

11 Non-Financial Information Statement in compliance with Law 11/2018 of 28 December 2018

11.1 About the Non-Financial Information Statement

GRI 2-1

Scope of the NFIS

The Non-Financial Information Statement (hereinafter “NFIS”) responds to the reporting requirements established in Law 11/2018 of 28 December 2018 on non-financial and diversity information, which are reported with reference to the standards of the Global Reporting Initiative (GRI), per the option selected.

Section 11.9 of this document, “Content index required by Law 11/2018 of 28 December 2018 on non-financial and diversity information”, details the specific reporting framework for each item required by the Law. For those requirements that do not pertain to any specific reporting framework, the Company uses an internal framework and details in the respective section what this internal framework entails in order to facilitate understanding.

The scope of the NFIS encompasses the entire consolidated Group formed by Red Eléctrica Corporación, S.A. and Subsidiaries. Law 11/2018 of 28 December 2018 stipulates that the Group’s subsidiaries are not required to prepare an NFIS as their information is included in the Group’s Consolidated NFIS.

As regards information on the main risks associated with the significant investments accounted for using the equity method, the Group carries out a risk assessment that takes into consideration both financial and non-financial aspects, both at the point the investments are made and subsequently as part of the Group’s regular monitoring of its risks. The results of these analyses are not considered significant to warrant their inclusion in the NFIS for 2022.

Please also note that, subsequent to this NFIS, Redeia publishes a sustainability report which supplements this document; this sustainability report is also subjected to external assurance.

Materiality Study

GRI 3-1, 3-2

In 2022, with a view to making progress in the 2030 Sustainability Commitment and defining its 2023-2025 Sustainability Plan, Redeia updated its Materiality Study for the purpose of identifying relevant issues.

The Materiality Study is based on an analysis of the Group’s sustainability context in order to build an overall picture of the environment in which the organisation operates. This then allows the Group to review sustainability planning for the 2023-2025 period. To define the context, the Group considers all the business activities and the geographical areas where it operates.

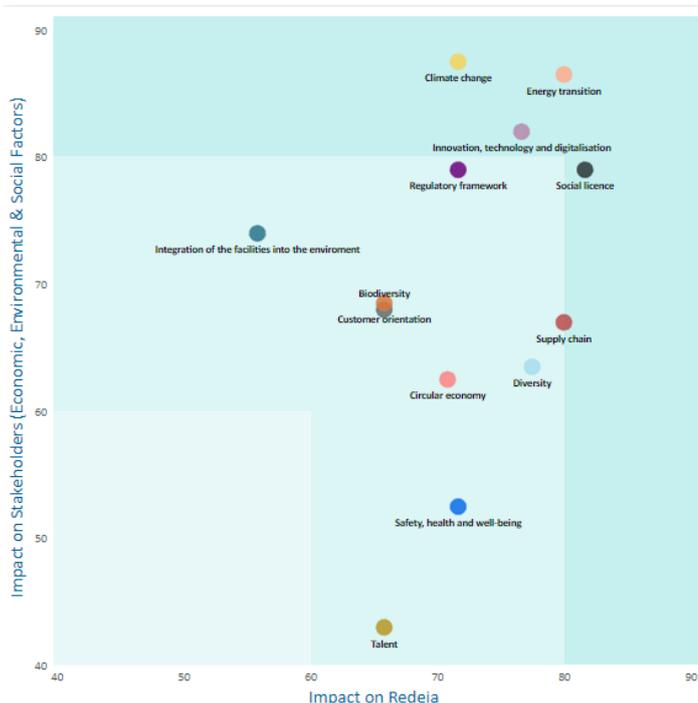
The sustainability context includes: a trend analysis that defines and/or will define the overall sustainability, industry and geographical framework in which the Group carries out its activity; the identification of good practices to ascertain the level of maturity of the Group’s sustainability performance with respect to comparable benchmark companies; and an analysis of internal information to identify the requirements and expectations of stakeholders and other issues of relevance with a view to their incorporation in the commitments and corporate planning. Please note that the Group’s stakeholders were involved in this study in order to gauge their requirements and expectations. In this respect, strategic interviews were conducted with Group management, key technical personnel and representatives of external stakeholders in order to collect knowledge on the challenges, risks and opportunities regarding sustainability from both an internal and external perspective. Specifically, representatives of the following stakeholder groups were involved in the 2022 analysis of the sustainability context: business partners, suppliers, technology research and development centres, social agents and associations, environmental groups, consumer associations and end consumers, rating agencies, the media, industry associations, professional and business bodies and associations, other companies in the sector and competitors.

The methodological approach applied in the 2022 materiality study is based on the concept of double materiality. This concept makes it possible to identify those sustainability matters relevant to Redeia that affect its value proposition, performance, position and growth (“outside-in” perspective) and that have an impact on people, society and the environment (“inside-out” perspective).

The solution provided in this analysis has been designed taking into account the recommendations of the world's leading voices on international sustainability, including most notably the IQNet SR10 Social Responsibility Management System, ISO 26000 Guidance on Social Responsibility, Global Reporting Initiative (GRI), RobecoSAM, SASB (sector materiality map) and AA1000AS Assurance Standard (Materiality principle).

This analysis led to the identification of a total of 13 material issues.

Relevant issue prioritisation matrix



Prioritisation of the issues

Critical	1	Energy transition
	2	Innovation, technology and digitalisation
	3	Social licence *
	4	Climate change
High	5	Regulatory framework *
	6	Supply chain
	7	Diversity
	8	Biodiversity
	9	Customer orientation
	10	Circular economy
	11	Integration of the facilities into the environment *
	12	Safety, health and well-being
	13	Talent

* New material issue compared to the 2019 matrix

It is worth noting that, compared to the previous materiality study carried out in 2019, there are fewer material issues (16 issues in 2019). This shows that the Group has evolved to a higher level of maturity in its sustainability management, which allows it to filter and focus on those issues that are truly relevant to the achievement of its strategic objectives.

Considerations regarding the macroeconomic scenario

As a result of the tensions in recent years between Russia and Ukraine, an armed conflict broke out on 24 February 2022 and is still ongoing at the date of authorising these 2022 annual accounts for issue.

This has led to much uncertainty and significant global economic volatility, in turn resulting in higher prices, revaluation of various currencies against the Euro, disruption of current market conditions, suspension of trade relations with Russia, in some cases a disruption of the supply chain and, ultimately, increased interest rates both within and outside the European Union.

The Company has no direct or indirect commercial relations with Russia or Ukraine, nor does it have investments in investees or assets in either of these countries. Moreover, its financial risk policy ensures that all risks associated with this conflict are identified, analysed, managed and assessed.

The situation brought on by the armed conflict in Ukraine has not had a significant impact on the Company's activity. The Group's management and directors will continue to assess the situation and closely monitor any incidents arising in the infrastructure it manages, as well as trends in other external factors and the impact such factors could have on the financial statements.

11.2 Description of the Group's business model

GRI 2-1, 2-6

Redeia has consolidated itself as a global operator of essential infrastructure, managing electricity transmission networks in Spain and Latin America, and telecommunications networks (satellites and fibre optics).

Red Eléctrica, management and operation of domestic electricity infrastructure

Construction and maintenance of power lines and electricity substations forming part of the transmission network (including international and inter-island interconnections) that match generation with consumption and operation in real time in the Spanish electricity system, guaranteeing continuity of supply and the safe integration of renewable energy.

This also includes the design and construction of storage infrastructure in the Canary Islands, which serves as a tool for the operation of the electricity system to improve the integration of renewable energy and the security of supply on the islands.

Redinter, management and operation of international electricity infrastructure

Construction and operation of energy transmission infrastructure in Peru, Chile and Brazil, and provision of electricity infrastructure maintenance services in Peru.

Reintel and Hispasat, Telecommunications

Satellite communications services for video, data transmission and mobility services through satellites in operation.

Commercial operation of the excess fibre optic network capacity associated with both the electricity transmission network and the rail network, as well as technical spaces for hosting telecommunications equipment in Spain.

Development of new opportunities stemming from the roll-out of 5G networks.

Elewit, innovation and technology

The Group is committed to innovation and technology, based on the acceleration of technological innovation, the generation of competitive advantages and business opportunities to turn the Group into a technological benchmark in the energy transition, the traceability and accessibility of information, as well as the provision of innovation and technological development services to third parties.

2030 Sustainability Commitment

Redeia made a strategic commitment to long-term, enterprise-wide sustainability. In 2017, the Board of Directors approved the Group's 2030 Sustainability Commitment. Through this commitment, Redeia aims to achieve long-term continuity through a business model that is capable of responding to the challenges of the future and putting the principles set out in the Sustainability Policy into practice.

The 2030 Sustainability Commitment is backed by the Board of Directors and the Group's management team, whose message is transmitted to the entire organisation with a view to encouraging a proactive attitude that incorporates sustainability into day-to-day decision-making. It is worth noting the creation of the Sustainability Committee within the Board of Directors in 2018 as a result of the strategic importance of sustainability for Redeia, as set out in the Group's 2021-2025 Strategic Plan. The key role of the Sustainability Steering Committee and the Corporate Division for Sustainability and Studies reinforces the participation of the highest decision-making levels and the involvement of all areas of the Company in the implementation, supervision and monitoring of the 2030 Sustainability Commitment.

In 2019, the Board of Directors approved the Group's 2030 sustainability objectives, which lay out 11 proposals to measure fulfilment of the commitments established in the four sustainability priorities, focusing on those aspects that provide answers to the great global challenges on the horizon for 2030. The objectives, which are defined by the Sustainability Steering Committee and validated by the Sustainability Committee of

the Board of Directors, are aligned with the priorities of the 2030 Sustainability Commitment, the Group's Strategic Plan and the United Nations Sustainable Development Goals (SDGs).

The 2030 Sustainability Commitment is deployed through multi-year plans. The 2020-2022 Sustainability Plan was approved by the Executive Committee in July 2020 following a review by the Sustainability Committee of the Board of Directors. The plan is made up of 17 lines of action aligned with the Group's Strategic Plan and the Sustainable Development Goals (SDGs) and consists of a total of 39 goals, 71 monitoring indicators and 210 actions. The degree of compliance with the plan at year end was 98.5%.

Throughout 2022, Redeia worked on the design of the new 2023-2025 Sustainability Plan. The Plan was approved on 25 October by the Board of Directors, following validation by the Executive Committee, the Sustainability Steering Committee and the Sustainability Committee of the Board, and will come into force on 1 January 2023.

The 2023-2025 Sustainability Plan will increase the Group's ambition and will enable the commitments undertaken by Redeia in its 2021-2025 Strategic Plan (where Sustainability is the strategy that underpins the entire Plan) and in its 2030 Sustainability Commitment, to be implemented and fulfilled, through 14 lines of action, 190 actions and 87 quantitative and strategic objectives.

The preparation of the 2023-2025 Sustainability Plan has made it possible to define mid-term objectives to achieve the goal set for 2030 and, consequently, to redefine and/or specify the 11 existing objectives.

Redeia's 2030 sustainability priorities and targets

DECARBONISATION OF THE ECONOMY	
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.	
Objectives for 2030	1. Reduce scope 1 ² and 2 ³ <u>emissions</u> by 55% and scope 3 ⁴ emissions by 28% with respect to 2019.
	2. <u>Empower society</u> to be actively involved in the energy transition process.
	3. Safely integrate 100% of the renewable energy available in the electricity system: <u>74% renewable energy in electricity generation</u> .
	4. <u>100% sustainable financing</u>
RESPONSIBLE VALUE CHAIN	
Extend our responsibility commitment to all the links in the value chain, from employees to our suppliers and customers, by forging alliances, all underpinned by our model of good governance and integrity.	
Objectives for 2030	5. Have a <u>net positive impact on the natural capital</u> of the area surrounding new facilities
	6. Become a leading company in <u>circular economy</u> : <ul style="list-style-type: none"> • <u>Group</u>: zero landfill waste • <u>Group</u>: 6.5m³ of water consumption per employee per year at workplaces
	7. Drive change in our <u>suppliers</u> . At least 25 supplies with the greatest impact in the transmission network with criteria for circularity (LCA), climate change, security, diversity and biodiversity.
CONTRIBUTION TO THE DEVELOPMENT OF THE LOCAL AREA	
Contribute to economic, environmental and social progress in the local area, by providing an essential service in a safe and efficient way, fostering environmental conservation, enhancing people's quality of life and social well-being and involving communities in the development of our activities so as to generate tangible mutual benefits.	
Objectives for 2030	8. Be a benchmark in <u>gender equality</u> : 50% women on Redeia's Board of Directors and management team in the Group.
	9. Promote the <u>inclusion</u> of collectives at risk of social and workplace exclusion.
	10. Reduce the <u>digital divide</u> : 100% connection rate for people in the areas surrounding our facilities.
ANTICIPATION AND ACTION FOR CHANGE	
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.	
Objectives for 2030	11. Be a benchmark in <u>technological innovation</u> . Adoption of 64 technological solutions in Redeia that provide solutions to the Group's key challenges, contributing tangible and intangible value.

² Scope 1 emissions: direct emissions from sources owned or controlled by the Group (SF6, emissions associated with vehicle fuel combustion, generators and air conditioning).

³ Scope 2 emissions: indirect emissions from electricity consumption (including T&D losses).

⁴ Scope 3 emissions: indirect emissions linked to the Group's operations, arising from sources not controlled by the Group (supply chain, business trips, employee commuting, logistics, waste, etc.).

Stakeholder management model

The aim of Redeia's stakeholder management model (understood as groups that are affected by the Company's activities or services, and which, in turn, through their decisions and opinions can influence Redeia's financial performance, strategic objectives and/or reputation), is to develop a relationship with its stakeholders based on trust and a focus on the creation of shared value.

In designing the management model consideration was given to the provisions of the main stakeholder management regulations and benchmarks, such as AA1000, ISO 26,000, IQNet SR10 and the Global Reporting Initiative, 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 have, or could have, on the Company. This made it possible to orientate the relationship towards the creation of shared value, strengthening the positive impacts and quickly identifying the negative impacts that could affect the relationship, in order to minimise them.

The stages of the management model are identification, segmentation and prioritisation of stakeholders, the definition of the relationship framework and, finally, assessment of the management and the model as a whole.

The Group undertakes an annual programme of perception studies aimed at assessing stakeholders' satisfaction with its performance and ascertaining their requirements and expectations. As well as being a tool to foster dialogue and closer relationships with stakeholders, the studies are also an important driver of continuous improvement for the Group.

In 2020, the review of the stakeholder management model began. The overriding aim of this review is to build an up-to-date and prioritised inventory for each Redeia company, which will serve as the starting point to define new stakeholder relationship frameworks that are tailored to each company and in line with reality. In 2022, progress was made in consolidating the methodology and updating the inventory for the electricity business in Spain (Red Eléctrica).

The stakeholder categories that have been identified for Red Eléctrica are as follows: regulatory bodies and public administration, the economic-financial ecosystem, suppliers, customers, the corporate ecosystem, the social ecosystem and people.

Work will continue in 2023 on the next stages of the project, consolidating the new stakeholder management model through its progressive roll-out at various companies.

11.3 Information on environmental issues

GRI 103-1, 103-2, 103-3

Redeia's commitment to the environment stems from management and is based on environmental policy, which includes an explicit commitment to the prevention of pollution and the precautionary principle. **GRI 2-23** The involvement of all of the organisational units and of all of the Group's employees is essential to the implementation of this commitment.

Red Eléctrica and Red Eléctrica Andina have an Environmental Management System in place (ISO 14001 certified) to facilitate the continuous improvement of their environmental performance. Red Eléctrica also meets the requirements established by the EU Eco-Management and Audit Scheme (EMAS).

The Group companies incurred ordinary expenses of Euros 24.9 million in protecting and improving the environment in 2022 (Euros 23.4 million in 2021), essentially due to the adoption of measures intended for protecting biodiversity, fire prevention, landscape integration, climate change, pollution prevention and eco-innovation projects. As regards the business pertaining to the management and operation of domestic electricity infrastructure (Red Eléctrica), these expenses amounted to Euros 24.4 million (Euros 22.7 million in 2021).

A total of Euros 4.5 million (Euros 3.5 million in 2021) was spent on environmental issues associated with investment projects (including environmental impact studies, environmental oversight of work, and the adoption of preventive, corrective and accompanying measures).

The Company's main environmental impacts are those related to the construction of the electricity transmission network facilities and their physical presence in the area. The Group works to minimise these

impacts, considering the entire life cycle of its facilities and paying special attention to the protection of biodiversity. In view of its role as a leading player in the transition towards a carbon-free energy model, Redeia has taken on board a specific commitment in relation to the fight against climate change. The Group's environmental commitment is based on three pillars: environmental management and the integration of electricity facilities into the environment, the protection of biodiversity and climate change.

11.3.1 Environmental management and integration of electricity facilities into the environment

The main approach for making facilities compatible with the environment is the selection of routes and sites so that the environmental impact is as low as possible. Additionally, the application of preventive and corrective measures and the monitoring of strict environmental criteria make it possible for potential effects on the environment to be reduced significantly. The best tool to guarantee this process is an Environmental Impact Assessment. By law, most of the Group's projects are subject to this procedure. The measures implemented include those carried out during the construction of facilities to minimise land clearing and the impact on vegetation, fauna and the socio-economic environment (infrastructure, crops and archaeological heritage), as well as pollution prevention measures.

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 the necessary measures to enable facilities to be shut down at night, thereby limiting light pollution as much as possible while also achieving significant energy savings.

Thanks to the criteria considered when designing the facilities, the electromagnetic field (EMF) strength is kept within the exposure limits for the general public as per the Official Journal of the European Communities 1999/519/EC.

Lastly, visual impact assessment methodologies and tools have been improved, areas affected by works have been restored and specific landscape integration projects have been undertaken so as to mitigate the visual impact of the facilities.

In addition to the measures aimed at making facilities compatible with the environment, we should highlight the importance to the Group of working towards and making significant headway on the sustainable use of resources. The 2030 sustainability objectives include becoming a leading player in circular economy. The goals to be achieved and the actions to be carried out are enshrined in the Circular Economy Roadmap, which focuses on improvement in various dimensions:

- **Materials:** reduction in raw material consumption, promoting the use of materials that are or can be recycled. This notion includes action related to eco-design, which entails close cooperation with suppliers.

On this front, the "Sustainable Purchasing" project is designed to include circular economy criteria in the purchasing process. In 2022 a Life Cycle Analysis methodology was developed with the suppliers of three major materials, which will build circularity requirements into purchasing decisions and, therefore, result in the acquisition of more sustainable equipment and material. The target for 2025 is to include such criteria into 10 types of supplies.

- **Waste:** actions focused on achieving the target of zero landfill waste by 2030 for the entire Group and zero landfill waste in Red Eléctrica by 2025.

Progress has been made on the "zero landfill waste" project, thanks to the adoption of measures that resulted in 92.7% of all waste generated (hazardous and non-hazardous) (88% in 2021) being recycled (this generic category includes reuse, recycling, composting, anaerobic digestion and regeneration).

- **Land:** measures aimed at minimising the risk of land or groundwater contamination due to hydrocarbon leaks or spills, as well as the cleaning-up of land affected by accidents using sustainable techniques. The following targets have been set for 2025: zero serious accidents in facilities and zero contaminated sites.
- **Water:** seeking solutions to improve efficiency and optimise use with the 2025 target of limiting water consumption per employee to 6.5 m³ in all the Group's places of work.

11.3.2 Protecting biodiversity

GRI 304-1, 304-2, 304-3

Protecting and preserving biodiversity has always been a priority in the environmental management strategy of the Company, which maintains a specific commitment in this realm and has set a target for 2030 to have a positive impact on the natural capital of the area surrounding new facilities.

To meet this ambitious goal, a 2030 biodiversity roadmap has been drawn up based on a natural capital approach (nature versus society), which takes shape in the form of specific steps and goals laid out in the different action plans.

The Company is already working on one of the projects in this roadmap: development of the methodology to quantify Redeia's impacts (positive and negative) on biodiversity, allowing it to measure progress and ensure its 2030 target is met.

The Company manages biodiversity applying the mitigation hierarchy. First and foremost, avoiding areas that are protected or highly biodiverse is fundamental when deciding on the location of facilities (in electricity transmission infrastructure in Spain, only 15.45% of lines and 5.5% of substations are located in protected areas). The second step is to minimise possible repercussions and is achieved through the application of the corresponding preventive and corrective measures, including the restoration of habitats wherever possible. Lastly, any impacts that may arise are compensated through a variety of environmental improvement initiatives and conservation projects, undertaken in collaboration with the government, non-governmental bodies and other entities.

The main effects of the Group's activities on biodiversity can be seen on habitats and species. The former are primarily associated with the impacts on vegetation of felling and pruning to open up firebreaks, while the latter stem from the risk of birds colliding with earth wires. The following actions are noteworthy in this respect:

- Habitat protection and conservation (vegetation).
 - In 2022, Redeia formally and explicitly committed to protecting vegetation and combatting deforestation, both in its own operating activities and those of its supply chain.
 - The Company works intensively on preventing and fighting forest fires, since these pose one of the biggest threats to forest conservation. Aside from the proper maintenance of firebreaks, the Company has strict work and supervision procedures in place to reduce the risk of fire in and around its facilities. It actively and continuously collaborates with the public entities involved in forest management, through formal collaboration agreements (10 in effect in 2022) that include actions and the provision of material for forest fire monitoring, prevention, training and awareness.
 - Despite the application of best prevention and mitigation practices, the elimination of species that are incompatible with safety in the facilities is inevitable in some cases. In such scenarios, although this does not affect deforestation, the Company undertakes to compensate the entire amount of trees removed, through a range of activities aimed at conserving native woodland, such as the reforestation of the degraded areas. In 2022, 14.23 ha of mountainous terrain was reforested and a beech grove spanning 105 ha was restored through reforestation (7.5 ha), forestry work and protective fencing, in the province of Vizcaya. As part of the Redeia Forest project, more than 77,000 trees in an area covering 77.6 ha in the provinces of Avila and Navarra were planted this year, bringing the project's total to 812,972 trees planted in 993 ha since it was launched in 2009.
 - Other habitat conservation projects carried out include the Red Eléctrica Marine Forest project to restore *posidonia oceanica* seagrass, having rehabilitated 2 ha in the bay of Pollença, Mallorca, which is currently in the stage of scientific control and monitoring by the IMEDEA UIB-CSIC.
- Protection and conservation of birdlife:
 - After selecting the best route, the main measure implemented to reduce the risk of birds colliding with ground wires is to use bird-saving devices. Thanks to the "Birds and power lines: Mapping of bird flight paths" project, Red Eléctrica has identified the top-priority areas (where the risk is highest) and is making progress towards installing bird-saving devices on the lines therein, with the aim of reaching 100% coverage by 2025, having installed them for 70.1% of critical priority lines in 2022.

- The Company 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 electricity lines, thus helping to compensate for impacts that cannot be prevented or mitigated. In 2022, over 10 initiatives were underway to protect the following: in Spain, the Spanish imperial eagle (in the Doñana natural reserve), the Bonelli's eagle (on the island of Mallorca together with Fundación Natura Parc and in Valencia with Universidad de Valencia), the golden eagle (in the areas of Caparros and Cadreita alongside the Navarra Regional Government), the lesser kestrel (with the Valencia Regional Government in the Meca-Mugrón-San Benito, Els Alforins and Moratillas-Almela, Villena areas for special protection of birds (ZEPAs per the Spanish acronym)), the Egyptian vulture (together with the Extremadura Regional Government), and the osprey (in the Barbate reservoir alongside Fundación Migres), and in Chile, the black tern. There is also an ongoing collaboration with Universidad Autónoma de Barcelona to assess the potential of the electricity transmission network as regards the infrastructure's capacity for boosting and generating biodiversity in firebreaks thanks to sustainable treatment of the vegetation.

11.3.3 Climate change

GRI 305-5

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. Taking on this role, in 2011 the Company decided to formalise a voluntary commitment in the fight against climate change, which is reflected in the goals to reduce emissions and the Climate Change Action Plan, which were both updated in 2021 to bring them into line with the global mission to limit the rise in average temperature to no more than 1.5°C.

Redeia's targets were validated by the Science Based Targets (SBTi) in 2022:

- Reduction in scope 1 and 2 emissions of 55% by 2030 with respect to 2019.
- Reduction in scope 3 emissions of 28% by 2030 with respect to 2019.
- Suppliers that account for 2/3 of supply chain emissions must have science-based targets in place within five years.

These targets are in keeping with the Group's commitment to achieving net-zero carbon emissions by 2050 in accordance with the SBTi criteria (commitment currently being evaluated by the initiative).

The Company has also set an objective of offsetting 100% of its scope 1 emissions from 2023 onwards.

The Climate Change Action Plan covers the following lines of action:

- Contribution to a more sustainable energy model, taking the necessary actions to achieve the objectives of the National Energy and Climate Plan (NECP) for 2030:
 - Ongoing investor involvement to develop a robust, intelligent and interconnected transmission network that enables the electrification and connection of new renewable energy capacity.
 - Maximum integration of renewables by optimising the operation of the electricity system, the use of artificial intelligence as a decision-making and predictive tool, the integration of more evenly-distributed generation and the development of storage systems.
 - Furthering efficient network management by encouraging technological innovation, incorporating new elements and services and applying new flexibility measures.
- Reduction in greenhouse gas emissions resulting from the Group's activities. The main measures implemented apply to the following areas of action:
 - Reduction in SF6 emissions through the control and reduction of leaks, the renewal of switchgear equipment and the establishment of measures to limit the growth of installed gas, including the increased use of alternatives to gas.
 - Reduction in energy consumption and the associated emissions: increased use of renewable sources, the development of energy-efficiency measures and more sustainable mobility initiatives.

- Reduction in the emissions associated with the supply chain:
 - ◆ Roll-out of collaboration programmes with suppliers aimed at setting reduction targets in line with the SBTi.
 - ◆ The incorporation of sustainability criteria into procurement decisions, prioritising more sustainable supplies and promoting changes that make the reduction of emissions possible.
- Offsetting of emissions to make progress towards the Group's carbon neutrality, primarily through the Redeia Forest project and the purchase of carbon credits in the voluntary market.
- Positioning and outreach: ensuring all stakeholders are involved in Redeia's commitment, disseminating knowledge and providing complete and transparent information on the electricity system and its role in the energy transition, as well as on various energy efficiency measures.
- Adaptation: in order to address both the inevitable physical changes in the climate parameters, as well as the social, economic and regulatory changes associated with the fight against climate change, the Company regularly identifies and evaluates the risks and opportunities arising from climate change and applies various measures defined within the framework of this analysis. As per the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the financial impacts of the relevant risks and opportunities are quantified, considering different physical and transition scenarios. Details of the TCFD recommendations are provided in note 4 of the consolidated directors' report.

11.3.4 Non-financial indicators

GRI 302-1, 302-2, 303-1, 305-1, 305-2

	2022	2021	Δ%
Direct greenhouse gas emissions (scope 1) (tCO ₂ eq.) ^{*(1)}	20,542	24,257	-15.31
Indirect greenhouse gas emissions (scope 2) (tCO ₂ eq.) ^{*(2)}	727,214	646,531	12.48
Electricity consumption (MWh) ^{*(3)}	20,604	19,770	4.2
Fuel consumption (MWh) ^{*(4)}	10,473	11,015	-4.9
Consumption of energy from renewable sources as a percentage of total energy consumption (%) ^{*(1)(5)}	61	52	18.1
Water consumption (m ³) ^{*(6)}	36,069	34,894	3.36
Hazardous waste (kg) ^{*(7)}	781,169	584,894	18.47
Non-hazardous waste (kg) ^{*(7)}	755,189	696,535	8.4
Recycled waste (%) ^{*(8)}	92.7	88	5.35
Number of environmental accidents ^{**⁽⁹⁾}	5	8	-37.5
	681.2	562.5	10.6
Lines with bird-saving devices installed in critical priority areas (accumulated kilometres at the end of each year) ^{***⁽¹⁰⁾}	(70.1% of the total to be installed)	(71.1% of the total to be installed)	

* Indicators that include information for all Group companies.

** Scope: Red Eléctrica de España SAU, Red Eléctrica Corporación SA, Red Eléctrica Andina SA, Red Eléctrica de Chile SpA.

*** Scope: Red Eléctrica de España SAU

- (1) There has been a significant change in methodology (updating the SF6 GWP to the values of the Fifth IPCC Report) with respect to the historical series. Accordingly, the direct emissions figure for 2021 has been recalculated to facilitate its comparability with the figure for 2022.
- (2) The increase in emissions is due to the increase in the emission factor of the electricity mix in Spain (average factor 0.163 tCO₂eq/MWh compared with 0.14 tCO₂eq/MWh in 2021), mainly because of the low level of hydropower and the rise in combined cycle generation (53% higher than in 2021) and coal-fired generation (56% higher than in 2021).
- (3) Most of the energy supply contracts managed by the Company are for green energy or offer guarantees of the renewable origin of the energy, which represents 92.2% of the electricity consumed in 2022 (the remaining consumption corresponds to workplaces that are leased, or workplaces that do not have electrical hook-ups and therefore receive their supply from the transmission network).
- (4) Fuel consumption of fleet vehicles, generators and heating.
- (5) Includes renewable energy as a percentage of total energy consumed (electricity and fuels). It does not include the percentage of renewable energy corresponding to the energy mix of each country (only that acquired contractually) or the percentage of biofuel contained in vehicle fuels.
- (6) The data has a coverage of 99.4% in terms of personnel, including collaborators. The water consumed comes from the municipal supply network (61.05%), wells (36.17%) and cisterns (2.78%). In some centres there are reservoirs for the accumulation of rainwater for sanitary use, fire prevention and irrigation. The reservoirs do not have mechanisms to record the stored water so it is not possible to calculate the percentage usage of rainwater. While water is not a material issue for Redeia, the decision was made to disclose information in this respect and to seek assurance thereon, as it is nonetheless an aspect required by some sustainability indices.
- (7) Redeia's waste generation is associated with the maintenance and construction of the facilities, work required to maintain the assets in the best possible conditions. The nature of these activities makes it very difficult 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.
- (8) % of waste generated (hazardous and non-hazardous) that has been recycled (this generic category includes reuse, recycling, composting, anaerobic digestion and regeneration).
- (9) Relevant accidents are considered to be those categorised as significant, severe or major in the internal classification (level 3 accidents and above on a scale of 1 to 5). They do not include birds striking equipment.
- (10) The total % of km marked in critical priority areas is reduced due to the update of the flight paths project: 1) New focal species have been incorporated (rising from 46 to 52), which means an increase in the area with the presence of focal species and 2) there have been changes in the distribution of some of these species, either because they appear recorded in new territories, or because more precise information is available than in the previous edition of the project. This has led to an increase in the number of km of lines located in critical priority areas and, consequently, in the lines where the devices are to be installed.

11.4 Information on labour and employee-related issues

GRI 103-1, 103-2, 103-3

Our people

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, focusing on the employee's experience.

Compliance with these principles contributes to achieving the organisation's purpose and strategic objectives, in keeping with the values, principles and behaviour guidelines established in the organisation's Code of Ethics and Conduct.

Furthermore, the regulations in force include standards for the execution of processes and activities concerning human capital that are applicable to the different Redeia companies, notably those related to diversity management, the digital disconnection protocol and the organisation's technical procedures for safety in construction and maintenance work.

Redeia is fully committed to the professional development of its personnel and to maintaining their internal employability during their tenure, through integration, development and mobility programmes.

To this end, in 2022 work continued on the sustainable management model of diverse and committed talent, an essential part of the People and Culture Department's Operational Plan, which uses a systematic approach to attract, discover, develop, train, transform and retain talent and exchange knowledge. Through the deployment of the following six lines of action, the model pursues excellence in these processes, thus ensuring that the Company retains a foremost position both at home and abroad:

- Attraction
- Learning
- Development
- Knowledge Management
- Differentiation
- Transformative Leadership

Supported by digitalisation, technology, innovation, sustainability and diversity, Redeia seeks to become a leader in the transformation of talent and corporate culture while involving society in the organisation's challenges, fostering actions that galvanise, motivate and inspire within the Company and beyond.

This transformation is evidenced through the Leadership Model and the Skills Model, which outline Redeia's desired way of working.

On this front, in 2022 efforts were made to:

- Position leaders as model agents of transformation and develop self-leadership habits in people that promote responsibility, self-management and self-learning through the 360° assessment and the associated programmes, which seek to develop their role as leaders.
- Plan talent needs, identifying new profiles and positions, considering diversity and inclusion as a competitive advantage that brings opportunities and benefits to the organisation and society, through the creation of specific programmes for the new profiles identified (Talentia for employees with management potential, managers and data analysts, among others).
- Develop the organisation's talent, promoting internal mobility and training people for them to maintain employability in the current environment of change through an adapted and distinct proposal of initiatives that enable employees to manage their own development, and committing leaders to the their teams' achievements. To this end, the new Redeia Skills Model has been implemented, which aligns growth with the Company's objectives.

- The implementation of the Development Recommendations, which include internal mobility through temporary work stays, vacancy-filling and international mobility, or assignment to projects and training actions in different modalities so that employees can work autonomously or accompanied on the skills chosen in each case as a response to the Skills Model.

The efficiency and effectiveness of the people management processes deployed to adapt Redeia's human capital to the challenges posed by the transformation in which the Company is immersed to achieve the objectives set out in the 2022-2025 Strategic Plan are continuously monitored through key indicators, thus enabling the Company to marry its short-term objectives with its long-term goals and driving improvements in the processes.

Details of the key indicators for people management in 2022 and 2021 are as follows:

	2022	2021	Δ%
Total headcount	2,420	2,117	14.3
Women (%)	27.9	26.7	4.5
Men (%)	72.1	73.3	-1.6
Women in management positions (%)	35.3	34.1	3.5
People with disabilities (%)	0.8	0.9	-0.1
Net job creation (no. of positions)	70	66	6.1
Average age	45.3	45.9	-1.3
Average length of service (years)	14.5	15.8	-8.2
Overall turnover (%)	6.0	4.9	22.2
Internal movement (%)	5.8	12.1	-52.1
Permanent contracts (%)	99.2	98.6	0.6
Management team as % of total headcount	7.6	7.7	-1.3
Pay gap	8.1	6.5	24.6
Training hours per employee	36	65	-44.1
Average investment in training per employee (€)	1,517	2,407	-37.0
Accident frequency rate	1.30	1.98	-34.3
Accident severity rate	0.06	1.33	-95.5

a) Employment

At the end of 2022, Redeia's workforce consisted of 2,420 professionals. Of these, 82.9% (2,007 employees) work in Europe, 16.9% in the Americas (410 employees) and 0.1% in Africa (3 employees). Staff enjoy stable, high-quality employment (99.2% of staff are on a permanent contract), with the focus on employability and functional mobility as a lever for growth and professional development (5.8% moved internally in 2022).

Our commitment to stable, high-quality employment is also reflected in our low unwanted external turnover (3.1%) and the average length of service of our employees (14.5 years).

In 2022 Redeia's workforce grew by 14.3%, of which 77% stemmed from the 233 Axess Networks employees joining Hispasat following the acquisition of said company, a prestigious ground stations operator and provider of satellite services with a presence in Latin America, Europe, the Middle East and Africa. The incorporation of this new company has not implied any type of reorganisation of the organisational structure or of the personnel, as there are no overlapping functions. As a result, its entire workforce has been maintained and integrated into Redeia.

Structure of the workforce by country where Redeia is present **GRI 2-7:**

2022	Women			Men			Total
	Germany	Under 30	30 to 50	Over 50	Under 30	30 to 50	
Management team	0	0	0	0	1	4	5
Technicians	0	0	0	0	4	4	8
Administrative personnel	1	4	3	0	1	2	11
Total	1	4	3	0	6	10	24

2022	Women			Men			Total
	Argentina	Under 30	30 to 50	Over 50	Under 30	30 to 50	
Management team	-	-	-	-	-	-	-
Technicians	-	-	-	1	2	-	3
Administrative personnel	-	-	-	-	-	-	-
Total	-	-	-	1	2	-	3

2022	Women			Men			Total
	Belgium	Under 30	30 to 50	Over 50	Under 30	30 to 50	
Management team	-	-	-	-	-	1	1
Technicians	-	-	-	-	-	-	-
Administrative personnel	-	-	-	-	-	-	-
Total	-	-	-	-	-	1	1

2022	Women			Men			Total
	Brazil	Under 30	30 to 50	Over 50	Under 30	30 to 50	
Management team	-	1	-	-	1	1	3
Technicians	-	9	3	2	12	7	33
Administrative personnel	6	2	1	4	5	3	21
Total	6	12	4	6	18	11	57

2022	Women			Men			Total
	Chile	Under 30	30 to 50	Over 50	Under 30	30 to 50	
Management team	-	-	-	-	5	-	5
Technicians	1	5	-	1	19	3	29
Administrative personnel	-	4	-	-	2	1	7
Total	1	9	-	1	26	4	41

2022	Women			Men			Total
	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Colombia							
Management team	-	4	1	-	6	-	11
Technicians	1	17	-	19	46	-	83
Administrative personnel	10	16	1	2	11	-	40
Total	11	37	2	21	63	-	134

2022	Women			Men			Total
	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Ecuador							
Management team	-	-	-	-	-	-	-
Technicians	-	1	-	-	2	-	3
Administrative personnel	-	1	-	-	1	-	2
Total	-	2	-	-	3	-	5

2022	Women			Men			Total
	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Spain							
Management team	-	37	20	-	39	53	149
Technicians	43	252	93	44	851	434	1717
Administrative personnel	-	21	61	-	-	20	102
Total	43	310	174	44	890	507	1968

2022	Women			Men			Total
	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
UK							
Management team	-	1	-	-	-	-	1
Technicians	-	-	1	-	2	-	3
Administrative personnel	-	-	-	-	-	1	1
Total	-	1	1	-	2	1	5

2022	Women			Men			Total
	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Greece							
Management team	-	-	1	-	-	-	1
Technicians	-	1	-	-	2	-	3
Administrative personnel	1	1	-	-	-	-	2
Total	1	2	1	-	2	-	6

2022	Women			Men			Total
Luxembourg	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	-	-	-
Technicians	-	-	1	-	-	-	1
Administrative personnel	-	-	-	-	-	-	-
Total	-	-	1	-	-	-	1

2022	Women			Men			Total
Mexico	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	-	1	1
Technicians	-	2	-	1	3	1	7
Administrative personnel	1	7	-	3	11	-	22
Total	1	9	-	4	14	2	30

2022	Women			Men			Total
Netherlands	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	-	-	-
Technicians	-	-	1	-	1	-	2
Administrative personnel	-	-	-	-	-	-	-
Total	-	-	1	-	1	-	2

2022	Women			Men			Total
Peru	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	3	4	7
Technicians	1	24	1	3	98	9	111
Administrative personnel	-	10	1	1	8	2	22
Total	1	34	2	4	85	14	140

2022	Women			Men			Total
Senegal	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	-	-	-
Technicians	-	-	-	-	-	-	-
Administrative personnel	-	-	-	-	1	-	1
Total	-	-	-	-	1	-	1

2022	Women			Men			Total
South Africa	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	-	-	-
Technicians	-	-	-	-	-	1	1
Administrative personnel	-	-	-	-	-	1	1
Total	-	-	-	-	-	2	2

The information for 2021⁵ is as follows:

2021	Women			Men			Total
Germany	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	-	-	-
Technicians	-	-	-	-	-	-	-
Administrative personnel	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

2021	Women			Men			Total
Argentina	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	-	-	-
Technicians	-	1	-	-	1	-	2
Administrative personnel	-	-	-	1	-	-	1
Total	-	1	-	1	1	-	3

2021	Women			Men			Total
Belgium	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	-	-	-
Technicians	-	-	-	-	-	-	-
Administrative personnel	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

2021	Women			Men			Total
Brazil	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	1	-	-	1	1	3
Technicians	4	4	3	1	11	4	27
Administrative personnel	3	3	1	5	5	4	21
Total	7	8	4	6	17	9	51

⁵ Redeia had no workforce in the following countries in 2021: Germany, Belgium, Ecuador, UK, Greece, Senegal and South Africa.

2021	Women			Men			Total
Chile	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	4	-	4
Technicians	-	5	-	2	17	2	26
Administrative personnel	-	1	-	-	-	-	1
Total	-	6	-	2	21	2	31

2021	Women			Men			Total
Colombia	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	-	-	-
Technicians	-	-	-	-	1	-	1
Administrative personnel	-	-	-	-	-	-	-
Total	-	-	-	-	1	-	1

2021	Women			Men			Total
Ecuador	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	-	-	-
Technicians	-	-	-	-	-	-	-
Administrative personnel	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

2021	Women			Men			Total
Spain	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	34	21	-	43	53	151
Technicians	36	246	75	46	837	411	1,651
Administrative personnel	-	28	65	-	1	21	115
Total	36	308	161	46	881	485	1,917

2021	Women			Men			Total
UK	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	-	-	-
Technicians	-	-	-	-	-	-	-
Administrative personnel	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

2021	Women			Men			Total
Greece	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	-	-	-
Technicians	-	-	-	-	-	-	-
Administrative personnel	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

2021	Women			Men			Total
Luxembourg	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	-	-	-
Technicians	-	-	1	-	-	-	1
Administrative personnel	-	-	-	-	-	-	-
Total	-	-	1	-	-	-	1

2021	Women			Men			Total
Mexico	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	-	-	-
Technicians	-	-	-	-	1	-	1
Administrative personnel	-	-	-	-	-	-	-
Total	-	-	-	-	1	-	1

2021	Women			Men			Total
Netherlands	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	-	-	-
Technicians	-	-	-	-	-	-	-
Administrative personnel	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

2021	Women			Men			Total
Peru	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	2	4	6
Technicians	-	29	1	1	62	6	99
Administrative personnel	-	3	-	1	3	-	7
Total	-	32	1	2	67	10	112

2021	Women			Men			Total
Senegal	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	-	-	-
Technicians	-	-	-	-	-	-	-
Administrative personnel	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

2021	Women			Men			Total
South Africa	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	
Management team	-	-	-	-	-	-	-
Technicians	-	-	-	-	-	-	-
Administrative personnel	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

Details of Redeia's total workforce in 2022 and 2021 by age, gender and professional category are as follows:

Age	2022	2021
Under 30	146	100
30 to 50	1,533	1,344
Over 50	741	673
Total	2,420	2,117

Gender	2022	2021
Women	674	565
Men	1,746	1,552
Total	2,420	2,117

Professional category	2022	2021
Management team	184	164
Technicians	2,004	1,808
Administrative personnel	232	145
Total	2,420	2,117

Workforce by contract type:

Age	Permanent contracts		Temporary contracts	
	2022	2021	2022	2021
Under 30	132	82	14	18
30 to 50	1,529	1,333	4	11
Over 50	740	672	1	1
Total	2,401	2,087	19	30

Gender	Permanent contracts		Temporary contracts	
	2022	2021	2022	2021
Women	667	555	7	10
Men	1,734	1,532	12	20
Total	2,401	2,087	19	30

Professional category	Permanent contracts		Temporary contracts	
	2022	2021	2022	2021
Management team	184	164	-	-
Technicians	1,986	1,778	18	30
Administrative personnel	231	145	1	-
Total	2,401	2,087	19	30

Details of the average number of permanent and temporary contracts by gender, professional category and age range in 2022, and a comparison with the previous year, are shown below:

Gender	2022		2021	
	Average permanent contracts	Average temporary contracts	Average permanent contracts	Average temporary contracts
Women	603.70	6.34	542.85	9.78
Men	1,629.15	4.19	1,503.01	19.62

Professional category	2022		2021	
	Average permanent contracts	Average temporary contracts	Average permanent contracts	Average temporary contracts
Management team	168.14	-	162.40	-
Technicians	1,699.70	15.41	1,737.26	29.31
Administrative personnel	365.62	1.58	146.28	-

Age	2022		2021	
	Average permanent contracts	Average temporary contracts	Average permanent contracts	Average temporary contracts
Under 30	129.07	13.7	91.18	20.02
30 to 50	1,463.74	3.8	1,368.53	11.29
Over 50	639.26	0.9	583.35	0.87

In 2022 and 2021, the workforce did not include any part-time personnel.

Details of dismissals⁶ in the year

Age	2022	2021
Under 30	-	-
30 to 50	10	6
Over 50	4	3
Total	14	9

Gender	2022	2021
Women	6	3
Men	8	6
Total	14	9

Professional category	2022	2021
Management team	2	4
Technicians	9	5
Administrative personnel	3	-
Total	14	9

There have been no collective redundancies. All dismissals were on an individual basis. Furthermore, none of the individual dismissals that took place in 2022 are related to internal reorganisation, changes in the organisational structure or overlapping areas or functions and are instead due mainly to employment breaches.

⁶ Information pertaining to Group employees: including employees who have an employment relationship with a Group company under the provisions of Article 1 of the Workers' Statute, and excluding those engaged under a service contract.

Remuneration

Redeia continues to implement the general principles of its remuneration model in all companies, which reflect the following common tenets:

- Internal fairness and external competitiveness.
- Consistency with the organisational and development model.
- Opportunity for salary progression.
- Differentiating recognition of superior performance.
- Equal pay between men and women.

Redeia has a flexible remuneration system that can be configured to provide personalised employee remuneration, offering its personnel products such as health insurance, training, life insurance, travel cards, lunch-eon vouchers and childcare vouchers, as well as Red Eléctrica Corporación, S.A. stock option programmes.

Remuneration model

<p>Non-management personnel</p>	<p>Comprises a fixed portion with broad pay bands that enable wage differentiation and a variable portion or extraordinary bonus that allows for outstanding contributions to be recognised. Moreover, the model includes non-monetary items that can be configured to provide personalised employee remuneration in kind.</p> <p>The Company also offers its professionals benefits beyond what is required by law.</p>
<p>Management team</p>	<p>Includes a fixed element and a variable annual element which considers the contribution made to the achievement of individual objectives, the Company's overall targets, and leadership goals, linking the variable remuneration to the management leadership model. Long-term variable remuneration is also available to the management team at the level of director and above, the purpose of which is to maximise motivation and commitment to achieving the Strategic Plan and to develop leaders.</p>

Redeia therefore continues to make progress with the “total remuneration” model, which consists of different elements (economic, financial, intangible and emotional), and which enables and supports new ways of working and the organisational and cultural transformation of Redeia.

This approach includes recognition programmes linked to the development of innovative and efficient ideas, as well as revenue generation, in order to encourage the participation of professionals.

In 2022 work began on the identification of the positions that are key and considered critical for the Company, either due to their criticality for the organisation or because they are difficult to fill. This work has enabled progress to be made towards adjusted remuneration models that seek to positively differentiate this special characteristic of the position through compensation, without losing the perspective of internal fairness and external competitiveness.

Details of the average remuneration

When calculating the average remuneration, all elements of employee remuneration are included, as follows:

- Fixed remuneration.
- Annual variable remuneration.
- Remuneration in kind.
- Personal supplements.
- Job-related supplements.
- Expatriate supplements.
- Benefits.

- Indemnities.
- Payments into long-term savings schemes.
- Long-term variable remuneration.
- Overtime.
- Allowances.

Details of the average remuneration of Redeia's workforce for 2022 (in Euros) **GRI 405-2:**

Average total salary for 2022	Women			Men			Average total for women	Average total for men	Average total
	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50			
Management team	-	114,484	204,962	-	141,221	182,466	145,107	162,364	156,268
Technicians	36,840	51,906	64,934	30,443	53,115	66,176	52,680	55,695	55,009
Administrative personnel	14,316	27,703	43,158	17,175	21,735	52,914	31,527	31,175	31,406
Total	29,600	54,671	74,890	27,947	56,761	78,742	56,829	61,842	60,447

The information for 2021 is as follows:

Average total salary for 2021	Women			Men			Average total for women	Average total for men	Average total
	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50			
Management team	-	121,878	197,368	-	137,814	175,826	143,839	155,576	151,591
Technicians	35,346	53,879	62,990	35,815	54,854	68,319	53,349	57,716	56,738
Administrative personnel	12,387	37,644	44,421	16,830	31,065	48,927	40,517	38,398	39,928
Total	33,471	59,219	70,364	33,832	59,200	79,195	59,807	63,973	62,862

Redeia rewards its professionals under principles of 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, 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.

We continue to promote transparency and follow market recommendations and best practices by including all elements of remuneration and all amounts received by employees when calculating the gross pay gap (including allowances, overtime and supplements for expatriate assignments) **GRI 405-2.**

From 2022 onwards, the calculation of the pay gap will be modified to bring it into line with international standards. The calculation formula will be as follows:

$$\frac{\text{Average salary for men} - \text{Average salary for women}}{\text{Average salary for men}}$$

The gross pay gap⁷ in 2022 and 2021 is shown in the following table:

	2022	2021
Gross pay gap (previous calculation) ⁸	8.82%	6.96%

	2022	2021
Gross pay gap (new calculation) without Axess	5.16%	6.51%
Gross pay gap (new calculation) with Axess	8.11%	6.51%

The gross pay gap increased by 1.6 points compared to the previous year, due to a higher presence of men in the management staff of Axess Networks, acquired by Hispasat in 2022.

Please note that if this company had been excluded from the calculation, the gross pay gap for this year would have been 5.16%, i.e. 20.7% lower, which is the result of the efforts to actively monitor equal pay between men and women.

In 2023, actions will be carried out that contribute to maintaining Redeia's commitment to reducing the pay gap.

Since its entry into force in 2020, with the implementation of RD Law 902/2020 on equal pay between women and men, the Company has been maintaining an annual pay register, which is available to the workers' representatives and which has also enabled the implementation of certain improvements identified, including actively managing its systems to ensure that pay information is correctly updated and continuously reviewing whether employees are adequately segmented.

Over the coming years, Redeia will continue working to develop initiatives that enable it to make further progress in improving these values.

Details of the average remuneration in 2022 and 2021 by gender and age are as follows:

Gender	2022	2021
Women	56,829	59,807
Men	61,842	63,973
Total	60,447	62,862

Age	2022	2021
Under 30	28,698	33,679
30 to 50	56,194	59,205
Over 50	77,790	77,083
Total	60,447	62,862

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 26 to the consolidated annual accounts.

⁷ The percentage corresponding to 2021 has been recalculated using the new formula for comparative purposes.

⁸ Previous calculation formula: (average salary for men – average salary for women) / average salary for women

In 2022 total remuneration accrued by senior management personnel amounted to Euros 3,174 thousand and is recognised as personnel expenses in the consolidated income statement. In 2021, total remuneration accrued by senior management personnel amounted to Euros 3,103 thousand. These amounts include the accrual of variable annual remuneration, on the assumption that the objectives set each year will be met. After the fulfilment of these objectives has been assessed, the variable remuneration, adjusted to the actual fulfilment rate, is paid in the first few months of the following year.

Implementation of policies on disconnecting from work

Redeia is aware that the digital transformation includes more flexible work organisation models, which can lead to situations where the boundaries of working hours are blurred, creating situations that interfere with employees enjoying their personal lives.

Article 88, the Right to Digital Disconnection from the Working Environment, of the Spanish Data Protection and Digital Rights Act (Organic Law 3/2018 of 5 December 2018), includes an obligation for companies to meet with workers' representatives and draft 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 digital disconnection, in 2021 the Digital Disconnection Protocol came into force, which defines the ways of exercising this right, and the training and awareness-raising actions to be carried out on the reasonable use of technological tools. This protocol, together with the flexible working hours available to our employees, means that employees can enjoy a balance between their personal and professional lives.

b) Organisation of working time

The actual effective working day established for employees complies with legal standards of minimum required rights and with the conventional framework applicable at the corresponding Group company.

A real and effective timetable of 1,690 hours per annum is established for 85% of the workforce. This is distributed according to the circumstances at each work centre, with a basic 7-hour day schedule on every working day of the year, and flexible starting and finishing times.

Furthermore, in 2022 office employees were able to work remotely part of the time, with the possibility of working from home in the afternoon.

Number of hours of absenteeism

The number of working hours lost due to common illness or occupational accident are shown in the table below:

	2022		
	Men	Women	TOTAL
Hours lost due to occupational accidents	1,731	473	2,204
Hours lost due to common illness	72,103	36,389	108,492
Hours lost due to health and safety	73,834	36,862	110,696

No hours have been lost due to occupational accidents at Hispasat or at the Latin American companies.

Hours of absence due to occupational accidents include occupational accidents + commuting accidents

Hours lost due to common illness: Sum of days of temporary disability due to common illness + illness < 3 days

Hours lost due to health and safety: Sum of days of common temporary disability + illness < 3 days + commuting accidents

When calculating this data, the number of calendar days of absence was multiplied by 5.20, which is the coefficient deemed appropriate to take into account all days of absence without considering whether they are working days or not in order to make them equivalent to the number of days actually lost.

Information on Redeia companies in 2021 is as follows:

	2021		
	Men	Women	TOTAL
Hours lost due to occupational accidents	2,148	250	2,398
Hours lost due to common illness	63,720	30,165	93,885
Hours lost due to health and safety	65,868	30,415	96,283

The number of hours lost due to common illness is 1,071.2 hours in Peru and 171.6 in Chile

For the Group as a whole, 87,656 hours were lost due to common illness. Zero hours were lost due to occupational accidents in Hispasat and the Latin American companies.

Hours of absence due to occupational accidents include occupational accidents + commuting accidents

Hours lost due to common illness: Sum of days of temporary disability due to common illness + illness < 3 days

Hours lost due to health and safety: Sum of days of common temporary disability + illness < 3 days + commuting accidents

Management of work-life balance

GRI 401-2

In keeping with the 3rd Comprehensive Work-Life Balance Plan 2018-2021, 2022 was characterised by the achievement of the objectives identified for the year, with 90% achievement of these objectives. Of particular note was the work-life balance survey, with 51.21% of the workforce completing it, which evaluated people's perception of the work-life balance management model and existing measures.

The work-life balance management model is also one of the fundamental pillars of the Healthy Organisation model and the Diversity model and includes over 70 work-life balance measures with associated actions. The vast majority of the measures included in the scope of the model are applicable to all companies and are divided into the following blocks:

- Leadership and management styles.
- Quality of employment.
- Flexible working time and workplace.
- Family support.
- Personal and professional development.
- Equal opportunities.

Redeia shares its experience as an expert in the Observatorio para el desarrollo de la conciliación y la corresponsabilidad [Observatory for the development of work-life balance and co-responsibility], led by Universidad Pontificia de Comillas (ICADE-ICAI). The aim of this observatory is to undertake applied, high quality, interdisciplinary research so as to offer companies and institutions relevant information and reliable data that have been contrasted against international standards, enabling other organisations to fashion their work-life balance policies based on specific and contrasted sector studies.

Health and safety

GRI 403-4, 403-8, 403-10, 404-1, 404-2

Through the commitment and leadership of the management team, Redeia promotes best practices in safety, health and well-being. Its healthy company management model has evolved with the new AENOR standard towards a healthy organisation model and is aligned with the Strategic Plan, the People Department's Operational Plan and Redeia's 2030 Sustainability Commitment.

Within this framework, the healthy organisation model revolves around four main lines of action:

- Workplace health and safety: providing all the means necessary in order to perform our professional duties in the best possible safety conditions.
- Commitment to the community: through actions performed by the Company that have an impact on improving the health and well-being of its employees' families and the communities in which it operates.

- **Lifestyles:** providing the workforce with tools to improve their physical and mental health, contributing to their well-being and quality of life.
- **Culture focused on well-being:** implementing management and work organisation tools and resources that favour the physical and psychosocial well-being of workers.

The model is deployed through annual programmes that aim to facilitate the model's continuity through continuous improvement and to consolidate Redeia as a leader in best practices for health, safety and well-being, and an advocate of preventive monitoring and good health.

Redeia has a strategy and a specific action plan that promotes best practices in relation to occupational risk during activities and work carried out at its facilities. The objective is to go beyond mere legal compliance, by training, informing and raising awareness about the obligations and responsibilities that exist and to engage the whole organisation to achieve this goal.

In this context, higher risk tasks and activities are monitored on an ongoing basis by means of safety inspection programmes, as well as improved supplier qualification requirements, which are essential to achieving the high levels of safety required.

Accordingly, in 2022 11,740 safety inspections were carried out on works and facilities (11,004 in 2021) 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 1,450 corrective actions were required, of which 89% were resolved while the rest are in the process of being resolved.

To minimise the risks associated with construction and maintenance tasks at electricity facilities, the Group places special emphasis on training, awareness, consultation and participation (through the Health & Safety Committee, internal audits and working groups), improving safe conduct and the safety measures employed while work is being carried out by internal and external (contractors) personnel. In recent years, several initiatives aimed at reducing accidents during the works execution phases have been implemented.

In 2022 the initiatives set out in the 2020-2023 Health and Safety Action Plan have been undertaken, aimed at addressing the strategic challenge of being a Zero Accidents group. Two main lines of work have been established:

- **Culture of Prevention:** to instil a culture of prevention focused on the well-being of the people working at the facilities, promoting a safe working environment, strengthening the communication of all the aspects that contribute to increased safety when performing an activity.
- **Innovation:** focusing on innovation as a driver of digital transformation in the field of occupational safety. We manage innovation in health and safety, putting technology to work for people.

As part of the main objective to improve the incorporation of risk prevention in Redeia's processes and culture, with the aim of achieving the "zero accidents" objective, in 2022 two major actions took place relating to the organisational model of prevention and the improvement of communication and awareness of people. Testament to this is the reduction in the overall accident rate indicators, which include both own staff (severity index: 0.06) and contractors (severity index: 0.39), with the values for 2022 being the lowest in the entire statistics series.

On the one hand, the organisation has reviewed the occupational risk prevention model to adapt it to the new structure and size of the Company and, on the other hand, in order to meet the challenges of incorporating sustainability into the strategic plan, an exhaustive analysis of every activity performed was carried out, with the aim of internalising those activities with higher added value and adequately optimising the external resources in terms of business activity coordination. This new organisation allows us to respond to Redeia's businesses in a flexible, global and standardised manner.

The health and safety communication and awareness plan is aimed at maintaining a continuous preventive culture, for which various actions aimed at Redeia personnel and its suppliers have been carried out throughout the year. Under the slogan "Actitud Preventiva: en prevención de riesgos hay gestos que marcan la diferencia" ("*Preventive Attitude: risk prevention gestures that make a difference*"), various communication actions were carried out to raise awareness of the importance of prevention and to promote a preventive culture. One initiative in this connection was the organisation of Redeia's 2nd Prevention Week with the participation of more than 450 people in each of the three days planned, which culminated in the presentation of a video from the communication campaign.

Other initiatives included the launch of a manifesto that includes the main points of Redeia's preventive culture, the creation of a specific prevention community and the publication of podcasts on various current issues, with contents ranging from recommendations on high temperatures and road safety to psychosocial aspects.

Also included in this communication plan, and in line with the initiatives set out in the preventive culture axis of the 2020-2023 Occupational Safety Action Plan, were the sessions held with suppliers, which serve as a joint forum for monitoring the accident rate, as well as it being an opportunity to share lessons learned and improvements to be implemented. The participation of suppliers in these sessions allows for an exchange of various aspects concerning the preventive culture for companies that carry out the same activities at Redeia facilities.

Thus, in 2022, two sessions were held on the construction of lines: the first concerned civil works and the second concerned the assembly of structures. These sessions were a continuation of those held in previous years for felling and substation construction activities.

In view of the opportunities offered by new technologies and the digital transformation, the aim of the innovation line of work in prevention is to improve the health and safety conditions and well-being of Redeia's employees and stakeholders, strengthening the strategic areas where technology and people converge, as the most important assets of the organisation.

In 2022, progress was made in rolling out the ZAPIENS-CIRIS exploration pilot project carried out in 2021, consisting of the implementation of a virtual health and safety assistant which, by applying artificial intelligence, offers an automatic response to queries made by Redeia personnel through an app on their corporate mobile phone. This initiative facilitates people's access to specific and standard knowledge in a fast and efficient way.

In 2022, Redeia continued to strengthen its partnership with the startup ecosystem of Elewit's Venture Client programme, exploring new uses and functionalities that technology can offer us, applying them to the work environment at Redeia's facilities. In this period, a noteworthy project was the "Inspector Safe" pilot project carried out with the startup SIALI, which uses cameras with artificial vision to autonomously monitor the correct use of certain personal protective equipment (initially safety helmets and hi-visibility jackets), within the perimeters of the defined work areas.

In 2022, the development of a new corporate platform, which originates from the "Protected Areas" innovation pilot was also given the green light. The aim of this platform is to continue improving the execution and traceability of the operations process of the electricity "5 golden rules", which are necessary to modify the electrical status of the electricity transmission facilities.

Furthermore, in 2022, all of Hispasat's firefighting installations were certified, and air quality measuring probes and control of the climate system's external gates located at the Arganda del Rey Control Centre, which operates according to temperature and air quality signals, were installed.

In the specific area of health and health promotion, in addition to the basic actions of health monitoring, various campaigns aimed at guaranteeing physical, psychological and social well-being have continued, restarting many of the in-person measures interrupted during the pandemic, such as consultations on nutrition, physiotherapy consultations and sports activities co-financed by the Company, with the participation of more than 400 people this year.

Redeia conducts preventive monitoring of the health of its employees on an ongoing basis through individual and collective health surveillance in the form of periodic health examinations and consultations. As a result of the preventive measures applied, no incidents or risks of specific illnesses associated with the professional activities carried out or related to the workplace have been identified.

Another highlight of 2022 was the satisfactory result of the audit to adapt the healthy company model certificate to the healthy organisation model. Regulatory audits have also been performed on the companies that form part of the Joint Health and Safety Service.

Lastly, following the psychosocial risk assessment carried out in 2021, in 2022 an action plan was defined and developed throughout the year. The first milestone was to present the general results to the entire workforce and perform a more detailed analysis of the results by organisational unit. A fundamental outcome of the results of the analysis was the launch of the Emotion project in 2022, which will continue in 2023, with the aim of incorporating emotional management into occupational risk prevention for those activities identified as high risk. This project has been implemented in 3 areas: the inclusion of emotional perception in safety talks before starting work, the training of leaders in emotional management and its application in the prevention of occupational risks, and the analysis of the emotional profiles of those at greatest risk, with the aim of identifying areas for improvement in the skills that allow them to better cope with high risk activities.

Workplace accidents and occupational illnesses

In 2022, the key accident rates for Redeia employees were 1.30 (frequency) and 0.06 (severity). In 2021 the frequency rate stood at 1.98 and the severity rate was 1.33.

Redeia	2022			2021		
	Men	Women	Total	Men	Women	Total
Accidents with leave	3	2	5	7	-	7
Fatal accidents	-	-	-	-	-	-
Days lost due to accidents ⁽⁸⁾	143	75	218	4,699	-	4,699
Accident frequency rate	1.08	1.87	1.30	2.70	-	1.98
Accident severity rate	0.05	0.07	0.06	1.84	-	1.33

Frequency rate: number of work-related accidents resulting in leave per million hours worked.

Severity rate: number of working days lost due to occupational accidents + incapacity scale, per thousand hours worked.

⁽⁸⁾ The calculation is based on 6,000 working days for a fatal accident and 4,500 days for total permanent disability.

Moreover, there were no cases of occupational illness in either 2022 or 2021.

c) Labour relations

At Redeia, listening is a key tool for getting to know the current situation of its employees and implementing initiatives that meet their needs.

In December 2021, the Climate Survey was launched. The survey is carried out every two years and is a key tool for finding out the strengths of the Company and the aspects that are presented as areas for improvement and that influence the day-to-day lives of employees.

To ensure that key messages are conveyed and that teams are engaged with Redeia's challenges, the Redeia management team had a leadership objective in 2022 to present the results of the climate survey to the teams. During these sessions, action plans were also drawn up to help improve those aspects where there is room for improvement.

Other feedback initiatives undertaken in 2022 included the following:

- **Roll-out of initiatives associated with the psychosocial risks assessment:** the survey carried out in 2021 was aimed at identifying working conditions likely to generate psychosocial risks. Aspects for improvement were identified in only 4 of the 26 aspects analysed. The most highly valued aspects included the stability offered by the Company and fair treatment (with scores above 75 points), and the areas for improvement included over-involvement. As part of the initiatives associated with the results of the survey, the management team participated in communicating the general and specific results of each area to their teams.
- **Work-life balance survey:** the survey is carried out every two years, with 51.5% of the workforce taking part this year. The results allow Redeia to continue creating a healthier working environment through a process of continuous improvement, which has been supported since 2009 by the "EFR" (Family-Responsible Company) certification from Fundación Más Familia and endorsed by the Spanish Ministry of Health, Consumer Affairs and Social Welfare.

Similarly, Redeia considers internal communication a key factor for sharing its mission and strategic goals, involving employees in the organisation's various projects and improving the work climate, thus helping to boost pride in belonging.

The main focus of internal communications was as an adjunct to the company's transformation and the introduction of new, more agile, flexible and collaborative ways of working that enable the company to achieve the challenges set out in the new Strategic Plan.

The various internal channels include NuestraRED, the collaborative intranet, which contains the most relevant news related to the Company and offers users direct access to applications, areas and tools geared towards boosting innovation and agility in the organisation, making it a simple, useful and easy-to-access tool that is on hand for all employees during the cultural transformation.

NuestraRED also has an exclusive area for the management team, the leaders portal, providing all the specific information related to team management, people management processes, development and training, thus helping to galvanise leadership in the organisation.

Consequently, in 2022 the new communications channel, Company Communicator, was put into operation, complementing and reinforcing the existing mix of channels and providing information in an agile and direct manner. It offers full accessibility, as messages are delivered directly to the Teams chat application, which has become the main working tool.

2022 was also the year of employee events, which have become a new, closer way of transmitting the Company's most important messages and projects. 13 meetings were held with employees in a hybrid format, in which different company-wide issues, such as diversity, health and safety, innovation, sustainability, cybersecurity, among others, were transmitted to employees.

Employees covered by a collective bargaining agreement

GRI 402-1, 2-30

Redeia guarantees its employees the right to trade union membership, association and collective bargaining within the framework of the provisions of the International Labour Organization (ILO), existing labour laws and the applicable collective bargaining agreement.

Thus, Redeia's Code of Ethics and Conduct expressly establishes respect for the right to collective bargaining and freedom of association, which, in turn, is reiterated and specified by Redeia's commitment to the promotion of and respect for human rights. The Collective Bargaining Agreement of Red Eléctrica de España, S.A.U. and the Collective Bargaining Agreement of Red Eléctrica Infraestructuras de Telecomunicación, S.A. define the organisation of social dialogue, establishing the workers' representation system in the Company through the different committees, which address the different matters allocated to them.

Thus, negotiations with the workers' representatives form part of Redeia's labour relations, maintaining ongoing dialogue with them and with their respective trade union organisations in order to establish rights and duties between the parties, thus ensuring respect and recognition of the aforementioned rights.

Employees covered by a collective bargaining agreement	2022	2021
Employees in Spain	86%	86%
Employees in Brazil	91%	94%

In the remaining countries where Redeia is present (Peru, Chile, Argentina, Colombia and Luxembourg), 66% of employees were covered by a collective bargaining agreement in 2022 (3% in 2021).

In compliance with current legislation, and as part of Redeia's commitment to equality, at the end of 2021 and the first four months of 2022, equality plans were negotiated with the workers' representatives of the Group's Spanish companies that have more than 50 employees. An agreement was unanimously reached during the negotiation processes (i.e. with all the workers' representatives) in every company in which negotiations were held. Initiatives were launched to communicate the equality plans, in relation, for example, to the annual leadership target detailed in the Diversity section. This commitment to equality is reflected, in turn, in the implementation of the Comprehensive Diversity Plan, a framework in which equality is a key vector, and which applies generally to all employees, irrespective of the size of the company in which they work or their geographical location.

At the end of 2021, the Company promoted the negotiation of the following agreements: the framework collective bargaining agreement for Redeia (which does not include Hispasat in its scope of application), the 12th Collective Bargaining Agreement of Red Eléctrica de España, S.A.U., and the 1st Collective Bargaining Agreement of Red Eléctrica Corporación, S.A., with 2022 being characterised by these negotiations.

Specifically, in December 2022, a pre-agreement was reached with the trade union on the 1st Collective Bargaining Agreement of Red Eléctrica Corporación, S.A., which was ratified by the parties on 8 February 2023.

Meanwhile, in the last quarter of 2022, a series of specific matters (remote work, mileage, allowances and an extraordinary, one-off payment related to the effect of inflation in 2022) were negotiated with the workers'

committee of Red Eléctrica Infraestructuras de Telecomunicación, S.A., having reached an agreement in December.

Likewise, various meetings were held during the year with other committees in which the workers' representatives of Red Eléctrica de España, S.A.U. participated, including in the negotiations held for the agreement reached with the joint committee of the electricity transmission facilities personnel for the temporary and extraordinary revision of mileage prices, arising from the increase in fuel prices.

Redeia promotes the involvement of workers in the company's management through various internal channels of communication (as indicated above) and through social dialogue in the form of briefings, consultations and participation of workers' representatives via the different committees in place.

Summary of the collective bargaining agreements in the area of health and safety

Red Eléctrica Corporación, S.A., Red Eléctrica de España, S.A.U., Red Eléctrica de Telecomunicación, S.A., and Hispasat, S.A. each have an occupational health and safety committee in accordance with current legislation in this field. These committees are a collegiate body with equal representation intended to provide regular and periodic consultation regarding the company's occupational health and safety actions.

The Red Eléctrica Corporación, S.A. committee comprises three representatives proposed by the company and three health and safety delegates, the Red Eléctrica de España, S.A.U. committee comprises six representatives proposed by the company and six health and safety delegates (a number that exceeds the representation required by law), the Red Eléctrica de Telecomunicación, S.A. committee comprises two representatives proposed by the company and two health and safety delegates, as is that of Hispasat, S.A. The representatives and delegates in all the aforementioned committees have been selected from the workers' representatives, who represent all of the employees of each of these companies. Specialists from the Group's joint health and safety service also attend the committees' meetings.

The committees meet every quarter (in accordance with Occupational Risk Prevention Law 31/1995) and at the request of any of the parties. These meetings serve to monitor all health and safety activities, any new applicable legislation, the reviews of processes and internal regulations, as well as analysing and tracking the results and the occupational health and safety programmes and monitoring safety equipment and materials. The minutes to these meetings are available to all employees under a dedicated section of the corporate intranets. These committees also receive the results of the internal and external audits that are carried out and any improvement actions that are implemented.

d) Training

GRI 404-1, 404-2

Redeia develops the organisation's talent, training employees for them to maintain employability in the current environment of change and establishing the strategy necessary to retain critical talent.

The learning model encourages leaders, acting in their transformative role, to support their collaborators, placing emphasis on accompanying them in their own professional development.

Each employee is autonomous in the implementation of their individual learning plan. This enables them to develop by requesting the initiatives that they consider will contribute to the achievement of their objectives and will improve their contribution, and it also enables them to participate in the initiatives that, as a result of their profile and the needs of the organisation, are assigned to them.

The training offering is generated through the identification of initiatives that support the achievement of the objectives established in the Strategic Plan, which makes it possible to directly and/or indirectly assess how the learning acquired is helping in this achievement through indicators.

It is an offer that is evolving to adapt it to the different learning styles and people, and to new methodologies, exploring the use of AI to improve the adjustment of certain programmes (Digital Coaching Programme) and prioritising digitalisation, which improves the focus of the content while reducing the number of hours spent on training and optimising costs, a trend that is analysed on an annual basis.

Learning is coordinated through the Campus, which serves as a platform to deploy the organisation's strategy, values and culture and as a meeting place and catalyst for learning and development, helping to manage stakeholder knowledge by covering the various areas on which learning is focused.

The digital version through Virtual Campus, which has been deployed in all of the countries where Redeia is present, is an open learning environment with a catalogue of more than 800 resources where employees can carry out their learning plan using any type of digital device. This version favours self-learning through the possibility of self-enrolment in open courses, which account for more than 40% of the total offering. Accordingly, this year, 87,980 hours of training were undertaken (50% online training and 50% in-person), equivalent to 36 hours per employee, at an investment of Euros 1,517 per person.

Training hours by professional category and gender:

Redeia	2022			2021		
	Men	Women	Total	Men	Women	Total
Management team	11,413	7,058	18,471	7,940	4,900	12,840
Technicians	49,237	15,104	64,341	98,955	20,756	119,711
Administrative personnel	2,173	2,995	5,168	1,779	2,680	4,459
Total	62,823	25,157	87,980	108,674	28,336	137,010

Redeia's commitment to the practical training of recent graduates is sustained through various internship programmes and/or educational collaboration agreements, the aim of which is to support access to employment for newly qualified professionals, to have a pool of internal talent and to reinforce our brand image as an employer.

e) Integration and universal accessibility for people with disabilities

Disabilities is one of the main areas of focus of the 2018-2022 Comprehensive Diversity Plan.

The General Law on the Rights of People with Disabilities (LGD) is applicable to four Redeia companies, one of which complies with the law through direct employment (Reintel, 2.94%).

Red Eléctrica achieves legal compliance through alternative, exceptional measures, reaching 2.30%. Of this percentage, 0.85% corresponds to direct employment and the remainder to the application of exceptional alternative measures within the framework of the LGD, consisting of contracting goods and services from Special Employment Centres and making donations to entities whose mission is the social and labour integration of people with disabilities, and which support the Group in carrying out actions related to disabilities as part of the annual diversity programme and contribute to its social initiatives.

At present, 1.02% of the workforce of Red Eléctrica Corporación, S.A. have a disability, thus, in addition to its efforts to hire a greater number of differently abled employees, in March 2022 it worked on obtaining the certificate of exceptional circumstances so as to achieve legal compliance through alternative measures.

Hispasat's direct employment percentage is 1.76% and it complies with the LGD by also applying alternative, exceptional measures.

The number of Redeia employees with disabilities is as follows:

	2022	2021
People with disabilities	20	20

The corporate website of Redeia was developed using website accessibility criteria with Level AA Conformance to Web Content Accessibility Guidelines 2.0 (WCAG 2.0) of the World Wide Web Consortium (W3C) Web Accessibility Initiative (WAI).

One of the most valuable disability projects is the Family Plan, consisting of personalised assistance to improve the social and labour integration of any employees' family members with disabilities. Redeia participates in institutional and private campaigns fostering the employment of differently abled people, as well as awareness campaigns.

f) Equality and diversity

GRI 406

Redeia's commitment to diversity, inclusion and non-discrimination is materialised in the form of its 2018-2022 Comprehensive Diversity Plan, which is aligned with the Group's Strategic Plan and the 2030 Sustainability Commitment. It seeks to inspire and become a benchmark for the Company itself and in the wider social, labour and human environment, through the Company's commitment to talent diversity, social inclusion, employment and non-discrimination, breaking down stereotypes and cultural barriers. The goals of the Comprehensive Diversity Plan are:

- Create a corporate culture that encourages diversity among employees and other stakeholders.
- Integrate diversity into all of the Group's processes, especially people management.
- Involve, raise awareness and promote the Group's mission and approach to diversity among collaborators and suppliers.
- Participate with official organisations, academic institutions and other social agents in campaigns and projects that enable the Group to become a leading social agent that contributes to building a more diverse society.
- The Comprehensive Diversity Plan has the following specific objectives:
 - 35% of all senior management positions to be held by women.
 - Reduction in the pay gap.
 - Family-Responsible Company (EFR) classification A.
 - 70% of LGD compliance through direct employment.

Gender equality is one of the facets included in the new Comprehensive Diversity Plan and refers to the principles of equal employment opportunities, the promotion of women to positions of responsibility, equal pay between men and women, the promotion of shared family responsibility, the prevention of harassment on moral, sexual and gender grounds and the prevention of gender violence. These aspects are monitored through indicators that enable the Group to measure the progress of the objectives defined.

Stemming from Redeia's commitment to equality, the percentage of women in the workforce stood at 27.9% in 2022 (26.7% in 2021). The number of women in management positions has once again increased, totalling 35.3% in 2022 (34.1% in 2021), exceeding the target set for 2022 (35.0%).

The significant female presence on the senior management personnel is notable, with 50% women, as well as on the Board of Directors, where women have a 50% representation, the highest among the IBEX 35 companies.

Accordingly, efforts remain ongoing to achieve equality between men and women. Details of the key indicators for 2022 and 2021 are as follows:

	2022	2021	Variation	Target value	2022 deviation from target value	Analysis of results
Hiring opportunities index	0.90	1.05	-15%	1.20	-30%	Recruitment in 2022 was focused on technical profiles for which the difficulty in hiring women is greater.
Selection opportunities index	0.90	1.00	-10%	1.20	-30%	The deviation in 2022 was due to the fact that most of the candidates who applied for the job offers were men, as the vast majority of these offers were technical jobs for which it is more difficult to recruit women.
Training opportunities index	1.05	1.00	5%	1.00	5%	The growth of this indicator is due to Redeia's promotion of professional development initiatives geared towards female participation.
Promotion opportunities index	1.32	1.67	-35%	1.20	12%	Exceeding the target value is evidence, once again, of the Company's Commitment to promoting women technicians to management positions.
Opportunities for internal promotion to the management team index	1.63	1.75	-12%	1.00	63%	Exceeding the target value is evidence, once again, of the Company's Commitment to promoting women technicians to management positions.

In 2022, Redeia continued to implement the Management of Diversity and Female Leadership programme, which aims to train and raise awareness, through workshops and focus groups aimed at all the Company's employees, to promote gender equality and create diverse environments through:

- Raising awareness of the importance of diversity and promoting inclusion in the organisation, reducing unconscious biases.
- Working on tools for self-leadership, assertiveness and self-confidence.
- Strengthening the impact of the work-life balance.
- Working on personal visibility and knowledge of how one's image impacts on others.

In 2022, the In@lusionate programme was launched, aimed at the entire management team (participation rate of 90% and satisfaction rate of 7.7 out of 10), which seeks to raise awareness of the importance of diversity and gender equality as facilitators of effective equality, in order to raise global awareness of inclusive leadership and equal opportunities within teams. This programme is aimed at acquiring tools to help raise awareness of emotions, the impact they have on one's individuality and the influence of differences in people's identities on leadership actions.

In 2022 a leadership objective was set for the management team, consisting of conveying the measures included in the agreed equality plans, in order to integrate and consolidate key aspects such as gender equality in the organisation's leaders, ensuring the entire organisation is aware of its importance, and communicating the different initiatives being carried out in matters relating to diversity, particularly in gender equality.

11.5 Information on respect for human rights

GRI 103-1, 103-2, 103-3, 2-26, 406, 407, 408, 409, 411-1, 412-1, 412

Respect for human rights

In 2017 Redeia's Sustainability Steering Committee approved the Company's human rights management model, which structures and systematises the action required to protect and respect human rights, as well as to address any risk in this regard as may be generated by the Company or by any third party with which it has a relationship of any nature.

Given that human rights form part of the bedrock on which Redeia's values rest, as well as an aspect tied to the United Nations' 2030 Agenda for Sustainable Development, the Company manages human rights on the basis of continuous improvement, assessing its performance in this field at least once a year, and updating its policies and commitments whenever new human rights principles emerge.

Redeia's human rights management model, based on the methodology defined by the United Nations (UN) Guiding Principles on Business and Human Rights, encompasses all business activities and geographical areas in which the Company's operates and is structured into four main elements.

1. Commitment to human rights

Respect for human rights is one the 10 principles underpinning Redeia's 2030 Sustainability Commitment and therefore a key aspect considered in the Company's decision making, helping to contribute to the achievement of the United Nations Sustainable Development Goals (SDGs).

The Company has an explicit and public commitment to respecting human rights in every country in which it operates, with special emphasis on the freedoms and rights of vulnerable groups such as indigenous people, women, children, persons with disabilities, the LGBTI community and migrant workers, among others, and it extends this respect more broadly to its relationships with third parties.

This commitment, formalised in 2022 through the Ten Principles for respect for human rights, was made public through the [Commitment to the promotion and respect of human rights](#), which was approved by the Board of Directors in order to cement the corporate values, principles and behaviour guidelines set out in Redeia's Code of Ethics and Conduct.

The Commitment is founded upon the principles recognised internationally through the Universal Declaration of Human Rights and its implementing conventions, the International Covenant on Economic, Social and Cultural Rights and the International Labour Organization. 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). This Commitment is binding on all employees and members of the governing bodies of the companies that form part of Redeia in the exercise of their functions and responsibilities and applies to the companies in which the Group holds a majority stake, regardless of their geographical location and activity. In those companies in which Redeia is not a majority shareholder, or over which it does not exert control, adoption of the Commitment is proposed.

Furthermore, in order to extend its sustainability principles across the supply chain, Redeia's [Supplier Code of Conduct](#) establishes the duty of this stakeholder group to respect human rights. On accepting the General Terms of Business, all the Company's suppliers undertake to comply with the Code of Conduct, which can be substantiated via social audits.

Two initiatives with suppliers were carried out in this area in 2022. During the first half of the year a training programme was launched that focused on the management of human rights, carried out in conjunction with the Spanish network of the UN Global Compact to acquaint suppliers with the Principles of the Global Pact as regards Human Rights and their regulatory framework, as well as to familiarise them with the management model for the Guiding Principles on Business and Human Rights.

Thanks to the resounding success of this initiative and a voluntary questionnaire completed by suppliers, Redeia was able to gain greater visibility over the challenges, advances and opportunities facing this particular stakeholder group. This led Redeia to carry out a second initiative during the last four months of the year based on the evident needs of suppliers, which involved a meeting at which various topics related to human

rights were discussed. Redeia plans to continue down this path towards a strategy based on continuous improvement and collective learning.

2. Human rights due diligence process

Due diligence is a process whereby the impacts that the Company may have, on human rights in this instance, are identified, assessed, corrected, mitigated and prevented. In this regard, Redeia has carried out periodic due diligence analyses since 2013 that involve all Group companies in order to identify possible risks stemming from its direct and indirect activity.

In 2022 Redeia updated its due diligence procedures vis-à-vis its own activities and its 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 its activity may have an impact.

The due diligence process is divided into three stages:

- A human rights risk map: based on the human rights and the rights-holders on which Redeia could potentially have an impact, the negative, potential and actual impacts are identified, prioritised and assessed, using an in-house methodology based on the likelihood of the impact occurring and its severity. It is reviewed on an annual basis.
- Implementation of risk prevention and mitigation measures: based on the foregoing map, Redeia incorporates the conclusions into the Company's various functions and processes. It then considers and implements the prevention and/or mitigation measures for the identified risks with specific improvement targets.
- Monitoring of the measures implemented: regular assessments are performed based on pre-defined qualitative and quantitative indicators at least once every 12 months. If the results fall short of expectations, the implemented measures are revised and consultations begin with the affected parties to build fresh solutions.

In order to ensure continuous improvement in this field, Redeia reviews the internal regulations that govern this mechanism once a year.

The 2022 review took into account all the Company's activities in Spain, Peru, Chile and Brazil (including the investees Argo and TEN). The findings show that, as regards the sectors in which the Company operates, 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. This review has led to the analysis and strengthening of the Company's policies, commitments and control mechanisms that are designed to minimise these risks, ensure respect for human rights and remedy possible human rights violations.

The results of this due diligence process have once again evidenced that the Company presents a low level of risk and exercises the appropriate controls. Risks of human rights violations have therefore failed to materialise and, consequently, no remedial actions have been necessary thus far.

In overall terms, no risks combining a severe impact and a high probability of occurrence have been identified, thanks to the prevention measures implemented by the Company through its internal rules and regulations. In terms of risks with a very severe impact (4.3 out of 5) and a low probability of occurrence (1.3 out of 5), both in Spain and Latin America, risks linked to corruption, child labour and people trafficking have been identified. All these areas are covered by an excellent mitigation framework thanks to the internal procedures that minimise their likelihood of occurrence. Risks tied to working conditions (psychosocial risks, excessive workloads or lack of digital disconnection) have been identified as the most likely risks in both Spain and Latin America, although their probability of occurrence is very low (1.9 out of 5). In line with the foregoing, Redeia has a very high prevention level, thanks to internal regulations and the standardised controls in place in this field.

It is worth highlighting that in 2021 the need to assess possible impacts on local communities in Latin America became apparent, with particular emphasis on indigenous people. Although Peru has an indigenous population, there are no indigenous settlements or communities lying within the sphere of influence of Redinter's activities and, consequently, there is no risk of affecting this group. Nevertheless, to avoid its

occurrence, work was carried out to search for parallelisms between the United Nations Guiding Principles on Business and Human Rights and the environmental impact studies undertaken by Redinter.

Additionally, the Company extends its human rights commitment to third parties with which it either has or intends to have some sort of relationship and applies due diligence measures based on the risk posed by the third party in question. Prior to formalising any arrangement with a third party, Redeia first carries out analysis to obtain information on its integrity and respect for human rights, focusing on the rights-holders identified previously. To this end, a series of due diligence measures have been established that are applied based on the risk posed by the third party and the characteristics of the expected relationship. This process is put into motion whenever a new relationship begins that involves corporate transactions, trading partners, external agents, public administrations, the management team, collaborating entities in the social sphere, land owners and holders, suppliers and customers.

Moreover, through the suppliers portal, Redeia has also put in place mechanisms to prevent human rights violations in its supply chain. No suppliers were identified in 2022 that could jeopardise the upholding of human rights and, therefore, no contract or order has had to be rescinded on these grounds.

Furthermore, certification of the corporate responsibility management system in terms of issues tied to the respect for human rights is audited at all work centres over three-year cycles.

3. Grievance mechanisms

Redeia has an Ethics and Compliance Channel that can be accessed by all stakeholders and a formal mechanism to respond to enquiries or complaints related to human rights. The Company has other communication channels with its stakeholders through which they can convey their concerns regarding any issues in this area. These channels include the Dígame service, which handles complaints and enquiries from external stakeholders regarding system operation and the transmission network, the ASA Channel that responds specifically to suppliers, and the Dígame Internacional service, focused on the business in Latin America. The whistleblowing channels available to stakeholders have not received any human rights-related complaints in respect of Hispasat.

In order to adequately handle enquiries from stakeholders on potential human rights violations, the Group has made progress on improving the process to identify enquiries received through its various channels. It is worth highlighting that Redeia did not receive any human rights-related claims through its ASA, Dígame and Dígame Internacional services in 2022.

4. Communication

Redeia keeps its stakeholders apprised of its performance in the human rights field through its Sustainability Report. The results of this due diligence process have once again demonstrated that the Company has a low risk level in terms of human rights and exercises the appropriate controls. Remedial actions have therefore not been necessary thus far.

11.6 Information on the fight against corruption and bribery

GRI 103-1, 103-2, 103-3, 2-23, 2-26, 406-1

Ethics and compliance at Redeia

Ethics and compliance are fundamental pillars of the proper course of business at Redeia. This means acting with the utmost integrity in discharging the Company's obligations and commitments, and in relations and cooperation with its stakeholders.

Redeia has a series of corporate rules of conduct establishing the values, principles and standards of conduct that must be adhered to by all persons in the Company in the performance of their professional activities.

Code of Ethics and Conduct

Redeia's Code of Ethics and Conduct applies to all Company personnel. It establishes and facilitates commitment to the ethical values, principles and standards of conduct that must govern our professional activity within the organisation.

The latest version of Redeia's Code of Ethics and Conduct, approved by the Board of Directors on 26 May 2020, addresses the ethics management requirements and recommendations established by the United Nations (primarily through the Sustainable Development Goals, the Ten Principles of the Global Compact and the Universal Declaration of Human Rights and its implementing conventions), the Organization for Economic Co-operation and Development (OECD), the International Labour Organization (ILO) and Transparency International, among others.

Ethics and Compliance Channel

Redeia has set up an Ethics and Compliance Channel available to all the organisation's members and stakeholders, through which they can:

- Raise any queries regarding interpretation of the ethical values, principles and standards of conduct laid down in the Code, or propose improvements.
- Report any non-conformances in respect of the Code, legislation, internal regulations or commitments taken on by the organisation.
- Report any potential irregularities or non-conformances related to financial, accounting or business malpractice.

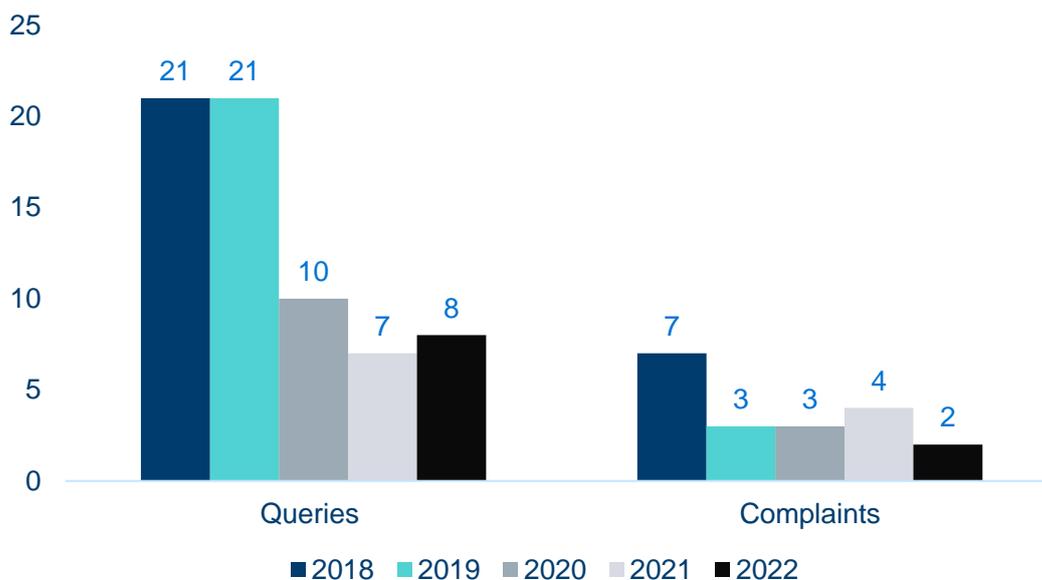
Redeia's Ethics and Compliance Channel is managed by the Ethics Office in coordination with the Compliance area and its activity is governed by practice guidelines on the channel's management, which are in line with the Spanish Data Protection and Digital Rights Act and the EU Directive on the protection of persons who report breaches of Union law.

This channel is regularly audited and ensures user confidentiality through an IT tool that reinforces the necessary guarantees and enables an enhanced monitoring of enquiries and complaints filed.

Enquiries and complaints processed in 2022

A total of eight enquiries were made to the Ethics Officer via the Ethics and Compliance Channel in 2022. Two complaints were received in relation to compliance with the Code of Ethics and Conduct in 2022. None of the complaints concerned non-conformances linked to the organisation's criminal risks.

The chart below shows the number of queries and complaints made in each of the last five years.



Compliance system

Redeia's Compliance System is aligned with the best practices in this area, so as to support the organisation in fulfilling its obligations and commitments.

Redeia's Compliance Policy, the latest version of which was approved by the Board of Directors on 27 July 2021, expresses the organisation's commitment to the prevention and detection of, and response to, any conduct that contravenes the legal obligations and commitments assumed voluntarily, in accordance with the values, principles and behaviour guidelines of the Code of Ethics and Conduct. The Policy sets out Redeia's express commitment to compliance with the criminal and anti-bribery laws applicable to the organisation and its rejection of any form of criminal conduct, in keeping with the values, principles and behaviour guidelines established in the Redeia's Code of Ethics and Conduct.

Redeia has a Compliance area that is entrusted with the design, development, implementation and monitoring of the organisation's compliance system.

The main goals of the compliance system are:

- Establish a control and supervision system to mitigate compliance risks, optimising and improving their management.
- Make available to the entire organisation the content of the principles and rules that should govern their performance within the Group and the instruments required to this end.
- Raise awareness among Group members of the importance of the Compliance System and the necessary adaptation of their conduct to the values and behaviour guidelines of the Code of Ethics and Conduct.
- Formalise the Group's commitment to the prevention of any conduct that is contrary to the applicable legislation and to the commitments assumed voluntarily.
- Inform the persons subject to the Compliance System that violation of the principles and guidelines of the System will lead to disciplinary measures.
- Establish appropriate control measures to mitigate the organisation's non-conformance risk, as well as reactive and corrective measures when non-conformances are detected.
- Maintain supporting evidence of compliance with the Company's obligations and commitments.

Criminal and anti-bribery compliance system

Redeia has a criminal and anti-bribery compliance system that aims to identify the rules, procedures and tools in place within Redeia to prevent non-compliance with the criminal legislation applicable to the Company and its personnel. The management and prevention of criminal risks that could affect Redeia, based on its activities and business sectors, are thus incorporated into its control processes.

The Board of Directors, as the ultimate body in charge of Redeia's risk management, in accordance with applicable regulations, has designated the Criminal and Anti-bribery Compliance Committee as the specific body in control of Redeia's Criminal Compliance System. The Criminal and Anti-bribery Compliance Committee is responsible for the supervision and monitoring of Redeia's criminal and anti-bribery compliance system and its objective is for the main criminal risks to be properly identified, managed and disseminated internally.

The Criminal and Anti-bribery Compliance Committee is an independent body which reports its activities to the Board of Directors, via the Audit Committee. It also provides the Board of Directors with information on the adequacy and effectiveness of the criminal and anti-bribery compliance system.

The criminal and anti-bribery compliance systems of Redeia's Parent, Red Eléctrica Corporación, and its subsidiary, Red Eléctrica, have been certified under UNE 19601 and ISO 37001 standards. The certification process for these systems was carried out by AENOR in accordance with the aforementioned standards.

In 2022, none of the Redeia companies were investigated or found guilty of acts of non-compliance linked to the organisation's criminal risks. Likewise, no complaints were filed in connection with potential cases of corruption and none of the Redeia companies were investigated or found guilty by any court in connection with acts of non-compliance linked to corruption.

Prevention of corruption and money laundering

The Code of Ethics and Conduct and the criminal and anti-bribery compliance system, which include aspects related to the fight against corruption and money laundering, constitute an effective mechanism for the detection and treatment of possible cases of corruption and fraud.

Redeia has a guide for the prevention of corruption: zero tolerance, approved by the Board of Directors in 2015, which establishes behaviour guidelines and commitments, as well as the performance criteria and main controls in place at the Company associated with corruption, including money laundering.

No complaints were filed in 2022 in connection with potential cases of corruption or money laundering, and none of the Redeia companies were investigated or found guilty by any court in connection with acts of non-compliance linked to corruption or money laundering.

11.7 Information on social issues

GRI 103-1, 103-2, 103-3, 413-1

11.7.1 The Company's commitment to sustainable development.

Economic and social contribution of investments

Redeia focuses its social commitment towards unlocking shared value by pursuing actions and investments that are aligned with its business goals which, while generating shared value, also 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's Sustainable Development Goals or the European 2030 energy strategy.

Once again this year, Redeia's investment has benefitted society due to its dynamic effect on economic activity because, by encouraging production, it leads to an increase in wealth (as measured by GDP) and, as a result, in jobs and tax revenue, which can be used to improve the general well-being of society. All this stems not only from the Group's direct investments, but also the increase in activity driven by the circular flows of the economy.

Since 2017, Redeia has used a methodology based on multipliers computed using Input-Output Tables (drawn up by official statistics offices in each country) to estimate the level of general activity generated as a result of an initial investment. The calculations take into account the direct, indirect and induced effects.

Effects of investments

Direct effect	Indirect effect	Induced effect
Estimation and valuation of the production chain and of jobs and income generated in the economic system by an initial investment.	Income and jobs created when the beneficiaries of the initial investments acquire other goods and services (intermediate consumption) from other production systems, which in turn acquire goods and services from their own suppliers.	Impact arising from all the income generated in the previous stages. This effect thus incorporates the effect of the final consumption arising from the wage income generated and the tax revenue obtained by governments when taxing the different economic activities and the income generated.

Socio-economic contribution in Spain

In 2022, Redeia's total investment in Spain, through activity conducted in Red Eléctrica, Reintel, Elewit and Hispasat, amounted to Euros 794 million, of which an estimated Euros 295 million was spent on importing the products needed to carry out the activity. The remainder, approximately Euros 499 million, was direct investment in Spain. The investment in Spain has generated Euros 932 million of output in the business sectors concerned, which is almost double the investment made. This represents a contribution of some Euros 420 million to Spanish GDP (around 21% of Redeia's revenues in 2022), generating activity equivalent to 6,364 jobs. All of this combined has generated tax revenue of Euros 162 million (approximately 70% of the amount provisionally collected in 2022 in respect of the special tax on electricity⁹).

	Direct	Indirect	Induced	Total
Generation (€m)	499.0	377.0	56.3	932.3
Income-GDP (€m)	218.3	174.5	27.0	419.8
Employment (no. of jobs)	3,240	2,723	400	6,364
Tax revenue (€m)	86.9	65.6	9.5	162.0

Note: The mismatch in one case between the total figures and the sum of the partial data is due to the rounding of decimals.

⁹ Royal Decree-Law 17/2021 reduced the special tax on electricity from 5.1% to 0.5% and this rate has remained in force since September 2021.

Socio-economic contribution in Chile

In 2022, through its subsidiary Red Eléctrica Chile, Redeia invested a total of US Dollars 33.3 million in the transmission network, all of which was direct investment in Chile. The investment made has generated US Dollars 62.4 million of output in the business sectors concerned. This represents a contribution of US Dollars 30.5 million to GDP, generating activity equivalent to 852 jobs. All of this combined has generated tax revenue of US Dollars 6.1 million.

	Direct	Indirect	Induced	Total
Generation (millions of US\$)	33.3	24.0	5.0	62.4
Income-GDP (millions of US\$)	16.6	11.4	2.5	30.5
Employment (no. of jobs)	482	301	69	852
Tax revenue (millions of US\$)	3.4	2.2	0.5	6.1

Note: The mismatch in one case between the total figures and the sum of the partial data is due to the rounding of decimals.

Socio-economic contribution in Peru

In 2022, through its subsidiaries in Peru, Redeia invested a total of US Dollars 11.3 million in the transmission network, almost all of which was direct investment in Peru. The investment in Peru has generated around US Dollars 21.6 million of output in the business sectors concerned, which is almost double the direct investment made (US Dollars 11.2 million). This represents a contribution of US Dollars 10.1 million to GDP, generating activity equivalent to 706 jobs. All of this combined has generated tax revenue of US Dollars 1.8 million.

	Direct	Indirect	Induced	Total
Generation (millions of US\$)	11.2	8.2	2.1	21.6
Income-GDP (millions of US\$)	5.1	3.9	1.1	10.1
Employment (no. of jobs)	232	381	93	706
Tax revenue (millions of US\$)	0.9	0.9	0.0	1.8

Note: The mismatch in one case between the total figures and the sum of the partial data is due to the rounding of decimals.

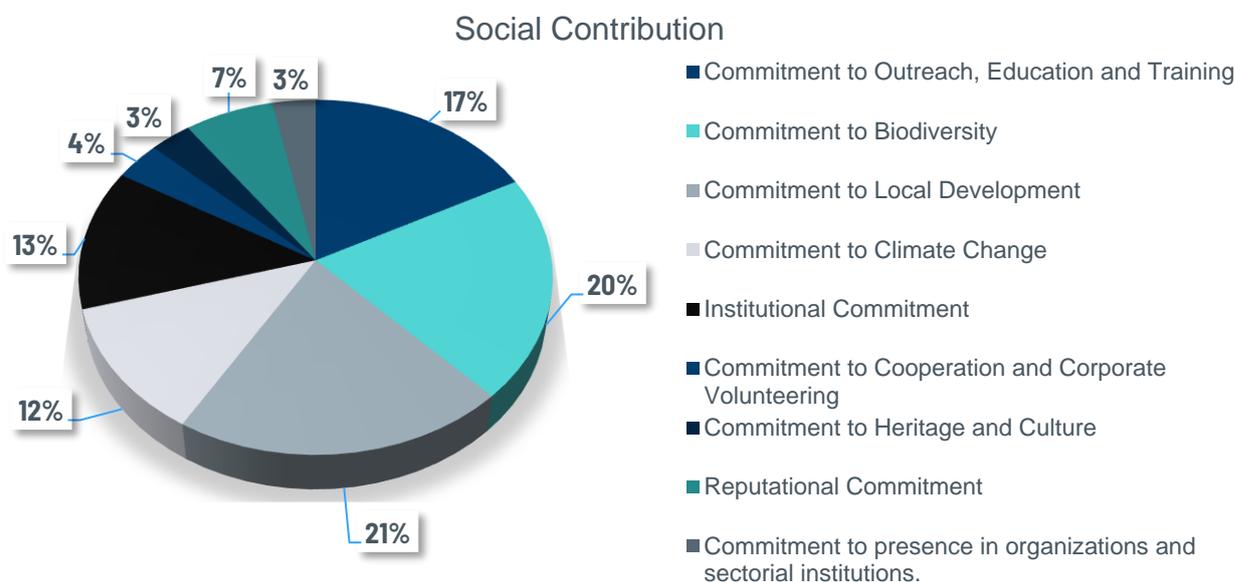
Impact of the activity on local communities and the local area

Redeia focuses its socio-environmental commitment towards unlocking shared value with society by pursuing actions and investments that are aligned with its business goals and, while generating value for Redeia, also have a positive impact on society, the local area and its inhabitants. It also helps tackle various challenges, such as the UN's Sustainable Development Goals or those envisaged as part of the European energy strategy.

Shared value is created by Redeia both in the way it develops and builds infrastructure and in the way it operates and delivers services to the effective systems in which it operates and to its customers. This activity generates opportunities to unlock shared value throughout the infrastructure life cycle.

In addition, Redeia supplements its projects in the area with collaboration schemes to nurture institutional and social relationships, transparently seeking collaboration agreements, disseminating information about the electricity network's performance and fostering involvement in projects and initiatives that boost socio-economic development, education, social well-being, biodiversity and the conservation, protection and enhancement of natural and cultural heritage in the local areas.

In 2022 the Group contributed over Euros 10.5 million (Euros 10,655,806 to be precise, up 25% on 2021, calculated using the London Benchmarking Group (LBG) methodology) to social initiatives.



Of the 592 social initiatives undertaken (29.5% more than in 2021), 285 were focused on the socio-economic development of the local area, including, among others, municipal infrastructure construction or improvement projects, efforts to nurture the area's cultural wealth and restoration of emblematic and socially significant buildings with an impact on tourism.

To further strengthen Redeia's commitment to local areas, in 2021 a new Social Innovation approach was defined, placing a greater importance on the "S" of society, with a view to making it one of the transformative levers capable of generating solutions to real needs.

The new approach aims to reduce digital, territorial, generational and gender inequality so as to improve the lives of citizens in local communities. It is deployed in an Action Plan with 11 lines of work linked to the UN's Sustainable Development Goals; the Demographic Challenge Action Plan of the Spanish Ministry for the Ecological Transition and the Demographic Challenge (MITERD); the Company's 2021-2025 Strategic Plan; and the 2030 Sustainability Commitment.

With regard to knowledge-sharing, Redeia has always played an important role through activities that seek to enhance knowledge of the Spanish electricity system. This now takes on even greater importance given the sizeable challenge posed by the new energy transition model through the decarbonisation of the economy, since a better informed society has greater capacity to develop and maintain the new sustainable energy model.

In this respect, the Company welcomed 103 visits in 2022, adapting to the new requirements brought about by the health crisis triggered by COVID-19. Over 1,100 people have visited Red Eléctrica's facilities and the control centres (CECOEL, CECRE and island control centres), both in person and virtually. School children can learn through the educational game "entreREDEs", which aims to teach secondary school pupils to be efficient consumers and environmentally-friendly in the future. Over 30,000 school children from eight autonomous regions participated in the 3rd entreREDEs Olympics in 2022.

The Company has 19 collaboration agreements with universities and educational institutions.

Corporate volunteering

Updated in 2021, the corporate volunteering model extends the Company's social action by driving and reinforcing collaboration in solidarity activities that respond to the social needs, problems and interests defined in its action guidelines.

It has a strategic and transformational approach, aimed at promoting volunteering actions which, on the one hand, channel internal talent into corporate volunteering and, on the other, provide innovative solutions to social and environmental problems.

The actions carried out in 2022 were in response to the interest shown by participating volunteers and were targeted primarily at improving the quality of life for groups at risk of social exclusion, fostering employability and meeting specific, real needs of society.

The situation triggered by the COVID-19 pandemic has significantly affected such actions as the vast majority have only been possible in virtual formats or small family groups. Nevertheless, the Company reached a level of participation of individual volunteers of 26.7% (23.0% in 2021), which was once again higher than the target set at the beginning of the year (20%).

Main corporate volunteering actions in 2022

Social volunteering	
Role-playing activity with women in situations of social exclusion with Fundación Quiero Trabajo	<p>Helping women with additional difficulties to seek employment and to improve and foster their independence and confidence, all with a view to their inclusion in the labour market.</p> <ul style="list-style-type: none"> • Five volunteers participated in the activity
Virtual charity race with Fundación Aldeas Infantiles	<p>Activity carried out via a sports mobile app that measures physical activity and translates it into kilometres. The app has up to 60 activities (yoga, swimming, Pilates, etc.). The distances covered by participating companies are then converted into a monetary contribution for Fundación Aldeas Infantiles.</p> <ul style="list-style-type: none"> • 12 volunteers participated in the competition, coming in third place
Cooperation with the Ukrainian people through the International Red Cross - MBT sporting event in Meandros de Sástago	<p>Cooperation between Redeia and the Sástago Cycling Club at the mountain bike (BTT) sporting event in Meandros de Sástago. Economic aid was provided to the people of Ukraine through the International Red Cross</p> <ul style="list-style-type: none"> • Euros 10 was donated per participant • 275 riders took part • Euros 2,750 was donated to the International Red Cross • Collaboration of various local volunteers to organise the race and promote the event.
Magician workshops with Fundación Abracadabra de Magos Solidarios (a charitable organisation centred around magic and magicians) at residential complexes for people with disabilities	<p>Magician workshops for nursing home residents, fostering collaboration among the elderly during their leisure time. Two magic tricks training workshops were held:</p> <ul style="list-style-type: none"> • Eight volunteers
Food collection drive for Associació tardor's charitable canteen in Palma de Mallorca	<p>Food collection drive for Associació tardor's charitable canteen in Palma de Mallorca:</p> <ul style="list-style-type: none"> • 25 volunteers. • 70 kg of food were collected • Various families with limited economic resources benefited from the initiative
Drive to collect 4,000 litres of milk, together with FESBAL (Spanish federation of food banks)	<p>Charity drive that challenged participants to collect 4,000 litres of milk to be donated to the various food banks in participating areas:</p> <ul style="list-style-type: none"> • 3,468 litres of milk were collected • 1,850 families stand to benefit
Cooperation with Fundación Pequeño deseo to design "Superhero Kits" for hospitalised children	<p>Against the backdrop of "World Children's Day", the entire group got on board to create "Superhero Kits" alongside Fundación Pequeño deseo, which works with hospitalised children that are severely ill:</p> <ul style="list-style-type: none"> • 230 kits were created (110 in the Company's various territories and 120 in Madrid) • The kits were donated to eight hospitals located across Spain.
Drive to collect children's books and gifts for the elderly	<p>Christmas-related activity to provide books to children and gifts for the elderly in conjunction with Cruz Roja and Mensajeros de la Paz</p> <ul style="list-style-type: none"> • 110 gifts were collected

Participation in organisations

GRI 2-26

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 (National Mining, Energy and Oil Company (Peru)), Asociación de Transmisoras (Transmission Association (Chile)) and Fundación España-Brasil. Regarding the satellite business, Hispasat participates in the International Telecommunication Union (ITU), the Spanish Association of Technology Companies for Defence, Aeronautics and Space (TEDAE), the Inter-American Telecommunications Commission (CITEL), the Spanish Aerospace Technological Platform (PAE), the EMEA Satellite Operators Association (ESOA), and the Inter-American Association of Telecommunications Companies (ASJET).

The Group participates in national organisations and associations that seek different objectives:

- **Share and extend best business practices**

Spanish Quality Association (AEC)	An association aimed at defending and promoting quality as a driver of competitiveness in business and improvement in society.
Spanish Compliance Association (ASCOM)	The first association created to professionalise the compliance function and facilitate the exchange of ideas and best practices.
Spanish Association for Standardisation (UNE)	Association that acts as Spain's representative at international bodies such as ISO/IEC and European bodies CEN/CENELEC, as well as being the country's ETSI standards body.
Spanish Issuers (Emisores Españoles)	An association that fosters measures to reinforce legal certainty in the issue of listed securities and contributes to the development of high standards of corporate governance.

- **Enhance knowledge of the Group's activities**

Electricity sector

Spanish Energy Club (ENERCLUB)	An association that contributes to a better understanding of various energy-related issues among interested parties in society.
Madrid Energy Foundation (Fundación de la Energía de la Comunidad de Madrid)	A foundation that drives initiatives and programmes for the research, development and application of energy technologies.
Spanish Association for Energy Economics (AEEE)	The AEEE is the Spanish branch of the International Association for Energy Economics. Its goals include disseminating knowledge about the energy economics field, among others.
Regional energy clusters	A group that operates at the regional level to promote the development and competitiveness of energy companies in Spain.

Telecommunications and aerospace sector

Madrid aerospace cluster (Clúster aeroespacial)	An association that fosters and contributes to development and innovation in the aerospace industry in the Madrid Region.
Spanish Association of Technology Companies for Defence, Aeronautics and Space (TEDAE)	This Spanish association brings together technology companies in the fields of defence, security, aeronautics and space, encompassing the Spanish tech industries in these domains, and makes a meaningful contribution to the national objective of changing the Spanish economy's production model.
Spanish Aerospace Technological Platform (PAE)	A group which furthers aeronautics and space research consultancy in Spain, currently charged with updating the Strategic Aerospace Research Agenda.

• Promote the Group's commitment to sustainability

Sustainability Excellence Club (Club de Excelencia en Sostenibilidad)	A business association aimed at driving sustainability by sharing and building awareness of good practices.
Forética	An association of companies and sustainability professionals promoting the integration of environmental, social and good governance issues in companies' strategy and management.
Excellence in Management and Innovation Club (Club Excelencia en Gestión e Innovación)	A business association aimed at strengthening the global competitiveness of organisations and professionals through the values of excellence.
Integrity Forum (Foro de Integridad) of Transparency International Spain	A think tank for improving compliance and ethical management in companies.
Voluntare Foundation	A global corporate volunteering network that helps to connect companies with third sector organisations.

11.7.2 Subcontracting and suppliers

GRI 414-1, 308-1, 308-2

The globalisation of markets has extended the limits of companies' responsibilities and triggered a change in the role of suppliers, which have become a pivotal element. Redeia focuses on the scope of its responsibility over the supply chain and adheres to a responsible management model based on the principles of non-discrimination, mutual recognition, proportionality, equal treatment, transparency and free competition, as well as a framework of legislation and internal codes, policies and rules.

In 2022 Redeia worked with 2,195 suppliers in transactions worth Euros 879 million¹⁰ (accredited investment and spending). Of that amount, 76.4% relates to services and works, while the remaining 23.6% pertains to materials and equipment.

In addition to these suppliers, there are a further 892 subcontractors authorised to perform work in the electricity transmission network facilities.

Redeia's overall local purchases indicator (percentage of purchases from suppliers based in the same country as the company) is 81.9%. The breakdown of this indicator is as follows: 82.2% for companies based in Spain, 99.8% in Chile, 66.2% in Peru, 92.6% in Brazil, 98.8% in Mexico, 86.1% in Argentina and 80.2% in Colombia¹¹.

¹⁰ For subsidiaries domiciled outside the European Union which operate in US Dollars, a conversion rate of 1 USD = 1 EUR is applied for these purposes.

¹¹ The volume of purchases is very low in the latter four countries: Brazil (Euros 4,677 thousand), Mexico (Euros 2,710 thousand), Argentina (Euros 341 thousand) and Colombia (Euros 219 thousand).

This enables Redeia to act as a driver of local growth, fostering business, industrial and social development through job creation across the supply chain.

The Group verifies that approved suppliers meet the minimum requirements, which vary depending on the supply contract: they must have accepted the Code of Conduct for Suppliers, show evidence of a stable financial position, fulfil certain minimum quality guarantee criteria, have adequate public liability insurance, and provide references and records of previous work.

Should more specific environmental and social criteria be needed (in addition to those required for approval), these are conveyed by the Group's technical areas as part of the technical specifications that will form part of the tender process. Their evaluation would form part of the technical assessment of the tender bids received.

The monitoring process verifies the suppliers' performance in the context of the contracts with the company and the ongoing fulfilment of the requirements made upon approval. The main areas screened are: (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; (5) sustainability (ESG scoring); and (6) social responsibility (verification of proper adherence to the Code of Conduct for Suppliers through social audits).

Social audits were conducted at 63 suppliers during 2022 (35 in 2021) to verify compliance with the Code of Conduct for Suppliers. As a result of the audits, 29 action plans have been agreed with 16 suppliers, so that supplier development can be monitored and improvements recorded. The results of these audits and their findings are shared internally, placing special emphasis on the detection of major non-conformances.

11.7.3 Consumers

GRI 2-29, 416-1

1. Redeia

Redeia seeks to build long-lasting relationships based on trust with its stakeholders and is therefore aware of the need to engage in constant dialogue with them. To that end it has made various communication channels with multiple contact methods available, through which consumers can convey all manner of queries related to the services discharged by Group companies.

With a view to achieving this goal, the Company has a robust model to communicate with stakeholders at the Group level; a system that ensures the traceability of communication and guarantees resolution within the allotted time frames.

A breakdown of the enquiries received in 2022 by type and Group company is as follows:

	TOTAL Redeia Global	Red Eléctrica España	Redinter Latin America	Reintel Spain	Hispatat Spain
Claims	94	91	3	-	-
Incidents	5,668	-	-	585	5,083¹²
Contact type	9,982	3,701	707	-	5,574
<i>Grievances</i>	34	25	3	-	6
<i>Queries</i>	8,341	2,069	704	-	5,568 ¹³
<i>Suggestions</i>	5	5	-	-	-
<i>Requests</i>	1,402	1,402	-	-	-
<i>Notifications</i>	200	200	-	-	-
Total enquiries	15,744	3,792	710	585	10,657

The activity of the Redeia companies has no impact whatsoever on the health and safety of consumers.

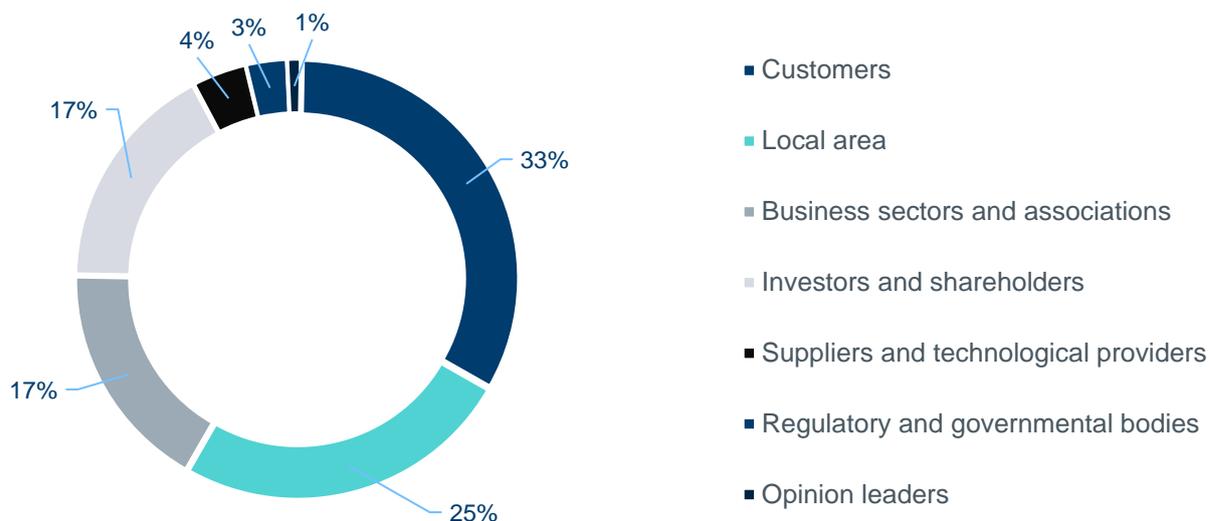
2. Red Eléctrica

Since 2008 the “Dígame” service has provided a professional response to enquiries from external stakeholders, who have several channels of communication at their disposal (telephone, email, online contact form, post or certified fax), regarding Red Eléctrica’s electricity system operation and transmission network management services. The service is manned by employees of Fundación Juan XXIII Roncalli, a non-profit entity that facilitates the workplace integration of people with disabilities.

In 2022 a total of 3,792 enquiries were received and managed, with customers being the stakeholder group accounting for the highest number (1,268), followed by local stakeholders (960), business sectors and associations (637), and then investors and shareholders (634). To a lesser extent the Group has recorded interactions with regulatory bodies and governments, suppliers and other stakeholders.

¹² Incidents: include incidents, problems, terminal-related incidents, platform-related incidents, service incidents and scheduled work.

¹³ Queries: include operational matters, information requests, alignments, changes, service provisions and others.



Although Red Eléctrica responds to all enquiries received, it places particular emphasis on claims, as this is communication that is drawing attention to an instance of non-compliance with the commitments undertaken or which reports actual damage caused as a result of the Company’s activity that requires a solution.

Of the 91 claims received in 2022, 45 fell under Red Eléctrica’s remit and were admitted. Of these, 33 were upheld (accepted on correct and reasonable grounds, whether fully or partially).

The bulk of the claims admitted referred to the impact of Red Eléctrica’s facilities in relation to felling and clearing of vegetation or damage to infrastructure.

By type	2022	2021
Quality and continuity of supply	10	13
Impacts of facilities	28	29
Measures	1	-
Other	6	2
Total	45	44
By stakeholder		
Local area	38	36
Business sectors and associations	4	6
Customers	3	2
Total	45	44

Of the 45 claims admitted, 38 had been resolved at the close of 2022. The remaining seven were related to the impact of the Company’s facilities and, due to their complexity, were still pending resolution. Similarly, work was ongoing on three claims from 2021.

In the case of the electricity transmission activity, it should be noted that due 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). The main criteria applied are as follows:

- Construction of double circuits and phased translocation in lines.
- Raising the height of supports, thereby increasing the safety distances.
- Minimum distances from the lines to population centres and isolated homes.

To verify compliance with recommendations, Red Eléctrica has a tool that uses certain line parameters to accurately gauge the maximum levels of EMFs that the facilities can generate.

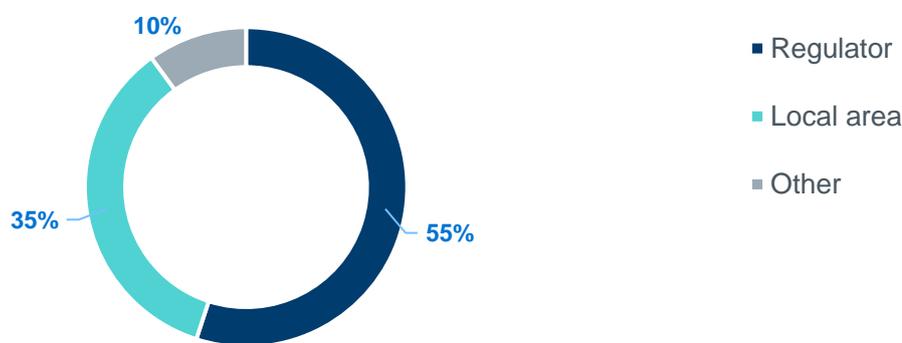
3. Redinter

The Dígame Internacional service offers a communication channel to stakeholders through which enquiries regarding the Company’s activity in Peru and Chile can be submitted. These can be submitted via various communication channels (telephone, email, online form, reception desk, on-site office or community liaison officers).

In 2022 a total of 710 enquiries were received and managed in Latin America, with the regulator being the stakeholder group accounting for the highest number (390), followed by local stakeholder groups (251) and, to a much lesser extent, other stakeholders (69).

Peru recorded two claims over the course of 2022 related to the Tesur 4 concessions, whereas one was registered in Chile pertaining to Redenor. As regards grievances, three were received in Peru as regards CCNCM, while none were received in Chile.

At the reporting date of this report, 43 enquiries in Peru are still in the process of being resolved, but none in Chile.



4. Reintel

Reintel has its own 24/7 service and supervision centre, which controls and monitors the status of the network and handles incidents and scheduled work of customers, with the aim of offering a reliable service of the utmost quality.

In 2022 a total of 585 network incidents affecting customers were handled. Of these, 62.9% stemmed from power failures, third party works, natural causes and vandalism, while the remaining 37.1% were due to scheduled network work.

These incidents were handled and resolved as part of normal business within the timeframes established in the customers’ contracts.

5. Hispasat

Hispasat also maintains an ongoing dialogue with its customers, providing them with various tools for direct communication: 24/7 customer service call centre offered in three languages (Spanish, Portuguese and English) with local phone numbers, a support centre and a web portal, allowing customers to open service incidents or request information.

A total of 10,657 enquiries were received in 2022, the majority of which were related to operational matters, information requests, alignments, changes and service provisions, among others.

11.7.4 Tax information

GRI 207-4

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 2022 and for the third consecutive year, the Group topped the tax responsibility transparency ranking of IBEX 35 companies, obtaining a 't*** de transparente' (T is for Transparency) mark of tax transparency awarded by 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 was approved by the Board of Directors on 30 June 2015 and is intended to define a consistent 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.

On 29 September 2015 the Board of Directors 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 Comprehensive Risk Management Policy may be consulted on the corporate website.

Both the Code of Ethics and Conduct and the Tax Strategy state the Group's commitment 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 ^{14 15}.

Considering the applicable legislation for the preparation of the CBCR (Country-By-Country-Report) in Spain, details of aggregate profits and taxes, by country, of Redeia entities included in the consolidated financial statements, except for those accounted for using the equity method, are provided below.

This information is prepared on the basis of the respective individual financial statements.

Country-by-country earnings

Profit/(loss) before corporate income tax comprises the pre-tax income and expenses of each company, excluding dividends received from Group entities, aggregated at country level.

¹⁴ Additional provisions one and ten and transitional provision two of Law 36/2006 of 29 November 2006, on measures for the prevention of tax fraud (as worded in Law 11/2021 of 9 July 2021, on measures to prevent and combat tax fraud, effective from 11 July 2021), Order HFP/115/2023, of 9 February 2023, establishing the countries and territories, as well as harmful tax regimes, that are considered non-cooperative jurisdictions, the European Union list of non-cooperative jurisdictions for tax purposes and the OECD's list of uncooperative tax havens.

¹⁵ In August 2022, the Axess Group was acquired, which has subsidiaries in various countries, among them a company domiciled in Panama, which will be wound up in 2023.

Millions of Euros

Pre-tax profits obtained by country	2022	2021
Spain	1,766	844
Peru	4	11
Chile	-30	-4
Brazil	2	3
Other (*)	-	-

(*) Includes France, Luxembourg, United Kingdom, Germany, Cyprus and Greece in Europe and other countries in the Americas, with amounts under Euros 1 million.

The increase in pre-tax profit in Spain in 2022 is primarily due to the proceeds from the sale of the 49% stake in Reintel (Euros 970 million). This transaction has no impact on the consolidated income statement because it is the sale of a minority stake and the Group maintains control of the company.

Income tax paid

With a view to following best practices in sustainability and voluntarily providing greater transparency in tax matters for its various stakeholders, since 2014 Redeia has calculated and published its total tax contribution in its sustainability report, highlighting the significant economic and social importance of its tax contribution.

The corporate income tax paid in each country in 2021 and 2022 is as follows:

Millions of Euros

Corporate income tax paid	2022	2021
Spain	355	177
Peru	8	4
Brazil	1	-
Other (*)	-	-
Total	364	181

(*) Includes France, Luxembourg, United Kingdom, Germany, Cyprus and Greece in Europe and other countries in the Americas, with amounts under Euros 1 million.

The increase in the amount paid in 2022 in Spain is mainly due to the first-time application of the minimum payment rule when calculating the tax group's tax instalment payments. This was as a result of the sale of the 49% stake in Reintel. The annual income tax return to be filed in July 2023 will include a request for the reimbursement of the higher amount paid.

Government grants received

In 2022 Euros 55 thousand was received in grants from official bodies (Euros 3,523 thousand in 2021). The grants received in 2022 and 2021 in thousands of Euros, broken down by country, are as follows:

Thousands of Euros

Government grants received	2022	2021
Spain	55	3,523
Total	55	3,523

11.8 EU Taxonomy Information

In 2018 the European Commission published its “Action Plan: financing sustainable growth”, launching a comprehensive strategy on sustainable finance. One of the objectives established in that action plan was to reorient capital flows towards sustainable investment in order to achieve sustainable and inclusive growth.

Building on the aforementioned Action Plan, in June 2020, the European Parliament and the Council of the European Union approved Taxonomy Regulation (EU) 2020/852¹⁶. This Regulation establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which an investment is environmentally sustainable.

The EU's environmental objectives as set out in the Taxonomy Regulation are as follows:

- a) climate change mitigation;
- b) climate change adaptation;
- c) the sustainable use and protection of water and marine resources;
- d) the transition to a circular economy;
- e) pollution prevention and control;
- f) the protection and restoration of biodiversity and ecosystems.

An economic activity shall be considered environmentally sustainable, i.e. it shall comply with the Taxonomy, when it contributes substantially to one of these six objectives, without causing significant harm to any of the other five, and provided it is carried out in compliance with minimum social safeguards: the Organisation for Economic Co-operation and Development (OECD) guidelines on multinational enterprises, the United Nations (UN) guiding principles on business and human rights, and the core conventions of the International Labour Organization (ILO).

In June 2021, Commission Delegated Regulation (EU) 2021/2139¹⁷ was published, establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

Furthermore, in July 2021, Commission Delegated Regulation (EU) 2021/2178¹⁸ specifying the content and presentation of the information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU was adopted.

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 selection 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 established technical selection criteria), does not cause significant harm to any of the other five, and is carried out in compliance with minimum social safeguards.

¹⁶ 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, and amending Regulation (EU) 2019/2088.

¹⁷ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

¹⁸ Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.

In the process of studying and analysing the degree of eligibility and alignment of Redeia's activities to the Taxonomy, the following steps have been taken:

- a) Classification and grouping of the economic activities of Redeia companies.
- b) Eligibility analysis of the identified activities.
- c) Assessment of compliance with the technical criteria established by Commission Delegated Regulation (EU) 2021/2139 for the contribution to the environmental objectives of climate change mitigation and adaptation.
- d) Analysis of the "Do No Significant Harm" (DNSH¹⁹) principle. Activities must not cause significant harm to the other EU environmental objectives defined in Regulation (EU) 2020/852.
- e) Verification of compliance with minimum social safeguards.

Based on the analysis performed, the following classification of eligibility and alignment of Redeia's activities is established.

Redeia companies	Redeia activities	Activity Description per Commission Delegated Regulation 2021/2139	Eligible activities	Aligned activities
	<p>Activity 1. Management and operation of domestic electricity infrastructure.</p> <p>Includes electricity transmission, system operation and management of the transmission network for the Spanish electricity system.</p> <p>System operation includes storage through the Salto de Chira pumped-storage hydroelectric power plant.</p>	<p>Activity: Transmission and distribution of electricity.</p> <p>Description: Construction and operation of transmission systems that transport the electricity on the extra high-voltage and high-voltage interconnected system.</p> <p>Activity: Storage of electricity.</p> <p>Construction and operation of facilities that store electricity and return it at a later time in the form of electricity. The activity includes pumped hydropower storage.</p>	YES. 100% eligible	YES. 100% aligned
Red Eléctrica Internacional, S.A.U. (Redinter), REA, Redesur, Tesur, Tesur 2, Tesur 3, Tesur 4, Redelnor, CCNCM, Rech, Redenor, Redenor 2.	<p>Activity 2. Management and operation of international electricity infrastructure</p>	<p>Activity: Transmission and distribution of electricity.</p> <p>"Construction and operation of transmission systems that transport the electricity on the extra high-voltage and high-voltage interconnected system."</p>	YES. 100% eligible	NO
Hispatat subgroup (Hispatat)	<p>Activity 3. Telecommunications Satellite Business</p>	Activity not covered by Commission Delegated Regulation 2021/2139		
	<p>Activity 4. Telecommunications Fibre Optics</p>	Activity not covered by Commission Delegated Regulation 2021/2139		
Other Redeia companies	<p>Activity 5. Other businesses, Corp. and adjustments</p>	Activity not covered by Commission Delegated Regulation 2021/2139		

As a result of the assessment of compliance with the technical selection criteria for determining the conditions under which an economic activity is considered to make a substantial contribution to climate change mitigation or adaptation²⁰, it is considered that the Redeia activities that meet these criteria, and, accordingly, contribute substantially to these two objectives are the following:

- Management and operation of domestic electricity infrastructure.

¹⁹ Do No Significant Harm (DNSH)

²⁰ Laid down in Commission Delegated Regulation 201/2139

Compliance with the technical criteria of substantial contribution to the climate change mitigation objective.

The electricity transmission activity, at national level, meets criteria²¹ 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 the new electricity capacity connected to the transmission network, from 2017 to the present, is exclusively renewable.

The operation of the national electricity system, in turn, meets criteria d) and e)²².

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 (the Control Centre of Renewable Energies). This enables reduction of CO₂ 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 works on the development of energy storage instruments based on both hydroelectric power generation systems and other technologies (R&D+i). To this end, it carries out prospective evaluations on 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.

²¹ Criteria defined in point 4.9 of Annex I of *Commission Delegated Regulation 2021/2139*:

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 CO₂ e/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 electricity production in that system, is below the threshold value of 100 g CO₂ e/kWh, measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period.

²² 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.

Compliance with the technical criteria of substantial contribution to the climate change adaptation objective.

The activity of management and operation of national electricity infrastructure as a whole is a key element in the adaptation of the energy system to the risks arising from climate change and meets the criteria defined in point 4.9 of Annex II of Commission 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. Therefore, the Company has carried out work to identify and assess the risks associated with climate change in order to be able to deal with the physical changes caused by changes in climate parameters.

The Company has defined and prioritised the most relevant climate risks for its activity and has monetised those for which a potential financial impact has been identified.

The exercise of identifying physical climate risks has been 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 have been assessed considering the criteria of exposure, sensitivity and capacity to adapt. Different physical scenarios have been considered in the analysis.

Climate-related risks are assessed considering the short, medium and long term (the most significant changes and impacts are expected by the end of the century), using the Intergovernmental Panel on Climate Change (IPCC) RCP²³ scenarios as a reference. 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 *Agencia Estatal de Meteorología* (AEMET - Spain's National Meteorology Agency) for the most important scenarios of the fifth IPCC report (AR5) have been considered.

Following the assessment process, two main physical risks have been defined:

- Impact of extreme events on outdoor facilities.
- Fires in power lines and substations.

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. the MANINT project²⁴).

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.

Climate-related risk management is part of the Company's risk management system. Therefore, the established governance model applies to this type of risk.

The activity of domestic electricity infrastructure operation and management contributes as a whole to the climate change mitigation and adaptation objectives, reducing the risks and impact of climate change in society. However, the Taxonomy disclosures show a 100% contribution to the climate change mitigation objective and a 0% contribution to the adaptation objective. This allows for adjustment to the KPI calculation methodology provided for by Commission Delegated Regulation 2021/2178.

²³ Representative Concentration Paths (RCPs)

²⁴ Intelligent Maintenance

Assessment of compliance with the “Do No Significant Harm” (DNSH) principle

Redeia's activities which contribute substantially to the objectives of climate change mitigation and adaptation do not cause significant harm to the rest of the environmental objectives defined in the Taxonomy Regulation.

Sustainable use and protection of water and marine resources.

Redeia's activities do not have any significant impact on this environmental objective, taking into account both the direct effects and the main indirect effects throughout the life cycle. No risks of environmental degradation related to the preservation of water quality have been identified, nor significant impacts on the good ecological status or potential of bodies of water (surface water and groundwater); or on the good environmental status of marine waters.

During the process of designing the facilities, a detailed study is carried out to avoid any type of impact on surface watercourses. As regards groundwater, numerous preventive and corrective measures are implemented to prevent the contamination of groundwater by leaks or spills of oils, fuels and hazardous substances. Containment systems (especially for power equipment containing large quantities of oil) and protocols are in place for immediate response to possible events to mitigate the consequences of accidents, should they occur.

Transition to a circular economy.

Redeia works together with the stakeholders in its value chain so that the equipment and materials used in all its activities are produced from reused or recycled materials and that, at the end of their useful life, they are also recycled, reused or recovered, thus closing the circle of sustainability for all the equipment and materials used.

In terms of waste management, the objective has been set for 2030 to achieve the reduction, reuse, recycling or energy recovery of all waste generated. To this end, an action plan is in place to recover 100% of the waste generated.

Pollution prevention and control. Construction activity.

The principles described in the CFI's²⁵ Environmental, Health, and Safety Guidelines for Electricity Transmission and Distribution are followed in all construction activities for electricity transmission network facilities.

Red Eléctrica has also implemented an Environmental Management System (EMS) certified under ISO²⁶ 14001 and the EMAS²⁷. The ISO certifications cover the CFI guidelines.

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 established, environmental monitoring programmes are defined and developed. These are applied during the construction of the facilities and in the early years of their operation, and facilitate the definition of new measures if necessary. The environmental monitoring of construction sites supervises the work done by contractors to meet environmental requirements.

Environmental monitoring of works and "environmental certification" (environmental requirements must be met by contractors for full certification of construction works) are very important to ensure alignment with environmental criteria.

Pollution prevention and control. PCB.

In the carrying out of its maintenance activities, Red Eléctrica has no direct relationship with PCBs. The power equipment owned by Red Eléctrica does not contain PCBs.

Pollution prevention and control. Electromagnetic fields.

The activities comply with the applicable standards and regulations to limit the effects of electromagnetic radiation on human health. Thanks to the criteria applied in the design of the facilities, the levels of electric and magnetic fields (EMF) are kept below those recommended by the Council of the European Union²⁸.

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 μ T 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 μ T, respectively, and are normally less than 0.2 kV/m and 0.3 μ T from 100 metres away.

²⁵ Corporate Finance Institute.

²⁶ International Organization for Standardization.

²⁷ Eco-Management and Audit Scheme.

²⁸ Official Journal of the European Communities 1999/519/EC: exposure limits for the general public in places where they are likely to remain for a long time of 5 kV/m for the electric field and 100 μ T for the magnetic field.

In the case of 220 kV lines, these levels are lower, ranging between 1-3 kV/m for the electric field and 1-6 μ T for the magnetic field at the closest point to the conductors. At a distance of 30 metres, the electric and magnetic field levels range between 0.1-0.5 kV/m and 0.1-1.5 μ T, and are generally lower than 0.1 kV/m and 0.2 μ T from 100 metres away.

Protection and restoration of biodiversity and ecosystems.

All Redeia projects are assessed from an environmental perspective, and the competent environmental authorities are informed and their approval is requested, even in the case of projects that are not legally required to be subjected to the environmental impact assessment procedure.

Most of Redeia's projects are subject by law to this environmental impact assessment procedure, and it is carried out in accordance with Directive 2011/92/EU, state legislation (Law 21/2013 of 9 December 2013 on Environmental Assessment) and applicable regional regulations.

Where the environmental impact assessment is carried out, the required mitigation and compensation measures are implemented to protect the environment and, therefore, biodiversity. These measures encompass those established by the environmental body and included in the project's environmental authorisations.

For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 Network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas (KBAs), as well as other protected areas), an appropriate assessment, where applicable, is conducted and based on its conclusions the necessary mitigation measures are implemented.

Those projects that may directly or indirectly affect Natura 2000 Network sites are subject to the environmental assessment procedure, even if their thresholds do not reach those defined in the Annexes of Law 21/2013 on Environmental Assessment.

Climate change adaptation

Note: From the point of view of the contribution to the objective of climate change mitigation, this section also includes information on compliance with the DNSH principle on climate change adaptation.

The activity of management and operation of national electricity infrastructure as a whole is a key element in the adaptation of the energy system to the risks arising from climate change.

An exercise has been carried out to identify the physical climate risks that could cause damage to the electricity transmission network infrastructure and/or affect their operation. Those that could be significant have been defined and prioritised, and the appropriate adaptation measures have been designed and implemented to minimise such risks.

Compliance with minimum social safeguards

Redeia has an explicit and public commitment to promoting and respecting human rights in all its activities and in all the territories and countries where it operates.

The Company pays special attention to vulnerable groups, and as such instils this in the corporate culture through the Ten Principles for respect for human rights, included in its Commitment to the promotion of and respect for human rights, the Code of Ethics and Conduct and the Sustainability Policy.

With a view to extending this behaviour throughout the supply chain, the human rights obligation is extended to suppliers through the Code of Conduct for Suppliers. In the development of these Principles and Codes, human rights internationally recognised in national and international laws and benchmarks 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 tools in terms of due diligence in integrity and human rights, both for its own activities and in its relations with third parties, in order to mitigate the risk of Redeia being linked to third parties associated with conduct which is not in line with its ethical values. To such end, since 2013 it has carried out periodic due diligence analyses that involve all Group companies in order to identify possible risks stemming from its direct and indirect activity.

KPIs: Turnover, CAPEX and OPEX associated with Taxonomy-aligned activities.

In July 2021, European Commission Delegated Regulation 2021/2178 implementing Article 8 of the Taxonomy Regulation, concerning the transparency of undertakings in non-financial statements, was published. This Regulation specifically sets out the environmentally sustainable economic activities and the methodology to comply with the Taxonomy disclosure obligation.

Under Article 8, non-financial undertakings are required to disclose the following information:

- a) The proportion of their turnover (Revenues) 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.

The quantitative and qualitative information to be reported (KPIs) and the criteria for preparing such indicators are also described.

In relation to the calculation of KPIs, Annex I of Commission Delegated Regulation 2021/2178 includes in its point 1 the content of the KPIs to be disclosed by non-financial undertakings, categorically specifying that the following information must be reported for each of the indicators:

Turnover (Revenues):

The proportion of turnover, to be calculated as the share of net turnover derived from products or services, including intangible assets, associated with Taxonomy-aligned economic activities (numerator), divided by net turnover (denominator).

Investments in fixed assets (CAPEX):

The denominator shall include additions to tangible and intangible assets during the reporting period before depreciation, amortisation and any revaluations, including those resulting from revaluations and impairments, for the relevant period, excluding changes in fair value. The denominator shall also include additions to tangible and intangible assets resulting from business combinations.

The numerator is equal to the part of the investments in assets included in the denominator that a) relates to assets or processes that are associated with Taxonomy-aligned economic activities; b) is part of a plan to expand Taxonomy-aligned economic activities or to enable Taxonomy-eligible economic activities to comply with the Taxonomy.

Operational expenditure (OPEX):

The denominator shall include direct non-capitalised costs that relate to research and development, building renovation measures, short-term leases, maintenance and repairs, and any other direct expenditures related to the day-to-day maintenance of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

The numerator shall include the part of the operational expenditure included in the denominator which: a) related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non-capitalised costs that represent research and development.

Additionally, in October 2022, there was a Communication from the European Commission on the interpretation of certain legal provisions of the delegated act on disclosure of information under Article 8 of the EU Taxonomy Regulation, on the reporting of Taxonomy-eligible economic activities and assets, which clarifies a number of issues that had been highlighted in relation to the application of Article 8 of the Regulation.

In relation to the considerations set out in Annex I of the Regulation, it should be noted that the procedures followed to determine the numerator and denominator of each of Redeia's KPIs meet the requirements of the Regulation.

Likewise, the accounting regulations referred to in relation to Revenue, CAPEX and OPEX correspond to the accounting regulations applicable to Redeia. Therefore, it has not been necessary to make any adaptation or interpretation in this respect.

Based on the foregoing, Redeia's information for 2022 and 2021, in accordance with the Taxonomy Regulation, is as follows:

Taxonomy-eligible and Taxonomy-aligned activities. KPIs:

	2022	2021
Revenue	79.2%	82.3%
CAPEX	76.7%	75.5%
OPEX	90.0%	89.1%

Taxonomy-eligible but non-Taxonomy-aligned activities. KPIs:

	2022	2021
Revenue	3.5%	2.6%
CAPEX	4.3%	7.7%
OPEX	4.2%	4.1%

The percentages assigned to the contribution to the objectives of climate change mitigation and adaptation included in Appendix I "Information on KPIs" show a 100% contribution to the climate change mitigation objective and 0% to the climate change adaptation objective. However, the items assigned to the mitigation objective could also include items related to the adaptation objective. In line with the European Commission's FAQs, one of the two objectives has been selected to avoid any risk of double counting.

The criteria applied to calculate Redeia's KPIs are set out below.

Explanation of the KPIs

As set forth in point 1.2. on Specifications of the disclosures accompanying the KPIs of non-financial undertakings, of Commission Delegated Regulation 2021/2178 of the European Commission implementing Article 8 of the Taxonomy Regulation:

Determination of numerator and denominator of KPIs

Point 1.2.1. of the Regulation states that non-financial undertakings shall explain:

- (a) How turnover, capital expenditure and operating expenditure were determined and allocated to the numerator;
- b) The basis used to calculate turnover, capital expenditure and operating expenditure, including any assessment made when allocating revenues or expenditures to different economic activities.

In carrying out the calculation of the ratio of Revenue, CAPEX and OPEX aligned with the Taxonomy, in relation to the Group total, the following steps have been taken:

1. The Taxonomy-aligned activities have been identified. As detailed above, these activities are as follows:
 - Management and operation of domestic electricity infrastructure.
2. The companies that carry out these activities have been identified within the consolidated Group:
 - Management and operation of domestic electricity infrastructure: Red Eléctrica
3. Within Red Eléctrica we have analysed which activities or businesses meet the criteria to be identified as Taxonomy-aligned activities.

The activities carried out by Red Eléctrica are classified as follows:

- a. Electricity transmission (Taxonomy-aligned activity).
- b. System operation, mainland and non-mainland (Taxonomy-aligned activity).
- c. Other activities. Supplementary activities carried out by Red Eléctrica related to its main activities of electricity transmission and system operation (Taxonomy-aligned activities).

In view of the foregoing, all activities carried out by Red Eléctrica are considered Taxonomy-eligible and Taxonomy-aligned activities.

In relation to Revenue, since the description provided by the Regulation meets the accounting criteria for the classification of "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. Therefore, this figure from Red Eléctrica's annual accounts was considered directly.

In relation to OPEX, since the Regulation determines that only activities that relate to research and development, building renovation measures, short-term leases, maintenance and repairs, and any other direct expenditures related to the day-to-day maintenance of assets of property, plant and equipment must be considered, we differentiated, from the total expenditure, those that meet the 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 Management and Operation of International Electricity Infrastructure (an electricity transmission activity carried out in Peru and Chile), it should be noted that all the activities carried out by the Group companies that engage in this activity correspond to actions related to the proper performance of their business. For this reason, in determining the OPEX, all the expenses incurred by the companies were taken into account (supply expenses, other operating expenses, personnel expenses, from which self-constructed assets have been deducted as they are considered in the CAPEX figure).

As regards the OPEX denominator, in the case of Red Eléctrica de España, and for the electricity transmission activities carried out in Peru and Chile, the same figure was considered as in the case of the numerator, and for the other Group companies, their asset maintenance costs were considered. Based on the above, the activities carried out by Reintel and Hispasat were also considered.

As laid down in the Regulation, and in relation to the calculation of the numerator of the ratios, it was ensured that Taxonomy-aligned activities were considered only once, as they are specific activities carried out by Red Eléctrica, and not by other Group companies, nor were these activities duplicated.

In the case of the denominator, the Revenues, CAPEX and Taxonomy-aligned OPEX figure used relates to the figure recorded in the Group's consolidated financial statements, in the case of Revenues and CAPEX. Likewise, in the case of OPEX, it was ensured that it does not include duplicated expenses between Group companies.

4. After identifying the Taxonomy-aligned activities, the Revenues, CAPEX and Taxonomic OPEX ratio was calculated by including in the numerator the figures provided for Revenues, CAPEX and Taxonomic OPEX of Red Eléctrica, and in the denominator, the total Revenues, CAPEX and Taxonomic OPEX of Redeia, taking into account the above comments.

In relation to Taxonomy-eligible but Taxonomy non-aligned activities, which correspond to the management and operation of international electricity infrastructure, the procedure was similar to that described in the case of Red Eléctrica. In this case, these activities are carried out by Red Eléctrica Internacional (Redinter), through its investees in Peru and Chile.

The activities carried out by these companies were considered fully Taxonomy-eligible but not Taxonomy-aligned.

Regarding Revenue and CAPEX (additions to fixed assets), a procedure similar to that described in relation to Red Eléctrica's Taxonomy-aligned activities was followed.

As far as Taxonomic OPEX is concerned, likewise, expenses directly related to asset maintenance activities were differentiated for the purposes of calculating the numerator. In relation to the denominator, the taxonomic OPEX considered for the Group was the same as that considered in the case of the aligned Taxonomic OPEX.

Contextual Information

The Taxonomy Regulation states in point 1.2.3 of Annex I that non-financial undertakings shall explain the figures for each KPI and the reasons for any changes in those figures in the reporting period.

Since the numerator of the KPIs corresponds to the activities of Red Eléctrica, they indicate the weight of the activities carried out by this company within Redeia as a whole.

As is reflected in the figures provided, these activities represent a very significant percentage of all Group's activities. Therefore, we can conclude that most of the activities carried out by Redeia are aligned with the Taxonomy Regulation.

Regarding the comparability of the information for 2022 and 2021, as shown in the results above, in terms of Revenue, CAPEX and OPEX, we find that in all cases it remains in line. This can largely be attributed to the fact that the Group activities considered to be Taxonomy-aligned in 2022 and 2021 have been the same. By the same token, the weight that these three activities have represented in Revenue, CAPEX and OPEX, as a proportion of the Group's total, has also been in line during these two years.

As regards Taxonomy-eligible but Taxonomy non-aligned activities, as is evidenced by the indicators obtained, the results are in line with those obtained for 2021.

APPENDIX I. INFORMATION ON KPIs ON TURNOVER, OPEX AND CAPEX FOR TAXONOMY-ELIGIBLE, ENVIRONMENTALLY SUSTAINABLE, TAXONOMY-ELIGIBLE BUT TAXONOMY NON-ALIGNED AND TAXONOMY NON-ELIGIBLE ACTIVITIES.

Pursuant to Article 2(2) of Commission Delegated Regulation 2021/2178, and in accordance with the table format set out in Annex II of such Commission Delegated Regulation, the KPI information is as follows.

Economic activities	Code	Net turnover	Proportion of turnover	Substantial contribution criteria						No significant harm criteria						Minimum safeguards	Proportion of turnover aligned with the Taxonomy 2022	Proportion of turnover aligned with the Taxonomy 2021	Enabling activity (E)	Transition activity (T)
				Climate change mitigation	Climate change adaptation	Water and marine resources (*)	Circular economy (*)	Pollution (*)	Biodiversity and ecosystems (*)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)					
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
Management and operation of domestic electricity infrastructure	4.9	1,595,973	79.2%	100%	-	N/A	N/A	N/A	N/A	Y	Y	N/A	Y	Y	Y	Y	79.2%	82.3%	F	
Turnover from environmentally sustainable activities (Taxonomy-aligned activities) (A.1)		1,595,973	79.2%	100%	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	79.2%	82.3%		
Management and operation of international electricity infrastructure	4.9	70,564	3.5%																	
Turnover from Taxonomy-eligible, but not environmentally sustainable, activities (Taxonomy non-aligned activities) (A.2)		70,564	3.5%																	
Total (A.1 + A.2)		1,666,537	82.7%														79.2%	82.3%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Telecommunications Satellite Business	-	226,008	11.2%																	
Telecommunications Fibre Optics	-	96,545	4.8%																	
Other businesses, Corp. and adjustments	-	25,946	1.3%																	
Turnover from Taxonomy non-eligible activities (B)		348,499	17.3%																	
TOTAL (A+B)		2,015,036	100.0%																	

(*) Pending publication of the details of the technical criteria associated with the environmental objective.

Economic activities	Code	Net OPEX	Proportion of OPEX	Substantial contribution criteria						No significant harm criteria						Minimum safeguards	Proportion of OPEX aligned with the Taxonomy 2022	Proportion of OPEX aligned with the Taxonomy 2021	Enabling activity (E)	Transition activity (T)
				Climate change mitigation	Climate change adaptation	Water and marine resources (*)	Circular economy (*)	Pollution (*)	Biodiversity and ecosystems (*)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)					
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
Management and operation of domestic electricity infrastructure	4.9	422,084	90.0%	100%	-	N/A	N/A	N/A	N/A	Y	Y	N/A	Y	Y	Y	Y	90.0%	89.1%	F	
OPEX from environmentally sustainable activities (Taxonomy-aligned activities) (A.1)		422,084	90.0%	100%	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	90.0%	89.1%		
Management and operation of international electricity infrastructure	4.9	19,614	4.2%																	
OPEX from Taxonomy-eligible, but not environmentally sustainable, activities (Taxonomy non-aligned activities) (A.2)		19,614	4.2%																	
Total (A.1 + A.2)		441,698	94.2%														90.0%	89.1%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Telecommunications Satellite Business	-	3,409	0.7%																	
Telecommunications Fibre Optics	-	23,700	5.1%																	
Other business, Corp. and adjustments	-	-	-																	
OPEX from Taxonomy non-eligible activities (B)		27,109	5.8%																	
TOTAL (A+B+C)		468,807	100.0%																	

(*) Pending publication of the details of the technical criteria associated with the environmental objective.

Economic activities	Code	Net CAPEX	Proportion of CAPEX	Substantial contribution criteria						No significant harm criteria						Minimum safeguards	Proportion of CAPEX aligned with the Taxonomy 2022	Proportion of CAPEX aligned with the Taxonomy 2021	Enabling activity (E)	Transition activity (T)
				Climate change mitigation	Climate change adaptation	Water and marine resources (*)	Circular economy (*)	Pollution (*)	Biodiversity and ecosystems (*)	Climate change mitigation (Y/N)	Climate change adaptation (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)					
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
Management and operation of domestic electricity infrastructure	4.9	470,370	76.7%	100%	-	N/A	N/A	N/A	N/A	Y	Y	N/A	Y	Y	Y	Y	76.7%	75.5%	F	
CAPEX from environmentally sustainable activities (Taxonomy-aligned activities) (A.1)		470,370	76.7%	100%	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	76.7%	75.5%		
Management and operation of international electricity infrastructure	4.9	26,273	4.3%																	
CAPEX from Taxonomy-eligible, but not environmentally sustainable, activities (Taxonomy non-aligned activities) (A.2)		26,273	4.3%																	
Total (A.1 + A.2)		496,643	81.0%														76.7%	75.5%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Telecommunications Satellite Business	-	87,044	14.2%																	
Telecommunications Fibre Optics	-	6,699	1.1%																	
Other businesses, Corp. and adjustments	-	22,937	3.7%																	
CAPEX from Taxonomy non-eligible activities (B)		116,680	19.0%																	
TOTAL (A+B)		613,323	100.0%																	

(*) Pending publication of the details of the technical criteria associated with the environmental objective.

11.9 Content index required by Law 11/2018 of 28 December 2018 on non-financial and diversity information

CONTENT	Page	Reporting framework
Description of the business model. Business environment. Organisation and structure. Markets served. Objectives and strategies. Key factors and trends that could affect future performance.	25-30	(¹)2-1, 2-6, 3-1, 3-2.
I. Information on environmental matters		
Management approach.	30-35	(¹) 103-1, 103-2,103-3
Present and foreseeable impact of the company's activities on the environment, health and safety.	31	103-1,
Environmental assessment or certification procedures.	30	UNE-EN ISO Standard 14001. Certified Environmental Management System.
Resources allocated to preventing environmental risks.	30	Environmental accounting regulations.
Application of the precautionary principle.	30	(¹) 2-23
Provisions and guarantees for environmental risks.	30	Internal framework. Amount spent on environmental aspects associated with investment projects.
Pollution		
Measures to prevent, mitigate or remediate the effects of carbon emissions (also includes noise and light pollution).	33-34	Internal framework. Measures for the prevention of noise, light and atmospheric pollution, as well as measures for the reduction of carbon emissions. The Company's activities do not cause emissions of ozone-depleting substances, such as NOx, SOx or other significant air emissions, since they do not involve the burning of fossil fuels (the Company does not generate electricity), with the exception of the fuels used in certain generators and in vehicles, which are not considered to be significant under this approach.
Circular economy and waste prevention and management		
Measures for the prevention, recycling, reuse and other recovery and disposal of waste.	31-32	103-2
Actions to combat food waste.	Not material.	These types of actions are not carried out due to the nature of the Group's activities, which do not involve food management or therefore waste.
Sustainable use of resources		
Water consumption and supply.	35	(¹) 303-1
Consumption of raw materials and measures to improve efficiency.	Not material.	The Company's activities do not entail direct consumption of raw materials.
Direct and indirect energy consumption.	35	(¹) 302-1 / 302-2
Measures taken to improve energy efficiency.	33-34	103-2 and 302
Use of renewable energies.	35	103-2 and 302
Climate change		
Key elements of the greenhouse gas emissions generated.	35	(¹) 305-1 / 305-2
Measures taken to adapt to the consequences of climate change.	33-34	(¹) 305-5
Voluntary medium and long-term emission reduction targets set and steps taken.	33-34	103-2, 305-5

Protecting biodiversity		
Measures to preserve and restore biodiversity.	32-33	(¹) 304-1 / 304-3
Impacts caused by activities or operations in protected areas.	32-33	(¹) 304-2
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Total number and distribution of employment contract types by gender, age and professional category.	45	(¹) 2-7
Average annual number of permanent, temporary and part-time contracts by gender, age and professional category.	45-46	Non-Financial and Diversity Information Law 11/2018. Average annual number of contracts by type, broken down by gender, age and professional category.
Number of dismissals by gender, age and professional category.	46	Non-Financial and Diversity Information Law 11/2018. Number of dismissals for the year by gender, age and professional category.
Pay gap.	49	(¹) 405-2
Average pay by gender, age and professional category.	48-49	Non-Financial and Diversity Information Law 11/2018. Average total salary by gender, age and professional category
Remuneration of like positions or average remuneration in the company.	49	(¹) 405-2
Average remuneration of directors by gender.	50	Non-Financial and Diversity Information Law 11/2018. Average remuneration of members of the Board of Directors by gender
Average remuneration of management personnel by gender	48-50	Non-Financial and Diversity Information Law 11/2018. Average remuneration of senior management personnel by gender
Implementation of policies on disconnecting from work.	50	Internal framework. Measures to disconnect from work.
Employees with disabilities.	57-58	General Law on the Rights of Persons with Disabilities (LGD). Percentage of employees with a disability.
Organisation of work		
Organisation of working time.	50	Internal framework. Real and effective working day.
Number of hours of absenteeism.	50-51	Internal framework. Number of hours of absenteeism.
Measures aimed at facilitating a work-life balance and encouraging sharing of responsibilities between both parents.	51	(¹) 401-2
Health and safety		
Occupational health and safety conditions.	51-54	(¹) 403-10 / 404-1 / 404-2
Number of work-related accidents and ill health by gender, frequency and severity.	54	Related regulations per Ministry of Work standards. https://herramientasprl.insst.es/Accidentesdetrabajo/RecursosAdicionales.aspx
Labour relations		
Organisation of social dialogue, including procedures on worker communication, consultation and negotiation.	55-56	(¹) 402-1
Percentage of employees covered by collective bargaining agreements by country.	55	(¹) 2-30
Summary of collective bargaining agreements, particularly in the field of health and safety.	56	(¹) 403-4 / 403-8

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. ²⁸	54-55	Internal framework. Climate survey and communication channels
Training		
Policies implemented.	57	(¹) 404-2
Total hours of training by professional category.	57	(¹) 404-1
Universal accessibility for people with disabilities.		
Universal accessibility for people with disabilities.	57-58	Internal framework. Accessibility measures
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Integration and universal accessibility for people with disabilities.	57-58	Internal framework. Hiring of people with disabilities and integration and accessibility measures.
Policies against all kinds of discrimination and, as the case may be, diversity management.	57-60	406.
III. Information on respect for human rights		
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Anti-money laundering measures.	63-65	(¹) 2-23 / 2-26 / 406-1
Contributions to foundations and non-profit organisations.	68-72	Internal framework. Contributions to foundations and non-profit organisations.

²⁸ Modification of the content of the NFIS resulting from the application of Law 5/2021, which amends the Revised Spanish Companies Act approved by Royal Legislative Decree 1/2010 of 2 July 2010, and other financial standards, as regards the encouragement of long-term shareholder engagement in listed companies.

V. Information on social issues		
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Impact of the Company's activity on local populations and the local area.	68-69	(*) 413-1
Relations with local community players and types of dialogue.	68-72	(*) 413-1
Association and sponsorship actions.	71-72	(*) 2-28
Subcontracting and suppliers		
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Complaints received and resolution thereof.	74-76	(*) 2-29
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VI. Alignment with the Taxonomy Regulation on sustainable finance in the European Union		
Proportion of turnover (Revenues) derived from products or services associated with economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.	79-92	European Commission Delegated Act on Article 8 of the Taxonomy Regulation, concerning the transparency of undertakings in non-financial statements.
Proportion of capital expenditure (CAPEX) related to assets associated with economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.	79-92	European Commission Delegated Act on Article 8 of the Taxonomy Regulation, concerning the transparency of undertakings in non-financial statements.
Proportion of operating expenditure (OPEX) related to assets or processes associated with economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.	79-92	European Commission Delegated Act on Article 8 of the Taxonomy Regulation, concerning the transparency of undertakings in non-financial statements.

(*) This table shows the equivalence between the requirements of Law 11/2018 and the GRI standards. Red Eléctrica has published non-financial information since 2003 in accordance with successive versions of the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI).

12 Annual Corporate Governance Report

The Annual Corporate Governance Report forms an integral part of the directors' report and can be viewed at the following address:

<http://www.cnmv.es/Portal/consultas/EE/InformacionGobCorp.aspx?nif=A-78003662>

13 Annual Report on Directors' Remuneration

The Annual Report on Directors' Remuneration forms an integral part of the directors' report and can be viewed at the following address:

<https://www.cnmv.es/Portal/Consultas/EE/InformacionGobCorp.aspx?TipoInforme=6&nif=A-78003662>

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Independent Assurance Report on the Consolidated Non-Financial
Statement and Information on Sustainability for the year ended
December 31, 2022

RED ELÉCTRICA CORPORACIÓN, S.A. AND SUBSIDIARIES



INDEPENDENT ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT AND INFORMATION ON SUSTAINABILITY

Translation of a report originally issued in Spanish. In the event of discrepancy,
the Spanish-language version prevails

To the shareholders of RED ELÉCTRICA CORPORACIÓN, S.A.:

In accordance with article 49 of the Commercial Code, we have verified, with a limited scope, the Consolidated Non-Financial Statement (hereinafter NFS) for the year ended December 31, 2022 of RED ELÉCTRICA CORPORACIÓN, S.A. and subsidiaries (hereinafter the Group), which is part of the Group's accompanying Consolidated Management Report.

The content of the Consolidated Management Report contains information in addition to that required by prevailing company law in respect of non-financial information that was not included in the scope of our assurance work. Consequently, our work was limited exclusively to verifying the information identified in the section 11.9 "Content index required by Law 11/2018 of 28 December 2018 on non-financial and diversity information" included in the accompanying Consolidated Management Report.

Responsibility of the directors

The preparation of the NFS included in the Group's Consolidated Management Report and its content is the responsibility of the directors of RED ELÉCTRICA CORPORACIÓN, S.A. The NFS was prepared in accordance with the content required by prevailing company law and in conformity with the criteria outlined in the GRI Sustainability Reporting Standards (GRI standards), selected GRI, as well as other criteria described according to that mentioned for each subject in the section 11.9 "Content index required by Law 11/2018 of 28 December 2018 on non-financial and diversity information" of said Report.

This responsibility likewise includes the design, implementation, and maintenance of the internal control considered necessary to ensure that the NFS is free of material misstatement, due to fraud or error.

The directors of RED ELÉCTRICA CORPORACIÓN, S.A. are also responsible for defining, implementing, adapting, and maintaining the management systems from which the necessary information for preparing the NFS is obtained.

Our independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international standards on independence) issued by the International Ethics Standards Board for Professional Accountants (IESBA). in English) which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies current international quality standards and consequently maintains a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards, and applicable legal and regulatory provisions.

The EY team is made up of experts in non-financial information engagements and specifically, information on economic, social, and environmental performance.

Our responsibility

Our responsibility is to express our conclusions on the Independent Assurance Report with limited assurance, based on the work performed. We have carried out our work in accordance with the requirements established in the International Standard on Assurance Engagements (ISAE) 3000 (revised), "Assurance Engagements Other than Audits and Review of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the Guidelines on performing non-financial statement assurance engagements issued by the Spanish Institute of Chartered Accountants.

In a limited assurance engagement, the procedures carried out vary in their nature and timing and are less in extent than those carried out for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is also substantially lower.

Our work consisted in making inquiries of management and of the Group's various business units participating in the preparation of the NFS, reviewing the processes for compiling and validating the information presented therein, and applying certain analytical procedures and sample review tests as described in general terms below. These procedures included:

- ▶ Holding meetings with Group personnel to gain an understanding of the business model, the policies and management approaches applied, and the main risks related to these matters, as well as to gather the information needed to perform the independent assurance work.
- ▶ Analyzing the scope, relevance, and integrity of the contents of the 2022 NFS, based on the materiality assessment performed by the Group and described under 11.1 "About the Non-Financial Information Statement", in light of the content required under prevailing company law.
- ▶ Analyzing the processes used to compile and validate the data presented in the 2022 NFS.
- ▶ Reviewing the disclosures relating to the risks, policies, and management approaches applied with respect to the material matters presented in the 2022 NFS.
- ▶ Checking, via tests of a selected sample, the information underlying the contents of the 2022 NFS and the satisfactory compilation of the NFS based on data taken from information sources.
- ▶ Obtaining a representation letter from the directors and management.

Conclusions

Based on the procedures performed and the evidence obtained, no additional matter came to our attention that would lead us to believe that the NFS of the Society for the year ended December 31, 2022 has not been prepared, in all material respects, in accordance with the content established in prevailing mercantile regulations and following the criteria of the selected GRI standards as well as those other criteria described as mentioned for each subject in the section 11.9 "Content index required by Law 11/2018 of 28 December 2018 on non-financial and diversity information" of the report.

Use and distribution

This report was prepared in response to the requirement established by prevailing company law in Spain and may not be appropriate for other uses and jurisdictions.

ERNST & YOUNG, S.L.

(Signed in the original version in Spanish)

Alberto Castilla Vida

February 27, 2023