted to use the transitional provision related to section 7.1 Presenting comparative information of ESRS 1 - General requirements, by virtue of which, to ease the first-time application of ESRS 1, undertakings are not required to disclose the comparative information required by the said section 7.1 in the first year of preparation of the sustainability information under the ESRS.

Note, lastly, that on 31 January 2025, Redeia, through its subsidiary, Redeia SisTopics de Telecomunicaciones S.A.U., agreed to sell Indra SisTopics S.A. its 89.68% interest in the share capital of Hispasat for 725 million euros. The transaction, which is subject to approval by Spain's Council of Ministers, the anti-trust authorities and other regulators, is expected to close in 2025. As a result, on 31 December 2024, the assets and liabilities belonging to the satellite telecommunications segment carried out by the Hispasat subgroup, whose parent company is Hispasat S.A. and which is controlled by Redeia through its 89.68% shareholding, have been classified as non-current assets held for sale. For the purposes of this Sustainability Statement, Hispasat is part of the scope of consolidation and in the instances in which references are made to the consolidated financial statements, disaggregated figures are provided to ensure consistency with the disclosures in those statements.

- v. Reporting errors in prior periods
  As this is the first year reporting the Sustainability Statement under the ESRS Standards, this requirement does not apply.

- vi. Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements
  Redeia has drawn up this Sustainability Statement in accordance with the CSRD and its applicable ESRS Standards, making the disclosure requirements established in that regulatory framework.

Appendix 2 was prepared in accordance with the provisions of Spanish Law 11/2018, of 28 December 2018, regarding non-financial and diversity information, in keeping with its current obligations around transparency and sustainability.

11.1.1.3 Governance

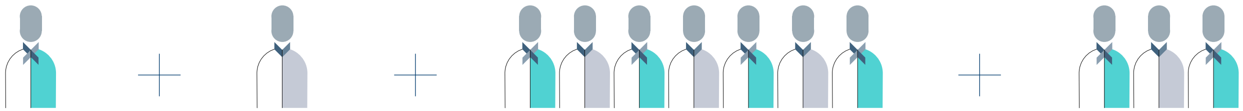
a. The role of the administrative, management and supervisory bodies **/ GOV-1**

The governance and administration of Redeia Corporación, S.A. (the "Company" or the "Parent" and together with the companies it controls, directly or indirectly, the "Group" or "Redeia") are tasked to the Annual General Meeting and the Board of Directors.

At 31 December 2024, the Company's share capital comprised

541,080,000 shares represented by book entries, all of the same class and series, with a unit par value of 0.50 euros, all subscribed for and paid in. They are traded on Spain's four stock exchanges.

Board of Directors (12 members)



A non-executive chairperson

a CEO

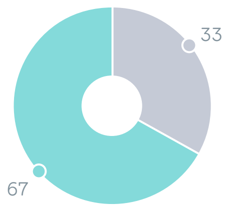
Seven independent directors **58.3%**

three proprietary directors **25%**

Appointments and Remuneration Committee

3 members

Chair: Independent director



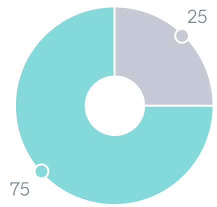
33% Proprietary

67% Independent

Audit Committee

4 members

Chair: Independent director



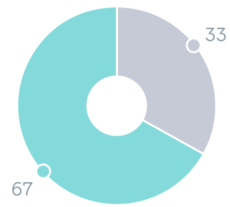
25% Proprietary

75% Independent

Sustainability Committee

3 members

Chair: Independent director



33% Proprietary

67% Independent

2024 was marked by ongoing implementation of the **Engagement Protocol Action Plan** designed to bring the Board of Directors closer to Redeia's employees. This plan is materialising in a number of informal gatherings and meetings with directors taking a range of formats and addressing different strategic topics of interest for the Company. The aim of these sessions is to make Redeia's employees more familiar with the Company's directors and the work done by the Board and its various committees as the Company's employees are not specifically represented on the Board at present (as this representation is not contemplated in either Spanish law (Corporate

Enterprises Act) or the Good Governance Code of Listed Companies). Along with the director skills matrix, the corporate website provides the directors' biographies, making it possible to transparently consult their current and prior positions and learn about their relevant experience in the Redeia's sectors, products and geographic locations, along with specific information about their expertise around sustainability. The above-mentioned skills matrix itemises the level of stills and expertise of the Board members with respect to Redeia's strategic priorities, as well as cross-cutting aspects. The list of strategic priorities specifically identifies "Sustainability and climate change". At present, all of the members of the Sustainability Committee have skills and expertise in this area.

More specifically, the members of the Sustainability Committee have proven track records performing the roles assigned to that committee, as borne out by their extensive experience, skills and know-how, having been selected by the Board of Directors, at the recommendation of the Board Chairperson, in turn on the basis of a report from the Appointments and Remuneration Committee, in an effort to make sure they boast the knowledge, skills and experience required to carry out those roles.

Board diversity at 31 December 2024

Gender

Number of directors by gender

50% of the Board members are female

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

Age

Number of directors by age

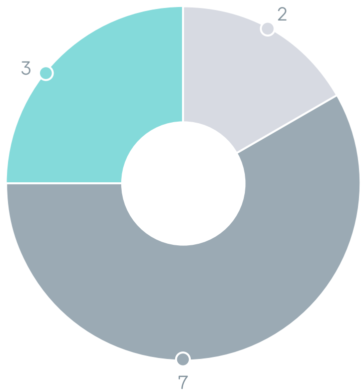
The directors' average age is 59

	<50 years of	50 to 60 years of	>60 years of
Board of Directors	1	6	5
Audit Committee	1	1	2
Appointments and Remuneration Committee	0	2	1
Sustainability Committee	0	1	2

Length of service

Number of directors by tenure

The directors have been serving on the Board for an average length of time of 5.17 years



2	7	3
< 3 years	3 - 5 years	>6 years

Roles and responsibilities of the administrative, management and supervisory bodies

The Board of Directors of Redeia Corporación, S.A. administers, governs and represents the Company, placing the Company's and shareholders' interests ahead of its own, all of which in compliance with company law, the bylaws and the principles of good corporate governance.

The Board carries out its duties in keeping with the rules of organisation and functioning set down in the Company's **Bylaws** and the **Regulations of the Board of Directors**. The Board of Directors' responsibilities include:

• Approval of the general policies and strategies of the Company and the Group,

and, in particular the risk control and management policy and the corporate governance policy.

• The risk control and management policy must identify at least:

- The different types of risk, including emerging risks, both financial and non-financial (a term which includes risks that are not directly financial in nature, without prejudice to their possible financial impact, and includes, among others, operational, technological, geopolitical, compliance, ethics and business conduct, strategic, legal, reputational, cybersecurity and sustainability risks), faced by the Company and the Group, including contingent liabilities and other off-balance sheet risks;

- A tiered risk management and control model, specifying the responsibilities assigned to each level of the organisation;

- The level of risk that the Company considers acceptable, framed by the Board's mandate in this respect;

- The measures in place to mitigate the impact of the identified risks, should they occur, assigning clear responsibilities to the competent bodies and persons;

- The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risks, ensuring that these responsibilities are adequately integrated into the Company's policies and procedures. Decision-making regarding: authorisation of the appointment and removal of senior executives of the Company and of Red Eléctrica de España, S.A.U.; director remuneration; approval of the financial and non-financial information (including sustainability information); and strategic investments, unless they have to be approved at the General Meeting.

• Annual assessment of the quality and efficiency of the Board and the functioning of its committees.

Note additionally that the Board's responsibility with respect to sustainability impacts, risks and opportunities is set down in article 5.5 of the Regulations of the Board of Directors, while that of the CEO is set down in article 11.3.c) thereof.

The purpose of the Board Regulations is to determine the operational principles of the Board of Directors of Redeia Corporación, S.A. and the basic rules for its organisation and functioning. They set forth the rules for the selection, appointment and removal of its members and the performance of the supervisory and control functions entrusted to it, framed by defence of the Company's interests and pursuit of good governance. They also integrate economic, environmental and social sustainability considerations, as well as responsibility and a commitment to society as a whole, as the cornerstones of the actions of the Company and its Group.

The Company has three permanent and predominantly technical committees, which were created by the Board of Directors to support and ultimately deliver enhanced efficiency and transparency. Note that article 23.2 of the Corporate Bylaws and article 16.2 of the Board Regulations itemise the roles and responsibilities of the Audit Committee in relation to sustainability impacts, risks and opportunities. The roles of the Appointments and Remuneration Committee in this respect are set down in article 18.5 e) of the Board Regulations. Lastly, the roles of the Sustainability Committee are set down in article 18 TER d) of the Board Regulations.

The Board's dedicated **Sustainability Committee** dates to 2018, reflecting the strategic importance of this issue for the Company. Redeia's 2030 Sustainability Commitment is championed by its Board of Directors and senior executive team, ensuring that sustainability considerations are factored into the entire organisation's day-to-day decisions. Moreover, the Sustainability Steering Committee and the Corporate Sustainability and Studies Department play a key role, reinforcing the involvement of the highest decision-making bodies and indeed of all areas of the organisation in the monitoring, supervision and implementation of the 2030 Sustainability Commitment.

The Sustainability Committee's roles include: leadership around ethics; oversight of the Group's sustainability strategy and practices and its linkages with the Strategic Plan; supervision of delivery of the Group's sustainability policies, strategies, plans and targets; supervision of stakeholder engagement processes; and coordination of the sustainability reporting effort.

The procedure for informing the Board of Directors and its committees about impacts, risks and opportunities consists of adding these matters to the agendas of the monthly meetings held by the Board and each of its three committees.

The Internal Audit and Risk Control Department carries out the control and oversight process which consists of different response plans. This process involves identifying, analysing, assessing, managing and controlling Redeia's risks in a sysTopictic manner, starting at the department level and extending its supervision up the various levels of the organisation until it reaches the Executive Committee, the Audit Committee and the Board of Directors.

Redeia also has a **Crisis Management Protocol**, which includes a specific crisis communication management plan designed to establish the basic strategic messaging and actions to be followed in response to the communication needs that arise in a crisis, addressing institutions, governments, stakeholders and the media (conventional and social) alike.

Regarding the involvement of the administrative, management and supervisory bodies in monitoring progress towards the targets set, in 2019, the Board of Directors approved 11 sustainability targets with a time horizon of 2030; those targets are aligned with Redeia's Strategic Plan and its material impacts, risks and opportunities.

Subsequently, the formulation in 2022 of the 2023-2025 Sustainability Plan defined interim targets along the roadmap for delivering Redeia's sustainability targets for 2030, fleshing out the existing 11 targets and defining new milestones associated with the material risks and opportunities. These targets, which contribute directly to delivery of the United Nations Sustainable Development Goals, were validated by the Sustainability Steering Committee, the Executive Committee and the Board's Sustainability Committee and then approved by the Board of Directors. Twice a year, the Board's Sustainability Committee supervises progress towards the targets set in the current sustainability plan, specifically including those related with Redeia's material impacts, risks and opportunities.

b. Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies **/ GOV-2**

The Board of Directors and its committees, within their respective remits, are responsible for supervising the sustainability reporting process at Redeia. As already noted, the Sustainability Committee supervises progress towards the targets set in the current sustainability plan, specifically including those related with Redeia's material impacts, risks and opportunities.

The administrative, management and supervisory bodies, along with their relevant committees, receive regular updates about Redeia's impacts, risks and opportunities, the implementation of due diligence, and the results and effectiveness of the policies, actions, metrics and targets adopted to address them.

The Company publishes an annual report providing an account of the activities undertaken by the Board committees which includes a list of the main topics addressed during the previous reporting period, specifically including the matters dealt with by the Sustainability Committee.

Redeia has a **Comprehensive Risk Management Policy**, last reviewed and updated in 2021, and a comprehensive General Risk Management and Control Procedure, reviewed and updated in 2023, based on the COSO ERM (Committee of Sponsoring Organizations of the Treadway Commission) Enterprise Risk Management - Integrated Framework. That procedure vests the Internal Audit and Risk Control Department with the duty of informing the bodies tasked with supervision and control (Executive Committee, Audit Committee and Board of Directors) about the status of and trend in the material risks at least twice yearly. It also provides such an update whenever specifically asked to or whenever the importance of the matter advises so doing.

These bodies, in the course of overseeing strategy, taking decisions on major transactions and managing risks, consider impacts, risks and opportunities. They do so through annual supervision of the Corporate Risk Map, placing particular emphasis on the risks derived from climate change and on materiality, supervising the material impacts, risks and opportunities. The additionally weigh up measures associated with these factors by supervising specific projects that are brought before the various Board committees monthly.

All of the impacts, risks and opportunities identified have been brought to the attention of the Board's Sustainability Committee, which has validated the results of the materiality assessment and their fit and alignment with Redeia's strategic targets, ensuring that the key priorities identified are addressed consistently so as to maximise the positive impact the Company's operations have on its local communities, so mitigating the risks to which it is exposed.

Thanks to its materiality assessment, Redeia has identified the impacts, risks and opportunities itemised in chapter 1.2 *Materiality assessment, specifically in section 1.2.4 Material impacts, risks and opportunities. SBM-3*.

c. Integration of sustainability-related performance in incentive schemes **/ GOV-3**

The **Director Remuneration Policy** applicable in 2024 was approved at the Annual General Meeting held on 29 June 2021 for a term of three years (2022, 2023 and 2024). As required under Spain's Corporate Enterprises Act, the Board of Directors submitted a new director remuneration policy applicable in 2025, 2026 and 2027 for approval at the 4 June 2024 Annual General Meeting, where it was duly approved.

The remuneration of the CEO and officers includes fixed and variable components and the latter comprises short- and long-term incentives aligned with Redeia's targets and strategies. More specifically, the annual variable remuneration of the CEO is based on delivery of a combination of predetermined and quantifiable corporate targets, measured at the Group level, which account for 75% of his total annual variable remuneration, and delivery of managerial targets linked to Redeia's businesses, which account for 25% of his total annual variable remuneration. The latter set of targets include a sustainability target, which has a weighting of 15% and is associated with progress towards delivery of Redeia's 2023-2025 Sustainability Plan, emissions abatement and the Company's ongoing inclusion in the most important sustainability stock indices.

As for the **long-term variable remuneration**, the targets embedded in the long-term incentive plan (LTIP) related with fostering the energy transition, reducing the digital divide and diversification are related with the targets set down Redeia's 2021-2025 Strategic Plan and aligned with the thrust of the current Director remuneration policy. The LTIP is a six-year plan and terminates on 31 December 2025. Entitlement to receive this incentive is conditional upon delivery of the targets associated with the 2021-2025 Strategic Plan and ongoing employment at the Company throughout the term of the incentive scheme. Note that 75% of the targets set in the above-mentioned plan are related with sustainability (ESG), specifically those of *"Making the energy transition in Spain a reality"* (45%), *"Fostering connectivity"* (15%), *"Delivering the Sustainability Plan"* (10%) and *"People"* (5%).

The Sustainability Committee supervises progress towards the sustainability-related targets over time and informs the Board of Directors in that respect. Elsewhere, in approving the remuneration-related targets for the CEO and officers, which include sustainability-related targets, the Appointments and Remuneration Committee approves and informs the Board about their definition and delivery. The Board of Directors supervises these matters via the reports received from its committees and when approving the Annual Director Remuneration Report, which sets out the proposal for remuneration tied to delivery of the targets for the immediately preceding reporting period and the proposal for remuneration associated with the targets set for the reporting period in progress which in both instances include sustainability-related targets. Lastly, the Board of Directors voluntarily submits the above-mentioned Annual Director Remuneration Reports for approval at the Annual General Meeting and publishes it on the corporate website annually.

d. Statement on sustainability due diligence **/ GOV-4**

Redeia has been carrying out annual due diligence assessments at all Group companies (including investees) since 2013 in order to identify possible risks or human rights violations derived directly or indirectly from its activities.

In 2022, it updated its internal due diligence procedures in respect of its own activities and its dealings with third parties, bringing them into line with Spanish and international legislation and emerging trends, emerging rights and new right-holders that could be impacted. In order to ensure continuous improvement in this area, these procedures are reviewed annually.

Risks are updated each time Redeia acquires a new undertaking or enters a new geographic market. As a result, it did not have to review its risks in 2024.

Redeia's human rights due diligence process encompasses three stages:

- **Human rights risk map:** verification that human rights and right-holders that could be affected by Redeia's activities have not changed from previous years. Depending on the outcome, the human rights risk map is updated if necessary by identifying, prioritising and assessing potential and real negative impacts using proprietary methodology based on the risks' probability of occurrence and severity in the event of materialisation. This map is revised annually.

- **Implementation of risk prevention, mitigation and remediation measures:** the conclusion drawn from the human rights risk mapping process are integrated into the Company's roles and prevention, mitigation and/or remediation measures are drawn up and implemented for the risks identifies, assigning specific targets for improvement.

- **Oversight of the measures implemented:** quarterly or annually, depending on the severity of the impact, the qualitative and quantitative indicators defined for each measure are analysed. If the results fall short of target and the harm caused persists, the solution design is considered and new measures are crafted in collaboration with the affected parties.

In addition, Redeia complements its due diligence model addressing third-party integrity and human rights with a support tool, specifically the Dow Jones Risk Center Screening & Monitoring platform which it can use to enquire about specific entities or individuals, breaches, illicit conduct or sanctions that could affect integrity and/or human rights.

The due diligence process was one of the sources used by Redeia to carry out its materiality assessment for 2024 and is therefore aligned with the identification of impacts, risks and opportunities as part of that assessment.

e. Risk management and internal controls over de información sustainability reporting **/ GOV-5**

Redeia's **enterprise risk management system** addresses sustainability matters with the aim of facilitating delivery of Redeia's strategies and targets by ensuring that the risks thereto are sysTopictically identified, analysed, assessed, managed and controlled, framed by uniform criteria and within the risk tolerance thresholds approved at the Board level. Specifically, Redeia's Comprehensive Risk Management System is aligned with ISO 31000, the international standard on risk management principles and guidelines.

Redeia also has a **Comprehensive Risk Management Policy**, last reviewed and updated in 2021 and a comprehensive General Risk Management and Control Procedure, based on the COSO ERM (Committee of Sponsoring Organizations of the Treadway Commission) Enterprise Risk Management - Integrated Framework. That procedure vests the Internal Audit and Risk Control Department with the duty of informing the bodies tasked with supervision and control (Executive Committee, Audit Committee and Board of Directors) about the status of and trend in the material risks at least twice yearly, whenever specifically asked to or whenever the importance of the matter advises so doing.

General Risk Management and Control Procedure

Stages	Objectives
Identification	• Identifying the risks and exposure to the contributing factors.
Assessment: probability I impact	• Defining the likelihood of occurrence and level of impact.
Analysis of risk level	• Classifying the risk by level: low, medium or high
Action plan	• Formulating action plans for mitigating or reducing the risk and keeping it within the defined tolerance thresholds.
Oversight and monitoring	• Integrating information about the material risks (risk map) and informing the governing bodies.

The **General Risk Management and Control Procedure** was last reviewed and updated in 2024. This procedure regulates the process of sysTopictically and consistently identifying, analysing, assessing and controlling the material risks, including emerging risks, that could affect achievement of Redeia's strategies and targets. The goal is to ensure that the various levels of responsibility of the organisation are aware of and understand these risks and manage them within the set tolerance levels. It also establishes the duties vested in the control and supervisory bodies and each of the organisational units, as well as the information flows related with the activities to be performed.

Redeia has defined a **risk taxonomy or classification** to facilitate more comprehensive identification and detailed analysis of identified risks. Under this taxonomy, identified risks are classified into one of three groups: strategic, financial and operational.

Elsewhere, Redeia's Comprehensive Risk Management System establishes methodology for determining risk levels as a function of two variables: the likelihood of occurrence; and the impact that materialisation of the risk would have at the Company in terms of four key components of the business:

- Financial loss.
- Achievement of the current strategic plan.
- Reputation.
- Electricity supply.

Each risk is placed on the matrix as a function of the probability of occurrence and the level of impact of each risk, which automatically determines its risk level, such that all identified risks are individually classified into one of three categories: high risk, medium risk and low risk.

The **level of risk** that Redeia is willing to tolerate is established in the Board-approved Comprehensive Risk Management Policy. Those thresholds are set individually for each risk and overall for each of the impact categories contemplated in the Comprehensive Risk Management System: financial loss, strategic plan, reputation and electricity supply (or the equivalent category depending on the activity carried out by each Redeia company).

In addition, Redeia periodically conducts a number of sensitivity analyses (stress tests) around certain financial and non-financial risks in a bid to anticipate the potential impact on the Company of their materialisation in certain future scenarios and to monitor developments with respect to the main variables that could impact achievement of the strategic plan (including financial variables such as interest and inflation rates as well as more business-related variables).

In the course of its risk assessment effort, Redeia has identified the main risks that could impact the organisation. The strategies designed to mitigate those risks and the related controls implemented are itemised throughout chapter 1.2 *Materiality assessment*. That chapter provides a clear and concise account of how the Company proactively tackles these challenges to ensure the sustainability and resilience of its operations.

Having identified and assessed its risks, Redeia uses the model's specific methodology for determining their level, which it has likewise used to assess the sustainability risks identified in the course of the 2024 materiality assessment, so that the sustainability reporting process integrates the findings of its risk assessment and internal controls.

The General Risk Management and Control Procedure tasks the Internal Audit and Risk Control Department, which reports hierarchically to the Chairperson's Office and functionally to the Audit Committee, with the duty of coordinating implementation and development of Redeia's enterprise risk management system; carrying out due control and oversight of the material risks, framed by uniform criteria and factoring in the established risk tolerance thresholds; and informing the bodies tasked with supervision and control (Executive Committee, Audit Committee and Board of Directors) about the status of and trend in the risks at least twice yearly, whenever specifically asked to or whenever the importance of the matter advises so doing.

Likewise, Redeia has an **Internal Control over Sustainability Reporting System** (ICSRS) whose main purpose is to mitigate material related risks related with sustainability reporting and ensure the faithfulness of the sustainability disclosures made. The scope of the ICSRS includes all of the companies comprising Redeia that make a material or relevant contribution to the sustainability information reported.

The prime risks associated with the ICSRS are the existence of material errors in the sustainability information published in the Sustainability Statement and the risk that the information reported is not transparent, comparable, complete, faithful or accurate. These risks are mitigated by properly executing the 185 controls established in the model.

In order to ensure the traceability of the ICSRS, the system underwent an end-to-end and consistency intervention using a tool that allows the vested organisational units and lines of defence to:

- Centralise and furnish all of the evidence associated with the controls performed;
- Digitalise the control flow charts and self-assessments;
- Monitor the proper functioning of the internal control model and supervise the controls with the aim of ensuring that the risks have been mitigated by means of due performance of the related controls.

Redeia's ICSRS is a dynamic system which means that constantly updating it is essential to guaranteeing the reliability of its sustainability information.

That updating effort is stipulated in the annual ICSRS work plan.

The ICSRS is articulated around the three lines of defence model as this helps the organisation to identify the structures and processes that best facilitate target achievement and foster solid governance and risk management. This model helps manage risks effectively, maintain control of the process and strengthen ICSFR governance.

The ICSFS governing bodies defined by Redeia are:

- The **Board of Directors**: whose duties are to approve the policy for controlling and managing Redeia's main risks and to be familiar with and supervise the internal control, prevention and reporting systems. By extension, that familiarity and supervisory duty extends to the Internal Control over Sustainability Reporting System.

- **Audit Committee**: This committee's duties specifically include:
  - Supervising and assessing the process of drafting and presenting, as well as the integrity of, Redeia's sustainability information.
  - Supervising and assessing periodically the effectiveness of the internal control and sustainability risk management systems so that the various classes of risks are duly identified, management and disclosed internally.

- **Sustainability Committee:** This committee's many duties include that of assessing, supervising and controlling risks related with sustainability, ethics and corporate conduct and, specifically, climate change, in collaboration with the Audit Committee, organising joint meetings as necessary.

11.1.1.4 Strategy and business model

a. Strategy, business model and value chain **/ SBM-1**

Redeia is a global operator of essential infrastructure. It is the Spanish electricity system operator. It manages electricity transmission networks in Spain, Peru, Chile and Brazil and telecommunications networks (fibre optics and satellites), with a strategic focus on innovation and sustainability.

Since its creation in 1985 as the world's first electricity transmission and system operator (TSO), it has evolved to become a benchmark player in the areas of electricity infrastructure management and telecommunications. Today, Redeia's business model is based on excellence, innovation, integrity and transparency. It ensures its business activities are compatible with caring for the environment and generating shared value with society, so becoming an engine for the energy transition and universal connectivity. There were no changes in the markets or customer groups served in 2024.

The main businesses and undertakings comprising Redeia are:

- **Red Eléctrica:** Spain's TSO, the backbone of the country's electricity system and guarantor of safe, quality and increasingly renewable supply.
- **Redinter:** driver of decarbonisation of the energy model and of sustainable development in Latin America.
- **Reintel:** the largest provider of dark fibre in Spain, essential to the provision of universal and inclusive connectivity.
- **Hispasat:** a key player in the digital transformation and in reducing the digital divide in Spain and Latin America.
- **Elewit:** a technological innovation platform for all of the other businesses focused on propelling the energy transition and connectivity.

Based on these businesses, Redeia defines **four main value chains**, which share a cross-cutting business, Elewit, which acts as facilitator and connector for Redeia's main companies and business units, centralising and catalysing opportunities for injecting innovation into the Group, whether by developing projects itself or through partnerships with other players in the innovation ecosystem.

For the main features of the upstream and downstream value chains and Redeia's position in them and a description of the main business actors (key suppliers and customers) and their relationship with Redeia, refer to section 1.2.1 *Understanding* of the Materiality assessment chapter.

Redeia's most important geographical area by headcount is Spain (2,042 employees), followed by Colombia (139 employees), Peru (135 employees), Brazil (60 employees) and Chile (40 employees). Redeia also has a presence in Germany, Mexico, Ecuador, the UK, Argentina, Luxembourg and the US.

In 2024, Redeia generated value for its shareholders (paying out 574 million euros of dividends), for its employees (staff costs of 180.5 million euros and an injury frequency rate of 2.49) and its suppliers (purchasing goods and services for 1,523 million euros, with 94.07% of its suppliers based in the European Union)

2021-2025 Strategic Plan

In February 2021, the Board of Directors approved Redeia's 2021-2025 Strategic Plan, which is underpinned by three levers: (i) a strong commitment to the energy transition; (ii) a push towards connectivity solutions; and (iii) consolidation of the international business.

The 2021-2025 Strategic Plan prioritises pursuit of the energy transition in Spain to make efficient progress towards a decarbonised economy, leveraging the progress made in the telecommunications business and consolidating the international business, while guaranteeing the Group's financial and operational efficiency, ensuring that talent and sustainability form the basis of its corporate culture and generating positive impacts by forging alliance with the community and sector players. Sustainability is embedded into that plan

Sustainability challenges (strategic pillars)	Solutions | critical projects (progress in 2024)
Making the energy transition in Spain a reality	• Commissioning of the new Buenos Aires 220 kV substation in Santa Cruz de Tenerife. • Start of the works for the electricity interconnection between mainland Spain and Ceuta. • Start of the public consultation process for building public consensus around the second mainland Spain-Balearics link. • Commissioning of the new 132 kV double-circuit line in Fuerteventura.
Fostering connectivity	• Membership of DigitalES by Reintel to accelerate digitalisation in Spain. • Approval of Reintel's net zero emissions plan. • Adjudication to the SpaceRise consortium (of which Hispasat is part) of the contract to develop, deploy and operate IRIS². • Rollout by Hispasat of a community outreach contest (#PueblosMUYconectados) as part of its *Conéctate 35* service.
Consolidating the international business	• Completion of the expansion work at the Centinela substation and switching of the 2 x 220 kV Cobre - Esperanza line. • Organisation of the first Sustainability and Energy Seminar titled "A sustainable future needs Latin America" with ESAN.
People	• Creation of the Positive Safety community with the ecosystem of construction and maintenance suppliers. • Assessment of critical positions to identify key drivers for retaining top talent. • Definition of a scholarship plan for young people with disabilities. • Negotiation, signature and publication of Redeia Infraestructuras de Telecomunicación, S.A.'s second collective bargaining agreement.
Innovation and technology	• First close by the energy transition fund. • Definition of the plan for implementing the initiative for the advanced monitoring of the transmission grid (Project ASUMO). • Consolidation of the activities of New Venture with the alliance for the industrialisation and monetisation of the interoperable platform for the development of critical services (PIDSC) and its first investment in a company created by an intrapreneur.
Efficiency	• Redeia Corporación issued its first green notes: 500 million euros. • Red Eléctrica issued 500 million euros of green notes. • EIB approval for a 300 million euros loan to boost development of the pumped-storage hydropower facility in the Canaries.
Sustainability	• 5.8 million euros invested under the umbrella of the Comprehensive Community Impact Strategy and the rollout of *Tejedora* and *Pensadere*, strategy execution tools. • Deployment of widespread active listening boards with the participation of local stakeholders. • Launch of the 'Marine Forest' platform for the recovery of marine ecosystems out to 2030. • Progress on the sustainable purchasing model. • Progress on the non-financial information control system and data strategy. • Ongoing inclusion in the Dow Jones Sustainability Index, Euronext, FTSE4Good, ISS ESG and MSCI, among other benchmark indices.

as an articulating pillar spanning all the Group's activities.

2030 Sustainability Commitment

Redeia's Board-approved 2030 Sustainability Commitment embodies its commitment to its long-term endurance by forging a business model capable of creating shared value for all stakeholders and doing business responsibly. This commitment is underpinned by the 10 principles set down in the Sustainability Policy and materialises in four priorities for responding to the Group's sustainability challenges.

In 2019, Redeia established 11 sustainability targets for delivery by 2030, aligned with its Strategic Plan. The **2030 Sustainability Commitment** is deployed through multi-year plans. The 2023-2025 Sustainability Plan was approved by the Board of Directors, following its approval by the Executive Committee, the Sustainability Steering Committee and the Board's Sustainability Committee. It defines, through 14 lines of initiative, interim targets on the roadmap to achieving Redeia's sustainability ambitions for 2030. These targets contribute directly to materialisation of the United Nations Sustainable Development Goals.

Decarbonisation of the economy

To act as a proactive agent in the energy transition towards a zero emissions model, based on the electrification of the economy and the efficient integration of renewable energy through a robust and better-connected network and the development and operation of energy storage systems.

2030 targets	2025 targets
Climate change • Reduce Scope 1 and 2 emissions by 55% and Scope 3 emissions by 28% with respect to 2019.(1)	• 30% reduction in Scope 1 and 2 emissions. • Two-thirds of suppliers (measured in terms of emissions) with SBTi-approved targets (relative to 2019). • Offset of 100% of Scope 1 emissions.
Energy transition • Empower society to be actively involved in the energy transition process. • Safely integrate 100% of the renewable energy available in the electricity system: 74% of renewable energy in electricity generation.	• >60% of renewable energy in electricity generation. • Start-up of the expanded Datahub accessible to legally-permitted participants and stakeholders. • Additional content on the REData and RedOS platforms.
Green financing • 100% sustainable financing	

(1) Scope 1 emissions: direct emissions from sources owned or controlled by the Group (SF6, combustion emissions from vehicles and generators and emissions from air conditioners). Scope 2 emissions: indirect emissions from electricity consumption (includes transmission grid losses). Scope 3 emissions: indirect emissions resulting from Redeia's activity but generated by sources not controlled by Redeia (supply chain, business travel, employee commuting, logistics, waste, etc.).

Responsible value chain

Extend our responsibility commitment to all the links in the value chain, from our employees to our suppliers and customers, by forging alliances, all underpinned by our model of good governance and integrity.

2030 targets	2025 targets
Biodiversity • Have a net positive impact on the natural capital of the areas surrounding new facilities.	• 100% of the critical spans signalled for Red Eléctrica. • 100% of investment projects associated with the commitment to protect vegetation and fight deforestation.
Circular economy • Become a leading circular economy company. • Zero landfill waste within the Group. • 6.5 m³ of water consumption per employee per year at Group workplaces.	• Zero landfill waste at Red Eléctrica. • 6.5m³ of water consumption per employee per year at Red Eléctrica and Redinter workplaces.
Suppliers • Drive change among our suppliers. At least 25 supplies with the greatest impact in the transmission grid committed to circularity criteria: LCA, climate change, safety, diversity and biodiversity.	• At least 10 supplies with the greatest impact in the transmission grid committed to circularity criteria: LCA, climate change, safety, diversity and biodiversity.

Contribution to local development

Contribute to economic, environmental and social progress in local areas, by providing an essential service in a safe and efficient way, fostering environmental conservation, enhancing people's quality of life and social wellbeing and involving communities in the development of our activities so as to generate tangible mutual benefits.

2030 targets	2025 targets
Diversity • Be a benchmark in gender equality: 50% of women on Redeia's Board of Directors and management team at Group level. • Promote the inclusion of segments of society at risk of social and workplace exclusion.	• 50% of women on Redeia's Board of Directors. • 38% of the management team female. • Delivery of at least 40% of the legal requirement for the direct hire of people with disabilities. • Growth of 20% in the volumes managed via Special Employment Centres for the provision of services at Redeia.
• Digital divide. • Reduce the digital divide: Connectivity for 100% of the people living in the vicinity of our facilities.	• Fostering development of the fibre optic businesses of at least three local operators. • 100 Mbps deployed with connectivity nationwide.

Climate change anticipation and action

Foster a corporate culture of innovation and flexibility that enables us to identify growth opportunities and tackle future challenges by staying ahead of and adapting to global trends and to the regulatory environment emerging from the new energy model.

2030 targets	2025 targets
Innovation and technology • Be a benchmark in technological innovation. Adoption of 64 technological solutions at Redeia that provide solutions to the Group's key challenges by delivering tangible or intangible value.	• Adoption of 24 technological solutions at Redeia that provide solutions to the Group's key challenges by delivering tangible or intangible value.

Sustainability priorities and targets for 2025 and 2030

All of the above targets apply globally irrespective of groups of products and services, customer categories, geographical areas or relationships with stakeholders.

Note that the material impacts, risks and opportunities and their interaction with the strategy and business model are detailed in each of the following chapters.

b. Interests and views of stakeholders **/ SBM-2**

Redeia stands out for its desire to accommodate the different stakeholders it engages with. As a result, it has forged a mature stakeholder engagement model which it reviews periodically to ensure it identifies all stakeholders, establishes the most suitable model for engagement and is capable of detecting their needs and expectations. As for the services associated with the Group's various businesses, Redeia is working to ensure service quality, going to increasing lengths to improve its customer communication channels and platforms.

Redeia stakeholders

- Regulatory and government bodies
- People
- Economic and financial ecosystem
- Customers
- Suppliers
- Social ecosystem
- Business ecosystem

Redeia has articulated its **stakeholder management Model** around the leading benchmark recommendations in stakeholder engagement to ensure it analyses its impacts on its stakeholders and understands how they in turn influence the Company.

The purpose of the model is to build trust-based relationships oriented towards shared value creation. Its design factored in the provisions of the main stakeholder management regulations and benchmarks, notably AA1000, ISO 26000, IQNet SR10 and the Global Reporting Initiative (GRI), in order to ensure that the Company analyses the main impacts of its activities on its stakeholders, as well as the influence that these stakeholders exert, or could exert, on the Company.

In this manner, Redeia gears stakeholder relations towards the creation of shared value, strengthening the positive impacts and swiftly identifying any negative impacts that might affect the relationship, with a view to minimising them.

The management model encompasses six well-differentiated phases:

- **Identification and segmentation** of the groups that constitute stakeholders based on analysis of the interrelationships between the Company's processes and activities and its surroundings and based on the reason for their vested interest.

- **Determination of the importance of the stakeholder groups based on three prioritisation factors:** the Company's impact on the stakeholder group; the stakeholder group's influence on the Company and tension. This filtering process yields a prioritised inventory of stakeholders.

- Definition and rollout of the optimum **relationship model** for each stakeholder group will depend firstly on the commitments assumed by the Company with them and also their level of priority and the type of engagement deemed most appropriate.

- Each Group company and stakeholder manager then implements the defined relationship model, fostering dialogue with their stakeholders and generating improvements by addressing the rationale for the relationship and the stakeholders' material concerns, needs and expectations, the goal being to maximise positive impacts and minimise negative ones. Redeia transmits its commitment to sustainability across all areas of its business and at all levels of the organisation to ensure effective value creation for its stakeholders.

- **Assessment** of stakeholder management is based on sysTopictic and regular identification of stakeholder needs and expectations using different methodologies depending on the relationship model established for each group. This assessment gives rise to action plans designed to respond to the material topics, needs and expectations so identified.

- **Regular review of the model** to factor in material changes in the Company's

Stakeholder group	Specific commitments(*)	Engagement channels
Regulatory and government bodies	• Independence as system operator. • Transparent, trustworthy, accurate, faithful and timely information. • Proactive problem analysis and solution. • Lawfulness, compliance and respect for the international rules of conduct. • Collaboration with and counselling of the European and Spanish institutions. • Good corporate governance. • Furthering the energy transition in Spain. • Contributing to sustainable economic, environmental and social development.	• Institutional websites and platforms. • Work group platforms • Participation in committees • Personal contact, telephone and email • Meetings on demand • Corporate website
Economic and financial ecosystem	• Application of best practices in corporate governance and risk control. • Voluntary adoption of the Code of Good Governance of Listed Companies. • Ethical conduct. • Transparent and rigorous information. • Operational quality and security.	• Work groups and collaborative projects. • Technical meetings and institutional events. • Mail, telephone and corporate mailboxes. • The channels stipulated by the competent authority.

(*) The commitments assumed derive from an understanding of the matters that are material to each stakeholder group

Continued on the next page

Stakeholder group	Specific commitments(*)	Engagement channels
Economic and financial ecosystem continued	• Economic solvency over medium- and long-term horizons. • Long-term relationships based on trust. • Value creation in the short and long term. • Dividend policy (profit sharing). • Sustainable financing by 2030. • Timely information provided on equal terms of access. • Open, transparent and close dialogue.	• Ethics and whistle-blowing channel. • Institutional investor relations and shareholder offices. • Roadshows, one-on-one meetings, video meetings. • Annual General Meeting. • Corporate website.
People	• Culture of ethics and honesty conducive to diversity and equal opportunities. • Compliance with legislation and collective bargaining agreements. • Continuity of the business endeavour and job stability. • Talent management and career development. • Healthy work environments framed by a perspective of holistic wellbeing. • Work-life balance. • Two-way, open and close communication. • Facilitation of the freedom of association and direct dialogue with management. • Participation in the firm's management through workers' representatives. • Management visibility. • Appropriate and opportune responses to requests and demands. • Attention to specific needs: contribution of solutions.	• Meetings with the Board and its committees and the Director Portal. • Corporate people management tools. • Email/telephone and in-house mailboxes. • In-person and remote meetings. • Periodical and sysTopictic seminars of different kinds. • Ethics and whistle-blowing channel. • Corporate intranet (nuestraRed) • Digital events and specific or thematic seminars.
Suppliers	• Guaranteed competition, equal treatment and non-discrimination. • Proportionate procurement model. • Performance of contrCurrent commitments. • Guaranteed solvency; payment on time and as due. • Ethical, transparent and honest conduct. • Visibility around needs and resources with fair and necessary advance notice. • Acting as an agent of change. • Encouraging responsible practices all along the supply chain: sustainability criteria and extension of sustainability commitment to every link in chain.	• Supplier care and support service (ASA). • DIGAME channel. • Ethics and whistle-blowing channel. • PRORED for enquiries about the LICITA certification process and the tender process. • Invoicing mailbox. • Technical meetings, gatherings and training and development events. • Telephone, Teams and email.
Customers	• Acting as driver and facilitator of the energy transition in Spain. • Lawfulness and compliance. • Acting proactively to facilitate compliance with the law. • Excellence in all processes and services.	• Corporate website. • Customer portal and service platforms. • Regular and on-demand meetings. • Visits and webinars.

(*) The commitments adopted are derived from an understanding of the issues that are important to each stakeholder group.

Continued on the next page

Stakeholder group	Specific commitments(*)	Engagement channels
Customers continued	• Equal treatment of all system actors. • Transparent, secure, trustworthy, rigorous and accurate information. • Openness to dialogue, proximity, active listening and the provision of helpful information. • Confidentiality of information. • Honouring of deadlines and quality commitments in the roles allocated in the transmission grid planning process and commissioning of facilities. • Efficient management (in time and manner) of incidents, enquiries and claims. • Creation of shared value.	• Work groups. • Seminars and thematic events. • Ethics and whistle-blowing channel. • DIGAME channel.
Social ecosystem	• Lawfulness and compliance. • Generation of social, environmental and economic value in the vicinity of Redeia facilities and developments. • Transparent, clear, opportune, complete, relevant, orderly and simple information. • Creation of spaces and channels for open dialogue and prior consultation to foster engagement and deliver immediacy, closeness, active listening and identification and analysis of needs. • Prevention and mitigation around impacts on works and facilities. • Rapid response in the event of incidents and emergencies. • Assignation of the resources needed to honour the commitments assumed.	• Corporate website. • DIGAME channel. • Regular and ad-hoc meetings. • Email, telephone and WhatsApp. • In-person forums and events and webinars. • Visits. • Registered post.
Business ecosystem	• Lawfulness and compliance. • Transparent, rigorous and reliable information. • Ethical and honest conduct in defending the interests of associations and their members. • Professionalism, commitment and representation at work groups. • Project participation seeking shared efficiency and effectiveness goals around processes and common challenges. • Generation of alliances to search for solutions. • Confidence, actively listening, proximity. • SysTopictic dialogue, strengthening communication channels.	• Participation in management committees and assemblies. • Regular meetings and work groups. • Participation in forums, webinars and training courses. • Email and telephone. • Information exchange platforms. • Corporate website. • Agreements and alliances.

(*) The commitments adopted are derived from an understanding of the issues that are important to each stakeholder group.

external or internal environment to ensure it remains aligned with Redeia's reality and useful as a management tool.

Redeia has also designed **stakeholder files** for each category which reflect their structure, a map showing impacts, influences and tension, the commitments assumed and the communication channels used. It has also defined a **relationship matrix**, which identifies the organisational units at the Company that interact with each stakeholder group, the unit responsible for the relationship and the nature of the existing relationship.

Redeia provides its stakeholders with appropriate and accessible channels for gathering their suggestions and learning about their needs, expectations, opinions and grievances through which they can submit any type of request related with the services provided by the Group companies, which also serve to provide them with transparent and accurate information. Redeia is firmly committed to **stakeholder transparency and dialogue**, sharing news about its most important projects and results either directly using the channels put in place for each, over the website and social media or through a range of regular reports.

The Company also carries out **perception studies** to detect stakeholder **requirements and expectations**, striving to layer in their opinions on the basis of quantitative and qualitative analysis of their needs. It carries out these studies periodically, as per a multi-year plan, with the help of an outside consultant to guarantee the effectiveness and confidentiality of the entire process. As the results come in they are sent to the Corporate Sustainability and Studies Department for analysis. Annually, the overall results are presented to the Board Sustainability Committee and to the Sustainability Steering Committee to help them supervise strategic matters related with stakeholders and ensure best practices in managing them.

Elsewhere, Redeia takes account of the views and interests of its stakeholders in its business strategy and model by making them a core component of its double materiality assessment. More specifically, the context analysis phase of its assessment includes a trend analysis that defines and/or will define the overall sustainability, industry and geographical framework in which Redeia carries out its activity; the identification of good practices to ascertain the level of maturity of the Group's sustainability performance with respect to comparable benchmark companies; and an analysis of internal information to identify the requirements and expectations of stakeholders and other issues of importance to them with a view to informing Redeia's commitments and corporate plans. Note that the Group's stakeholders were actively involved in this assessment in order to gauge their requirements and expectations.

Based on the results of that effort, Redeia gears its social commitment towards unlocking shared value by pursuing actions and investments that are aligned with its business goals, which not only generate shared value, but also happen to have a positive impact on the quality of life of the communities living in the areas where the Company's assets are located. This also means the Company is helping to address global challenges, such as the UN Sustainable Development Goals or the European 2030 energy strategy. This engagement has not led to any changes in Redeia's strategy or business model.

11.1.2 Materiality assessment

11.1.2.1 Double materiality assessment process / IRO-1

In 2024, Redeia aligned its **double materiality assessment** with its requirements under the European Sustainability Reporting Standards (ESRS) emanating from the CSRD. Specifically, it followed the criteria defined in the ESRS to identify its material impacts, relevant risks and opportunities in its value chain and in its own operations.

This double materiality assessment was also used to identify the **topics, sub-topics and Sub-sub-topics that are material for Redeia** taking a dual approach: identifying the sustainability topics that have a material impact on its value proposition, results, situation and performance (financial materiality); and those that have an impact on people, society and the environment (impact materiality).

In this manner, Redeia identified its material impacts, risks and opportunities, which have in turn informed the disclosures to be provided in each chapter of this Sustainability Statement.

The methodological approach is based on the requirements set down in ESRS 1, integrating internal and external information, and on a sector approach specific to the Group to identify its material sustainability impacts, risks and opportunities from both perspectives (impact and financial materiality).

Redeia in turn based its methodological approach on its due diligence process which allows it to assess the risks to which it is exposed with a view to mitigating them by establishing the appropriate controls. This information is shared in greater detail in section 1.1.3 *Governance* in response to Disclosure Requirement GOV-4: Statement on due diligence.

Redeia also ensured it considered other factors of relevance to its business models, activities, business relations and geographical areas of influence. The assessment process was structured into five phases.

a. Understanding

This phase involves understanding Redeia's business model, analysing the various value chains and studying the sustainability context and the needs and expectations of its internal and external stakeholders. To analyse the context it reached out to its stakeholders, particularly affected communities, by means of in-depth interviews and surveys.

As for its **value chain analysis**, note that Redeia considered all of its site locations and business activities to determine its positive and negative impacts, Current and potential risks and opportunities in both its own operations and also upstream and downstream, taking into account the business activities associated with the material impacts, risks and opportunities related with sustainability matters.

Here we itemise the value chains associated with Redeia's different

Electricity business in Spain (Red Eléctrica)

Direct and indirect suppliers

Supply of goods and services

- Tier 3
  - Raw materials and processing
- Tier 2
  - Manufacture of parts
- Tier 1
  - Manufacture of goods and equipment
  - Works and services providers

Own operations

Management of the Spanish transmission grid's electricity infrastructure

- Engineering and design
- Permitting
- Connection services
- Construction
- Operation and maintenance

Operation of the Spanish electricity system

- Long-term operational planning
- Operation programming
- Real-time operation
- Metering and settlement
- Transmission grid planning proposals
- Adjustment services
- Grid access management

Innovation and technology (Elewit)

Customers and end-users

Main recipients of Red Eléctrica's services

- Electricity generators
- Electricity suppliers
- Electricity distributors

Other neighbouring electricity system operators

Electricity business in Latin America (Redinter)

Direct and indirect suppliers

Supply of goods and services

- Tier 3
  - Raw materials and processing
- Tier 2
  - Manufacture of parts
- Tier 1
  - Manufacture of parts and equipment
  - Works and services providers

Own operations

Construction and maintenance of the Spanish transmission grid's electricity infrastructure

- Engineering and design
- Presentation of bids
- Permitting and expropriations
- Construction
- Operation and maintenance

Innovation and technology (Elewit)

Customers and end-users

Electricity market participants

- Electricity generators
- Electricity suppliers
- Electricity distributors

Telecommunications business: fibre optics (Reintel)

Direct and indirect suppliers

Supply of goods and services

Tier 3	Tier 2	Tier 1
Raw materials and processing	Manufacture of parts	Intrastructure suppliers
		Goods suppliers
		Service providers

Own operations

Commercial operation of the fibre network associated with the electricity transsmision grid and rail network

- Sales and marketing
- Engineering and construction
- Operation and maintenance

Invoicing and payments

Innovation and technology (Elewit)

Customers and end-users

Customers

- International operators
- National operators
- Red Eléctrica

Telecommunications business: satellites (Hispasat)

Direct and indirect suppliers

Supply of goods and services

Tier 3	Tier 2	Tier 1
Raw materials and processing	Manufacture of parts and products	Equipment suppliers
		Launchers
		Works and services providers

Own operations

Broadband satellite services and satellite connectivity

- Design and development of satellite infrastructure and systems
- Design and development of products and services
- Tendering and deployment of services
- Operations and maintenance
- Customer support and care

Innovation and technology (in infrastructure, products and services)

Customers and end-users

Customers

- Wholesale
- Retail

Note. The activities performed by Group subsidiary Elewit are horizontal, cutting across all of the value chains associated with Redeia's business activities.

business activities:

Based on this understanding, AR16 of Appendix C of ESRS 1 has been considered to identify the topics, sub-topics and Sub-sub-topics to be taken into account for the double materiality assessment as a function of their linkages with Redeia's operations and the rest of its value chain, excluding the sub-topics that, following an initial analysis, were deemed not applicable to Redeia or its value chain.

This analysis yielded the list of topics, sub-topics and Sub-sub-topics to then consider for the impact, risk and opportunity identification and assessment stages.

Below is a list of the applicable topics, sub-topics and Sub-sub-topics:

List of applicable topics, sub-topics and Sub-sub-topics

ESRS	ESG	Topic	Sub-topic	Sub-sub-topic
ESRS E1				
E1	Environmental	Climate change	Climate change adaptation	
E1	Environmental	Climate change	Climate change mitigation	
E1	Environmental	Climate change	Energy	
ESRS E2				
E2	Environmental	Pollution	Pollution of air	
E2	Environmental	Pollution	Pollution of water	
E2	Environmental	Pollution	Pollution of soil	
E2	Environmental	Pollution	Pollution of living organisms and food resources	
E2	Environmental	Pollution	Substances of concern	
E2	Environmental	Pollution	Substances of very high concern	
E2	Environmental	Pollution	Microplastics	
ESRS E3				
E3	Environmental	Water and marine resources	Water	Water consumption
E3	Environmental	Water and marine resources	Water	Water withdrawals
E3	Environmental	Water and marine resources	Water	Water discharges (offices and vehicles)

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List of applicable topics, sub-topics and Sub-sub-topics / continued

ESRS	ESG	Topic	Sub-topic	Sub-sub-topic
E3	Environmental	Water and marine resources	Marine resources	Water discharges in the oceans
E3	Environmental	Water and marine resources	Marine resources	Extraction and use of marine resources
ESRS E4				
E4	Environmental	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Climate change
E4	Environmental	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Land-use change, fresh water-use change and sea-use change
E4	Environmental	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Direct exploitation
E4	Environmental	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Invasive alien species
E4	Environmental	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Pollution
E4	Environmental	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Other: fires
E4	Environmental	Biodiversity and ecosystems	Impacts on the state of species	
E4	Environmental	Biodiversity and ecosystems	Impacts on the extent and condition of ecosystems	
E4	Environmental	Biodiversity and ecosystems	Impacts and dependencies on ecosystem services	
ESRS E5				
E5	Environmental	Circular economy	Resources inflows, including resource use	
E5	Environmental	Circular economy	Resource outflows related to products and services	
E5	Environmental	Circular economy	Waste	
ESRS S1				
S1	Social	Own workforce	Working conditions	Secure employment
S1	Social	Own workforce	Working conditions	Working time
S1	Social	Own workforce	Working conditions	Adequate wages
S1	Social	Own workforce	Working conditions	Social dialogue

Continued on the next page

List of applicable topics, sub-topics and Sub-sub-topics / continued

ESRS	ESG	Topic	Sub-topic	Sub-sub-topic
S1	Social	Own workforce	Working conditions	Freedom of association, the existence of works councils and the information, consultation and participation rights of workers
S1	Social	Own workforce	Working conditions	Collective bargaining, including rate of workers covered by collective agreements
S1	Social	Own workforce	Working conditions	Work-life balance
S1	Social	Own workforce	Working conditions	Health and safety
S1	Social	Own workforce	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value
S1	Social	Own workforce	Equal treatment and opportunities for all	Training and skills development
S1	Social	Own workforce	Equal treatment and opportunities for all	Employment and inclusion of persons with disabilities
S1	Social	Own workforce	Equal treatment and opportunities for all	Measures against violence and harassment in the workplace
S1	Social	Own workforce	Equal treatment and opportunities for all	Diversity
S1	Social	Own workforce	Other work-related rights	Child labour
S1	Social	Own workforce	Other work-related rights	Forced labour
S1	Social	Own workforce	Other work-related rights	Privacy

ESRS S2

ESRS	ESG	Topic	Sub-topic	Sub-sub-topic
S2	Social	Workers in the value chain	Working conditions	Secure employment
S2	Social	Workers in the value chain	Working conditions	Working time
S2	Social	Workers in the value chain	Working conditions	Adequate wages
S2	Social	Workers in the value chain	Working conditions	Social dialogue
S2	Social	Workers in the value chain	Working conditions	Freedom of association, the existence of works councils and the information, consultation and participation rights of workers

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List of applicable topics, sub-topics and Sub-sub-topics / continued

ESRS	ESG	Topic	Sub-topic	Sub-sub-topic
S2	Social	Workers in the value chain	Working conditions	Collective bargaining, including rate of workers covered by collective agreements
S2	Social	Workers in the value chain	Working conditions	Work-life balance
S2	Social	Workers in the value chain	Working conditions	Health and safety
S2	Social	Workers in the value chain	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value
S2	Social	Workers in the value chain	Equal treatment and opportunities for all	Training and skills development
S2	Social	Workers in the value chain	Equal treatment and opportunities for all	Employment and inclusion of persons with disabilities
S2	Social	Workers in the value chain	Equal treatment and opportunities for all	Measures against violence and harassment in the workplace
S2	Social	Workers in the value chain	Equal treatment and opportunities for all	Diversity
S2	Social	Workers in the value chain	Other work-related rights	Child labour
S2	Social	Workers in the value chain	Other work-related rights	Forced labour
S2	Social	Workers in the value chain	Other work-related rights	Adequate housing (wellbeing of security guards at work)
S2	Social	Workers in the value chain	Other work-related rights	Privacy (personal data)
ESRS S3				
S3	Social	Affected communities	Communities' economic, social and cultural rights	Adequate housing
S3	Social	Affected communities	Communities' economic, social and cultural rights	Water and sanitation
S3	Social	Affected communities	Communities' economic, social and cultural rights	Land-related impacts
S3	Social	Affected communities	Communities' economic, social and cultural rights	Security-related impacts
S3	Social	Affected communities	Communities' civil and political rights	Freedom of expression
S3	Social	Affected communities	Communities' civil and political rights	Freedom of assembly
S3	Social	Affected communities	Communities' civil and political rights	Impacts on human rights defenders
S3	Social	Affected communities	Rights of indigenous peoples	Free, prior and informed consent

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List of applicable topics, sub-topics and Sub-sub-topics / continued

ESRS	ESG	Topic	Sub-topic	Sub-sub-topic
S3	Social	Affected communities	Rights of indigenous peoples	Self-determination
S3	Social	Affected communities	Rights of indigenous peoples	Cultural rights (protection of areas close to indigenous communities)
ESRS S4				
S4	Social	Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy (personal data)
S4	Social	Consumers and end-users	Information-related impacts for consumers and/or end-users	Freedom of expression
S4	Social	Consumers and end-users	Information-related impacts for consumers and/or end-users	Access to (quality) information
S4	Social	Consumers and end-users	Personal safety of consumers and/or end-users	Health and safety
S4	Social	Consumers and end-users	Social inclusion of consumers and/or end-users	Access to products and services
S4	Social	Consumers and end-users	Social inclusion of consumers and/or end-users	Responsible marketing practices
ESRS G1				
G1	Governance	Business conduct	Corporate culture	
G1	Governance	Business conduct	Protection of whistle-blowers	
G1	Governance	Business conduct	Political engagement and lobbying activities	
G1	Governance	Business conduct	Management of relationships with suppliers including payment practices	
G1				
G1	Governance	Business conduct	Corruption and bribery	Incidents
G1	Governance	Business conduct	Corruption and bribery	Prevention and detection including training
SPECIFIC ESRS				
Specific	Quality of service	Guaranteed quality of service		
Specific	Innovation	Innovation and technology applied to the business		

Below is the list of the topics, sub-topics and Sub-sub-topics considered not applicable:

List of not applicable topics, sub-topics and Sub-sub-topics

ESRS	ESG	Topic	Sub-topic	Sub-sub-topic
ESRS S1				
S1	Social	Own workforce	Other work-related rights	Adequate housing
ESRS S2				
S2	Social	Workers in the value chain	Other work-related rights	Water and sanitation
ESRS S3				
S3	Social	Affected communities	Communities' economic, social and cultural rights	Adequate food
ESRS S4				
S4	Social	Consumers and end-users	Personal safety of consumers and/or end-users	Security of a person
S4	Social	Consumers and end-users	Personal safety of consumers and/or end-users	Protection of children
S4	Social	Consumers and end-users	Social inclusion of consumers and/or end-users	Non-discrimination
ESRS G1				
G1	Governance	Business conduct	Animal welfare	

b. Identification of impacts, risks and opportunities (IROs)
This phase involved identifying the impacts (impact materiality) Redeia has on people, human rights and the environment in its own operations and in the rest of its value chains, whether positive or negative, and the risks and opportunities (financial materiality) that affect or could affect the Company financially derived from critical sector aspects and global sustainability trends. This process considered the links between the impacts and dependencies on natural, human and social resources and the risks and opportunities that might arise from these impacts and dependencies.

The analysis performed to identify the various impacts, risks and opportunities was undertaken in several steps:

• Understanding the Company and its operations.

• Sector analyses based on public information reported by comparable companies.

• Analysis of internal sources, including the Non-Financial Information Statement, the Sustainability Statement, codes of ethics, corporate policies, prior materiality assessments and the corporate risk map to analyse the inputs generated by Redeia in relation to its identified corporate risks.

• Analysis of external sustainability sources and indices (GRI, TCFD, CDP, etc.).

The resulting list of impacts, risks and opportunities was then classified as follows:

Based on an initial identification of impacts, risks and opportunities, meetings were held with key representatives from the vested parties to validate the definitive identified impacts, risks and opportunities.

c. Assessment of impacts, risks and opportunities
For this phase, Redeia again applied the criteria prescribed in the ESRS to determine which matters are material to it. To do that it evaluated the impacts, risks and opportunities previously identified in the prior step to determine their double materiality (from the perspectives of both impact and financial materiality), assigning a score as a function of the impact generated or anticipated.

In addition, in order to align the materiality assessment processes recommended in the ESRS with Redeia's internal processes, we used the scoring system followed in Redeia's corporate risk map.

General classification
- ESG category
- Standard
- ESRS topic
- ESRS sub-topic
- ESRS Sub-sub-topic

Redeia business
- Red Eléctrica
- Redinter
- Reintel
- Hispasat

Affected stakeholder group
- Regulatory and government bodies
- Economic and financial ecosystem
- People
- Customers
- Suppliers
- Business ecosystem
- Social ecosystem

Classification of impacts
- Impact
- Description of the impact
- Impact mitigation measures
- Location in the value chain
- Categorisation of the impact
- Positive | Negative
- Current | Potential
- Time horizon: current and short-term (around 2024), medium-term (around 2030), long-term (from 2030).

Classification of risks and opportunities
- Risk | Opportunity
- Description of the cause of the risk/ opportunity
- Position in the value chain
- Categorisation of the risk/opportunity
- Time horizon: current and short term (around 2024), medium-term (around 2030), long term (from 2030).
- How the financial effect plays out

Assessment of impact materiality

Four variables were considered to assess the impacts: scale, scope and irremediable character of the impact, which shape their **severity**, and **likelihood**, in the case of potential impacts.

Severity		
Scale	• Intensity or size of the impact, whether positive or negative, on society or the environment, on a scale of 1 to 5.	Scale of 1 to 5. Where 1 is the lowest value and 5 is the highest
Scope	• How widespread the negative or positive impacts are. In the case of environmental impacts, the scope may be understood as the extent of environmental damage or a geographical perimeter, while in the case of impacts on people, the scope may be understood as the number of people adversely affected.	
Irremediable character	• Whether and to what extent the negative impacts could be remediated.	
Probability	• Probability that the impact, whether negative or positive, will materialise.	

Assessment of financial materiality

In assessing risks and opportunities, the potential **magnitude of the financial impacts** and **likelihood** of occurrence were both considered.

Financial effects	• Effects caused by social or environmental factors that could have a negative (risks) or positive (opportunities) impact on the Group's financial position.
Likelihood	• Probability that the risk or opportunity will materialise. Anticipated financial effects are scored on a scale of 1 to 5, 5 implying Current occurrence and 1 meaning highly improbable.

Having defined the various scales, each area manager proceeded to evaluate the impacts, risks and opportunities.

d. Determining materiality

This phase involves setting the **thresholds** for determining the material matters associated with the impacts, risks and opportunities. The thresholds were defined on the basis of a process of understanding the results yielded by the previous phases, with input from work groups, key areas and independent experts in order to arrive at Redeia's material impacts, risks and opportunities.

e. Determination of the ESRS disclosure requirements associated with the material matters

Having identified the impacts, risks and opportunities that surpass the defined thresholds, they were correlated with the closest topic, sub-topic and Sub-sub-topic to articulate the list of material topics for Redeia and, by extension, the disclosure requirements addressed in this Sustainability Statement. The disclosure requirements are provided in the next section (IRO-2).

11.1.2.2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement / IRO-2

Following its double materiality assessment, Redeia concluded that seven of the 10 topics are material for Redeia. Pollution (E2), Water and marine resources (E3) and Consumers and end-users (S4) were excluded as the associated impacts, risks and opportunities (IROs) did not exceed the defined materiality thresholds.

Redeia also concluded that two entity-specific topics were material: guaranteed quality of service and innovation.

List of material topics, sub-topics and sub-sub-topics

Topic	Sub-topic	Sub-sub-topic
E1 - Climate change	Climate change adaptation	
	Climate change mitigation	
	Energy	
E4 - Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Climate change
	Direct impact drivers of biodiversity loss	Land-use change, fresh water-use change and sea-use change
	Direct impact drivers of biodiversity loss	Other: fires
	Impacts on the state of species	Species population size
E5 - Circular economy	Resources inflows, including resource use	
	Waste	
S1 - Own workforce	Working conditions	Secure employment
	Working conditions	Working time
	Working conditions	Adequate wages
	Working conditions	Social dialogue
	Working conditions	Freedom of association, the existence of works councils and the information, consultation and participation rights of workers
	Working conditions	Collective bargaining, including rate of workers covered by collective agreements
	Working conditions	Work-life balance
	Working conditions	Health and safety

Continued on the next page

List of material topics, sub-topics and sub-sub-topics / continued

Topic	Sub-topic	Sub-sub-topic
	Equal treatment and opportunities for all Working conditions	Gender equality and equal pay for work of equal value
		Secure employment
		Privacy
	Working conditions	Working time
	Working conditions	Adequate wages
	Working conditions	Social dialogue
	Working conditions	Freedom of association, the existence of works councils and the information, consultation and participation rights of workers
	Working conditions	Collective bargaining, including rate of workers covered by collective agreements
	Working conditions	Work-life balance
	Working conditions	Gender equality and equal pay for work of equal value
	Equal treatment and opportunities for all	Training and skills development
	Equal treatment and opportunities for all	Employment and inclusion of persons with disabilities
	Equal treatment and opportunities for all	Diversity
S2 – Workers in the value chain	Working conditions	Secure employment
	Working conditions	Health and safety
	Other work-related rights	Child labour
	Other work-related rights	Forced labour
S3 – Affected communities	Communities' economic, social and cultural rights	Land-related impacts
G1 – Business conduct	Corporate culture	
	Protection of whistle-blowers	
	Management of relationships with suppliers including payment practices	
	Corruption and bribery	Prevention and detection including training
EE[1] - Guaranteed quality of service	Guaranteed quality of service	
EE[1] - Innovation	Innovation and technology applied to the business	

(1) Entity-specific topics.

List of topics, sub-topics and sub-sub-topics not considered material

Topic	Sub-topic	Sub-sub-topic
E2 - Pollution	Pollution of air	
	Pollution of water	
	Pollution of soil	
	Pollution of living organisms and food resources	
	Substances of concern	
	Substances of very high concern	
	Microplastics	
E3 – Water and marine resources	Water	Water consumption
	Water	Water withdrawals
	Water	Water discharges (offices and vehicles)
	Marine resources	Water discharges in the oceans
	Marine resources	Extraction and use of marine resources
E4 – Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Direct exploitation
	Direct impact drivers of biodiversity loss	Invasive alien species
	Direct impact drivers of biodiversity loss	Pollution
	Impacts on the extent and condition of ecosystems	
	Impacts and dependencies on ecosystem services	
E5 – Circular economy	Resource outflows related to products and services	
S1– Own workforce	Equal treatment and opportunities for all	Measures against violence and harassment in the workplace
	Other work-related rights	Child labour
		Forced labour
		Privacy
S2- Workers in the value chain	Working conditions	Working time
	Working conditions	Adequate wages
	Working conditions	Social dialogue

Continued on the next page

List of topics, sub-topics and sub-sub-topics not considered material / continued

Topic	Sub-topic	Sub-sub-topic
	Working conditions	Freedom of association, the existence of works councils and the information, consultation and participation rights of workers
	Working conditions	Collective bargaining, including rate of workers covered by collective agreements
	Working conditions	Work-life balance
	Working conditions	Gender equality and equal pay for work of equal value
	Equal treatment and opportunities for all	Training and skills development
	Equal treatment and opportunities for all	Employment and inclusion of persons with disabilities
	Equal treatment and opportunities for all	Measures against violence and harassment in the workplace
	Equal treatment and opportunities for all	Diversity
	Other work-related rights	Adequate housing (wellbeing of security guards at work)
	Other work-related rights	Privacy (personal data)
S3- Affected communities	Communities' economic, social and cultural rights	Adequate housing
	Communities' economic, social and cultural rights	Water and sanitation
	Communities' civil and political rights	Security-related impacts
	Communities' civil and political rights	Freedom of expression
	Communities' civil and political rights	Freedom of assembly
	Rights of indigenous peoples	Impacts on human rights defenders
	Rights of indigenous peoples	Free, prior and informed consent
	Rights of indigenous peoples	Self-determination
	Communities' economic, social and cultural rights	Cultural rights (protection of areas close to indigenous communities)
S4- Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy (personal data)
	Information-related impacts for consumers and/or end-users	Freedom of expression
	Information-related impacts for consumers and/or end-users	Access to (quality) information
	Personal safety of consumers and/or end-users	Health and safety
	Social inclusion of consumers and/or end-users	Access to products and services
	Social inclusion of consumers and/or end-users	Responsible marketing practices
G1- Business conduct	Business conduct	Political engagement and lobbying activities

In compliance with its requirements under the ESRS, below is the table of contents indicating where to find the required disclosure requirements identified on the basis of the outcome of the materiality assessment undertaken.

Disclosure requirements

General information - ESRS 2		Section where they are disclosed
1. Basis for preparation of general information	BP-1: General basis for preparation of sustainability statements	a. General basis for preparation. BP-1.
	BP-2: Disclosures in relation to specific circumstances	b. Disclosures in relation to specific circumstances. BP-2.
2. Governance	GOV-1: The role of the administrative, management and supervisory bodies	a. The role of the administrative, management and supervisory bodies. GOV-1.
	GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	b. Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies GOV-2.
	GOV-3: Integration of sustainability-related performance in incentive schemes	c. Integration of sustainability-related performance in incentive schemes. GOV-3.
	GOV-4: Statement on due diligence	d. Statement on due diligence. GOV-4.
	GOV-5: Risk management and internal controls over sustainability reporting	e. Risk management and internal controls over sustainability reporting.
3. Strategy	SBM-1: Strategy, business model and value chain	a. Strategy, business model and value chain. SBM-1.
	SBM-2: Interests and views of stakeholders	b. Interests and views of stakeholders. SBM-2.
	SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	1.2.4 Material impacts, risks and opportunities. SBM-3.
4. Impact, risk and opportunity management	IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities	1.2.1 Double materiality assessment process. IRO-1.
	IRO-2: Disclosure Requirements in ESRS covered by the undertaking's sustainability statements	1.2.2 Disclosure requirements IRO-2.
	MDR-P: Policies adopted to manage material sustainability matters	Provided throughout the respective chapter
	MDR-A: Actions and resources in relation to material sustainability matters	Provided throughout the respective chapter
5. Metrics and targets	MDR-M: Metrics in relation to material sustainability matters	Provided throughout the respective chapter

Continued on the next page

Disclosure requirements / continued

	MDR-T: Tracking effectiveness of policies and actions through targets	Provided throughout the respective chapter
Appendix A: List of datapoints in cross-cutting and topical standards that derive from other EU legislation		1.2.2 Disclosure requirements IRO-2.

Environmental information - E1, E4, E5		Section where they are disclosed
E1- Climate change		
1. Governance	GOV-3: Integration of sustainability-related performance in incentive schemes	a. Integration of sustainability-related performance in incentive schemes. ESRS 2 GOV-3
2. Strategy	E1-1: Transition plan for climate change mitigation	a. Transition plan for climate change mitigation. E1-1.
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	b. Material impacts, risks and opportunities and their interaction with strategy and business model. ESRS 2 SBM-3
3. Impact, risk and opportunity management	ESRS 2 IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities	a. Description of the processes to identify and assess material impacts, risks and opportunities. ESRS IRO-1.
	E1-2: Policies related to climate change mitigation and adaptation	b. Policies related to climate change mitigation and adaptation. E1-2 MDR-P
	E1-3: Actions and resources in relation to climate change policies	c. Actions and resources in relation to climate change. E1-3 MDR-A.
4. Metrics and targets	E1-4: Targets related to climate change mitigation and adaptation	a. Targets related to climate change mitigation and adaptation. E1-4 MDR-T.
	E1-5: Energy consumption and mix	i. Energy consumption and mix. E1-5.
	E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions	ii. Gross Scopes 1, 2, 3 and Total GHG emissions. E1-6.
	E1-7: GHG removals and GHG mitigation projects financed through carbon credits	iii. GHG removals and GHG mitigation projects financed through carbon credits. E1-7.
	E1-8: Internal carbon pricing scheme	iv. Internal carbon pricing scheme. E1-8.
E4 - Biodiversity and ecosystem		
1. Strategy	E4-1: Transition plan and consideration of biodiversity and ecosystems in strategy and business model	a. Transition plan and consideration of biodiversity and ecosystems in strategy and business model. E1-4.

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Disclosure requirements / continued

	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	b. Material impacts, risks and opportunities and their interaction with strategy and business model. ESRS 2 SBM-3
2. Impact, risk and opportunity management	ESRS 2 IRO-1: Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	a. Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities.. ESRS 2 IRO1.
	E4-2: Policies related to biodiversity and ecosystems	b. Policies related to biodiversity and ecosystems. E4-2.
	E4-3: Actions and resources related to biodiversity and ecosystems	c. Actions and resources related to biodiversity and ecosystems. E4-3.
3. Metrics and targets	E4-4: Targets related to biodiversity and ecosystems	a. Targets related to biodiversity and ecosystems.
	E4-5: Impact metrics related to biodiversity and ecosystems change	b. Impact metrics related to biodiversity and ecosystems change.
E5 - Resource use and circular economy		
1. Impact, risk and opportunity management	ESRS 2 IRO-1: Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	a. Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities. ESRS 2 IRO-1
	E5-1: Policies related to resource use or circular economy	b. Policies related to resource use or circular economy. E5-1 MDR-P
	E5-2: Actions and resources related to resource use and circular economy	c. Actions and resources related to resource use and circular economy. E5-2 MDR-A
2. Metrics and targets	E5-3: Targets related to resource use or circular economy	a. Targets related to resource use or circular economy. E5-3 MDR-T
	E5-4: Resource inflows	i. Resource inflows. E5-4 MDR-M
	E5-5: Resource outflows	ii. Resource outflows. E5-5 MDR-M

Environmental information - S1, S2, S3		Section where they are disclosed
S1 - Own workforce		
1. Strategy	ESRS 2 SBM-2: Interests and views of stakeholders	a. Interests and views of stakeholders. ESRS 2 SBM-2.
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	b. Material impacts, risks and opportunities and their interaction with strategy and business model. ESRS 2 SBM-3.
2. Impact, risk and opportunity management	S1-1: Policies related to own workforce	a. Policies related to own workforce. S1-1 MDR-P.
	S1-2: Processes for engaging with own workers and workers' representatives about impacts	b. Processes for engaging with own workers and workers' representatives about impacts S1-2.
	S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns	c. Processes to remediate negative impacts and channels for own workers to raise concerns. S1-3.

Continued on the next page

Disclosure requirements / continued

	S1-4: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	d. Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions. S1-4 and MDR-A
3. Metrics and targets	S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	a. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities. S1-5 MDR-T.
	S1-6: Characteristics of the undertaking's employees	i. Characteristics of the undertaking's employees. S1-6 MDR-M
	S1-8: Collective bargaining coverage and social dialogue	ii. Collective bargaining coverage and social dialogue. S1-8 MDR-M
	S1-9: Diversity metrics	iii. Diversity metrics. S1-9 MDR-M
	S1-10: Adequate wages	iv. Adequate wages. S1-10.
	S1-12: Persons with disabilities	v. Persons with disabilities. S1-12 MDR-M
	S1-14: Health and safety metrics	vi. Health and safety metrics. S1-14 MDR-M
	S1-16: Compensation metrics (pay gap and total compensation)	vii. Compensation metrics (pay gap and total compensation). S1-16 MDR-M
	S1-17: Impact, complaints and severe human rights impacts	viii. Impact, complaints and severe human rights impacts. S1-17 MDR-M.
S2 - Workers in the value chain		
1. Strategy	ESRS 2 SBM-2: Interests and views of stakeholders	a. Interests and views of stakeholders. SBM-2.
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	b. Material impacts, risks and opportunities and their interaction with strategy and business model. SBM-3.
2. Impact, risk and opportunity management	S2-1: Policies related to value chain workers	a. Policies related to value chain workers. S2-1 MDR-P
	S2-2: Processes for engaging with value chain workers about impacts	b. Processes for engaging with value chain workers about impacts. S2-2.
	S2-3: Processes to remediate negative impacts and channels for value chain workers to raise concerns	c. Processes to remediate negative impacts and channels for value chain workers to raise concerns. S2-3.
	S2-4: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	d. Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions. S2-4.
3. Metrics and targets	S2-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	a. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities. S2-5 MDR-T.

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Disclosure requirements / continued

S3 - Affected communities		
1. Strategy	ESRS 2 SBM-2: Interests and views of stakeholders	a. Interests and views of stakeholders. SBM-2.
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	b. Material impacts, risks and opportunities and their interaction with strategy and business model. SBM-3.
2. Impact, risk and opportunity management	S3-1: Policies related to affected communities	a. Policies related to affected communities. S3-1 MDR-P
	S3-2: Processes for engaging with affected communities about impacts	b. Processes for engaging with affected communities about impacts. S3-2
	S3-3: Processes to remediate negative impacts and channels for affected communities to raise concerns	c. Processes to remediate negative impacts and channels for affected communities to raise concerns. S3-3.
	S3-4: Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	d. Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions. S3-4.
3. Metrics and targets	S3-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	a. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities. S3-5 MDR-T.

Environmental information - G1		Section where they are disclosed
G1 - Business conduct		
1. Governance	ESRS 2 GOV-1: The role of the administrative, management and supervisory bodies	a. The role of the administrative, management and supervisory bodies. GOV-1.
	ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities	b. Description of the processes to identify and assess material impacts, risks and opportunities. IRO-1.
2. Impact, risk and opportunity management	G1-1: Corporate culture and business conduct policies and corporate culture	a. Corporate culture and business conduct policies and corporate culture. G1-1, G1-3.
	G1-2: Management of relationships with suppliers	b. Management of relationships with suppliers. G1-2.
	G1-3: Prevention and detection of corruption and bribery	c. Prevention and detection of corruption and bribery. G1-1, G1-3.
3. Metrics and targets	G1-4: Confirmed incidents of corruption or bribery	Confirmed incidents of corruption or bribery
	G1-6: Payment practices	Payment practices

Entity-specific topics		Section where they are disclosed
Guaranteed quality of service		
Guaranteed quality of service	Guaranteed quality of service	4.2 - Guaranteed quality of service
Innovation		
Innovation and technology applied to the business	Innovation and technology applied to the business	4.3 Innovation and technology applied to the business

Elsewhere, Appendix 2 provides the list of datapoints derived from other EU legislation, as defined in ESRS 2 Appendix B.

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference(1)	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material Yes / No	Section where they are disclosed
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (4), Annex I		Yes	1.1.3 Governance a) The role of the administrative, management and supervisory bodies. GOV-1
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816 (4), Annex II		Yes	1.1.3 Governance a) The role of the administrative, management and supervisory bodies. GOV-1
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Yes	1.1.3 Governance d) Statement on due diligence. GOV-4
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 of Table #1 of Annex 1	Article 449a Regulation (EU No 575/2013(2); Commission Implementing Regulation (EU) 2022/2453(5) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816 (4), Annex II		Yes	Redeia is not involved in activities related to fossil fuel activities.
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816 (4), Annex II		Yes	Redeia is not involved in activities related to chemical production.
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (6), Article 12 (1) Delegated Regulation (EU) 2020/1816 (4), Annex II		Yes	Redeia is not involved in activities related to controversial weapons.
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818 (6),Article 12 (1) Delegated Regulation (EU) 2020/1816 (4), Annex II		Yes	Redeia is not involved in activities related to cultivation and production of tobacco.

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List of datapoints in cross-cutting and topical standards that derive from other EU legislation / continued

Disclosure Requirement and related datapoint	SFDR reference(1)	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material Yes / No	Section where they are disclosed
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119 (3), Article 2(1)	Yes	2.2.2 Strategy. a. Transition plan for climate change mitigation. E1-1
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a, Regulation (EU) No 575/2013(2); Commission Implementing Regulation (EU) 2022/2453(5); Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818 (6), Article12.1 (d) to (g), and Article 12 (2)		Yes	2.2.2 Strategy. a. Transition plan for climate change mitigation. E1-1
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a, Regulation (EU) No 575/2013(2); Commission Implementing Regulation (EU) 2022/2453(5) Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818 (6), Article 6		Yes	2.2.4 Metrics and targets. a. Targets related to climate change mitigation and adaptation. E1-4 MDR-T
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Yes	2.2.4 Metrics and targets. b. Metrics related to climate change mitigation and adaptation. MDR-M. i. Energy consumption and mix. E1-5.
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 of Table #1 of Annex 1				Yes	2.2.4 Metrics and targets. b. Metrics related to climate change mitigation and adaptation. MDR-M. i. Energy consumption and mix. E1-5.
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 of Table #1 of Annex 1				Yes	2.2.4 Metrics and targets. b. Metrics related to climate change mitigation and adaptation. MDR-M. i. Energy consumption and mix. E1-5.

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List of datapoints in cross-cutting and topical standards that derive from other EU legislation / continued

Disclosure Requirement and related datapoint	SFDR reference(1)	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material Yes / No	Section where they are disclosed
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013 (2); Commission Implementing Regulation (EU) 2022/2453 (5) Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818 (6), Article 5(1), 6 and 8(1)		Yes	2.2.4 Metrics and targets. b. Metrics related to climate change mitigation and adaptation. MDR-M. iii. GHG removals and GHG mitigation projects financed through carbon credits. E1-6.
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 of Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013 (2); Commission Implementing Regulation (EU) 2022/2453 (5) Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818 (6), Article 8(1)		Yes	2.2.4 Metrics and targets. b. Metrics related to climate change mitigation and adaptation. MDR-M. ii. Gross Scopes 1, 2, 3 and Total GHG emissions. E1-6.
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119 (3), Article 2(1)	Yes	2.2.4 Metrics and targets. b. Metrics related to climate change mitigation and adaptation. MDR-M. iii. GHG removals and GHG mitigation projects financed through carbon credits. E1-6.
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818 (6), Annex II Delegated Regulation (EU) 2020/1816 (4), Annex II			Pending
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013 (2); Commission Implementing Regulation (EU) 2022/2453 (5) paragraphs 46 and 47; Template 5. Banking book - Climate change physical risk: Exposures subject to physical risk.			Yes	Pending

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List of datapoints in cross-cutting and topical standards that derive from other EU legislation / continued

Disclosure Requirement and related datapoint	SFDR reference(1)	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material Yes / No	Section where they are disclosed
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013 (2); Commission Implementing Regulation (EU) 2022/2453 (5), paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Yes	Pending
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1818 (6), Annex II		Yes	Pending
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 7 Table #2 of Annex 1				No	Not material
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 8 Table #2 of Annex 1				No	Not material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 12 Table #2 of Annex 1				No	Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 6.2 Table #2 of Annex 1				No	Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.1 Table #2 of Annex 1				No	Not material

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List of datapoints in cross-cutting and topical standards that derive from other EU legislation / continued

Disclosure Requirement and related datapoint	SFDR reference(1)	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material Yes / No	Section where they are disclosed
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 7 Table #1 of Annex 1				No	Not material
ESRS 2- IRO 1 - E4 paragraph 16 (a) i						

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).
(2) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).
(3) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).
(4) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).
(5) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324,19.12.2022, p.1.).
(6) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

Redeia has implemented policies that address several material matters, tackling more than one topic or sub-topic, so that they are cross-referenced throughout this Sustainability Statement.

Note, additionally, the scope of these policies includes Redeia's own operations as well as its value chain.

11.1.2.3 Policies

Policy	Description of the key contents of the policy p.65 a	Scope and exclusions p.65 b	The most senior level in the undertaking's organisation that is accountable for its implementation p.65 c	Commitment to third-party standards or initiatives p.65 d	Consideration given to the interests of key stakeholders in setting the policy p.65 e	How the policy is made available to stakeholders p.65 f
Sustainability Policy	This policy sets out Redeia's sustainability-related principles, guiding all activities towards a responsible management model, focused on excellence and value creation for stakeholders and maximising Redeia's contribution to the Sustainable Development Goals.	All of the companies majority-owned by Redeia. At investees over which Redeia does not have effective control, principles aligned with those enshrined in this policy are encouraged.	Board of Directors and Corporate Sustainability and Studies Department	Sustainable Development Goals	Redeia considers the interests of its stakeholders in setting the contents of its corporate policies	Redeia corporate website
Environmental Policy	This policy sets out Redeia's environmental policies, designed to ensure delivery of its commitment to conserving and enhancing the environment across all its activities, facilities or services throughout their life cycle, including distribution and logistics, in response to stakeholder needs and expectations	All of the companies majority-owned by Redeia. At investees over which Redeia does not have effective control, principles aligned with those enshrined in this policy are encouraged. Redeia also strives to have similar principles applied by its business partners, including joint arrangements of any kind. Redeia likewise fosters the application of the principles enshrined in this policy at the contractors, suppliers and other actors that collaborate with Redeia or act on its behalf.	Board of Directors and Corporate Sustainability and Studies Department	This policy does not cross reference third-party standards or initiatives	Redeia considers the interests of its stakeholders in setting the contents of its corporate policies	Redeia corporate website
Personnel Policy	This policy sets out the principles that govern the management of the people comprising Redeia through leadership, efficiency, innovation, cultural transformation and personal and professional fulfilment, focusing on the employee experience.	All of the companies majority-owned by Redeia. At investees over which Redeia does not have effective control, principles aligned with those enshrined in this policy are encouraged.	Board of Directors and Corporate People and Culture Department	This policy does not cross reference third-party standards or initiatives	Redeia considers the interests of its stakeholders in setting the contents of its corporate policies	Redeia corporate website
Supply Chain Policy	This policy sets out the principles governing the supply chain in order to ensure that the goods and services Redeia needs are provided efficiently and to the required quality standards and are aligned with its commitment to contribute to sustainable economic and social development.	All of the companies majority-owned by Redeia. At investees over which Redeia does not have effective control, principles aligned with those enshrined in this policy are encouraged.	Board of Directors and Corporate Procurement Department	This policy does not cross reference third-party standards or initiatives	Redeia considers the interests of its stakeholders in setting the contents of its corporate policies	Redeia corporate website
Compliance Policy	This policy sets out the principles governing Redeia's commitment to the prevention and detection of, and response to, any unlawful conduct or any action in breach of the commitments it has assumed voluntarily.	All of the companies majority-owned by Redeia. At investees over which Redeia does not have effective control, principles aligned with those enshrined in this policy are encouraged.	Board of Directors and Internal Audit and Risk Control Department	This policy does not cross reference third-party standards or initiatives	Redeia considers the interests of its stakeholders in setting the contents of its corporate policies	Redeia corporate website

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Policy	Description of the key contents of the policy p.65 a	Scope and exclusions p.65 b	The most senior level in the undertaking's organisation that is accountable for its implementation p.65 c	Commitment to third-party standards or initiatives p.65 d	Consideration given to the interests of key stakeholders in setting the policy p.65 e	How the policy is made available to stakeholders p.65 f
Code of Ethics and Conduct	The code applies to all of the people comprising Redeia and stipulates and facilitates commitment to the ethical values, principles and standards of conduct that must inform their professional activity within the organisation.	All of the companies majority-owned by Redeia. The governing bodies of companies of which Redeia is not a majority shareholder, or over which it does not exert control, are encouraged to likewise endorse the code.	Board of Directors and Internal Audit and Risk Control Department	The Sustainable Development Goals, Ten Principles of the Global Compact and Universal Declaration of Human Rights and its implementing conventions and the recommendations emanating from the Organisation for Economic Co-operation and Development (OECD), the International Labour Organization (ILO) and Transparency International, among others.	Redeia considers the interests of its stakeholders in setting the contents of its corporate policies	Redeia corporate website

11.1.2.4 Material impacts, risks and opportunities / SBM-3

Redeia provides its response to this disclosure requirement for each applicable topic in the corresponding chapters of this Sustainability Statement.

Material impacts

	Standard	ESRS sub-topic	ESRS sub-sub-topic	Impact	Description	Position of the impact in the value chain	Positive / Negative	Current / Potential	Time horizon (*)
1	E1	Climate change mitigation		Emissions savings in the electricity system.	Facilitation of the integration of renewable energy implies a reduction in emissions across the electricity system as a whole.	Cross-cutting	P	Current	S, M, L
2	E1	Energy		Integration of renewable energy into own operations in the electricity system.	Redeia participates actively in the energy transition towards an emissions-free model by committing strategically to the electrification of the economy and efficient integration of renewable energy sources.	Own operations	P	Current	S, M, L
3	E1	Climate change adaptation		Adapting the electricity system infrastructure for climate change.	Redeia's own operations (construction of new infrastructure and meshing of the transmission grid) make a significant contribution to making the electricity system (and society as a whole, by extension) more resilient vis-a-vis adverse climate phenomena and changes in electricity generation/demand derived from climate change. In addition, Redeia identifies and assesses the risks associated with climate change considering short, medium and long-term horizons, defining the adaptation measures needed for each horizon. Adaptation of the infrastructure of Red Eléctrica (specifically) not only favours the adaptation of its own operations, but it also helps make the overall electricity system more resilient.	Cross-cutting	P	Current	S, M, L

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	Standard	ESRS sub-topic	ESRS sub-sub-topic	Impact	Description	Position of the impact in the value chain	Positive / Negative	Current / Potential	Time horizon (*)
4	E1	Climate change adaptation		Adapting electricity system operations for climate change.	Redeia has developed system operation tools, adapting them for the most stringent monitoring and control requirements, and has designed a number of renewable generation prediction models and mechanisms for catering to demand more flexibly that contribute to the resilience of the electricity system (and thereby of society as a whole) vis-a-vis adverse climate phenomena and/or changes in climate parameters that could affect electricity generation, transmission or demand.	Cross-cutting	P	Current	S, M, L
6	E1	Energy		Consumption of energy from non-renewable sources in Redeia's own operations.	Consumption of energy from non-renewable sources in Redeia's own operations.	Own operations	N	Current	S, M, L
7	E1	Climate change mitigation		Direct GHG emissions (Scope 1).	At Redeia, the main source of GHG emissions are SF_6 gas leaks from its own facilities. The rest of its Scope 1 emissions stem from its fleet of vehicles, the use of air conditioning and heating at its facilities and back-up generators.	Own operations	N	Current	S, M, L
8	E1	Climate change mitigation		Direct GHG emissions (Scope 2).	Scope 2 emissions are the indirect greenhouse gas emissions associated mainly with energy losses from the transmission grid and the electricity consumed by the organisation.	Direct and indirect suppliers & Own operations	N	Current	S, M, L
9	E1	Climate change mitigation		Direct GHG emissions (Scope 3).	Scope 3 emissions are those generated by Redeia's value chain.	Direct and indirect suppliers	N	Current	S, M, L
11	E4	Direct impact drivers of biodiversity loss		Land-use change that can trigger change in the vegetation cover and erosive processes.	The construction of substations and land lines in Redeia's own operations can imply a land-use change, understood as a change of use that may lead to a change in soil coverage.	Own operations	N	Current	S
12	E4	Direct impact drivers of biodiversity loss	Land-use change	GHG emissions - SF_6 gas.	At Redeia, the main source of GHG emissions are SF_6 gas leaks from its own facilities. The rest of its Scope 1 emissions stem from its fleet of vehicles, the use of air conditioning and heating at its facilities and back-up generators.	Own operations	N	Current	L
13	E4	Direct impact drivers of biodiversity loss	Climate change	Accidental fires.	Fires generated as a result of breaches in safety distances between voltage elements and the surrounding vegetation can start fires. Inadequate construction and maintenance work can also start accidental fires.	Own operations	N	Current	S

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	Standard	ESRS sub-topic	ESRS sub-sub-topic	Impact	Description	Position of the impact in the value chain	Positive / Negative	Current / Potential	Time horizon (*)
14	E4	Impacts on the state of species	Other	Bird collisions with ground wires.	The presence of ground wires in Redeia's own operations can pose a collision risk for birds. Electrical wires, especially those located in open areas or close to bird habitats, may be perceived as obstacles, causing birds to crash into them during flight.	Own operations	N	Current	S
15	E5	Resources inflows, including resource use	Species global extinction risk	Scarcity of finite resources due to equipment designs that do not consider the entire life cycle.	Designing materials and equipment without considering their life cycle or circularity contributes to the scarcity of resources, an increase in waste and the emission of pollution into the air.	Direct and indirect suppliers	N	Current	S
16	E5	Waste		Waste generation .	Generation of hazardous waste during construction operations or renewal of electrical and fibre optic facilities.	Own operations	N	Current	S
17	Specific	Guaranteed quality of service		Guaranteeing the quality of electricity supply and connectivity of all of Redeia's services.	Redeia offers its customers reliable, quality service. This is especially important in critical sectors such as health, education and security, where the interruption of the electricity supply or connectivity can have grave consequences. By keeping its infrastructure in robust and reliable condition, Redeia can help improve the quality of life in its local communications, generating a positive impact on the local economy.	Own operations	P	Current	S
18	Specific	Innovation and technology applied to the business		Innovation, technological development, advances in digitalisation associated with Redeia's business activities that enhance the services provided.	By implementing innovative services and leveraging opportunities for digitalisation, the Group can boost its efficiency, productivity and competitiveness. This in turn allows it to satisfy its customers' evolving needs, stay relevant in a dynamic business environment and make the most of new opportunities for growth.	Own operations	P	Current	S
19	G1	Corruption and bribery	Prevention and detection including training	Compliance with ethics standards and effective prevention of corruption and bribery upstream and downstream.	Compliance with the ethics standards set down in the Annual Awareness and Training Plan.	Direct and indirect suppliers & Customers and end-users	P	Current	S
20	G1	Corporate culture		Breach of the code of ethics due to its weak embedment in Redeia's own operations.	Code of conduct breaches by Redeia employees as a result of its weak embedment.	Own operations	N	Current	S
21	S1	Working conditions	Work-life balance	Fostering work-life balance for employees.	Redeia helps its employees achieve work-life balance by articulating a raft of measures and facilitating employee communication via the Work-Life Balance Officer, who provides	Own operations	P	Current	S

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	Standard	ESRS sub-topic	ESRS sub-sub-topic	Impact	Description	Position of the impact in the value chain	Positive / Negative	Current / Potential	Time horizon (*)
					individual responses to personal situations raised in this area, such as the need for shorter or more flexible hours, more flexible work spaces, family support or equal opportunities.				
22	S1	Working conditions	Health and safety	Impact on employee health of injuries caused by certain occupational activities.	Certain activities required on the job at Redeia could expose employees to the risk of workplace injuries or cause harm to their mental or physical health.	Own operations	N	Potential	S
23	S1	Working conditions	Social dialogue	Encouraging dialogue between management and worker representatives can have a positive impact on employees' working conditions.	Redeia guarantees the right to trade union membership, association and collective bargaining within the framework of the provisions of the International Labour Organization (ILO), the Spanish Constitution, prevailing employment law and the relevant collective bargaining agreements in effect.	Own operations	P	Current	S
24	S1	Working conditions	Secure employment	Permanent contracts.	By committing strategically to permanent contracts, workers are hired indefinitely, generating income stability while also reinforcing job security.	Own operations	P	Current	S
24	S1	Working conditions	Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	Guaranteeing employees' freedom of association and right to union membership to help analyse, promote and defend workers' shared interests.	Redeia encourages union membership and repudiates coercion to not unionise or any retaliation in this regard. Freedom of association is understood in the broadest sense, from both the individual and collective perspectives, so as to guarantee the ability to perform the activities needed to form a union and acknowledging that its purpose is to defend shared interests.	Own operations	P	Current	S
26	S1	Working conditions	Adequate wages	Definition of adequate wages.	Adequate wages lead to employee motivation and job satisfaction. When employees feel valued and adequately compensated for their work, their commitment and productivity improve. This in turn has a positive impact on the quality of their work and on the organisation's overall efficiency.	Own operations	P	Current	S
27	S1	Working conditions	Adequate wages	Recognition of the contribution made by employees through remuneration processes and a total compensation model.	Redeia's compensation model recognises its employees' contributions by articulating remuneration policies that reward top performances while ensuring internal fairness.	Own operations	P	Current	S
28	S1	Working conditions	Health and safety	Favouring employee wellbeing by means of the healthy organisation management	Redeia's health organisation management system looks beyond the prevention of occupational injuries and illnesses by addressing personal and family lifestyles, seeking to implement a culture	Own operations	P	Current	S

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	Standard	ESRS sub-topic	ESRS sub-sub-topic	Impact	Description	Position of the impact in the value chain	Positive / Negative	Current / Potential	Time horizon (*)
				system and the prevention of occupational injuries or illnesses.	conducive to being a healthy organisation, thereby improving Redeia's local communities in the process. Note that the healthy organisation management system covers 100% of Redeia's headcount.				
29	S1	Working conditions	Working time	Improving the quality of life of Redeia employees by providing them with flexibility around their working times.	Redeia provides its employees with sufficient free time, so generating a positive impact on their health and wellbeing. Free time is crucial to allow employees to rest, recover and strike a work-life balance. With enough time to rest and disconnect from work, employees can avoid experiencing high levels of stress, exhaustion or loss of motivation.	Own operations	P	Current	S
30	S1	Equal treatment and opportunities for all	Diversity	A diverse and inclusive workplace that fosters employee wellbeing and generates fair opportunities.	Redeia has a comprehensive diversity Plan for the coming years (2023- 2025), articulated around three lines of initiative: gender equality and equal opportunities; age management; and the inclusion of people with disabilities.	Own operations	P	Current	S
31	S1	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Fair monetary compensation and elimination of gender inequalities.	Redeia offers the same opportunities for development and promotion to all, without considering gender as a determining factor, rather focusing on performance and length of service, an approach that tends to balance out its employees' compensation over time.	Own operations	P	Current	S
32	S1	Working conditions	Health and safety	Fatalities caused by certain occupational activities.	Certain activities required on the job at Redeia could expose employees to the risk of fatal workplace injuries.	Own operations	N	Potential	S
33	S1	Working conditions	Collective bargaining, including rate of workers covered by collective agreements	Improving working conditions through collective bargaining.	Redeia guarantees the right to trade union membership, association and collective bargaining within the framework of the provisions of the International Labour Organization (ILO), the Spanish Constitution, prevailing employment law and the relevant collective bargaining agreements in effect.	Own operations	P	Current	S
34	S1	Equal treatment and opportunities for all	Diversity	Lack of equal opportunities due to the gender gap at Redeia.	For Redeia a gender gap may indicate that women are being given fewer opportunities for employment, promotion or career development by comparison with others, harming the firm's image and reputation as a result.	Own operations	N	Current	S
35	S2	Working conditions	Health and safety	Redeia customer employee injuries.	Accidental injuries.	Customers and end-users	N	Current	M

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	Standard	ESRS sub-topic	ESRS sub-sub-topic	Impact	Description	Position of the impact in the value chain	Positive / Negative	Current / Potential	Time horizon (*)
36	S2	Working conditions	Health and safety	Injuries or unhealthy working conditions for workers at Redeia suppliers due to the absence of adequate protective gear.	Value chain workers are at risk of sustaining injuries or unhealthy working conditions when they do not receive appropriate personal protective equipment and/or work in dangerous environments (e.g., removal of hazardous waste) without implementing protection measures.	Direct and indirect suppliers	N	Current	M
37	S2	Other work-related rights	Forced labour	Zero tolerance of forced labour in Redeia's supply chain.	Commitment to respect for human rights and training focused on human rights management in collaboration with the Spanish chapter of the Global Compact. In 2024, Redeia did not receive any claims related with human rights abuses in its supply chain; not was any contract or order cancelled on these grounds.	Direct and indirect suppliers	P	Current	S
38	S2	Other work-related rights	Child labour	Zero tolerance of child labour in Redeia's supply chain.	Commitment to respect for human rights and training focused on human rights management in collaboration with the Spanish chapter of the Global Compact. In 2024, Redeia did not receive any claims related with human rights abuses in its supply chain; nor was any contract or order cancelled on these grounds.	Direct and indirect suppliers	P	Current	S
39	S2	Working conditions	Secure employment	Guaranteeing that Redeia supply chain employee hires are fair and uphold labour standards.	The idea behind getting suppliers to endorse the Code of Conduct for Suppliers at the start of the supplier screening, certification and scoring process is to ensure the selection of suppliers that are suitable for forming part of Redeia's database. This code, which is part of the contrCurrent documentation as per the general contracting conditions, stipulates the ethics and conduct standards that Redeia's suppliers must uphold. By establishing this requirement at the start of the supplier registration process, we foster a culture of responsibility and ethics across Redeia's supply chain. This in turn helps build solid and trustworthy supplier relations underpinned through a commitment to comply with the standards set and conduct themselves ethically in all of their operations.	Direct and indirect suppliers	P	Current	S
40	S2	Working conditions	Health and safety	Establishing controls to ensure due protection of the health and safety of all supply chain workers.	The Code of Conduct for Suppliers, which hails from Redeia's Code of Ethics and Conduct, establishes minimum requirements around ethical, social and environmental matters which all suppliers must accept and comply with in order to work with Redeia and which suppliers must extend to their own supply chains. Redeia conducts social audits for two reasons. Firstly, to verify due compliance with the code by suppliers and secondly to transmit the organisation's sustainability principles.	Direct and indirect suppliers	P	Current	S
41	S3	Communities' economic, social and cultural rights	Land-related impacts	Easement or expropriation of land for the location of sites.	Use of part of the land or expropriation of land where necessary to locate a support tower or substation.	Own operations	N	Current	S

Material risks

	Standard	ESRS sub-topic	ESRS sub-sub-topic	Risk / Opportunity	Description of the cause of the risk / opportunity	Position of the impact in the value chain	Time horizon (*)
1	E1	Climate change adaptation		Risk	Damage caused to overhead power lines by extreme winds.	Own operations & Customers and end-users	S, M, L
2	E1	Climate change mitigation		Risk	Additional restrictions on renewable energy production and impacts that could affect supply security in the Canary Islands, due to the significant rise in the share of renewable energies in the energy mix forecast for future years.	Own operations & Customers and end-users	S, M, L
3	E1	Climate change mitigation		Risk	Threats to cybersecurity in an increasingly digitalised system.	Cross-cutting	S, M, L
4	E1	Climate change adaptation		Risk	Fire damage to power lines and substations.	Own operations	S, M, L
5	E1	Climate change adaptation		Risk	Decline in water availability for hydroelectric generation.	Own operations & Customers and end-users	M, L
6	E1	Climate change adaptation		Risk	Increased absenteeism associated with climate change.	Cross-cutting	L
8	E1	Climate change adaptation		Risk	Damage to outdoor transmission grid infrastructure caused by high temperatures.	Own operations	L
9	E1	Climate change adaptation		Risk	Lower efficiency of PV generation due to rising temperatures.	Own operations & Customers and end-users	M, L
10	E1	Climate change mitigation		Risk	Loss of firm generation capacity due to the closure of conventional power plants (coal, combined cycle, nuclear).	Own operations & Customers and end-users	S, M
11	E1	Climate change mitigation		Risk	Insufficient information for the real-time operation of the system due to an increase in renewable generation facilities with outputs below 1 MW (current observation threshold set by the System Operator).	Own operations & Customers and end-users	M, L
12	E1	Climate change mitigation		Risk	Power disconnections due to a prevalence of renewable energy facilities within the power mix without the technical capabilities needed to cope with disturbances.	Own operations & Customers and end-users	S, M
14	G1	Protection of whistle-blowers		Risk	Imposition of fines or lawsuits caused by the leakage of personal information of whistle-blowers.	Cross-cutting	S
15	G1	Protection of whistle-blowers		Risk	Leakage of whistle-blowers' personal information.	Cross-cutting	S
15	S1	Working conditions	Health and safety	Risk	Increase in operating expenses due to an increase in economic contingencies and in the related insurance premiums, potentially affecting Redeia's profitability. Moreover, a significant volume	Own operations	S

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	Standard	ESRS sub-topic	ESRS sub-sub-topic	Risk / Opportunity	Description of the cause of the risk / opportunity	Position of the impact in the value chain	Time horizon (*)
					of claims could indicate underlying problems in occupational safety management, which could lead to additional costs related to mitigation and safety, as well as reputational damage for Redeia.		
16	S1	Working conditions	Health and safety	Risk	Vulnerability to significant financial losses as a result of inadequate insurance coverage in the event of damages such as workplace accidents.	Own operations	S
17	E4	Direct impact drivers of biodiversity loss	Climate change	Risk	Tightening of bird protection policies in Spain and internationally, leading to increased fines and lawsuits.	Own operations	L
18	E4	Direct impact drivers of biodiversity loss	Climate change	Risk	Damage to overhead power lines from extreme winds.	Own operations & Customers and end-users	S, M, L
19	E4	Direct impact drivers of biodiversity loss	Climate change	Risk	Fire damage to power lines and substations (external events).	Own operations & Customers and end-users	S, M, L
20	E4	Direct impact drivers of biodiversity loss	Other	Risk	Reputational damage as a result of failing to meet society's expectations regarding biodiversity protection (and sensitivity around fires).	Own operations	S, M, L

Material opportunities

	Standard	ESRS sub-topic	ESRS sub-sub-topic	Risk / Opportunity	Description of the cause of the risk / opportunity	Position of the impact in the value chain	Time horizon (*)
1	E1	Climate change mitigation		Opportunity	Development of storage in non-mainland systems.	Own operations & Customers and end-users	S, M
2	E1	Climate change mitigation		Opportunity	Scope for reputation gains as a result of performance around climate change.	Own operations	S, M
3	E1	Climate change mitigation		Opportunity	Grid development: integration of new renewable energy capacity, interconnections, high-speed trains and support for increased electrification of society (investment in lines, substations, interconnections, protection systems and other grid infrastructure control and monitoring equipment).	Own operations & Customers and end-users	S, M, L

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	Standard	ESRS sub-topic	ESRS sub-sub-topic	Risk / Opportunity	Description of the cause of the risk / opportunity	Position of the impact in the value chain	Time horizon (*)
4	Entity-specific	Innovation and technology applied to the business		Opportunity	Adaptation to and/or anticipation of market demands by implementing technological advances.	Own operations	S
5	G1	Management of relationships with suppliers including payment practices		Opportunity	Improved reputational positioning thanks to the development of action plans together with suppliers for the implementation of best practices at Redeia.	Direct and indirect suppliers & Own operations	S
6	S1	Working conditions	Social dialogue	Opportunity	Reinforced transparency and corporate responsibility at Redeia, fostering solid and lasting relationships with stakeholders by implementing structured and recurring listening tools. This could also pave the way for better integration of their expectations and needs in Redeia's operations and strategies.	Own operations	S
7	S1	Working conditions	Adequate wages	Opportunity	Satisfaction of employee expectations thanks to constant review and updating of Redeia's total compensation model to ensure it remains competitive.	Own operations	S
8	S1	Working conditions	Work-life balance	Opportunity	Increased employee satisfaction as a result of bolstered listening tools and employee engagement in developing the work-life balance.	Own operations	S
9	S1	Working conditions	Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	Opportunity	Better communication and collaboration between the organisation and its employees thanks to the existence of active and effective works councils leading to more inclusive and effective decision-making and more efficient implementation of labour policies that respond to employees' real needs.	Own operations	S
10	S1	Equal treatment and opportunities for all	Training and skills development	Opportunity	Increased investment in development and training, in addition to a stronger workforce thanks to talent retention.	Own operations	S
11	S1	Equal treatment and opportunities for all	Employment and inclusion of persons with disabilities	Opportunity	Increasing workforce diversity by integrating more people with disabilities under the scope of Redeia's Disability Plan.	Own operations	S
12	S1	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Opportunity	Strengthening Redeia's position as a leader and benchmark in gender equality.	Own operations	M

11.2 Environmental information

11.2.1 Information related to the european union taxonomy

The aim of the Taxonomy Regulation (Regulation (EU) 2020/852) is to inform investors as to whether an economic activity is environmentally sustainable by establishing common criteria across the entire European Union and thereby help channel capital into activities that make a substantial contribution to achieving the objectives set out in the European Green Deal.

The EU's environmental objectives as set out in the Taxonomy Regulation are as follows:

- Climate change mitigation;
- Climate change adaptation;
- Sustainable use and protection of water and marine resources;
- Transition to a circular economy;
- Pollution prevention and control;
- Protection and restoration of biodiversity and ecosystems.

An economic activity is considered environmentally sustainable, i.e. aligned with the taxonomy, when it contributes substantially to one of these six objectives, without causing significant harm to any of the other five, and provided that it is carried out in compliance with minimum social safeguards: the Organisation for Economic Co-operation and Development guidelines on multinational enterprises, the United Nations guiding principles on business and human rights and the core conventions of the International Labour Organization.

The Taxonomy Regulation is complemented and implemented by the following Delegated Acts

- Commission Delegated Regulation (EU) 2021/2139 establishing the technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives.

- Commission Delegated Regulation (EU) 2021/2178 specifying the content and presentation of the information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU.

- Commission Delegated Regulation (EU) 2022/1214, to include, under strict conditions, specific nuclear and gas activities in the list of economic activities covered by the taxonomy.

- Commission Delegated Regulation (EU) 2023/2486 establishing the technical screening criteria for determining those activities that substantially contribute to the other non-climate environmental objectives of the European Union: the sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. This last act also expands upon the economic activities that contribute to climate change mitigation and adaptation and introduces amendments to the delegated act on the disclosure of information on the EU Taxonomy.

- Additionally, since 2021, the European Commission has published several FAQs that provide technical clarifications regarding application of the EU Taxonomy. For this section, the FAQs published in February 2022, December 2022, June 2023 and November 2024 have been considered.

11.2.1.1 Analysis of the eligibility and alignment of Redeia's activities

The Taxonomy distinguishes between Taxonomy-eligible and Taxonomy-aligned economic activities as follows:

- Eligible economic activity: that described in the delegated acts adopted as per Regulation (EU) 2020/852, irrespective of whether that economic activity meets any or all of the technical screening criteria set out in those delegated acts.

- Taxonomy-aligned economic activity: an economic activity that contributes substantially to one of the six EU environmental objectives (meets the technical screening criteria established in the Delegated Regulations 2021/2139 and 2023/2486), does not cause significant harm to any of the other five, and is carried out in compliance with minimum social safeguards.

In 2024, Redeia analysed the degree of eligibility and alignment of its activities with the EU's six environmental objectives following these steps:

- Classification and grouping of the economic activities of Redeia companies.

- Eligibility analysis of the activities identified by checking the activities included in the various Delegated Acts already published.

- Assessment of compliance with the technical screening criteria set out in Commission Delegated Regulation (EU) 2021/2139 for its contribution to the environmental objectives of climate change mitigation and adaptation.

- Assessment of compliance with Commission Delegated Regulation (EU) 2023/2486 regarding its potential contribution to the other non-climate environmental objectives of the European Union: the sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

- Do no significant harm (DNSH) analysis. Activities must not cause significant harm to the other EU environmental objectives defined in Regulation (EU) 2020/852.

- Verification of compliance with the minimum social safeguards.

The analysis performed yielded the following classification of Taxonomy-eligibility and -alignment of activities at Redeia.

Redeia companies	Redeia activities	Activity description – Commission Delegated Regulations 2021/2139 and 2023/2486	Eligible activities	Aligned activities
Red Eléctrica de España S.A.U.	Activity 1. **Management and operation of national electricity infrastructure.**	Activity: 4.9 Transmission and distribution of electricity. Activity included in Delegated Regulation 2021/2139. Description: "Construction and operation of transmission systems that transport the electricity on the extra high-voltage and high-voltage interconnected system."	YES 100% eligible for CCM and CCA objectives.	YES 100% aligned with CCM and CCA objectives.
Red Eléctrica Internacional, S.A.U. (Redinter), REA, REDESUR, TESUR, TESUR 2, TESUR 3, TESUR 4, REDELNOR, CCNCM, RECH, REDENOR, REDENOR 2	Activity 2. **Management and operation of international electricity infrastructure.**	Activity: 4.9 Transmission and distribution of electricity. Activity included in Delegated Regulation 2021/2139. "Construction and operation of transmission systems that transport the electricity on the extra high-voltage and high-voltage interconnected system."	YES 100% eligible for CCM and CCA objectives.	NO
Redeia Infraestructuras de Telecomunicación, S.A.U. (Reintel)	Activity 4. **Telecommunications – Fibre Optics.**	Activity not covered by Delegated Regulation 2021/2139 or Delegated Regulation 2023/2486.	NO	NO
Other Redeia companies	Activity 5. **Other businesses, Corp. and adjustments**	Activity not covered by Delegated Regulation 2021/2139 or Delegated Regulation 2023/2486.	NO	NO

CCM : Climate change mitigation. CCA: Climate change adaptation.

Redeia's core business - Management and operation of national and international electricity infrastructure - is eligible for the climate change mitigation and adaptation objectives. However, the international electricity transmission activity does not meet the technical screening criteria for determining the conditions under which a specific economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation set out in Delegated Regulation 2021/2139.

Aligned with the description of Activity 1.1. Conservation, including restoration, of habitats, ecosystems and species, established in Delegated Regulation (EU) 2023/2486 regarding the contribution to the rest of the EU's non-climate objectives, all of Redeia's environmental improvement efforts, recovery and conservation projects carried out in collaboration with the government, non-governmental organisations and other bodies, as well as specific measures in relation to projects for new electric facilities aimed at improving terrestrial and marine habitats, ecosystems and flora and fauna species could be considered Taxonomy-eligible activities (but not Taxonomy-aligned as they do not meet the criteria defined in this Regulation).

However, it is currently not possible to establish a proportion of eligibility for these activities, and the information currently available is not sufficiently detailed to be able to account for their key performance indicators.

The activity carried out by Red Eléctrica de España S.A.U. - Management and operation of national electricity infrastructure - does meet the technical screening criteria set out in Delegated Regulation (EU) 2021/2139 for determining substantial contribution to climate change mitigation and adaptation objectives; it also meets the DNSH principle and minimum required social safeguards and is therefore Taxonomy-aligned for both objectives.

As indicated in Delegated Regulation (EU) 2023/2486 regarding contributions to the rest of the EU's non-climate objectives, where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings must indicate, in bold, in their reporting templates the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. That was the premise followed this year, so that the contribution by Red Eléctrica de España S.A.U. - Management and operation of national electricity infrastructure was assigned 100% to the climate change mitigation objective.

11.2.1.2 Activity: 4.9 Transmission and distribution of electricity. Substantial contribution of the Management and operation of national electricity infrastructure business to the climate change mitigation objective

The electricity transmission activity, at the national level, meets criteria a) and b) defined in point 4.9 of Annex I of Commission Delegated Regulation 2021/2139, as it belongs to the interconnected European system, and all of the new electricity capacity connected to the transmission grid since 2017 has been renewable.

The operation of the national electricity system, in turn, meets criteria d) and e).

Criteria as defined in point 4.9 of Annex I of Commission Delegated Regulation 2021/2139:

1. The transmission and distribution infrastructure or equipment is in an electricity system that complies with at least one of the following criteria:

- **a)** the system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems;
- **b)** more than 67 % of newly enabled generation capacity in the system is below the generation threshold value of 100 g CO_2/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period;
- **c)** the average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net

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electricity production in that system, is below the threshold value of 100 g CO_2e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period;

d) construction/installation and operation of equipment and infrastructure where the main objective is an increase of the generation or use of renewable electricity generation;

e) installation of equipment to increase the controllability and observability of the electricity system and to enable the development and integration of renewable energy sources.

The operation of the electricity system is playing a leading role in the energy transition by taking on the challenge of integrating renewable energy, new energy uses and flexible assets into the system.

As system operator, Red Eléctrica works to safely integrate as much renewable energy as possible. The control and monitoring of this type of energy is carried out by CECRE (Renewable Energy Control Centre). This enables reduction of CO_2 emissions thanks to the fact that demand can be covered by this type of energy without affecting the security or quality of supply.

Furthermore, to facilitate the incorporation of non-dispatchable energy and avoid wasting the energy generated when demand is low, Red Eléctrica is working on the development of energy storage instruments based on both hydropower generation systems and other technologies (RDI). To this end, it carries out prospective evaluations of the impact of new storage facilities on the integration of renewable energy, identifies the technical or management characteristics necessary for greater integration, and as a consequence of both actions, makes legislative and regulatory proposals to the competent authority. These systems will also help significantly improve the efficiency of the electricity system as a whole and optimise electricity infrastructure.

11.2.1.3 Do Not Significant Harm (DNSH) to the climate change mitigation objective

- **Climate change adaptation.**

Annually, Red Eléctrica identifies its risks and opportunities derived from climate change.

Climate-related risk management is embedded into the Company's risk management system whose governance model therefore applies to these risks.

The exercise of identifying physical climate risks is carried out based on the classification of climate-related hazards itemised in the list in section II of Appendix A of Commission Delegated Regulation 2021/2139.

- **Transition to a circular economy.**

Redeia is working together with the actors in its value chain to have the equipment and materials used in all its activities produced from reused or recycled materials so that, at the end of their useful life, they are also recycled, reused or recovered, thus closing the circle of sustainability for all the equipment and materials used.

It has set the target of reducing, reusing, recycling or recovering for energy of all the waste it generates by 2030. To this end, an action plan is in place for recovering 100% of the waste generated.

- **Pollution prevention and control.**

The principles set out in the Corporate Finance Institute's Environmental, Health, and Safety Guidelines for Electrical Power Transmission and Distribution are followed in all construction activities for electricity transmission network facilities.

During the construction phase, the necessary preventive and corrective measures are implemented to minimise the potential effects of the project. To guarantee the effectiveness of the measures in place, environmental monitoring programmes are defined and developed. These are applied during the construction of the facilities and in their early years of operation and facilitate the definition of new measures if necessary. The environmental monitoring of construction sites entails supervision of the work done by contractors to meet environmental requirements.

In the carrying out of its maintenance activities, Red Eléctrica has no direct contact with PCBs. The power equipment owned by Red Eléctrica does not contain PCBs.

Its activities comply with the applicable standards and regulations to limit the effects of electromagnetic radiation on human health. Thanks to the criteria applied in the design of the facilities, the levels of the electric and magnetic fields (EMFs) remain below those recommended by the Council of the European Union (Official Journal of the European Communities 1999/519/EC: limitation of exposure of the general public in areas where they spend significant time – 5 kV/m for the electric field and 100 μt for the magnetic field).

Measurements give maximum levels (at the closest point from the ground to the conductors) ranging from 3–5 kV/m for the electric field and 1–15 μT for the magnetic field on 400 kV lines. In addition, the field strength decreases very rapidly as the distance to the conductors increases: at a distance of 30 metres, the electric and magnetic field levels range from 0.2–2.0 kV/m and 0.1–3.0 μT, respectively, and are normally less than 0.2 kV/m and 0.3 μT from 100 metres away.

In the case of 220 kV lines, these levels are lower, ranging between 1–3 kV/m for the electric field and 1–6 μT for the magnetic field at the closest point to the conductors. At a distance of 30 metres, the electric and magnetic field levels range between 0.1–0.5 kV/m and 0.1–1.5 μT and are generally lower than 0.1 kV/m and 0.2 μT from 100 metres away.

• **Protection and restoration of biodiversity and ecosystems.**
All Red Eléctrica projects are assessed from an environmental perspective, and the competent environmental authorities are informed and their approval is requested, even in the case of projects that are not legally required to undergo the environmental impact assessment procedure.

Most of Red Eléctrica's projects are subject by law to this environmental impact assessment procedure, which is carried out in accordance with Directive 2011/92/EU, Spanish legislation (Law 21/2013 of 9 December 2013 on Environmental Assessment) and applicable regional regulations.

Where the environmental impact assessment is carried out, the required mitigation and compensation measures are implemented to protect the environment and, therefore, biodiversity. These measures encompass those established by the environmental body and included in the project's environmental authorisations.

For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 Network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas (KBAs), as well as other protected areas), an assessment is conducted when needed and the necessary mitigation measures are then implemented based on the findings.

Those projects that could directly or indirectly affect Natura 2000 Network sites are subject to the environmental assessment procedure, even if their thresholds do not reach those defined in the Annexes of Law 21/2013 on Environmental Assessment.

11.2.1.4 Activity: 4.9 Transmission and distribution of electricity. Substantial contribution of the Management and operation of national electricity infrastructure business to the climate change adaptation objective

Taxonomy activity 4.9 - Transmission and distribution of electricity is covered in Annex II of Commission Delegated Regulation (EU) 2021/2139 as an activity that contributes substantially to the climate change adaptation objective so long as the technical screening criteria stipulated in that same Regulation are met.

The Management and operation of national power transmission infrastructure carried on by Red Eléctrica de España S.A.U. is, on aggregate, a key component of the process of adapting the energy system for the risks derived from climate change and meets the screening criteria defined in point 4.9 of Annex II of Delegated Regulation 2021/2139.

The effects of climate change could physically affect electricity transmission facilities and influence future patterns of energy generation and consumption, which would impact the activity of Red Eléctrica as electricity system operator.

In 2024, Red Eléctrica once again undertook the exercise of identifying its risks and opportunities associated with climate change, assessing, prioritising and identifying improvements for implementation in 2025.

The exercise of identifying physical climate risks was carried out based on the classification of climate-related hazards from the list in section II of Appendix A of Commission Delegated Regulation 2021/2139.

The physical risks identified were assessed considering the criteria of exposure, sensitivity and capacity to adapt. Different physical scenarios were considered in the analysis.

Climate-related risks are assessed in the short, medium and long term (the most significant changes and impacts are expected by the end of the century), based on the Representative Concentration Pathways (RCP) scenarios of the Intergovernmental Panel on Climate Change (IPCC). Therefore, the entire lifetime of the projects is considered in the assessment (the lifetime of transmission projects is at least 30-40 years).

In the case of Spain, the projections made by the national meteorology agency, AEMET, for the most important scenarios of the fifth IPCC report (AR5) were considered.

The assessment process for 2024 indicated the following key physical risks:

Physical risks

	H 2026	H 2030	2050 SSP2-4.5	2050 SSP5- 8.5
Damage to outdoor transmission grid infrastructure	N/A	N/A	MA	MA
Damage to overhead power lines from extreme winds	M-H	M-H	M-H	M-H
Damage to telecommunications infrastructure due to extreme weather events	L	M-L	M-L	M-L
Corrosion of metal structures, insulator degradation and more stringent electrical insulation demands as a result of desertification	M-L	M-L	M-L	M-L
Fire damage to power lines and substations	M-H	M-H	M-H	M-H
Impaired capacity of transmission lines due to rising temperatures	L	L	M-L	M-L
Lower efficiency of PV generation due to rising temperatures	N/A	L	M-L	M-H
Reduction in water availability for hydroelectric generation	N/A	M-L	M-H	H
Reduction in water availability for thermal and nuclear power generation	N/A	M-L	M-L	M-L
Increased absenteeism associated with climate change	L	L	L	M-H
Increase in accidents associated with changes in working conditions shaped by changes in climate variables where work is carried out	L	L	L	M-L
Increased use of air conditioning at facilities	L	L	L	M-L

H: High / M-H: Medium-High L: Low M-L: Medium-Low N/A: Not applicable

The adaptation measures implemented to minimise the risk of extreme events affecting outdoor facilities consist of creating wind maps and reviewing construction parameters, reinforcing vulnerable lines, developing and implementing contingency plans (including the availability of emergency support), and optimising maintenance work (e.g. MANINT Project – Smart Maintenance).

The adaptation measures implemented to minimise the risk of fire in power lines and substations are based on the optimisation of firebreak maintenance plans (VEGETA project), fire prevention procedures, early fire detection measures (PRODINT project), training, awareness-raising and the development of emergency plans.

In addition, the following measures are planned for the physical risks identified for 2050:

- In a bid to prevent damage to outdoor equipment in the transmission grid, a detailed study will be conducted into the trend in temperatures, by region, so as to determine whether changes in the technical specifications of the equipment are needed.
- As for the diminished efficiency of photovoltaic generation due to rising temperatures, and the reduction in the availability of water resources for hydroelectric generation, work is currently ongoing to develop mechanisms and flexibility measures to cover demand.

Climate-related risk management is embedded into the Company's risk management system whose governance model therefore applies to these risks.

Red Eléctrica de España's position at the heart of the electricity system as Spain's TSO makes it a key agent for ensuring the success of the country's energy transition policies, specifically making sure that the changes in the production-demand scheme unfold without jeopardising the security and continuity of supply.

Spain's Plan for the Development of the Electricity Transmission Network, 2021-2026 aims to make the electricity transmission grid a key vector of the energy transition, enabling the electrification, renewables penetration and decarbonisation targets set out in the updated 2023-2030 Integrated National Energy and Climate Plan (NECP).

In this context, the "Management and operation of national electricity infrastructure" activity contributes substantially to the climate change adaptation objective by forging a robust and flexible system capable of guaranteeing continuity of supply in the face of the effects of climate change.

Changes in climate variables may lead to modifications in energy generation patterns (reduced performance at thermal and PV solar power plants, reduced availability of water for generation and refrigeration, changes in wind patterns, etc.), in transmission grid capacity and in demand. The Company identifies, assesses and monitors the potential risks derived from climate change on the electricity system as a whole and contributes to their minimisation, principally by developing an increasingly interconnected system and layering in tools that render it more flexible.

Certain specific initiatives in this regard are itemised next:

- Developing and adapting the transmission grid for unfolding generation, demand and transmission capacity patterns.
- Integrating different sources of energy for meeting demand in the event that one specific source is affected and providing system adjustment services, among other measures.
- Developing storage systems as a possible alternative for meeting demand.
- Developing renewable energy generation prediction models.
- Designing dynamic grid monitoring and operation systems to capture the data needed to calculate the lines' transmission capacity in real time as a function of weather conditions, rendering it more flexible.

Development and operation of the electricity system is key to adapting the overall electricity system for climate change and, given the importance of electricity supply, contributes significantly to the Spanish economy's and society's climate change adaptation process.

11.2.1.5 Do No Significant Harm (DNSH) to the climate change adaptation objective

The disclosures regarding compliance with the DNSH principle are provided in the equivalent assessment with respect to the climate change mitigation objective. The only additional parameter flagged in Delegated Regulation (EU) 2021/2139 with respect to the contribution to the climate change adaptation objective is the following:

"*The infrastructure is not dedicated to creating a direct connection, or expanding an existing direct connection to a power production plant where the direct greenhouse gas emissions exceed 270 g CO_2e/kWh.*"

This criterion is met by the Management and operation of national electricity infrastructure activity as all of the new electricity capacity connected to the transmission grid since 2017 has been renewable.

11.2.1.6 Compliance with the minimum social safeguards

Redeia has embraced an explicit and public commitment to promoting and respecting human rights in all its activities and in all the territories and countries where it operates.

It pays special attention to vulnerable groups, and as such instils this in the corporate culture through its Ten Principles for respect for human rights, included in its Commitment to the promotion of and respect for human rights, the Code of Ethics and Conduct and the Sustainability Policy.

With a view to extending this behaviour throughout the supply chain, the human rights commitment is likewise required of suppliers through the Code of Conduct for Suppliers. In formulating these principles and codes, the human rights internationally recognised in national and international laws and benchmark standards have been taken into account:

- OECD Guidelines for Multinational Enterprises.
- OECD Guidelines for Responsible Business Conduct.
- The UN Guiding Principles on Business and Human Rights.
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.
- The eight ILO core conventions.
- International Bill of Human Rights.

In addition, the Company develops the necessary integrity and human rights due diligence tools, both for its own operations and in its relations with third parties, in order to mitigate the risk of Redeia being linked to third parties associated with conduct which is not in line with its ethical values. To this end, since 2013 it has carried out periodic due diligence analyses that involve all Group companies in order to identity possible risks stemming from its direct and indirect activity.

11.2.1.7 Key performance indicators: Turnover, CapEx and OpEx associated with Taxonomy-aligned activities.

European Commission Delegated Regulation 2021/2178 was published in July 2021, implementing Article 8 of the Taxonomy Regulation, concerning the transparency of undertakings in non-financial statements. This Regulation specifically sets out the environmentally sustainable economic activities and the methodology for complying with the Taxonomy disclosure obligation.

Annexes I, II, III, IV, V, VII, IX and X of Delegated Regulation 2021/2178 were recently amended in accordance with Annex V of Commission Delegated Regulation (EU) 2023/2486, published on 21 November 2023, extending the coverage of the disclosures to include information about economic activities that contribute to the other environmental objectives of the European Union: sustainable use and the protection of water and marine resources, the transition to a circular economy, pollution prevention and control or the protection and restoration of biodiversity.

Under Article 8 of the Taxonomy Regulation, non-financial undertakings are required to disclose the following information:

a) The proportion of their turnover derived from products or services associated with economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

b) The proportion of their capital expenditure (CapEx) and the proportion of their operating expenditure (OpEx) related to assets or processes associated with economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

In relation to the calculation of KPIs, Annex I of Commission Delegated Regulation 2021/2178 and Annex V of Commission Delegated Regulation (EU) 2023/2486 provide templates for the KPIs to be disclosed by non-financial undertakings, categorically specifying that the following information must be reported for each of the indicators:

Turnover:
The proportion of turnover, to be calculated as the part of the net turnover derived from products or services, including intangibles, associated with Taxonomy-aligned economic activities (numerator), divided by net turnover (denominator).

Capital expenditure (CapEx):
The denominator shall cover additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator shall also include additions to tangible and intangible assets resulting from business combinations.

The numerator equals to the part of the capital expenditure included in the denominator that is related to assets or processes associated with economic activities that make a substantial contribution to any of the EU environmental objectives.

Operating expenditure (OpEx):
The denominator shall cover direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

The numerator shall include the part of OpEx included in the denominator related to assets or processes associated with economic activities that make a substantial contribution to any of the environmental objectives of the European Union, including training and other human resources adaptation needs, and direct non-capitalised costs that represent research and development.

The procedures followed to determine the numerator and denominator of each Redeia key performance indicator are compliant with the considerations set out in Annex I of Commission Delegated Regulation 2021/2178, and in Annex V of Commission Delegated Regulation (EU) 2023/2486.

Likewise, the accounting rules prescribed for calculating Turnover, CapEx and OpEx are the same as the accounting regulations applicable to Redeia. Therefore, it has not been necessary to make any adaptations or interpretations in this respect.

Based on the foregoing, Redeia's information for 2024 and 2023, in accordance with the Taxonomy Regulation, is as follows:

Taxonomy-eligible and Taxonomy-aligned activities. **Management and operation of national electricity infrastructure**. Key performance indicators:

Management and operation of national electricity infrastructure

	2023	2024
Turnover	89.1%	87.4 %
CapEx	95.8%	96.3%
OpEx	89.8%	88.0%

Taxonomy-eligible but not Taxonomy-aligned activities. **Management and operation of international electricity infrastructure (Peru and Chile)**. Key performance indicators:

Management and operation of international electricity infrastructure (Peru and Chile)

	2023	2024
Turnover	4.1%	5.2%
CapEx	0.7%	0.6%
OpEx	4.9%	6.1%

(*) On 31 January 2025, Redeia, through its subsidiary, Redeia Sistemas de Telecomunicaciones S.A.U., agreed to sell Indra Sistemas S.A. its 89.68% interest in the share capital of Hispasat, S.A. The transaction, which is subject to approval by Spain's Council of Ministers, the anti-trust authorities and other regulators, is expected to close in 2025. As a result, at 31 December 2024, the assets and liabilities belonging to the satellite telecommunications segment carried out by the Hispasat subgroup, whose parent company is Hispasat S.A. and which is controlled by Redeia through its 89.68% shareholding, have been classified as non-current assets held for sale.

For Taxonomy disclosure purposes, the amounts corresponding to Hispasat have been excluded from the Turnover, CapEx and OpEx denominators for both 2024 and 2023.

The percentages assigned to the contribution made to each EU environmental objective are provided in Appendix I, "Templates with information on key performance indicators".

These templates are aligned with Annex V of Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities and Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities

Determination of numerator and denominator of KPIs
Point 1.2.1. of the Taxonomy Regulation states that non-financial undertakings shall explain:

a) how turnover, capital expenditure and operating expenditure were determined and allocated to the numerator;

b) the basis on which the turnover, capital expenditure and operating expenditure were calculated, including any assessment in the allocation of revenues or expenditures to different economic activities.

The following steps were taken to calculate the ratio of Taxonomy-aligned Turnover, CapEx and OpEx in respect of the Group total:

1. The Taxonomy-aligned activities were identified. As detailed above, these activities are as follows: Management and operation of national electricity infrastructure.

2. The companies that carry out these activities within the consolidated Group were then identified. Management and operation of national electricity infrastructure: Red Eléctrica.

3. Within Red Eléctrica we analysed which activities or businesses meet the criteria to qualify as Taxonomy-aligned activities.

   The activities carried out by Red Eléctrica are classified as follows:

   a) Electricity transmission (Taxonomy-aligned activity).

   b) System operation, mainland and non-mainland (Taxonomy-aligned activity).

   b) Other activities. Supplementary activities carried out by Red Eléctrica related to its main electricity transmission and system operation activities (Taxonomy-aligned activities).

In view of the foregoing, all activities carried out by Red Eléctrica are considered Taxonomy-eligible and Taxonomy-aligned activities.

In relation to Turnover, since the description provided by the Regulation meets the accounting criteria for recognising "Revenue" in the financial statements, this figure was considered directly, net of consolidation adjustments.

As regards CapEx, the description included in the Regulation matches that relating to the accounting of additions to fixed assets such that this amount, as set out in Red Eléctrica's financial statements, could also be considered directly.

In relation to OpEx, since the Regulation determines that only activities related to research and development, building renovation measures, short-term leases, maintenance and repairs, and any other direct expenditures related to the day-to-day maintenance of assets of property, plant and equipment must be considered, we differentiated, within total operating expenditure, those that meet the aforementioned definition.

With regard to the OpEx of the activities of Management and operation of national electricity infrastructure (an activity carried out by Red Eléctrica) and the Management and operation of international electricity infrastructure (the electricity transmission activity carried out in Peru and Chile), it should be noted that all the activities carried out by the Redeia companies that engage in this activity correspond to actions related to the due performance of their businesses. For this reason, in determining OpEx, all the expenses incurred by the companies were taken into account (costs of sales, other operating expenses and personnel expenses, from which self-constructed assets were deducted as they are considered in the CapEx figure).

As regards the OpEx denominator, in the case of Red Eléctrica de España, and for the electricity transmission activities carried out in Peru and Chile, the same figure was considered as in the case of the numerator, and for the other Redeia companies, their asset maintenance costs were considered. Based on the above, the activities carried out by Reintel were also considered.

As laid down in the Regulation, and in relation to the calculation of the numerator of the ratios, steps were taken to ensure that Taxonomy-aligned activities were considered only once, as they are specific activities carried out by Red Eléctrica, and not by other Redeia companies, nor were these activities duplicated.

In the case of the denominator, the Turnover, CapEx and OpEx figures used for Taxonomy purposes are those recognised in the Group's consolidated financial statements in the case of Turnover and CapEx. In the case of OpEx, steps were taken to ensure the figure does double count expenses of Redeia companies.

4. After identifying the Taxonomy-aligned activities, the Turnover, CapEx and OpEx ratios were calculated by including in the numerator the Taxonomy-defined Turnover, CapEx and OpEx figures of Red Eléctrica, and in the denominator, the total Taxonomy-defined Turnover, CapEx and OpEx of Redeia, taking into account the above comments.

In relation to Taxonomy-eligible but Taxonomy non-aligned activities, specifically the Management and operation of international electricity infrastructure, the procedure was similar to that described in the case of Red Eléctrica. In this case, these activities are carried out by Red Eléctrica Internacional (Redinter), through its investees in Peru and Chile.

The activities carried out by these companies were considered fully Taxonomy-eligible but not Taxonomy-aligned.

Regarding Turnover and CapEx (additions to fixed assets), a procedure similar to that described in relation to Red Eléctrica's Taxonomy-aligned activities was followed.

As far as OpEx is concerned, expenses directly related to asset maintenance activities were again differentiated for the purposes of calculating the numerator. In relation to the denominator, the OpEx considered for the Group was the same as that considered in the case of the Taxonomy-aligned OpEx.

Contextual Information

The Taxonomy Regulation states, in point 1.2.3 of Annex I, that non-financial undertakings shall explain the figures of each KPI and the reasons for any changes in those figures in the reporting period.

Since the numerator of the KPIs corresponds to the activities of Red Eléctrica, they indicate the weight of the activities carried out by this company within Redeia as a whole.

As is reflected in the ratios provided, these activities represent a very significant percentage of all Group's activities. Therefore, it can be concluded that most of the activities carried out by Redeia are aligned with the Taxonomy Regulation.

With respect to the comparability of the information for 2024 and 2023, although all the indicators are broadly similar, as shown, the following should be noted:

- For Turnover, the percentage contribution of eligible and aligned activities decreased from 89.1% in 2023 to 87.4% in 2024, as the Turnover contributed by Red Eléctrica to the Group decreased, while that contributed by the subsidiaries in Peru and Chile, increased. As a result, the percentage contribution to Turnover of eligible but not aligned activities increased from 4.1% in 2023 to 5.2% in 2024.

- The CapEx percentage contributions were stable in both years.

- As for OpEx, the percentage contributions of eligible and aligned activities was similar in both years but within the amount of OpEx contributed by eligible but not aligned activities, the OpEx amounts of the subsidiaries in Peru and Chile increased between 2023 and 2024, while the amount at Red Eléctrica decreased.

11.2.1.8 Templates for the Turnover, CapEx and OpEx KPIs for Taxonomy-eligible, environmentally sustainable, Taxonomy-eligible but not Taxonomy-aligned and Taxonomy non-eligible activities of Redeia.

Templates for the Turnover, CapEx and OpEx KPIs for Taxonomy-eligible, environmentally sustainable, Taxonomy-eligible but not Taxonomy-aligned and Taxonomy non-eligible activities of Redeia

				Substantial contribution criteria						DNSH criteria (does not significantly harm)									
Economic activities	Code	Turnover in 2024 (€ 000)	Proportion of 2024 Turnover (%)	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A1) or eligible turnover (A.2) – 2023	(E)	(T)
				Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Management and operation of national electrical infrastructure	4.9 CCM & CCA (a)	1,392,570	87.4%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	89.1%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	4.9 CCM & CCA (a)	1,392,570	87.4%	**87.4% (d)**	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	89.1%		
Of which Enabling		1,392,570	87.4%	87.4%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	89.1%	E	
Of which Transitional			0%	0%	0%					Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (note Taxonomy-aligned activities)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Management and operation of national electrical infrastructure	4.9 CCM & CCA (a)	83,284	5.2%	**EL**	EL	N/EL	N/EL	N/EL	N/EL								4.1%		
Turnover of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		83,284	5.2%	5.2%(d)	0%	0%	0%	0%	0%								4.1%		
Total (A.1 + A.2)		1,475,854	92.6%	**92.6% (c)**	0%	0%	0%	0%	0%								93.2%		
A. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Telecommunications – Fibre Optics	-	90,714	5.7%																
Other businesses, Corp. and adjustments	-	27,637	1.7%																
Turnover of Taxonomy non-eligible activities (B)		118,351	7.4%																
TOTAL (A+B)		1,594,204	100%																

Templates for the Turnover, CapEx and OpEx KPIs for Taxonomy-eligible, environmentally sustainable, Taxonomy-eligible but not Taxonomy-aligned and Taxonomy non-eligible activities of Redeia

Templates taken from Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 amending Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for these economic activities.

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:
- Climate change mitigation: CCM.
- Climate change adaptation: CCA.
- Water and marine resources: WTR.
- Circular economy: CE.
- Pollution prevention and control: PPC.
- Biodiversity and ecosystems: BIO.

(b) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.
EL – Taxonomy-eligible activity for the relevant objective.

(c) To avoid double counting, in the cells for "substantial contribution criteria" to climate change mitigation and adaptation objectives for "Total (A1 + A2)", eligibility is presented for the climate change mitigation objective only.

(d) This percentage is calculated based on the contribution of the corresponding column to the total (A+B) in the last row of the table.

(E): Category enabling activity.
(T): Category transitional activity.

	Proportion of turnover/total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	87.4%	92.6%
CCA	0%	92.6%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0% (e)

(e) Within the Management and operation of national and international electricity infrastructure, projects are undertaken for the improvement and recovery of habitats, ecosystems and species, which constitute eligible activities in accordance with Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Commission Delegated Regulation (EU) 2020/852. However, information is not currently available in sufficient detail to be able to account for their key performance indicators.

Note. In the wake of the agreement to sell Redeia's equity interest in Hispasat, S.A., the amounts corresponding to Hispasat have been excluded from the Turnover, CapEx and OpEx denominators for both 2024 and 2023.
Had Hispasat not been reclassified to non-current assets held for sale, the Hispasat business would have accounted for 9.2% of total turnover including the Hispasat subgroup (11.9% in 2023), its CapEx would have accounted for 2.7% of total CapEx including the Hispasat subgroup (13.0% in 2023) and its OpEx would have represented 1.4% of total OpEx including the Hispasat subgroup (1.1% in 2023).

Templates for the Turnover, CapEx and OpEx KPIs for Taxonomy-eligible, environmentally sustainable, Taxonomy-eligible but not Taxonomy-aligned and Taxonomy non-eligible activities of Redeia

Economic activities	Code	CapEx 2024 (€ 000)	Proportion of CapEx 2024 (%)	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	DNSH criteria (does not significantly harm): Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum guarantees	Proportion of Taxonomy aligned (A1) or eligible CapEx (A.2) – 2023	(E)	(T)
				Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned activities)																			
Management and operation of national electrical infrastructure	4.9 CCM & CCA (a)	1,012,795	96.3%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	95.8%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	4.9 CCM & CCA (a)	1,012,795	96.3%	**96.3%(d)**	0%	0 %	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	95.8%		
Of which enabling		1,012,795	96.3%	96.3%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	95.8%	E	
Of which transitional		0 %	0%	0 %						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned activities)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Management and operation of national electrical infrastructure	4.9 CCM & CCA (a)	6,058	0.6%	**EL**	EL	N/EL	N/EL	N/EL	N/EL								0.7%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		6,058	0.6%	0.6%	100%	0%	0%	0%	0%								0.7%		
Total (A.1 + A.2)		1,018,853	96.9%	**96.9% (c)**	0%	0%	0%	0%	0%								96.5%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Telecommunications – Fibre Optics	-	11,328	1.1%																
Other businesses, Corp. and adjustments	-	21,417	2.0 %																
CapEx of Taxonomy non-eligible activities (B)		32,745	3.1%																
TOTAL (A+B)		1,051,598	100.0%																

Templates for the Turnover, CapEx and OpEx KPIs for Taxonomy-eligible, environmentally sustainable, Taxonomy-eligible but not Taxonomy-aligned and Taxonomy non-eligible activities of Redeia

Templates taken from Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 amending Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for these economic activities.

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:
- Climate change mitigation: CCM.
- Climate change adaptation: CCA.
- Water and marine resources: WTR.
- Circular economy: CE.
- Pollution prevention and control: PPC.
- Biodiversity and ecosystems: BIO.

(b) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.
EL – Taxonomy-eligible activity for the relevant objective.

(c) To avoid double counting, in the cells for "substantial contribution criteria" to climate change mitigation and adaptation objectives for "Total (A1 + A2)", eligibility is presented for the climate change mitigation objective only.

(d) This percentage is calculated based on the contribution of the corresponding column to the total (A+B) in the last row of the table.

(E): Category enabling activity.
(T): Category transitional activity.

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	96.3%	96.9%
CCA	96.3%	96.9%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0% (e)

(e) Within the Management and operation of national and international electricity infrastructure, projects are undertaken for the improvement and recovery of habitats, ecosystems and species, which constitute eligible activities in accordance with Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Commission Delegated Regulation (EU) 2020/852. However, information is not currently available in sufficient detail to be able to account for their key performance indicators.

Note. In the wake of the agreement to sell Redeia's equity interest in Hispasat, S.A., the amounts corresponding to Hispasat have been excluded from the Turnover, CapEx and OpEx denominators for both 2024 and 2023.
Had Hispasat not been reclassified to non-current assets held for sale, the Hispasat business would have accounted for 9.2% of total turnover including the Hispasat subgroup (11.9% in 2023), its CapEx would have accounted for 2.7% of total CapEx including the Hispasat subgroup (13.0% in 2023) and its OpEx would have represented 1.4% of total OpEx including the Hispasat subgroup (1.1% in 2023).

Templates for the Turnover, CapEx and OpEx KPIs for Taxonomy-eligible, environmentally sustainable, Taxonomy-eligible but not Taxonomy-aligned and Taxonomy non-eligible activities of Redeia

				Substantial contribution criteria						DNSH criteria (does not significantly harm)									
Economic activities	Code	OpEx 2024 (€ 000)	Proportion of OpEx 2024 (%)	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum guarantees	Proportion of Taxonomy aligned (A1) or eligible OpEx (A.2) – 2023	(E)	(T)
				Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned activities)																			
Management and operation of national electrical infrastructure	4.9 CCM & CCA (a)	384,081	88.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	89.8%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	4.9 CCM & CCA (a)	384,081	88.0%	**88.0%(d)**	0%	0 %	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	89.8%		
Of which enabling		384,081	88.0%	88.0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	89.8%	E	T
Of which transitional		0%	0%	0 %						Y	Y	Y	Y	Y	Y	Y	0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy aligned activities)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Management and operation of national electrical infrastructure	4.9 CCM & CCA (a)	26,733	6.1%	**EL**	EL	N/EL	N/EL	N/EL	N/EL								4.9%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy -aligned activities) (A.2)		26,733	6.1%	6,1%	0%	0%	0%	0%	0%								4.9%		
Total (A.1 + A.2)		410,814	94.1%	**94,1% (c)**	0%	0%	0%	0%	0%								94.7%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Telecommunications – Fibre Optics	-	25,548	5.9%																
Other businesses, Corp. and adjustments	-	0	0%																
OpEx of Taxonomy non-eligible activities (B)		25,548	5.9%																
TOTAL (A+B)		436,362	100.0%																

Templates for the Turnover, CapEx and OpEx KPIs for Taxonomy-eligible, environmentally sustainable, Taxonomy-eligible but not Taxonomy-aligned and Taxonomy non-eligible activities of Redeia

Templates taken from Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 amending Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for these economic activities.

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:
- Climate change mitigation: CCM.
- Climate change adaptation: CCA.
- Water and marine resources: WTR.
- Circular economy: CE.
- Pollution prevention and control: PPC.
- Biodiversity and ecosystems: BIO.

(b) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.
EL – Taxonomy-eligible activity for the relevant objective.

(c) To avoid double counting, in the cells for "substantial contribution criteria" to climate change mitigation and adaptation objectives for "Total (A1 + A2)", eligibility is presented for the climate change mitigation objective only.

(d) This percentage is calculated based on the contribution of the corresponding column to the total (A+B) in the last row of the table.

(E): Category enabling activity.
(T): Category transitional activity.

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	88.0%	94.1%
CCA	88.0%	94.1%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0% (e)

(e) Within the Management and operation of national and international electricity infrastructure, projects are undertaken for the improvement and recovery of habitats, ecosystems and species, which constitute eligible activities in accordance with Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Commission Delegated Regulation (EU) 2020/852. However, information is not currently available in sufficient detail to be able to account for their key performance indicators.

Note. In the wake of the agreement to sell Redeia's equity interest in Hispasat, S.A., the amounts corresponding to Hispasat have been excluded from the Turnover, CapEx and OpEx denominators for both 2024 and 2023.

Had Hispasat not been reclassified to non-current assets held for sale, the Hispasat business would have accounted for 9.2% of total turnover including the Hispasat subgroup (11.9% in 2023), its CapEx would have accounted for 2.7% of total CapEx including the Hispasat subgroup (13.0% in 2023) and its OpEx would have represented 1.4% of total OpEx including the Hispasat subgroup (1.1% in 2023).

Nuclear energy related activities

1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

Fossil gas related activities

4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

11.2.2 ESRS E1 – Climate change

Redeia is required to report climate change related information under the Taxonomy Regulation (EU) 2020/852. This information is presented in section 2.1 *Information related to the European Union Taxonomy* of this report.

11.2.2.1 Governance

a. Integration of sustainability-related performance in incentive schemes **/ ESRS 2 GOV-3**

The remuneration system for Redeia's CEO and senior management includes fixed and variable components, the latter being both short and long term, aligned with the Group's targets and strategies. The annual variable remuneration of the CEO is based on a combination of predetermined and quantifiable corporate targets measured at the Group level, which account for 75% of his total annual variable remuneration, and the achievement of managerial targets linked to Redeia's businesses, which account for 25% of his total annual variable remuneration. These managerial targets include a target linked to sustainability, which has been assigned a weighting of 15% and is pegged to the degree of progress made towards the 2023-2025 Sustainability Plan, to the success in reducing emissions in accordance with the targets set for 2030, and to the Company continuing to feature on the most relevant sustainability indices. Moreover, 35% of the incentive is linked to energy transition activities in Spain. The multi-year variable remuneration is linked to the targets set out in the 2021-2025 Strategic Plan, with 75% of the targets relating to Sustainability (ESG).

11.2.2.2 Strategy

a. Transition plan for climate change mitigation **/ E1-1**

Redeia, mainly through its activities in the electricity business, is a key and proactive agent in the energy transition towards a zero emissions model, the main elements of which should be: the electrification of the economy, the full integration of renewable energy into the energy mix, and efficiency, while always ensuring the security of supply. Furthermore, the Group's activities in developing telecommunications to make further progress towards digitalisation and connectivity can also make a significant contribution to the ongoing process of decarbonising society. Redeia's activities are therefore key to achieving the climate and energy objectives in Spain and Europe, both in the medium (2030) and long term (climate neutrality by 2050). This position is reflected in the Group's Strategic Plan 2021-2025, the mainstay of which is to make the energy transition happen in Spain by championing the green and digital transition.

In 2011, Redeia embraced a public and voluntary commitment to combat climate change, which was approved by the Board of Directors (the latest version of this commitment was approved in May 2023). This commitment is embodied in the ultimate goal of achieving net zero emissions by 2050, with emission reduction targets aligned with the global ambition of limiting the average temperature increase to 1.5 °C, in line with the Paris Agreement and as set out in the Group's various action plans. Redeia's emission reduction targets have been approved by the Science Based Targets initiative (SBTi).

Redeia has a transition plan that envisions both climate change mitigation and climate change adaptation actions (Net Zero Transition Plan). The plan is closely integrated and harmonised with the Company's overall strategy and financial planning and is publicly available on its website. The plan contains a set of specific commitments and targets to reduce greenhouse gas (GHG) emissions and become carbon neutral by 2050. The specific actions aimed at achieving the medium-term objectives are set out and detailed in the Climate Change Action Plan (the 2021-2030 Plan is currently in force), which is updated periodically to reflect strategic or technical changes and is approved by senior management (Executive Committee) and reviewed at least annually to ensure compliance.

The **Climate Change Action Plan (CCAP)** is divided into four main blocks: (A) Contribution to a sustainable energy model, (B) Carbon footprint reduction, (C) Adaptation to climate change, and (D) Positioning and dissemination.

Of these four blocks, two refer to climate change mitigation and further break down as follows:

A. **Contribution to a sustainable energy model:** actions relating to Red Eléctrica's activity as operator and transporter of electricity and needed to achieve the targets of integration of renewable energies (74% in the electric energy mix by 2030; updated to 81% in 2024) and reduction of emissions under the NECP.

- Development of infrastructure to enable the electrification of the economy, connection of new renewable power, reduction of technical restrictions, and power supply to the railway network. Highlights include the international and inter-island electrical interconnections to ensure an uninterrupted supply of power, given the intermittent nature of renewable generation.

- Maximum integration of renewable energies into the electricity system by optimising system operation and the performance of the Renewable Energy Control Centre (CECRE), to be achieved by improving forecasting tools, integrating more distributed generation and developing energy storage systems that will allow for the integration of renewable energies, thus ensuring the security of the system.

- Furthering efficient grid management by fostering technological innovation (smart grids and digitalisation), incorporating new elements and services, and applying new flexibility measures.

B. **Carbon footprint reduction:** actions to achieve the Company's emissions reduction targets. (The specific targets set for the medium and short term are described in the section *Targets related to climate change mitigation and adaptation*: **E1-4 / MDR**-)

- Reduction of SF_6 and other fluorinated emissions (Scope 1): Redeia's main source of direct emissions is SF_6, associated with small equipment leaks and accidents or breakdowns. While numerous steps have been taken to reduce these emissions, a substantial reduction is not expected over the 2030-2050 horizon, due to the age of the equipment and the amount of gas installed. However, this does not jeopardise compliance with the Company's emission reduction targets, as they have been set taking these assumptions into account. No locked-in GHG emissions from the Group's assets and activities have been considered.

- Leak prevention, detection and control.
- Renewal of equipment.
- Limiting growth in installed gas. Promoting and developing alternatives to the use of gas (Horizon 2030) until it is complete discontinuation in the long term.
- Reducing the use of fluorinated gases for air conditioning.

• Reducing energy consumption and related emissions (Scopes 1 and 2):

- Increased use of renewable energy.
- Implementing energy efficiency measures.
- Reducing the use of fossil fuels: fostering sustainable mobility and alternatives to the use of generators.
- Reducing emissions from transmission grid losses by actively working to increase the share of renewable energy in the electricity mix (Scope 2).

• Reducing emissions along the supply chain (Scope 3):

- Collaboration programmes with suppliers to encourage them to set reduction targets aligned with the SBTi and to make further progress in curbing their emissions.
- Sustainability criteria in facility design and procurement decisions.

• Emissions offsets:

- Redeia Forest Project.
- Purchasing of carbon credits in the voluntary market.
- Development of other nature-based projects (Horizon 2050).

The quantitative emission reduction contributions of these levers are described below in section 2.2.4 *Metrics and targets* of this report.

Redeia has made several significant advances in implementing its transition plan:

A. Contribution to a sustainable energy model

Development of infrastructure

The Electricity Plan (2021-2026), which envisions an investment of 6,964 million euros, is the strategic instrument for developing the infrastructure needed to achieve the energy transition objectives in Spain.

Notably, the Company has been making significant progress in implementing the infrastructure contemplated therein. In 2024, a combined investment in the transmission network of 976.3 million euros was made.

Integration of renewables

In recent years, Red Eléctrica has successfully faced the challenge of integrating a formidable contingent of new renewable power. Its installed renewable power capacity in 2024 grew by a further 5.9 GW, to reach 83.7 GW of renewable generation sources in the Spanish electricity system, accounting for 64% of its total installed capacity.

To allow for the safe operation of an electricity system with such a high penetration of renewable energies, Red Eléctrica's Renewable Energy Control Centre (CECRE) plays an essential role in controlling and monitoring the system.

In 2024, new all-time peaks were recorded for instantaneous power, hourly energy, daily energy and coverage of instantaneous demand with photovoltaic production for the three systems operating in Spain (mainland, Balearic Islands and Canary Islands), along with several other all-time highs such as daily energy with wind power production on the mainland, or coverage of demand with renewables in the Balearic Islands.

In 2024, 56.8% of the energy generated in the national electricity system came from renewable sources.

Efficient grid management

Red Eléctrica, as system operator, works actively to promote, develop and disseminate actions to improve and evolve the way the system currently works, by making it smarter:

- Development of tools for system operation, based on digitalisation and the use of emerging technologies (27 R&D projects under way in 2024).

- Development of demand forecasting initiatives, electricity planning, system controllability and the availability and management of better quality information to support system operations.

- Development of balancing services and active demand response:

- 17 service providers balance active demand response, with a total capacity of 609 MW.

- 762 installations and 38,787.2 MW enabled under the automatic power reduction service.

B. Carbon footprint reduction

- Scope 1 and 2 emissions in 2024 were down 34% compared to 2019, to reach 62% of the target for 2030 (55% reduction compared to 2019). Moreover, all the Scope 1 emissions that cannot be reduced are offset.

- In relation to Scope 3 emissions, no progress has been made so far toward the emission reduction target, as the positive results of the actions being undertaken are not expected to materialise in the short term (from 2030 onwards).

The actions being taken to reduce the carbon footprint, as well as the concrete reductions achieved in each case, are described in section 2.2.3 *Impact, risk and opportunity management; (c) Actions and resources in relation to climate change policies.*

The activities of Red Eléctrica, which carries out Redeia's core business, comply with the technical screening criteria of substantial contribution to the climate change mitigation and adaptation objectives, and are 100% aligned with the EU Taxonomy. They account for 87.5% of Redeia's turnover. Given this circumstance, it is not considered necessary to bring the Company's economic activities in line with the criteria set out in Delegated Regulation (EU) 2021/2139, nor have any objectives or plans been established along these lines.

Moreover, the Company does not need to draw up a transition plan under the framework of this regulation.

However, as mentioned earlier, Redeia does have a transition plan (commitment, objectives and action plans) with the aim of making further progress in the fight against climate change and reducing the emissions produced by its activities. While no specific information is available on the subject of investment and funding supporting the implementation of the plan, the information disclosed in section 2.1 *EU Taxonomy information* of this report provides a broader picture of the situation by breaking down the CapEx and OpEx percentages linked to the Taxonomy objectives and showing the relevant investment figures.

No significant amounts of CapEx relating to coal, oil and gas economic activities related to NACE code D.35.1 – Electric power generation, transmission and distribution were set aside in 2024.

Redeia does not qualify for exclusion from the EU Paris-aligned benchmarks (PABs). These benchmarks include companies that meet strict sustainability and carbon reduction criteria and exclude those that do not.

According to Article 12 of Delegated Regulation (EU) 2020/1818, companies deriving 50% or more of their revenues from electricity generation with a GHG intensity above 100 g CO_2/kWh should be excluded from these benchmarks. Since Redeia is exclusively engaged in the transmission of electricity and does not obtain revenues from electricity generation, it does not qualify for this exclusion.

b. Material impacts, risks and opportunities and their interaction with strategy and business model **ESRS 2 / SBM-3**

Material climate-related events, risks and opportunities have, or could have, an impact on Redeia's business model.

Redeia has conducted an analysis to gauge the resilience of its business model in relation to climate change, considering various time horizons and climate scenarios.

The findings of the resilience analysis have been incorporated into the Company's strategy (policy definition/review, planning —including financial planning— and decision-making). This is reflected in its Strategic Plan and other commitments, such as the Climate Change Commitment and the Climate Change Action Plan.

According to the resilience analysis, which includes an assessment of incidents (impacts) and an assessment of risks and opportunities (which considers the Company's capacity to adapt to them), no negative incidents or risks were identified that could have a significant impact on the Company's business or financial statements (none of them would represent an impact of more than 1.5% of Redeia's annual earnings) under any of the scenarios analysed (including a scenario of global warming of less than 2 °C – NZE). This demonstrates that as an organisation Redeia is resilient to climate change. By monitoring impact indicators, continuing to run its climate risk control and management system, and incorporating the findings into its strategy (policies and action plans), Redeia is able to react in the event of any negative incidents, while also anticipating potential impacts and maintaining the Company's ability to adapt swiftly.

Impacts

Impact	Location in the value chain	Positive / Negative	Current / Potential	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	How the impacts affect people and the environment	How the impact interacts with the strategy and business model	Link between impacts and business activities and relationships	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Adapting the electricity system infrastructure for climate change.	Group-wide	P	Current	S,M,L	Redeia's own operations (construction of new infrastructure and meshing of the transmission grid) make a significant contribution to making the electricity system (and society as a whole, by extension) more resilient vis-a-vis adverse climate phenomena and changes in electricity generation/demand derived from climate change. In addition, Redeia identifies and assesses the risks associated with climate change considering short, medium and long-term horizons, defining the adaptation measures needed for each horizon. Adaptation of the infrastructure of Red Eléctrica (specifically) not only favours the adaptation of its own operations, but it also helps make the overall electricity system more resilient.	Security of electricity supply	Electricity system more resilient to adverse weather events or changes in generation/ demand owing to climate change	This impact is linked to the activities to develop the transmission network	The aspects linked to this impact are directly integrated in Redeia's Strategic Plan
Adapting electricity system operations for climate change.	Cross-cutting	P	Current	S,M,L	Redeia has developed system operation tools, adapting them for the most stringent monitoring and control requirements, and has designed a number of renewable generation prediction models and mechanisms for catering to demand more flexibly that contribute to the resilience of the electricity system (and thereby of society as a whole) vis-a-vis adverse climate phenomena and/or changes in climate parameters that could affect electricity generation, transmission or demand.	Security of electricity supply	Development of system operation tools, adapting them to the most stringent requirements	This impact is linked to Redeia's activities in operating the electricity system	The aspects linked to this impact are directly integrated in Redeia's Strategic Plan
Emissions savings in the electricity system.	Cross-cutting	P	Current	S,M,L	Facilitation of the integration of renewable energy implies a reduction in emissions across the electricity system as a whole.	Emission reductions	Development of system operation tools, adapting them to the most stringent requirements	This impact is linked to Redeia's activities in operating the electricity system and developing the transmission grid	The aspects linked to this impact are directly integrated in Redeia's Strategic Plan
Direct GHG emissions (Scope 1).	Own operations	N	Current	S,M,L	In the case of REDEIA, the main source of GHG emissions are SF6 gas leaks at its own facilities. The rest of its Scope 1 emissions stem from its fleet of vehicles, the use of air conditioning and heating at its facilities and back-up generators.	Generation of greenhouse gas emissions	Developing emission reduction levers	This impact is linked to all of Redeia's business activities	The aspects linked to this impact are directly integrated in Redeia's Strategic Plan

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

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Impacts / continued

Impact	Location in the value chain	Positive / Negative	Current / Potential	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	How the impacts affect people and the environment	How the impact interacts with the strategy and business model	Link between impacts and business activities and relationships	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Indirect GHG emissions (Scope 2).	Direct and indirect suppliers and own activity	N	Current	S,M,L	Scope 2 emissions are the indirect greenhouse gas emissions associated mainly with energy losses from the transmission grid and the electricity consumed by the organisation.	Generation of greenhouse gas emissions	Developing emission reduction levers	This impact is linked to all of Redeia's business activities	The aspects linked to this impact are directly integrated in Redeia's Strategic Plan
GHG emissions along the supply chain (Scope 3).	Direct and indirect suppliers	N	Current	S,M,L	Scope 3 emissions are those generated by Redeia's value chain.	Generation of greenhouse gas emissions	Developing emission reduction levers	This impact is linked to all of Redeia's business activities	The aspects linked to this impact are directly integrated in Redeia's Strategic Plan
Integration of renewable energy into own operations in the electricity system.	Own operations	P	Current	S,M,L	Redeia participates actively in the energy transition towards an emissions-free model by committing strategically to the electrification of the economy and efficient integration of renewable energy sources.	Emission reductions related to the integration of renewable energies	Integration of renewable energies	This impact is linked to Redeia's activities in operating the electricity system and developing the transmission grid	The aspects linked to this impact are directly integrated in Redeia's Strategic Plan
Consumption of energy from non-renewable sources in Redeia's own operations.	Own operations	N	Current	S,M,L	Consumption of energy from non-renewable sources in Redeia's own operations.	Consumption of energy from non-renewable sources in Redeia's own operations.	Developing emission reduction levers	This impact is linked to all of Redeia's business activities	The aspects linked to this impact are directly integrated in Redeia's Strategic Plan
Energy consumed in Redeia's own operations (indirect): transmission grid losses.	Own operations	N	Current	S,M,L	Transmission Grid Losses: electricity consumption that contributes to resource waste and pollution associated with additional electricity production.	Electricity consumption that contributes to waste of resources and pollution associated with additional electricity production	Monitoring of transmission losses	This impact is linked to Redeia's activities in operating the electricity system and developing the transmission grid	The aspects linked to this impact are directly integrated in Redeia's Strategic Plan

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

Risks

Description of the cause of the risk	Position in the value chain	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	Current financial effects arising from risks.	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Damage caused to overhead power lines by extreme winds.	Own operations & Customers and end-users	S,M,L	Higher maintenance costs, disruption to the electricity supply and reputational impact associated with power outages.	Effect on cash flows and on Redeia's development and position.	The aspects linked to this risk are directly integrated into Redeia's Strategic Plan.
Fire damage to power lines and substations.	Own operations & Customers and end-users	S,M,L	Increased maintenance costs, disruption to electricity supply and reputational impact associated with power outages. Damage caused to third parties or the environment due to fire.	Effect on cash flows and on Redeia's development and position.	The aspects linked to this risk are directly integrated into Redeia's Strategic Plan .
Damage to outdoor transmission grid infrastructure caused by high temperatures.	Own operations	L	Increased costs of repairing and replacing equipment and shorter useful life. Increased cost of equipment due to design modifications to increase resilience.	Effect on cash flows and on Redeia's development and position.	The aspects linked to this risk are directly integrated into Redeia's Strategic Plan.
Decline in water availability for hydroelectric generation.	Own operations & Customers and end-users	L	Impact on the functioning of the electricity system, reduced power generation availability, lack of firm capacity and lack of resources for pumping (flexibility mechanism).	Effect on Redeia's development and position. This risk has no financial impact for the Company.	The aspects linked to this risk are directly integrated into Redeia's Strategic Plan.
Lower efficiency of PV generation due to rising temperatures.	Own operations & Customers and end-users	M,L	Impact on the functioning of the electricity system due to lower power generation availability.	Effect on Redeia's development and position. This risk has no financial impact for the Company.	The aspects linked to this risk are directly integrated into Redeia's Strategic Plan.
Increased absenteeism associated with climate change.	Own operations	L	Availability of personnel to carry out the work.	Effect on Redeia's development and position.	The aspects linked to this risk are directly integrated into Redeia's Strategic Plan.
Insufficient information for the real-time operation of the system due to an increase in renewable generation facilities with outputs below 1 MW (current observation threshold set by the System Operator).	Own operations & Customers and end-users	M,L	Greater difficulty in operating the system, resulting in a heightened risk of operational incidents that could affect supply, thus leading to higher operating costs and possible reputational impacts.	No financial effects associated with the risk have been identified.	The aspects linked to this risk are directly integrated into Redeia's Strategic Plan.
Power disconnections due to a prevalence of renewable energy facilities within the power mix without the technical capabilities needed to cope with disturbances.	Own operations & Customers and end-users	S,M	Greater difficulty in operating the system, resulting in a heightened risk of operational incidents that could affect supply, thus leading to higher operating costs and possible reputational impacts.	No financial effects associated with the risk have been identified.	The aspects linked to this risk are directly integrated into Redeia's Strategic Plan.

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

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Risks / continued

Description of the cause of the risk	Position in the value chain	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	Current financial effects arising from risks.	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Additional restrictions on renewable energy production and incidents that could affect supply security in the Canary Islands, due to the significant rise in the share of renewable energies in the energy mix forecast for future years.	Own operations & Customers and end-users	S,M,L	Greater difficulty in operating the system, resulting in a heightened risk of operational incidents that could affect supply, thus leading to higher operating costs and possible reputational impacts.	No financial effects associated with the risk have been identified.	The aspects linked to this risk are directly integrated into Redeia's Strategic Plan.
Loss of firm generation performance due to the closure of conventional power plants (coal, combined cycle, nuclear).	Own operations & Customers and end-users	M,L	Increased difficulty in system operation: reduction in both firm capacity and balancing capacity and heightened risk of operational incidents that may affect the supply. This might produce reputational impacts.	No financial effects associated with the risk have been identified.	The aspects linked to this risk are directly integrated into Redeia's Strategic Plan.
Threats to cybersecurity in an increasingly digitalised system.	Cross-cutting	S,M,L	Fines and penalties arising from data loss, leading to reputational damage and recovery costs.	Impact on cash flows, Redeia's development and position, access to finance, and cost of capital.	The aspects linked to this risk are directly integrated into Redeia's Strategic Plan

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

Opportunities

Description of the cause of the opportunity	Position in the value chain	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	Current financial effects that arise from opportunities	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Development of the existing grid: integration of new renewable energy capacity, interconnections, high-speed trains and support for the increased electrification of society (investment in lines, substations, interconnections, protection systems and other network infrastructure control and monitoring equipment).	Own operations & Customers and end-users	S,M,L	Contribution to security of supply and therefore reputation. Increased revenues relating to remuneration on new assets.	Impact on cash flows, Redeia's development and position, access to finance, and cost of capital.	The aspects linked to this opportunity are directly integrated into Redeia's Strategic Plan.
Development of storage in non-mainland systems.	Own operations & Customers and end-users	M,L	Contribution to security of supply and enhanced reputation. Increased revenues associated with new projects.	Effect on cash flows and on Redeia's development and position	The aspects linked to this opportunity are directly integrated into Redeia's Strategic Plan.
Reputational improvement associated with climate change performance.	Own operations	S,M	Access to capital.	Impact on access to finance and cost of capital.	The aspects linked to this opportunity are directly integrated into Redeia's Strategic Plan.

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

Climate change adaptation

Impacts

1. Adapting the electricity system infrastructure for climate change

Redeia's own operations (construction of new infrastructure and meshing of the transmission grid) make a significant contribution to making the electricity system more resilient vis-a-vis adverse climate phenomena and changes in electricity generation/demand derived from climate change.

Moreover, actions aimed at making electricity system infrastructure more resilient to adverse weather events also have a positive impact on the resilience of the system as a whole.

It is a current impact, with a short-, medium- and long-term time horizon.

2. Adapting the operation of the electricity system to climate change

Redeia has developed cutting-edge technology for operating the system, including renewable generation forecasting models and demand flexibility mechanisms. These tools allow for closer monitoring and control, thus making the electricity system more resilient to adverse weather events and changes in climate parameters that could affect power generation, transmission and demand. This impact is positive and current, with a short-, medium- and long-term horizon.

In relation to the incidents described, the increased resilience of the transmission grid and electricity system has a positive impact both on the Company's business and more broadly on the value chain, including society as a whole. The positive impact on people was a highlight (no material impacts on the environment were detected), as a more resilient electricity system helps to ensure the continuity and stability of supply, with all that this entails.

The group has weighed up the relative importance of this impact, given the need to maintain the operability and efficiency of the electricity system under changing climatic conditions. The Company has included adaptation as one of the pillars of its Climate Change Commitment, which will take place by identifying and assessing the risks associated with climate change at different horizons and defining adaptation measures/plans where necessary. More precisely, the Company is working to have an increasingly meshed grid and to adapt both the infrastructure and the operation of the system to the new requirements imposed by climate change. It was not considered necessary to change the business model.

Risks

1. Damage caused to overhead power lines by extreme winds

Sections of overhead power lines can sustain damage and even collapse where extreme events exceed the maximum wind parameters for which the lines were designed.

This risk affects both Redeia's own activity and that of its customers and users (social ecosystem) in the short, medium and long term. The main current and expected effects arising from this risk are: damage to infrastructure; impact on the supply of electricity; higher maintenance costs (repair costs) or costs associated with fines/compensation and possible reputational impact due to supply disruption.

The Company has implemented various mitigation actions to reduce this risk: projects to improve and enhance transmission network facilities, contingency plans and insurance policies. A particular highlight in the period was the drafting of a wind map identifying expected winds at different geographical locations, as a valuable input when undertaking new projects (selecting suitable sites and ensuring robustness support elements) and in relation to the maintenance of existing assets (maintenance plans and reinforcement of facilities). The cost of these additional (future) measures has yet to be determined. No changes in the business model have been foreseen to address this risk.

The financial impacts of the risk are estimated considering the implementation of mitigation actions and are determined for different time horizons (current, short, medium and long term) and climate scenarios. In all cases, it was determined that the annual impact of this risk would be less than 1.5% of the Company's profit for the year, so it is not considered to have a material impact on the Company's financial position, financial performance or cash flows over the periods and scenarios studied.

On this basis, it can be said that the strategy and business model are resilient to this risk.

2. Fire damage to power lines and substations:
Temperature changes, dry soil and water scarcity cause greater desiccation of vegetation, increasing the risk of fire that could severely affect facilities (substations and lines). The risk refers both to fires that may be caused by Red Eléctrica's own facilities and those resulting from other factors.

This risk, which remains a threat in the short, medium and long term, affects both Redeia's own activity and that of its customers and users. It can also endanger people and the natural environment. The main current and/or expected effects are: damage to infrastructure; impact on the supply of electricity, possible impact on third parties or the environment, increased costs (due to facility repair and maintenance, fines or compensation) and reputational damage.

The Company has taken various steps to reduce and mitigate this risk, including: establishing and maintaining firebreaks around power lines, fire prevention and response actions, R&D projects for the early detection of fires, and insurance policies. No changes in the business model have been foreseen to address this risk.

The financial impacts of the risk are estimated considering the implementation of mitigation actions and are determined for different time horizons (current, short, medium and long term) and climate scenarios. In all cases, it was determined that the annual impact of this risk would be less than 1% of the Company's profit for the year, so it is not considered to have a material impact on the Company's financial position, financial performance or cash flows over the periods and scenarios studied.

In view of these considerations, it can be said that the Company's strategy and business model are resilient to this risk.

3. Damage caused to outdoor transmission grid equipment due to high temperatures:
Rising average temperatures can affect outdoor equipment, affecting both its performance and its service life.

This risk affects Redeia's own activities and has a long-term time horizon. Notably, this could lead to higher costs due to repair and refurbishment work, increased capital investments to renew existing equipment in the event that it breaks down, and higher installation costs for new equipment if the Company has to change its technical specifications. In more extreme cases, this risk could even threaten the supply of electricity. Aside from insurance policies (currently in progress), the Company plans to conduct a detailed review of the technical specifications (design) of the equipment and to respond to additional technical requirements where this proves necessary (measure under development). As this is a risk that will materialise in the long term, work is now under way to quantify the expected financial impacts, which will likely have to do with the need to adapt existing infrastructure. These impacts could be considerable in a worst-case scenario. No changes in the business model have been foreseen to address this risk.

The strategy and business model are considered to be resilient to this risk.

4. Decline in water availability for hydroelectric power generation:
Changes in rainfall patterns and increased evaporation could affect the availability of water resources, thus impairing hydro power generation. This could cause problems due to the resulting lack of available firm capacity and also because of the lack of hydro power resources (considering also the role of pumping as a mechanism for system flexibility), thus complicating the functioning of the electricity system.

This risk affects Redeia's own activity and that of its customers and users, in both cases over a medium- and long-term horizon. The main risk associated with a lack of water resources is that it can affect the supply of electricity, which could be significant in the long term and under a highly adverse climate scenario.

This risk has no financial impact for the Company.

Mitigating actions would include an improvement of forecasting systems, the availability of alternatives to meet demand and the development of flexibility mechanisms. Not all of these actions are down to Redeia, as other agents are needed to carry them out.

Despite this circumstance, the strategy and business model are considered to be resilient to this risk.

5. Lower efficiency of PV generation due to rising temperatures:
Higher ambient temperatures make photovoltaic panels less efficient.

This risk affects Redeia's own activity and that of its customers and users, in both cases over a medium- and long-term horizon. It is likely that, in the medium to long run, by which time solar PV generation will carry a very significant weight within the wider energy matrix, the operation of the electricity system may have to contend with lower power generation availability.

This risk has no financial impact for the Company.

Mitigating actions would include an improvement of forecasting systems, the availability of alternatives to meet demand and the development of flexibility mechanisms. Not all of these actions are down to Redeia, as other agents are needed to carry them out.

Despite this circumstance, the strategy and business model is considered to be resilient to this risk.

6. Increased absenteeism associated with climate change
This relates to the risk of an increase in the rate of absenteeism from work due to the direct and indirect consequences of climate change, as health has a lot to do with the prevailing climate. On this point, climate change has a twofold effect: firstly, it changes the severity and frequency of related health problems and, secondly, it has given rise to an unprecedented number of new health concerns, diseases or threats where they did not previously exist.

This risk has a transversal impact and is a long-term concern. Increased absenteeism can affect productivity and operating costs, with financial implications. As this is a risk that will materialise in the long term, work is now under way to quantify the expected financial impacts. Reputational damage may also materialise if the Company fails to put in place the necessary workplace wellness strategies.

Measures to counter this risk include the development and consolidation of health and wellness policies and the need to define and implement structural changes in human resources policies and working practices to adapt to chronic absenteeism.

The strategy and business model are considered to be resilient to this risk.

Climate change mitigation

Impacts

1. Emissions savings in the electricity system

Red Eléctrica's activities as transmission agent and operator of the electricity system are essential for the transition to an emission-free energy model by contributing to electrification and working to achieve the maximum possible integration of renewable energies into the electricity mix.

This impact extends all along the value chain. It is a current impact, with short-, medium- and long-term effects. It has positive effects for both the natural environment and people, owing to the significant savings that can be achieved in greenhouse gas emissions within the wider electricity system.

This impact is fully linked to the Company's business model and strategy, as it is a direct product of Redeia's activities.

2. Direct GHG emissions (Scope 1)

The main source of direct greenhouse gas (GHG) emissions is the leakage of SF_6 gases in Redeia's own installations. Scope 1 emissions also stem from its fleet of vehicles and from the use of air conditioning and heating at its facilities and back-up generators.

These emissions are a current negative impact, with a short-, medium- and long-term horizon (although the impact is likely to be considerably lower in the long term), resulting from the Company's own actions.

To mitigate this negative impact, the Company has set itself ambitious emission reduction targets and defined the levers and actions to achieve them. Both the objectives and the actions needed to achieve them are set out in the Climate Change Action Plan (CCAP).

It is considered that the Company's strategy and business model afford it the adaptive capacity needed to cope with this impact.

3. Indirect GHG emissions (Scope 2)

Scope 2 emissions are the indirect greenhouse gas emissions associated mainly with energy losses from the transmission grid and the electricity consumed by the organisation.

These emissions are a current negative impact, with a short-, medium- and long-term horizon (although the impact is likely to be considerably lower in the long term), resulting from both the Company's own actions and those of other actors present along the value chain (suppliers and producers of electricity).

To mitigate this negative impact, the Company has set itself ambitious emission reduction targets and defined the levers and actions to achieve them (both the objectives and the actions needed to achieve them are set out in the Climate Change Action Plan (CCAP)).

It is considered that the Company's strategy and business model afford it the adaptive capacity needed to cope with this impact.

4. GHG emissions along the supply chain (Scope 3)

Scope 3 emissions are those generated along Redeia's value chain, mainly from direct and indirect suppliers. These indirect emissions result mainly from activities such as the production of goods and services purchased by the organisation.

These emissions are a current negative impact, with a short-, medium- and long-term horizon (although the impact is likely to be considerably lower in the long term).

This negative impact is addressed through emission reduction targets and actions to achieve them, as set out in the Climate Change Action Plan (CCAP).

It is considered that the Company's strategy and business model afford it the adaptive capacity needed to cope with this impact.

Risks

1. Insufficient information for the real-time operation of the system:
To bring about an effective increase in installed renewable generation capacity in the system, existing management processes and systems must be adapted to meet more stringent monitoring and control requirements. The increase in generation facilities with an installed capacity below the system operator's observation and controllability threshold (mainly self-consumption facilities) entails greater uncertainty because there is no way of reliably knowing how much power they produce, which poses a risk to the secure operation of the electricity system.

This is a medium- and long-term risk and affects Redeia's own operations and those of its customers and users.

The main impact would likely affect the supply of electricity, which could in turn cause reputational damage.

A monetisation exercise to determine the effects of this risk over the identified horizons and scenarios did not reveal any significant financial impacts associated with this risk (no material impact on financial position, financial performance or cash flows).

2. Power outages due to high penetration of renewable energies:
The high penetration of renewable generation without the necessary technical capabilities in place to keep them operating properly in the event of a disturbance (small generators or self-consumption generators) can cause power generation outages, which could be severe in some cases, thus disturbing the generation-demand balance and significantly affecting the supply of electricity and, indirectly, the Company's reputation.

A monetisation exercise to determine the effects of this risk over the identified horizons and scenarios did not reveal any significant financial impacts associated with this risk (no material impact on financial position, financial performance or cash flows).

This risk has been found to exist for the short and medium term. It affects both own operations and those of customers and users.

3. Further Increased restrictions on renewable production and incidents that could affect security of supply in the Canary Islands:
The Canary Islands' electricity system is made up of several isolated systems, in which a highly significant increase in the penetration of non-manageable generation is foreseen (expected to rise from 17% to over 50% by 2030). This relates to risks 5 and 6 in the specific case of the Canary Islands.

The risk arises from the fact that this increased penetration of non-manageable generation is hard to deal with from a technical standpoint, possibly resulting in the system operator having to limit the maximum production of these facilities over supply security concerns, which would mainly impact the Company's reputation.

Moreover, failure to respond adequately to these security-side issues by the system operator could lead to incidents involving a loss of supply, leading to possible financial losses due to claims for Energy Not Supplied (ENS). However, our analysis of the financial impacts over the time horizons and scenarios considered (monetisation of impacts) revealed that these would not be significant (no substantial impact on financial position, financial performance or cash flows).

This risk has been found to exist over a short-, medium- and long-term time horizon and affects both own operations and those of customers and users.

The measures to address risks 5, 6 and 7 are common: tools for system operation and safe integration of renewable energies (Renewable Energy Control Centre, CECRE), developing and improving renewable generation forecasting models, strengthening monitoring and control systems at existing facilities, readying the grid for the high integration of renewables expected down the line, incorporating new elements such as synchronous condensers or storage infrastructure in the electricity systems of non-mainland territories. Many of these measures, and others aimed at achieving a greater penetration of renewable production, will require regulatory development.

It is considered that the Company's strategy and business model provide the necessary adaptive capacity to address this impact. However, as just noted, this capacity depends to a large extent on regulatory developments that cannot be carried out by Redeia alone but require other actors in the electricity system to play their part.

4. Loss of firm generation performance due to the closure of conventional power plants (coal, combined cycle, nuclear):
The closure of conventional generation plants such as coal, combined cycle and nuclear (in response to regulatory requirements) leads to a reduction in the firm generation and balancing capacities of the electricity system, as well as its strength and inertia.

This increases the risk of operational incidents that could affect supply and damage the Company's reputation. This carries a risk over a short- to medium-term horizon. It affects both own operations and those of customers and users.

A monetisation exercise to determine the effects of this risk over the identified horizons and scenarios did not reveal any material financial impacts for the Company (no material impact on financial position, financial performance or cash flows).

Several actions or measures have been identified to address this risk: strengthening international interconnections, commissioning storage systems, developing the technology for power electronic converters and other technologies that will enable renewable generation to fortify and satisfy the needs of the inertia system, or promoting flexibility mechanisms and smart grids.

It is considered that the Company's strategy and business model provide the necessary adaptive capacity to address this impact. However, this capacity depends to a large extent on regulatory developments or technological developments that cannot be carried out by Redeia alone but require other actors in the electricity system to play their part.

5. Threats to cybersecurity in an increasingly digitalised system:
A more decarbonised energy system must be predicated on further digitalisation. The existence of significant digitisation and increased connectivity inevitably means exposure to the risk of attack or some other incident affecting IT systems and digital environments.

The materialisation of this risk could affect both the supply of electricity and entail costs and reputational damage. It is a short-, medium- and long-term risk and exists all along the value chain, as it could affect the Company or any other agent present within the electricity system.

The risk could have financial implications in both the medium and long run. The Company is currently working to calculate the monetary impact.

As for the actions being taken to mitigate this risk, the Company has taken steps to protect against cyber-attacks, which have proven effective so far. However, we have identified the need for intensive technology watch and further regulatory development along these lines.

It is considered that the Company's strategy and business model provide the adaptive capacity needed to cope with this impact.

Opportunities

1. Development of the existing grid:
Here we are talking about the opportunity to build new infrastructure to enable the energy transition (integration of new renewable power, interconnections and support for the electrification of society).

It will have a positive impact along the value chain of the activity, as a core part of the Company's business model, and on customers and users, people (society as a whole) and the natural environment. It is viewed as a short-, medium- and long-term opportunity.

Further developing the transmission network will improve the Company's business by contributing to security of supply and enhancing its reputation.

To unlock this opportunity, the 21-25 strategic plan prioritises energy transition. To succeed, the further development of transmission infrastructure is hugely important.

The financial impact of this opportunity is highly significant, meaning higher revenues due to the remuneration earned by the new assets. Considering the infrastructure envisioned in the 21-26 Electricity Plan (as reflected in the Strategic Plan), the impact of this opportunity has been estimated at 10% to 20% of annual earnings. This financial impact has already materialised.

Redeia's strategy and business model are fully geared towards seizing this opportunity.

2. Development of storage in non-mainland systems:
Redeia has identified an opportunity relating to the further development of island storage systems, which will make the Company better able to integrate renewable energies and provide the island systems with greater flexibility and security.

The impact exists along the value chain in relation to the Company's own activity and that of its customers and users and is considered an opportunity in the medium and long term.

The further development of storage systems will have a positive impact on the wider electricity system (impact on supply), while also improving the Company's position within the sector and enhancing its reputation in terms of sustainability.

The financial impact of this opportunity is considered significant and relates to the revenues that will flow from the new storage infrastructure. This impact has not yet materialised and is expected to peak in the long term. The Company is currently working to calculate the monetary impact.

It is considered that the Company will be able to tap this opportunity based on its current strategy and business model.

3. Reputational improvement associated with climate change performance:
Redeia can enhance its reputation by doing an outstanding job when it comes to climate change mitigation and adaptation. This could facilitate

access to capital and improve the Company's market position, with positive impacts in terms of financing, heightened investor interest and a better perception in the public eye.

This opportunity relates to the Company's own business and will materialise over the short and medium term.

This opportunity is expected to have a significant positive impact.

The Company's strategic plan incorporates and prioritises climate change issues: it establishes energy transition as a priority and sustainability as a strategic pillar. Redeia also has a climate change commitment and action plan to boost its performance when it comes to climate change mitigation and adaptation.

It is considered that the Company will be able to tap this opportunity based on its current strategy and business model.

Energy

Impacts

1. Integration of renewable energy into the electricity system

Red Eléctrica's activities as transmission agent and operator of the electricity system are essential for the transition to an emission-free energy model. The Company plays a key role in helping to maximise the integration of renewable energies into the electricity mix: it builds the infrastructure needed to unlock new renewable power and operates the system, maximising its inclusion in the wider energy mix.

This impact extends all along the value chain. It is a current impact, with short-, medium- and long-term effects.

It has positive effects for both the natural environment and people, owing to the significant savings that can be achieved in greenhouse gas emissions due to the further integration of renewable energies.

This impact is fully linked to the Company's business model and strategy, as it is a direct product of Redeia's activities.

2. Consumption of energy from non-renewable sources in Redeia's own operations

The consumption of energy from non-renewable sources in Redeia's own operations carries a negative impact in terms of sustainability and greenhouse gas emissions.

This negative and current impact relates to Redeia's own operations and extends over the short, medium and long term (although the Company's action plans should significantly reduce the impact).

To mitigate the negative impact, the Climate Change Action Plan envisions various targets and actions to reduce energy consumption and minimise the use of non-renewable energy sources.

It is considered that the Company's strategy and business model provide the adaptive capacity needed to cope with this impact.

3. Energy consumed in Redeia's own operations (indirect): transmission grid losses

Transmission grid losses are a form of indirect consumption of energy affecting Redeia's operations, leading to a waste of resources and the ensuing pollution due to the additional electricity that must be produced to make up for these losses.

This impact is current and negative, affects own operations, and extends over a short-, medium- and long-term horizon.

This negative impact is addressed through emission reduction targets and the Climate Change Action Plan (CCAP).

It is considered that the Company's strategy and business model provide a certain degree of adaptability needed to address this impact, although it should be noted that Red Eléctrica has no control over the main underlying causes of these losses. The structure of electricity generation and flows within the transmission grid depend on the rules of the electricity market, which is regulated by an independent body. Red Eléctrica must perform its role as electricity system operator in strict compliance with a set of specific and mandatory operating procedures. According to these procedures, it is not possible to operate the electricity system according to loss reduction criteria, meaning the Company has very limited capacity to act.

11.2.2.3 Impact, risk and opportunity management

a. Description of the processes to identify and assess material climate impacts, risks and opportunities **/ ESRS 2 / IRO 1**

Redeia has conducted a double materiality assessment, as required under ESRS 1, to identify the most relevant climate-related incidents, risks and opportunities for the Company from both perspectives (impact materiality and financial materiality), applying specific criteria and thresholds to determine their materiality. Moreover, significant impacts — including those associated with climate change— are assessed within the framework of the Environmental Management System.

The Group has also conducted a resilience analysis that supports the same assessment needs as the double materiality assessment.

Redeia follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and has a methodology in place to identify, prioritise and quantify, from an economic perspective, physical and transition risks and opportunities. This methodology has been followed at the electricity business since 2019 and was extended to the Latin America and telecommunications businesses in 2021. Redeia's resilience analysis covers not only the Group's own operations, but also the upstream and downstream stages of the value chain, addressing both physical risks associated with changes in climate parameters and transition risks related to the fight against climate change. No risks have been excluded from the analysis.

Climate risks fall into two main categories:

- **Physical risks:** Relate to changes in climatic variables (hazards), which may affect the Company's infrastructures (electricity or telecommunications) as well as its activities. Redeia identifies climate-related hazards under various climate scenarios. The Company assesses how its assets and business activities could be exposed and sensitive to these hazards, as well as their time horizon, generating gross physical risks.

The following hazards have been identified:

- Rising temperatures High temperatures
- Extreme events: high wind, torrential rain (floods), cold snaps and snowstorms
- Sea level rise
- Wildfires
- Water resource availability (rainfall + evapotranspiration)

- **Transition risks:** These risks are associated with regulatory and technological changes needed for the energy transition (transition climate events). These risks are particularly relevant for Redeia as a transmission company and operator of the Spanish electricity system, as the necessary regulatory and technological changes for the energy transition needed to achieve the climate targets pose a series of challenges and uncertainties, which could affect its business. Redeia determines the transitional climate events considering a climate scenario in line with limiting global warming to 1.5°C. The Company identifies and assesses the transition risks associated with climate change and takes proactive steps to manage and control them. The Comprehensive Risk Management Policy states that regulatory risk management should be proactive and anticipatory, aimed at collaboration with regulators and viewed on a medium- and long-term horizon.

The most notable climate events to have been identified include:

- Policies, regulations and actions aimed at energy transition:

  > Increase in renewables
  > Increased self-consumption, distributed generation
  > Restrictions on the use thermal and nuclear power plants
  > Pressing need to build new infrastructure within a relatively short time frame

- Policies, strategies, actions aimed at curbing greenhouse gas emissions:

  > Banning or limiting the use of fluorinated gases
  > Increased energy efficiency requirements
  > Carbon taxes and charges

Redeia's risk analysis is carried out over three time horizons and under various scenarios (physical and transition). The horizons have been defined while taking due account of the useful life of the facilities (in the case of electricity infrastructure, this is considered to be 40 years) and the strategic and regulatory planning periods.

Basic assumptions for the resilience analysis

Redeia considers various time horizons. More precisely, these horizons are:

- Short term (until 2026): looks at the Company's strategic plan and the validity and effectiveness of its electricity plans. No material physical changes are expected.

- Medium term (until 2030): 2030 is a milestone for various climate targets of the European Union and those envisioned in Spain's own National Energy and Climate Plan (NECP). Certain physical changes —minor or similar to those currently materialising— may begin to be perceived.

- Long term (2030 onwards).

  (a) Transition risks (until 2050): 2050 is the target year for climate neutrality, with regulatory changes and technological advances expected to take place between 2030 and 2050.

  (b) Physical risks (beyond 2050): In the case of physical risks, the most material changes are expected to materialise from 2050 onwards (the electricity infrastructure being built now will be in service at that time).

• As a reference for the physical scenarios, the Company uses the SSP scenarios set out in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) and their equivalent Representative Concentration Pathways (RCPs). To further specify the various scenarios, the projections developed by the State Meteorological Agency (AEMET) for Spain have been considered and the projections made by the World Bank for Latin America have been taken as a reference point. Notably, the governance model for the management of climate risks and opportunities does not require these scenarios to be updated annually.

- For the transition scenarios, the scenarios put forward by the International Energy Agency in its Word Energy Outlook reports have been taken as a reference point: STEPS, APS and NZE. These are supplemented with further information on relevant variables by business and geographic area. In the case of the electricity business in Spain, the Company considered the scenarios proposed by the TYNDP (ENTSOE's 10-year Network Development Plan) for 2050 and the scenarios set out in Spain's National Energy and Climate Plan (NECP) for 2030, which proposed a 23% reduction in emissions compared to 1990 (a target that has been raised to 32% in 2024) and a 74% share of renewables in electricity generation (raised to 81% in 2024). These targets are aimed at achieving carbon neutrality by 2050 (entailing a 90% reduction in emissions compared to 1990 and a 97% share of renewable energies in final consumption, with the electricity sector becoming 100% renewable), thus ensuring alignment with the NZE 2050 scenario and RCP2.6 and, therefore, with the objective of keeping the temperature increase to below 1.5 ºC.

Methodology and tools used

Redeia relies on a methodology that includes the identification, analysis, assessment, management and control of risks. This methodology is predicated on a uniform set of criteria and within the risk levels established, ensuring that any risks that could affect Redeia's strategies and objectives are systematically identified, analysed, assessed, managed and controlled. Risk mitigation actions are also taken to minimise risks, with contingency plans put in place and coverage established for such risks where possible.

Potential risks are identified by a team of experts and are reviewed at least once every three years, although they may be updated whenever necessary.

The Company has flagged 127 potential risks (physical and transition), which are assessed on the basis of exposure, sensitivity and resilience criteria. This procedure considers various economic variables and other

Climate change scenarios

IPCC physical scenarios Horizon 2030-2050-2070	**Transition scenarios (IEA/NECP)** Horizon 2030-2050	
RCP 8.5 (SSP5-8.5)	BAU scenario	• No climate policies applied. • Highly significant increase in emissions.
RCP 6.0 **RCP 4.5** (SSP2-4.5)	**Trend (STEPS)**	• Trend-based change in climate policies. • Emissions growth exceeds the target envisioned in the Paris Agreement. • Scenario compatible with an average temperature increase of 2.4 °C by 2100.
RCP 2.6 (SSP1-2.6)	**Announced pledges (APS)**	• Significant policy changes needed to achieve the Paris Agreement target (in Spain, compatible with the NECP target scenario). • The APS is compatible with an average temperature increase of 1.7 °C and NET ZERO with an increase of 1.5 °C by 2100.

business indicators, including impact on the supply of electricity, on telecommunications services and on reputation.

As a result of this prioritisation, risks are sorted into four categories (low, medium-low, medium-high, and high) with high and medium-high risks considered material for the business and which are monetised to quantify their financial impact (the risks are monetised for the short- and medium-term horizons). As Red Eléctrica is engaged in a regulated activity, not all priority risks for Redeia necessarily entail a financial impact for the organisation.

b. Policies related to climate change mitigation and adaptation

E1-2 / MDR-P

2030 Sustainability Commitment

Redeia's Board-approved 2030 Sustainability Commitment embodies its commitment to its long-term endurance by forging a business model capable of creating shared value for all stakeholders and doing business responsibly.

Among the sustainability priorities set out in this commitment are "Decarbonisation of the economy" (which would include issues related to climate change mitigation) and "Anticipation and action for change" (which covers issues related to climate change adaptation).

Commitment to climate change

Aside from its Sustainability Commitment, Redeia has embraced a specific commitment to combat climate change (also approved by the Board of Directors), which is embodied in its commitment to achieving zero net emissions by 2050, in the medium-term emission reduction targets (2030) and the Climate Change Action Plan.

Redeia's pledge to combat climate change is based on four main courses of action. The first line is to push towards a decarbonised economy. Redeia focuses on developing infrastructure that will enable electrification and the further integration of renewable energies, thus optimising the functioning of the electricity system and developing electricity interconnections. Digitalisation and connectivity are also promoted through the Group's technology companies.

The second line is to reduce the carbon footprint. The aim is to reduce the greenhouse gas (GHG) emissions associated with the Group's activities by calculating and reporting the carbon footprint, setting emission reduction targets and taking specific steps to reduce emissions of SF_6 and other fluorinated gases and energy consumption. It is also working to reduce losses in the transmission grid, promote sustainability along the supply chain and offset emissions to move towards carbon neutrality through nature-based solutions.

The third line is to position and disseminate the climate commitment. The aim here is to inform and engage stakeholders by disseminating knowledge about the electricity system and the energy transition, as well as to collaborate in initiatives against climate change promoted by public administrative bodies and other organisations.

The fourth line is adapting to climate change. The aim is to prepare for the physical, social, economic and regulatory changes resulting from climate change by identifying and assessing risks and opportunities, and implementing the necessary adaptation measures to ensure that the energy system is resilient to these changes.

Sustainability Policy

This policy envisions various environmental improvement measures and specific projects for the protection of species and habitats, with the overriding aim of generating a net positive impact. It also sets out

Redeia's sustainability-related principles, guiding all activities towards a responsible management model, focused on excellence and value creation for stakeholders and maximising Redeia's contribution to the Sustainable Development Goals. This policy applies to all Redeia Group activities, including the construction, operation and maintenance phases of electricity infrastructures in Spain and other countries such as Peru, Chile and Brazil, with no geographical or activity-based exclusions.

The Group is committed to respecting the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD) and the Spanish Business and Biodiversity Initiative (IEEB) promoted by the Ministry for Ecological Transition and the Demographic Challenge (MITERD), working also alongside the International Union for Conservation of Nature (IUCN) and SEO BirdLife. The policy has been drawn up while listening to the feedback received from stakeholders, thus ensuring that the interests of all affected parties are considered. It is available to all stakeholders on the Redeia Group's website and is actively communicated in sustainability reports and other public documents.

Environmental Policy

This policy enshrines the principles and commitments there to ensure the conservation and improvement of the natural environment in all activities carried out by the Company. It applies to all companies in which Redeia holds a majority stake and fosters principles aligned with it among its business partners and collaborators. The principles include ensuring compliance with environmental legislation, contributing to an environmentally friendly delivery model, preventing environmental risks, and stepping up the commitment to the fight against climate change. Biodiversity and natural capital are also considered key factors, integrating circular economy criteria for a sustainable use of resources. The policy likewise promotes innovation, training and environmental awareness, and transparency when disclosing environmental performance. The Sustainability Committee supervises and regularly reviews compliance with this policy, which can be found on Redeia's website and corporate intranet.

Management of climate change risk

Climate change risk management is built into the Company's risk management and such risks are subject to the governance model for this purpose. Aside from being supervised by the Audit Committee of the Board of Directors, as part of its oversight role over the end-to-end risk control system, climate risks and opportunities are also submitted to the Board's Sustainability Committee. This committee's duties include reviewing the corporate responsibility and climate change policies and overseeing compliance, so as to ensure that the results of the analysis of risks and opportunities arising from climate change are integrated into the Group's decision-making processes

c. Actions and resources in relation to climate change policies

E1-3 / MDR-A

Redeia, mainly through its activities in the electricity business, is a key and proactive agent in the energy transition towards a zero emissions model, the main elements of which should be: the electrification of the economy, the full integration of renewable energy into the energy mix, and efficiency, while always ensuring the security of supply. Furthermore, the Group's activities in developing telecommunications to make further progress towards digitalisation and connectivity can also make a significant contribution to the ongoing process of decarbonising society.

Redeia's activities are therefore key to achieving the climate and energy objectives in Spain and Europe, both in the medium (2030) and long term (climate neutrality by 2050).

The lines of action needed to implement the climate change policies are set out in the **Climate Change Action Plan (CCAP)**, broken down into the following blocks:

I. Contribution to a sustainable energy model

> Development of infrastructure to enable the electrification of the economy, connect up new renewable power, reduce technical constraints, and power the railway network. Highlights include the development of international and inter-island electrical interconnections to ensure an uninterrupted supply of power, given the intermittent nature of renewable generation.

> Maximum integration of renewable energies into the electricity system by optimising system operation and the performance of the Renewable Energy Control Centre (CECRE), to be achieved by improving forecasting tools, integrating more distributed generation and developing energy storage systems that will allow for the integration of renewable energies, thus ensuring the security of the system.

> Furthering efficient grid management by fostering technological innovation (smart grids and digitalisation), incorporating new elements and services, and applying new flexibility measures.

II. Carbon footprint reduction

> Reducing SF_6 emissions (25% compared to 2015) by preventing, detecting and controlling leaks, improving monitoring and repair techniques, renewing equipment (mainly from 2026) and promoting alternatives to SF_6.

> Reducing energy consumption and associated emissions: use of 100% renewable electricity, implementation of energy efficiency measures in buildings and sustainable mobility.

> Reducing emissions from grid losses by increasing the share of renewable energy in the electricity mix: at least 60% in 2025 and 74% by 2030.

> Reducing emissions associated with the supply chain through collaborative programmes to encourage suppliers to set reduction targets aligned with the SBTi, as well as factoring sustainability criteria into purchasing decisions.

> Emissions offsets: 100% of Scope 1 emissions by 2025 and increased ambition for 2026-2030 through the Electricity Grid Forest and other nature-based solutions, the purchase of carbon credits, and the development of new offset projects.

III. Climate change adaptation

The Company regularly identifies and assesses the risks and opportunities arising from climate change and plans and takes various actions within the framework of this analysis. It should be noted that Redeia's activity as a whole is a key element in adapting the energy system to the risks arising from climate change. As set out in the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the financial impacts of material risks and opportunities are quantified under various physical and transition scenarios. Information related to this work is disclosed in the 'Risk management' chapter of this report.

IV. Positioning and outreach

Redeia works hard to communicate and involve stakeholders in its commitment to climate change. The main aim is to disseminate knowledge and provide complete and transparent information on the electricity system and its role in the energy transition, while also championing different energy efficiency measures. Notably, Redeia is a member of the Spanish Green Growth Group, an association that works to promote public-private partnerships as means of making joint progress towards the decarbonisation of the economy. It mainly targets aspects related to climate change mitigation and adaptation and the circular economy.

Actions taken to reduce emissions, reductions achieved and those planned.

One of the four blocks into which the priorities of the CCAP are structured relates specifically to the need to reduce the carbon footprint. The actions carried out and planned by Redeia in this regard are described below, related to the specific decarbonisation levers in which they are included:

a) SF_6 emission reductions

SF_6 is a dielectric gas present in electricity transmission installations. SF_6 emissions are largely associated with small leaks emanating from leaking equipment, as well as leaks during gas transfers and accidents or faults. This is a priority concern for Redeia and various reduction initiatives are currently under way:

1. Leak prevention, detection and control:
   - > Improving preventive maintenance work
   - > Reducing detection and intervention times in case of faults.
   - > Developing effective leak repair methodologies to repair leaks at gas insulated (SF_6 insulated) substations (GIS), so as to facilitate and speed up the work. In 2024, 17 leaks —mainly associated with corrosion or ageing of equipment— were successfully repaired.
   - > Designing improved roofs for existing installations to prevent degradation of materials due to atmospheric agents and, therefore, leakage. In 2024, work got under way to cover the 400kV GIS at Pola de Gordón. This work will be completed in 2025.
   - > Including further requirements in procurement tenders to help minimise gas losses (rapid intervention in cases of leakage and equipment design criteria, among other aspects).
   - > Replacing SF_6 gas with nitrogen (N_2) in equipment stored as spare parts.

2. Renewal of switchgear: The progressive renewal of old equipment and those presenting very high leakage rates is a significant course of action in quantitative terms. Significant progress was made in 2024 towards the renovation work at the Litoral 400 kV substation, which began in 2022. Due to its age and prevailing environmental conditions, the gas emissions to have occurred at this facility are among the highest reported by the Company in recent years.

3. Reduction of installed SF_6 and search for alternatives to gas: Red Eléctrica is committed to promoting alternative solutions to SF_6, which are currently under development. To succeed in this task, it takes part in various technology monitoring and experience exchange groups with other agents in the electricity sector, mainly with equipment manufacturers and other European TSOs, notably the Mission project, the aim of which is to share the results of field tests of various types of switchgear featuring alternatives to SF_6.

   The Company is developing some highly promising pilot projects such as the inclusion of an alternative gas in the pipelines and busbars of two 400 kV substations. Red Eléctrica also has two 66 kV GIS cubicles with alternative gases, located in the Canary Islands for use as mobile positions. In addition, in 2024 an additional circuit breaker was installed to join the three SF_6-free AIS circuit breakers (CO_2 + O_2 technology) installed in 2023. Moreover, further progress will be made towards the technical qualification and approval of new gas-free models, the pipelines and busbars of two 400 kV substations. Red Eléctrica also has two 66 kV GIS cubicles with alternative gases, located in the Canary Islands for use as mobile positions. An additional SF6-free AIS switch (CO_2 + O_2technology) was installed in 2024 to join the three installed in 2023 and the technical qualification and approval of new gas-free models will continue as we move forward.

4. Training: Red Eléctrica is legally certified to deliver training on gas handling. A total of 541 employees have been trained since 2013, with 444 officially certified. Moreover, dedicated technical training sessions on GIS technology are held to enhance maintenance and leak repair.

5. Collaboration with other stakeholders: Redeia works alongside public administrative bodies and other entities to find solutions for controlling and reducing these emissions within the framework of the voluntary agreement signed in May 2015 (and currently in the process of being renewed) between the Ministry for Ecological Transition and the Demographic Challenge, manufacturers and suppliers of electrical equipment that use SF_6, electricity transmission and distribution companies and waste managers of this gas and the equipment that contains it. The aim is to find a more environmentally friendly end-to-end management system for the use of SF_6 in the electricity industry.

Thanks to all these initiatives, a **32% reduction in SF_6 emissions has been achieved since 2015**. Looking ahead to 2030, a 25% reduction is expected compared to the base year of 2015. (It is important to consider that SF_6 emissions are directly related to the amount of gas installed and the age of the equipment. While in 2024 the reductions achieved were more significant than expected, an increase in these reductions associated with these factors is to be expected).

b) Reduction of energy consumption and related emissions

One of the cornerstones of the Company's commitment to climate change is its pledge to ensure energy efficiency at all levels. To succeed, the following actions are carried out:

1. Carrying out energy audits every four years to identify the levers for reducing energy consumption. In 2024, these audits were carried out at 20 work centres and corporate buildings and also for the vehicle fleet. As a result, at least 80 feasible saving measures were identified that would lead to an estimated saving of 400 MWh/year. Meanwhile, the photovoltaic viability of 28 work centres —selected for their potential (high consumption and suitable climate zone)— was analysed. Of these, 15 were found to be viable, which between them would generate an estimated 300 MWh/year. The feasibility of electrifying the fleet and thus reducing fossil fuel consumption was also analysed, revealing that savings of up to 5 GWh could be achieved. These actions will be addressed in the next review of the Climate Change Action Plan in 2025, when the energy efficiency targets will be updated.

2. Energy efficiency measures to reduce electricity consumption:
> Changing light fixtures to LED technology, installing motion detectors and lighting sensors, central heating timers and window protection elements.
> Adjusting the air-conditioning and lighting parameters in buildings.
> Energy management system certified by the ISO 50001:2018 standard at Redeia's headquarters and at Redeia Campus.
> Nearly zero energy buildings (NZEBs).
> Awareness campaigns
> Measures relating to computers and the like: incorporating maximum efficiency criteria and migrating to virtual servers.
> Night-time shutdown of 446 substations, thanks to improved remote lighting control systems.

The implementation of these initiatives has led to a **13.3% reduction in the electricity consumed at Red Eléctrica's work centres since 2015**, as well as a 5% reduction in the Group's total electricity consumption with respect to 2023. (Expected reductions: 30% reduction in electricity consumption at Red Eléctrica work centres by 2030 compared to 2015).

c) Use of renewable energy

Most of the electricity supply contracts managed by the Company have renewable energy Guarantees of Origin (GoO) or international renewable energy certificates (IRECs).

Redeia has used the following instruments in relation to Scope 2 (market-based) emissions:

- Procuring renewable energy with Guarantees of Origin (GoO): 75.2% of total electricity consumption.

- International Renewable Energy Certificates (IRECs): 14.8% of total electricity consumption.

- In addition, IRECS were acquired to cover grid losses in the infrastructure operated in Peru and Chile (113,031 MWh), equivalent to 2% of total indirect energy consumption associated with grid losses.

Meanwhile, further progress was made in implementing self-consumption facilities at the Company's work centres: thermal solar energy for domestic hot water, geothermal energy (three buildings) and photovoltaic solar energy (17 work centres).

Moreover, work is under way to increase the use of renewable energy for the backup generators present at the facilities. Notably, two pilot projects were carried out involving the use of portable hybrid panels to power substations that are not yet connected to the distribution grid, and work is currently under way to replace diesel with a 100% plant-based fuel (project developed in 2024).

Thanks to these measures it is possible to increase the percentage of renewable energy consumed in the organisation:

> 62% renewable energy out of total energy consumption.(1)
> 94% of renewable energy out of total electricity.(2)
> 96% of electricity procured/self-consumed from renewable sources (expected 100%).(3)

d) Sustainable mobility

Redeia is working hard to optimise the travel needed to carry out its business activities and to reduce the related emissions. The Company has a Sustainable Mobility Plan in place, which aims to instil a new culture of mobility across the organisation. Notable actions on this front include:

- Prioritising the best available technologies in fleet vehicles (hybrid, plug-in hybrid or electric, with 77% of vehicles having an 'A' energy rating).

- Optimising vehicle use by implementing the Agile, Responsible and Safe Driving System, enabling the use of efficient routes and responsible driving.

- Ensuring the existence of a pool of 100% electric vehicles to cover corporate needs.

- Optimising business travel by promoting and improving communication tools to reduce travel (video-conferencing and remote access platforms) and factoring sustainability criteria into the Company's travel policy.

- Measures to reduce the use of combustion vehicles for commuting to work: company transport service and shuttles to connect offices, promoting carpooling and including the transport card among the various in-kind options available to employees. Enabling electric vehicle charging stations for employees.

(1) This figure does not consider the share of renewable electricity in the national energy mix. If included, the value would be 62.8%.

(2) This figure does not consider the share of renewables in the national energy mix. If the renewable part of the mix is considered, the value would be 95.3%.

(3) Some workplaces do not have an electricity supply and are powered by the transmission grid. Therefore, they have not been counted when calculating the trend toward the 100% renewable energy target. In 2024, they accounted for 2.34% of the total electricity consumed.

- Thanks to all of the measures described in this heading, Redeia has achieved a **26% reduction in emissions associated with energy consumption compared with the 2019 value** (65% since 2015).

e) Reduced emissions due to losses in the transmission grid

Energy losses from the transmission grid are the contributor to Scope 2 emissions. These losses are calculated by looking at the energy dissipated in the grid (transmission grid losses) and applying the emission factor of the energy mix for each of the systems.

None of these variables is directly controllable by Redeia, although the Company is working to improve those aspects it can influence and which could reduce losses. Notably, in the case of Spain, Red Eléctrica's efforts to safely integrate as much renewable energy as possible into the transmission grid have a direct impact in reducing these emissions.

In 2024, the share of renewables within the national electricity system came to 56.8% (37.5% in the base year of 2019), with emissions associated with transmission grid losses down 34% compared with 2019 levels.

Meanwhile, emissions due to losses at the Company's facilities in Peru and Chile were reduced to zero (zero tCO_2 in 2024), thanks to the acquisition of renewable energy certificates (IRECs).

Total emissions from transmission grid losses have fallen by 35% since 2019. (Expected reduction of around 57% compared to 2019).(3)

(3) This percentage does not relate to any reduction target. It has been calculated considering the overall Scope 1 and 2 emission target and the specific Scope 1 emission reduction target.

f) Reduced emissions associated with the supply chain

Emissions associated with the supply chain are the most relevant for Redeia when it comes to Scope 3 emissions. The Company has taken various steps to achieve further reductions, working from two angles:

- Developing and implementing the calculation of emissions associated with the main supplies under the LCA (Life Cycle Analysis) methodology, and incorporating circularity and climate change criteria into its procurement decisions. Since the project got under way in 2022, work has been carried out on 11 supplies (10 relating to equipment and 1 to service). More precisely, the following aspects were analysed in 2024: substation structures, underground cables, insulators (glass and composite), disconnectors and instrument transformers.

- Collaboration with key suppliers through a specific programme aimed at extending Redeia's emissions reduction commitment all along the supply chain.

As expected, no emission reductions have materialised since the base year 2019. The first actions along these lines were aimed mainly at improving the knowledge and calculation of emissions in order to increase the percentage of real data and the quality of the information, which is essential to be able to identify and analyse the effectiveness of reduction measures. The supplier training and awareness-raising work carried out within the framework of the partnership programme will not lead to direct reduction in emissions in the short term, despite having led to an improvement in the level of maturity among those taking part (increase in suppliers with verified carbon footprints and suppliers with SBTi-approved emission reduction commitments in 2014: 15 SBTi-approved suppliers and one SBTi-committed company). Moreover, the increase in Company activity (higher investment) also pushed up emissions associated with the supply chain, although it was not a proportional increase thanks to the work being carried out along these lines. (Emissions associated with the supply chain were up 6% compared to 2023, with the amount certified having increased by 55%).

g) Emission offsets

Aside from the measures in place to reduce emissions and minimise the Group's carbon footprint, additional carbon offsetting actions are carried out. As part of its strategy to move towards climate neutrality, Redeia has pledged to offset all direct emissions that it is otherwise unable to reduce from 2023 onward (as it happens, this measure was brought forward to 2022).

More precisely, in 2024 **a total of 26,613 tCO_2eq were offset, exceeding 26,003 tonnes of CO_2 corresponding to all Scope 1 emissions and corporate events**.

Further information on carbon offsetting is provided in section 2.2.5 b (iii) *GHG removals and mitigation projects.*

Regarding the list of significant monetary amounts of CapEx and OpEx needed for the actions carried out and planned, the Group is not required under Commission Delegated Regulation (EU) 2021/2178 to draw up a CapEx plan, and the key performance indicators required by this regulation can be found in this report in section 2.1 *EU Taxonomy information*. Moreover, no significant amounts of OpEx or CapEx have been found to exist in this regard. In 2025, work will be carried out to update the Climate Change Action Plan, which will include CapEx and OpEx indicators for each material activity, for which the appropriate control and monitoring methodology will be put in place.

11.2.2.4 Metrics and targets

a. Targets related to climate change mitigation and adaptation.

E1-4 / MDR-T

Redeia has pledged to achieve zero net greenhouse gas (GHG) emissions along its entire value chain by 2050. The criterion for setting emission reduction targets is alignment with the Paris Agreement. This commitment is consistent with achieving global Net Zero and limiting global warming to 1.5 ºC, as well as with Redeia's own corporate policies.

The **targets for 2050** have been endorsed by the Science Based Targets initiative (SBTi):

- 90% reduction in Scope 1 and 2 emissions with respect to 2019.
- 90% reduction in Scope 3 emissions with respect to 2019.
- 100% offsetting of all residual emissions.

To make further progress towards the long-term objectives, the Group has also set itself the following short- and medium-term objectives:

Targets for 2030 (approved by SBTi):

- 55% reduction in Scope 1 and 2 emissions with respect to 2019.
- 28% reduction in Scope 3 emissions with respect to 2019.
- Suppliers accounting for two thirds of supply chain emissions must have SBTi-approved science-based targets in place for 2026.

Targets for 2025 (included in the 2023-2025 sustainability plan):

- 30% reduction in Scope 1 and 2 emissions with respect to 2019.
- 100% offsetting of all Scope 1 emissions that cannot otherwise be reduced, from 2022 onward.

Redeia has pledged to offset 100% of its direct emissions that cannot otherwise be reduced until 2025 and from 2026 onwards, progressively increasing this offsetting until all residual emissions are ultimately offset by 2050. This pledge is in addition to its emission reduction commitments.

While Redeia's stakeholders have not been involved in the process of setting these targets, their views and concerns expressed in other ways have been listened to. To give an example, the targets have been defined according to SBTi criteria, as indeed requested by several major investors and rating agencies.

Relevant information on targets, progress towards targets, main reduction measures and reductions achieved, as well as indicators of energy consumption and emissions intensity (emissions/turnover and emissions/energy transported), are publicly disclosed in the Sustainability Report and can also be found on the Group's website.

Redeia's GHG inventory is verified by an independent third party according to ISAE 3410, specifying Scopes 1, 2 and all applicable categories of Scope 3 emissions. The Company has identified various decarbonisation levers for achieving its reduction targets (described in E1-1 and E1-3). Their expected contribution, for the 2030 horizon, is set out below:

Greenhouse gas emissions
(tCO_2eq)

	2015	2019	Expected emissions – BAU	Expected reductions by lever	2030 targets
SF_6 emissions	33,733	22,690	36,450	11,150	25,300
Use of air conditioning	840	975	1,000	300	700
Fleet vehicles	2,124	1,845	1,500	600	900
Power generators	182	321	500	200	300
Heating	0.00	232	250	250	0
Associated with electricity consumption	5,441	1,238	N/A	1,038	200
Arising from transmission losses	1,135,791	791,543	N/A	450,463	341,080
Total emissions (Scopes 1 and 2)	**1,178,111**	**818,844**			**368,480**

Scope 1: The base year set for SF_6 emission reductions is 2015, as the most significant reduction actions were taken over the 2015-2020 period. While further actions were taken from 2020 onwards, their impact is expected to be lower given the increase in the installed SF_6 fleet and the fact that the switchgear is ageing (both circumstances that significantly increase the probability of leakage). The reductions expected to be achieved from the steps taken to reduce Scope 1 emissions have been estimated considering the expected trend in emissions, largely due to the increase in the number of assets and the fact that the Company's business has grown.

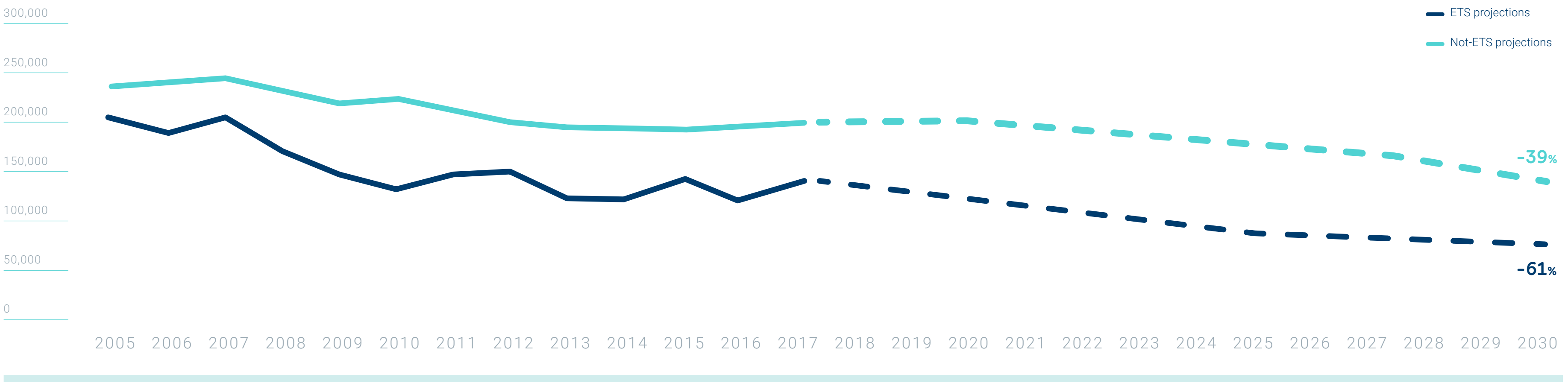
	Base year 2015	Base year 2019	Value year 2024	2025 target	2030 target	2050 target
SF_6 emissions (tCO_2eq) A	33,733	-	22,834	26,143	25,300	-
Scope 1 emissions (tCO_2eq) A, B, C, D	36,879	-	25,992	28,581	27,659	-
Emissions associated with electricity consumption (tCO_2eq) B, C	5,441	-	249	-	544,1	0
% of renewable electricity (procured) B, C	-	-	96	100	100	100
GHG emissions (tCO_2eq) (Scopes 1 + 2) A, B, C, D, E	**-**	**818,844**	**539,108**	**573,191**	**368,480**	**81,884**
Percentage of SBTi-covered providers E	-	-	35,3	66	-	-
Scope 3 emissions E	**-**	**617,456**	**763,304**	**-**	**444,568**	**61,746**

In italics, reference to the specific decarbonisation levers to which each of the targets specified in the table relate, as described in section 2.2.3. c. *Actions and resources in relation to climate change policies:* A) Reduction of SF_6 emissions; B) Reduction of energy consumption and related emissions; C) Use of renewable energy; D) Sustainable mobility; E) Reduced emissions due to losses in the transmission grid; F) Reduced emissions associated with the supply chain and; G) Emission offsets.

A cross-sector emissions pathway is presented below for all diffuse sectors (activities not subject to emissions trading) and for the ETS sectors (subject to emissions trading), as shown in the 2021-2030 National Energy and Climate Plan (NECP).

Redeia's own targets are aligned with the industry's wider efforts. The aim is to achieve substantial emission reductions by 2050, with a full transition to renewable energy planned for 2025. Redeia aims to achieve a 55% reduction in its Scope 1 and 2 emissions by 2030, thus falling within the range of 39% reductions for diffuse sectors and 61% for ETS sectors at the state level. Moreover, the goal of using 100% renewable electricity by 2025 will mark a significant step towards decarbonisation and will help it to achieve its emission reduction targets. This comparison suggests that Redeia's targets are reasonable and in line with national decarbonisation trends and targets.

Chart 2.2. Targeted emissions pathway to 2030. Historical series (2005 – 2016) and forecast trajectory
GHG emission projections for the ETS and not-EPS sectors (KtCO₂-eq)



Source: Ministry fot Ecological Transition and Demographic Challenge, 2019.

b. Metrics related to climate change mitigation and adaptation / MDR-M

i. Energy consumption and mix / E1-5

In 2024, energy consumption amounted to 31,120 MWh. Of this amount, 62.7% came from renewable sources (without considering the percentage of renewable energies in the electricity mix).

Energy consumption and mix	2024
1) Fuel consumption from coal and coal products (MWh)	0(1)
2) Fuel consumption from crude oil and petroleum products (MWh)	10,601,5
3) Fuel consumption from natural gas (MWh)	0(1)
4) Fuel consumption from other fossil sources (MWh)	0(1)
5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	199(2)
6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	10,801
Share of fossil sources in total energy consumption (%)	35%
7) Consumption of fuel from nuclear sources (MWh)	No material(3)
Share of consumption from nuclear sources in total energy consumption (%)	No material(3)
8) Fuel consumption for renewable sources including biomass (also comprising industrial and municipal waste of biologic origin), biogas, hydrogen from renewable sources, etc. (MWh)	0(4)
9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	18,740(5)
10) Consumption of self-generated non-fuel renewable energy (MWh)	806
11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	19,546
Share of renewable sources in total energy consumption (%)	62.8%
Total energy consumption (MWh) (calculated as the sum of lines 6, and 11)	30,346(6)

(1) Redeia does not consume fuels directly from coal and coal products, natural gas or other fossil fuel sources.

(2) Of Redeia's total electricity consumption, 2.36% comes directly from the transmission grid and 3.8% is supplied by a distributor without a GoO. A proportion of this electricity comes from fossil-based sources. Based on a 16% share of fossil sources in the national mix for 2024, the share of electricity from fossil sources would be less than 1% of total consumption. Therefore, this indicator is considered non-material.

(3) Redeia does not consume fuel directly from nuclear sources. Of Redeia's total electricity consumption, 2.36% comes directly from the transmission grid and 3.8% is supplied by a distributor without a GoO. A proportion of this electricity comes from nuclear sources. Based on a 20% share of nuclear power in the national mix for 2024, the share of electricity from nuclear sources would be 1.2% of total consumption. Therefore, this indicator is also considered non-material.

(4) Redeia does not consume biomass-produced fuel directly.

(5) This includes energy procured from renewable sources and the percentage of the national energy mix for electricity procured directly from the grid in Spain.

(6) This figure differs from the total energy consumed by 778.7 MWh, due to the fact that sections 6 and 11 do not include the proportion of energy in the mix relating to other generation sources that are not fossil or renewable sources in respect of the 6.1% of energy that Redeia consumes directly from the grid or that it procures without a GoO.

The following table shows total energy consumption in energy intensity based on net revenue for those activities carried out in high climate impact sectors.

Energy intensity per net revenue

	2024	2023	Change (%)
Total energy consumption of activities in high climate impact sectors per net revenue in respect of activities in high climate impact sectors (MWh/euros)	0.016	0.014	12

Redeia, given its core business activity under NACE Section D (Electricity, gas, steam and air conditioning supply), is considered to operate in a high climate impact sector (as defined in Commission Delegated Regulation (EU) 2022/1288).

The following table shows the reconciliation of net revenue from activities in high climate impact sectors in the financial statements (under which line item or notes).

Net revenue from activities in high climate impact sectors used to calculate energy intensity	1,479,893
Net revenue (other)	110,780
Total net revenue (consolidated financial statements)(*)	1,59,.673

(*) Total net revenue in 2024 does not include Hispasat.

ii. Gross Scopes 1, 2, 3 and Total GHG emissions / E1-6

Each year, the Company calculates the inventory of greenhouse gas emissions for Scopes 1, 2 and 3, which it submits to independent verification by an external party.

Scope 1 emissions cover direct greenhouse gas emissions from stationary and mobile combustion as well as fugitive emissions. Stationary combustion emissions result from the fuel consumed by back-up generators and heating systems. The calculation involves multiplying the total fuel consumed/energy generated (depending on the information available) by an emission factor. For mobile combustion, emissions are calculated on the basis of fuel consumption or kilometres travelled by the vehicle fleet, car-sharing vehicles and executive vehicles.

Fugitive emissions include leaks of SF6 gas used at electrical substations, considering both those occurring during the lifetime of the equipment and those associated with its end-of-life. They also include emissions due to refrigerant gas leakage from air-conditioning equipment.

Scope 2 emissions represent indirect greenhouse gas emissions from electricity consumption and transmission losses. These emissions are associated with the energy consumed by the organisation and the losses incurred when transporting electricity throughout the grid. The methodology involves calculating the total electricity consumed and applying the relevant emission factors in each case to determine the associated emissions.

Scope 3 emissions cover a wide range of other indirect emissions, including those from purchased goods and services, capital goods, fuel and energy life cycle, the transport and distribution of goods, waste management, business travel, employee commuting, leases and investments. Each category within Scope 3 has a specific calculation method, which often involves multiplying activity data (such as quantity of goods purchased or kilometres travelled) by the relevant emission factors in each case. This end-to-end approach ensures that all significant indirect emissions are accounted for, thus providing a complete picture of the organisation's carbon footprint.

Emissions from associates and other joint ventures over which there is no operational control are accounted for using the equity method. Emissions relating to certain Hispasat companies considered non-material (Hispasat Perú, S.A.C. and Hispasat México, S.A.) have not been counted. Companies of a purely legal or commercial nature are also out of scope, as no associated emissions have been identified.

Categories not applicable:

- Downstream transmission and distribution
- Processing of products sold
- Use of products sold
- Treatment of products sold at the end of their useful life
- Franchises

Significant assumptions or hypotheses:

- Approaches and assumptions considered material are those relating to the calculation of Scope 3 emissions, more precisely categories 1 and 2. A significant portion of these emissions are calculated by applying an emission factor based on economic data according to the type of supply (tCO_2eq/euro). This methodology involves a high degree of uncertainty, and so Redeia is working to increase the volume of direct information provided by its suppliers to be able to calculate these categories more reliably. (43.17% of information was reported directly in 2024).

Emission factors:

- OECC: Oficina Española de Cambio Climático – Spanish Climate Change Office
- DEFRA: Department for Environment, Food and Rural Affairs in the United Kingdom.
- GWP: Published in the Sixth Assessment Report of the IPCC

	Retrospective				Milestones and target years			
	Base year	Comparative 2023	2024	% 2024/2023	2025	2030	(2050)	Annual % target / Base year
Scope 1 GHG emissions(*)								
Gross Scope 1 GHG emissions (tCO_2eq)	36,879(1)	28,670	25,992	-9.4	28,581	27,659	N/A	25
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Scope 2 GHG emissions(*)								
Gross location-based Scope 2 GHG emissions (tCO_2eq)	N/A	594,320	538,909	-9.3	N/A	N/A	N/A	N/A
Gross market-based Scope 2 GHG emissions (tCO_2eq)	792,781	591,970	513,116	-13.3	-	340,821	n,d	57(3)
Significant Scope 3 GHG emissions(*)								
Total gross indirect (Scope 3) GHG emissions (tCO_2eq)	617,457	719,510	763,304.5	6	N/A	444,568	61,746	28/90
1 Purchased goods and services	268,836.5	363,427	479,909	32.1	-	-	-	-
[Optional sub-category: Cloud computing and data centre services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2 Capital goods	319,485	278,715	150,911	-45.9	-	-	-	-
3 Fuel and energy-related activities Activities (not included in Scope1 or Scope 2)	675	1,301	620	-52.4	-	-	-	-
4 Upstream transportation and distribution	2,093	1,096	1,295	18.2	-	-	-	-
5 Waste generated in operations	193	110	32	-71	-	-	-	-
6 Business travels	3,477	1,765	2,505	41.9	-	-	-	-
7 Employee commuting	5,317	2,850	2,229.5	-21.8	-	-	-	-
8 Upstream leased assets	39	10,361	10,387	0.3	-	-	-	-
9 Transportation and distribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10 Processing of sold products	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11 Use of sold products	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
12 End-of-life treatment of sold products	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
13 Downstream leased assets	N/A	0	0	0	-	-	-	-
14 Franchises	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
15 Investments	17,341	59,885	115,416	92.7	-	-	-	-
Total GHG emissions								
Total GHG emissions (location-based) (tCO_2eq)	N/A	1,343,400	1,328,220	-1.13	N/A	N/A	N/A	
Total GHG emissions (market-based) (tCO_2eq)	1,436,301(2)	1341,050	1,302,413	-3			143,630	90

N/A Not applicable or not available

(*) Hispasat's contribution to the figure shown in the table is: Scope 1 emissions: 313 tCO_2eq; Scope 2 emissions: 18.5 tCO_2eq; Scope 3 emissions: 13,528 tCO_2eq.

(1) Scope 1 emissions for 2015, the base year for Scope 1 targets.

(2) 2019 total emissions: the base year for the Scopes 1+2 and Scope 3 targets is 2019.

(3) The percentage reduction is the result of considering the Scope 1+2 emission reduction target and the Scope 1 emission reduction target (this percentage has not been defined as a specific target).

Emissions intensity

Emissions intensity per net revenue

	2024	2023	Change (%)
Total GHG emissions (location-based) per net revenue (tCO_2eq/thousand euros)	0.824	0.651	0.027
Total GHG emissions (market-based) per net revenue (tCO_2eq/ thousand euros))	0.808	0.650	0.024

Note: The 2024 data (total emissions and revenues) do not include Hispasat.

The table shows the reconciliation of the net revenue used to calculate GHG intensity to the relevant line item or notes in the financial statements:

Net revenue used to calculate GHG intensity	1,594,204
Net revenue (other)	1,594,204
Total net revenue (consolidated financial statements)	1,594,204

Note: The 2024 data (total emissions and revenues) do not include Hispasat

iii. GHG removals and GHG mitigation projects financed through carbon credits **/ E1-7**

Aside from the measures in place to reduce emissions and minimise the Group's carbon footprint, additional carbon offsetting actions are carried out. As part of its strategy to move towards climate neutrality, Redeia has pledged to offset all direct emissions it cannot otherwise reduce.

The Company currently offsets 100% of Scope 1 emissions until 2025, with offsets progressively increasing to other scopes from 2026 to 2050. The 2050 target is to offset all residual emissions.

Offsets are currently carried out in two ways:

- Development of offset projects (Nature-based Solutions – NbS). The Company operates the Redeia forest project. In this project the offsets relate to the emission removals that occur during the lifetime of the trees and shrubs planted there. Removal projects are recorded under the removal projects section of the Spanish Climate Change Office (MITERD) register. Aside from the offsets recognised by the office at the time of registration, it is envisioned that further removals will be recognised over the 30 to 50 years of the life of each project, depending on the course it takes. In 2024, a total of four forests were recorded: Nieva (Orense), Gamalleira (Lugo), Las Hormazas (Burgos) and Hoyos del Espino (Ávila), with 1,613 tCO_2 available at the start (recorded) and a total of 8,873 tCO_2 in expected removals over 50 years.

- Purchasing emission allowances: the Company has acquired 25,000 VCUs (Verified Carbon Units) relating to three projects: landfill gas capture in Chile (Gold Standard assurance); reforestation in Vichada, Colombia (Gold Standard assurance) and Envira, deforestation avoided, Brazil (VCS assurance).

These actions combined were enough to offset all (100%) Scope 1 emissions in 2024, as well as the emissions associated with Redeia's corporate events (General Shareholders' Meeting and Sustainability Workshops).

Removals

	2024
Redeia forest (tCO_2eq)	1,613
Total GHG removals from own operations (tCO_2eq)	1,613
Capture of landfill gas (LFG)	9,000
Afforestation, reforestation, and revegetation (ARR)	5,000
Deforestation avoided (REDD+)	11,000
Total GHG removals in the upstream and downstream value chain (tCO_2eq)	25,000

Carbon credits cancelled in the reporting year

	2024
Total (tCO_2eq)	26,613
Proportion of removal projects (carbon removal) (%)	25
Proportion of reduction projects (avoided emissions) (%)	75
OECC recorded (%)	6
Gold Standard (%)	52.6
VCS (%)	41.4
Share from projects within the EU (%)	6

iv. Internal carbon pricing scheme **/ E1-8**

Redeia does not produce electricity and none of its facilities are subject to the EU Emissions Trading Scheme (EU-ETS). The use of the internal carbon price is a voluntary tool that responds to stakeholder expectations and helps the Company make progress towards its emission reduction targets.

The carbon price is mainly used as an **internal price**. Redeia's roadmap towards carbon neutrality includes, in addition to emission reduction targets, a 100% offset target for Scope 1 emissions in the short term. The cost of voluntary emissions offsetting is shared between the various organisational units in proportion to the emissions produced by each of them, thus functioning as an emissions penalty or levy. As the offsetting is mainly done through the Redeia Forest project and by purchasing carbon credits on the voluntary market, the internal carbon price is set considering the cost of both actions. The price is reviewed annually.

The **internal price for 2024 has been set at €11.82 per r tCO_2eq**.

Redeia also uses a "shadow price" of carbon when making certain decisions related to low-carbon technologies or the promotion of best practices in different projects. The aim is to extend this practice to a larger number of projects and decision-making within the Company. In this case, carbon pricing is carried out on a project-by-project basis: use of carbon prices published by different agencies, carbon market prices, fluorinated gas tax prices (for projects involving this technology), etc.

The internal carbon price applies to 100% of Scope 1 emissions. The application to Scope 2 and 3 emissions is not considered material at this stage.

11.2.3 ESRS E4 - Biodiversity and ecosystems

11.2.3.1 Strategy

a. Transition plan and consideration of biodiversity and ecosystems in strategy and business model **/ E4-1**

The deployment of the electricity transmission and telecommunications infrastructure needed to carry out the energy, ecological and digital transition inevitably entails an interaction with nature and, as a result, generates impacts, dependencies, risks and opportunities in two ways: from the company to the natural environment, and vice versa, i.e. from nature to Redeia.

To carry out its mission, Redeia needs to integrate its operations into the natural environment, both onshore and offshore, and consume natural resources, predominantly through its supply chain. In tandem with this, the Company's activities are not immune to what is happening in nature, nor to the effects of climate change or the loss of biodiversity, which can generate risks for the business.

The Company has been working for years to come up with a sustainable business model, with biodiversity as one of the cornerstones of its business strategy. Aware of the risks associated with biodiversity loss, Redeia focuses its activities on achieving a **positive impact** by applying the mitigation hierarchy. Biodiversity has always been a priority concern as part of the Company's environmental management efforts and a key factor shaping the Group's strategy.

Redeia's awareness of its impact on nature has led it to establish and update, over time, robust and concrete commitments, both in the fight against climate change, in order to achieve carbon neutrality, and in the protection and conservation of biodiversity, in order to reduce biodiversity loss and generate a positive impact. In line with these, it has also embraced a specific commitment to protect vegetation and combat deforestation when carrying on its activities and in relation to those of its supply chain.

More precisely, the **commitment to biodiversity** includes the aim of generating a positive impact on biodiversity in those regions where the Company operates by 2030; a challenge that is in line with the sustainability objective of generating a net positive impact on the natural capital located in and around the Group's new facilities by 2030.

In line with this commitment, Redeia has defined a series of biodiversity framework objectives in its Sustainability Plan, with an interim horizon of 2025 and aligned with the 2030 objective of achieving a positive impact on biodiversity:

- Measuring and valuing the impact by implementing a system of accounting for and valuing the natural capital present in biodiversity.
- Identifying and assessing biodiversity-related risks and opportunities.
- Protection and restoration of habitats in protected areas or areas of high biodiversity value.
- Recovery and conservation of vulnerable and endangered species.
- Eradication of invasive species associated with electricity transmission infrastructure.
- Electricity infrastructure as a reservoir of biodiversity.

In parallel, Redeia is working on an approach aligned with the guidelines of the TNFD (Taskforce on Nature-related Financial Disclosures) and the SBTN (Science Based Targets Network) to identify and assess the Company's impacts, dependencies, risks and opportunities on biodiversity in order to respond to the requirements and demands imposed by the various reporting frameworks and sustainability indices.

Biodiversity and ecosystem-related impacts, dependencies, risks and opportunities

Redeia has conducted an initial analysis of the importance of the various businesses in terms of their interaction with nature, using sectoral reference tools such as ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) and the SBTN Materiality Tool. The results show that it is the **electricity transmission business (Red Eléctrica and Redinter)** that has the greatest potential interaction with biodiversity and ecosystems in its direct activities. This also happens to be the Company's main business in terms of revenue.

On this business, and following TNFD's LEAP (Locate-Evaluate-Assess-Prepare) methodology, the Company has carried out an exhaustive and expert analysis of the relationship between technologies and activities with each of the drivers of impact and/or ecosystem services. This exercise produced a **matrix** showing the various **impacts and dependencies**, from which the **risks and opportunities arising from the activity** have been obtained.

The Company completed the exercise by identifying priority ecosystem services in terms of materiality of impact.

These impacts and dependencies have led Redeia to adapt its strategy and business model to ensure long-term sustainability, minimising negative impacts to make a positive contribution to biodiversity and ecosystems.

Impacts

Impact	Position in the value chain	Positive / Negative	Current / Potencial	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	How the impacts affect people and the environment	How the impact interacts with the strategy and business model	Link between impacts and business activities and relationships	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Land-use change that can trigger change in the vegetation cover and erosive processes	Own operations	N	Current	S	The impacts on the business model may be legal or reputational. In response to these impacts, Redeia avoids areas rich in biodiversity throughout the life cycle of the facilities, treating this as a priority criterion when defining the location of the facilities, both in the planning phase of the network or grid and when defining each project. In the case of substations, the criterion is minimising the space required, which is key to mitigating this type of impact. Moreover, different construction techniques are used to minimise earthworks and land occupation and/or soil loss, such as hoisting with a boom, laying by hand, carrying out work with helicopters and drones or recovering and reserving topsoil for subsequent reuse. The affected areas are also recovered by restoring slopes, sowing and planting, and selective pruning, avoiding the felling of hardwoods and plant formations of note.	Land use change can lead to biodiversity loss and erosion.	As part of its strategy, Redeia focuses on avoiding and minimising negative impacts by selecting the right locations for its infrastructure and taking preventive and corrective action during their construction and maintenance.	The activity associated with the impact of land use change is power transmission.	Redeia carries out impact management by following the mitigation hierarchy approach. During the design phase, Redeia avoids areas rich in biodiversity and minimises the space taken up by its infrastructure.
GHG emissions - SF_6gas	Own operations	N	Current	S	The impacts on the business model may be legal or reputational. In response to these impacts, Redeia reduces SF6 emissions by controlling and reducing leaks, renewing switchgear and taking steps to limit the growth in installed gas.	SF_6 gas has a high global warming potential, contributing to climate change.	As part of its strategy, Redeia complies strictly with minimum safety distances between vegetation and infrastructure by maintaining firebreaks around its power lines and its substations in forest environments.	The activity associated with the impact of land use change is power transmission.	Redeia has several ongoing SF_6 gas reduction initiatives that have been stepped up as part of its Climate Change Action Plan. Redeia works alongside public administrative bodies and other entities to find solutions for controlling and reducing these emissions within the framework of the voluntary agreement signed in May 2015 between the Ministry for Ecological Transition and the Demographic Challenge, manufacturers and suppliers of electrical equipment that use SF6, electricity transmission and distribution companies and waste managers of this gas and the equipment that contains it.

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

Continued on the next page

Impacts / continued

Impact	Position in the value chain	Positive / Negative	Current / Potencial	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	How the impacts affect people and the environment	How the impact interacts with the strategy and business model	Link between impacts and business activities and relationships	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Accidental fires	Own operations	N	Current	S	The impacts on the business model may be legal or reputational. In response to these impacts, Redeia has optimised its strategy for treating vegetation. It unlocks synergies with fire prevention efforts and helps to offset the environmental impacts (VEGETA) by carrying out preventive clearing in forest areas with a high fire hazard and removing scrubland associated with high density and height grasses. It also has a forest fire prevention plan (2023-2025) and conducts regular inspections of power lines and of adjacent areas and perimeter strips around substations in forest environments. Work is halted during periods or situations of high fire risk and part of the risk is transferred by means of a civil liability insurance policy for possible damage caused to third parties. The Company requires its own employees and external personnel to undergo training in forest fire prevention and extinction.	Fires can lead to biodiversity loss, species displacement and human damage.	As part of its strategy, Redeia complies strictly with minimum safety distances between vegetation and infrastructure by maintaining firebreaks around its power lines and its substations in forest environments.	The activity associated with the impact of land use change is power transmission.	Redeia continuously monitors regulatory changes and sanction systems regarding fire generation, carries out preventive clearing in forest areas exposed to the risk of wildfires, and has early fire detection systems featuring IoT technology (PRODINT) and early collision detection (ALERION project). It also provides its employees with resources and specific training in forest fire prevention and conducts research projects and fire prevention plans.
Bird collisions with ground wires	Own operations	N	Current	S	The impacts on the business model can be legal (sanctions) or reputational. In response to these impacts, Redeia has a multi-year bird diverter plan in place for overhead lines, which involves the installation of bird guards and visual markers in priority areas for birds. This plan has been drawn up on the basis of the 'Birds and power lines: mapping of bird flyways' project, thanks to which a list of focal species sensitive to collision has been prepared and sensitivity maps (areas where these species can be found) and risk maps (sensitive areas where there are also factors that influence the probability of accidents occurring) have been drawn up. The plan prioritises actions on those sections of the line posing the greatest threat to birdlife. Work is also under way to develop tools for the early detection of bird collisions. This measure aims to ensure proper handling and preservation during the maintenance of the facilities.	Earth wires protect power lines from lightning strikes during storms and are an indispensable element in ensuring the smooth operation of the electrical system. The presence of these cables in Redeia's operations can pose a significant risk to birds, as they may accidentally strike them while flying, especially in open areas or near bird habitats.	As part of its strategy, Redeia pays close attention to those areas where focal species may be found when designing power lines, thus allowing it to minimise the impact on birdlife.	Power transmission is the activity that carries the greatest risk of avian-power line collision.	Redeia runs a flyway project, thanks to which a list of focal species sensitive to collision risk has been drawn up. A bird diverter plan has been drawn up under this project. Work is also under way to develop tools for the early detection of avian-power line collisions.

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

Risks

Description of the cause of the risk	Location in the value chain	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	Current financial effects arising from the risks	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Tightening of bird protection policies in Spain and internationally, leading to increased fines and lawsuits	Own operations	L	The expected effects will be economic in nature. In response, Redeia will need to keep close track of updates to both legal frameworks and sanctioning systems in order to meet the new requirements when reporting information.	Reputational impact, associated with damage to third parties or the environment .	In the long term, the Company will have to anticipate the economic effects of these sanctions through impact avoidance, prior studies and policy development, technological adaptation, and provisioning funds to meet the costs of sanctions.
Damage to overhead power lines caused by extreme winds	Own operations & Customers and end-users	S, M, L	The likely impacts will be damage to infrastructure, increased maintenance costs, adverse effects on the supply of electricity supply, and reputational damage due to power outages. In response, Redeia takes the following mitigation actions: projects to improve and reinforce transmission grid facilities; MANINT project to optimise the management of transmission grid assets; contingency plans; and insurance policies.	Higher maintenance costs, disruption to the electricity supply and reputational impact associated with power outages.	Redeia takes positive action to address this type of risk: early detection systems; research projects and fire prevention plans; improvements in both materials and infrastructure; maintenance and repair; contingency plans for extreme weather events; insurance policies.
Fire damage to power lines and substations (external events)	Own operations & Customers and end-users	S, M, L	The likely impacts will be damage to infrastructure, increased maintenance costs, adverse effects on the supply of electricity supply, and reputational damage due to power outages; and possible effects on third parties or the environment in the event of fire. In response, Redeia pursues the following mitigating actions: projects to improve and strengthen transmission grid facilities; felling plans (VEGETA); contingency plans; and insurance policies.	Increased maintenance costs, disruption to electricity supply and reputational impact associated with power outages. Damage caused to third parties or the environment due to fire.	Redeia takes positive action to address this type of risk: early detection systems; research projects and fire prevention plans; improvements in both materials and infrastructure; maintenance and repair; contingency plans for extreme weather events; insurance policies.
Reputational damage as a result of failing to meet society's expectations regarding biodiversity protection (and sensitivity around fires).	Own operations	S, M, L	The expected impacts will be reputational in nature. In response, Redeia pursues the following mitigating actions: projects to improve and strengthen transmission grid facilities; felling plans (VEGETA); contingency plans; and insurance policies.	Reputational impact, associated with damage to third parties or the environment.	Redeia takes positive action to address this type of risk: early detection systems; research projects and fire prevention plans; improvements in both materials and infrastructure; maintenance and repair; contingency plans for extreme weather events; insurance policies.

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

Resilience of the strategy and business model

Redeia has conducted an exhaustive assessment of the resilience of its strategy and business model to biodiversity and ecosystems-related physical, transition and systemic risks.

The scope of the resilience analysis is limited to direct power transmission activities in Spain, Peru and Chile.

While an initial analysis of upstream materiality for Redeia's businesses has been carried out, there is no specific and reliable information on supply chain impacts and dependencies for Redeia's businesses. Derived risks may arise from the need to supply raw materials, other materials and equipment through the supply chain. This demand may have an indirect impact on biodiversity by the Group on a more global scale in both the energy transmission and satellite telecommunications and telecommunications businesses. For these reasons, derived risks have not been considered in this analysis. However, further down the line the Company will address the extent to which these impacts and dependencies in the value chain are significant, and even whether they carry risks or opportunities that need to be addressed in the short, medium or long term.

As an electricity transmission agent, Redeia's main activity is the transmission of electricity from the generating facilities to the distribution grids and end consumers. The downstream activities of the Company's value chain involve the actual consumption of electricity by distributors and end consumers alike. Such a broad and overwhelming scope makes it impossible to reliably identify downstream biodiversity impacts, dependencies, risks and opportunities.

Redeia has implemented a comprehensive analysis of risks related to biodiversity and ecosystems. This analysis is based on the LEAP methodology of the Taskforce on Nature-related Financial Disclosures (TNFD), which involves mapping key activities, assessing dependencies and impacts, analysing risks and opportunities, and preparing to respond to these risks and opportunities. Key assumptions include the identification of impact drivers such as land use change, climate change, resource exploitation, pollution and biodiversity impacts. These assumptions are based on internal information and expert judgement, further supplemented by data from external sources.

The main **physical risks** identified include damage to power lines caused by extreme winds and damage to lines and substations due to fire (external events). These risks endure over time because nature is slow to recover from the effects of climate change.

Looking at **transition risks**, birdlife protection regulations may be toughened at both a national and international level, leading to an increase in sanctions and litigation, and a possible loss of reputation if the Company is unable to live up to societal expectations in terms of biodiversity conservation and sensitivity to the threat of wildfires.

- The first risk concerns **damage to power lines** due to extreme wind conditions. This risk also arises in relation to the Company's own activities and affects customers. The increased likelihood of extreme winds, caused by climate change coupled with a possible degradation of the ecosystem service of storm mitigation, can lead to line damage and even the collapse of sections of lines, potentially affecting the operation of the system and generating costs due to repair work and/or possible supply outages. It therefore negatively affects the social and business ecosystem by pushing up operational costs and affecting the continuity of electricity supply.

- The second risk relates to **damage caused to lines and substations due to fires** (external events). Temperature changes, dry soil and water scarcity due to climate change lead to increased desiccation of vegetation, which, coupled with a decline in local climate regulation due to biodiversity degradation, increases the risk of wildfire that could severely affect facilities (substations and lines) and threaten the operation of the system. This risk affects both own operations and customers and users. Fires affecting the facilities may increase maintenance costs and affect the supply of electricity, thus tarnishing Redeia's reputation due to the resulting outage.

- The third risk refers to the **loss of reputation** due to failure to live up to societal expectations in protecting biodiversity and being sensitive to the risk of wildfire (internal events) that could result from Redeia's own operations. This risk can have a negative impact on the Company's reputation if damage is caused to third parties or the natural environment. It affects regulatory bodies, the economic-financial ecosystem and the social ecosystem by damaging the Company's reputation and its relationship with society and stakeholders.

- The fourth risk relates to a **toughening of bird protection regulations both nationally and internationally**, leading to increased sanctions and litigation. The impact stems from the risk of birdlife colliding with power lines. This risk arises from own operations and can have a negative impact on the Company's reputation. It affects regulatory bodies, the financial-economic ecosystem and the social ecosystem.

No systemic risks from Redeia's direct operations have been identified, as the material impacts and dependencies will not lead to the collapse of ecosystems in the short or medium term, or to the extinction of species or depletion of natural resources.

Redeia has also analysed its exposure to the risks identified and gauged the resilience of its business strategy, based on a current scenario (2024 and 2025) and a future scenario (running from 2026 to 2030).

The exploratory scenario analysis carried out follows the indications of the TNFD. A number of plausible scenarios or futures have been defined on the basis of certain regulatory contexts (European Biodiversity Strategy 2030, the Kunming-Montreal Global Biodiversity Framework, the EU Nature Restoration Act and the Paris Agreement) and the scenarios defined by the TNFD, based on the combination of critical uncertainties related to ecosystem degradation and the alignment of market and non-market forces.

This analysis has been carried out as follows:

- Identifying relevant aspects such as time horizons and legislative compliance determining plausible futures.

- Positioning the risks accordingly on the pillars of uncertainty.

- Applying scenario narratives by trying to assess what happens to these risks under the most plausible scenarios, considering the time horizons and the approach taken.

- Identifying high-level decisions for the Company.

The resilience analysis shows that, while there are significant challenges, Redeia's strategy and business model are resilient and able to adapt to changes in biodiversity and ecosystems.

Sensitive areas for intervention have been identified for the development of specific action plans. These include improving risk management related to extreme weather events and adapting infrastructure to minimise the negative impacts on biodiversity.

Redeia has listened to stakeholder expectations when carrying out the resilience assessment process, including internal and external experts in the process of identifying and assessing impacts and dependencies. The Company also considered information from recognised sustainability assessment agencies (ENCORE or SBTN Materiality Tool) and has aligned its practices with standard frameworks such as the CSRD, Global Reporting Initiative (GRI), and the TNFD.

b. Material impacts, risks and opportunities and their interaction with strategy and business model **/ ESRS 2 / SBM-3**

Redeia has updated its list of identified impacts, dependencies, risks and opportunities following the LEAP (Locate, Assess, Analyse and Prepare) methodology of the TNFD.

This process includes the location (L) of key activities or sites of relative importance with respect to nature.

As mentioned earlier, the Company's activities/businesses that affect and depend on ecosystem services were first identified. The analysis conducted includes high-level identification through sectoral benchmarking tools such as ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) and the SBTN Materiality Tool. This analysis revealed that it is the **electricity transmission business (Red Eléctrica and Redinter)** that has the greatest potential interaction with biodiversity and ecosystems in its direct activities, and this also happens to be the Company's main business in terms of turnover.

To determine the interaction of the energy transmission business, Redeia carries out site identification processes in sensitive areas and flags priority locations, based on a number of assumptions:

- **Operational control:** the location analysis is performed on those businesses/activities over which the Company has full operational control. This includes the facilities of the company TEN.
- **Assessment of activities:** the activities that could apply are assessed. For each type of facility (overhead line, underground line, submarine cable and substation); in other words, the construction and operation of the facilities.
- **Infrastructure in non-urban areas:** according to the definition of nature provided by the TNFD, all facilities or sections located in urban ecosystems have been excluded from the location analysis, given that the alteration of this type of ecosystems is very high and the provision of ecosystem services in these areas is very low. The analysis is confined to all infrastructure located in non-urban areas that meet the above criteria.
- **Exclusion of energy storage facilities:** energy transmission facilities related to storage systems (i.e. pumping installations and batteries) have been excluded from the analysis for the time being.

Next, the Company identified the area of occupation (area where the direct activity of the organisation takes place, including those areas in which some type of activity is carried out) and the area of influence (area outside the areas of occupation in which the natural environment may sustain some impact due to the organisation's activity) of the various facilities used for the transport of energy. This was carried out by conducting a geospatial analysis of both types of areas. This information was first combined with the data source provided by the European Space Agency (ESA) known as ESA World Cover (https://esa-worldcover.org/en), enabling Redeia to determine over which land use categories its electric power transmission activity takes place (***Note: the additional information included in the links goes beyond EY's scope of verification***). Subsequently, the Company analysed sensitive locations and the sensitivity of the territories in which it operates, based on the following environmental vectors indicated by the TNFD:

- **Ecosystem integrity:** ecosystem integrity means the degree to which the composition, structure and function of an ecosystem are within the natural range of variation. It is characterised at the landscape scale, using a suitable assessment area. High-integrity locations are those that may present great opportunities for safeguarding the stock of environmental assets and maintaining the provision of ecosystem services, both locally and globally.

- **Importance for biodiversity:** if the ecosystem is identified as part of a biodiversity hotspot, protected area or other internationally recognised area of high biodiversity, the risks associated with loss or deterioration of nature are higher.

- **Water stress:** if the location is an area experiencing water stress where the quantity and/or quality of available water is deteriorating, the risks will be greater in areas where there is a higher water demand. The environmental variable related to water stress will not be counted within the prioritisation criteria for facilities. This is because there is no water consumption or potential impact on water resources during the production process.

- **Provision of ecosystem services:** if the area is important for the provision of ecosystem services, including the presence of areas managed by local communities or indigenous peoples, the risks arising from their deterioration will be more significant.

For the analysis, geographic information layers are selected to build a map of the ecological sensitivity of the territory by cross-referencing them:

- UNEP-WCMC y IUCN. ***The World Database on Protected Areas*** (WDPA) (https://www.protectedplanet.net/en/thematic-areas/wdpa?tab=WDPA): provides information on protected areas on a global scale. Additional sources of information on protected sites at regional and/or national level are used to bolster the information.

- ***Key Biodiversity Areas*** (KBA) (https://www.keybiodiversityareas.org/): provides information on areas of high biodiversity importance. In addition, and as useful contextual information for the analysis, this cartographic package includes information from the IUCN (International Union for Conservation of Nature) regarding species and their threat category, screening those species that have been detected in the pre-materiality phase as presenting some kind of material interaction with the technologies.

- ***World Resources Institute. Aqueduct Water Risk Atlas. Water Stress*** (https://www.wri.org/applications/aqueduct/water-risk-atlas/): provides information on water stress in terms of physical quantity of the resource.

- UNEP-WCMC. ***Territories and areas conserved by Indigenous Peoples and communities*** (ICCAs) (https://www.iccaregistry.org/): provides information on territories conserved by indigenous peoples and local communities.

- ***Food and Agriculture Organization of the United Nations*** (FAO). ***Globally Important Agricultural Heritage Systems*** (GIAHS) (https://www.fao.org/giahs/giahsaroundtheworld/en/): provides information on the existence of areas of special interest for agriculture, either because of the provision of key agricultural resources or because of their existence value.

Note: Any additional information included in the links goes beyond EY's scope of verification.

Moreover, as contextual information, the facilities have been cross-referenced with information from the IUCN Red List of Protected Species. The territory is therefore classified on the basis of its sensitivity. Finally, this information is cross-checked with the information on the facilities, which are classified according to four levels of priority:

- **Highly sensitive facilities:** facilities where both the area of occupancy and the area of influence are located in ecologically sensitive areas.

- **Priority sensitive facilities:** facilities where only the area of occupancy is located in an ecologically sensitive area.

- **Potentially sensitive facilities:** facilities where only the area of influence is located in an ecologically sensitive area.

- **Non-sensitive facilities:** facilities that are not located in ecologically sensitive areas, neither in their area of occupancy nor in their area of influence.

Results for facilities in sensitive areas

Total facilities(*) (Total Redeia - power transmission)

	Overhead lines (no. of spans)	Underground lines No. lines	Underground lines km	Submarine lines (km)	Substations (units)
Total	88,026	2,633	898	1,579	733

(*) Based on existing facilities recorded in the facilities database as of March 2024. According to the definition of nature provided by the TNFD, all facilities or sections located in urban ecosystems have been excluded from the analysis, given that the alteration of this type of ecosystems is very high and, therefore, the provision of ecosystem services is very low. The exclusion of facilities in urban areas is carried out using various sources of information, depending on the country where the facility is located.

Facilities in sensitive areas (Total Redeia – electricity transmission)

	Overhead lines (no. of spans)	Underground lines No. lines	Underground lines km	Submarine lines (km)	Substations (units)
Total (*)	15,352	112	42	821	46
% of facilities of total	17%	4%	5%	52%	6%

(*) Installations where both the area of occupancy and the area of influence are located in ecologically sensitive areas.

An installation (overhead span, kilometre of underground or submarine line and/or substation) is considered to be in a sensitive area **when both its zone of occupancy** (area where the organisation's activity takes place, including those where any kind of work takes place) and area of influence (area outside the areas of occupancy in which the natural environment may be affected by the organisation's activity) overlap with the organisation's activities.

The following areas are considered sensitive:
- Area included in WDPA + Area in KBA + Area in GIAHs and/or ICCAs.
- Area included in WDPA + Area in KBA.

Information available at:
- UNEP-WCMC and IUCN. The World Database on Protected Areas (WDPA) (2024): https://www.protectedplanet.net/en/thematic-areas/wdpa?tab=WDPA
- Key Biodiversity Areas (KBA) (2023): https://www.keybiodiversityareas.org/
- Food and Agriculture Organization of the United Nations (FAO). Globally Important Agricultural Heritage Systems (GIAHS) (2023): https://www.fao.org/giahs/giahsaroundtheworld/en/
- UNEP-WCMC. Territories and areas conserved by Indigenous Peoples and communities (ICCAs) (2023): https://www.iccaregistry.org/

Note: Any additional information included in the links goes beyond EY's scope of verification.

Area included in WDPA

Redeia has so far identified areas where its assets and direct activities interact with nature in ecologically sensitive areas. It is working to be able to determine and break down, in the future, which of its facilities located in sensitive areas are considered priority facilities, based on whether the activities carried out there have a negative impact by causing deterioration of natural and species habitats, disturbing species, and undermining the very reasons why the area was designated as protected in the first place.

Relatively significant impacts related to species status

Redeia has, as regards the electricity transmission business, identified a significant impact related to species status. The impact is the collision of birdlife with earth wires. These earth wires protect power lines from lightning strikes during storms and are an essential element in ensuring the smooth operation of the electrical system. The presence of these cables in Redeia's operations can pose a significant risk to birds, as they may accidentally strike them while flying, especially in open areas or near bird habitats.

To mitigate this negative impact, the Company has implemented a **multi-year bird diverter plan for overhead lines**, which includes the installation of bird guards and visual markers in priority areas for birds. This plan has been drawn up on the basis of the 'Birds and power lines: mapping of bird flyways' project, thanks to which a list of focal species sensitive to collision has been prepared and sensitivity maps (areas where these species can be found) and risk maps (sensitive areas where there are also factors that influence the probability of accidents occurring) have been drawn up. The plan prioritises actions on those sections of the line posing the greatest threat to birdlife.

Work is also under way to develop tools for the early detection of bird collisions. This measure aims to ensure proper handling and preservation during the maintenance of the facilities.

It is a current impact, with a short-term horizon. The source of information is the IDRO project and the location of the impact relates to Redeia's own operations. IDRO is the name of the project that has enabled Redeia to identify the impacts, dependencies, risks and opportunities relating to the natural environment arising from the activities of the companies that make up the wider group and allows the Company to align itself with the main requirements of the different indices and reporting frameworks: TNFD, ESRS, GRI, DJSI, SBTN, etc.

The Company discloses information on the number of affected individuals, considering the threat status of the species as an indicator of the Company's impact on the risk of extinction of local populations.

Material impacts related to ecosystem extent and condition
Redeia has not identified any material negative impacts in relation to land degradation, desertification or soil sealing in relation to the electricity transmission business. The Company focuses on avoiding and minimising negative impacts by selecting the right location for its infrastructure and by applying preventive and corrective measures during their construction and maintenance. This ensures that their activities do not lead to a significant loss of forest area or impact on deforestation.

Material impacts related to ecosystem services and dependencies on these services
Redeia has not identified any relatively significant negative impacts in relation to ecosystem services and dependencies on these services when looking at the electricity transmission business.

Material impacts of direct relevance to biodiversity loss
Redeia has identified three impacts related to the direct drivers of biodiversity loss looking at the electricity transmission business.

The first relates to land use change, which can lead to a change in vegetation cover and erosion processes due to the construction of substations and overhead lines. These activities can lead to habitat and ecosystem loss, thus posing a negative impact. To mitigate this impact, Redeia seeks to avoid areas rich in biodiversity throughout the life cycle of the facilities, treating this as a priority criterion when defining the location of the facilities, both in the planning phase of the network or grid and when defining each project. In the case of substations, the criterion is minimising the space required, which is key to mitigating this type of impact.

Moreover, different construction techniques are used to minimise earthworks and land occupation and/or soil loss, such as hoisting with a boom, laying by hand, carrying out work with helicopters and drones or recovering and reserving topsoil for subsequent reuse. The affected areas are also recovered by restoring slopes, sowing and planting, and selective pruning, avoiding the felling of hardwoods and plant formations of note. The impact materialises in Redeia's own operations, is current and has a short-term horizon. This negative impact mainly affects the social and business ecosystem.

The second impact relates to accidental fire-starting as a result of non-compliance with the minimum safety distances between live elements and vegetation. Inadequate construction and maintenance work can also start accidental fires.

To mitigate this impact, Redeia has optimised its strategy for treating vegetation. It unlocks synergies with fire prevention efforts and helps to offset the environmental impacts (VEGETA) by carrying out preventive clearing in forest areas posing a high fire hazard and removing scrubland associated with high density and height grasses. It also has a **forest fire prevention plan (2023-2025)** and conducts regular inspections of power lines and of adjacent areas and perimeter strips around substations in forest environments.

The Company halts work during periods or situations carrying a high fire risk and part of the risk is transferred by means of a civil liability insurance policy for possible damage caused to third parties. The Company requires its own employees and external personnel to undergo training in forest fire prevention and extinction. The impact materialises in Redeia's own operations, is current and has a short-term horizon. This negative impact mainly affects the social ecosystem.

Last but not least, there is the impact relating to climate change with greenhouse gas (GHG) emissions, with Redeia's main source of GHG emissions being SF_6 gas leaks in its own facilities. To mitigate this impact, Redeia works to reduce these emissions by controlling and reducing leaks, renewing switchgear and taking steps to limit the growth in installed gas. The remaining Scope 1 emissions come from fleet vehicles, the use of air conditioning and heating in the facilities, as well as backup generators, for which energy consumption reduction measures are applied, thanks to the increased use of renewable energy and the development of energy efficiency measures and more sustainable mobility solutions.

The impact materialises in Redeia's own operations, is current and has a long-term horizon. This negative impact mainly affects the social ecosystem. The Company discloses information about its use of land owing to the presence of its facilities.

The Company also discloses information about the most significant impacts in terms of loss of biodiversity on both terrestrial and marine vegetation, especially when they occur in protected natural areas.

It likewise discloses information about its GHG emissions by calculating its carbon footprint.

Impact of operations on endangered species
Certain Redeia facilities are located in areas featuring threatened bird species according to national catalogues or lists and/or the IUCN Red List. Therefore, the Company's direct operations could have a relative impact on these species due to the risk of them colliding with the ground cables.

Redeia has identified a set of collision-sensitive focal species selected on the basis of various criteria including, among others, the degree of threat. Redeia has drawn up sensitivity maps (areas where these species can be found and which must be considered when defining new line layouts) and risk maps (sensitive areas where there are also factors that influence the likelihood of accidents occurring). Based on this information, a multi-year bird diverter Plan for the 2016-2025 horizon has been established, prioritising actions on those sections of the line with the greatest potential impact on birdlife.

11.2.3.2 Impact, risk and opportunity management

a. Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities **/ ESRS 2 IRO-1**

Identification and assessment of impacts and dependencies

Redeia has updated its list of identified impacts, dependencies, risks and opportunities following the LEAP (Locate, Assess, Analyse and Prepare) methodology proposed by the TNFD.

This analysis involves mapping key activities, assessing dependencies and impacts, analysing risks and opportunities, and preparing to respond to these risks and opportunities. The aim is to identify how the Company's activities affect and depend on ecosystem services, and also to identify related risks and opportunities and to develop and establish corporate indicators that will enable Redeia to continuously assess and monitor the material impacts and changes in ecosystems generated by its activities.

The analysis carried out to determine business materiality includes a high-level identification of upstream operations. This analysis revealed that it is the electricity transmission business that has the greatest potential interaction with biodiversity and ecosystems in its direct activities, and this also happens to be the Company's main business in terms.

The Company then identified the area of occupation (area where the direct activity of the organisation takes place, including those areas in which some type of activity is carried out) and the area of influence (area outside the areas of occupation in which the natural environment may sustain some impact due to the organisation's activity) of the various facilities used for the transport of energy. This was carried out by conducting a geospatial analysis of both types of areas. Subsequently, the Company analysed sensitive locations and the sensitivity of the territories in which it operates, based on the environmental drivers indicated by the TNFD.

- Ecosystem integrity
- Importance for biodiversity
- Water stress
- Provision of ecosystem services

For the analysis, geographic information layers are selected to build a map of the ecological sensitivity of the territory by cross-referencing them.

Moreover, as contextual information, the facilities have been cross-referenced with information from the IUCN Red List of Protected Species.

The territory is therefore classified on the basis of its sensitivity. Next, this information on the sustainability of the surrounding area was cross-referenced with the information on the facilities, which are classified into one of four levels of priority:

- **Highly sensitive facilities:** facilities where both the area of occupancy and the area of influence are located in ecologically sensitive areas.

- **Priority sensitive facilities:** facilities where only the area of occupancy is located in an ecologically sensitive area.

- **Potentially sensitive facilities:** facilities where only the area of influence is located in an ecologically sensitive area.

- **Non-sensitive facilities:** facilities that are not located in ecologically sensitive areas, neither in their area of occupancy nor in their area of influence.

Using the SBTN Materiality Tool proposed by TNFD, the actual and potential impacts and dependencies of the electricity transmission activity were identified. It should be noted that only actual impacts were taken into account in subsequent phases of the analysis, as the Redeia impact management model considers only the application of the mitigation hierarchy on this type of impact. The results delivered by the tool were reviewed in order to obtain a final classification, based on Redeia's expert judgement.

Turning to the dependencies, Redeia considered not only the ecosystem services on which its activities depend, and which allow for the proper operation of its infrastructure, but also those factors that could prevent them from working properly.

The prioritisation of impacts and dependencies was carried out on a qualitative basis, by type of infrastructure and phase of the life cycle. More precisely, the magnitude of impacts and dependencies was assessed in terms of severity, where the lowest value (value 1) corresponded to very low impacts/dependencies and the highest value (value 5) to very high impacts/dependencies.

Once the magnitude of the impacts had been identified, for those with very high, high or medium severity, and following the recommendations of the reference frameworks, the following variables were also assessed:

- Scope:
  - The extent of the impact within the infrastructure type itself or for the ecosystem.
  - Comparison of the relative importance of the impact as a function of the number of facilities per infrastructure type.

- Irremediability or degree of irremediability: qualitative assessment of the difficulty of repairing the damage on biodiversity and ecosystems caused by the activity.

By combining the aspects assessed, together with the magnitude, it is possible to obtain the severity of the impact by applying the following formula:

Severity of impact = *scale* • *scope* • *irremediable character*

In the case of the dependencies, the severity of the impacts corresponds to the magnitude. The values were ranked on a scale of 1 to 5, according to the following definitions:

- 1: very low dependency. The activity can continue effectively without any significant dependency on ecosystem services. Technological or process alternatives are readily available and economically viable.

- 2: while there are some dependencies on ecosystem services, these are minor and can be replaced relatively easily and at manageable costs. The alternatives may require minor adjustments to existing operations.

- 3: ecosystem services play an important and regular role in carrying out the activity. Although alternatives exist for the services used, they may be more costly or less efficient, requiring a balancing exercise between ecological costs and benefits.

- 4: the operation or production is heavily dependent on one or more ecosystem services that are difficult to replace and the substitution of which would imply a significant cost or drop in efficiency. The continuity of ecosystem services is crucial for maintaining the economic and operational viability of the site.

- 5: Ecosystem services are absolutely critical and cannot be replaced. The loss or degradation of these services would have a devastating and direct impact on the activity and could even render the business no longer viable.

The assessment of dependencies includes the identification of any ecosystem services that are, or could be, disturbed. Ecosystem services were identified according to Redeia's expert judgement.

Ecosystem services were identified by relying on the two classification systems proposed by the TNDF and the CSRD: Common Classification Of Ecosystem Services (CICES), version 5.2 and System of Environmental-Economic Accounting (SEEA). Moreover, the environmental assets that provide these ecosystem services were identified following those proposed in the LEAP methodology (*Guidance on the identification and assessment of nature-related issues: The LEAP methodology; page 13*).

The ecosystem services that Redeia relies on in its direct operations are predominantly climate regulation services related to the mitigation of extreme weather events that could affect the supply of energy (local climate regulation, storm mitigation, flood control), fire protection services, and erosion control services (soil and sediment retention). Moreover, the electricity transmission activity has an impact on the natural landscape asset and therefore on the ecosystem services it provides to humans (visual, recreational, spiritual, etc.).

Identification and assessment of risks and opportunities
Based on the impacts and dependencies flagged as priorities, a series of nature-related risks and opportunities were identified following the classification system proposed by the TNFD and the CSRD.

Risks
With the risks identified, an assessment and prioritisation exercise was carried out in line with the requirements of the CSRD and the TNFD and adapting the risk assessment methodology of Redeia's Enterprise Risk Management System. This methodology determines the level of risk by combining the following two variables:

- The probability of occurrence assesses the likelihood of the impact or dependence materialising into a risk. It was measured in line with the corporate risk prioritisation methodology.
- The financial magnitude of the risk is the impact that the materialisation of the risk would have on three key aspects of the Company's business:
  - Economic loss: since economic values are not available for nature-related risks, the volume of business exposed to a given risk was assessed. The calculation looked at the business volumes per country and the Company's share declared by Redeia, as well as the proportion of priority facilities with respect to the total number of facilities per country and the percentage that the technology represents of the total number of technologies present in the country. The formula was applied to obtain the values:
  - Reputational loss: the impact of the risk on stakeholders and the Company's reputation was assessed.
  - Electricity supply: the potential impact of the risk on the supply of electricity was assessed.

Following the methodology of Redeia's Enterprise Risk Management System, these elements were combined through the use of a weighted sum to obtain the financial magnitude of the risk.

The combination of probability of occurrence and the financial magnitude of the risk provided a significance or materiality value from which the risks were then prioritised.

Opportunities
The methodology used to assess opportunities was substantially similar to that used to prioritise risks, based on two main variables: probability of occurrence and the magnitude of the opportunity.

Probability of occurrence assesses the likelihood that the impact (positive or negative) will ultimately materialise into a financial opportunity for the Company.

Opportunity magnitude assesses the magnitude of opportunities through a combination of the following variables:

- Generation of economic value: economic opportunity generation was assessed.
- Reputational enhancement: the impact of the opportunity on stakeholders and the Company's reputation was assessed.
- Positive effect on the supply of electricity: the potential impact of the opportunity on the supply of electricity was assessed.

Using Redeia's risk and opportunity prioritisation methodology, the magnitude of the opportunity can be obtained by multiplying the above variables:

Magnitude of opp. = *earnings generation* x *improved reputation* x *good for electricity supply*

Systemic risks are risks arising from the breakdown of the entire system, rather than the failure of individual parts. They are characterised by modest tipping points combining indirectly to produce large failures with cascading of interactions of physical and transition risks (contagion), as one loss triggers a chain of others, and with systems unable to recover equilibrium after a shock. An example is the loss of a keystone species that causes cascading effects in trophic pyramids.

Redeia considered this type of risk during the process. The Company tested the resilience of the current strategy and business model to physical, systemic and transition risks related to biodiversity and ecosystems through an exploratory scenario analysis following the recommendations of the TNFD. This analysis did not reveal any systemic risks arising from Redeia's direct operations, as the material impacts and dependencies would not lead to the collapse of ecosystems in the short or medium term, or to the extinction of species or depletion of natural resources.

Redeia fosters and maintains a lasting relationship with its stakeholders in order to build two-way relationships of trust. The relationship with stakeholders is predicated on the sustainability policy and the principle of generating shared value to help develop a more prosperous and sustainable environment, collaborating with the communities and fostering the integration of the Company's activities within the territory.

Redeia interacts continuously with the affected communities during all phases of the life cycle of the facilities, in order to resolve doubts and concerns and to come up with solutions and plans to remedy any possible environmental impacts. The aim is to ensure that the projects can be built and run in a sustainable manner and to preserve the existing value and functionality of ecosystem services.

Redeia's direct operations do not depend on, or affect, raw materials with negative effects on biodiversity and ecosystems that would require a process of consultation, information-sharing or engagement with the communities potentially affected.

Results for facilities in sensitive areas

Total, facilities(*) (Total Redeia – power transmission)

	Overhead lines (no. of spans)	Underground lines No. lines	Underground lines km	Submarine lines (km)	Substations (units)
Total	88,026	2,633	898	1,579	733

(*) Based on existing facilities recorded in the facilities database as of March 2024. According to the definition of nature provided by the TNFD, all facilities or sections located in urban ecosystems have been excluded from the analysis, given that the alteration of this type of ecosystem is very high and, therefore, the provision of ecosystem services is very low. The exclusion of facilities in urban areas is carried out using various sources of information, depending on the country where the facility is located. It includes the facilities of the company TEN.

Facilities in sensitive areas (Total Redeia – electricity transmission)

	Overhead lines (no. of spans)	Underground lines (no. lines-km)		Submarine lines (km)	Substations (units)
Total(*)	15,352	112	42	821	46
% facilities(*)	17%	4%	5%	52%	6%

(*) Highly sensitive facilities where both the area of occupancy and the area of influence are located in ecologically sensitive areas

A facility (overhead span, km of underground or submarine line and/or substation) is considered to be in a sensitive area when both its zone of occupancy and zone of influence overlap or encroach with the sensitive area.

The following areas are considered sensitive:
• Area included in WDPA + Area in KBA + Area in GIAHs and/or ICCAs.
• Area included in WDPA + Area in KBA.
• Area included in WDPA.

Redeia has so far identified areas where its assets and direct activities interact with nature in ecologically sensitive areas.

Redeia is working to be able to determine and break down, in the future, which of its facilities located in sensitive areas are considered priority facilities, according to whether the activities carried out there have a negative impact by causing deterioration of natural habitats and species habitats, disturbing species, and undermining the very reasons why the area was designated as protected in the first place.

Redeia manages biodiversity based on the impact mitigation hierarchy approach by applying various measures.

Avoidance of areas rich in biodiversity is a priority criterion and is the first to be considered when deciding on the site of installations, both in the network planning phase and when defining each project. Sound facility design during the planning and project phases is ensured so that new infrastructure is not developed in areas rich in biodiversity and forest areas. According to the methodology for conducting the environmental impact studies, the facility must not be located inside, or otherwise affect, protected areas due to their ecological, biological, cultural and/or landscape value, or areas catalogued as being of high biodiversity value. The methodology likewise imposes numerous requirements in relation to areas in which focal bird species and native vegetation are present. However, considering that a high percentage of the planet's surface has some form of environmental protection, it is inevitable that in some cases our infrastructure will cross paths with, or be located in, protected spaces or areas containing species of interest.

Where this happens, all the necessary preventive and corrective steps are taken to minimise the potential impacts of this encroachment, including habitat restoration measures when possible or regeneration measures to improve the biophysical function of existing processes and the productivity of the ecosystem. This includes efforts to protect habitats and vegetation during construction and maintenance work, to restore affected areas once the work has been completed, to minimise the risk of collision, and to create firebreaks to reduce the risk of fire.

Finally, any residual impacts that still exist after these steps have been taken are offset through various environmental improvement actions and projects to enhance biodiversity around the facilities, thus promoting positive action and projects and collaborating with the public administration, non-governmental organisations, research bodies and other stakeholders. These measures and projects aim to offset the impacts by generating positive impacts on biodiversity.

b. Policies related to biodiversity and ecosystems **/ E4-2**
The protection and conservation of Biodiversity has always been a priority concern as part of the Company's environmental management efforts and a key factor shaping the Group's strategy.

The Company has been following a policy known as its **Commitment to Biodiversity** since 2010. The main aim of this commitment is to minimise the impact of biodiversity loss and to generate a positive impact on biodiversity in the areas where the Company operates. This challenge is in line with the sustainability objective of generating a net positive impact on the natural capital of the area surrounding new facilities by 2030. The commitment also sets out to manage risks and opportunities by measuring and assessing impacts and dependencies associated with biodiversity, and then integrating this information into internal management processes in line with the approach proposed by the Taskforce on Nature-related Financial Disclosures (TNFD). The scope of the biodiversity commitment covers both own operations and suppliers and within the lines of action envisioned in the code, Redeia seeks to become biodiversity positive by adapting the operational and strategic model governing its relationship with the natural environment at all levels of its value chain.

Meanwhile, Redeia's Code of Conduct for Suppliers insists that all suppliers apply the necessary preventive and corrective measures to minimise and, as the case may be, correct any impacts on habitats and species so that they protect biodiversity while running their business. Suppliers must also apply environmental criteria when procuring goods and services and when monitoring their supply chain, thus extending these good practices along their own supply chain and maintaining a respectful attitude towards the environment, avoiding any situation that could have negative implications for the environment or disturb the balance of natural systems.

Redeia is also acutely aware of its impacts on nature and has therefore established (and regularly updates) a series of resolute commitments to fight climate change in order to achieve carbon neutrality, and to protect vegetation and combat deforestation in its own operations and those of its supply chain.

Redeia also addresses the social side of biodiversity-related impacts by promoting training activities, collaborating with society, and publicly disclosing its conservation actions and projects.

Redeia has environmental management systems certified under the ISO 14001 standard, thus ensuring compliance with the principles and the effectiveness of the actions taken in relation to biodiversity throughout the life cycle of its facilities and activities. It also ensures ongoing, two-way communication with its stakeholders to convey its commitment to biodiversity conservation and to listen to their needs and expectations in this regard.

Redeia factors in sustainability criteria when it comes to land use, thus helping to ensure that new infrastructure is not built in areas presenting high natural wealth and endeavouring to restore the areas affected. It also considers the impacts on marine biodiversity by taking steps to minimise the negative effects of its facilities and activities in marine environments.

Redeia has several key policies in place:

- **Environmental policy:** sets out Redeia's environmental policies, designed to ensure delivery of its commitment to conserving and enhancing the environment across all its activities, facilities or services throughout their life cycle, including distribution and logistics, in response to stakeholder needs and interests.

- **Sustainability policy:** Redeia's Sustainability Policy is there to ensure the responsible management of the business, focusing on excellence and the creation of value for stakeholders. It sets out Redeia's sustainability-related principles, guiding all activities towards a responsible management model, focused on excellence and value creation for stakeholders and maximising Redeia's contribution to the Sustainable Development Goals (SDGs).

- **Commitment to biodiversity:** this policy covers Redeia's operational sites, ensuring the preservation and restoration of biodiversity in the areas where it operates. It insists that sites be selected with great care to avoid areas of high natural wealth and that minimisation, remediation and offsetting actions be taken, in line with the mitigation hierarchy.

The commitment includes the aim of generating a positive impact on biodiversity in the areas where the Company operates by 2030, a challenge that is in line with the sustainability objective of generating a net positive impact on the natural capital located in and around the Group's new facilities by 2030.

- **Commitment to protect plant life and combat deforestation:** Redeia endeavours to conserve forest ecosystems by restoring and regenerating the areas affected by its activities, thus contributing to the fight against deforestation.

- **Climate change commitment:** the Company embraced a public and voluntary commitment in 2011 to combating climate change, which is embodied in its commitment to achieve net zero by 2050, in its emission reduction targets and in its Climate Change Action Plan, which were updated in 2021 to align them with the global ambition of limiting the average temperature increase to 1.5 °C.

- **Code of Conduct for Suppliers:** this code applies to all Redeia suppliers and their subcontractors and enshrines the principles of conduct expected of them. Some of these principles are based on the supplier's relationship with its environment. Suppliers must make efficient use of resources by fostering energy saving and have preventive measures in place to avoid or minimise pollution, especially in relation to greenhouse gas emissions, deforestation and soil and environmental degradation. Suppliers must also see to it that the necessary preventive and corrective actions are taken to minimise and, as the case may be, correct any possible impacts on habitats and species, thus helping to protect biodiversity while performing their activities.

c. Actions and resources related to biodiversity and ecosystemss **/ E4-3**

Redeia has taken various steps and allocates resources to ensure the conservation of biodiversity and ecosystems. These actions are aligned with its Environmental Policy and its Sustainability Commitment 2030 and are based on a mitigation hierarchy approach that includes avoid, minimise, restore and offset, thus helping to preserve and conserve biodiversity in the territories where it operates.

First and foremost, **avoiding areas that are protected or highly biodiverse** is essential when deciding on the location of facilities. Redeia avoids siting new infrastructure in protected areas or areas of high biodiversity value. This preventive measure is essential to reduce the environmental impact right from the start of its projects.

The second step, **minimising potential impacts**, is achieved through preventive and corrective action, including habitat restoration where possible. Redeia takes steps to minimise the environmental impacts of its facilities and activities throughout their lifecycle. If significant residual impacts do occur, Redeia applies mitigation, restoration and rehabilitation actions to counteract these effects.

The final step, **offsetting residual impacts**, is achieved through environmental improvement actions and conservation projects in partnership with public bodies and non-governmental organisations. Red Eléctrica relies on a methodology for the quantitative assessment of impacts (negative and positive) on biodiversity. This methodology is followed when conducting the environmental impact studies of new power line and substation projects, defining the baseline impact and allowing various actions to be taken during the design phase with a view to achieving a positive impact in terms of biodiversity throughout the life cycle. The methodology is now being followed in new energy transmission grid projects in Spain submitted for an environmental impact assessment. The methodology allows for progress to be monitored through a bottom-up approach and ensuring compliance with the 2030 biodiversity impact target set out in the Group's biodiversity commitment. The design of the process is based on a natural capital vision that aims to offset the residual impact of the project on the different natural assets, thus allowing projects to be designed on the basis of positive biodiversity net gain criteria.

The assessment methodology delivers useful quantitative information on the residual impact of a project on natural assets that must be offset, enabling the Company to design and establish offset measures to achieve a positive net gain in biodiversity.

The natural biodiversity assets on which Red Eléctrica has designed its impact assessment methodology and applied the mitigation hierarchy are those in respect of which significant residual impacts could arise over the life cycle of the project and possibly contribute to the drivers of biodiversity loss:

- Habitat natural asset (natural forest, non-forest and agricultural (vegetation) habitats and land uses).
- Species natural asset (specifically avifauna).
- Atmosphere natural active.

Redeia is currently assessing how best to include biodiversity offsets in its action plans. These actions will include the objective of achieving a net biodiversity gain, using key performance indicators to assess and monitor the material impacts and ecosystem changes generated by its activity. The direct and indirect costs of biodiversity offsets will be assessed in monetary terms, and the description of the offsets will include the area, type, quality criteria applied, and the standards they meet.

Redeia also looks to include local and indigenous knowledge and nature-based solutions in its biodiversity and ecosystem actions. The sensitivity of the territories where it is present is analysed on the basis of the environmental vectors indicated by the TNFD, such as importance for biodiversity, water stress and the delivery of ecosystem services. Redeia interacts continuously with the affected communities, including indigenous peoples, during all phases of the life cycle of the facilities, in order to resolve doubts and concerns and to come up with solutions and plans to remedy any possible environmental impacts. The aim is to ensure that the projects can be built and run in a sustainable manner and to preserve the existing value and functionality of ecosystem services.

Redeia has incorporated nature-based solutions to biodiversity and ecosystem-related actions for the treatment of vegetation located below power lines. It is known as the Network Grazing project (where livestock clear the area below the power lines), which Redeia is carrying out to improve the biophysical function of existing processes and the productivity of an ecosystem. The project champions ecosystem services by improving natural resources and human well-being around transmission infrastructure through the use of nature-based solutions (NBS). Relying on extensive livestock grazing as a means of controlling vegetation (and in a manner harmonious with the existing ecosystem) delivers an improvement in herbaceous composition and grassland cover by increasing the presence of pollinators. It also favours water infiltration and counters the effects of erosion, which, stimulated by the relief and the nature of the materials, can be a determining factor in the landscape. Pasture locks atmospheric carbon into the soil due to the large amount of organic matter the grass accumulates among its roots. Meanwhile, the presence of livestock and the organic matter they provide has a positive impact on soil fertility. All these regulatory services have been stepped up.

Redeia has embraced an explicit commitment to protecting vegetation and combating deforestation, which applies to both its own operations and those of its supply chain. As wildfires are one of the greatest threats to the preservation of forests, the Company works hard to prevent and fight this threat by ensuring absolute compliance with the necessary safety distances between vegetation and infrastructure. This is achieved thanks to proper maintenance of firebreaks and the perimeter strips surrounding substations located in and around forests. The Company also collaborates actively with public administrations through partnership agreements and pursues innovation projects related to fire prevention. Despite applying best prevention and mitigation practices, plant species that are incompatible with safety requirements in and around the facilities must be removed in some cases. Where this situation arises, the Company has pledged to offset all the trees and shrubs removed through planting and reforestation activities. The Company carries out offsets for all trees removed by taking specific action aimed at the conservation of native forests and by continuing to pursue its Redeia Forest project.

Further habitat conservation projects carried out by Redeia include the "Red Eléctrica Marine Forest" project to restore *posidonia oceanica* seagrass in Mallorca. In Peru, Redinter signed an agreement for the reforestation of four hectares of land located in the National Reserve of Salinas and Aguada Blanca.

To help protect and conserve birdlife, the main initiative is the visual marking of earth wires with bird-saving devices. Thanks to the project "Birds and power lines: mapping of flyways", certain critical areas have been flagged and notable progress is being made in visually marking the power lines located within them, with the aim of achieving 100% marking of these priority areas in 2025.

Redeia has partnered up with the Autonomous University of Barcelona to assess the potential of the electricity transmission network as infrastructure capable of creating and improving biodiversity in and around power line firebreaks thanks to the sustainable treatment of the plant cover.

The Company also promotes and performs numerous initiatives to conserve birdlife, primarily geared towards improving their habitats, drawing on knowledge of their behaviour and condition, as well as boosting the population of species that are more sensitive to the presence of power lines, thus helping to offset those impacts that cannot be prevented or mitigated.

11.2.3.3 Metrics and targets.

a. Targets related to biodiversity and ecosystems

Redeia's Sustainability Plan includes a series of objectives for 2025 related to biodiversity impacts, risks and opportunities, including:

- 100% of critical spans visually marked for Red Eléctrica.
- 100% of investment projects associated with the commitment to protect vegetation and combat deforestation.

Also, in line with the Biodiversity Commitment and the objectives marked out in the plan, Redeia has set itself the following targets:

- Measuring and valuing the impact by implementing a system of accounting for and valuing the natural capital present in biodiversity;
- Identifying and assessing biodiversity-related risks and opportunities;
- Protection and restoration of habitats in protected areas or areas of high biodiversity;
- Recovery and conservation of vulnerable and endangered species;
- Eradication of invasive species associated with electricity transmission infrastructure;
- Electricity infrastructure as a reservoir of biodiversity.

Ecological thresholds and impact allocation

Redeia has not established specific ecological thresholds in setting its targets. However, in new projects the Company does assess the sensitivity and ecological value of the habitats and species present, as well as the magnitude of the potential impacts of its actions.

Tracking effectiveness of policies and actions through targets
Redeia has devised a set of measurable, results-oriented and time-bound biodiversity and ecosystem targets. They are designed to support Group policies and address material impacts, risks and opportunities and are set out in the Sustainability Plan.

Redeia monitors the effectiveness of its actions through its environmental management systems, which are ISO 14001 certified. These systems ensure the effectiveness of the biodiversity measures put in place throughout the life cycle of its various facilities and activities. Meanwhile, Redeia relies on its Environmental Monitoring Programmes and specific monitoring procedures to continuously assess how its infrastructure interacts with biodiversity, while also tracking its suppliers and their performance.

Redeia's targets are aligned with the Group's Sustainability 2030 objective, which seeks to generate a net positive impact on the natural capital in and around its new facilities by 2030. This broad objective is measured through a set of specific indicators that assess the impact on biodiversity and natural capital, thus ensuring that the Group's activities do not cause a significant loss of forest area or deforestation.

The scope of these targets extends to all of Redeia's majority-owned companies and to all countries in which it operates, including Spain, Peru and Chile. The targets also factor in the value chain by seeking to minimise the impact on biodiversity through awareness and good practices among business partners, contractors and suppliers.

Significant methodologies and assumptions used to define the targets include alignment with international frameworks and policies such as the Kunming-Montreal Global Biodiversity Framework, the EU Biodiversity Strategy for 2030, and other national policies. Redeia also champions nature-based solutions and, alternatively, governance, management and infrastructure-based solutions.

It continuously monitors and reviews the progress made towards the targets announced. Redeia relies on both qualitative and quantitative indicators to assess progress, ensuring that it is in line with what was initially planned and analysing trends or significant changes in performance on the path to achieving the targets set.

Redeia's targets can be assigned to various levels of the hierarchy of mitigation measures, including avoidance, minimisation, restoration and rehabilitation. The Group promotes solutions and new ways of working to avoid or minimise environmental impacts and sees to it that the principles enshrined in its Environmental Policy are observed among collaborating companies acting in its name.

b. Impact metrics related to biodiversity and ecosystem change

Surface area of facilities located in biodiversity sensitive areas

	Overhead lines (no. of spans)	Underground lines (no. lines-km)		Submarine lines (km)	Substations (units)
Total (*)	15,352	112	42	821	46
% facilities	17%	4%	5%	52%	6%
Surface area (**) (ha) in sensitive areas	125,820	11,7		156.6	137.8

(*) Facilities where both the area of occupancy and the area of influence are located in sensitive areas. According to the definition of nature provided by the TNFD, all facilities or sections located in urban ecosystems have been excluded from the analysis, given that the alteration of this type of ecosystems is very high and, therefore, the provision of ecosystem services is very low. The exclusion of facilities in urban areas is carried out using various sources of information, depending on the country where the facility is located. It includes the facilities of the company TEN.
(**) Area of occupation and influence.

The surface areas shown reflect the sum of the areas of occupation and influence of installations located in sensitive areas, having previously eliminated any overlaps that may exist between different sensitive areas in the same zone of occupation/influence.

A facility (overhead span, km of underground or submarine line and/or substation) is considered to be in a sensitive area when both its **zone of occupancy** and **zone of influence** overlap or encroach with the sensitive area.

The following areas are considered sensitive:
• Area included in WDPA + Area in KBA + Area in GIAHs and/or ICCAs.
• Area included in WDPA + Area in KBA.
• Area included in WDPA.

The areas of occupation and influence established for all the facilities are as follows:

Type of infrastructure	Area of occupancy (metres)(*)	Area of influence (metres)(**)
Overhead lines	20	100
Underground lines	2	0
Submarine lines	1	0
Substations with transformer	Fenced-off area	50
Substations without transformer	Fenced-off area	50

(*) Metres on each side of the axis of the line. In the case of overhead lines, the axis would correspond to an imaginary line connecting the supports at their midpoint
(**) Metres on each side spreading out from the area of occupancy

Land occupation
Looking at the electricity transmission business and its direct operations, Redeia has identified one impact related to the direct drivers of land use change. The construction of substations and land lines in Redeia's own operations may entail a land occupancy change, meaning a change of use that could lead to a change in soil coverage.

To mitigate this impact, Redeia seeks to avoid areas rich in biodiversity throughout the life cycle of the facilities, treating this as a priority criterion when defining the location of the facilities, both in the planning phase of the network or grid and when defining each project. In the case of substations, the criterion is minimising the space required, which is key to mitigating this type of impact.

By selecting the right location for infrastructure, ensuring the proper design for facilities, and applying the preventive and corrective measures described above, Redeia is able to avoid or otherwise minimise the resulting impact on plant life, without causing a significant loss of forest area and ensuring that its activities do not cause deforestation.

OCCUPANCY surface area: lines (ha)	108,828
OCCUPANCY surface area: substations (ha)	1.,94
Surface area(*) OCCUPANCY: total (ha)	110,022

(*) According to the definition of nature provided by the TNFD, all facilities or sections located in urban ecosystems have been excluded from the analysis, given that the alteration of this type of ecosystems is very high and, therefore, the provision of ecosystem services is very low. The exclusion of facilities in urban areas is carried out using various sources of information, depending on the country where the facility is located. The total area includes the area occupied by the company TEN's facilities and installations.

Total sealed area
In the case of the electricity transmission business, the area covered by no-permeable materials (sealed) would relate solely to the area occupied by the overhead lines by each of the four truncated cone-shaped concrete footings holding up each support (1.5 to 2 m² maximum occupancy per leg). In the case of underground or submarine lines, we should not talk about the existence of impermeable areas, but rather areas of ground taken up, or "occupied", by the cables along their route.

In the case of substations, the surface area that can be considered sealed within the site depends on several factors, the main one being the type of substation: AIS (Air Insulated Switchgear) or GIS (Gas Insulated Switchgear). In the case of AIS substations (normally located outdoors), there are further differences when it comes to the non-permeable surface in each one of them, including the number of asphalted or concreted access points, the presence of telecommunications huts and relay huts, the presence or absence of a control or work centre, a warehouse-workshop, waste huts, waste platform, and so forth.

A case-by-case analysis would therefore be needed, involving an extensive list of variables, in order to obtain a value for the total area sealed without such a result proving to be material, or at least indicative, in order to contribute directly to the drivers of land use change.

Total nature-oriented area on the site (inside and/or outside the site)
The Company does not currently have nature-oriented areas, meaning those elements that promote biodiversity, such as green roofs, green façades, landscaping with native species, insectaries and natural restorations, except for a small, landscaped roof at its Tres Cantos 1-Cecore and Tres Cantos Campus corporate building (Tres Cantos, Madrid).

Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities
Based on the impacts and dependencies found to exist, Redeia identified the risks and opportunities related to biodiversity and ecosystems. Both the risks and the opportunities underwent an assessment and prioritisation exercise in line with the requirements of the TNFD and adapting the risk assessment methodology of Redeia's Enterprise Risk Management System.

Redeia also tested the resilience of the current strategy and business model to physical, systemic and transition risks related to biodiversity and ecosystems through an exploratory scenario analysis following the recommendations of the TNFD.

Redeia is making efforts so that it can disclose, in due course, the anticipated financial effects of material biodiversity- and ecosystem-related risks and opportunities. This disclosure will provide a clearer understanding of the expected financial effects due to material risks arising from biodiversity- and ecosystem-related impacts and dependencies and how these risks have a material influence on the Company's financial position, financial performance and cash flows over the short, medium and long term and the expected financial effects due to material opportunities related to biodiversity and ecosystems.

11.2.4 ESRS E5 - Resource use and circular economy

11.2.4.1 Impact, risk and opportunity management

a. Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunitiesy

ESRS 2 - IRO 1

In 2024, Redeia reviewed its materiality assessment and the methodology employed to ensure compliance with the requirements of the new European Sustainability Reporting Standards (ESRS), as described in chapter 1.2 *Materiality assessment.*

Two material impacts (both negative) were identified when identifying impacts, risks and opportunities as part of the double materiality assessment carried out in 2024. No material risk or opportunity was identified. Both impacts are disclosed in chapter 1.2 *Materiality assessment*, section 1.2.4 *Material impacts, risks and opportunities. SBM-3*

Impacts

Impact	Location in the value chain	Positive / Negative	Current / Potencial	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	How the impacts affect people and the environment	How the impact interacts with the strategy and business model	Link between impacts and business activities and relationships	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Scarcity of finite resources due to equipment designs that do not consider the entire life cycle.	Direct and indirect suppliers.	N	Current	S	Scarcity of finite resources needed to carry out the Company's activities.	Use of finite raw materials and increase in GHG emissions, which are harmful to society. In the case of the natural environment, it can lead to the disappearance of habitats necessary for flora and fauna, and thus to the extinction of species.	Fostering the use of renewable raw materials.	These materials are produced by suppliers when designing and building materials and equipment.	Redeia has included sustainability criteria in some of its critical supplies, thus allowing it to acquire more sustainable equipment and materials.
Waste generation.	Own operations.	N	Current	S	Waste generation.	The main adverse impacts on people are health-related and are due to poor waste disposal that can increase the risk of disease. As for the natural environment, the main damage relates to pollution.	Minimisation and proper treatment of waste.	Occurs during construction operations or when renewing electrical and fibre optic installations.	Waste management at Redeia aims for optimisation, which means reducing, reusing, recycling or otherwise ensuring the energy recovery of all waste generated, achieving zero waste to landfill by 2030, and extending the useful life of materials and equipment.

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

The impacts identified are part of the sub-topic of resource inflows, including resource use.

Resource inflows, including resource use

For this sub-topic, a material impact was identified arising from the scarcity of finite resources and caused by a lack of commitment in product design, thus leading to an increase in waste and, in turn, to the generation and emission of gases into the atmosphere.

No positive impacts were identified.

With regard to resource inflows, including resource use, Redeia consulted with its most critical suppliers to determine their maturity in carrying out a Life Cycle Assessment (LCA).

Waste

For this sub-topic, a material impact was identified in relation to the waste generated along Redeia's value chain, more precisely in activities such as the construction and renovation of electrical and fibre optic installations.

As in the previous case, no positive impacts were identified.

b. Policies related to resource use and circular economy **/ E5 -1 + MDR-P**

Redeia's **Environmental Policy** addresses several critical aspects for the responsible management of resources and to reduce the environmental impact. This policy is designed to ensure that all Company activities are aligned with the principles of sustainability and circular economy, fostering the efficient and responsible use of resources. The Company carries out all its activities with environmental protection in mind, in accordance with the principles set out in its environmental policy, which was updated and approved by the Board of Directors in 2023. This policy sets out, among other matters, the Company's commitment to pollution prevention, the precautionary principle, responsible consumption and the sustainable use of resources. It also includes various aspects to strengthen this commitment and which function as drivers in improving environmental management, such as the life cycle approach, stakeholder expectations, the effective transmission of its environmental commitment along the supply chain, and foresight in applying environmental regulations. For more information, see section *b. Policies related to climate change mitigation and adaptation. E1-2 / MDR-P.*

Notably, Redeia's 2030 Sustainability Commitment takes the form of 11 sustainability goals all with a 2030 vision and aligned with the strategic plan. Two of these overarching objectives are to be a leading company in the circular economy by 2030 and to be a driver of change among its suppliers. To succeed in this task, Redeia is firmly committed to the transition away from the use of virgin resources and towards the increased use of secondary resources, which is already causing positive impacts.

This is reflected through the actions envisioned in its **Circular Economy Roadmap**, the integration of which is also set out in the environmental policy. These actions include:

- Zero waste to landfill: the Company aims to eliminate the production of waste destined for landfill, which calls for efficient management and reuse of materials wherever possible. To make this happen, since 2021 it has been working towards an action plan for the reduction and recovery of 100% of waste from all Group companies.

- Circular economy: Redeia targets the circular economy, involving suppliers in taking positive steps to cushion the impact on resource consumption and the environment.

- SF_6 reuse: the Company has implemented a procedure to ensure the reuse of SF_6 recovered from leak sealant, thus reducing the need to use virgin gas.

- Single-use plastics: the Company is actively working towards the implementation of processes to eliminate the use of single-use plastics by transitioning to 100% recyclable or recycled plastics in its packaging.

- Sustainability criteria along the supply chain: the Company includes sustainability criteria in purchasing decisions, thus championing circular economy, safety, diversity and biodiversity.

The Company has implemented a comprehensive assessment and monitoring system to ensure the effectiveness of its sustainability-related policies. This system addresses material impacts, risks and opportunities in its own operations and upstream and downstream all along its value chain. Specific actions reflecting this integration and their positive impact include:

- Redeia analyses various critical supplies through the simplified methodology of Life Cycle Analysis, with the aim of making sustainability criteria part of its purchasing decisions, thus fostering circular economy, safety, diversity and biodiversity. This initiative encourages suppliers to embrace sustainable practices as well, extending the commitment to sustainability to all links in the value chain.

- The Company engages its suppliers in implementing circular economy measures to reduce the impact on resource consumption and the environment, doing so through the Redeia Code of Conduct for Suppliers, which all suppliers must sign. This includes the integration of circular economy criteria, sustainable resource use, eco-design, asset life extension, waste minimisation and management, training and other supplier development activities.

- Redeia conducts internal and external audits to assess compliance with sustainability policies along the value chain, identifying impacts, risks and opportunities for further improvement.

These actions not only ensure sustainability in Redeia's own operations, but also generate a positive impact on those around it and on all the agents involved in its value chain.

c. Actions and resources related to resource use and circular economy

E5 - 2 + MDR-A

When it comes to reducing the **consumption of raw materials** and prioritising the use of recycled, recyclable or reusable materials, the Company is adamant that further progress must be made towards eco-design and in taking due account of environmental impacts by considering the life cycle of equipment and materials. This is only possible by working closely with other key players, mainly suppliers, while fostering innovation and technological development. Since 2022, Redeia has been working hard to identify, based on a simplified life cycle analysis methodology, the impacts of the most critical equipment for the Company in a bid to integrate sustainability criteria into its purchasing processes. The Company assesses aspects such as the extraction of raw materials, the use of recycled materials, parameters of origin, durability and reparability, the production process, the carbon and water footprint, allowing it to quantify the main environmental impacts and make better decisions with the ultimate aim of acquiring more efficient and sustainable supplies.

Meanwhile, the Company's approach to waste focuses on its proper management and on eliminating and/or reducing its production wherever possible. At Redeia, the waste comes mainly from maintenance and construction work on the facilities, which is necessary to keep the assets in the best possible condition. Due to the nature of these activities, it is very hard to predict trends in the quantities of waste produced as they are linked to the number and types of actions carried out each year. This means that it is not possible to reduce waste without reducing the maintenance work required and the adaptation of facilities. Moreover, these activities must be carried out to ensure the safety of the electricity system and installations and to manage the fibre optic network. They also happen to reduce environmental risks in many cases. Redeia always analyses and attempts to restructure or redesign all its operations to eliminate and/or reduce waste right from the outset. However, in many cases it is not possible to reduce the volume of waste generated annually, especially if the volume of maintenance work and facility refurbishment and upgrade work increases during the year. For this reason, the Group's objectives, as set out in its Zero Waste Programme, are firmly focused on completely eliminating waste whose final destination is landfill and on reducing certain types of waste, including SF6 and those arising from contaminated land, while always promoting alternative and innovative treatments.

Redeia currently pays certain fees as its only waste management overhead, in the sense that these actions do not require a specific allocation of resources.

11.2.4.2 Metrics and targets

a. Targets related to resource use and circular economy **/ E5 - 3 + MDR-T**

Redeia has set targets for each material sustainability issue. These targets track the effectiveness of the policies and actions put in place, as well as the degree of progress made towards these targets along the Company's value chain.

The targets identified are as follows:

Topic	2025 targets AR 18	2030 targets AR 18	Progress in 2024
Resource inflows, including resource use	Ten (10) supplies with the greatest impact on the transmission network, based on circularity, climate change, security, diversity and biodiversity criteria	Twenty-five (25) supplies with the greatest impact on the transmission network, based on circularity, climate change, security, diversity and biodiversity criteria	Eleven (11) supplies with the greatest impact on the transmission network, based on circularity, climate change, security, diversity and biodiversity criteria
Waste	0% Red Eléctrica waste to landfill(*)	0% waste to landfill for the entire Group	0% Red Eléctrica waste to landfill

(*) Does not include waste that must be taken to landfill in accordance with prevailing legislation.

It is worth noting that all the targets set for the circular economy are voluntary and are more ambitious than the minimum legal requirements.

As previously earlier, Redeia has two main Sustainability 2030 targets relating to resource inflows and waste.

Supplies with the greatest impact on the transmission grid based on circularity criteria

Redeia has a set of measures and objectives in place to identify the environmental impacts of equipment and materials from their origin. The aim is to ensure more reliable tracking of such items so as to be able to anticipate procurement risks at the Company and propose improvements that can be implemented from the outset, thus minimising the use of raw materials and fostering eco-design and the procurement of sustainable supplies.

Highlights here include the efforts currently being made by the Company, together with its network of suppliers, to identify the impacts of equipment and materials from the production process onward, through a simplified life cycle analysis methodology developed in 2022. This methodology assesses aspects such as the use of recycled and recyclable materials, as well as their origin, carbon footprint and water footprint, enabling the Company to quantify the main environmental impacts and make better decisions, ultimately leading to more efficient and sustainable supplies.

In 2024, six critical supplies for Redeia were analysed using this methodology. Together with the four analysed in 2023, these are fed into the circular economy roadmap with a view to implementing sustainability requirements for these ten supplies in 2025, on the path to achieving a more sustainable supply network by 2030. Redeia will continue working to increase the circular design of its supplies.

Redeia has also pledged to ensure that in 2025 it uses 100% eco-packaging, recycled, recyclable or reusable packaging and that the consumption of single-use plastics will be 0%, with the aim of increasing the circular use ratio in the supply of equipment and materials. It is also worth noting that Redeia does not operate with raw materials or waste of renewable origin.

Zero waste to landfill

On the subject of waste, Redeia has been pursuing an action plan since 2021 for the reduction and recovery of 100% of the waste produced by all Group companies by 2030.

In 2024, waste was managed as follows under the terms of the plan: (1)

Prevention; (2) Preparation for re-use; (3) Recycling; (4) Other recovery; (5) Disposal. This last category (Disposal) includes reuse, recycling, composting, anaerobic digestion and regeneration treatments.

Along these lines, some of the measures envisioned in the "Zero waste to landfill by 2030" project were implemented, such as the incorporation of recycling/recovery requirements in tenders for waste management and services, the installation and implementation of composters for organic waste at work centres, and a proper analysis of the waste generation flows at all Group companies.

b. Resource inflow and outflow parameters

i. Resource inflows **/ E5 - 4 + MDR – M**

Although Redeia does not consume raw materials directly, it does consume them indirectly through transmission network infrastructure. Once a year the Company measures the impact associated with the extraction and manufacturing stages of these resources, as they also happen to be the stages that generate the greatest impact on the carbon and water footprint. In making this calculation, it needed to know the weight of certified raw materials in 2024 for the transmission grid, broken down by type of material.

Redeia does not use conflict minerals (tin, tungsten, tantalum and gold from high-risk and conflict-affected areas) in its equipment.

Consumption by raw material

Raw material	2024	2023	
Porcelain	1,482	856	tonnes
Plastic	4,197	2,277	tonnes
Magnetic plate metal	104	1,942	tonnes
Steel	18,530	17,659	tonnes
Aluminium	10,069	5,467	tonnes
Copper	3,293	2,166	tonnes
Paper	45	426	tonnes
Oil	447	1,918	tonnes
Zinc	812	584	tonnes
SF6 gas	25	6	tonnes
Electronic components	265	219	tonnes
Glass	177	102	tonnes
Ni-Cd batteries	110	393	tonnes
Other	245	965	tonnes

As the supplies procured by Redeia do not contain biological materials, this indicator does not apply.

100% of the supports purchased by Redeia contain 75% recycled steel.

Raw material	Weight (t)	% of total
Recycled steel	3,528	85%

The methodology used to calculate recycled steel in Redeia's supplies is based on knowledge of the percentage of raw materials that make up each supply. Thus, knowing the weight of the supplies procured each year, Redeia is able to calculate the tonnes of raw materials used to produce them.

To determine the weight of reused or recycled secondary components, the minimum requirement for recycled content (75%) in supports is applied in the case of steel, as it is the most abundant material.

ii. Resource outflows **/ E5 - 5 + MDR – M**

In 2024 Redeia produced a total of 1,234 tonnes of waste, with Red Eléctrica accounting for more than 81% of this total figure. In general, Redeia's waste generation is associated with the maintenance and construction of the facilities, which is needed to keep the assets in the best possible condition. Due to the nature of these activities, it is very hard to predict trends in the quantities of waste produced as they are linked to the number and types of actions carried out each year. This means that it is not possible to reduce waste without reducing the maintenance work required and the adaptation of facilities. The methodology followed to obtain these results is based on direct measurement.

Waste management is as described in the legal waste management documentation. Waste destined for recycling amounted to 1,163 tonnes during the period, representing 94.3% of the total (included in the generic category of recycling: reuse, recycling, composting, anaerobic digestion and regeneration). This high percentage has been achieved thanks to the implementation of some of the measures under the "Zero Waste to Landfill" project. Meanwhile, the amount of waste not destined for recycling came to 70 tonnes, representing 5.7% of the total.

All figures related to resource outflows are obtained from direct measurements, meaning that no estimation was necessary.

Looking at Redeia's hazardous waste, the main ones are waste electrical and electronic equipment contaminated with oil (without PCBs), metals contaminated with hazardous substances, nickel and cadmium batteries, water/oil mixtures and soil contaminated with hydrocarbons. In the case of non-hazardous waste, the main categories are sludge from septic tanks, metals, inert waste, vegetable waste, paper and cardboard, among others.

Notably, Redeia does not have any external body responsible for certifying raw materials, as Redeia does not procure such materials directly. In relation to waste, the Company has obtained the validation of the waste manager in each case.

Waste by type and disposal method

Type of waste	Weight (kg)	Weight (t)	Final destination (kg)						
			Regeneration	Recycling	Recovery	Incineration	Composting	Anaerobic digestion	Landfill
Total hazardous waste (HW)	579,086	580	0	548,390	0	0	0	0	30,696
Total non-hazardous waste (NHW)	654,659	654	3	614,873	0	0	0	0	39,774

Note: Scope of the information: Redeia. All circular economy indicators are direct measurements.

11.3 Social Information

11.3.1 ESRS S1 – Own Workforce

11.3.1.1 Strategy

a. Interests and views of stakeholders **/ ESRS 2 SBM-2**

Redeia works tirelessly to ensure public engagement processes and to strengthen its relationship with stakeholders, more specifically with its own workforce, as described in section *1.1.4 Strategy and business model; b) Interests and views of stakeholders SBM-2* of this report, so as to ensure that the opinions and interests of employees underpin its strategy and business model. To make this happen, it relies on various mechanisms, such as listening processes or the commitment to employee dialogue, so that the Company's own employees can express their opinions and concerns and establish action and improvement plans to ensure due respect for their fundamental rights. The People and Culture Department ensures that this collaboration takes place and that the results are then used to manage human capital within the Company.

b. Material impacts, risks and opportunities and their interaction with strategy and business model **/ ESRS 2 SBM-3**

A total of 14 impacts (11 positive and three negative) were identified during the process of identifying impacts, risks and opportunities as part of the 2024 double materiality assessment carried out. Moreover, seven opportunities and three material risks were detected, as described in chapter *1.2 Materiality assessment, section 1.2.4 Material impacts, risks and opportunities. SBM-3.*

This identification process is one of the strategic initiatives set out in the People Operational Plan.

Impacts

Impact	Location in the value chain	Positive / Negative	Current / Potential	Time horizon(*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	How the impacts affect people and the environment	How the impact interacts with the strategy and business model	Link between impacts and business activities and relationships	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Fostering work-life balance for employees	Own operations	P	Current	S	Redeia helps its employees achieve work-life balance by articulating a raft of measures and facilitating employee communication via the Work-Life Balance Officer, who provides individual responses to personal situations raised in this area, such as the need for shorter or more flexible hours, more flexible workspaces, family support or equal opportunities	Impact in fostering a work-life balance for employees	Redeia's Strategic Plan includes a 'People' block as a strategic pillar encompassing the following aspects:	The impact is generated in relation to the Company's people management activity	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

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Impacts / continued

Impact	Location in the value chain	Positive / Negative	Current / Potential	Time horizon(*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	How the impacts affect people and the environment	How the impact interacts with the strategy and business model	Link between impacts and business activities and relationships	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Impact on employee health of injuries caused by certain occupational activities	Own operations	N	Potential	S	Certain activities required on the job at Redeia could expose employees to the risk of workplace injuries	Impact on the health of workers	Redeia's Strategic Plan includes a 'People' block as a strategic pillar encompassing the following	The impact is generated in relation to the Company's people management activity	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars
Impact on the health of workers due to fatalities caused by certain occupational activities	Own operations	N	Potencial	S	Certain activities required on the job at Redeia could expose employees to the risk of workplace injuries	Impact on the health of workers	Redeia's Strategic Plan includes a 'People' block as a strategic pillar encompassing the following aspects	The impact is generated in relation to the Company's people management activity	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars
Encouraging dialogue between management and worker representatives can have a positive impact on employee working conditions	Own operations	P	Current	S	Redeia guarantees the right to trade union membership, association and collective bargaining within the framework of the provisions of the International Labour Organization (ILO), the Spanish Constitution, prevailing employment law and the relevant collective bargaining agreements in effect	Positive impact on employee working conditions	Redeia's Strategic Plan includes a 'People' block as a strategic pillar encompassing the following aspects	The impact is generated in relation to the Company's people management activity	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars
Permanent contracts	Own operations	P	Current	S	Redeia promotes permanent contracts as a mechanism for job stability and quality employment, maintaining a high percentage of permanent and full-time contracts	Positive impact on employee working conditions	Redeia's Strategic Plan includes a 'People' block as a strategic pillar encompassing the following aspects	The impact is generated in relation to the Company's people management activity	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

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Impacts / continued

Impact	Location in the value chain	Positive / Negative	Actual / Potencial	Time horizon(*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	How the impacts affect people and the environment	How the impact interacts with the strategy and business model	Link between impacts and business activities and relationships	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Guaranteeing employees' freedom of association and right to union membership to help analyse, promote and defend workers' shared interests	Own operations	P	Current	S	Redeia encourages union membership and repudiates coercion not to unionise or any retaliation in this regard. Freedom of association is understood in the broadest sense, from both the individual and collective perspectives, so as to guarantee the ability to perform the activities needed to form a union within the Company and acknowledging that its purpose is to defend shared interests	Positive impact on employee working conditions	Redeia's Strategic Plan includes a 'People' block as a strategic pillar encompassing the following aspects	The impact is generated in relation to the Company's people management activity	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars
Definition of adequate wages	Own operations	P	Current	S	Adequate wages lead to employee motivation and job satisfaction. When employees feel valued and adequately compensated for their work, their engagement improves. This in turn has a positive impact on the quality of their work and on the organisation's overall efficiency	Positive impact on employee working conditions	Redeia's Strategic Plan includes a 'People' block as a strategic pillar encompassing the following aspects	The impact is generated in relation to the Company's people management activity	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars
Recognition of the contribution made by employees through remuneration processes and a total compensation regime	Own operations	P	Current	S	Redeia's compensation model recognises its employees' contributions by articulating remuneration policies that reward top performances while ensuring internal fairness	Positive impact on employee working conditions	Redeia's Strategic Plan includes a 'People' block as a strategic pillar encompassing the following aspects	The impact is generated in relation to the Company's people management activity	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars
Favouring employee wellbeing through the healthy organisation management system and the prevention of occupational injuries or illnesses	Own operations	P	Current	S	Redeia's health organisation management system looks beyond the prevention of occupational injuries and illnesses by addressing personal and family lifestyles, seeking to implement a culture conducive to being a health organisation, thereby improving the health of Redeia's local communities in the process. Notably, the healthy organisation management system covers 100% of Redeia's workforce	Positive impact on employee working conditions	Redeia's Strategic Plan includes a 'People' block as a strategic pillar encompassing the following aspects	The impact is generated in relation to the Company's people management activity	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

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Impacts / continued

Impact	Location in the value chain	Positive / Negative	Actual / Potencial	Time horizon(*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	How the impacts affect people and the environment	How the impact interacts with the strategy and business model	Link between impacts and business activities and relationships	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Improving the quality of life of Redeia employees by offering them flexible working times	Own operations	P	Current	S	Redeia provides its female and male workers with sufficient flexibility in arranging their working hours, thus generating a positive impact on their health and well-being. The flexibility is crucial in allowing employees to rest, recover and strike a healthy work-life balance. Providing enough time to rest and disconnect from work helps to ensure that employees do not experience high levels of stress, exhaustion or loss of motivation	Positive impact on employee working conditions	Redeia's Strategic Plan includes a 'People' block as a strategic pillar encompassing the following aspects	The impact is generated in relation to the Company's people management activity	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars
A diverse and inclusive workplace that fosters employee well-being and generates fair opportunities	Own operations	P	Current	S	Redeia has a comprehensive diversity plan for the coming years (2023-2025), built around three lines of initiative: gender equality and equal opportunities; age management; and the inclusion of people with disabilities	Positive impact on employee working conditions	Redeia's Strategic Plan includes a 'People' block as a strategic pillar encompassing the following aspects	The impact is generated in relation to the Company's people management activity	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars
Fair monetary compensation and elimination of gender inequalities	Own operations	P	Current	S	Redeia offers the same opportunities for development and promotion to all, without considering gender as a determining factor, focusing instead on performance	Positive impact on employee working conditions	Redeia's Strategic Plan includes a 'People' block as a strategic pillar encompassing the following aspects	The impact is generated in relation to the Company's people management activity	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars
Improved working conditions through collective bargaining	Own operations	P	Current	S	Redeia guarantees the right to trade union membership, association and collective bargaining within the framework of the provisions of the International Labour Organization (ILO), the Spanish Constitution, prevailing employment law and the relevant collective bargaining agreements in effect	Positive impact on employee working conditions	Redeia's Strategic Plan includes a 'People' block as a strategic pillar encompassing the following aspects	The impact is generated in relation to the Company's people management activity	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars
Lack of equal opportunities due to the gender gap at Redeia	Own operations	N	Current	S	A gender gap (fewer women than men in the workforce) may suggest that there are differences in employment and in promotion and career development opportunities, which could tarnish the Company's image and reputation	Impact on employee working conditions	Redeia's Strategic Plan includes a 'People' block as a strategic pillar encompassing the following aspects	The impact is generated in relation to the Company's people management activity	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

Risks

Description of the cause of the risk	Location in the value chain	Time horizon(*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	Current financial effects arising from risks	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Increase in operating expenses due to an increase in economic contingencies and in the related insurance premiums, potentially affecting Redeia's profitability. Moreover, a significant volume of claims could indicate underlying problems in occupational safety management, which could lead to additional costs related to mitigation and safety, as well as reputational damage for Redeia	Own operations	S	Increase in operating expenses due to higher insurance premiums. Moreover, a significant volume of claims could indicate underlying problems in occupational safety management, which could lead to additional costs related to mitigation and safety, as well as reputational damage for Redeia	Negative impact on cash flows	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars
Vulnerability to significant financial losses as a result of inadequate insurance coverage in the event of damages such as workplace accidents	Own operations	S	Significant costs to cover damages and claim settlements, which may negatively affect Redeia's liquidity and financial stability	Negative impact on cash flows	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars

Opportunities

Description of the cause of the opportunity	Location in the value chain	Time horizon(*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	Current financial effects that arise from opportunities	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Enhanced transparency and corporate responsibility at Redeia, fostering solid and lasting relationships with stakeholders by implementing structured and recurring listening tools. This could also pave the way for better integration of their expectations and needs in Redeia's operations and strategies	Own operations	CP	Improved relationships, increased customer and employee loyalty and satisfaction	Positive effects on the cost of capital	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars
Satisfaction of employee expectations thanks to constant review and updating of Redeia's total compensation model to ensure it remains competitive	Own operations	CP	High employee retention and lower turnover costs, increased productivity and employee motivation, leading to an improvement in Redeia's reputation and making it easier to attract talent	Positive impact on cash flows	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

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Opportunities / continued

Description of the cause of the opportunity	Location in the value chain	Time horizon(*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	Current financial effects that arise from opportunities	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Increased employee satisfaction as a result of bolstered listening tools and employee engagement in developing the work-life balance model	Own operations	S	High employee retention and lower turnover costs, increased productivity and employee motivation, leading to an improvement in Redeia's reputation and making it easier to attract talent	Positive impact on cash flows	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars
Better communication and collaboration between the organisation and its employees thanks to the existence of active and effective works councils leading to more inclusive and effective decision-making and more efficient implementation of labour policies that respond to employees' real needs	Own operations	S	Improved decision-making and implementation of labour policies through the active participation of works councils can lead to increased employee satisfaction and retention, thus reducing the costs associated with high turnover and recruitment. Moreover, an improved work environment and well-adapted policies can increase productivity and operational efficiency, resulting in improved overall Company performance	Positive impact on cash flows	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars
Increased investment in development and training, in addition to a stronger workforce thanks to talent retention	Own operations	S	Improved talent retention, leading to improved workforce productivity, as well as reduced costs of recruiting and training new employees	Positive effect on cash flows and on the Company's growth and position	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars
Increased workforce diversity by integrating more people with disabilities under the scope of Redeia's Disability Plan	Own operations	S	Enhanced reputation for Redeia as an inclusive employer, allowing it to attract more customers and business partners. Possible tax benefits or government incentives for inclusive practices	Positive effect on cash flows and cost of capital	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars
Strengthening Redeia's position as a leader and benchmark in gender equality	Own operations	M	Improved attraction and retention of diverse talent, reduced turnover and recruitment costs, increased productivity and innovation through an inclusive work environment, and enhanced reputation for Redeia, which can open up new business opportunities and strategic alliances. There may also be financial benefits due to incentives and subsidies for embracing gender equality practices	Positive effect on cash flows and cost of capital	Redeia embeds these aspects in its business model, based on the progress made towards the Strategic Plan, which has the 'People' block as one of its strategic pillars

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

The assessment revealed material results in impacts, risks and opportunities (IROs) in the following sub-topics: Working conditions and Equal treatment and opportunities for all.

The impacts identified on the Company's own workforce come as a result of Redeia's own business model and a proper assessment of these impacts is important to ensure that the Company's strategies are adequately defined and scrutinised. The negative impacts described are expressed broadly in terms of the context in which the Company operates, while the positive impacts are common to all Redeia's activities.

The Company did not identify any region-specific or geographically limited impacts, nor any operations carrying a significant risk of child, forced or compulsory labour.

Working conditions

For this particular sub-topic, the following sub-sub-topics were found to be material:

- **Secure employment,** which has a positive impact in relation to permanent hiring, thanks to the Company's efforts to promote permanent contracts, thus generating greater income stability and improving the job security of all Company employees.

- **Adequate pay,** which includes two positive impacts, one risk and one opportunity. In terms of impact, Redeia operates a total compensation model, which fosters the motivation and satisfaction of its employees by rewarding their contributions, while also ensuring salary equity. When it comes to risk, Redeia factors in the possibility of employee dissatisfaction due to the perception that the salaries they receive are not competitive. Therefore, an opportunity exists to meet their expectations by regularly reviewing and updating the model to ensure that it remains competitive at all times.

- **Working time,** which has a positive impact and is also an opportunity. As for the positive impact, Redeia improves the quality of life of its employees thanks to the flexibility it offers in relation to their working hours, where workers have a wide range of starting and ending times to choose from, thus catering to their personal and professional needs and circumstances. This gives them more free time, generating a positive impact on their health and well-being. Redeia believes that time off is crucial for employees to rest, recuperate and balance their work and personal lives, as with enough time to rest and disconnect from work, employees can avoid experiencing high levels of stress, exhaustion or loss of motivation.

  As for the opportunity associated with this sub-topic, it relates to the reduction of absenteeism and employee turnover due to job satisfaction, which reduces recruitment and training costs. It also helps to reduce the number of labour disputes, resulting in lower legal costs.

- **Work-life balance,** which has a positive impact as well as an opportunity. With regard to the impact "fostering work-life balance for employees through the various measures proposed by Redeia", the Company promotes a healthy work-life balance through a set of 70 measures. It also establishes a channel for dialogue with its employees via the Work-Life Balance Officer, who responds individually to exceptional personal situations not contemplated within this framework, such as the need for shorter or more flexible working hours, location-based and time-related flexibility measures, family support or equal opportunities.

  Meanwhile, the opportunity relates to the increase in employee satisfaction as a result of enhanced listening tools and employee engagement in developing the work-life balance model.

- **Freedom of association, the existence of works councils and workers' rights to information, consultation and participation, which also entails both a positive impact and an opportunity.** In relation to the impact, Redeia guarantees the right of freedom of association and union membership among its employees in order to analyse, promote and defend the common interests of workers. As for the related opportunity, the Company improves communication and collaboration between the organisation and its employees by ensuring the existence of active and effective works councils leading to more inclusive and effective decision-making and more efficient implementation of labour policies that respond to employees' real needs.

- **Employee dialogue:** this sub-sub-topic has a positive impact, a risk and an opportunity. Looking at the impact, Redeia fosters dialogue between management and the workers' representatives, thus achieving better working conditions for its employees, which ultimately has a positive impact on their working conditions.

  In terms of opportunity, Redeia promotes transparency and corporate responsibility by fostering stronger and more lasting relationships with stakeholders through the implementation of structured and regular listening processes. It also considers the risk that a deterioration in Redeia's communication channels could have a negative impact on working conditions and impede the effective management of internal and external relations. This could lead to misunderstandings and conflicts between employees, the Company and other stakeholders. This risk depends on the impact of Improved working conditions through collective bargaining, and is considered to be very low due to the positive impact of the Company's efforts to foster permanent dialogue between management and the employee's representatives. Were this risk to materialise, it would affect 83% of the Company's employees (those covered by a collective bargaining agreement).

- **Collective bargaining, including the proportion of workers covered by collective agreements,** a sub-sub-topic consisting of one positive impact and one opportunity. Improving working conditions through collective bargaining has a positive impact, as it guarantees the right to trade union membership, association and collective bargaining within the framework of the provisions of the International Labour Organization (ILO), the Spanish Constitution, prevailing employment law and the relevant collective bargaining agreements in effect. Redeia also maintains and promotes employee dialogue, which has a positive impact in helping to ensure the existence of balanced solutions for all Redeia employees, creating the opportunity to respond to new needs or changes at work, among others, by enabling working conditions to be adapted through collective bargaining and agreements with the social partners.

- **Health and safety,** which has two negative impacts, one positive impact, and two risks. The negative impacts relate to the possible effects on the health of employees, whether due to injury or death as a result of certain work activities. Although these impacts are potential, and relate specifically and individually to the activities of maintenance and construction of electrical and telecommunications infrastructures, which are carried by certain company divisions, Redeia has a 2024-2025 occupational safety and wellness action plan, as well as an annual preventive planning. These instruments include robust prevention and mitigation measures drawn up following an assessment of the risks of the jobs, thus helping to ensure that these activities are carried out in the safest way possible.

  In relation to the positive impact, Redeia works to ensure the well-being of its workers through the Healthy Organisation Management System, the model of employee wellness and injury and illness prevention, the scope of which goes beyond the business side of things to include the personal and family lifestyle, and by entrenching the right culture to become a healthy organisation, thus also helping to improve the communities in which Redeia has a presence.

In relation to the risks identified, Redeia is wary of a possible increase in operating expenses or financial losses due to an increase in economic contingencies and in the resulting insurance premiums, although this would be a relatively low impact in any case. Moreover, a significant volume of claims could indicate underlying problems in occupational safety management, which could lead to additional costs related to mitigation and safety, as well as reputational damage for Redeia. However, these risks have a limited impact, since they affect a specific group of Company workers; more precisely those who carry out tasks related to infrastructure maintenance and construction activities.

Equal treatment and opportunities for all

- **Diversity:** sub-sub-topic presenting one negative impact, one positive impact and one opportunity.

  Regarding the negative impact identified, relating to a lack of equal opportunities stemming from the gender gap in Redeia's workforce, the Company is cognisant that a gender gap may indicate that women have fewer opportunities for employment, promotion and professional development compared with men. Therefore, one of the Group's objectives is to promote diversity in the form of gender equality, aiming to reach 38% of women in the management team and 31% of women in the workforce by 2025, thus reducing gender inequality. However, this is a narrow impact, as it affects certain areas of the Company due to the idiosyncrasy of the functions performed, which are closely related to the electricity business and STEM (Science, Technology, Engineering and Mathematics) functions.

  In Spain there is notable gender inequality in STEM disciplines, meaning that the percentage of men in STEM positions is higher than that of women. While public administrative bodies and private sector companies alike are taking steps to promote this type of studies, focusing on female participation, until these measures are fully implemented and their effects begin to be felt, Spain will remain below the EU average for a good number of indicators, which will in turn affect the presence of suitable candidates within the labour market in STEM jobs. Even so, Redeia carries out various actions to reduce this gap, including, within its Integral Diversity Plan, the gender equality vector, which looks to improve employment opportunities, promote women in positions of responsibility, ensure wage equality between men and women, foster STEM vocations among women, promote shared responsibility for children among both parents, and prevent moral, sexual and gender-based harassment, as well as gender-based violence.

  As for the positive impact, i.e. a diverse and inclusive work environment conducive to the well-being of employees and providing fair opportunities, Redeia has a comprehensive diversity plan in place for the coming years (2023-2025), built around three lines of action: gender equality and equal opportunities, age management and the inclusion of people with disabilities, together with a wellness model that includes and showcases the value of all these measures.

  Meanwhile, the opportunity identified relates to greater innovation, creativity and competitiveness by building a more diverse workforce. This is considered essential in order to promote an outstanding working environment based on ethical behaviour, respect, diversity and equality; a commitment embedded in our corporate culture and in the Company's internal policies.

- **Gender equality and equal pay for work of equal value,** where a positive impact and opportunity have been identified, both linked to equal compensation by offering equal opportunities for further development and promotion, thus enhancing Redeia's image as a leader and benchmark in gender equality. Gender equality is one of the vectors included in the comprehensive diversity plan and covers equality in several areas, including employment opportunities, the promotion of women in positions of responsibility and equal pay for men and women, among others.

- **Employment and inclusion of persons with disabilities,** which presents an opportunity for making Redeia's workforce more diverse by bringing in employees with different abilities, thus promoting the integration of people with disabilities under the Disability Plan put in place and making the Company an inclusive employer.

- **Training and skills development,** which presents an opportunity for improving levels of talent retention by increasing the skills of the workforce, as well as an improvement: making the workforce stronger by retaining talent, thus also achieving an increase in productivity.

Note that the positive impacts identified, which affect all Redeia employees, arise from the activities being undertaken to fulfil the **operational plan for people.** This plan stems from the Company's strategy, which rests on seven strategic pillars, one of which is people. The vision of this particular pillar is to develop the cultural side of the transformation process in which the Company is immersed, pursuing:

– the safety and well-being of people to achieve healthy working environments,

– developing an innovative, agile and collaborative culture to nurture talent, anticipating needs and achieving an organisation capable of meeting the challenges of the strategic plan within an environment of permanent change, and

– fostering cultural transformation and sustainable management to make the organisation a benchmark as a healthy company.

These activities are carried out within the framework of **Redeia's people policy,** which promotes:

- Innovation, applying it as a lever for differential improvement among work teams and as a means of personal and collective safety.

- Physical safety, ensuring the safety of people when performing their duties, championing a culture of zero accidents, encouraging lifelong training and the ongoing improvement of safety procedures and processes.

- Prevention of occupational risks.

- Commitment to people safety, a cornerstone of the Company's comprehensive safety policy.

- A total compensation model and system that ensures internal equity, is competitive in the market, combines monetary and emotional items, and recognises and respects the different needs and expectations of employees and the Company.

- Promoting a healthy organisation model and management system that fosters best practices in terms of safety and physical, psychological and social well-being, with the participation engagement of all stakeholders, as well as the development and promotion of work-life balance as key factors influencing well-being.

- Actions to respect diversity and inclusion in the broadest sense, fostering equal opportunities and non-discrimination in people management processes.

- Anticipating and adapting the existing labour relations framework to prevailing law and regulations, factoring in business needs and best practice in the labour market.

- Promoting internal communication that aligns people with the strategy, acting as a fulcrum for cultural transformation and implementing listening channels to continuously improve the organisation's work climate.

Notably, no impacts on own staff were identified as a result of energy transition plans to reduce the negative environmental impacts and achieve greener, climate-neutral operations.

The persons affected by the impacts, risks and opportunities (IROs) described above, own workforce, are both people who are in an employment relationship with Redeia (employees) and non-employees who are either people with contracts with Redeia to supply labour (self-employed people) or people provided by undertakings primarily engaged in employment-related activities. Redeia's employees and their families are covered by HR policies and management, helping the Company deliver its strategic objectives and tackle future challenges, and serving as key ambassadors for the Company's image and reputation. Not included are interns, as they fall under an educational framework focused on acquiring practical knowledge, without there being a formal employment relationship. Note additionally that people indirectly linked to Redeia (non-employees) are primarily used to cover maternity/paternity leave, or substitute employees in situations of temporary, long-term disability. Over the past few years, they have accounted for less than 1% of the total workforce.

In the risk analysis process, the Company considers the varying degrees of exposure to physical risks faced by its own personnel working in environments with specific characteristics, specific contexts or performing particularly hazardous activities. Here, in particular, the Company analysed the impact of an ageing workforce across the Company and the risks arising from this.

Redeia identified a material impact related to this analysis of physical risks arising in the workplace among its own employees with particular characteristics, working in particular contexts, or performing particular activities. This impact is defined as "A diverse and inclusive workplace that promotes the wellbeing of employees and generates fair opportunities" and relates to the adequacy of the work environment in achieving the wellbeing of all workers. Redeia has a comprehensive diversity plan, built around three lines of action: gender equality and equal opportunities; age management; and the inclusion of people with disabilities.

11.3.1.2 Impact, risk and opportunity management

a. Policies related to own workforce **/ S1-1 and MDR-P**

Redeia's **Personnel Policy** sets out the principles that govern the management of people through leadership, efficiency, innovation, cultural transformation, and personal and professional fulfilment. It focuses on the employee experience and addresses any personnel-related impacts, risks and opportunities, particularly regarding occupational health and safety. This policy is applicable to all the organisation's activities and geographies to ensure compliance with those principles and contribute to the achievement of the organisation's purpose and strategic objectives, in keeping with the values, principles and behaviour guidelines enshrined in the organisation's Code of Conduct and Ethics. The Board of Directors oversees enforcement of the policy through the Appointments and Remuneration Committee. To make sure it is easily accessible by all relevant stakeholders, the policy is available on both the corporate website and intranet.

The Personnel Policy is implemented and completed by internal rules related to human capital and applies directly to Redeia's own employees. These include:

- **The Occupational Health and Safety Manual,** which governs the occupational health and safety (OHS) management system at companies in the Redeia joint health and safety service and is considered to be an occupational risk prevention plan in accordance with article 16 of Spain's Occupational Risk Prevention Law. It also outlines the bases and content of the OHS management system to minimise risks, avoid accidents and provide a higher level of worker health and safety. We first adopted the framework proposed in OHSAS 18001:2007, subsequently amended in 2019, to adapt to the ISO 45001 standard, setting out the Company's proposed health and safety guidelines, principles and objectives, and including the OHS control data, definitions and processes.

- **The Occupational health and safety guidelines,** which set out the strategic principles and guidelines for OHS management with the aim of embedding the OHS management of all people in the organisation into all the Company's processes and activities, and recognising, as a strategic OHS objective, the minimisation of risks related to people and facilities where the organisation carries on its business.

- **The General work-life balance procedure,** which establishes the criteria of operation of Redeia's work-life balance management model. The document outlines the responsibilities of the various agents involved, including the Executive Committee, which promotes implementation of the procedure to manage work-life balance in the best possible way, in line with Redeia's Code of Conduct and Ethics and Personnel Policy. It also sets out the steps taken to ensure that the work-life balance model is implemented properly and defines the organisational support required to manage the model. It identifies the highest level of management and the technical team, as well as the mechanisms to monitor, measure and assess the level of achievement of the work-life balance initiatives.

- **The Employment Handbook**, which sets out the principles and guidelines governing the employment framework within the Group. Covering recruitment, selection and hiring processes, the document describes the activities to be carried out by all parties involved. It establishes a clear and structured framework for managing employment in Redeia, ensuring that all related processes are carried out in a manner that is coherent and aligned with corporate principles.

- **The Diversity Management Handbook,** which sets out the principles and guidelines for diversity management, equal opportunities and non-discrimination. It formalises Redeia's commitment and strategic approach to diversity management, with the aim of creating a process of continuous improvement supported by monitoring and evaluation mechanisms. With this, Redeia strives to enhance employee satisfaction and engagement through effective diversity management, promoting equal opportunities and preventing discrimination in all its forms.

- **The Training Procedure,** which governs the training process, encompassing the identification, design, management, evaluation, and monitoring of training initiatives for Redeia employees. Its purpose is to ensure that training is coherent, effective, and aligned with the Company's strategic objectives.

- **The Digital Disconnection Protocol,** which establishes guidelines to guarantees employees' right to disconnect outside working hours. It seeks to achieve a better work-life balance, ensuring employees' wellbeing and cultivating a culture of shared responsibility across the organisation.

The Group also has other issue-specific documents, including on social dialogue, gender equality, and workplace safety.

Meanwhile, the **collective bargaining agreements of Red Eléctrica de España, S.A.U., Redeia Corporación, S.A. and Redeia Infraestructuras de Telecomunicación, S.A.**—the three Redeia Group companies subject to their own collective bargaining agreement—govern the organisation of social dialogue and the system of worker representation at the Company through various committees, each with their own specific remit. In this regard, negotiations with workers' representatives form a regular part of Redeia's labour relations, maintaining ongoing dialogue with them and their respective trade union organisations in order to establish the rights and duties of the parties.

Regarding human rights policies, respect for human rights is one of the ten principles underpinning **Redeia's 2030 Sustainability Commitment.** The Company has embraced an explicit and public commitment to promoting and respecting human rights in all its activities and the territories where it operates, focusing on the freedoms and rights of vulnerable groups. It has a zero-tolerance approach to discrimination in the workplace and takes disciplinary action against any form of discrimination based on sex, race, age, religion, sexual orientation, ideology, nationality, social origin, or disability. It also upholds the rights of vulnerable groups, including indigenous peoples, women, children, persons with disabilities, ethnic minorities, the LGBTI community, and migrant workers, among others, aware of their particular risk of vulnerability. Redeia is also against any behaviour that might constitute moral, sexual or gender-based harassment, laying the foundations for preventing and redressing this conduct and extending this respect more broadly to its relationships with third parties. This commitment was reinforced in 2022 with the formalisation of the Ten Principles for respect for human rights, which was made public through the Commitment to the promotion and respect for human rights in order to cement the corporate values, principles and rules of conduct set out in Redeia's Code of Conduct and Ethics and in its Sustainability Policy. This commitment is aligned with the United Nations Universal Declaration of Human Rights.

The Code of Conduct and Ethics also formalises Redeia's express and public commitment to respecting the principles of the Universal Declaration of Human Rights. In the field of labour, it guarantees rights to collective bargaining and freedom of association, the prevention of child labour, and the eradication of forced or compulsory labour which, in turn, is reiterated and embodied in Redeia's pledge to promote and ensure respect for human rights.

Additionally, Redeia has been performing **annual due diligence** processes since 2013 in all Group companies (including investees) to identify potential risks or violations of human rights stemming from its direct or indirect activity. In 2022, it updated its internal due diligence processes in respect of its own activities and relationships with third parties, bringing them into line with domestic and international legislation and current trends, as well as with emerging rights and new rights-holders on whom they could have an impact. In order to ensure continuous improvement in this field, these regulations are reviewed annually. The findings showed that from the Company's activities (operation of Spain's electricity system, management of electricity transmission grids and telecommunication networks) and the location of the Company and its ARGO and TEN investees (Spain, Peru, Chile, Brazil, Argentina and Mexico), Redeia's primary human rights risks are linked to forced and child labour, human trafficking, freedom of association and right to collective bargaining, equal pay, discrimination, health and safety, decent work, data privacy and security, identity and social, cultural and economic rights of indigenous peoples, private property, fair taxation, corruption, a healthy environment and ethical management. These risks are updated with each new acquisition by the Company and its expansion into new geographies. Therefore, no review was warranted in 2023.

Notably, no material human rights risk was identified in the Company's operations carrying both a high probability of occurrence and a severe impact were they to materialise thanks to the myriad prevention measures put in place by Redeia through its internal rules and regulations.

As noted previously, the Company pays special attention to vulnerable groups, and as such instils this in the corporate culture through the Ten Principles for respect for human rights, included in its Commitment to the promotion of and respect for human rights, the Code of Conduct and Ethics and the Sustainability Policy. Moreover, the Company is aligned with the International Labor Organization (OIT) and OECD Guidelines in assuring fundamental rights in the workplace

b. Processes for engaging with own workers and workers' representatives about impacts **/ S1-2**

As described above, negotiations with workers' representatives, which comprise 98 people—13 women and 85 men—form a regular part of Redeia's labour relations, designed to establish the rights and duties of the parties in maintaining ongoing dialogue.

Social dialogue is also supported by the various committees established in collective bargaining agreements and comprising representatives of the employer and of the employees. Currently, these are:

Red Eléctrica de España, S.A.U. committees

Health and Safety Committee	Equality Plan Monitoring Committee
Social Affairs Committee	Work Flexibility Committee
Employee Classification Committee	Closed Shift Special Regime Committee
Training Committee	Geographic Mobility Committee
Intercentre Committee	Remote Work Collective Agreement Monitoring Committee
Collective Bargaining Agreement Oversight and Interpretation Committee	

Redeia Corporación, S.A. committees

- Health and Safety Committee
- Social Affairs Committee
- Employee Classification Committee
- Training Committee
- Collective Bargaining Agreement Oversight and Interpretation Committee
- Equality Plan Monitoring Committee
- Remote Work Collective Agreement Monitoring Committee

Redeia Infraestructuras de Telecomunicaciones, S.A. committees

- Health and Safety Committee
- Equality Plan Monitoring Committee
- Collective Bargaining Agreement Oversight and Interpretation Committee
- Work Flexibility Committee

Hispasat, S.A. committees

- Health and Safety Committee

Meetings of these committees are called upon request of any of the parties as necessary.

The equality plan monitoring committees oversee the discussion of the equality plan and the initial diagnosis. They are also in charge of preparing the diagnostic report, identifying priority measures and defining their scope of application, and determining the necessary material and human resources to implement them. They are also tasked with driving implementation of the plan, defining performance metrics, developing the necessary data collection tools for monitoring, and assessing the level of achievement of measures implemented.

The Company is directly involved, through labour relations staff, with the committees created as a result of Redeia's three collective bargaining agreements (i.e., the 12th Collective Bargaining Agreement of Red Eléctrica, the 1st Collective Bargaining Agreement of Redeia Corporación, and the 2nd Collective Bargaining Agreement of REINTEL). Additionally, at least one management team member attends meetings of committees focused on specific groups of employees with special working conditions (e.g., the Work Flexibility Scheme Committee or the Closed Shift Special Regime Committee). Management team members also attend meetings of other collective bargaining committees when the expected topic of discussion may require quick decision-making. This approach ensures that all matters addressed in meetings—and the related feedback—are effectively integrated into the decision-making process.

Meanwhile, Health and Safety Committee meetings are held to monitor health and safety activities, discuss new legislative developments, review processes and internal rules and regulations, and analyse and monitor OHS results and programmes, including relevant accidents and incidents, and safety equipment and materials. The minutes of these meetings are made available to all employees under a dedicated section of the corporate intranet sites. The committees also discuss the findings of internal and external audits carried out and any improvement actions that may be implemented. They meet quarterly (in accordance with Occupational Risk Prevention Law 31/1995) and at the request of any of the parties.

The head of the Workplace Safety and Wellness Department, along with another members of the management team of the relevant company, are members of the Health and Safety Committees at Redeia (Red Eléctrica, with six members, Redeia Corporación, with three members, Reintel, with two members, and Hispasat with two members). This approach ensures that all matters addressed in these meetings—and the related feedback—are not only received directly by OHS technicians, but also directly by at least two management team members, thereby speeding up decision-making. The minutes of their respective health and safety committee meetings are available to all employees at the respective companies on the intranet. Any issues arising from these minutes are addressed together with the various stakeholders to find solutions, make improvements, or respond to requests.

For a better understanding of employees' needs, the Company has introduced several initiatives, such as the pulse survey system, surveys for specific evaluations, and the action plan of the Protocol for Board engagement with employees.

Pulse surveys provide quick insight into employees' views on specific topics so that targeted action and improvement plans can be developed. This allows for continuous measurement of certain aspects related to the Company's various initiatives and projects, as well as at different stages of the employee lifecycle. These 'listening processes' are crucial for knowing the views of Redeia's own employees on a range of significant matters at the Company impacting their daily work.

Redeia also conducts detailed surveys based on scientifically validated questionnaires for more in-depth assessment of specific aspects (e.g., psychosocial risks, employee wellbeing).

Psychosocial risk assessments focus on evaluating the psychosocial working conditions related to positions that affect employees' overall and mental health. The primary objective is to detect risk factors in the organisation and define preventive measures to avoid potential harm. The findings are used to draw up a targeted action plan and identify the management of psychosocial risks as a priority of risk prevention. A new edition of this assessment will be performed in 2025.

In 2024, an assessment of wellbeing was carried out entailing a comprehensive analysis of personal wellbeing covering five core pillars: physical, emotional, financial, social, and professional wellbeing. The process included a self-perception survey in which each person assessed their wellbeing against these five pillars to obtain an overall and an individual wellbeing rating, which was then used to pinpoint specific areas of improvement. The survey also produces an individual "healthy habits passport", which includes individual actions that can be taken to raise the person's perception of wellbeing. The target for this assessment was to raise the perception of wellbeing of Group employees by 15% from the 2023 survey. The overall rating obtained was 66 out of 100 (i.e., a 27% increase).

As part of the action plan of the Protocol for Board engagement with employees, meetings were held at which members of the Board of Directors gave employees an account of the work done by the Board of Directors of Red Eléctrica Corporación, S.A., while at the same time brief them on key current events for strategy and corporate governance.

Cooperation between the Company and its own workforce is essential for managing impacts. The level is gauged both directly (via pulse surveys, questionnaires, risk assessments, etc.) and through workers' legal representatives on a regular basis through meetings with the various bodies described previously. In all cases, the People and Culture Department has the duty of ensuring that this cooperation occurs and that the results serve as a basis for the Company's approach to human capital management.

The Company's activities include integration of renewable energy into the electricity system and connectivity. Neither requires a transition to decarbonised activities. Therefore, there are no negative impacts on the own workforce arising from the transition to more sustainable activities. Accordingly, no actions to mitigate such impacts were adopted. Impacts and actions related to the Climate Change Action Plan are disclosed to employees primarily through the Group's Sustainability Report, although other tools are available, e.g., the corporate intranet

c. Processes to remediate negative impacts and channels for own workers to raice concerns **/ S1-3**

The Ethics and Compliance Channel is the formal mechanism for raising queries and reporting breaches. Available on the corporate website, this channel can be used to submit queries, report breaches, or make suggestions.

Microlearning modules are developed to raise awareness among Redeia employees about the Ethics and Compliance Channel and to cultivate a culture of communication as a core element of the Company's integrity model.

The Ethics Manager, working alongside the Compliance area, handles all the issues raised and addressed. The channel is regularly audited and guarantees maximum confidentiality and anonymity of users, of the information communicated, and of the actions carried out, reinforcing the necessary safeguards and enabling closer monitoring of all enquiries and reports submitted through the software application.

The Company regularly carries out surveys among Redeia staff to assess perception, knowledge and use of the Ethics and Compliance Channel.

Redeia also happened to design and implement a protocol regulating internal investigations linked to the Ethics and Compliance Channel. At Redeia, internal investigations are carried out in strict compliance with applicable legislation and the commitments embraced by the organisation in its Code of Conduct and Ethics, its Compliance Policy and in the above-mentioned Ethics and Compliance Channel Management System and Whistleblower Protection Policy, while respecting the rights and freedoms of all employees and third parties involved. To help disseminate and enforce the protocol, training workshops were held for those employees directly involved in such investigations.

Labour Relations is in charge of channelling the queries, complaints, and claims of the Group's own workforce received via email or phone, and handling them jointly with workers' representatives. Meanwhile, unresolved issues raised by employees to either their representatives or to the Company are reviewed at meetings of the various committees set up with workers' representatives and at regular meetings with trade union sections.

Additionally, through the international occupational health and safety (OHS) management system, both the own workforce and suppliers authorised for maintenance tasks can report any job-related risks they identify. This tool also includes a channel for submitting proposals for improvement through which users can suggest any area for improvement of their jobs or report a potentially imminent risk.

In 2024, the Company launched the Pregúntame service, an employee portal designed to enhance the efficiency in query management, reduce response time, and upgrade attention provided to in-house employees. This new communication channel is for people management-related matters, enabling employees to submit queries or suggest improvements. It also features a 24/7 chatbot.

Redeia has a listening system ('pulse surveys') which is designed to allow it to rapidly gather feedback from employees about specific corporate topics in order, ultimately, to better understand employee wellbeing and motivation. This model includes tools for effectively measuring employee satisfaction and other important aspects, including motivation and sense of belonging. The pulse results are analysed and, as appropriate, an action plan is drawn up.

d. Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions **/ S1-4 and MDR-A**

Redeia focuses on implementing actions and measures that support compliance in order to drive positive impacts and mitigate negative impacts, assuring the Company's long-term sustainability and, as part of its human approach, creating value for its own workforce. Managing these impacts may include the early termination of contracts with third parties that are not aligned with the Company's long-term strategies.

The actions described below, either undertaken during the reporting period or scheduled for future periods, are in response to the Company's impact assessment. They were implemented to prevent, mitigate, or remedy negative impacts, as well as to foster and leverage opportunities and positive impacts for employees.

Professional growth and employability

Redeia is firmly committed to the professional growth of its personnel and to maintaining their internal employability during their life cycle, through integration, development, learning and mobility programmes.

At 31 December 2024, Redeia had a total headcount of 2,489, with 99.3% of employees on permanent contracts. The Company's commitment to stable and quality work is illustrated by the small share of temporary contracts in the mix and the low voluntary turnover rate (2.9%).

In 2024, a mere 1.1% were internship or employment contracts with temporary employment agencies and these were only used to guarantee coverage of temporary project assignments, maternity/paternity leave, or situations of temporary, long-term disability. Redeia takes feedback from exit interviews, managers and the various listening processes and uses it as inputs in designing actions plans to analyse the reasons after the change.

Also, the redundancy incentive plan continued in 2024, with the number of departures amounting to 84% of the maximum level stipulated under the terms of the plan. This plan falls under the employment initiatives designed to attract external talent with the new skills and competencies required to advance Redeia's energy transition and transformation.

By their nature, both the actions carried out during the reporting period and those scheduled for future periods have an indefinite time horizon. Plan progress is reviewed periodically, with some of the above-mentioned indicators used on a monthly basis. Taking the results of these reviews, the Company may fine-tune its approach or adopt corrective measures to ensure achievement of the defined objectives. These actions do not require any specific resource allocation beyond the general human resources assigned to the team overseeing implementation.

Remuneration regime

Redeia rewards its employees in all the countries in which it operates in accordance with the general principles of its remuneration model, which meets the unified criteria of:

- Internal equity and external competitiveness.
- Consistency with the organisational and development model.
- Opportunities for further wage growth.
- Separate recognition of outstanding contributions.

All of the above are implemented with strict regard to prevailing legislation in each territory and ensuring equality and non-discrimination in each case.

Redeia rewards its professionals under **principles of equity** and fairness, based on their level of responsibility and professional experience. The annual salary review processes differentiate on the basis of the contribution made over the year and the results of their achievements, and never on the basis of gender, age, origin, sexual orientation and identity, religion or race, thus ensuring non-discrimination when implementing remuneration practices and policies.

The remuneration regime is designed to retain, motivate and engage employees, helping the Group to achieve defined objectives and ensuring that it executes its strategy. Redeia applies a total remuneration regime that includes both tangible (financial) and intangible items. Tangible items include fixed remuneration, variable remuneration, recognition programmes, employee perks, and flexible pay arrangements. Intangible items include non-wage benefits, work-life balance, performance and recognition, development and career opportunities.

Redeia has also implemented a **flexible remuneration regime** that can be configured to deliver bespoke remuneration tailored to employees in Spain, including products such as health insurance, training, life insurance, public transport cards, luncheon vouchers and childcare vouchers. There are also specific compensation programmes adapted to the Company's activity, the long-term incentive plan (LTIP) related to fostering the energy transition, bridging the digital divide and diversification, and the exceptional incentive plan linked to delivery of investment milestones in Redeia's Strategic Plan. With the aim of increasing wage transparency, various training sessions on remuneration were held with the organisation's leaders.

By their nature, both the actions carried out during the reporting period and those scheduled for future periods have an indefinite time horizon. Plan progress is reviewed periodically, using management indicators on an annual basis. Taking the results of these reviews, the Company may fine-tune its approach or adopt corrective measures to ensure achievement of the defined objectives. These actions do not require any specific resource allocation beyond the general human resources assigned to the team overseeing implementation.

Work-life balance and flexibility

A real and effective timetable of between 1,686 and 1,690 hours per annum is established for 70% of the workforce, with a basic 7-hour day schedule on every working day of the year, and considerable flexibility as to starting times (from 07:30 a.m.) and finishing times (from 2:00 p.m.).

Workers may also request a reduction in the annual working hours in cases of birth, adoption, foster care or adoption, care of a child under 13 years of age or persons with disabilities or illness. In the event of exceptional personal and health situations, working hours may be adapted to the specific needs of the employee concerned.

The Company also has a strong commitment to the work-life balance of its employees. An example is the implementation of a **hybrid working system,** to which 83.7% of the eligible workforce (68.3% of the total workforce) is adhered, allowing employees to work remotely on around 47% of their annual working days. Under the system, employees can work from up to two different locations.

To uphold its work-life balance commitment, the Company provides a time management system to employees so they can record their working hours. This system was upgraded in 2024 with new features to make the time log more efficient. In addition to recording hours worked, the system ensures that any extra time accrued by eligible groups (e.g., shifts and flexibility schemes) is accurately tracked and remunerated. In the various collective bargaining agreements applicable to the Group's companies, Redeia has defined specific procedures for managing working hours and overtime, ensuring compliance with applicable labour law. These measures reflect the Company's commitment to maintaining appropriate working time management.

Additionally, since 2021, the Digital Disconnection Protocol defines the requirements for exercising the right to disconnect, along with training and awareness initiatives on the responsible use of digital tools. With this protocol, together with the flexible working hour arrangements, employees can enjoy a healthy balance between their personal and professional lives.

Redeia's **work-life balance management model** is a key pillar of both its healthy organisation model and its diversity model. The model includes over 70 work-life balance measures with associated actions, structured into the following areas: leadership and management styles, quality of employment, flexible working time and workplace, family support, personal and professional development, equal opportunities, and enhanced leave and entitlements under collective bargaining agreements compared to legal requirements.

In 2024, the **work-life balance officer** provided personalised responses to over 89.3% of the personal situations raised by workers. Redeia shares its experience and expertise at the Observatory for a Healthy Work-Life Balance and Shared Parental Responsibility, which is headed up by Universidad Pontificia de Comillas (ICADE-ICAI). The observatory conducts applied, high quality and interdisciplinary research so as to offer companies and institutions alike relevant information and reliable data that have been benchmarked against international standards, thus enabling other organisations to fashion their work-life balance policies.

By their nature, both the actions carried out during the reporting period and those scheduled for future periods have an indefinite time horizon. Plan progress is reviewed periodically, using management indicators on a four-monthly basis. Taking the results of these reviews, the Company may fine-tune its approach or adopt corrective measures to ensure achievement of the defined objectives. These actions do not require any specific resource allocation beyond the general human resources assigned to the team overseeing implementation.

Management-employee relations

Regarding freedom of association, the existence of works councils and information, consultation and participation rights for workers, Redeia guarantees the right to trade union membership, association and collective bargaining within the framework of the International Labor Organization (ILO) conventions, the Spanish Constitution, prevailing labour law, and the applicable collective bargaining agreements. In addition, Redeia's Code of Conduct and Ethics explicitly enshrines respect for the right to collective bargaining and freedom of association, which is reiterated and embodied in Redeia's pledge to promote and ensure respect for human rights.

Redeia's workers' representatives comprise 98 people—13 women and 85 men. There were no collective disputes or strikes at any Redeia company in 2024 and no collective employment measures were implemented, e.g., substantial modification of working conditions, employee furlough schemes or collective dismissals, with the exception of the geographical mobility agreed with Eléctrica Infraestructuras en Canarias, S.A.U.

Key highlights of 2024 include the negotiation, signing, and publication of the 2nd Collective Bargaining Agreement of Redeia Infraestructuras de Telecomunicación, S.A., and negotiation of the geographical mobility agreement for Red Eléctrica Infraestructuras en Canarias, S.A.U. Both agreements were approved unanimously by their respective negotiating committees. Social dialogue was maintained within both companies through the various negotiation committee meetings held.

Most of Redeia's workforce in Spain is covered by a collective bargaining agreement. The only exceptions are management team members and employees who, voluntarily and irrevocably, accept the Company's proposal for exclusion, within the limits set by each company's collective bargaining agreements. Internationally, collective bargaining coverage is lower due to country-specific legislation, practices and customs.

Notably, Redeia does not comply with the requirements to set up a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

Both actions carried out during the reporting period and those scheduled for future periods have a specified time horizon in line with the terms of the applicable collective bargaining agreements. Throughout their duration, periodic reviews of the progress of these actions are conducted using management indicators and feedback from meetings of existing committees with workers' representatives held over the course of the year. Taking the results, the Company may modify its approach or adopt corrective measures to ensure achievement of the defined objectives. These actions do not require any specific resource allocation beyond the general human resources assigned to the team overseeing implementation.

Health and safety

Redeia has a concrete strategy and action plan to ensure the health and safety of its own and third-party employees, i.e., the **2024-2025 Workplace Safety and Wellness Plan,** which contains several strategic and specific objectives and is articulated around four major lines of initiative:

1. Culture and leadership
- Enhance training.
- Enhance the management of lessons learned.
- Foster inclusiveness.
- Entrench the culture of prevention.
- Promote leadership in prevention and wellbeing.
- Prevent from a gender perspective.

2. Innovation and digitalisation
- Systematic innovation in Occupational Health and Safety (OHS).
- Redesign processes.
- Reduce impacts on digitalisation.
- Tackle climate change risks.

3. Wellbeing
- Deploy the wellbeing model.
- Evaluate and act on mental health.

4. Stakeholder engagement
- Align criteria and raise preventive standards of contractors.
- Manage relationships with governments.
- Share experiences with peers.

These objectives not only seek to enhance employees' health and safety but to foster a broader culture of prevention and wellbeing across the entire organisation. To that end, the plan promotes best practices around occupational risks on the job. Its goal is to go beyond legal compliance by training, educating and raising awareness around duties and responsibilities and getting all employees, partners and suppliers involved in the occupational safety effort.

Redeia also draws up an annual safety plan, which outlines strong risk prevention and mitigation measures based on individual job risk assessments. This helps provide all the means and resources needed to perform professional duties in the best possible safety conditions.

Redeia also promotes safety through the supply chain, ensuring that all suppliers working on its premises are certified and qualified in OHS. In 2024, contractors had an accident severity rate of 0.38 and an injury frequency rate of 6.94, with no fatalities.

Since 2023, Redeia has been implementing its own, cutting-edge wellness model and strategy, making it a pioneer in this field. This model views employee wellness from a holistic and global perspective, establishing five central pillars (physical, emotional, professional, social and financial wellbeing) that include the various initiatives the Company offers its people to ensure their wellbeing. The model also provides measurement systems for assessing the value proposition or range of initiatives made available to people and gauging each individual's self-perception as to their level of wellbeing. Armed with this information, the Company can then measure the level of satisfaction with the Company's proposition.

In addition, to offset negative impacts, the 2024–2025 Workplace Safety and Wellness Plan includes actions to promote best OHS practices on the job and at sites. To this end, higher risk tasks and activities are monitored on an ongoing basis through safety inspection programmes, as well as stricter supplier qualification requirements, which are essential to achieving the high levels of safety required. A total of 16,054 safety inspections were carried out in 2024 on sites and facilities in order to anticipate and detect possible risk situations and prevent accidents from occurring. As a result of all the activities performed to control and monitor works, over 1,271 corrective actions were required, of which 89% were resolved while the rest are in the process of being resolved.

With the collective lessons learned from the outcomes of these corrective actions, all value chain participants can enhance their OHS processes, strengthening their preventive culture by sharing new knowledge. As part of the commitment to build prevention into Redeia's processes and culture on the path to achieving the "zero accidents" objective in the 2024-2025 Workplace Safety and Wellness Plan, several actions were implemented to improve communication and raise awareness, adopt new technologies, and advance digital transformation. Key initiatives this year included the OHS Days for Redeia employees in Spain and Chile-Peru, held in recognition of World Day for Safety and Health at Work; five awareness sessions on coordination of discharges at shared facilities; the creation of the 'Positive Safety' community, comprising over 130 industry professionals from more than 40 companies; and implementation of the SERPAT ergonomic grounding system. These actions build on those carried out in previous years, resulting in stable overall accident rates, including both own employees (severity rate: 0.13) and contractors (severity rate: 0.38).

By their nature, both the actions carried out during the reporting period and those scheduled for future periods have a time horizon of 2024-2025. Plan progress is reviewed periodically, with some of the above-mentioned indicators used on a monthly basis. Taking the results of these reviews, the Company may fine-tune its approach or adopt corrective measures to ensure achievement of the defined objectives. These actions do not require any specific resource allocation beyond the general human resources assigned to the team overseeing implementation.

For its own workforce, Redeia preventively monitors health an ongoing basis, conducting health campaigns in response to analysis of the various health indicators evaluated annually. The health and wellness activities and initiatives are designed to promote health from a holistic perspective (physical, emotional, and social health). Key initiatives include medical check-ups, consultations on healthy nutrition, assessments of physical fitness, promotion of physical activity, prostate cancer prevention, physiotherapy consultations, flu shots, and the EMOCIÓN emotional management training project. All this is part of Redeia's own, cutting-edge wellness model and strategy, which takes a holistic and comprehensive approach to employee wellbeing. This model demonstrates the Company's strong commitment and makes it a pioneer in this field.

Equality

On the diversity front, the Company seeks to inspire and become a benchmark both within Redeia itself and the wider social, labour and human environment, through the commitment to talent diversity, social inclusion, employment and non-discrimination, breaking down stereotypes and cultural barriers.

That is the mission of the **2023-2025 Comprehensive Diversity Plan,** the goals of which are to:

- Embed diversity in Redeia's people management, instilling a culture of diversity, equal opportunities, inclusion and non-discrimination.
- Extend the diversity, equity and inclusion strategy across the entire value chain.
- Partner with official organisations, academic institutions, stakeholders and other social agents in campaigns, observatories and projects that will allow the Company to become a benchmark social agent that helps to create a more diverse society.
- Reduce any inequalities that may arise (corporate and wage or digital gaps).
- Put mechanisms in place to prevent discriminatory bias.
- Support the inclusion of socially excluded and/or vulnerable people within the job market.

It also sets two **targets,** one for equality and one for disabilities:

- To have 38% of the management team female and women account for 31% of the workforce.
- To achieve at least 40% of the minimum legal requirement (2%) of direct hiring of people with disabilities and increasing by 20% the volume managed via Special Employment Centres for the provision of services at Redeia.

Gender equality is a key topic under the Comprehensive Diversity Plan and includes the principles of equal employment opportunities, the promotion of women to positions of responsibility, the promotion of shared caregiving responsibilities, the prevention of harassment on moral, sexual and gender grounds, the prevention of gender-based violence, and equal pay between men and women. Performance in these areas is monitored through a dashboard, which allows the Group to measure the progress towards achieving stated objectives.

As for equal pay, criteria are applied in remuneration processes that ensure that all remuneration practices are non-discriminatory, with no biases whatsoever on the basis of gender, age, origin, sexual orientation, gender identity, religion and race, among others, thus guaranteeing absolute non-discrimination in the application of remuneration practices and policies.

Following the entry into force of Royal Decree 902/2020 in 2020, on equal pay for women and men, the Company has been keeping an annual pay register, which is available to the workers' legal representatives.

Similarly, Redeia actively promotes gender equality as part of its 2023-2025 Comprehensive Diversity Plan to mitigate the potential negative impact of unequal opportunities caused by the gender gap in its workforce. The aim is to enhance wellbeing at work by fostering an environment that supports work-life balance and strongly supports diversity of knowledge, experience, and gender.

In 2024, as a result of Redeia's commitment to equality, the percentage of women in the workforce increased to 29.0% (from 28.9% in 2023) and the percentage of women in leadership positions to 37.1% (from 36.2%). These figures are monitored quarterly in the Sustainability Plan progress report and reported on a half-yearly basis to the Appointments and Remuneration Committee and the Board Sustainability Committee.

By their nature, both the actions carried out during the reporting period and those scheduled for future periods have a time horizon of 2024-2025. Plan progress is reviewed periodically, with some of the above-mentioned indicators used on a monthly basis. Taking the results of these reviews, the Company may fine-tune its approach or adopt corrective measures to ensure achievement of the defined objectives. These actions do not require any specific resource allocation beyond the general human resources assigned to the team overseeing implementation.

Initiatives to generate positive impacts

Beyond actions to offset negative impacts, the Company develops **new initiatives to generate positive impacts.** Examples include recognition programmes linked to the talent differentiation process, in which the contributions made by all employees are recognised through remuneration processes that reward the effort, responsibility and commitment shown by all workers to the various annual activities planned and the Company's own objectives. There are also recognition programmes in place to reward those employees who come up with innovative and efficient ideas, or help the Company to raise revenue.

Other initiatives in place to generate positive impacts include actions to reduce the pay gap, or the 2024-2030 Disability Plan, designed to set out measures and actions for the direct hiring of 40 people with disabilities by 2030.

Identifying the pay gap is one aspect related to generating positive impact. Redeia has a methodology for **calculating the adjusted pay gap** that delves deeper into the reasons for the gender pay gap, thus allowing the organisation to detect any adjustments that may be needed in order to monitor the situation and narrow the gap. In 2024, a more detailed job evaluation was conducted as part of the adjusted pay gap calculation process. This provided a more accurate job levelling and better identification of the 'explanatory' variables behind the difference in pay differences between men and women beyond gender, e.g., level of contribution, length of service, performance, experience, eligibility for extras, country of employment. Notably, the adjusted pay gap methodology delves deeper into the reasons for the gender pay gap, thus allowing the organisation to detect any adjustments that may be needed in order to monitor the situation and narrow the gap. To achieve this, a mathematical correlation analysis is used, in which the internal variables that have the greatest impact on pay are identified, and the gap is then recalculated by eliminating the effect of significant variables such as country, level of responsibility and/or role across the various positions, length of service, and so on.

The **2024-2030 Disability Plan** covers different aspects related to disability, contributing not only to the social and occupational integration of people with disabilities, but also to the awareness among Redeia staff of this hugely important issue for the Company. Additionally, it drives this social and occupational inclusion of people with disabilities by hiring through Special Employment Centres, with a target of increasing this volume by 20% by 2025, or by launching a programme to provide professional experience opportunities for university and vocational training students with disabilities.

Redeia is also working on a **forward-looking talent development model that anticipates future talent needs** so that the organisation is capable of tackling the challenges outlined in the 2021-2025 Strategic Plan in an ever-changing environment. The objective is to drive cultural transformation and sustainably manage a diverse and engaged workforce. This is achieved by instilling an innovative, agile, and collaborative culture, empowering employees through self-leadership to build a more resilient organisation capable of tackling the defined challenges, and focusing on the entire employee life cycle to attract top professionals, streamline workforce planning, and position Redeia itself as an employer of choice.

Meanwhile, the Company intends to develop (or is currently developing) new initiatives to prevent material negative impacts on its employees, such as:

- **Talent differentiation, focusing on engagement and recognition**. Redeia differentiates and segments employees based on their performance, effectively separating the assessment of contribution from the evaluation of key skills development. Feedback plays a crucial role in both, providing employees with multiple sources of insight to help them track the progress of their contribution or their skills. Agile feedback conversations ensure that projects and performance are monitored on a continuous basis throughout the year. The contribution conversation rounds off the formal annual appraisal. It is one of the key milestones in the people management process, providing a crucial moment for reflection on the past year's performance and focusing on the challenges of the next year. The conversation helps pinpoint areas for improvement and guide employees towards the achievement of set objectives, thereby helping drive their development.

  The differentiation process is designed to identify employees who deliver exceptional value and have the potential to enhance this impact in the future, as well as employees who are not contributing adequately to the organisation. This model integrates elements of financial recognition, as well as emotional recognition, such as additional days off or participation in projects and working groups that raise the visibility of employees within the organisation. The process also includes the deployment of several actions, including: the Talentia programme, designed as a development tool and space for cohesion and tearing down functional barriers targeting 69 high-potential non-executive employees who may take on leadership or managerial roles in the future; the manager skills development programme, designed to improve the management of teams with a programme for employees who, following internal mobility or promotion, have taken on a managerial role (16 participants in 2024); or individual development plans (IDPs), for personalised career development—39 employees worked on defining their IDP in 2024.

- **Age management actions under the Comprehensive Diversity Plan**. These seek to achieve effective labour inclusion of all employees—regardless of their age or generation—through initiatives that value experience, training, knowledge and other conditions that enable them to realise their full personal and professional potential. One highlight was the voluntary redundancy incentive plan, offered to employees 63 and older. This plan falls under the employment initiatives designed to attract external talent with the new skills and competencies required to deliver the stated objectives in Redeia's 2021-2025 Strategic Plan. In 2024, the number of departures amounted to 84% of the maximum level stipulated under the terms of the plan. This plan supports employees throughout their departure. Since 2019, in response to digitalisation and the evolution or phasing out of certain job roles, the Company has been implementing reskilling initiatives, primarily targeting older employees, to redirect functions and adapt profiles. This enables these employees to take on new roles with the skills they have acquired.

- **Prevention and promotion of health and improvement in wellbeing,** with a range of initiatives, including for example medical check-ups, consultations with medical professionals and nurses, consultations on health nutrition, and assessments of physical fitness. Mandatory health check-ups were expanded in 2024 to cover all employees in control centres who work in shifts. Meanwhile, improvements were introduced to hybrid working conditions for pregnant employees, and the Company launched both the wellbeing model awareness campaign and a new wellbeing assessment initiative. The 360-degree wellbeing assessment consisted of a comprehensive analysis of the workforce covering five core pillars: physical, emotional, financial, social, and professional wellbeing. The process included a self-perception survey in which each person assessed their wellbeing against these five pillars to obtain an overall and an individual wellbeing rating, used to pinpoint specific areas of improvement. The survey also produced a "healthy habits passport", which includes individual actions that can be taken to raise the person's perception of wellbeing.

- **Active participation in OHS in our value chain,** with the creation of the Positive Safety community with the ecosystem of construction and maintenance suppliers. It started off with a session attended by 130 people from 41 companies aligned with the *Me cuido, te cuido y me dejo cuidar* (I take care of myself, I take care of you and I let myself be taken care of) purpose and the launch of Positive Safety initiatives, embodied in a series of safety rituals to connect Redeia with its suppliers driven by both parties.

- **Training and awareness on work-related hazards**, with actions such as:

– Professional training sessions for the own workforce.

– Certification of Redeia suppliers' staff in the local operation of substations.

– Awareness sessions on coordination of discharges at shared facilities, aimed at raising awareness of preventive measures for at-risk third-party work.

– OHS communications, featuring a video highlighting OHS initiatives and news on ergonomic improvements for control and protection staff in relay cabins.

– Fire risk awareness campaign, launched to coincide with World Wildfire Prevention Day.

– Safety awareness sessions for suppliers of clearing, felling, and pruning, electromechanical assembly and vacuum substation testing services.

– Webinar on safety awareness at work on local substation operations for brigade service employees.

- **Training and awareness on equality,** including the 6th Women's Week, focused on feminine diversity. Emotional wellbeing and shared responsibility or training in management techniques with targeted programmes for driving the development of women towards positions of greater responsibility, such as: the CEOE's Promociona, Proactiva, and Progresa programme and the Antonio de Nebrija University's Women's Leadership programme.

- **Communications-related initiatives,** such as the EnRedes programme designed to raise the Company's profile in social media through employees chosen as digital ambassadors. The aim is to improve the Company's visibility and reputation by leveraging the employees' influence on social media. Active participation by senior management in this initiative is a testament to Redeia's commitment to this programme. Another communications initiative developed during the year was Festival of Ideas, designed to create a space for reflection on the importance of connectivity. Open to all Redeia employees, the event features the participation of the Chairwoman.

Training and communication of own workforce on climate change
The Company's activities include integration of renewable energy into the electricity system and connectivity. Neither requires a transition to decarbonised activities. Therefore, there are no negative impacts

on the own workforce arising from the transition to more sustainable activities. Accordingly, no actions to mitigate such impacts were adopted.

A key priority of the Company's Climate Change Action Plan is the reduction of SF_6 emissions. To achieve this, Redeia provides employees specialised training programmes on leak control and reduction. The Company is legally certified to deliver training on handling SF_6 gas. A total of 541 employees have been trained since 2013, with 444 officially certified. Moreover, dedicated technical training sessions on GIS technology were held to enhance maintenance and leak repair.

Impacts and actions related to the Climate Change Action Plan are disclosed to employees primarily through the Group's Sustainability Report, although other tools are available, e.g., the corporate intranet.

Assessing and tracking actions

Redeia employs various tools, including **dashboards,** to track progress and assess the effectiveness of these initiatives. The talent differentiation process dashboard provides a clear view of employees' contributions and capabilities, segmenting them into different performance levels and tracking progression by organisational unit and individual levels. The risk prevention dashboard is a comprehensive tool for OHS management and monitoring. It tracks KPIs and includes functionalities that enable detailed tracking of OHS-related aspects. Key Indicators include accident rates, the inspection frequency rate, the inspection anomaly rate, the risk control rate, and the Bird's triangle, which provides a graphical representation of the relationship between minor incidents, lost-time accidents, and major accidents, offering insight into safety conditions at the Company.

These dashboards provide a visualisation—through metrics—of trends in KPIs and the impact of the Company's actions on them.

Where performance does not meet expectations, the potential causes for the underperformance are analysed and corrective actions are designed, then set out in an action plan for improvement. The affected areas and the necessary human and financial resources are allocated to ensure the plan is implemented.

In 2024, a 38-person team was involved, with functions including managing material impacts.

With a focus on preventing potential violations, the Company systematically analyses and reinforces its policies, commitments, and control mechanisms to minimise risk of occurrence, ensure respect for human rights, and remedy possible human rights abuses. 2024 was a year of advances in human rights, with the due diligence process showing once again that the Company carries a low level of risk and runs suitable controls. As a result, there have been no human rights abuses and so no remedial action has proved necessary to date.

11.3.1.3 Metrics and targets

a. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities **/ S1-5 and MDR-T**

The Company considers both absolute and relative targets, as well as the appropriate units of measure depending on the type of defined objective. For each target, a baseline value and base year are defined from which progress is measured to ensure precise and consistent evaluation.

The methodologies and significant assumptions used to define targets are aligned with national, EU or international policy goals and how the targets consider the wider context of sustainable development and/or local situation in which impacts take place. Given the nature of the objectives, there was no need to base them of scientific evidence to ensure their rigour and validity.

Any changes in targets and corresponding metrics or underlying measurement methodologies, significant assumptions, limitations, sources and processes to collect data adopted within the defined time horizon are documented with an explanation of the rationale for those changes and their effect on comparability.

Impacts

ESRS subtopic	ESRS sub-subtopic	Impact	Target
Working conditions	Secure employment	Permanent contracts	To achieve an annual voluntary turnover rate equal to or below 2%
Working conditions	Adequate wages	Definition of adequate wages	To reduce the adjusted pay gap of 0.08% considering Redeia's corporate structure at year-end 2023
Working conditions	Adequate wages	Recognition of the contribution made by employees through remuneration processes and a total compensation regime	To create a knowledge map covering 100% of the positions within the organisation categorised by professions, roles, and job positions, and identification of the Company's critical positions
Working conditions	Collective bargaining, including rate of workers covered by collective agreements	Improved working conditions through collective bargaining	To have no more than 8% of employees without collective bargaining coverage (applicable to each company with its own collective bargaining agreement)
Working conditions	Health and safety	Impact on employee health of injuries caused by certain occupational activities	To reduce the Group's accident severity rate by 0.10 points compared to the 2018-2022 period (0.64)
Working conditions	Health and safety	Favouring employee wellbeing by means of the healthy organisation management system and the prevention of occupational injuries or illnesses	To raise the perception of wellbeing by 15% from the previous year
Working conditions	Health and safety	Fatalities caused by certain occupational activities	To keep the Group's accident severity rate below 0.5

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Impacts / continued

ESRS subtopic	ESRS sub-subtopic	Impact	Target
Equal treatment and opportunities for all	Diversity	A diverse and inclusive workplace that fosters employee wellbeing and generates fair opportunities	To deliver at least 40% of the legal requirement (2%) for the direct hire of people with disabilities
Equal treatment and opportunities for all	Diversity	Lack of equal opportunities due to the gender gap at Redeia	To have 38% of the management team female and women to account for 31% of the workforce by 2025
Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Fair monetary compensation and elimination of gender inequalities	To reduce the adjusted pay gap of 0.08% considering Redeia's corporate structure at year-end 2023

Risks and opportunities

ESRS subtopic	ESRS sub-subtopic	Risk/ Opportunity	Description of the cause of the risk/ opportunity	Target
Working conditions	Health and safety	Risk	Possible increase in operating expenses due to an increase in economic contingencies and in the related insurance premiums, potentially affecting, in part, Redeia's profitability. Moreover, a significant volume of claims could indicate underlying problems in occupational safety management, which could lead to additional costs related to mitigation and safety, as well as reputational damage for Redeia.	To keep the Group's accident severity rate below 0.5
Working conditions	Health and safety	Risk	Vulnerability to significant financial losses as a result of inadequate insurance coverage in the event of damages such as workplace accidents	To keep the Group's accident severity rate below 0.5

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Risks and opportunities / continued

ESRS subtopic	ESRS sub-subtopic	Risk/ Opportunity	Description of the cause of the risk/ opportunity	Target
Working conditions	Adequate wages	Opportunity	Delivery of employee expectations thanks to constant review and updating of Redeia's total compensation regime to ensure it remains competitive	To reduce the adjusted pay gap of 0.08% considering Redeia's corporate structure at year-end 2023 To create a knowledge map covering 100% of the positions within the organisation categorised by professions, roles, and job positions, and identification of the Company's critical positions
Equal treatment and opportunities for all	Training and skills development	Opportunity	Increased investment in development and training, in addition to a stronger workforce thanks to talent retention	To achieve an annual voluntary turnover rate equal to or below 2%
Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Opportunity	Strengthening Redeia's position as a leader and benchmark in gender equality	To have 38% of the management team female and women to account for 31% of the workforce by 2025
Equal treatment and opportunities for all	Employment and inclusion of persons with disabilities	Opportunity	Increasing workforce diversity by integrating more people with disabilities under the scope of Redeia's Disability Plan	To deliver at least 40% of the legal requirement (2%) for the direct hire of people with disabilities

These targets have been defined within the framework of the **People Operational Plan** and the development of the Sustainability Plan 2021-2025 linked to the Strategic Plan 2021-2025 and deployed through 17 operational plans.

The **People Operational Plan,** approved by the CEO and covering the 2021-2025 period, is based on the Company's Strategic Plan and outlines two strategic initiatives entailing 11 lines of initiative comprising 43 actions. These lines of initiatives were taken into account when setting people-related targets in the Sustainability plan to achieve full alignment.

After preparation of the people section of the zero draft of the Sustainability Plan, the validation phase of the proposal began, involving all departments under the Corporate People and Culture Department so that there was input from affected areas. After validation, the objectives were then approved by the People Officer and integrated into Redeia's 2021-2025 Sustainability Plan, which was then approved by the Board Sustainability Committee.

The objectives and associated actions are monitored quarterly, with each party in charge required to provide a progress report and account of any potential impacts detected. This monitoring is designed for the early detection of risks that could hinder execution within the established timeframe.

Meanwhile, highlights in the area of gender equality include the equality plans negotiated and agreed upon with workers' representatives in accordance with applicable legislation, including Organic Law 3/2007, Royal Decree-Law 6/2019, and Royal Decrees 901/2020 and 902/2020. These plans outline specific objectives and measures to guarantee equal treatment and opportunities for women and men in the workplace.

The rest of the targets and objectives were set taking account of the concerns and interests of Redeia's own workforce but without their or their legal representatives' direct participation in defining them or identifying areas of improvement. Key stakeholders were also not involved in defining targets.

The objectives and targets are implemented through concrete actions and agreed-upon deadlines. The actions are detailed in the Sustainability Plan and documented in an "Equality Plan Monitoring" file accessible to the relevant area managers. Progress and potential areas of improvement are set out in an annual report.

b. Targets related to managing material impacts, risks and opportunities

i. Characteristics of the undertaking's employees / S1-6 and MDR-M

Total number of employees by headcount and breakdown by gender and by country

Gender	Breakdown of employees by gender	
	2024	2023
Men	1,768	1,762
Women	721	715
Other	0	0
Not disclosed	0	0
Total employees	**2,489**	**2,477**

Country	Breakdown of employees by country
	2024
Spain	2,042
Brazil	60
Colombia	139
Peru	135
Germany	31
Chile	40
Argentina	2
Ecuador	4
Mexico	29
United States	2
Greece	1
United Kingdom	4
Total employees	**2,489**

	Breakdown of employees - Redeia
Total number of employees (no.)	2,489
Permanent employees (%)	99.3
Average length of service (years)	13.9
Overall external turnover rate (%)	6.7%

	Breakdown of employees - Redeia (by company) (%)
Red Eléctrica	51.6
Hispasat	21.7
Redeia Corporación	17.4
Redinter	4.6
Reintel	3.1
Other companies	0.8
Elewit	0.7

	Breakdown of employees - Redeia (by type of operations) (%)
Electricity	52.3
Telecommunications	24.9
Corporate services	17.5
International	4.6
Technology	0.8

Total number of headcount or full time equivalent (FTE) of permanent employees and breakdown by gender

2024	Men	Women	Other	Not disclosed	Total
Number of employees	1,768	721	0	0	2,489
Number of permanent employees	1,756	715	0	0	2,471
Number of temporary employees	12	6	0	0	18
Number of non-guaranteed hours employees	0	0	0	0	0
Number of full-time employees	1,749	682	0	0	2,431
Number of part-time employees	19	39	0	0	58

Total number of employees who have left the undertaking during the reporting period and the rate of employee turnover in the reporting period

	Total number of		Turnover rate	
2024	Men	Women	Men	Women
Under 30	14	15	13.0%	23.4%
30 to 50	49	20	4.3%	4.3%
Over 50	50	18	9.5%	9.3%
Overall turnover (1)	113	53	6.4%	7.4%

The persons affected by the impacts, risks and opportunities (IROs) described above, own workforce, are both people who are in an employment relationship with Redeia (employees) and non-employees who are either people with contracts with Redeia to supply labour (self-employed people) or people provided by undertakings primarily engaged in "employment activities" (temporary employment agencies).

Not included are interns, as they fall under an educational framework focused on acquiring practical knowledge and there is no formal employment relationship, or individuals who have a commercial relationship with Redeia.

Note additionally that people indirectly linked to Redeia (non-employees) are primarily used to cover maternity/paternity leave, or substitute employees in situations of temporary, long-term disability. Over the past few years, these have represented just 1% of the total workforce and, therefore, are not considered a material group for the purposes of this report.

Redeia's employees and their families are covered by HR policies and management, helping the Company deliver its strategic objectives and tackle future challenges, and serving as key ambassadors for the Company's image and reputation.

At 31 December 2024, Redeia had a total workforce of 2,489 people *(see note 24, section D in the Group's consolidated financial statements)*, an increase of 0.5% in the year.

ii. Collective bargaining coverage and social dialogue **/ S1-8 and MDR-M**

Percentage of total employees covered by collective bargaining agreements

Most of Redeia's workforce in Spain is covered by a collective bargaining agreement. The only exceptions are management team members and employees who, voluntarily and irrevocably, accept the Company's proposal for exclusion, within the limits set by each company's collective bargaining agreements. Internationally, collective bargaining coverage is lower due to country-specific legislation, practices and customs. A case in point is Brazil, where employees can voluntarily decide whether or not to be covered by the applicable collective bargaining agreement. Redeia has its own collective bargaining agreements at three of its companies, **Red Eléctrica de España, S.A.U., Redeia Corporación, S.A. and Redeia Infraestructuras de Telecomunicación S.A.** and none in the rest of the countries in the European Economic Area (EEA) where the Company operates.

2024	Employees covered by a collective bargaining agreement by country (%)
Spain	91.7%
Brazil	84.4%
Total	**82.6%**

Collective bargaining coverage and social dialogue

2024	Employees - EEA (for countries with >50 empl. representing >10% total empl.)	Employees - Non-EEA (for countries with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
0-19%			
20-39%			
40-59%		Peru	
60-79%			
80-100%	Spain	Brazil / Colombia	Spain

Percentage of employees represented by workers' representatives

2024	Employees covered by workers' representatives (%)
Spain	99.0%
Total	**99.0%**

As illustrated in the preceding table, employees are covered by workers' representative. Nevertheless, Redeia does not meet the requirements to set up a Societas Europaea (SE) Works Council or a Societas Cooperativa Europaea (SCE) Works Council.

iii. Diversity metrics **/ S1-9 and MDR-M**

Gender distribution in number and percentage at top management level(*):

2024	No.	%
Men	8	57.1%
Women	6	42.9%
Total	**14**	**100%**

(*) In accordance with article 4 of the Regulations of the Board of Directors, senior executives are "for the purposes of these Regulations, the executives reporting directly to the Board, the chair or the CEO and, in any case, the internal auditor".

Distribution of employees by age group (under 30 years old; 30-50 years old; over 50 years old)

Total number of employees by age group and gender

	2024			2023		
	Men	Women	Total	Men	Women	Total
Under 30	108	64	172	105	77	182
30 to 50	1,131	464	1,595	1,149	461	1,610
Over 50	529	193	722	508	177	685
Total	**1,768**	**721**	**2,489**	**1,762**	**715**	**2,477**

iv. Adequate wages **/ S1-10**

Redeia is committed to guaranteeing decent pay for all employees and remuneration that in any case exceeds guaranteed basic income.

All employees in every country where the Company operates are paid adequate wages, above the established minimum wage in each.

This approach not only ensures that basic needs are met but also supports a good quality of life across the countries in which the Group operates.

v. Social protection **/ S1-11**

All employees are covered by social protection against loss of income due to major life events, such as sickness, unemployment, employment injury and acquired disability, parental leave and retirement.

vi. Persons with disabilities **/ S1-12 and MDR-M**

The Comprehensive Diversity Plan (CDP) is one of the most important strategies for instilling a culture based on equality, sustainability, adaptation to change, innovation and talent management, with global reach, covering all business activities and geographical areas in which Redeia operates.

The Company currently has 27 employees with a disability of a severity equal to or greater than 33% (1.1% of total headcount), and at four companies the General Law on the Rights of Persons with Disabilities is applicable, with all of them remaining fully compliant.

In addition, there are no employees with a disability subject to legal restrictions on the collection of data in this regard.

Redeia aspires to not only comply with the applicable legal requirements, but to go one step further in integrating people with disabilities, deepening its role as social agent in the field of diversity. Notably, it contributes to the social and occupational inclusion of persons with disabilities by hiring, for part of the services provided, through Special Employment Centres, with a target of increasing this volume by 20% by 2025; it already delivered this after reporting a 32% increase in 2024. Beyond internal awareness campaigns, Redeia takes part in various institutional and private campaigns to foster the inclusion of persons with disabilities in the workplace. Of all these actions and initiatives, the main ones in 2024 were:

- Launch of an Adecco Foundation mentoring programme for university and vocational training students with disabilities, in which the Company's employees gave a 5-day training to a person with difficulties finding a job during the year.

- Signing of an educational collaboration agreement with A La Par Foundation to allow two students of the foundation's FundaJobs employment service to take part in non-work professional internships with the aim of training them for the qualified performance of the profession and increasing their employability, on top of the training received at the Foundation.

- Family Plan with personalised assistance to improve the social and occupational integration of family members with disabilities of Redeia employees.

- Plan Aflora to support employees eligible for a disability certificate.

- Corporate website using website accessibility criteria with Level AA conformance to Web 2.0 (WCAG 2.0) of the Web Accessibility Initiative (WAI) and World Wide Web Consortium.

- Inclusive recruitment process.

- Corporate volunteering initiatives to raise awareness about the deaf communication through online sign language training.

vii. Health and safety metrics **/ S1-14 and MDR-M**

Percentage of own workforce covered by the company's health and safety management system, the number of fatalities as a result of work-related injuries and work-related ill health, and the number and rate of recordable work-related accidents:

Occupational health and safety indicators			
2024	Men	Women	Total
Average number of employees	1,750.82	720.05	2,470.87
Hours worked ('000)	3,133,732	1,288,793	4,422,525
Number of accidents recorded	16	1	17
Employees	16	1	17
Non-employees	0	0	0
Rate of recorded accidents	100%	100%	100%
Employees	100%	100%	100%
Non-employees	0	0	0
Number of fatalities as a result of work-related injuries/work-related ill health	0	0	0
Employees	0	0	0
Non-employees	0	0	0
Other workers at Redeia's sites			
(e.g., value chain workers)	0	0	0
Number of accidents	10	1	11
Days lost to accidents (1)	532	22	554
Injury frequency rate	3.19	0.78	2.49
Accident severity rate	0.17	0.02	0.13
Number of cases of work-related ill health	0	0	0
Days lost to non-work-related ill health (a)	1.69%	1.88%	1.75%
Days lost to health and safety (b)	1.78%	1.93%	1.82%
Own workforce (employees and non-employees) covered by the health and safety management system (%)	100	100	100

(1) The calculation is based on 6,000 working days for a fatal accident and 4,500 days for total permanent disability.

(a) Days lost to non-work-related temporary disability > 3 days + Days lost to temporary disability < 3 days/average number of employees x 365 x 100.

(b) Days lost to non-work-related temporary disability > 3 days + Days lost to temporary disability > 3 days + days lost to work-related accidents and ill health/average number of employees x 365 x 100.

viii. Compensation metrics (pay gap and total compensation) **/ S1-16 and MDR-M**

Redeia rewards its employees in all the countries in which it operates in accordance with the general principles of its remuneration regime, which meets the unified criteria of:

- Internal equity and external competitiveness.

- Consistency with the organisational and development model.

- Opportunities for further wage growth.

- Separate recognition of outstanding contributions.

All of the above are implemented with strict regard to prevailing legislation in each territory and ensuring equality and non-discrimination in each case.

Redeia rewards its professionals under principles of equity and fairness, based on their level of responsibility and professional experience. The annual salary review processes differentiate on the basis of the contribution made over the year and the results of their achievements, and never on the basis of gender, age, origin, sexual orientation and identity, religion or race, thus ensuring non-discrimination when implementing remuneration practices and policies.

			Pay gap
	2024	2023	2022
Gross pay gap (%)(*)	5,51%	9,33%	7,35%
Adjusted pay gap (%)(**)	2,75%	5,00%	5,10%
Difference of average pay levels between men and women	94,49%	90,67%	92,65%

Note. The figures above include Hispasat. Figures for Hispasat in 2024: Gross pay gap: 13.08%; adjusted pay gap: 6.34%; Difference of average pay levels between men and women: 86.92%

(*) Gross gap pay calculated for 2024 and recalculated for previous years in accordance with the requirements of the new regulation on the calculation methodology of ESRS. The key difference between the new and previous calculation methodology is the use of the median. It also excludes non-salary items.

(**) The adjusted pay gap was not recalculated for years before 2024 using the new calculation methodology. It starts with the same wage items as for the gross pay gap, but excludes any type of salary payments effectively received by the workers. The gap is recalculated stripping out the impact of major variables, e.g., country, level of responsibility and/or function in the different positions, length of service, etc.

Gross pay gap:
Redeia calculated the gross pay gap using the metrics stipulated in the standards, using the following approach:

- The calculation of the pay gap includes "gross annual remuneration", comprising the basic salary and any other remuneration, whether in cash or in kind which the worker receives directly or indirectly in respect of his/her employment from his/her employer in accordance with the standards.

  Note. Includes any salary payments effectively received by workers: fixed remuneration (including both base salary and personal allowances), role-related supplements, payments in kind, variable remuneration, and overtime, but excludes non-salary payments.

- The formula used is as follows:

$$\frac{\text{[Gross remuneration of men} - \text{Gross remuneration of women]}}{\text{Gross remuneration of men}}$$

– "Pay level" refers to the median remuneration of employees. In other words, the wage at the midpoint between two equal groups of employees, i.e., that divides employees into two equal groups: the half the earns more than this amount and the half that earns less. Therefore, the pay gap is defined as the difference between the median remuneration of women and men divided by the median remuneration of men.

– Lastly, Redeia standardises salaries based on annual working hours so that they are statistically comparable.

$$\frac{\text{Median total annual gross remuneration of men} - \text{Median total annual gross remuneration of women}}{\text{Median annual median gross remuneration of men}} \times 100$$

Adjusted pay gap:
In addition to the gross pay gap, to make further progress on wage transparency and analysing the gender pay gap, in 2023 the adjusted pay gap was also calculated to learn more about the causes for these differences, given that this calculation methodology allows them to be identified and allows for a more reliable analysis.

Notably, the adjusted pay gap methodology delves deeper into the reasons for the gender pay gap, thus allowing the organisation to detect any adjustments that may be needed in order to monitor the situation and narrow the gap. To achieve this, a mathematical correlation analysis is used, in which the internal variables that have the greatest impact on pay are identified, and the gap is then recalculated by eliminating the effect of significant variables, e.g., country, level of responsibility and/or role across the various positions, tenure.

The adjusted pay gap starts from the same wage items as for the gross pay gap, i.e., the correlation model is applied to "gross annual remuneration" for 2024.

Difference of average pay levels between men and women:

	2024	2023
Difference of average pay levels between men and women (%)(*)	94.49%	90.67%

(*) Considering the changes introduced by the new standards on the calculation methodology and that Redeia already report this indicator, the figures were recalculated in accordance with the standards applicable for 2023 and 2022, respectively. The key difference between the new and previous calculation methodology is the use of the median. It also excludes non-salary items.

The formula used is as follows:

$$\frac{\textit{Gross remuneration of women}}{\textit{Gross remuneration of men}}$$

Calculation of this indicator starts from the same wage items as for the gross pay gap, i.e., *gross annual remuneration.*

It also uses pay level as defined for the gross pay gap.

	Ratio of total remuneration to the highest paid individual in 2024
Ratio	6.04

Calculation of this indicator starts from the same wage items as for the gross pay gap, i.e., *gross annual remuneration.*

The formula used is as follows:

Total annual remuneration of the highest paid individual / *Total annual remuneration of the highest paid individual*

ix. Incidents, complaints and severe human rights impacts **/ S1-17 and MDR-M**
The human rights due diligence process performed in 2024 indicated that no human rights violation had materialised, so there was no human rights abuse. Also, no cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises were identified. This applies to both Redeia's own operations and its relationships with third parties.

Meanwhile, the Company received four reports related to harassment and discrimination via its Ethics and Compliance Channel in 2024. Of these, two were closed and two were still open the end of the reporting period.

11.3.2 ESRS S2 – Workers in the Value Chain

11.3.2.1 Strategy

a. Interests and views of stakeholders **/ SBM-2**

Value chain workers are a key group of stakeholders affected by Redeia's activities, as described in section *1.1.4 Strategy and business model; b) Interests and views of stakeholders SBM-2*, taking account of their interests, opinions and rights based on Redeia's strategy and business model.

In addition, in its 2030 Sustainability Commitment, Redeia intends to extend the Company's responsibility commitment to all the links in the value chain, from employees to suppliers and customers, by forging alliances, all underpinned by its model of good governance and integrity.

b. Material impacts, risks and opportunities and their interaction with strategy and business model **/ SBM-3**

Redeia's value chain workers could be materially affected by its activities. Therefore, they are considered a key stakeholder group and as such their interests, opinions and rights have a significant impact for Redeia.

Identifying both positive and negative impacts helps work towards ongoing improvement in processes, efficiency in controls and response times, contributing positively to the business and helping deliver the Strategic Plan as scheduled. In this regard, the outcome of the process to identify impacts, risks and opportunities in the double materiality assessment performed in 2024 led to the identification of one negative impact, three positive impacts and no risks or opportunities, as explained in chapter *1.2 Materiality assessment, section 1.2.4 Material impacts, risks and opportunities. SBM-3.*

Impacts

Impact	Position in the value chain	Positive / Negative	Current / Potential	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	How the impacts affect people and the environment	Interaction of the impact with strategy and business model	Link between impacts and business activities and relationships	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Injuries or unhealthy working conditions for workers at Redeia suppliers due to the absence of adequate protective equipment	Direct or indirect suppliers	N	Current	M	Value chain workers are at risk of sustaining injuries or unhealthy working conditions when they do not receive appropriate personal protective equipment and/or work in dangerous environments (e.g., removal of hazardous waste) without implementing protection measures.	Impact on the health of value chain workers	The Code of Conduct for Suppliers (contractual and binding document)	The impact is linked to the operations of Redeia's suppliers	Redeia integrates processes and procedures into its business model that are aligned with the Company's governance based on the Code of Conduct for Suppliers. Where the Company considers that a supplier must meet

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

Continued on the next page

Impacts / continued

Impact	Position in the value chain	Positive / Negative	Current / Potential	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	How the impacts affect people and the environment	Interaction of the impact with strategy and business model	Link between impacts and business activities and relationships	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
									minimum requirements, it creates a profile that the supplier must pass before its qualification. As a mitigation and control measure, Redeia also performs social audits of suppliers to verify their compliance with the Code of Conduct for Suppliers and other applicable legislation. An action plan is triggered where a risk is identified. Redeia also has a system for tracking incidents identified in contract/order execution and a reporting channel where its suppliers can inform us if they identify any such impact.
Zero tolerance for forced labour in Redeia's supply chain	Direct or indirect suppliers	P	Current	S	The idea behind getting suppliers to endorse the Code of Conduct for Suppliers at the start of the supplier screening, certification and scoring process is to ensure the selection of suppliers that are suitable for forming part of Redeia's database. This code, which is part of the contractual documentation as per the general contracting conditions and hails from Redeia's Code of Conduct and Ethics, establishes minimum requirements around ethical, social and environmental matters which all suppliers must accept and comply with in order to work with Redeia and which suppliers must extend to their own supply chains. Commitment to respect for human rights and training programme	Impact on the working conditions of value chain workers	The Code of Conduct for Suppliers (contractual and binding document)	The impact is linked to the operations of Redeia's suppliers	Redeia integrates processes and procedures into its business model that are aligned with the Company's governance based on the Code of Conduct for Suppliers, which includes "To guarantee the non-existence of any form of forced or compulsory labour". Where the Company considers that a supplier must meet minimum requirements, it creates a profile that the supplier must pass before its qualification. As a mitigation and control measure, Redeia also performs

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

Continued on the next page

Impacts / continued

Impact	Position in the value chain	Positive / Negative	Current / Potential	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	How the impacts affect people and the environment	Interaction of the impact with strategy and business model	Link between impacts and business activities and relationships	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
					focused on human rights management in collaboration with the Spanish chapter of the Global Compact. In 2024, Redeia did not receive any claims related with human rights abuses in its supply chain; nor was any contract or order cancelled on these grounds.				social audits of suppliers to verify their compliance with the Code of Conduct for Suppliers and other applicable legislation. An action plan is triggered where a risk is identified. Redeia also has a system for tracking incidents identified in contract/order execution and a reporting channel where its suppliers can inform us if they identify any such impact.
Zero tolerance of child labour in Redeia's supply chain	Direct or indirect suppliers	P	Current	S	The idea behind getting suppliers to endorse the Code of Conduct for Suppliers at the start of the supplier screening, certification and scoring process is to ensure the selection of suppliers that are suitable for forming part of Redeia's database. This code, which is part of the contractual documentation as per the general contracting conditions and hails from Redeia's Code of Ethics and Conduct, establishes minimum requirements around ethical, social and environmental matters which all suppliers must accept and comply with in order to work with Redeia and which suppliers must extend to their own supply chains. Commitment to respect for human rights and training programme focused on human rights management in collaboration with the Spanish chapter of the Global Compact. In 2024, Redeia did not receive	Impact on the working conditions of value chain workers	The Code of Conduct for Suppliers (contractual and binding document)	The impact is linked to the operations of Redeia's suppliers	Redeia integrates processes and procedures into its business model that are aligned with the Company's governance based on the Code of Conduct for Suppliers, which includes "To guarantee the non-existence of all forms of child labour". Comply with all laws, regulations and international, national and local declarations with regard to the minimum age for employment". As a mitigation and control measure, Redeia also performs social audits of suppliers to verify their compliance with the Code of Conduct for Suppliers and other applicable legislation. An action plan is triggered where a risk is identified. Redeia also has a system for tracking incidents identified in contract/order execution and

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

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Impacts / continued

Impact	Position in the value chain	Positive / Negative	Current / Potential	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	How the impacts affect people and the environment	Interaction of the impact with strategy and business model	Link between impacts and business activities and relationships	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
					any claims related with human rights abuses in its supply chain; nor was any contract or order cancelled on these grounds.				a reporting channel where its suppliers can inform us if they identify any such impact.
Guarantee that hires are fair and uphold existing labour standards	Direct or indirect suppliers	P	Current	S	The idea behind getting suppliers to endorse the Code of Conduct for Suppliers at the start of the supplier screening, certification and scoring process is to ensure the selection of suppliers that are suitable for forming part of Redeia's database. This code, which is part of the contractual documentation as per the general contracting conditions and hails from Redeia's Code of Ethics and Conduct, establishes minimum requirements around ethical, social and environmental matters which all suppliers must accept and comply with in order to work with Redeia and which suppliers must extend to their own supply chains.	Impact on the working conditions of value chain workers	The Code of Conduct for Suppliers (contractual and binding document)	The impact is linked to the operations of Redeia's suppliers	Redeia integrates processes and procedures into its business model that are aligned with the Company's governance based on the Code of Conduct for Suppliers, which includes "To guarantee the non-existence of all forms of child labour". Comply with all laws, regulations and international, national and local declarations with regard to the minimum age for employment". As a mitigation and control measure, Redeia also performs social audits of suppliers to verify their compliance with the Code of Conduct for Suppliers and other applicable legislation. An action plan is triggered where a risk is identified. Redeia also has a system for tracking incidents identified in contract/order execution and a reporting channel where its suppliers can inform us if they identify any such impact.

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

Continued on the next page

Impacts / continued

Impact	Position in the value chain	Positive / Negative	Current / Potential	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	How the impacts affect people and the environment	Interaction of the impact with strategy and business model	Link between impacts and business activities and relationships	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Establishment of controls to ensure due protection of the health and safety of all supply chain workers	Direct or indirect suppliers	P	Current	S	The idea behind getting suppliers to endorse the Code of Conduct for Suppliers at the start of the supplier screening, certification and scoring process is to ensure the selection of suppliers that are suitable for forming part of Redeia's database. This code, which is part of the contractual documentation as per the general contracting conditions and hails from Redeia's Code of Ethics and Conduct, establishes minimum requirements around ethical, social and environmental matters which all suppliers must accept and comply with in order to work with Redeia and which suppliers must extend to their own supply chains.	Impact on the working conditions of value chain workers	The Code of Conduct for Suppliers (contractual and binding document)	The impact is linked to the operations of Redeia's suppliers	Redeia integrates processes and procedures into its business model that are aligned with the Company's governance based on the Code of Conduct for Suppliers, which includes "To guarantee the non-existence of all forms of child labour". Comply with all laws, regulations and international, national and local declarations with regard to the minimum age for employment". As a mitigation and control measure, Redeia also performs social audits of suppliers to verify their compliance with the Code of Conduct for Suppliers and other applicable legislation. An action plan is triggered where a risk is identified. Redeia also has a system for tracking incidents identified in contract/order execution and a reporting channel where its suppliers can inform us if they identify any such impact.

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

The impacts identified are included in the sup-topics:

- Working conditions, specifically the sub-sub-topics of **Health and safety** and **Secure employment.**

- Other work-related rights, specifically the sub-sub-topics of **Forced labour** and **Child labour.**

Negative impacts are classified according to their type of effect:

- **Technical:** impacts or accidents when performing work.

- **Economic:** for irregularities, e.g., in third-party payments or failure of the supplier to provide certifications of work on time and as due.

- **Legal:** for, e.g., declaration of insolvency proceedings by the supplier or its parent, by administrative decision or court ruling confirming or declaring insolvency.

- **Compliance/social audits:** for, e.g., breach of the Code of Conduct for Suppliers due to lack of due diligence, complaints by Redeia's Ethics Manager or from audits stemming from continuous monitoring, when they lead to the identification of more significant non-compliances.

Moreover, Redeia ensures that any negative impacts are treated as isolated cases because of their low occurrence and minimisation through the corrective action plans triggered when this type of risk is identified.

Working conditions

- **Health and safety:** Negative impacts regarding working conditions such as injuries to employees of Redeia's suppliers may arise due to the nature of Redeia's business model. For instance, its operations often involve heavy machinery, high-voltage electrical work, and working at heights.

  As for positive impacts, Redeia actively promotes health and safety across its value chain by implementing controls to protect the health and safety of its suppliers' employees. The Code of Conduct for Suppliers outlines the minimum ethical, social, and environmental requirements of suppliers.

  When the Company deems that a supply should meet minimum requirements (e.g., certifications, track record, resources), it defines minimum requirements that suppliers must meet to qualify. In addition, generally:

  – ISO 9001 certification of the supplier is mandatory for all supplies with defined minimum requirements.

  – ISO 14001 or equivalent certification of the supplier is required for supplies with environmental impact.

  – ISO 45001 or equivalent certification of the supplier is required for supplies with impact on health and safety.

In addition, under the framework of the **Supply chain security management system,** suppliers most hold security certifications: a valid certificate of the information security management system (ISO/IEC 27001) and a valid certificate of the business continuity management system (ISO 22301).

Redeia also has a corporate safety management tool. It is a prevention management tool that provides traceability and enables the collaborative management of all health and safety processes with internal and external stakeholders, considering suppliers and their work for Redeia.

- **Secure employment:** Redeia has a positive impact on its value chain by ensuring that supply chain employee hires are fair and uphold labour standards through mandatory supplier acceptance of the Code of Conduct for Suppliers. This code, which is part of the contractual documentation as per the general contracting conditions, stipulates the ethics and conduct standards Redeia's suppliers must meet. By establishing this requirement at the start of the supplier registration process, we foster a culture of responsibility and ethics across Redeia's supply chain. This in turn helps build solid and trustworthy business relationships underpinned by a commitment to comply with the standards set and conduct themselves ethically in all of their operations. Compliance with the Code of Conduct for Suppliers is verified through audits, whether included in the audit planning or following identification of a risk.

Other work-related rights

- Forced labour and child labour: Redeia makes a positive impact on its value chain by upholding a strong commitment to respect for human rights through compliance with the Code of Conduct for Suppliers and initiatives such as training focused on human rights management in collaboration with the Spanish chapter of the Global Compact. It has zero tolerance of forced labour and child labour. Through supplier audits, Redeia verifies the non-existence of child and/or forced labour in its supply chain.

Given the nature of the Company's activity, the most significant risk is worker safety at Redeia's own facilities. To address this, there are supplier qualification processes with mandatory requirements, protocols, and required disclosures in tender documents. Beyond this, the technical area creates the technical specification containing the technical requirements.

For every service or procurement of materials and equipment, the above-mentioned documents set out the requirements that suppliers must meet before performing the service or supply, tailored to the type of service or supply.

In its double materiality assessment, Redeia identified several types of value chain workers (customers' and suppliers' workers) affected by Redeia's owns operations and value chain, through its products and services, or through the business relationships with Redeia. However, none of these workers are particularly vulnerable to occasional negative impacts.

Suppliers

Redeia divides procurement into two categories, service providers (including works) and equipment and material suppliers.

- Service providers
  - Workers performing work at Redeia's own facilities, whether in offices or other transmission grid sites.
  - Workers performing work at the supplier's own facilities.
  - The service providers category also includes subcontractors, whose relationship with the Company is governed through a subcontracting management system subject to approval and oversight.

• Equipment and materials suppliers

These suppliers operate primarily at their own facilities. However, their activity may also include installation and technical assistance at Redeia's sites.

Employees in the equipment and materials value chain take part in producing goods and manufacturing different parts. This requires the extraction and processing of raw materials, mostly metals.

Redeia extends the principles of its Code of Conduct for Suppliers to all value chain workers. The Company guarantees that none of its suppliers engage in the trade of conflict minerals (tungsten, tantalum, tin, and gold) and extends the principles of the Code of Conduct for Suppliers to the relationship with value chain workers.

Redeia also subcontracts logistics services to a qualified provider. The logistics operator oversees storage, transport, and distribution of specific equipment and materials that are not delivered directly to the transmission grid sites. This service is subject to the processes, procedures, and contractual documentation described in previous sections.

Furthermore, Redeia has employees working in joint operations, e.g., Inelfe.

Regarding geographical location of these workers, no qualified suppliers or their manufacturing facilities are located in conflict-affected countries. Regarding Redeia's supplies, none are linked to the arms trade or other military-related activities, as the Company only does business with companies that have passed the qualification process.

Subcontracting is subject to an approval and monitoring process. Where risks related to suppliers' workers are identified, Redeia may perform targeted social audits, in addition to the sample audits conducted annually, as a risk mitigation mechanism.

11.3.2.2 Impact, risk and opportunity management

a. Policies related to value chain workers **/ S2-1 / MDR-P**

Redeia holds a key position as a global operator of essential infrastructures and, consequently, is a decisive agent in the development of a sustainable energy future. The Group is fully committed to supporting the achievement of the UN Sustainable Development Goals (SDGs) and has considered these goals into designing its 2030 Sustainability Commitment, to ensure that the Company's priorities and actions contribute significantly to the achievement of the SDGs.

The policies used to manage impacts, risks and opportunities (IROs) related to the value chain are explained in the chapter on Code of Conduct and Ethics, which contains the ethical values and principles to uphold, formulated through commitments and standards of conduct. The code constitutes a firm commitment by the Company to ethical and transparent management as the engine to consolidate its image and enhance its reputation. Further information can be found at the following section on the corporate website: Compliance culture | Redeia.

Aware of the importance of the actions of its value chain, Redeia actively promotes the adoption of sustainability criteria among its business partners and across its supply chain. These criteria are based on the Ten principles of the Global Compact, which include the UN's guidelines on human rights, working conditions, the environment and anti-corruption. These principles are adhered to from first contact with suppliers and through the risk monitoring and management process.

Accordingly, Redeia has several codes and policies supporting its value chain management:

- **The Code of Conduct for Suppliers** which, as outlined in the general contracting conditions, is included in the contractual documentation. The objective of this code is to disseminate and promote values and responsible behaviours in the work and professional activities of suppliers across their various areas of operation. The Code of Conduct for Suppliers formalises minimum requirements around ethical, social and environmental matters which all suppliers must accept and comply with in order to do business with Redeia and which suppliers must extend to their own supply chains.

  The code is aligned with the ethical values of respect, integrity and sustainability, as well as with the principles contained in Redeia's Code of Conduct and Ethics and Compliance Policy. Accordingly, it should be interpreted considering the content of those documents.

As part of its ongoing development, Redeia updates its Code of Conduct for Suppliers regularly, introducing principles to existing requirements, e.g., to guarantee the non-existence of all forms of child labour, forced or compulsory labour, as well as to respect maximum working hours and minimum wages, in alignment with international labour standards.

- **The Compliance Policy,** which sets out the principles governing Redeia's commitment to the prevention and detection of, and response to, any unlawful conduct or any action in breach of the commitments it has assumed voluntarily. Principles of this policy include establishing the due diligence measures in terms of ethics and compliance required for an adequate selection and monitoring of compliance by third parties.

- **The Due Diligence in Integrity and Human Rights of Third Parties Guide,** which serves as a tool for managing relationships with stakeholders, including suppliers, and ensuring that they are governed by integrity and transparency, two key elements in maintaining the trust and reputation of the Group. The guide aims to mitigate the risk of associating Redeia with third parties who engage in conduct contrary to our ethical values, especially illegal activities in the field of integrity (e.g., corruption, bribery, money laundering, terrorist financing, and other similar activities) and human rights (e.g., forced labour, human trafficking, child labour, restrictions on the right to freedom of association and collective bargaining, the right to decent work, non-compliance with the principles of equality and non-discrimination).

- The **Sustainability Policy,** which includes the principle of respect and promotion of internationally recognised human rights, acting with due diligence.

- **Ten Principles for respect for human rights, articulated in the Commitment to the promotion and respect for human rights.** The Company has embraced an explicit and public commitment to respecting human rights in every country in which it operates, focusing on the freedoms and rights of vulnerable groups such as indigenous people, women, children, persons with disabilities, the LGBTI community and migrant workers, and it extends this respect more broadly to its relationships with third parties. This commitment is integrated into the human rights management model, approved by the Sustainability Steering Committee, which structures and systematises the Company's actions to protect and respect human rights and to address any risks we can cause in this area.

- **The contracting conditions.** Any supplier wishing to join the Company's value chain must accept the contracting conditions, which set out the requirements, service levels and responsibility governing the relationship between Redeia and its suppliers. The contracting conditions are published on the corporate website and updated appropriately: Our contracting conditions | Redeia.

- **The Internal Supply Chain Policy, which** sets out the principles governing the supply chain in order to ensure that the goods and services Redeia needs are provided efficiently and to the required quality standards, and are aligned with its commitment to contribute to sustainable economic and social development. Observance and compliance with these principles contained in this policy contributes to the achievement of the organisation's purpose and strategic objectives, in keeping with the values, principles and behaviour guidelines enshrined in Redeia's Code of Conduct and Ethics.

Through its codes, policies, systems and guidelines, the Company requires that its professionals, as well as third parties acting on its behalf or with whom it has business relationships, uphold the highest standards of integrity in the performing their businesses. These means not offering bribes, hospitality, illegal payments or any gifts to any Company employee, not engaging in irregular business practices that go against free competition, not disclosing or misusing confidential information for their own benefit, and promoting a commitment to responsible procurement in their procurement processes. In addition, Redeia ensures enforcement of and compliance with its policies at the organisation's highest levels, as established in section *1.2.3 Policies in chapter 1.2 Materiality assessment.*

Note the implementation of controls to mitigate potential risks arising from non-compliance by suppliers with regulations, laws, or contractual documentation. These include social audits, segregation of duties within the procurement process, and full execution of the process through systems ensuring traceability and regular auditing.

Additionally, suppliers are required to promote anti-corruption within their sphere of activity.

b. Processes for engaging with value chain workers about impacts / **S2-2**

Redeia conducts a biennial supplier perception study to gain insights into suppliers' expectations and perceptions regarding the Company's procurement process. In 2024, it carried out the study covering the 2022-2024 period. A total of 350 suppliers took part, with an overall satisfaction score of 7.84 out of 10 (with 8 identified as a key strength). This was 5.5% higher than the previous study, with a 5.7 percentage point increase in participation.

The findings of these studies are used to draw up action plans to address areas identified by suppliers as having the greatest impact. The action plan from the previous study was fully executed.

Once the action plan is defined, it is shared with a sample group of participating suppliers to assess their level of satisfaction with both the reported results and the proposed improvement plan. In 2024, 95% of this group was very satisfied or satisfied with the study and 100% was very satisfied or satisfied with the proposed improvement plan.

Redeia's Procurement Department establishes a communication plan to create dedicated spaces for meetings and dialogue with suppliers to give mutual feedback. The aim is for both parties to improve by sharing a view of both companies and future challenges.

Meanwhile, Redeia has open communication channels with value chain workers. The aim is to have meeting points and maintain dialogue for obtaining mutual feedback, identifying opportunities of collaboration and improvement, and sharing their vision of the future, while working to support the development of suppliers in areas with impacts on the value chain.

While not disclosed, other communications take place across multiple levels at suppliers in the form of personal conversations. Depending on the communication, these exchanges may take place at a technical level, e.g., with the supplier's sales department, technical staff (engineers, manual workers, sustainability and safety officers) or at executive levels of the supplier's organisation.

Supplier engagement takes place at different levels based on the matter to be addressed:

- **Institutional level** (senior management) to align visions and monitor supplier-customer relationships and opportunities for improvement. This is managed through an annual meeting plan with key business suppliers.
- **Technical level** to address a range of topics, covering not only monitor order/contract execution, but also progress, opportunities for improvement or lessons learned (e.g., design, technical developments, sustainability, safety, or sales).
- **Supplier monitoring level** to have the best and latest information for appropriate risk monitoring, update contractual documentation, supplier qualification requirements, etc. to developments, or track impacts that could result in changes in status of certain suppliers.

In all cases, the Company reinforces the importance of the supplier cascading relevant information across its value chain

Beyond this direct engagement, Redeia also makes formal communication channels available to suppliers and their value chain, as discussed in the following section.

c. Processes to remediate negative impacts and channels for value chain workers to raise concerns **/ S2-3**

Suppliers are subject to **continuous monitoring** through the term of their contractual arrangement. When an incident occurs, the procedure in place is performed to remedy the situation. This involves carrying out the relevant action plans or, where this is not possible, applying measures depending on severity. These could go as far as changing the status of the supplier's qualification or even removing the supplier from Redeia's classification and qualification system (see complementary information in the following section).

Directly communicating with its value chain is crucial for Redeia. We provide suppliers with several of our own communication channels, where we rely on third parties to facilitate and improve their service and to address any incidents that may arise. One channel is the **Procurement Support and Helpdesk (ASA),** which manages supplier queries, doubts and claims associated with the procurement process, and provides clarification regarding the content of the Code of Conduct for Suppliers. This channel is available on the corporate website: *Supplier helpdesk | Redeia.*

In 2024, Redeia did not receive any claims relating to human rights through this channel and did not cancel any contract or order for this reason.

In addition to this channel, there is the **Ethics and Compliance Channel**, a formal mechanism established by Redeia for raising queries and reporting breaches with the objective of cultivating a culture of communication as a core element of Redeia's integrity model. This channel guarantees the required confidentiality, with processing through the Ethics Manager.

Redeia has the **DÍGAME Attention Centre** for sending messages to Redeia, while the corporate website has a specific section for Suppliers. This section includes the applicable regulations and processes and provides information of interest for the supply chain (e.g., training and partnership programmes, results of perception studies) along with other relevant documents and information. It also provides step-by-step instructions for a company to register as a supplier. In addition to these, the corporate website provides information on Redeia's strategy and business model, and more.

As another action to enhance communication and engagement with suppliers, Redeia organises forums on a range of topics and holds strategic meetings with critical suppliers to identify specific short- and medium-term actions for joint improvement.

Through the **procurement platform,** Redeia facilitates traceable and secure touchpoints with suppliers, including questionnaires, questions, polls, and surveys. This platform can be used to consult the supplier portfolio and maintain conversations with suppliers to enhance our processes, gain insights in planning, and obtain valuable feedback on the portfolio and other relevant information.

This feedback is integrated into the Strategic Plan in the form of milestones and commitments which, together with the view of the supplier portfolio, help shape the **Procurement Operational Plan.** This plan specifies concrete actions in this area.

In addition to these processes, Redeia may initiate a supplier audit if it identifies a risk (e.g. country risk, non-compliance with Redeia's Code of Conduct for Suppliers) regardless of whether the auditor is in the pre-qualification stage or already certified. Audits are conducted of existing or potential suppliers with the highest risk to review compliance with the Code of Conduct for Suppliers, as well as with applicable regulations.

An **audit plan** is drawn up annually, specifying the suppliers to be audited and their associated risks. This plan is dynamic, so suppliers can be included or excluded over the course of the year based after verifying that the risk or risks identified no longer exist.

Where audit findings show non-conformities, Redeia and the supplier work together on a corrective action plan that they both must validate. There is a period of dialogue for proposing the relevant actions, their timeframes and the officer in charge of each.

Failure to implement corrective actions within the agreed timeframe may result in a change in the supplier's qualification status. Similarly, refusal to participate in an audit can also result in a change of qualification status until the supplier accepts.

d. Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions **/ S2-4 / MDR-A**

Redeia has a **supplier impact management process** for managing both actual and potential impacts in order to ensure the effectiveness of these actions. The objective of this process is to restore any identified situation to its original state. To do so, action plans are developed, outlining measures and timeframes, which are monitored over a specific period. If the situation persists after that, depending on the severity, the procedure specifies the situations in which a supplier qualification status can change, or a supplier can even be removed from the classification system (disqualification).

All impacts associated with supplier activity and contracts include sustainability-related impacts and effects (e.g., ethics, occupational health and safety, and environmental).

In cases of an actual or potential risk, there is ongoing and direct communication with the supplier, which entails:

- Notifying that an incident has been opened.
- Holding meetings between Redeia and its workers and workers' representatives to restore the situation.
- Jointly developing an action plan, where appropriate, outlining the corrective measures to be implemented by both the supplier and Redeia, as appropriate.
- Formally communicating changes in qualification status.
- Modifying supporting documentation if during the process improvement actions to be considered in the future are identified that are applicable in general to all suppliers.

This entire process is tracked and documented in the supplier qualification and monitoring tool. The designated impact management team facilitates communication with suppliers and the relevant Redeia departments that may be affected or are involved. This provides a holistic view of the situation, allowing for an effective action plan to be drawn up, along with its monitoring and the decisions to be made to remedy the incident. These communications also enable both Redeia's areas and suppliers to be aware of and understand the internal procedure, facilitating orderly communication.

Redeia also has a variety of measures designed to enhance the relationships with its suppliers, including regular supplier **perception studies.** These resulted in the definition of three key actions from the ESG action plan for suppliers:

- Enhance long-term planning visibility and work scheduling.
- Improve information transparency throughout the tendering process.
- Increase usability of platforms.

Once the action plan is defined, it is shared with a sample group of participating suppliers to assess their level of satisfaction with both the reported results and the proposed improvement plan. In 2024, 95% of this group was very satisfied or satisfied with the study and 100% was very satisfied or satisfied with the proposed improvement plan.

To manage, and potentially remediate damage caused by the negative impacts, Redeia provides access to training and capacity-building programmes, fostering sustainable development across its supply chain. Training is free and covers a range of subject, e.g., ethics, risk management, human rights, and supply chain security.

11.3.2.3 Metrics and targets

a. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities **/ S2-5 / MDR-T**

Targets designed to mitigate negative impacts and advance positive impacts on the supply chain:

- Negative impact associated with injuries or unhealthy working conditions: Provide further training on areas of health and safety with our supplier portfolio. Continue with reviews of contracting conditions, adapting material aspects to working conditions. Enhance risk monitoring.

- Positive impact associated with forced labour and child labour: Reinforce adherence to the UN Global Compact or similar in the supplier portfolio. Continue performing audits to halt non-compliances and implement corrective action plans where appropriate. Enhance risk monitoring.

- Positive impact associated with secure employment: Continue with reviews of terms of employment, ensuring appropriate compliance with labour standards. Maintain active and operational communication and whistleblowing channels with the supplier portfolio. Enhance risk monitoring.

As noted in section *1.1.4 Strategy and business model,* Redeia's Board of Directors approved 11 sustainability goals in 2019 aligned with the strategic plan and the UN Sustainable Development Goals. In 2022, by drafting the 2023-2025 Sustainability Plan, we were able to set interim targets as milestones for delivering our sustainability ambitions by 2030.

These targets were evaluated by the Sustainability Steering Committee, the Executive Committee and the Board Sustainability Committee. The objectives then received final approved by the Board of Directors, reinforcing their legitimacy and ensuring that they are embedded in Redeia's corporate strategy.

Redeia did not, however, directly involve value chain workers or their representatives or spokespersons in the process of defining the objectives. As Redeia moves towards delivering its sustainability goals, it could consider including these stakeholders, which could contribute significant added value by encouraging closer cooperation and aligning with those who are crucial to the success of the sustainability initiatives.

The Company's targets are supported by the following objectives:

Objective for 2030	Objective for 2025	Progress in 2024
Drive change among our suppliers: at least 25 supplies with the greatest impact in the transmission network, based on circularity (life cycle analysis), climate change, security, diversity and biodiversity criteria.	At least 10 supplies with the greatest impact in the transmission network, based on circularity (life cycle analysis), climate change, security, diversity and biodiversity criteria.	11 supplies with the greatest impact in the transmission network, based on circularity (life cycle analysis), climate change, security, diversity and biodiversity criteria.

The Board Sustainability Committee oversees the level of achievement of the sustainability objectives on a half-yearly basis.

The outcomes and targets resulting from actions implemented are not only communicated internally but are also shared transparently in specific meetings with suppliers. The information is also included in detail in the ESG Report, which is publicly available on the Redeia website, in the drive to promote transparency and accountability. This process includes an internal assessment, as well as external feedback from suppliers through continuous monitoring. Suppliers are again asked for their assessment of the proposed targets to measure their effectiveness and acceptance. Additional feedback is gathered from regular meetings held with suppliers to discuss all the targets and explore opportunities for improvement.

Lessons learned from this process are crucial for the Company's future development. They are integrated into the development of new targets and action plans, ensuring that they lead to meaningful adjustments to internal processes and contractual documents and align the Company's operations with the expectations of suppliers and other stakeholders.

11.3.3 ESRS S3 – affected communities

11.3.3.1 Strategy

a. Interests and views of stakeholders **/ SBM-2**

Redeia works continually to develop public engagement processes and strengthen its relations with stakeholders, specifically its affected communities, as described in section *1.1.4 Strategy and business model; b) Interests and views of stakeholders SBM-2* of this report. The aim is for the interests and views of affected communities to serve as the basis for Redeia's strategy and business model.

Redeia also conducts **perception studies of land and property owners,** analysing the results to support executive decision-making based on: current level of perception regarding the various attributes that impact relationships with these stakeholders; comparative trends in levels of perception relative to previous surveys; and the requirements, expectations and opportunities for improvement expressed by those surveyed during the interviews.

b. Material impacts, risks and opportunities and their interaction with strategy and business model **/ SBM-3**

The outcome of the process to identify impacts, risks and opportunities in the double materiality assessment performed in 2024 led to the identification of one negative impact and no positive impacts, risks or opportunities, as defined in chapter *1.2 Materiality assessment, section 1.2.4 Material impacts, risks and opportunities. SBM-3.*

Impacts

Impact	Positive / Negative	Current / Potential	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	How the impacts affect people and the environment	Interaction of the impact with strategy and business model	Link between impacts and business activities and relationships	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Easement or expropriation of land for the location of sites	N	Current	S	Direct and continuous relationship with landowners and, where technically feasible and without increasing impacts on other plots, a change of route or location of the supports within the property to minimise impacts	Use or expropriation of land for construction or maintenance of sites	Requests for change of route or location of the supports within the property, where they are technically feasible and do not exacerbate impacts on other plots, are accepted	Use or expropriation of land during the construction phase or maintenance of sites	Redeia encourages a direct and continuous relationship with landowners to minimise this impact

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

The identified impact, **"easement or expropriation of land for the installation of electricity infrastructure",** which falls under the sub-topic "Land-related impacts", arose during the performance by the Company's main electricity transmission subsidiaries (Red Eléctrica and Redinter) of their core businesses. Specifically, it resulted from the construction and maintenance of the transmission grid. Accordingly, this activity generates an impact on **land and property owners;** i.e., it is a general impact. However, other groups in the value chain are not affected. Indigenous settlements are also unaffected, since there are no populations in the direct area of influence of Redinter's activities (in Peru, Chile or Brazil).

The affected group, **land and property owners,** are private individuals or companies that own the land or properties affected by Red Eléctrica's operations and transmission network development plans with which the Company must engage and negotiate to deliver its objectives with minimal impact on its reputation, and its financial and strategic performance.

Land and property owners can be classified as follows:

- **Owners of heritage assets:** public asset owners with whom Redeia follows regulated procedures for expropriating land for public interest. The relationship with these **owners** is governed by procedures and channels that are regulated completely by the related public body. In any event, given the nature of the installation as a public asset, applications for authorisation by the Company from Redeia are legally mandated to receive approval.

- **Landowners:** owners of assets and rights to land (private individuals or companies) that may be affected during facility planning, construction or maintenance phases. The Company must negotiate with these owners at the planning stage to minimise expropriations or compulsory acquisitions and maximise amicable agreements, as well as apply for permits and come up with solutions to reduce the negative impacts during the construction and maintenance phases. The relationship with these **owners,** from the outset, entails personally negotiating, either directly or via brokers, the purchase of the land based on previously appraised prices. The aim is to maximum agreements and minimise expropriations. Communication is also required for maintenance activities, once the facilities come on stream, requesting permits and operating with processes that minimise impacts.

- **Property owners:** private individuals or companies with which there is a contractual purchase/lease relationship to acquire all the necessary sites to cover the organisation needs of the Group's various companies. Relationships with these owners are contract-based. Direct relationship with these **owners** is sporadic, to remedy impacts or address problems with the property, and annually, to manage tax withholdings.

With all three owner types, the units involved in the relationship are Real Estate Management, Permits, Project Management, Construction and Demarcations. The engagement channels are direct personal contact, the DIGAME Channel, meetings via associations or local government, channels set up by the owners of heritage assets, emails and telephone.

11.3.3.2 Impact, risk and opportunity management

a. Policies related to affected communities **/ S3-1 / MDR-P**

Redeia has a **stakeholder management model** that considers the provisions of the main stakeholder management regulations and benchmarks, notably AA1000, ISO 26000, IQNet SR10 and the Global Reporting Initiative (GRI), in order to ensure that the Company analyses the main impacts of its activities on its stakeholders, as well as the influence that these stakeholders exert, or could exert, on the Company.

The following specified commitments are defined for land and property owners included in the social ecosystem stakeholder inventory:

- Lawfulness and compliance.
- Generation of social, environmental and economic value in the vicinity of Redeia facilities and developments.
- Transparent, clear, opportune, complete, relevant, orderly and simple company information.
- Creation of spaces and channels for open dialogue and prior consultation to foster engagement and deliver immediacy, closeness, active listening and identification and analysis of needs.
- Prevention and mitigation around impacts on works and facilities.
- Rapid response in the event of incidents and emergencies.
- Assignation of the resources needed to honour the commitments assumed.
- Redeia also has the Sustainability Policy approved by the Board of Directors in 2022. This policy sets out sustainability-related principles, guiding all activities towards a responsible management model, focused on excellence and value creation for stakeholders and honouring the commitments assumed with them.

The Company's authorisations, expropriations and easements, as well as transmission facility installation authorisation procedures, are governed by the Spanish Electricity Sector Act (Law 24/2013, of 26 December 2013) and Royal Decree 1955/2000, of 1 December 2022, which regulate electricity transmission, distribution, marketing and supply, and authorisation of electricity facilities.

Lastly, as part of its internal rules and regulations, the Company has developed a technical instruction governing the management of payments related to land use permits and compensation for damages.

Human rights

Redeia has embraced an explicit and public commitment to respecting human rights in every country in which it operates, focusing on the freedoms and rights of vulnerable groups such as indigenous peoples, women, children, persons with disabilities, the LGBTI community and migrant workers, and it extends this respect more broadly to its relationships with third parties.

This commitment was reinforced in 2022 with the formalisation of the **Ten Principles for respect for human rights,** which was made public through the **Commitment to the promotion and respect for human rights** in order to strengthen the corporate values, principles and rules of conduct set out in Redeia's Code of Conduct and Ethics and in its Sustainability Policy. This commitment takes account of internationally recognised principles in the Universal Declaration of Human Rights and its implementing conventions, the International Covenant on Economic, Social and Cultural Rights and the various conventions and protocols of the International Labour Organization (Convention 29 on forced labour, 138 on minimum age, 87 on freedom of association protection of rights to organise, 98 on right to organise and collective bargaining, 100 on equal remuneration, an 169 on indigenous and tribal peoples). It was also deemed appropriate to incorporate new rights into the commitment. These respond to new human needs that have materialised through so-called emerging human rights (e.g., the right to a healthy environment or the right to decent work).

These Ten Principles of the commitment are reviewed on an annual basis, as new rules or standards may have emerged, the Company may have expanded to other sectors or geographies, and disclosures may have been received through the various speak-up mechanisms that Redeia makes available to its stakeholders. Redeia promotes and maintains ongoing relationships with local communities where it has operations, carrying out annual due diligence assessments at all Group companies (including investees) since 2013 in order to identify possible risks or human rights violations derived directly or indirectly from its activities. Note that currently there no indigenous settlements or communities lying within the sphere of influence of Redinter's activities. Therefore, there is no risk of such communities being affected.

In addition, Redeia has an Ethics and Compliance Channel accessible to all stakeholders, as a formal mechanism to respond to enquiries or reports of breaches related to human rights. The Company has other communication channels for raising concerns regarding any issues, including the DÍGAME service, which handles complaints and enquiries from external stakeholders regarding system transmission and operation; the ASA channel, for specific service to suppliers, the *DÍGAME Internacional* service, focused on the business in Latin America; and the Hispasat and Reintel speak-up service.

Any request received via these channels also serves as input for the Company's human rights risk map.

b. Processes for engaging with affected communities about impacts **/ S3-2**

Redeia has an **organisational structure distributed across the entire country,** facilitating communication and institutional collaboration with public and private institutions. This work is carried out by regional branches, alongside the Installation Development Support Department and Project Department. These two departments fall under the General Transmission Department.

Redeia engages with affected communities at various phases of its projects, especially start-up. Projects must be presented to town councils and affected stakeholders before any formal processing or processing by the Company's representatives begins. This enables stakeholders to voice doubts or raise concerns, fostering a relationship of trust with Redeia and identifying its representatives. At this stage, collaboration agreements with the town councils are encouraged to strengthen these relationships. After this initial contact, the frequency of further interactions with local communities is dictated by the identified needs in each case. Actions may be designed to remediate any potential impacts on the communities. During negotiations with owners, requests for change of route or location of the supports within the property, where they are technically feasible and do not exacerbate impacts on other plots, are accepted.

Redeia promotes direct and ongoing communication with landowners. It keeps contact details up to date to ensure that communication with them is as flexible and effective as possible. It also has the Ethics and Compliance Channel, which is publicly accessible via Redeia's website.

Redeia also conducts opinion surveys of its groups. The latest, carried out in 2023, was for the entire corporation. All categories of questions surveyed showed a "strong performance" level (8 points out of 10).

c. Processes to remediate negative impacts and channels for affected communities to raise concerns **/ S3-3**

The Company's approach entails negotiation with owners of assets and rights to land, seek to reach amicable agreements in all cases and avoid expropriations of land on or around where its facilities are located. Redeia goes house-to-house, negotiating with the affected parties.

Some landowners interact with Red Eléctrica through business associations or representatives. Red Eléctrica engages companies to do the negotiations, while internally, the Permits Department manages the negotiations to establish easements for electricity infrastructure amicably. The goal is to avoid, as far as possible, the need for easements via expropriation. If no agreement is possible, the expropriation process is managed until completion of the administrative procedure with the official record of payment of 'just compensation'.

In this case, as it has been doing systematically, Redeia sets compensation thresholds for each specific installation based on a detailed assessment of the type of land affected by the facility, an analysis of crop prices, and an evaluation of recent rulings from expropriation or compulsory acquisition authorities.

The **Ethics and Compliance Channel** is run by the Ethics Manager with support from Compliance. The channel is regularly audited and provides user maximum confidentiality and anonymity of the information reported and actions taken through a secure software application that ensures close monitoring of all enquiries and complaints received.

In 2024, Redeia's Ethics and Compliance Channel was awarded UNE-ISO 37002 certification, representing a key milestone in the Company's commitment to strengthening the protection of its employees and other stakeholders. It also reinforces Redeia's management of reports received through the Ethics and Compliance Channel. This certification accredits the protection of users of this channel and the confidentiality of information.

Redeia also has an Ethics and Compliance Channel Management System and Whistleblower Protection Policy, designed to establish the principles and guarantees governing the Ethics and Compliance Channel management system as a formal means for raising queries and reporting breaches.

The year featured the update of the Ethics and Compliance Channel Management System Handbook and formal appointment of the person in charge of Redeia's Ethical and Compliance Channel management system; i.e., the Ethics Manager and Stakeholder Ombudsman).

The Company has in place a Retaliation Protection Protocol, the main objective of which is to protect whistleblowers who submit a report through Redeia's Ethics and Compliance Channel management system from potential retaliation, including threats of retaliation and attempted retaliation. The protocol establishes a framework of protection that can effectively address situations of risk and protect persons who use the system in good faith from such retaliation. It is included in the Ethics and Compliance Channel Management System Handbook, which is available for the Company's internal and external stakeholders through its intranet and website. The Company regularly carries out surveys among Redeia staff to assess perception, knowledge and use of the Ethics and Compliance Channel.

d. Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions **/ S3-4 / MDR-A**

Aware that there is a possibility that impacts on affected communities could arise, Redeia works to foster relationships of trust and/or smooth relationships with its priority stakeholders.

Redeia engages with affected communities at various phases of its projects, especially start-up. Projects must be presented to town councils and affected stakeholders before any formal processing or processing by the Company's representatives begins. This enables stakeholders to voice doubts or raise concerns, fostering a relationship of trust with Redeia and identifying its representatives. At this stage, collaboration agreements with the town councils are encouraged to strengthen these relationships. After this initial contact, the frequency of further interactions with local communities is dictated by the identified needs in each case. Actions may be designed to remediate any potential impacts on the communities.

Note that during negotiations with owners, requests for change of route or location of the supports within the property, where they are technically feasible and do not exacerbate impacts on other plots, are accepted. As an illustration of these actions, in 2024 Red Eléctrica discussed, with the owner of several plots of crop land affected by the Coscurita-Magaña line, the possibility of situating the supports on mounds inside the plots where no crops are grown, thereby minimising the impact on crops. In cases where trees used for timber were impacted, Redeia negotiated agreements with landowners to sell the timber directly, while helping secure the necessary felling permits from the relevant authorities. This approach is common in Galicia, where the Lousame-Tibo line was recently commissioned and the lines for the interconnection with Portugal are under construction, and was used especially with communal landowners affected by the facility.

Measures adopted in 2024 featured:

- In Spain, the launch by Red Eléctrica of an active cross-sector listening programme, bringing together representatives from regional governments, parliaments, local councils, town councils, agricultural and industrial associations, NGOs, citizen platforms, and universities at events held in Seville and Santiago de Compostela. The aim was to find joint solutions to accelerate investments in the transmission grid which are crucial for the energy transition.

- In Peru, the Company successfully implemented community relations plans across its concession areas and held monitoring and oversight committee meetings for the TESUR, TESUR 2, TESUR 3, and TESUR 4 projects.

- In Chile, although the projects do not directly or indirectly impact local communities, in 2024 an internal diagnosis of REDENOR and REDENOR 2 assets was performed to identify stakeholders so that a community engagement plan could be rolled out in 2025.

Additionally, 2024 was a year of advances in human rights, with the due diligence process showing once again that the Company carries a low level of risk and runs suitable controls. As a result, there were no human rights abuses related with affected communities, so no remedial action was necessary.

11.3.3.3 Metrics and targets

a. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities **/ S3-5 / MDR-T**

Redeia aims to streamline permit management process to enable and facilitate the implementation and commissioning of transmission network infrastructure within the timeframes specified in the Company's investment plan. It wants to maintain the high percentage of amicable agreements reached with landowners over the establishment of transmission line easements.

Annually, the Permits Department sets targets for securing amicable agreements to establish transmission easements for certain installations to facilitate construction and commissioning within the established timeframes in accordance with the Company's objectives and investment plan.

It also sets targets regarding expropriations or compulsory acquisitions in terms of completing the preliminary and, as appropriate, occupation deeds required for project construction and commissioning within the established timeframes in accordance with the Company's objectives and investment plan. The Company monitors these targets on a quarterly basis.

In departmental meetings, cases posing difficulties in managing the permits are presented and the proposed solutions reviewed for potential application to similar cases involving other installations. A facilitator within the Permits Department promotes the lessons learned model, escalating the biggest cases through the Ágora platform for further evaluation and possible application in other projects.

In 2024, amicable agreements were successfully reached with landowners affected by new investment projects completed in 75% of the cases.

11.4 Information on Governance

11.4.1 ESRS G1 – Climate Change

11.4.1.1 Governance

a. The role of the administrative, management and supervisory bodies **/ GOV-1**

The criterion that must govern the actions of the Company's Board of Directors, as stipulated in article 6 (Operational principles) of the Regulations of the Board of Directors of Redeia Corporación, is the Company's interests, understood as the long-term profitability and sustainability of the Company and the Group. For this, it must promote the continuity and maximisation of the value of the Company in the interest of the shareholders, employees, suppliers, customers and other stakeholders, and, in general, society as a whole, considering, among other factors, the foreseeable consequences of any decision in the long term, the impact of the Company and its Group on the community as a whole and the environment, as well as the maintenance of the highest reputation for business conduct.

In addition, the function of the Board of Directors is to supervise and regularly evaluate the effectiveness of the internal control systems and the management of financial and non-financial risks, so that the various types of risk are identified, managed and disclosed appropriately, and especially internal control over financial reporting systems. It oversees that the internal control policies and systems are effectively implemented in practice, as stated in article 16. In particular, it assesses and supervises both the Company's and Group's financial and non-financial risks, including, operational, technological, legal, social, environmental, political, and reputational, as well as corruption-related risks and, where appropriate, in joint meetings with the Sustainability Committee, risks related to sustainability, ethics and business conduct.

Meanwhile, in accordance with article 18 TER (Sustainability committee functions), the Board of Directors' duties include that of assessing, supervising and controlling financial and non-financial risks related with sustainability, ethics and business conduct and, specifically, climate change, in collaboration with the Audit Committee, organising joint meetings as necessary.

Regarding management and supervisory bodies, according to Redeia's Functions Handbook the Chairperson's Advisory Committee is tasked with monitoring Redeia's compliance system, overseeing that it functions correctly.

Meanwhile, the Crime Prevention and Anti-bribery Committee, governed by Redeia's Criminal and Anti-Bribery Compliance System Handbook, has the mission of overseeing and monitoring the crime prevention and anti-bribery system and works to ensure that the main criminal risks are suitably identified, managed and disseminated internally.

Expertise of the administrative, management and supervisory bodies on business conduct matters

The Company has a skills matrix for members of the Board of Directors of Redeia Corporación, the Redeia parent, comprising three blocks. The first block is knowledge and experience in relation to Redeia's strategic priorities. The second is cross-cutting knowledge and experience. Lastly, the third focuses on diversity. In turn, these blocks comprise 27 categories reflecting director knowledge and experience in areas such as the energy, telecommunications, and infrastructure management sectors, as well as accounting, auditing, and finance, top-level corporate management, boards of directors of listed and non-listed companies, sustainability and climate change, risk control and compliance, information and digital technologies, and comprehensive security (both physical and cybersecurity), along with gender, age and tenure as director.

As reflected in Redeia's Annual Corporate Governance Report, the professional profiles of Board members as at 31 December 2024 confirm that each is a highly regarded professional with a strong professional background. This enables them to contribute the knowledge and experience to the supervision of corporate management required to ensure the sustainable and strategic development of Redeia's activities.

11.4.1.2 Impact, risk and opportunity management

a. Description of the processes to identify and assess material impacts, risks and opportunities **/ IRO-1**

Redeia takes a systematic approach to identifying and assessing risks and opportunities related to governance, suppliers and ethics, enabling it to continuously improve its processes, and enhance efficiency in controls and response times. This results in a positive contribution to the business and shores up compliance with the Strategic Plan. In this regard, one negative impact, two risks and one opportunity were identified in the double materiality assessment, described in chapter *1.2 Materiality assessment, section 1.2.4 Material impacts, risks and opportunities. SBM-3.*

Redeia also has its Code of Conduct and Ethics and Compliance Policy to ensure that it upholds high standards, drawing up action plans with suppliers to strengthen partnerships and ensuring that these processes are monitored on a continuous basis and adjusted in response to regulatory and market changes.

Impacts

Impact	Position in the value chain	Positive / Negative	Current / Potential	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	How the impacts affect people and the environment	Interaction of the impact with strategy and business model	Link between impacts and business activities and relationships	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Breach of the Code of Conduct and Ethics due to its weak embedment in Redeia's own operations	Own operations	N	Current	S	Code of conduct breaches by Redeia employees as a result of its weak embedment	Negative impact for breach of the Code of Conduct and Ethics	Redeia relies on its Code of Conduct and Ethics and Compliance Policy to uphold high standards in this field.	The impact is linked to Redeia's operations	Redeia embeds these aspects in its business model based on monitoring of the Code of Conduct and Ethics

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

Risks

Description of the cause of the risk	Position in the value chain	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	Current financial effects arising from risks	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Imposition of fines or lawsuits caused by the leakage of personal information of whistleblowers	Cross-cutting	S	Increase in costs due the payment of fines and penalties, as well as loss of contracts and reputational damage	Negative impact on the Company's cash flows, development and positioning, cost of capital or access to finance	Redeia embeds these aspects in its business model based on monitoring of the Ethics and Compliance Channel management system
Leakage of whistleblowers' personal information	Cross-cutting	S	Increase in costs due the payment of fines and penalties, as well as loss of contracts and reputational damage	Negative impact on the Company's cash flows, development and positioning, cost of capital or access to finance	Redeia embeds these aspects in its business model based on monitoring of the Ethics and Compliance Channel management system

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

Opportunities

Description of the cause of the opportunity	Position in the value chain	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	Current financial effects that arise from opportunities	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Improved reputational positioning thanks to the development of action plans together with suppliers for the implementation of best practices at Redeia	Direct and indirect suppliers and own operations	S	Improvement in positioning due to increase in trust and partnerships with suppliers	Positive impact on cash flows	Redeia embeds these aspects in its business model based on progress in the Procurement Plant implemented under Redeia's Strategic Plan

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

Material impacts, risks and opportunities (IROs)

- **Improved reputational positioning thanks to the development of action plans together with suppliers for the implementation of best practices at Redeia.** Management of relationships with suppliers and payment practices provide Redeia a significant opportunity. By jointly drawing up action plans with its suppliers, Redeia can implement improvements to internal processes, making a positive impact on its reputation. This partnership not only strengthens trust and partnerships with suppliers, but it also improves the Company's positioning in the market. This is an actual positive impact with a short-term time horizon that affects both direct and indirect suppliers and the Company's own operations.

- **Leakage of whistleblowers' personal information.** Leakage of whistleblowers' personal information is a risk that could potentially have severe consequences for Redeia. It can result in regulatory fines and penalties, or the loss of contracts and reputational damage. This is a cross-cutting negative impact that affects different areas within the organisation. Lastly, it can lead to an increase in costs related to the payment of fines and penalties and a loss of trust of employees and other stakeholders. It is a current risk with a short-term time horizon.

Redeia has a risk map and specific controls through the Ethics and Compliance Channel management system. Risks include the loss of privacy, confidentiality and anonymity in processing reports submitted through that channel.

Redeia's Ethics and Compliance Channel management system is developed through the Ethics and Compliance Channel Management System and Whistleblower Protection Policy designed to establish the principles and guarantees governing that system as a formal means of raising queries and reporting breaches.

As principles and guarantees of its Ethics and Compliance Channel management system, the Company includes the commitment to guaranteeing anonymity and in all cases maximum confidentiality of the whistleblower's identity, of the information reported and of the actions taken in managing and processing the information. The system allows reports to be submitted anonymously.

Redeia also has an Ethics and Compliance Channel Management System Guide, which governs the management and processing of reports received through the Ethics and Compliance, including the mechanisms for whistleblowing and/or reporting breaches. This guide sets out the Ethics and Compliance Channel Management System and Whistleblower Protection Policy regarding the application of principles and guarantees in managing information. Redeia has formally appointed an officer for its Ethics and Compliance Channel management system, i.e., the Ethics Manager and Stakeholder Ombudsman.

- **Imposition of fines or lawsuits caused by the leakage of personal information of whistleblowers.** The protection of whistleblowers acting in good faith is essential for maintaining integrity and trust within the organisation. Therefore, the leakage of whistleblowers' personal information can pose a material risk for Redeia in the short term. This risk can result in administrative sanctions, litigation and the loss of trust of employees, as well as negative impacts on the Company's reputation. This is a cross-cutting negative impact that may affect different areas within the organisation. Financially, it can lead to an increase in costs related to the payment of fines and penalties, as well as lost business opportunities and reputational damage. It is a current risk with a short-term time horizon.

- **Breach of the Code of Conduct and Ethics due to its weak embedment in own operations.** Breach of the Code of Conduct and Ethics by Redeia's employees can occur due to its weak embedment in the Company's own operations. This negative impact arises when employees do not uphold the stated ethical standards, potentially affecting the organisation's reputation and integrity. To mitigate this risk, Redeia has developed an annual ethics and compliance training and communication plan, which includes specific actions to disseminate the Company's Code of Conduct and Ethics and ensure enterprise-wide integration in all the organisation's processes. This impact is actual and negative, with a short-term time horizon affecting primarily the Company's own operations. Effectively implementing the measures helps to foster a sound corporate culture aligned with Redeia's ethical values, making a positive impact on the business and social ecosystem.

b. Corporate ethics and compliance culture **/ G1-1 / G1-3**

Breaking the laws or committing bribery or other criminal corruption offences is one of the risks with the greatest impact for the Company. To address this risk, the Company has a set of policies and mechanisms designed to foster a corporate culture grounded in ethics, transparency and regulatory compliance.

Redeia's **crime prevention and anti-bribery system** aims to identify the rules, procedures and tools in place within the Company to prevent non-compliances with the criminal legislation applicable to the organisation and its personnel. In this way, the management and prevention of any criminal risks that could affect the Company, based on its activities and business sectors, are embedded into its control processes. The crime prevention and anti-bribery compliance system is based on an assessment of the criminal and bribery risks that theoretically could materialise within the organisation. It outlines the existing controls and procedures for effective prevention and mitigation of these risks, taking account of location, activity, sector and the structure of the transaction.

Mechanisms to prevent illicit activity, money laundering and concealment of assets in place at the Company include:

- Code of Conduct and Ethics
- Compliance Policy
- Ethics and Compliance Channel Management System and Whistleblower Protection Policy
- Criminal and Anti-Bribery Compliance System Handbook
- Code of Conduct for Suppliers
- Guide for the Prevention of Corruption: Zero Tolerance

The **Code of Conduct and Ethics** formalises the Company's commitment to ethics, consolidating a responsible business model that ensures the creation of shared value and aligning the interests of the organisation with those of its stakeholders. Redeia continuously fosters an ethics and compliance culture as a core part of due diligence in managing compliance risks. Combined with its Ethics and Compliance Channel management system, this constitutes effect mechanisms for detecting and addressing potential cases of corruption, fraud and conflicts of interest. To help enforce the Code of Conduct and Ethics, the Ethics and Compliance Channel, available on the corporate website, can be used to submit queries, report breaches or make suggestions to the Ethics Manager, who performs their duties with the support of Redeia's Compliance area. The Company regularly carries out surveys among Redeia staff to assess perception, knowledge and use of the channel.

Redeia's **Ethics and Compliance Channel management system** is aligned with prevailing law and best practices, including Spanish Law 2/2023, of 20 February 2023, and Directive (EU) 2019/1937 of 23 October 2019 on the protection of whistleblowers. This system establishes the principles and guarantees governing the Ethics and Compliance Channel as a formal means for raising queries and reporting breaches. The Company has formally appointed the Ethics Manager and Stakeholder Ombudsman as the officer in charge of the Ethics and Compliance Channel management system, performing duties with the support of the Compliance area.

This role is equipped with the necessary resources and tools to detect and investigate reported impacts.

Regarding the detection and management of potential breaches, reports, queries, and suggestions, a total of 11 queries were raised in 2024. All of these were resolved within the 10-day time limit, in line with the Ethics and Compliance Channel Management System's rules, except for one, which required an exceptional extension because of the volume of information involved. The queries received related to the following ethical principles:

- Continuous improvement of the customer experience
- Responsible relationship with our suppliers
- Disclosure of financial and non-financial information
- Managing conflicts of interest

For the year, 14 reports regarding compliance with the Code of Conduct and Ethics were received. None were over breaches linked to the organisation's criminal risks. More precise information on these reports is available in the 2024 Annual Report on the Ethics and Compliance Channel Management System, published on Redeia's corporate website.

Redeia actively promotes awareness and dissemination across the entire organisation of the importance and strategic nature of Redeia's compliance system, as part of the organisation's culture of integrity.

In 2024, the **Annual Compliance Culture Awareness and Training Plan** was implemented through both internal and external communication initiatives, including the design and dissemination of training modules covering essential aspects of Redeia's Compliance System. This included microlearning modules covering key aspects of Redeia's compliance system; e.g., the Ethics and Compliance Channel management system, the anti-corruption and fraud model, and the anti-sexual and gender-based harassment model. The trainings supplemented the microlearning module developed by the Company in 2023 covering the conflicts of interest management model. Through this training, designed for all employees, including all those with duties exposed to the risk of corruption, Redeia provides the Company's professionals with the tools to resolve potential risks in performing their duties and responsibilities, as well as the existing means to report any issue related to ethics and compliance.

Redeia carried out targeted training sessions covering certain topics for especially vulnerable groups, including:

- An artificial intelligence (AI) awareness session for all Redeia staff on advances in AI and the importance of responsible and efficient usage of this technology.
- Specific sessions for Elewit and Red Eléctrica Infraestructuras employees in the Canary Islands on the criminal and anti-bribery compliance management systems designed for these subsidiaries, including training on the specific risks relevant to each area.
- Six tailored workshops on personal data protection aimed at different groups that handle personal data within the Company. The objective of this training was to promote and maintain responsibility and a proactive approach to personal data protection by the various areas of the organisation, ensuring good governance and helping to reinforce a corporate privacy culture across the organisation.

Additionally, as described in previous sections, a **pulse survey to measure perception** of Redeia's employees regarding the Company's ethical culture and compliance system, as well as to assess their knowledge about the Ethics and Compliance Channel and its guarantees, was conducted in 2024. The pulse showed a level of satisfaction of over 90% with the Company's ethical conduct and a level of awareness and use of the Code of Conduct and Ethics and the Ethics and Compliance Channel of over 83%. Over 55% of Redeia staff participated in the survey. This initiative helps identify areas for improvement and areas where the compliance culture needs to be reinforced within the organisation.

Also in 2024, the Redeia Compliance Forum continued its activity, bringing together compliance officers from the Company's subsidiaries to strengthen coordination and reporting across the organisation's compliance areas. The Compliance Forum held four sessions during the year.

The Company also carried out continuous internal communication initiatives in 2024, highlighted by the publication of informative pieces and awareness initiatives on the following:

- Redeia's alignment with the new EU Artificial Intelligence Act.
- ISO 37002 certification of the Ethics and Compliance Channel management system.
- Renewal of UNE 19601 and ISO 37001 certifications for Redeia's criminal compliance and anti-bribery management systems, respectively.
- Improvement of Redeia's integrity and human rights due diligence model.
- Global Ethics Day awareness campaign.
- Celebration of Data Protection Day in Europe activities.
- Commitments related to accepting gifts during the Christmas season.

Ethics and compliance training programmes cover 100% of Redeia employees. This includes the Company's management team, i.e., personnel especially exposed to high-risk situations. Redeia provides the Company's professionals with the tools to resolve potential risks in performing their duties and responsibilities, as well as the existing means to report any issue related to ethics and compliance.

c. Management of relationships with suppliers **/ G1-2**

The procurement of goods and services, supported by the procurement procedure, adheres to principles of non-discrimination, mutual respect, proportionality, equal treatment and transparency, in compliance with RDL 3/2020.

To uphold these principles and prevent collusion or price-fixing, the Company has implemented the following control measures:

- Segregation of duties in procurement and approval processes.

- Mandatory supplier qualification for participation in procurement processes.
- Publication of the classification system in the OJEU.
- Continuous supplier monitoring to ensure compliance with Redeia's requirements and the Code of Conduct for Suppliers.
- Controller contracts for data protection.
- Verifications of bank account holders.
- Impact assessment and monitoring.
- Application of due diligence in integrity and human rights of suppliers.
- Minimum number of bidders, all of which must be qualified suppliers for the respective supply.
- IT systems covering the procurement process that are parameterised for tracing and:
  - Allowing suppliers to make contractual documentation exceptions and clarifications of their bids.
  - Preventing buyers from seeing bid content early.
  - Sharing communications and adjustments among all bidders for fair negotiations.
  - Managing economic bids in tendering processes securely.
  - Identifying abnormally low bids, defined as those where the difference between the lowest and second-lowest exceeds a predefined threshold. In these cases:
    - › The supplier is asked to ratify their bid.
    - › Once ratification is received, the supplier must justify its viability to determine whether the bid is abnormally low and provide supporting documentation in the procurement file.

Sustainable supply chain management model
Redeia has a responsible supply chain management model based on principles of non-discrimination, mutual recognition, proportionality, equal treatment, transparency, and fair competition. This model aims to ensure responsible and efficient procurement by aligning suppliers and subcontractors with Redeia's environmental, social, and governance (ESG) values and adopting a risk-based approach. The Procurement Operational Plan, aligned with Redeia's 2021–2025 Strategic Plan, outlines specific actions to enforce actions related to energy transition and connectivity, efficiency, innovation and technology, and sustainability.

General background, country and industry risk
Redeia continuously monitors its suppliers to control risks associated with the procurement of goods and services. Given the current geopolitical instability, no qualified supplier or manufacturing facilities are located in conflict-affected countries. Additionally, no qualified supplier's parent is based in a country with high integrity risk.

Through continuous supplier monitoring, Redeia maintains oversight of 100% of its supplier portfolio in issues related to insolvency risk or financial distress, as well as irregular payments to third parties. As part of its sustainability strategy, Redeia has a commitment to continue working with suppliers encountering financial difficulties, actively managing the associated risk. It applies this risk management approach across the entire supplier portfolio, including SMEs.

For suppliers in countries considered high risk for human rights, it conducts ongoing monitoring and social audits to assess risks and, as appropriate, establishes risk mitigation measures.

None of Redeia's supplies are linked to the arms trade or other military-related activities.

Redeia has also conducted an internal assessment of the impact of applicable due diligence regulations, adjusting its internal processes and procedures accordingly.

Supplier market for security of supply
To mitigate risks associated with rising demand for goods and services to achieve the energy transition objectives, Redeia was proactive in 2024 in anticipating needs, providing visibility to the market.

To maintain an optimal portfolio for meeting its needs, Redeia reduced the risk linked to major suppliers in 2024 by expanding the supplier portfolio to add new suppliers through scouting. This process was conducted nationally and internationally, prioritising local sourcing wherever possible.

ESG risks
The Company extends sustainability principles throughout its supply chain. The Code of Conduct for Suppliers, which hails from Redeia's Code of Conduct and Ethics, establishes the obligation of this stakeholder group to respect human rights and the environmental, among other sustainability matters. On accepting the general contracting conditions, all of the Company's suppliers undertake to comply with the Code of Conduct for Suppliers and extend this commitment to their own supply chain, which may be substantiated via social audits.

ESG scoring to highlight risk monitoring
The ESG scoring is based on identifying supplier maturity in environmental, social, and governance (ESG) aspects and benchmarking against the average obtained by suppliers that are members of the community used in the sector. Suppliers of recurring goods and services are subject to continuous monitoring via Redeia's risk management platform.

Sustainable management of supply chain risks and impacts
Key initiatives implemented by Redeia as part of its sustainable supply chain management include the identification and ongoing monitoring of the risks and impacts related to sustainability of supplies and, therefore, the potential requirements it may impose.

A total of 57 suppliers are included in the responsible procurement management model, which aims to integrate sustainability criteria (e.g., climate change and circular economy) into the procurement decision-making process. As a general rule, the ESG score is considered among the criteria for tiebreakers in tenders.

Supplier qualification
Redeia continuously reviews and updates its requirements of suppliers regarding occupational health and safety, ethics and working conditions, the environment and diversity, embedding them in the qualification process. Additionally, the Company assess its supplier portfolio periodically to identify supplies where introducing new competitors would be warranted. Through the supplier qualification area on the corporate website, the Company provides suppliers with a list of all supplies, works, and services that match their profile. This enables suppliers to review the minimum requirements in advance, initiate registration, manage the qualification processes, as well as to update their business and contact information at any time. Failure to comply with any technical or business sustainability requirements that give rise to impacts may result in a change in the supplier's qualification status or even their disqualification.

Redeia's objective in this phase is to process all applications for qualification on the premise that no supply or service may be awarded to a supplier that is not pre-qualified. Requirements of suppliers vary depending on the supplies, as identified in section "*b. Material impacts, risks and opportunities and their interaction with strategy and business model. SBM-3*" of chapter "*3.2 ESRS 2 - Value chain workers*".

d. Prevention and detection of corruption and bribery **/ G1-1 / G1-3**
Redeia has a **Guide for the Prevention of Corruption: Zero Tolerance,** the latest version of which was approved by the Board of Directors in 2023. It outlines the corporate value and provides a series of basic guidelines for preventing risks of corruption and fraud.

The guide, with scope to cover (internal) fraud, was updated with the participation of Transparency International and took account of best practices and international standards in this field (ISO 37001).

The guide contains seven specific guidelines of conduct to prevent corruption and fraud, as contained in the Code of Conduct and Ethics, which include Redeia's commitment, conduct guidelines, and the Company's mechanisms for prevention and detection. It also includes a set of practical scenarios to enhance awareness about situations related to the application of each conduct guideline.

The **Criminal Compliance and Anti-bribery Committee** is composed of a team of professionals responsible for investigating and making decisions on matters brought to their attention due to their role or reported from specialists across different areas of the Company. These professionals must act with confidentiality and independence from their hierarchical or subordinate relationships and those involved in investigations related to potential criminal offenses, breaches of the Code of Conduct, or other situations prohibited in the Company.

All Redeia's personnel are under obligation to know and abide by the content of the guide, and to adapt their conduct to the principles, commitments and controls established in it. Specifically, the exemplary conduct of directors and the management team, with their explicit commitment and support, is an essential aspect of its implementation.

In accordance with the guidelines prohibiting contributions to political parties or organisations, no donations, subsidies, or loans were made to political parties on Redeia's behalf in 2024. In the same vein, no complaints were filed in connection with potential cases of corruption and no Redeia company was investigated or found guilty by any court in connection with acts of non-compliance linked to corruption.

Lastly, the commitments and conduct guidelines set out in Redeia's Code of Conduct and Ethics, under the principle of transparency in interest management, explicitly apply whenever Redeia engages in any activity that may be directly or indirectly related to interest representation, commonly known as lobbying.

No complaints were filed in 2024 in connection with potential instances of corruption or money laundering at any Redeia company, and no Redeia company was investigated or found guilty by any court in connection with acts of non-compliance linked to corruption or money laundering.

11.4.1.3 Metrics and targets

a. Confirmed incidents of corruption or bribery

In 2024, no Redeia company was investigated or found guilty of any non-compliance in connection with the organisation's criminal risks. Redeia was also not convicted of and did not receive any fines for violation of anti-corruption or anti-bribery laws.

Moreover, the number of confirmed incidents relating to business contracts terminated or not renewed due to violations related to corruption or bribery was zero.

b. Payment practices

The payment terms are included in the contractual documentation and the issued purchase order, which the supplier accepts upon receipt. Suppliers may use the e-invoicing service to facilitate invoice management. Among other benefits, this can reduce the average collection period.

The process for procuring goods and services is subject to regular audits to ensure compliance with the established control mechanisms. These are conducted both internally and by independent external auditors.

Redeia has also implemented measures to prevent irregular payments to third parties. Subcontractors have channels available to report this type of situation, such as the Ethics and Compliance Channel or the Procurement Support and Helpdesk (ASA). These reports are treated as impacts for monitoring purposes. The objective is to restore the situation or, as appropriate, assess appropriate actions with the supplier.

The average time for paying an invoice from the start date of the contractual or statutory payment period is 44 days. The standard payment term for the main supplier categories for reverse factoring via bank transfer is 60 days, with 72% of payments made under these standard terms. The number of legal proceedings currently outstanding for late payments is zero. Data include Hispasat.

The Company has no legal proceedings currently outstanding for late payments.

11.4.2 Guaranteed Quality of Service

11.4.2.1 Strategy

a. Interests and views of stakeholders **/ SBM-2**

Redeia works continually to develop public engagement processes and strengthen its relations with stakeholders, as described in section *1.1.4 Strategy and business model*; b) *Interests and views of stakeholders SBM-2* of this report. The aim is to align its strategy and business model with stakeholders' expectations, ensuring that they are taken into account.

Specifically, in accordance with Royal Decree 1955/2000, Order ECO 797/2002, and operation procedure 9, Redeia has drawn up an **immediate communication protocol with the relevant distributor in the affected area** in the event of a supply interruption in the transmission grid to gather detailed information on the impact. This guarantees that the interests of all parties are considered. The information includes:

- The transmission, distribution and/or electricity system components involved and affected, along with the duration of the outage, specifying whether the data are recorded or estimates.
- The direct impact on end consumers for each affected grid connection point, including the name of the consumer or distributor, location, type of demand (urban, semi-urban, concentrated rural, or dispersed rural), number of affected customers, interrupted demand, energy not supplied, and duration of the outage.
- The impact on generation, specifying the affected groups, the interrupted generation capacity (in MW) and duration of the outage, specifying whether the data are recorded or estimates, as well as any confirmed damage.

This approach ensures that all stakeholders' needs and concerns are considered, thereby promoting efficient and responsible electricity system management.

In addition, Red Eléctrica has a **Customer Service Portal,** which can be used to submit enquiries related about those services. It includes a specific category which consultations related to transmission network service quality.

For more general questions, there is the ***DÍGAME* service,** which has been providing professional services since 2008, handling general enquiries related to Red Eléctrica from external stakeholders using a variety of communication channels (telephone, email, web form, post, or registered post). The service is manned by employees of Fundación Juan XXIII Roncalli, a non-profit entity that facilitates the workplace integration of people with disabilities.

b. Material impacts, risks and opportunities and their interaction with strategy and business model **/ SBM-3**

The outcome of the process to identify impacts, risks and opportunities in the double materiality assessment performed in 2024 led to the identification of one positive impact, as presented in chapter *1.2 Materiality assessment,* section *1.2.4 Material impacts, risks and opportunities SBM-3.*

Impacts

Impact	Position in the value chain	Positive / Negative	Current / Potential	Time horizon(*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	How the impacts affect people and the environment	Interaction of the impact with strategy and business model	Link between impacts and business activities and relationships	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Guarantee of the quality of electricity supply	Own operations	P	Current	S	Implementation of measures to ensure security of supply	Security of supply is a key element of economic and social development	Guaranteeing supply is part of Redeia's purpose	Redeia implements measures to ensure security of supply	Redeia's purpose includes guaranteeing electricity supply, so its strategy revolves around this

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

The identified impact, "**Guarantee of the quality of electricity supply**", falls under the specific topic "Security of supply". This impact arises from the strategic priority of ensuring that users receive reliable and continuous electricity supply. Redeia offers high quality service by maintaining robust and reliable infrastructure, and adequately managing the operation of the electricity system.

11.4.2.2 Impact, risk and opportunity management

a. Policies adopted to manage service quality **/ MDR-P**

Redeia is actively involved in the development of the **Transmission Network Development Plan 2021-2026,** approved and published by the Ministry for the Ecological Transition and the Demographic Challenge (MITERD). This plan outlines the necessary developments in the electricity transmission grid to ensure that Spain's electricity supply remains secure, high-quality, and increasingly renewable. This plan prepares and adapts the size of the transmission grid so that it not only meets current demand, but is also capable of addressing new consumption and serve as a facilitator of the ecological transition. The plan is available on the website: *Network Development Plan. (Note: the additional disclosures included in the links are outside the scope of EY's assurance).*

The planning process covers a period of six years, as stipulated in current legislation (Law 24/2013) and involves the General Statement Administration, through MITERD as the planning authority, regional governments, the National Markets and Competition Commission, and Red Eléctrica (as the system operator), along with other electricity sector stakeholders. It also has representation from civil society.

Red Eléctrica assesses the needs and expectations of key stakeholders through a comprehensive process that includes consultations and dialogue with regulators, customers, local communities, shareholders, and employees, among others. Consultation and participation mechanisms were implemented in drawing up the Network Development Plan 2021–2026 to ensure that the interests and concerns of these groups were considered. This approach guarantees that the procedures are balanced, sustainable and aligned with the expectations of all parties involved, thereby fostering mutual trust and cooperation.

Key features of the Network Development Plan 2021–2026:

- New infrastructure projects in the transmission grid to ensure electricity supply while upholding principles of economic efficiency and financial sustainability of the electricity system.
- Physical, technological, and environmental feasibility.
- Development of interconnections between electrical systems.
- Greater utilisation of the existing network.
- Greater integration of renewable generation.

Due to its importance, the plan includes a specific annex on quality of service of the transmission network (Annex 3, Section 6) covering key aspects regarding topology and meshing of the transmission network, and degree of support from the distribution network, and reflecting their impact on service quality, especially continuity of supply.

In addition planning, guaranteeing electricity supply implies complying with technical regulations applicable to various system installations, which are detailed in existing European and national legislation, as well as third-party standards or initiatives that the Company undertakes to respect. Note that, because of the technical specificity, operating procedures are essential for the system to function. These procedures are published in Spain's Official State Gazette (BOE) and are available for consultation on Red Eléctrica's website: *Operating procedures. (Note: the additional disclosures included in the links are outside the scope of EY's assurance).*

Regarding organisational structure, the Operations Department of Red Eléctrica is the primary body in charge of system operation. Under Article 30.2(a) of the Spanish Electricity Sector Act, the system operator's functions include forecasting and controlling the short- and medium-term security of supply levels in both the mainland and non-mainland systems.

According to article 26.3 of Royal Decree 1955/2000, governing system quality and operation, the system operator and transmission network manager is responsible for issuing operational instructions to owners of electrical installations regarding system operation. It must also manage the necessary ancillary services to ensure overall system quality.

Article 19.4 of that Royal Decree states that transmission service quality must be ensured at both a general level and at each grid connection point and each installation. According to article 27.1, the transmission operator's service quality is measured using the Availability Index (AI) of its facilities.

b. Actions and resources in relation to service quality **/ MDR-A**
Red Eléctrica carries out transmission network development and maintenance activities to guarantee secure and reliable electricity supply. These measures are designed to prevent, mitigate, and remediate both negative impacts and risks, thereby ensuring that a high standard of service quality is maintained. These contribute directly to the targets defined in section *4.2.3 Metrics and targets; a) Metrics in relation to service quality. MDR-M* in this chapter.

Key actions in 2024

Action	Expected outcomes and progress	Time horizons	Geographical scope
Capacity increases	Work to raise pylons, as increasing span heights enables transmission lines to operate at higher temperatures, thereby increasing the transmission capacity of existing lines.	Network Development Plan 2021–2026	Spain
Reactances	Actions to resolve technical constraints associated with voltage control. The 2021-2026 Network Development Plan includes actions that fall under the category of Operational Requirements, consisting of the installation of 14 new reactances between 2021 and 2026.	Network Development Plan 2021–2026	Spain

Continued on the next page

Key actions in 2024

Action	Expected outcomes and progress	Time horizons	Geographical scope
Renewal of transmission network assets	Actions included in the 2021-2026 Network Development Plan, under Operational Requirements, amounting to 346 million euros with the aim of ensuring security and continuity of supply in light of the gradual ageing, technological obsolescence and spare part shortages, while fostering the integration of renewable sources of energy and avoiding any adverse effects on the environment.	Network Development Plan 2021–2026	Spain
Accesses	Commissioning of new bays to evacuate renewable energy, feeding the railway axis and connections of eligible consumers.	Network Development Plan 2021–2026	Spain
Galicia-Portugal Interconnection	Reinforcement of interconnection capacity with Portugal for the Iberian Electricity Market (MIBEL), helping to integrate both existing and future renewable energy in the Iberian Peninsula to deliver the targets set by the European Union.	Commissioning in 2024 and 2025	Spain
Puerto del Rosario-Gran Tarajal	Reinforcement of the Fuerteventura network, as well as integration of renewables and resolution of technical constraints. In November 2023, the Gran Tarajal was commissioned, as well as the 132/66 transformer for connection to the existing 66 kV park. The Pto. del Rosario-Gran Tarajal line, with 88.6 km of circuit, entered into operation in October 2024.	Commissioning in 2023 and 2024	Spain
Interconnection with France (Bay of Biscay)	Axis to continue raising interconnection capacity with France and deliver the EU energy objectives, enabling access to sustainable, competitive, and secure energy.	Commissioning of the first link expected in 2027 and the second in 2028	Spain
Interconnection between Mainland Spain and Ceuta	Improved security and quality of electricity supply in Ceuta is the goal of this initiative by integrating its grid with the mainland system.	Commissioning expected in 2025	Spain
La Gomera – Tenerife interconnection	Works to link up the electricity systems of both islands. The quality and security of supply will be increased and production costs lowered by improving power generation efficiency and enabling greater integration of renewable energy.	Commissioning in 2024 and 2025	Spain
Support to distribution	Actions to improve the security of supply of demand, support vegetative growth, create new transmission-distribution supports and facilitate the evacuation of renewables in the distribution network.	Network Development Plan 2021–2026	Spain

Regarding financial resource allocation, both transmission and electricity system operation are capital-intensive activities, with investments maturing over a long period. In addition, these assets are remunerated over long periods of time. This is why the Group's debt is primarily long-term and fixed-rate. Execution of the current Network Development Plan 2021–2025 envisages a total investment of 5,000 million euros. Approximately 75% is earmarked for the transmission grid, international interconnections, storage and system operation. So far, 2,943.8 million euros have been invested (sum of 2021 to 2024), with 976.3 million euros of capital expenditures (CapEx) and 356.3 million in operational expenditures (OpEx) in 2024 related to maintenance of transmission network assets in Spain.

11.4.2.3 Metrics and targets

a. Metrics in relation to service quality **/ MDR-M**

Redeia has defined a series of metrics to monitor the efficiency of its actions and ensure the effectiveness of its initiatives.

Service quality standards for Spain's Electricity Transmission Network are established in Royal Decree 1955/2000 (RD 1955/2000) of 1 December 2022 and CNMC Circular 5/2019 of 5 December 2019. Additional technical details were included in the draft Ministerial Order approving supplementary technical instructions on service quality index and the procedure for calculating and measuring service quality in the transmission network, and setting out the responsibilities of transmission agents and the system operator. This draft Order was submitted by Red Eléctrica on 26 November 2003 to the relevant ministry, which at the time, was the Ministry of Economy.

For measuring continuity of supply, article 26 of RD 1955/2000 establishes the following overall quality indicators in the transmission network:

- **Energy not supplied (ENS):** measures the energy cut from the system (MWh) during the year due to service interruptions in the grid. For these purposes, only interruptions lasting over a minute are recorded.

- **Average interruption time (AIT):** the relation between the energy not supplied and the average power of the system, expressed in minutes.

The indicators are obtained broken down by the various electricity systems comprising the Spanish electricity system where there is a transmission network and Red Eléctrica is both system operator and transmission network manager. Data are reported for the following groups of systems: the Spanish mainland electricity system (SEPE), the Canary Islands electricity systems (SEC), and the Balearic electricity system (SEB).

The system operator uses the **Service Quality Management (GCS)** application to record, calculate, and quantify quality of supply indicators. This system aggregates all necessary data for calculations, ensuring integrity and auditability.

The data are audited annually by an independent firm, which issues a findings report to the CNMC, MITERD, and regional governments, available on Red Eléctrica's website (https://www.ree.es/en/datos/transmission). (Note: The additional disclosures included in the links are outside the scope of EY's assurance).

	2024	2023
Mainland transmission grid(*)		
Grid availability (%)	97.97	97.61
Energy not supplied (ENS) in MWh	29.49	127.88
Average interruption time (AIT) in minutes	0.067	0.293
Balearic Islands transmission grid(*)		
Grid availability (%)	98.55	97.84
Energy not supplied (ENS) in MWh	0.27	5.01
Average interruption time (AIT) in minutes	0.024	0.439
Canary Islands transmission grid		
Grid availability (%)	98.80	98.93
Energy not supplied (ENS) in MWh	2.10	24.05
Average interruption time (AIT) in minutes	0.126	1.442

(*) Data for the overall transmission grid, including assets not owned by Red Eléctrica.

b. Tracking effectiveness of policies and actions through targets **/ MDR-T**
For service quality indicators, Royal Decree 1955/2000 establishes reference thresholds that define the targets Red Eléctrica must meet as Spain's TSO, with the current year as the base year. By accepting the regulator-defined thresholds, the Company ensures that these targets consider stakeholders' expectations.

- **Energy not supplied (ENS):** 1.2 x 10^{-5} of electricity demand at power station busbars (determined based on annual demand at power station busbars of each year studied).

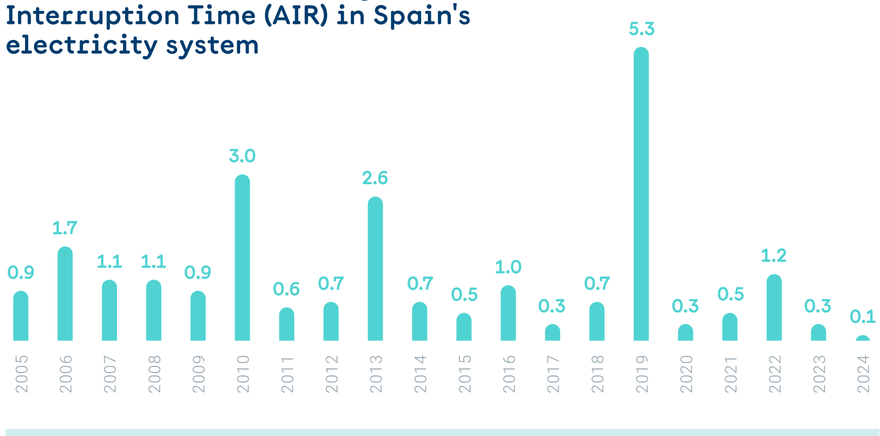
- **Average interruption time (AIT):** 15 minutes/year.

These reference levels must be met annually, with no interim targets. Notably, over the past 20 years, the results for these indicators—taking the entire transmission grid—have remained below the thresholds established in the Royal Decree.

If the required ENS and AIT thresholds are not met, the system operator and transmission network manager will analyse the causes behind the shortfall. Where it is due to structural weaknesses in the transmission grid, the appropriate measures to achieve the quality demanded must be included in a transmission network development plan. Redeia monitors these metrics on a monthly basis.

Beyond the regulatory limits set for the main continuity of supply indicators (ENS and AIT), Red Eléctrica implements initiatives to the minimise impact outages on end consumers. Thanks to this commitment the Company's service quality levels are significantly better than regulatory baseline values in service quarterly (e.g., AIT levels well below the 15-minute reference threshold in RD 1955/2000).

Historical trend of Average Interruption Time (AIR) in Spain's electricity system



11.4.3 Innovation and Technology Applied to the Business

11.4.3.1 Strategy

Elewit was founded in 2019 to offer solutions to the new challenges in the electricity and telecommunications sectors. Since then, it has continued to roll out all the necessary tools to capture and bring to fruition initiatives and projects at any stage of maturity that could further improve innovation at Redeia.

Elewit's innovation model is underpinned by four key pillars. Two of these are interrelated (enhancing Redeia's operational efficiency and fostering a culture of innovation within Redeia), one is structural (strengthening Elewit's economic and financial sustainability), and the fourth is a governance pillar:

- Enhancing Redeia's operational efficiency: during 2024, Elewit aligned its focus on technological innovation with the business objectives and resources projected to 2030. Together with Redeia, it drew up and agreed upon a single technological roadmap across all Redeia business units and developed an industrialisation and deployment model to accelerate the adoption of innovative solutions.

- Fostering a culture of innovation within Redeia: the focus was on converting Elewit into a talent attraction hub for Redeia, expanding its internal mobility programmes and considering them in employees' career development pathways. Additionally, it reformulated the scope and frequency of the intrapreneurship programme, aligning them with Redeia's challenges with a vision to 2030.

- Strengthening Elewit's economic and financial sustainability: during 2024, Elewit worked on reinforcing its economic and financial sustainability, unlocking the value of investments supporting innovation with a 2030 horizon, reviewing and defining return-based items, and integrating success fee schemes with milestone payments. A new cost model was also developed for Elewit, serving as the basis for an economic model that ensures financial sustainability for innovation within Redeia.

- Governance: the governance of the innovation process was reviewed with the aim of simplifying and streamlining decision-making on innovation, while maintaining transparency, integrity, and accountability.

a. Interests and views of stakeholders

At Elewit, the purpose of its stakeholder engagement is to foster active and ongoing collaboration that enables it to effectively identify and address challenges and opportunities in the electricity and telecommunications sectors. This engagement helps to align innovation initiatives with the needs and expectations of our partners, customers, and society at large, ensuring that technological solutions generate a positive and sustainable impact.

Over the course of 2024, Elewit continued to develop and unlock the value of the technological innovation ecosystem built up over the past five years. The company currently has a network of over 100 partners and collaborators, including entrepreneurs, universities, technology centres, other corporations, and institutions, classified according to their specialisation in the various technological verticals. This ensures that there is a continuous source of new ideas and knowledge, while also identifying opportunities for project development and investment.

This way, Elewit embeds stakeholder engagement into its decision-making process, incorporating their opinions and suggestions in the development and improvement of its innovation projects. For instance, the ideas and feedback received at meetings with universities and technology centres are used to fine-tune and optimise its technological solutions, ensuring that they address both real market needs and the needs of society.

With a view to correctly managing and measuring the value contributed by these external partners, in 2024 an impact measurement model was devised for tracking the various collaboration mechanisms rolled out by Elewit. The aim was to help quantify the contribution of these collaboration mechanisms, evaluate their effectiveness, and support strategic decision-making based on their productivity through an annual report. As part of this initiative, a calculation methodology was developed to measure the induced benefits of the technological solutions adopted up to the end of 2023. The measurement model is based on two key pillars:

- Measuring the tangible benefit of the solutions adopted by Redeia within the Group through its different business cases where profitability and impact are measured.

- Measuring the intangible benefit, by assessing the qualitative impact of solutions that do not have a direct financial impact, e.g., employee health and safety, emissions reductions within Redeia's operations, and translating it into economic terms.

According to the result of this assessment, Elewit generated induced benefits amounting to 50.1 million euros from Elewit to Redeia, with a tangible benefit of 43.9 million euros and an intangible benefit of 6.2 million euros.

Elewit's governing, management, and supervisory bodies are primarily organised around the Innovation Steering (IST) Committee, with additional oversight by Redeia's Board of Directors. These entities are briefed regularly on stakeholder opinions and needs through continuous communications, ensuring that strategic decisions are made with a holistic view of our stakeholders' concerns and expectations.

Elewit gains insight into the interests and views of its key stakeholders regarding its strategy and business model through in-depth assessments carried out as part of its due diligence processes and the assessment of the sustainability context as part of its materiality assessment. These efforts enable it to identify and prioritise stakeholder expectations and concerns, ensuring that strategic and operational decisions are aligned with stakeholders' needs and contribute to the company's sustainable development.

b. Material impacts, risks and opportunities and their interaction with strategy and business model

Redeia pursues a systematic approach to identifying and assessing the material impacts, risks and opportunities in relation to innovation, as described in chapter *1.2 Materiality assessment.* Section *1.2.4 Market impacts, risks and opportunities. SBM-3* in that chapter presents the positive impact and opportunity identified in this chapter.

Impacts

Impact	Position in the value chain	Positive / Negative	Current / Potential	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	How the impacts affect people and the environment	Interaction of the impact with strategy and business model	Link between impacts and business activities and relationships	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Innovation and advances in technology or digitalisation linked to Redeia's business activities that enhance the services provided	Own operations	P	Current	S	Innovation and advances in technology or digitalisation linked to Redeia's business activities that enhance the services provided	Innovation and technological advances in energy and connectivity drive the economic and social development of people, while contributing to environmental protection	As a core pillar of Redeia's 2021-2025 Strategic Plan, innovation and technology and therefore an essential aspect of the management approach	Development of innovation and technological advances in energy and connectivity allows for significant improvements in Redeia's business operations	The 2021-2025 Strategic Plan integrates innovation and technology as key elements

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

Opportunities

Description of the cause of the opportunity	Position in the value chain	Time horizon (*)	Current/anticipated effects on the business model, value chain, strategy and decision-making	Current financial effects that arise from opportunities	Assessment of the resilience of the strategy and business model regarding its capacity to address material impacts
Adaptation to and/or anticipation of market demands by implementing technological advances	Own operations	S	Greater adaptation to and/or anticipation of market demands by implementing technological advances	Identification of business opportunities and efficiency of operations	Adaptation to and/or anticipation of market demands by implementing technological advances imply having a more resilient business model

(*) Time horizon: S (Short term), M (Medium term), L (Long term).

This process begins with the identification of risks and opportunities through a comprehensive assessment of the value chain, covering both its own operations and interactions with direct and indirect external stakeholders. The Company uses risk assessment tools and engages with stakeholders to gain a holistic view of potential impacts. The assessment process considers the Group's entire value chain in order to identify and assess impacts that could arise outside its own operations.

Redeia ensures adequately visibility across its value chain through technological monitoring, which in 2024 was transformed into a more concrete and coordinated process led by Elewit. The primary objective is to create technology-driven business opportunities, particularly where they only fit the needs of those business areas. It continuously updates technology radars to achieve this. These target the most important technologies (classified in accordance with Redeia's areas of operation): their potential impact on operations, internal assessment status, and level of technological maturity. The radars track both existing technologies and their development, and desirable or aspirational technologies or developments, which still lack practical applications. Prospecting is performed on these technologies, leveraging insights from suppliers and relevant industries, scientific research, and internal experts. Deliverables are updated in the innovation ecosystem with new companies and proposals, in addition to different types of publications, from informative, to technical topic-specific publications targeting specialists in each field.

Taking the results of the double materiality assessment and applying the quantitative thresholds described in detail in the corresponding chapter, Redeia identified a set of material impacts, risks, and opportunities (IROs), as follows:

Opportunity

- **Adaptation to and/or anticipation of market demands by implementing technological advances:** the Company is committed to the development of innovations and technological advances, especially in the area of digitalisation, to enhance the provision of its services. Redeia considers this opportunity as a positive impact that is already being seen on the Company's own operations and a material impact in the short term.

Impact

- **Innovation, technological development, advances in digitalisation associated with Redeia's business activities that enhance the services provided:** by implementing innovative services and leveraging opportunities for digitalisation, the Group can boost its efficiency, productivity and competitiveness. This not only helps meet evolving customer needs but also ensures the Company remains a key player in a rapidly changing business landscape, maximising new growth opportunities.

This positive impact already occurs on the Company's own operations, with a short-term time horizon. Financially, this opportunity has the potential to boost profits, improve cash flows, and strengthen market positioning. It may also lower cost of capital and improve access to finance, highlighting the Company's ability to secure financial services.

11,4,3,2 Impact, risk and opportunity management

a. Policies related to innovation and technology

Redeia has an Innovation Policy designed to enhance technological leadership and promote innovation, allowing Redeia to move forward into the future in a sustainable manner. This policy is related to material impacts, risks and opportunities in relations to sustainability. Compliance is monitored in accordance with the principles and conduct guidelines set forth in Redeia's Code of Conduct and Ethics.

Key principles of the Innovation Policy include:

- To innovate so that Redeia sustainably fulfils its mission of being useful to society and its stakeholders.
- To promote big changes, but starting with small lessons.
- To promote innovation continuously and promptly, through iteration.
- To foster a culture of open innovation and creativity.
- To ensure that innovative solutions generate value for Redeia as well as other participants in the ecosystem.
- To be alert to changes in the environment and technological advancements.
- To drive innovative entrepreneurship and buy into innovative companies and technology funds.
- To guarantee the protection of industrial and intellectual property generated by innovation processes and projects.

This Policy is applicable to all companies in which Redeia has a controlling interest and all of the operations of the organisation in all geographies where the Company operates. At investees over which Redeia does not have effective control, principles aligned with those enshrined in this policy are encouraged. Affected stakeholders include employees, business partners, and society at large.

The most senior level in Redeia's organisation that is accountable for implementation of the Innovation Policy is the Executive Committee, which approved the second version of the Innovation Policy on 22 June 2021.

To ensure that the policy is inclusive and relevant, Redeia took account of the interests of its key stakeholders, including employees, business partners, and society at large. This document is made available to both potentially affected stakeholders and stakeholders that need help implementing it through official publications, as well as internal and external communications.

b. Actions and resources related to innovation and technology

The Company carries out a range of initiatives designed to leverage opportunities arising from adaptation and/or anticipation of market demands by implementing technological advances and leveraging the positive impact of innovation and advances in technology or digitalisation linked to the Company's business activities that enhance the services provided.

Actions in 2024 related to the generation and monitoring of new business logics

Elewit continued to work on consolidating its open innovation tools as a source for generating startups and new business logics/models, as well as a driver of Redeia's cultural transformation. These include the existing intrapreneurship (DESPEGA) and Venture Client programmes, and the launch of the New Ventures programme.

The DESPEGA programme included four innovative projects aimed at developing a minimum viable project. The four projects had up to six months of additional time for development.

- Interference Detection (HISPASAT).
- SafeLightning – Additional safety in earthing (Red Eléctrica Northern Regional Branch).
- Downloads App (Red Eléctrica Northern Regional Branch).
- Spare Parts Marketplace (Redeia's Procurement Dept.).

The new Venture Client programme focuses on testing and integrating startup technologies that significantly contribute to delivery of the sustainability goals, enhance critical infrastructure resilience, contribute to business sustainability, or increase process efficiency. Examples include:

- DeNexus: Development and evaluation of a tool for managing cyber risks in the electricity transmission grid.
- Ocean Ecoestructures: Adapting micro-reefs for the generation of marine biodiversity.
- Navgar. Streamlining business project management through digital platforms.
- Asset Cool: Evaluation of electricity conductor coating to boost power transmission capacity.

Actions in 2024 related to adoption of innovative technological solutions and induced benefits

- Development of renewable generation forecasting models (CONVOL Project), employing various methods and algorithms to enhance prediction accuracy. It uses simple neural networks to evolve and improve existing models, as well as deep convolutional neural networks (CNNs) image recognition for application in wind energy forecasting, achieving excellent results.
- Enhancement to self-consumption electricity forecasting (TERRAL and ETESIAN projects), aimed at achieving the most accurate consumption pattern as possible, as this is essential for the electricity system operation by modelling the impact of self-consumption on demand, and identifying photovoltaic self-consumption based on consumption pattern data through the estimation of installed photovoltaic capacity for identified self-consumption.
- Enhancement of predictive analysis for inter-area oscillation damping (TALOS project), with the development of an AI system that detects patterns to predict damping, enabling us to anticipate risk of the damping factor falling to inadequate levels and implement preventive measures tailored to each situation. A new solution was also developed (SIROCO project / enhancement of GridCal and Newton solutions) that replaces the commercial applications used currently to perform planning studies based on new load flow or system optimisation studies.

- Development of innovation projects in the satellite sector, aimed at improving integration with terrestrial networks, developing new use cases via satellite, and overcoming industry-related niche barriers, e.g., interoperability across platform providers and adoption of terrestrial industry components as part of the 5G – 6G strategy.

All these programmes enable the systematic generation of ideas and expand the vision and knowledge of the technological ecosystem. This enables us to understand and assess, with greater accuracy, the impact of disruptive technologies on Redeia's various businesses and operations, as well as the generation and assessment of new business logics. These actions are planned to be completed within a short- and medium-term time horizon, with regular evaluations to ensure their proper development.

11,4,3,3 Metrics and targets

a. Targets related to innovation and technology

Regarding the disclosure of related metrics, in 2019 Redeia established 11 sustainability goals for 2030 covering the entire Group, aligned with the Strategic Plan. The preparation in 2022 of the 2023–2025 Sustainability Plan made it possible to define interim targets to achieve Redeia's ambition by 2030 and, as a result, to redefine and/or specify the 11 existing goals.

Redeia specified two primary objectives, described below. These goals, validated by the Sustainability Steering Committee, the Executive Committee, and the Board Sustainability Committee, and approved by the Board of Directors contribute directly to the achievement of the UN Sustainable Development Goals.

The following goals were set in the area of innovation and technology:

OBJECTIVE FOR 2030	OBJECTIVE FOR 2025	PROGRESS IN 2024
• Be a benchmark in technological innovation. Adopt 64 technological solutions at Redeia that provide solutions to the Group's key challenges by delivering both tangible and intangible value.	• Adopt 24 technological solutions at Redeia that provide solutions to the Group's key challenges by delivering both tangible and intangible value.	• Adoption of 25 technological solutions at Redeia that provide solutions to the Group's key challenges by delivering both tangible and intangible value.

These goals are quantitative, measurable, and absolute, with 2019 as the base year. They were defined without the use of any scientific methodologies or evidence. Although stakeholders were not involved in this process, their interests were considered and both goals are aligned with EU sustainable innovation policies.

b. Related metrics

For disclosure of metrics related to energy transition and connectivity, Elewit managed a portfolio of 64 innovation projects carried out in 2024 and 13 innovative technological solutions adopted by Redeia's various business units in 2024.

During the year, Redeia oversaw 63 innovation projects, resulting in innovation spend of 8,23 million euros. It also launched startup investment processes totalling 3,66 million euros, bringing the total investment in innovation and technological development to 11,89 million euros.

These metrics were not subject to third-party assurance and did not require the use of significant estimates or assumptions.

11.5 APPENDICES

11.5.1 APPENDIX 1

a. Information on labour and employee-related issues

Number of employees by employee category

	2024			2023		
	Men	Women	Total	Men	Women	Total
Management team	105	62	167	104	59	163
Qualified staff	1,605	537	2,142	1,592	513	2,105
Administrative	58	122	180	66	143	209
Total	**1,768**	**721**	**2,489**	**1,762**	**715**	**2,477**

Data include Hispasat's activity. Hispasat had 541 employees in 2024.

Number of dismissals by gender, age and employee category

		2024	2023
By age	Under 30	1	1
	30 to 50	7	12
	Over 50	6	5
	Total	**13**	**19**
By gender	Women	6	4
	Men	7	15
	Total	**13**	**19**
By employee category	Management team	4	1
	Qualified staff	8	15
	Administrative personnel	1	3
	Total	**13**	**19**

Note. Data of employees with an employment relationship with Redeia: including employees who have an employment relationship at any Redeia company under the parameters set out in Article 1 of the Workers' Statute (Estatuto de los Trabajadores), excluding those subject to a business relationship.

Average pay and trend broken down by gender, age, employee category or equivalent metric

	Women			Men			Average total women	Average total men	Average total
2023	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50			
Management team	-	131,978	182,794	-	153,697	182,940	149,203	169,443	162,117
Qualified staff	43,106	57,260	71,386	34,157	61,322	77,369	58,111	63,834	62,442
Administrative personnel	17,100	26,810	47,719	20,415	28,521	54,397	34,001	36,828	34,884
Total	**37,616**	**59,297**	**76,139**	**33,002**	**64,346**	**87,799**	**60,810**	**69,068**	**66,687**

	Women			Men			Average total women	Average total men	Average total
2024 (1)	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50			
Management team	-	131,903	195,179	-	151,803	191,220	151,294	171,512	164,050
Qualified staff	44,224	57,304	70,031	35,273	60,357	75,489	58,381	62,128	61,190
Administrative personnel	20,527	29,555	46,543	30,211	33,072	54,432	34,637	39,773	36,292
Total	**39,169**	**60,493**	**77,801**	**35,041**	**63,730**	**87,766**	**62,359**	**67,953**	**66,334**

(1) As of 2024, the calculation of median remuneration starts from the same wage items as for the gross pay gap, i.e., "gross annual remuneration".

N/A. Not applicable

Total hours of training by employee category

	2024			2023		
	Men	Women	Total	Men	Women	Total
Management team	4,511	3,362	7,874	6,583	4,012	10,595
Qualified staff	57,306	18,417	75,724	58,791	17,990	76,781
Administrative	1,261	2,346	3,607	2,002	2,721	4,723
Total	**63,079**	**24,125**	**87,204**	**67,377**	**24,723**	**92,100**

Number of hours of absenteeism

	Men		Women		Total	
	2024	2023	2024	2023	2024	2023
Hours lost to work-related accidents/ill health(1)	2,517	1,595	680	1,113	3,197	2,708
Hours lost to non-work-related ill health(2)	51,304	52,899	23,554	26,425	74,858	79,323
Hours lost to occupational health and safety(3)	53,822	54,494	24,233	27,538	78,055	82,031
Hours lost to absenteeism(4)	89,847	96,219	44,187	52,718	134,035	148,937
Hours lost to unexcused absences(5)	1,072	2,403	453	1,327	1,525	3,730

(1) Hours of absence due to occupational accidents include occupational accidents + commuting accidents

(2) Hours lost to non-work-related ill health. sum of days of temporary disability due to non-work-related illness + Illness < 3 days

(3) Hours lost to health and safety: sum of days of non-work-related temporary disability + Illness < 3 days + Commuting accidents.

To calculate this data, the annual working hours for each company were divided by the total number of calendar days per year, which is the ratio deemed appropriate to take into account all days of absence without considering whether or not they are working days so as to be able to make them equivalent to the number of days actually lost.

(4) Absenteeism hours: this takes into account hours lost to health and safety reasons, plus absences due to excused leave (holidays and similar breaks are not counted).

(5) Unexcused absence hours: all other hours of unexcused absences.

Total number and distribution of employees by gender, age, country and employee category.

ESRS do not include the breakdown by employee category but include the breakdown by countries where the undertaking has at least 50 employees.

Workforce by country, gender, age and employee category

Workforce in Germany	Women						Men						Total	
	Under 30		30 to 50		Over 50		Under 30		30 to 50		Over 50			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Management team	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Qualified staff	0	0	1	1	1	1	0	2	8	9	7	6	17	19
Administrative personnel	1	1	6	5	2	2	0	0	3	2	2	3	14	13
Total	1	1	7	6	3	3	0	2	11	11	9	9	31	32

Workforce in Argentina	Women						Men						Total	
	Under 30		30 to 50		Over 50		Under 30		30 to 50		Over 50			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Management team	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Qualified staff	0	0	0	0	0	0	1	1	1	2	0	0	2	3
Administrative personnel	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	1	1	1	2	0	0	2	3

Workforce in Brazil	Women						Men						Total	
	Under 30		30 to 50		Over 50		Under 30		30 to 50		Over 50			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Management team	0	0	0	0	0	0	0	0	1	1	1	1	2	2
Qualified staff	0	0	12	10	2	2	3	1	14	13	5	6	36	32
Administrative personnel	6	6	2	2	1	1	3	5	8	5	2	2	22	21
Total	6	6	14	12	3	3	6	6	23	19	8	9	60	55

Workforce in Chile	Women						Men						Total	
	Under 30		30 to 50		Over 50		Under 30		30 to 50		Over 50			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Management team	0	0	0	0	0	0	0	0	3	4	0	0	3	4
Qualified staff	0	1	7	6	1	0	0	2	23	24	3	4	34	37
Administrative personnel	0	0	2	3	0	0	0	0	1	1	0	0	3	4
Total	0	1	9	9	1	0	0	2	27	29	3	4	40	45

Continued on the next page

Workforce in Colombia

	Women						Men						Total	
	Under 30		30 to 50		Over 50		Under 30		30 to 50		Over 50			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Management team	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Qualified staff	2	3	19	19	1	1	18	21	57	54	0	0	97 9	8
Administrative personnel	8	10	21	20	1	1	2	2	10	11	0	0	42	44
Total	**10**	**13**	**40**	**39**	**2**	**2**	**20**	**23**	**67**	**65**	**0**	**0**	**139**	**142**

Workforce in Ecuador

	Women						Men						Total	
	Under 30		30 to 50		Over 50		Under 30		30 to 50		Over 50			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Management team	0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**
Qualified staff	0	0	1	1	0	0	0	0	1	2	0	0	2	3
Administrative personnel	0	0	2	2	0	0	0	0	0	0	0	0	2	2
Total	**0**	**0**	**3**	**3**	**0**	**0**	**0**	**0**	**1**	**2**	**0**	**0**	**4**	**5**

Workforce in Spain

	Women						Men						Total	
	Under 30		30 to 50		Over 50		Under 30		30 to 50		Over 50			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Management team	0	0	37	39	25	20	0	0	41	41	55	51	158	151
Qualified staff	46	54	298	288	114	95	70	61	864	880	423	402	1,815	1,780
Administrative personnel	0	0	13	22	42	52	0	0	0	0	14	18	69	92
Total	**46**	**54**	**348**	**349**	**181**	**167**	**70**	**61**	**905**	**921**	**492**	**471**	**2042**	**2023**

Workforce in the United States

	Women						Men						Total	
	Under 30		30 to 50		Over 50		Under 30		30 to 50		Over 50			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Management team	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Qualified staff	0	0	0	0	0	0	0	0	0	0	2	2	2	2
Administrative personnel	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**	**2**	**2**	**2**

Continued on the next page

Workforce in the United Kingdom

	Women						Men						Total	
	Under 30		30 to 50		Over 50		Under 30		30 to 50		Over 50			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Management team	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Qualified staff	0	0	1	2	1	0	0	0	2	2	0	0	4	4
Administrative personnel	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**1**	**2**	**1**	**0**	**0**	**0**	**2**	**2**	**0**	**0**	**4**	**4**

Workforce in Luxembourg

	Women						Men						Total	
	Under 30		30 to 50		Over 50		Under 30		30 to 50		Over 50			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Management team	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Qualified staff	0	0	0	0	1	1	0	0	0	0	0	0	1	1
Administrative personnel	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**1**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**1**

Workforce in Mexico

	Women						Men						Total	
	Under 30		30 to 50		Over 50		Under 30		30 to 50		Over 50			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Management team	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Qualified staff	0	0	3	2	0	0	2	2	9	9	2	1	16	14
Administrative personnel	0	1	5	4	0	0	1	3	7	5	0	0	13	13
Total	**0**	**1**	**8**	**6**	**0**	**0**	**3**	**5**	**16**	**14**	**2**	**1**	**29**	**27**

Workforce in Peru

	Women						Men						Total	
	Under 30		30 to 50		Over 50		Under 30		30 to 50		Over 50			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Management team	0	0	0	0	0	0	0	0	2	2	2	4	4	6
Qualified staff	1	1	25	25	0	0	8	5	72	75	10	6	116	112
Administrative personnel	0	0	9	10	1	1	0	0	4	7	1	2	15	20
Total	**1**	**1**	**34**	**35**	**1**	**1**	**8**	**5**	**78**	**84**	**13**	**12**	**135**	**138**

Total number and breakdown of employees by contract type and average annual number of permanent, temporary and part-time contracts by gender, age and employee category :

ESRS do not include total number and breakdown of contracts by employee category and age, or average contracts by age and employee category.

Total number and distribution of employment contract types by age, gender and employee category

		Permanent contracts		Temporary contracts	
		2024	2023	2024	2023
By age	Under 30	155	159	17	23
	30 to 50	1,594	1,601	1	9
	Over 50	722	685	0	0
	Total	**2,471**	**2,445**	**18**	**32**
By gender	Women	715	701	6	14
	Men	1,756	1,744	12	18
	Total	**2,471**	**2,445**	**18**	**32**
By employee category	Management team	167	163	0	0
	Qualified staff	2,124	2,078	18	27
	Administrative personnel	180	204	0	5
	Total	**2,471**	**2,445**	**18**	**32**

Average number of permanent and temporary contracts by age, gender and employee category

		2024		2023	
		Average permanent contracts	Average temporary contracts	Average permanent contracts	Average temporary contracts
By age	Under 30	147.30	16.15	140.13	20.3
	30 to 50	1,637.67	1.03	1,631.80	9.2
	Over 50	668.72	0.00	645.81	0.0
By gender	Women	714.06	5.99	686.67	13.71
	Men	1,738.94	11.88	1,728.96	17.84
By employee category	Management team	162.60	0.00	160.81	-
	Qualified staff	2,097.24	17.77	2,042.07	26.51
	Administrative personnel	193.26	0.00	212.57	5.21

In 2024 and 2023, the workforce did not include any part-time personnel.

Workplace accidents, in particular their frequency and severity, and occupational diseases, broken down by gender:

ESRS do not require the breakdown by gender and the calculation formulas are different

	2024			2023		
	Men	Women	Total	Men	Women	Total
Number of accidents	10	1	**11**	5	0	**5**
Fatal accidents	0	0	**0**	0	0	**0**
Days lost to accidents (1)	532	22	**554**	66	0	**66**
Injury frequency rate (2)	**3.19**	**0.78**	**2.49**	**1.66**	**0.00**	**1.14**
Accident severity rate (3)	**0.17**	**0.02**	**0.13**	**0.02**	**0.00**	**0.02**

(1) The calculation is based on 6,000 working days for a fatal accident and 4,500 days for total permanent disability.

(2) Frequency rate: number of work-related accidents resulting in lost time per million hours worked.

(3) Severity rate: number of working days lost to occupational accidents + incapacity scale, per thousand hours worked.

Notably, for yet another year there were still no cases of occupational diseases.

Implementation of disconnection policies:

ESRS request policies regarding employees that could include disconnection measures. Those standards do not explicitly require right-to-disconnect measures but if companies have them or a related policy, they will be included.

Redeia is aware that the digital transformation includes more flexible work organisation models, which can lead to situations where the boundaries of working hours become blurred, thus creating situations where an employee's work genuinely interferes with their personal life.

Article 88, governing the right to disconnect, of the Spanish Data Protection and Digital Rights Act (Organic Law 3/2019 of 5 December 2019), requires companies to meet with workers' representatives and draw up an internal policy for employees (including those in management positions) that defines how this right to disconnect can be exercised and the actions taken to train employees and raise awareness about the reasonable use of technology to prevent the risk of IT fatigue.

As a clear commitment to promoting the right to disconnect, in 2021 the Digital Disconnection Protocol came into force, which explains how employees may exercise this right, along with the training and awareness-raising actions to be carried out on the reasonable use of devices and other forms of technology. This protocol, together with the flexible working hour arrangements made available to our employees, means that employees can enjoy a healthy balance between their personal and professional lives.

Employees with disabilities:

ESRS require the percentage of employees with disabilities, whereas Law 11/2018 requires the number of employees with disabilities. Reporting the information in one or the other way does not provide the reader with additional insight. In addition, the total number of employees is always published where it can be calculated.

	2024	2023
Persons with disabilities (total no.)	27	24

Average remuneration of directors and managers, including variable remuneration, per diem allowances, severance pay, long-term retirement plans and any other amounts received, broken down by gender

As regards the remuneration of the Board of Directors, there is no gender-based pay difference amongst the members of the Board, as disclosed in note 25 to the consolidated financial statements, as long as they hold the same position as directors of the company. Any possible differences are due solely to the fact that they may hold other positions on the board, above and beyond their directorships, such as chairman of board committees, lead independent director, or by virtue of the commercial contract that the roles of non-executive chairman and chief executive officer have with the company.

Total remuneration accrued by senior management personnel in 2024 amounted to 3,794 thousand euros, recognised under employee benefits expense in the consolidated statement of profit or loss. Note that there were organisational changes and changes in the consolidation scope that affected the number of key management personnel and the composition and members of that team in 2024. On a like-for-like basis, i.e., only analysing remuneration for the professionals who were part of the Group's key management personnel for all of 2023 and 2024, the year-on-year increase in their remuneration narrows to 2.32%.

b. Information on social issues

The Company's commitments to sustainable development

Contributions to foundations and non-profit organisations

In 2024, contributions to foundations and non-profit organisations totalled 2,125,000 euros (2023: 1,730,000 euros). This figure includes contributions made under institutional or academic collaboration agreements, membership fees to national and international organisations, and donations for social purposes.

Association and sponsorship actions

The Group is an active member of various international organisations and associations, particularly within the European Union, with a view to raising awareness of its stance on fundamental aspects of its activity, building strong alliances and contributing to the achievement of common objectives.

The Group participates in international electricity-related organisations such as ENTSO-E (European Network of Transmission System Operators for Electricity), RGI (Renewable Grid Initiative), IESOE (Electricity Interconnection in South-Western Europe), Med-TSO (Mediterranean Transmission System Operators), CIGRE (International Council on Large Electric Systems), SNMPE in Peru (National Mining, Energy and Oil Company), Asociación de Transmisoras in Chile (Transmission Association), Fundación España-Perú, ENERCLUB (Spanish Energy Club) and AEEE (Spanish Association for the Energy Economy).

Subcontracting and suppliers

Supervision and audit systems and their outcomes

The supplier classification and qualification process requires companies applying to become suppliers to accept the Code of Conduct for Suppliers. Through the platform supporting this process, they confirm that they do not carry any ESG risk that might pose an unacceptable risk to Redeia. Further screening is carried out to ensure that they meet the minimum requirements and standards of quality for each supply. They are also asked, *inter alia*, to provide proof of having a stable financial position and of having taken out a civil liability insurance policy, along with references of previous projects and experience.

Depending on the type of supply, should compliance with further environmental and social criteria be required (beyond those required for approval), these are duly conveyed by the technical areas as part of the technical specifications as part of the contractual documentation.

The continuous monitoring process is there to ensure that the supplier is able to perform the contracts signed with Redeia and continue to fulfil the relevant tender and supplier approval requirements. The main screening actions are as follows: (1) business (monitoring of the financial solvency of all approved suppliers and application of mitigating measures, continuous oversight of legal matters such as being up-to-date with payment of the required taxes, social security contributions and public liability insurance, etc.); (2) technical; (3) compliance (criminal risk, privacy and cybersecurity);

(4) integrity and human rights; (5) sustainability (ESG score); and (6) social responsibility (verification of proper adherence to the Code of Conduct for Suppliers through social audits).

Where a risk or non-compliance with ESG requirements is identified, Redeia may perform audits, using the findings to draw up action plans for minimising the identified risks.

Tax information

Redeia is committed to compliance with tax laws and the fulfilment of its tax obligations, seeks a cooperative relationship with the taxation authorities and considers it important to contribute to economic and social development by paying taxes in all the countries in which it operates.

In 2024 and for the fifth year running, the Group topped the tax responsibility transparency ranking of IBEX 35 companies, earning a `t*** de transparente' (T for Transparency) mark of tax transparency from Fundación Haz. To attain this accolade, the voluntary transparency shown by IBEX 35 companies as regards their tax obligations is analysed.

The Group's tax strategy has been approved by the Board of Directors and provides a consistent and reliable approach to tax matters in line with the Group's strategy. It embodies the Group's vision and objectives in tax matters and is based on three core values: transparency, good governance and responsibility.

The Board of Directors has also approved the Group's Tax Risk Control and Management Policy and its inclusion in the Comprehensive Risk Management Policy. The tax risk control and management systems are described in the Corporate Governance Report.

The Group's Tax Strategy and ERM policy can be found on the corporate website.

Both the Code of Conduct and Ethics and the Tax Strategy set out the Group's pledge not to create companies in countries considered tax havens in order to evade tax. The Group has no presence and carries out no activity in countries considered tax havens or non-cooperative jurisdictions under applicable laws and regulations: First and tenth additional provision and second transitional provision of Law 36/2006, of 29 November 2006, on measures for the prevention of tax fraud (as amended by Law 11/2021, of 9 July 2021, on measures to prevent and combat tax fraud, effective 11 July 2021); Order HFP/115/2023, of 9 February 2023, listing those countries and territories, as well as harmful tax regimes, considered to be non-cooperative jurisdictions; the European Union list of non-cooperative jurisdictions and territories for tax purposes.

Set out below is information on country-by-country profit (loss), country-by-country income tax paid, and public aid received, as disclosed in the consolidated financial statements. Figures do not include the Hispasat subgroup classified within discontinued operations in accordance with IFRS 5 – "Non-current assets held for sale and discontinued operations".

Country-by-country profit (loss)

Profit/(loss) before income tax from continuing operations encompasses consolidated profit (loss).

Country-by-country profit (loss) before income tax [(1)]

million euros

	2024	2023
Spain	620	819
Brazil	45	47
Luxembourg	16	16
Peru	9	10
Chile	-14	-7
Others [(2)]	-	-
TOTAL	**676**	**885**

(1) Country-by-country profit (loss) before income tax for 2023 was restated excluding the Hispasat subgroup for comparability with the consolidated financial statements and with comparative information for the current reporting period. Subgroup Hispasat reported a loss before tax in 2024 of 95 million euros (2023: 25 million euros).

(2) Europe includes France and Denmark, with amounts under 1 million euros.

Income tax paid

With a view to following best practices in sustainability and voluntarily offering greater transparency in tax matters for its various stakeholders, Redeia has been calculating and publishing its total tax contribution as part of its sustainability report since 2014, showcasing the significant economic and social contribution made by the taxes it pays.

The Group's total tax contribution to public authorities across all the countries in which it operates amounted to 517 million euros in 2024, of which 194 million euros related to taxes paid by other entities and 323 million euros to taxes collected on behalf of others.

Corporate income tax paid in each country in 2024 and 2023 is as follows: This table does not include income taxes paid by companies consolidated using the equity method (mainly located in Brazil and Chile).

Income tax paid [(1)]

million euros

	2024	2023
Spain [(2)]	124	187
Peru	5	5
Others [(3)]	-	-
Total	**129**	**192**

(1) Country-by-country income tax paid for 2023 was restated excluding the Hispasat subgroup for comparability with the consolidated financial statements and with comparative information for the current reporting period. Income tax paid by subgroup Hispasat in 2024 amounted to 1 million euros (2023: 14 million euros).

(2) The figure for 2024 does not include the amount collected in 2024 of the 2022 income tax refunded on application of the minimum payment rule when calculating instalment payments.

(3) Europe includes France and Luxembourg and America includes Chile and Brazil with amounts under 1 million euros.

Government grants received

In 2024, a total of 209 million euros was received in grants from official bodies, the bulk of which related to the amount received by Red Eléctrica to fund the electricity interconnection between Spain and France through the Bay of Biscay.

Government grants received [(1)]

million euros

	2024	2023
Spain	209	-
Total	**209**	**-**

(1) The amount of government grants received in 2023 was restated excluding the Hispasat subgroup for comparability with the consolidated financial statements and with comparative information for the current reporting period. Government grants received by subgroup Hispasat amounted to 42 million euros in 2023.

c. Information on environmental matters

Waste generated by type
kg

	2024	2023
Hazardous waste (kg)	579,086	3,877,443
Non-hazardous waste (kg)	654,650	683,734
Recycled waste (%)	94.28	98.4

Direct and indirect energy consumption
MWh

	2024	2023
Electricity consumption (MWh)	19,546	20,835
Fuel consumption (MWh)	10,602	10,889
Consumption of energy from renewable sources as a percentage of total energy consumption (%)	63	61

Fuel consumption is primarily from fleet vehicles, generators and heating. The share of renewable energy consumption in total energy consumption (including both electricity and fuels) does not include the share of renewable energy corresponding to national energy mixes (only that acquired contractually) or the share of biofuel contained in automotive fuel.

11.5.2 APPENDIX 2. Context index required under Law 11/2018

Disclosures required by Law 11/2018	Materiality	Location in the report	Reference to relevant DR in CSRD	Explanation of rationale
General disclosures				
A brief description of the undertaking's business model, including disclosures relating to its business environment, organisation and structure	Material	a. Strategy, business model and value chain. SBM-1.	(ESRS 2) SBM-1	
Markets where they operate	Material	a. Strategy, business model and value chain. SBM-1.	(ESRS 2) SBM-1	
The undertaking's objectives and strategy	Material	a. Strategy, business model and value chain. SBM-1.	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	
Main trends and factors that may affect their future development	Material	b. Views and interests of stakeholders. SBM-2.	(ESRS 2) SBM-2 SBM-3 IRO-1 IRO-2	
Reporting framework relied upon	Material	a. General basis for preparation. BP-1. b. Disclosures in relation to specific circumstances. BP-2.	ESRS 1 ESRS 2	
Materiality principle	Material	b. Views and interests of stakeholders. SBM-2. 1.2.4 Material impacts, risks and opportunities. SBM-3.	(ESRS 2) SBM-2 SBM-3 IRO-1 IRO-2	
Environmental matters				
Management approach: description and results of policies related to environmental matters	Material	a. Strategy, business model and value chain. SBM-1.	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	

Disclosures required by Law 11/2018	Materiality	Location in the report	Reference to relevant DR in CSRD	Explanation of rationale
Detailed general disclosures				
Detailed information on the current and expected effects of the activities on the environment and health	Material	b. Material impacts, risks and opportunities and their interaction with strategy and business model — Climate change. ESRS 2 / SBM-3 a. Transition plan and consideration of biodiversity and ecosystems in strategy and business model. E4-1	(ESRS 2) SBM-3 IRO-1 E1-1 E2-1 E3-1 E4-1 E5-1 E2-6 AR (31 b)	
Environmental assessment and certification processes	Material	a. Actions and resources in relation to climate change policies. E1-3 / MDR-A. b. Policies related to biodiversity and ecosystems. E4-2 a. Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities ESRS 2 - IRO 1	E4-2 AR (17 d) E1-2 E2-2 E3-2 E4-2 E5-2	
Resources allocated to preventing environmental risks	Material	b. Policies related to climate change mitigation and adaptation. E1-2 MDR-P	(ESRS 2) SBM-3 E1-9 E2-5 E3-5 E4-6 E5-6	
Application of the precautionary principle	Material	b. Policies related to resource use or circular economy. E5 - 1 + MDR-P	(ESRS 2) SBM-3 E1-9 E2-5 E3-5 E4-6 E5-6	
Amount of provisions and guarantees for environmental claims	Material	c. Actions and resources related to resource use and circular economy. E5 - 2 + MDR-A	(ESRS 2) SBM-3 E1-9 E2-5 E3-5 E4-6 E5-6	

Disclosures required by Law 11/2018	Materiality	Location in the report	Reference to relevant DR in CSRD	Explanation of rationale
Pollution				
Measures to prevent, reduce or repair emissions that affect the environment	Material	a. Actions and resources in relation to climate change policies. E1-3 / MDR-A	E2-2	
Includes noise and light pollution	Not material	Actions during the maintenance phase aimed at mitigating the noise generated by certain electrical substations (programmes for measuring and adjusting the operating parameters of certain power equipment to reduce noise levels and the design of acoustic screens) and reducing light pollution are also noteworthy. To address the latter issue, in recent years the Company has worked on implementing measures to enable facilities to be shut down at night, thereby limiting light pollution as much as possible, while also achieving significant energy savings	Not applicable	
Circular economy and waste prevention and management				
Waste generated	Material	ii. Resource outflows. E5 - 5 + MDR – M 5. Appendix 1	E5-5 (37a) E5-5 39	
Measures for the prevention, recycling, reuse and other recovery and disposal of waste	Material	Actions and resources related to resource use and circular economy. E5 - 2 + MDR-A. ii. Resource outflows. E5 - 5 + MDR – M	E5-2 E5-5	
Actions to combat food waste	Not material		Not applicable	

Disclosures required by Law 11/2018	Materiality	Location in the report	Reference to relevant DR in CSRD	Explanation of rationale
Sustainable use of resources				
Water consumption and supply in accordance with local limits	Not material	Water is not a material topic for Redeia. In own operations, water supplied to all workplaces—for both processes and consumption—is from authorised, public supply networks. In addition, all supply is from areas with low or no water stress.	E3-2 E3-4	
Consumption of raw materials and measures to improve efficiency	Material	Actions and resources related to resource use and circular economy. E5 - 2 + MDR-A. i. Resource inflows. E5 - 4 + MDR – M	E5-2 E5-4	
Direct and indirect energy consumption	Material	i. Energy consumption and mix. E1-5 b. Policies related to climate change mitigation and adaptation. E1-2 MDR-P 5. Appendix 1	E1-5 (37) E1-5 (38)	
Measures taken to improve energy efficiency	Material	i. Energy consumption and mix. E1-5 b. Policies related to climate change mitigation and adaptation. E1-2 MDR-P	E1-2 E1-5	
Use of renewable energies	Material	i. Energy consumption and mix. E1-5	E1-5 (37) E1-5 (39)	

Disclosures required by Law 11/2018	Materiality	Location in the report	Reference to relevant DR in CSRD	Explanation of rationale
Climate change				
Greenhouse gas emissions generated as a result of the undertaking's activity, including through use of the goods and services it produces	Material	ii. Gross Scopes 1, 2, 3 and Total GHG emissions. E1-6	E1-6	
Measures taken to adapt for the consequences of climate change	Material	a. Transition plan for climate change mitigation. E1-1 a. Actions and resources in relation to climate change policies. E1-3 / MDR-A	E1-1 (SBM-3) E1-3	
Medium- and long-term GHG emission-cutting targets voluntarily adhered to and the measures implemented to that end	Material	a. Transition plan for climate change mitigation. E1-1 b. Targets related to climate change mitigation and adaptation. E1-4 / MDR-T	E1-1 E1-4	
Biodiversity protection				
Measures taken to preserve or restore biodiversity	Material	a. Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities. ESRS 2 IRO-1 c. Actions and resources related to biodiversity and ecosystems E4-3 b. Impact metrics related to biodiversity and ecosystems change. .	E4-1 E4-3 E4-5	

Disclosures required by Law 11/2018	Materiality	Location in the report	Reference to relevant DR in CSRD	Explanation of rationale
Impacts caused by activities or operations in protected areas	Material	a. Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities. ESRS 2 IRO-1 c. Actions and resources related to biodiversity and ecosystems E4-3 b. Impact metrics related to biodiversity and ecosystems change.	E4-1 (SBM-3) E4-1 (IRO-1) E4-3 E4-5	
Social and employee-related matters				
Management approach: description and results of the policies addressing these matters and of the principal risks related to matters linked to the group's operations	Material	a. Strategy, business model and value chain. SBM-1	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	
Employment				
Total number and breakdown of employees by country, gender, age and employee category	Material	a. Information on social and employee-related matters. 5. Appendix 1	S1-6 (50 a, b) S1-9 (66 b) **Total number and breakdown of employees by employee category Indicator not included in ESRS	Information reported under the CSRD does not match the EMP indicators in Law 11/2018 as it includes different breakdowns, precluding verification of the same information. Based on the conclusions of the analysis, this indicator is classified as "partially covered in ESRS" as under CSRD requirements, the "Total number and breakdown of employees by employee category" indicator is not included in this group of indicators required by the CSRD.

Disclosures required by Law 11/2018	Materiality	Location in the report	Reference to relevant DR in CSRD	Explanation of rationale
Total number and breakdown by contract category and average annual number of permanent, temporary and part-time contracts by gender, age and employee category	Material	a. Information on social and employee-related matters 5. Appendix 1	**Indicator not included in ESRS**	Information reported under the CSRD does not match the EMP indicators in Law 11/2018 as it includes different breakdowns, precluding verification of the same information. The CSRD does not require disclosures of information regarding annual averages and breakdowns. It only refers to averages in the description of the methodologies in S1-6 (50 d ii), where it mentions the possibility of its use as a methodology for calculating and compiling data to obtain the information.
Number of dismissals by gender, age and employee category	Material	a. Information on social and employee-related matters 5. Appendix 1	**Indicator not included in ESRS**	Information to be reported under the CSRD does not required a breakdown of the total number of dismissals or breakdowns by gender, age and employee category.
Average pay and trend broken down by gender, age, employee category or equivalent metric	Material	a. Information on social and employee-related matters 5. Appendix 1	**Indicator not included in ESRS**	Information to be reported under the CSRD does not require a breakdown of average pay of employees or trend broken down by gender, age or employee category.
Pay gap, remuneration for the same work or work of equal value	Material	vii. Compensation metrics (pay gap and total compensation). S1-16 and MDR-M	**S1-16**	

Disclosures required by Law 11/2018	Materiality	Location in the report	Reference to relevant DR in CSRD	Explanation of rationale
Average remuneration of directors and managers, including variable remuneration, per diem allowances, severance pay, long-term retirement plans and any other amounts received, broken down by gender	Material	a. Information on social and employee-related matters 5. Appendix 1	**Indicator not included in ESRS**	Information to be reported under the CSRD does not require the breakdown of average pay of directors and managers.
Implementation of disconnection policies	Material	a. Policies related to own workforce. S1-1 and MDR-P	**S1-1**	
Number of employees with disabilities	Material	v. Persons with disabilities. S1-12 and MDR-M	**S1-12**	
Organisation of work				
Organisation of working time	Material	d. Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions. S1-4 and MDR-A	**S1 (SBM-3) S1-1 S1-8 S1-11 S1-15**	
Number of hours of absenteeism	Material	a. Information on social and employee-related matters 5. Appendix 1	**Indicator not included in ESRS**	Information to be reported under the CSRD does not require disclosure of the number of hours of absenteeism.
Measures designed to facilitate work-life balance and sharing of responsibilities	Material	d. Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions. S1-4 and MDR-A.	**S1-4 S1-15**	

Disclosures required by Law 11/2018	Materiality	Location in the report	Reference to relevant DR in CSRD	Explanation of rationale
		b. Material impacts, risks and opportunities and their interaction with strategy and business model. ESRS 2 SBM-3		
Health and safety				
Health and safety conditions at work	Material	a. Policies related to own workforce. S1-1 and MDR-P vi. Health and safety metrics. S1-14 and MDR-M	S1-1 S1-14	
Work-related accidents, frequency, severity and work-related ill health	Material	a. Information on social and employee-related matters 5. Appendix 1	Indicator not included in ESRS	Information to be reported under the CSRD does not require the breakdown by gender of information on the number of work-related accidents and the formulas for calculating rates are different to those required under Law 11/2018. Also not required is disclosure of information on the number of cases of work-related ill health.
Management-employee relations				
Organisation of social dialogue including procedures on worker communication, consultation and negotiation	Material	b. Processes for engaging with own workers and workers' representatives about impacts. S1-2	S1-2 S1-2 AR (24, 25) S1-3 S1-2 AR (28, 29)	
Percentage of employees covered by collective bargaining agreements by country	Material	ii. Collective bargaining coverage and social dialogue. S1-8 and MDR-M	S1-8 S1-8 AR	

Disclosures required by Law 11/2018	Materiality	Location in the report	Reference to relevant DR in CSRD	Explanation of rationale
List of collective bargaining agreements, particularly with respect to occupational health and safety	Material	ii. Collective bargaining coverage and social dialogue. S1-8 and MDR-M	**S1-8** **S1-14 (88 a)**	
Mechanisms and procedures that the Company has in place to promote the involvement of workers in its management in terms of information, consultation and participation	Material	a. Policies related to own workforce. S1-1 and MDR-P b. Processes for engaging with own workers and workers' representatives about impacts. S1-2 c. Processes to remediate negative impacts and channels for own workers to raise concerns. S1-3	**S1-1** **S1-2** **S1-3**	
Training				
Policies implemented in the area of training	Material	a. Policies related to own workforce. S1-1 and MDR-P	**S1-1** **S1-1 AR (17 a, c, f, h)** **S1-13**	
Total training hours by employee category	Material	a. Information on social and employee-related matters 5. Appendix 1	**Indicator not included in ESRS**	Information to be reported under the CSRD does not match the training indicators of Law 11/2018, as the breakdowns are different and do not include breakdowns by employee category. In addition, the calculation methodology is different (average hours vs. total hours).
Universal accessibility				
Universal accessibility for people with disabilities	Not material	5. Anexo 1	**S1-1 AR (17 d)** **S2-2 (23) S4-2 (21)** **S4-5 AR (44)** **S4 (SBM-3 10 c)**	

Disclosures required by Law 11/2018	Materiality	Location in the report	Reference to relevant DR in CSRD	Explanation of rationale
Equality				
Measures taken to foster equal treatment of and opportunities for men and women	Material	Material impacts, risks and opportunities and their interaction with strategy and business model. ESRS 2 SBM-3 a. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities. S1-5 and MDR-T	S1-2 S1-3 S1-4 S1-15 S1-16	
Equality plans, measures taken to foster employment, anti-sexual/gender harassment protocols	Material	Material impacts, risks and opportunities and their interaction with strategy and business model. ESRS 2 SBM-3. a. Policies related to own workforce. S1-1 and MDR-P d. Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions. S1-4 and MDR-A	S1-1 (20, 24 a,b,c) S1-1 AR (14, 17 b) S1-17 (102, 103) S1-17 AR (104 b,c)	
Integration and universal accessibility for people with disabilities	Nto material		S1-1 AR (17 d) S2-2 (23) S4-2 (21) S4-5 AR (44) S4 (SBM-3 10 c)	

Disclosures required by Law 11/2018	Materiality	Location in the report	Reference to relevant DR in CSRD	Explanation of rationale
Policies against all kinds of discrimination and, as the case may be, diversity management	Material	d. Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions. S1-4 and MDR-A Policies related to own workforce. S1-1 and MDR-P	S1-1 S1-2 S1-3 S1-4	
Respect for human rights				
Management approach: description and results of the policies addressing these matters and of the principal risks	Material	2.1.4 Minimum social safeguards. a. Policies related to own workforce. S1-1 and MDR-P	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	
Implementation of due diligence processes	Material		(ESRS 2) GOV-4 (ESRS 2) MDR-P S1-1 S1-17 S2-1 S3-1 S4-1	
Implementation of due diligence processes in relation to human rights and prevention of risks of human rights violations and, as applicable, measures to mitigate, manage and redress any such violations	Material	d. Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions. S1-4 and MDR-A a. Policies related to own workforce. S1-1 and MDR-P	(ESRS 2) MDR-A (ESRS 2) MDR-T S1-2 / S1-3 / S1-4 S2-2 / S2-3 / S2-4 S3-2 / S3-3 / S3-4 S4-2 / S4-3 / S4-4	

Disclosures required by Law 11/2018	Materiality	Location in the report	Reference to relevant DR in CSRD	Explanation of rationale
Reported human rights violations	Material	viii. Incidents, complaints and severe human rights impacts. S1-17 and MDR-M	S1-17 S2-4 (36) S3-4 (36) S4-4 (35)	
Promotion and compliance with provisions in ILO fundamental conventions covering the freedom of association and right to collective bargaining	Material	viii. Incidents, complaints and severe human rights impacts. S1-17 and MDR-M. a. Policies related to own workforce. S1-1 and MDR-P	S1-8	
Elimination of discrimination in employment and occupation	Material	a. Policies related to own workforce. S1-1 and MDR-P b. Material impacts, risks and opportunities and their interaction with strategy and business model. ESRS 2 SBM-3 a. Policies related to own workforce. S1-1 and MDR-P d. Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions. S1-4 and MDR-A	S1-1 (24) S2-1 (17)	
Elimination of child labour or forced labour	Material	a. Policies related to value chain workers S2-1, MDR-P a. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities. S2-5, MDR-T	S1-1 (22) S2-1 (18) S3-1 (16) S4-1 (16)	

Disclosures required by Law 11/2018	Materiality	Location in the report	Reference to relevant DR in CSRD	Explanation of rationale
Effective eradication of child labour	Material	a. Policies related to value chain workers. S2-1, MDR-P. a. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities. S2-5, MDR-T	S1-1 (22) S2-1 (18) S3-1 (16) S4-1 (16)	
Anti-corruption and bribery				
Management approach: description and results of the policies addressing these matters and of the principal risks related to matters linked to the undertaking's operations	Material	Prevention and detection of corruption and bribery. G1-1, G1-3. a. Confirmed incidents of corruption or bribery.	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	
Information on the fight against corruption and bribery				
Measures taken to prevent corruption and bribery	Material	Prevention and detection of corruption and bribery. G1-1, G1-3	G1-1 G1-3 G1-4	
Anti-money laundering measures	Material	Prevention and detection of corruption and bribery. G1-1, G1-3	G1-1 G1-3 G1-4	
Contributions to foundations and non-profit organisations	Material	V. Information on social issues 5. Appendix 1	Indicator not included in ESRS	Information to be reported under the CSRD does not require a list of economic contributions to foundations and non-profit organisations.

Disclosures required by Law 11/2018	Materiality	Location in the report	Reference to relevant DR in CSRD	Explanation of rationale
Information on social issues				
Management approach: description and results of the policies addressing these matters and of the principal risks related to matters linked to the group's operations	Material	a. Policies related to affected communities. S3-1, MDR-P	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	
The Company's commitments to sustainable development				
Impact of the undertaking's activity on employment and local development	Material	The impact of the Company's activities on local employment not considered material. The impact of the Company's activities on local development is disclosed in: b. Material impacts, risks and opportunities and their interaction with strategy and business model. SBM-3	S3-1 S3-2 S3-3 S3-4 S3-5	
Impact of the undertaking's activity on local populations and the local area	Material	b. Material impacts, risks and opportunities and their interaction with strategy and business model. SBM-3	S3-1 S3-2 S3-3 S3-4 S3-5	
Relations with local community players and types of dialogue	Material	b. Material impacts, risks and opportunities and their interaction with strategy and business model. SBM-3	S3-1 S3-2 S3-3 S3-4 S3-5	
Associations and sponsorship actions		V. Information on social issues 5. Appendix 1	Indicator not included in ESRS	Information to be reported under the CSRD does not require the list of memberships of non-profit associations and sponsorship actions of social or environmental causes.

Disclosures required by Law 11/2018	Materiality	Location in the report	Reference to relevant DR in CSRD	Explanation of rationale
Subcontracting and suppliers				
Inclusion in the purchasing policy of social, gender equality and environmental matters	Material	c. Management of relationships with suppliers. G1-2	SBM-1 (42) MDR-P (65 b) S2-1 18 S2-4 AR (30) S3-4 AR (27) S4-4 AR (27)	
Contemplation of social and environmental performance in supplier and subcontractor engagement	Material	c. Management of relationships with suppliers. G1-2	SBM-1 (42) MDR-P (65 b) S2-1 18 S2-4 AR (30) S3-4 AR (27) S4-4 AR (27)	
Supervision and audit systems and their outcomes	Material	c. Management of relationships with suppliers. G1-2 5. Appendix 1	Indicator not included in ESRS	Information to be reported under the CSRD does not require the breakdown of the number of audits performed or other schemes of supervision performed on suppliers or the findings.
Consumers				
Measures to guarantee consumer health and safety	Not material		S4-1 S4-2 S4-3 S4-4	
Consumer claims, complaints and grievance systems	Not material		S4-3 S4-4	
Tax information				
Country-by-country profits	Material	V. Information on social issues 5. Appendix 1	Indicator not included in ESRS	Information to be reported under the CSRD does not require the breakdown of country-by-country profit (loss).

Disclosures required by Law 11/2018	Materiality	Location in the report	Reference to relevant DR in CSRD	Explanation of rationale
Income tax paid	Material	V. Information on social issues 5. Appendix 1	**Indicator not included in ESRS**	Information to be reported under the CSRD does not require the breakdown of country-by-country income tax paid.
Government grants received	Material	V. Information on social issues 5. Appendix 1	**Indicator not included in ESRS**	Information to be reported under the CSRD does not require the breakdown of country-by-country government grants received.
Regulation (EU) 2020/852 - Taxonomy				
Qualitative information				
Accounting policy	Material	2.1.5 Key performance indicators: Turnover, CapEx and OpEx associated with Taxonomy-aligned activities.	**Regulation (EU) 2020/852** **Regulation (EU) 2021/2178**	
Assessment of compliance with Regulation (EU) 2020/852	Material	2.1 EU TAXONOMY INFORMATION	**Regulation (EU) 2020/852** **Regulation (EU) 2021/2178**	
Contextual Information	Material	2.1 EU TAXONOMY INFORMATION	**Regulation (EU) 2020/852** **Regulation (EU) 2021/2178**	
Quantitative information				
Taxonomy-eligibility and alignment of turnover	Material	2.1 EU TAXONOMY INFORMATION	**Regulation (EU) 2020/852** **Regulation (EU) 2021/2178** **Regulation (EU) 2021/2139** **Regulation (EU) 2023/2486**	
Taxonomy-eligibility and alignment of CapEx	Material	2.1 EU TAXONOMY INFORMATION	**Regulation (EU) 2020/852** **Regulation (EU) 2021/2178** **Regulation (EU) 2021/2139** **Regulation (EU) 2023/2486**	
Taxonomy-eligibility and alignment of OpEx	Material	2.1 EU TAXONOMY INFORMATION	**Regulation (EU) 2020/852** **Regulation (EU) 2021/2178** **Regulation (EU) 2021/2139** **Regulation (EU) 2023/2486**	

12 Annual Corporate Governance Report

The annual corporate governance report is an integral part of the management report and is available at: :

https://www.cnmv.es/portal/consultas/ee/informaciongobcorp.aspx?nif=A-78003662&lang=en

13 Annual Report on Director Remuneration

The annual report on director remuneration is an integral part of the management report and is available at:

https://www.cnmv.es/Portal/Consultas/EE/InformacionGobCorp.aspx?TipoInforme=6&nif=A-78003662

Statement of Responsibility for the Content of the Consolidated Annual Financial Report for 2024

STATEMENT OF RESPONSIBILITY FOR THE CONTENT OF THE CONSOLIDATED ANNUAL FINANCIAL REPORT FOR 2024

Regarding REDEIA, S.A.'s Consolidated Annual Financial Report for 2024, which contains the consolidated financial statements and consolidated management report, in accordance with article 99.2 of Law 6/2023, of 17 March 2023, on Securities Market and Investment Services, the members of the Board of Directors hereby state that:

To the best of their knowledge, the consolidated financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and financial performance of REDEIA CORPORACIÓN, S.A. and the undertakings included in the consolidation taken as a whole, and that the consolidated management report includes a fair review of the development and performance of the business and the position of REDEIA CORPORACIÓN and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Statement for the authorisation for issue of the Consolidated Annual Financial Report for 2024 issued by the Board of Directors of REDEIA CORPORACIÓN, S.A. on 26 February 2025.

Madrid, 26 February 2025.

Beatriz Corredor Sierra Chairwoman	Roberto García Merino Chief Executive Officer	Socorro Fernández Larrea Director
Antonio Gómez Ciria Consejero	Mercedes Real Rodrigálvarez Director	José Juan Ruiz Gómez Consejero
Ricardo García Herrera Consejero	Marcos Vaquer Caballería Consejero	Elisenda Malaret García Director
José María Abad Hernández Consejero	Esther María Rituerto Martínez Director	Guadalupe de la Mata Muñoz Director

Independent Assurance Report on the "Information Regarding the Internal Control over Financial Reporting (ICFR) System"

Ernst & Young, S.L.
C/ Raimundo Fernández Villaverde, 65
28003 Madrid

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ey.com

INDEPENDENT ASSURANCE REPORT ON THE "INFORMATION REGARDING THE INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) SYSTEM"

To the Shareholders of REDEIA CORPORACIÓN, S.A.

Scope

In accordance with your request, we have carried out a reasonable assurance engagement to report on design and effectiveness of the Internal Control over Financial Reporting (ICFR) system of REDEIA CORPORACIÓN, S.A. and its subsidiaries (the Group) and on the description included in the Section F of the Annual Corporate Governance Report for the year ended December 31, 2024. This system is based on the criteria and policies defined by the Directors of REDEIA CORPORACIÓN, S.A. and in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its Internal Control-Integrated Framework (2013) report.

An internal control over financial reporting system is a process designed to provide reasonable assurance on the reliability of financial information in accordance with the accounting principles and standards applicable to it. A system of internal control over financial reporting includes policies and procedures that: (i) enable the records reflecting the transactions performed to be kept accurately and with a reasonable level of detail, (ii) guarantee that these transactions are performed only in accordance with the authorizations established; (iii) provide reasonable assurance that transactions are recognized appropriately to enable the preparation of the financial information in accordance with the accounting principles and standards applicable to it; and (iv) provide reasonable assurance in relation to the prevention or timely detection of unauthorized acquisition, use or sale of the company's assets that could have a material effect on the financial information.

Inherent limitations

Given the inherent limitations of any Internal Control System over Financial Reporting, regardless of the quality of its design and operation, it can only allow reasonable, but not absolute, security in relation to the objectives it pursues, so that errors, irregularities or fraud may occur that may not be detected. On the other hand, the projection of the internal control assessment into future periods is subject to risks, such as that internal control may become inadequate as a result of future changes in applicable conditions, or that the level of compliance with established policies or procedures may be reduced in the future.

Domicilio Social: Calle de Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. C.I.F. B-78970506.

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Directors' responsability

The Directors of REDEIA CORPORACIÓN, S.A. are responsible for adopting the appropriate measures to reasonably guarantee the implementation, maintenance and supervision of an adequate Internal Control System over Financial Information, as well as the evaluation of its effectiveness, the development of improvements to said system and the preparation and establishment of the content of the information related to the ICFR attached.

Our responsibility

Our responsibility is to express an opinion on the design, effectiveness and description of the Internal Control System over Financial Reporting based on the work performed by us and on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

Reasonable assurance work includes understanding the Internal Control System over Financial Reporting, assessing the risk that there may be material internal control weaknesses, that controls are not adequately designed or operating effectively, and conducting tests and evaluations on the design and effective implementation of the system, which are based on our professional judgment, and the performance of such other procedures as may be deemed necessary.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Otras cuestiones

This report can under no circumstances be considered an audit report carried out in accordance with prevailing audit regulations in Spain. This question does not change our opinion.

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Independent Assurance Report on the "Information Regarding the Internal Control over Financial Reporting (ICFR) System"

(continued)

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Opinion

In our opinion, as of December 31, 2024, the Group maintained, in all material respects, an effective Internal Control over Financial Reporting (ICFR) based on the criteria and policies defined by the Directors of REDEIA CORPORACIÓN, S.A. and in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its Internal Control-Integrated Framework (2013) report.

In addition, the description of the SCIIF included in Section F of the Group's Annual Corporate Governance Report as of December 31, 2024 has been prepared, in all material respects, in accordance with the requirements established in article 540 of the Corporate Enterprises Act and with Circular 5/2013 of the Spanish National Securities Market Commission (CNMV) dated June 12, 2013 and amendments the most recent being CNMV Circular 3/2021, of September 28, for the purposes of the description of the ICFR in the Annual Corporate Governance Reports.

ERNST & YOUNG, S.L.

(signed on the original version In Spanish)

David Ruiz-Roso Moyano

February 26, 2025

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Independent Limited Assurance Report on the Consolidated Non-Financial Information Statement and Sustainability Information

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INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT AND SUSTAINABILITY INFORMATION

(Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the shareholders of REDEIA CORPORACIÓN, S.A.:

Conclusion of limited assurance

In accordance with article 49 of the Commercial Code, we have performed a limited verification engagement on the Consolidated Non-Financial Information Statement ("NFIS") for the year ended December 31st, 2024, of REDEIA CORPORACIÓN, S.A. (the "Entity") and subsidiaries (the "Group"), which is part of the Group's Consolidated Management Report.

The content of the NFIS includes information in addition to that required by prevailing company law in respect of non-financial information, specifically the Sustainability Information prepared by the Group for the year ended December 31st, 2024 (the "Sustainability Information") in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, as regards corporate sustainability reporting (the "CSRD"). The Sustainability Information was also subject to limited verification.

Based on the procedures applied and the evidence obtained, nothing has come to our attention that causes us to believe that:

a) The Group's NFIS for the year ended on December 31st, 2024, has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria selected in European Sustainability Reporting Standards ("ESRS"), as well as other criteria described as explained for each subject matter in Appendix 2 "Context index required under Law 11/2018" of the NFIS.

b) The Sustainability Information, taken as a whole, has not been prepared, in all material respects, in accordance with the sustainability reporting framework applied by the Group and identified in section "Changes in preparation or presentation of Sustainability Information", including:

- That the description of the process for identifying the Sustainability Information to be disclosed included in section 1.2 "Materiality assessment" is consistent with the process implemented and that it enables the identification of the material information to be disclosed in accordance with the requirements of ESRS.
- Compliance with ESRS.
- Compliance of the disclosure requirements included in section 2.1 "EU Taxonomy Information" on the environment in the Sustainability Information with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, on the establishment of a framework to facilitate sustainable investment.

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Basis of conclusion

We have performed our limited verification engagement in accordance with generally accepted professional standards applicable in Spain and specifically with the guidelines contained in the Guidelines 47 (revised) and 56 issued by the Spanish Institute of Chartered Accountants on non-financial information assurance engagements and considering the contents of the note issued by the Spanish Accounting and Auditing Institute (ICAC) on December 18, 2024 (the "generally accepted professional standards").

The procedures performed in a limited verification engagement are less in extent than for a reasonable verification engagement. Consequently, the level of assurance obtained in a limited verification engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under those regulations are further described in the Practitioner's responsibilities section of our report.

We have complied with the independence and other ethics requirements of the International Code of Ethics for Professional Accountants (including international standards on independence) of the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Management (ISQM) 1, which requires us to design, implement, and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the directors

The preparation of the NFIS included in the Group's Consolidated Management Report is the responsibility of the directors of REDEIA CORPORACIÓN, S.A. The NFIS has been prepared in accordance with the content required by prevailing company law and the criteria selected in ESRS, as well as other criteria described as explained for each subject matter in Appendix 2 "Context index required under Law 11/2018" of the NFIS.

This responsibility also includes the design, implementation, and maintenance of such internal control as considered necessary to ensure that the NFIS is free of material misstatement, whether due to fraud or error.

The directors of REDEIA CORPORACIÓN, S.A. are also responsible for defining, implementing, adapting, and maintaining the management systems from which the necessary information for preparing the NFIS is obtained.

Independent Limited Assurance Report on the Consolidated Non-Financial Information Statement and Sustainability Information

(continued)

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In relation to the Sustainability Information, the entity's directors are responsible for developing and implementing a process for identifying the information to be included in the Sustainability Information in accordance with the CSRD, the ESRS and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, and for disclosing information about this process in the Sustainability Information itself in section 1.2 "Materiality assessment". This responsibility includes:

- Understanding the context in which the Group carries out its activities and business relationships, as well as its stakeholders, in relation to the Group's impact on people and the environment.
- Identifying the actual and potential impacts (both negative and positive), as well as risks and opportunities that could affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to financing, or cost of capital in the short, medium or long term.
- Assessing the materiality of the identified impacts, risks and opportunities.
- Making assumptions and estimates that are reasonable under the circumstances.

The directors are also responsible for the preparation of the Sustainability Information, which includes the information identified by the process, in accordance with the sustainability reporting framework used, including compliance with the CSRD, the ESRS, and compliance of the disclosure requirements included in section 2.1 "EU Taxonomy Information" of the section on the environment in the Sustainability Information with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, on the establishment of a framework to facilitate sustainable investment.

This responsibility includes:

- Designing, implementing and maintaining such internal control as the directors consider relevant to enable the preparation the Sustainability Information that is free from material misstatement, whether due to fraud or error.
- Selecting and applying appropriate methods for the presentation of Sustainability Information and the basis of assumptions and estimates that are reasonable, considering the circumstances, about specific disclosures.

Inherent limitations in the preparation of the information

In accordance with ESRS, the entity's directors are required to prepare forward-looking information on the basis of assumptions and hypothetical assumptions, which must be included in the Sustainability Information, about potential future events and possible future actions, if any, that the Group could take. Actual results may differ significantly from estimated results, as the reference is to the future and future events frequently do not occur as expected.

In determining the disclosures in the Sustainability Information, the entity's directors interpret legal and other terms that are not clearly defined and that may be interpreted differently by others, including the legal conformity of such interpretations, and, accordingly, are subject to uncertainty.

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Practitioner's responsibilities

Our objectives are to plan and perform the verification engagement to obtain limited assurance about whether the NFIS and Sustainability Information are free from material misstatement, whether due to fraud or error, and to issue a limited verification report that includes our conclusions. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this information.

As part of a limited verification engagement, we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Design and perform procedures to assess whether the process for identifying the disclosures to be included in the NFIS and Sustainability Information is consistent with the description of the process followed by the Group and enables, where appropriate, the identification of the material information to be disclosed as required in the ESRS.
- Perform risk procedures, including obtaining an understanding of internal control relevant to the engagement, to identify disclosures where material misstatements are more likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
- Design and perform procedures responsive to disclosures in the NFIS and Sustainability Information where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary from the work performed

A limited verification engagement involves performing procedures to obtain evidence as a basis for our conclusions. The nature, timing and extent of procedures selected depend on professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the NFIS and Sustainability Information.

Our work consisted of making inquiries of management and of the Group's various business units and components that participated in the preparation of the NFIS and Sustainability Information, reviewing the processes used for compiling and validating the information presented in the NFIS and Sustainability Information, and applying certain analytical procedures and performing tests of details on a sample basis as described below:

For verification of the NFIS:

- Holding meetings with Group personnel to obtain an understanding of the business model, the policies and management approaches applied, and the main risks related to these matters and to gather the information needed to perform the independent assurance work.
- Analyzing the scope, relevance and completeness of the content of the 2024 NFIS based on the materiality assessment performed by the Group and described in section1.2 "Materiality assessment" of the NFIS, considering the content required in prevailing company law.
- Analyzing the processes used to compile and validate the data presented in the 2024 NFIS.

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Independent Limited Assurance Report on the Consolidated Non-Financial Information Statement and Sustainability Information

(continued)

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- Reviewing the disclosures relating to the risks, policies and management approaches applied with respect to the material matters presented in the 2024 NFIS.
- Checking, through sample testing, the information underlying the content of the 2024 NFIS and whether it has been adequately compiled based on data provided by information sources.

For verification of the Sustainability Information:

- Making inquiries of Group personnel:
  - To understand the business model, the policies and management approaches applied, and the main risks related to these matters and to gather the information needed to perform the independent assurance work.
  - To know the source of the information used by management (e.g., interaction with stakeholders, business plans and documents on strategy) and review the Group's internal documentation on its process.
- Obtaining, through inquiries of Group personnel, insight into the entity's processes for gathering, validation, and presenting information relevant for the preparation of its Sustainability Information.
- Assessing whether the evidence obtained in our procedures on the process implemented by the Group for determining the disclosures to be included in the Sustainability Information is consistent with the description of the process included in that information, as well as assessing whether that process implemented by the Group enables identification of the material information to be disclosed in accordance with the requirements of the ESRS.
- Assessing whether all the information identified in the process implemented by the Group for determining the disclosures to be included in the Sustainability Information is effectively included.
- Evaluating whether the structure and presentation of the Sustainability Information is consistent with ESRS, and the rest of the sustainability reporting framework applied by the Group.
- Performing inquiries of relevant personnel and analytical procedures on the disclosures in the Sustainability Information, considering those where material misstatements are likely to arise, whether due to fraud or error.
- Performing, as appropriate, substantive procedures through sampling of selected disclosures in the Sustainability Information, considering those where material misstatements are likely to arise, whether due to fraud or error.
- Obtaining, as appropriate, reports issued by accredited independent third parties accompanying the Consolidated Management Report in response to the requirements of European regulations and, in relation to such information and in accordance with generally accepted professional standards, verification, exclusively, of the accreditation of the practitioner and that the scope of the report issued corresponds to that required by European regulations.

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- Obtaining, as appropriate, the documents containing the information incorporated by reference, the reports issued by auditors or practitioners on such documents and, in accordance with generally accepted professional standards, verification, exclusively, that in the document to which the information incorporated by reference refers, the requirements described in ESRS for the incorporation by reference of information in the Sustainability Information are met.
- Obtaining a representation letter from the directors and management regarding the NFIS and Sustainability Information.

Other information

The persons in charge of the entity's governance are responsible for the other information. The other information comprises the consolidated financial statements and the rest of the information included in the Consolidated Management Report but does not include either the auditors' report on the consolidated financial statements or the assurance reports issued by accredited independent third parties required by European Union law on specific disclosures contained in the Sustainability Information and attached to the Consolidated Management Report.

Our verification report does not cover the other information, and we do not express any form of verification conclusion on it.

Our responsibility in connection with our engagement to verify the Sustainability Information is to read the other information identified and consider whether it is materially inconsistent with the Sustainability Information or the knowledge we have obtained during the verification engagement that could indicate material misstatements in the Sustainability Information.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

David Ruiz-Roso Moyano

February 26th, 2025

Published by

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de los Gaitanes, 177
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(Madrid)
www.redeia.com

Design and desktop publishing

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