

redeia

El valor de lo esencial

Green Finance Framework



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Introduction



The group Redeia (Redeia or the Group) is a global operator of essential infrastructure that manages the Spanish electricity system in addition to transmission grids in Spain, Peru, Chile and Brazil, and also telecommunications networks (optical fibre), with a focus on innovation and sustainability.

Since its creation in 1985 as the world's first TSO (sole transmission agent and operator of the electricity system), the company has evolved to become consolidated as a benchmark group in the fields of electricity and telecommunications. Today Redeia follows a business model based on excellence, innovation, integrity and transparency, making its activity compatible with caring for the environment and generating shared value with society.

What drives us is the electricity supply distribution and ensuring connectivity in the field of telecommunications, promoting a just ecological transition based on sustainability criteria, whilst showcasing our neutrality and contributing to social and territorial cohesion.

Redeia Corporación, S.A. (Redeia Corporación) is the holding company of the Group, and it has the following dependant subsidiaries:

- **Red Eléctrica de España (Red Eléctrica)**, backbone of the electricity system in Spain and guarantee of a secure, quality and increasingly renewable electricity supply
- **Redeia Infraestructuras de Telecomunicación, S.A. (Reintel)**, largest provider of dark fibre in Spain, essential for offering universal and inclusive connectivity
- **Red Eléctrica Internacional, S.A.U. (Redinter)**, driving force behind the decarbonisation of the energy model and sustainable development in Latin America
- **Elewit, S.A.U. (Elewit)**, technology platform for innovation focused on boosting the energy transition and promoting connectivity



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Redeia's approach to Sustainability

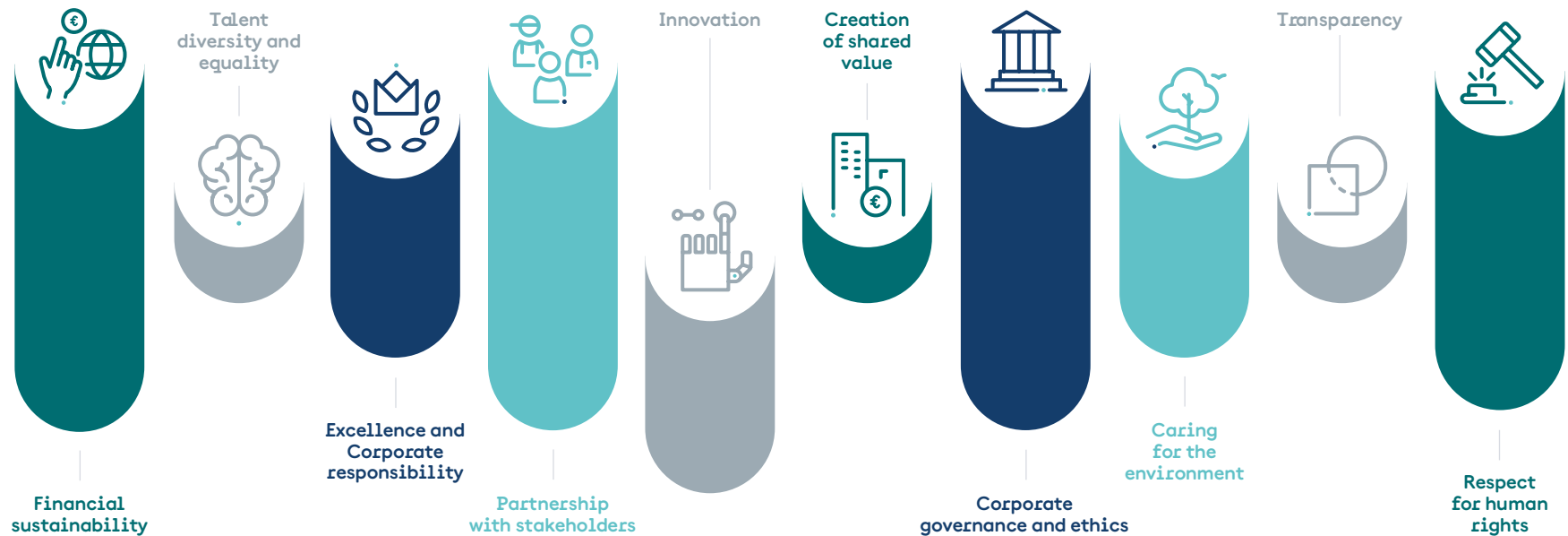


Green Finance Framework

Redeia has undertaken a strong commitment to sustainability which is strategic, cross-cutting and with a long-term vision. In February 2021, the Board of Directors approved Redeia's Strategic Plan 2021-2025¹. Redeia's Strategic Plan prioritises the development of the energy transition in Spain in order to move towards a decarbonised economy efficiently, promoting development in the field of telecommunications and consolidating the Group's activity abroad, ensuring the financial and operational efficiency of the Group. Furthermore, it seeks to ensure that talent and sustainability are the basis of the corporate culture, thus generating positive impacts through partnerships with the social environment and companies in the sector.

The 2030 Sustainability Commitment of Redeia, approved by the Board of Directors, materialises the commitment made by the Company to its long-term continuity and success through a business model capable of creating shared value for all its stakeholders through the responsible execution of its activities. Redeia's 2030 Sustainability Commitment is based on ten principles defined in the Sustainability Policy and is based on four sustainability priorities aimed at responding to the sustainability challenges.

10 principles of sustainability



The 2030 Redeia's sustainability priorities are:



Anticipating change and taking action by promoting a culture of innovation and flexibility that enables us to identify growth opportunities and respond to the challenges of the future, staying ahead and adapting to global trends and the regulatory environment that is arising out of the new energy model



Decarbonization of the economy by being a proactive agent in the energy transition towards a zero-emissions model, focusing efforts on the electrification of the economy and the efficient integration of renewable energies, through the development and operation of energy storage systems and a more robust and better-connected network








Responsible value chain by extending the Company's responsibility commitment to all links in the value chain, ranging from employees to suppliers and clients, accomplishing this through the creation of alliances and by basing it on our corporate governance and integrity model



Contribution to social, economic and environmental development by contributing to society's economic, environmental and social progress by providing a key service safely and efficiently. This is achieved by promoting environmental conservation - special attention to the protection of the ecosystem in general and of the marine environment in particular in the territories and regions where our infrastructure is located -, the quality of life and the social wellbeing of people. We also seek to involve the communities where our facilities are located in all aspects related to the Company's activities to generate a mutual benefit that positively impacts society as a whole

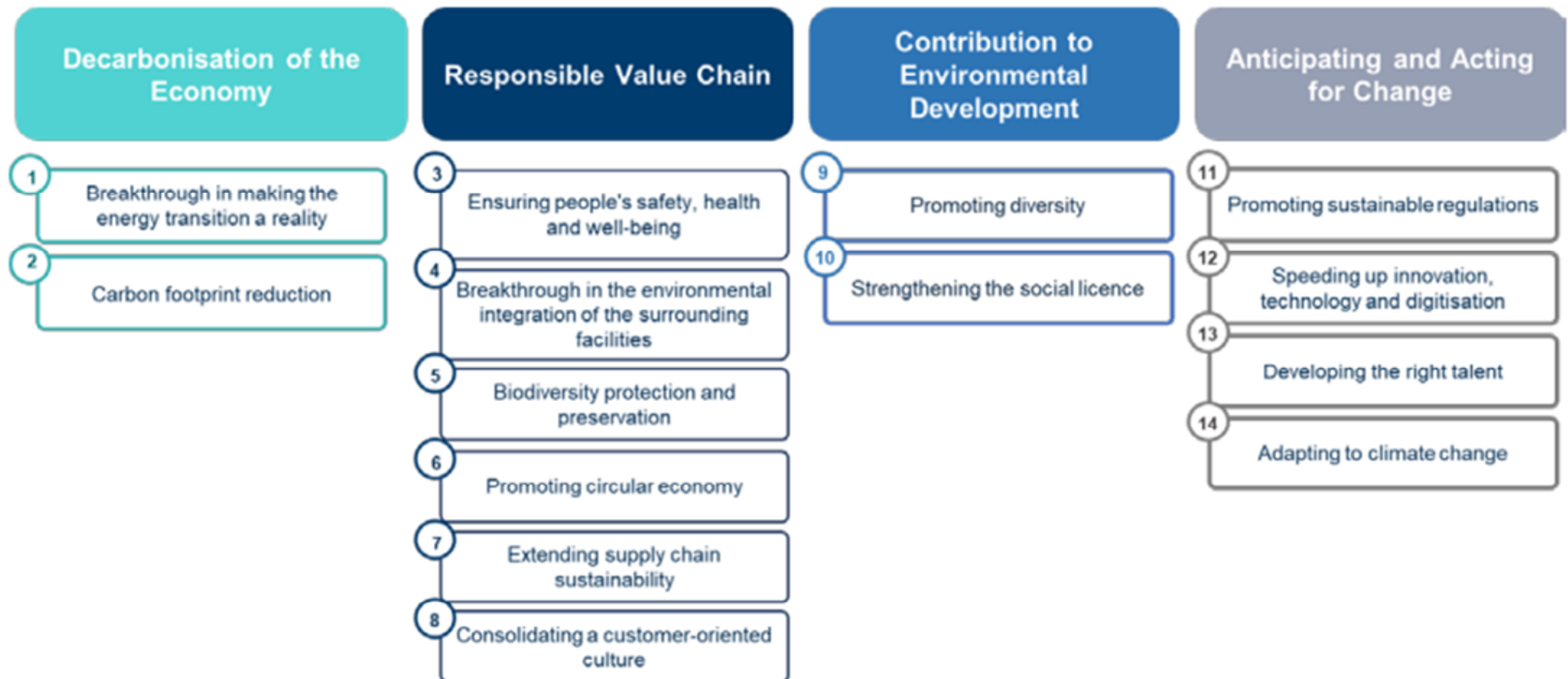
In 2019, Redeia established eleven sustainability objectives with a 2030 vision, aligned with the Strategic Plan. The drafting, during 2022, of the 2023-2025 Sustainability Plan has made it possible to define midterm objectives to achieve Redeia's 2030 ambition and, consequently, to update and/or firm up the 11 already existing objectives. These goals, validated by the Sustainability Steering Committee, the Executive Committee, the Board's Sustainability Committee and approved by the Board of Directors, contribute directly to the achievement of the United Nations Sustainable Development Goals (UN SDGs). The 2023-2025 Sustainability Plan vision is to maximise Redeia's contribution to sustainable development, promoting the responsible management that emphasizes the value of our internal flexibility and external alliances to consolidate the Group as a worldwide reference for sustainability.

Decarbonisation of the economy

	2030 GOALS	2025 GOALS
<div>Climate change</div> <div></div>	<ul style="list-style-type: none">• 55% reduction in Scope 1 and 2 emissions and 28% reduction in Scope 3 emissions compared to 2019.	<ul style="list-style-type: none">• 30% reduction in Scope 1 and 2 emissions.• Two-thirds of suppliers (in terms of emissions) were SBTi approved (compared to 2019).• 100% of Scope 1 emissions offset.
<div>Energy transition</div> <div></div>	<ul style="list-style-type: none">• Safely integrate 100% of available renewable energy into the electrical system: 74% of renewable energy in the electricity generation mix.• Empower society to promote their active participation in the energy transition process.	<ul style="list-style-type: none">• >60 % renewable energy in the electricity generation mix.• Commissioning of the Datahub expansion, making it accessible to participants and stakeholders allowed by regulations.• Greater content on the REData and RedOS platforms.
<div>Sustainable financing</div> <div></div>	<ul style="list-style-type: none">• 100% sustainable financing.	<ul style="list-style-type: none">• 60% sustainable financing.

The Sustainability Plan, which reached a level of compliance of 79,9% in 2024, consists of 14 courses of action aligned with the Group's strategic plan and the Sustainable Development Goals to advance towards the Group's priorities and goals for sustainability. They respond to what our stakeholders expect and demand.

Action lines of the Sustainability Plan 2023-2025



Leadership in Sustainability

Redeia is an active agent in the achievement of the Sustainable Development Goals (SDGs) through the deployment of its 2030 Sustainability Commitment. Based on the nature of its activity and the countries in which it operates, Redeia identifies the priority SDGs, indicating its contribution towards each one. However, as a socially responsible agent, Redeia meets the global 2030 Agenda of the United Nations through its performance in sustainability. Redeia prepares a specific annual report on its contribution to the SDGs².



Redeia's presence in the most prestigious international sustainability indexes shows its firm commitment to sustainability and its dedication to responsible transparency and accountability towards stakeholders. The Company has also voluntarily joined various initiatives that strengthen its commitment to sustainability, notably: the United Nations Global Compact Principles, the UN Women's Empowerment Principles, the New European Green Deal, Climate Ambition Alliance, Caring for Climate, the Biodiversity Compact, the Code of Good Tax Practices and the CEO Initiative for Diversity, among



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The Green Finance Framework



Green Finance Framework

In line with Redeia's objective of providing a sustainable and secure supply of electricity to society, Redeia has established a Green Finance Framework under which any entity within the Group can issue Green Finance Instruments (which may include, inter alia, bonds, private placements, loans, promissory notes (Schuldscheindarlehen) and commercial papers) to finance and/or refinance Eligible Green Projects that promote environmental progress.

By issuing Green Finance Instruments, Redeia intends to align its funding strategy with its sustainability strategy and objectives. In fact, Redeia sees the commitment to decarbonisation of the economy as a sustainability priority. Also the Spanish Government, within its National Integrated Energy and Climate Plan (2023-2030)³, defines a roadmap to achieve decarbonisation and to position Spain's leadership in clean energies and technologies. Within this strategic framework, Redeia will have to invest heavily in the network to increase the share of renewable energy in the system and contribute to the transformation of the Spanish economy.

In addition, Redeia aims to contribute to the development of the green bond market and to the growth of impact investing linked to the UN SDGs, with the financing of Eligible Green Asset Categories under this Green Finance Framework. Lastly, Green Finance Instruments will help to diversify Redeia's investor base and broaden the dialogue with existing investors.

The ICMA Green Bond Principles and the APLMA/LSTA/LMA Green Loan Principles (the Principles) are a set of voluntary guidelines that support transparency and accountability the development of the market for Green Finance Instruments. Redeia's Green Finance Framework follows the ICMA Green Bond Principles (GBP)2025⁴ and the APLMA/LSTA/LMA Green Loan Principles⁵(GLP) 2025 and which provide guidelines in the form of four core components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

The Framework also follows the recommendations of the Principles regarding External Review.

Finally, Redeia has taken into consideration the EU Taxonomy Regulation⁶, the EU Taxonomy Disclosures Delegated Act⁷, the EU Taxonomy Climate Delegated Act – Annex I⁸, subsequent amendments⁹ and the EU Green Bond Standard Regulation¹⁰ on a best efforts basis.

The Framework may be updated to reflect future changes in the Principles, regulatory developments, technological developments and changes to the Group's strategy and/or structure. For the avoidance of doubt, any updates of this framework may not impact Green Finance Instruments issued under this framework. Furthermore, this framework may not impact green finance instruments issued under previous frameworks. Any future versions of this framework will either keep or improve the current levels of transparency and accountability, including the corresponding review by a Second Party Opinion provider and the auditor regarding the allocation of the Green Finance Instruments' proceeds towards eligible green projects.

³National Integrated Energy and Climate Plan (PNIEC) Update 2023-2030

⁴ICMA Green Bond Principles (June 2025)

⁵APLMA/LSTA/LMA Green Loan Principles

⁶Regulation (EU) 2020/852

⁷Regulation (EU) 2021/2178

⁸Supplementing Regulation (EU) 2020/852 – Annex I

⁹Regulation (EU) 2023/2485





¹⁰Regulation (EU) 2023/2631

3.1. Use of Proceeds

An amount equivalent to the net proceeds of Green Finance Instruments will be used to finance and/or refinance, in whole or in part, eligible projects ("Eligible Green Projects"), including related partnerships and joint ventures. Eligible Green Projects include capital and operational expenditures with a three year look back period and assets with no lookback period. Redeia will only account for full asset values when the assets are fully owned by Red Eléctrica and they are on the Red Eléctrica balance-sheet. In case of joint-ventures, Redeia will account for the portion of the book-value of the asset that is attributable to Red Eléctrica. Joint-ventures will generate at least 90% of revenues from activities that are compliant with the requirements stated in this Framework and the remaining revenues will not come from activities associated with fossil-fuel generation. Eligible Green Projects are aligned with the Substantial Contribution Criteria of the EU Taxonomy.



GBP/GLB

Project Category	Eligibility Criteria	Link to EU Taxonomy ^{11 12}	NACE	UN SDGs ¹³
Renewable Energy	<p>Assets, CapEx and/or OpEx related to the construction and/or operation of infrastructure to support renewable energy transmission and/or distribution:</p> <ul style="list-style-type: none"> ● Electricity transmission and distribution infrastructure that complies with at least one of the following criteria: <ul style="list-style-type: none"> ○ 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 ○ More than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100g CO2e/kWh measure on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period ○ The average system grid emission factor, calculated as the total annual emissions from power generation connected to the system, divided by the total amount net electricity production in that system, is below the threshold value of 100g CO2e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period <p>Exclusion criteria:</p> <ul style="list-style-type: none"> ● Infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more GHG intensive than 100g CO2e/kWh measure on a life cycle basis ● Installation of metering infrastructure that does not meet the requirement of smart metering systems of Article 20 of Directive (EU) 2019/944 	<p>Contribution to EU Environmental Objectives:</p> <p>Article 10 Substantial Contribution to Climate Change Mitigation</p> <p>4.9. Transmission and distribution of electricity</p>	<p>D35.12</p> <p>D35.13</p>	   

¹¹Regulation (EU) 2020/852

¹²Regulation (EU) 2023/2486

¹³ICMA Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals (June 2023)

3.2. Process for Project Evaluation and Selection

Projects financed and/or refinanced through Instruments issued under the Green Finance Framework are evaluated and selected based on compliance with the Eligibility Criteria described above. The list of selected eligible projects is set up by a core team, integrated by members of the Sustainability Department, Control and Analysis of Investments Department, Finance Direction, System Development Direction and Construction Direction. The list of projects is then submitted to the Sustainability Steering Committee for validation. The Sustainability Steering Committee comprises representatives of Corporate Finance, Sustainability, Energy Networks, System Operation, Management Control and other parties to be nominated as subject matter experts.

The Sustainability Steering Committee will meet at least on an annual basis.
The Sustainability Steering Committee is responsible for:

- Evaluating and selecting Eligible Green Projects in line with the Eligibility Criteria as set out in the Framework and excluding projects that no longer comply with the Eligibility Criteria;
- Reviewing the content of the Green Finance Framework and updating it to reflect changes in corporate strategy or structure, technological developments, updates to the Principles and other market standards and or regulatory developments;
- Initiating the update of external documents such as the Second Party Opinion (SPO) and related documents from external consultants;
- Overseeing, approving and publishing the allocation and impact reporting, including external assurance statements. Redeia may rely on external consultants and their data sources, in addition to its own assessment;
- Monitoring internal process to identify, assess and manage ESG risk associated with the Eligible Green Project Portfolio, and to track remediation efforts if and as necessary;
- Liaising with relevant business teams and other stakeholders on the above as necessary.

All Redeia's activities are assessed based on consistency with strategic sustainability objectives and in compliance with applicable national, European and international environmental and social standards and regulations, to ensure a stringent management of any potential negative environmental and social impacts. Furthermore, Redeia's sustainability guidelines and policies define the framework and minimum standards for the business processes, including those financed with the proceeds of Green Finance Instruments issued under this Framework. Redeia also applies risk management measures in its capital allocation decisions which are supported by a company-wide planning, reporting and controlling system. Examples of internal policies and guidelines, which mitigate any social and environmental risks potentially associated with Eligible Green Projects, are:

- **Environmental Policy¹⁴**
- **Code of Conduct for Suppliers¹⁵**
- **Corporate Responsibility Policy**
- **Corporate Governance Policy¹⁶**
- **Comprehensive Risk Management Policy¹⁷**
- **Code of Conduct and Ethics¹⁸**
- **Commitment to Combat Climate Change¹⁹**
- **Biodiversity Commitment²⁰**

¹⁴Redeia Environmental Policy (2023)

¹⁵Code of conduct for suppliers (2023)

¹⁶Corporate Governance Policy (2020)

¹⁷Comprehensive Risk Management Policy (2021)

¹⁸Code of Conduct and Ethics of Redeia (2023)

¹⁹Commitment to combat climate change (2023)

²⁰Biodiversity Commitment (2023)

Green Finance Framework

3.3. Management of Proceeds

The net proceeds from the issuance of Green Finance Instruments will be tracked and monitored through an internal tracking system. Redeia expects to allocate an amount equivalent to the net proceeds to Eligible Green Projects, selected in accordance with the Eligibility Criteria and Process for Project Evaluation and Selection presented above, within 36 months of the issuance of the Green Finance Instrument. Pending full allocation, unallocated net proceeds from Green Finance Instruments will be managed at Redeia's treasury discretion, in its treasury liquidity portfolio (in cash or cash equivalents, money market funds, etc). The treasury team, which is part of the Sustainability Steering Committee, is responsible for managing the proceeds from Green Finance Instruments.

Where a Green Finance Instrument takes the form of one or more tranches of a loan facility, each tranche applicable to the Eligible Green Project(s) will be clearly labelled, with net proceeds, or an amount equivalent to the net proceeds, of the green tranche(s) credited to a separate account or otherwise tracked by the borrower in an appropriate manner.



3.4. Reporting

Redeia will make and keep readily available reporting on the allocation of an amount equivalent to the net proceeds to the Eligible Green Projects and on the impact of the Eligible Green Projects, at least at the project category level, after a year from the issuance of the applicable Green Finance Instruments to be renewed annually until full allocation or until maturity of the Green Finance Instruments. Any material developments, such as modification of the Framework or allocation portfolio, will be reported in a timely manner.

Reports will be available on the website.²¹

a) Allocation Reporting

The allocation report will provide:

- The total amount of Eligible Green Projects
- The balance of unallocated proceeds
- The amount and/or percentage of new and existing projects²² (share of financing and refinancing)
- The geographical location of the assets (at country level)
- Proportion of projects that are aligned with the EU Taxonomy Delegated Act

²¹Redeia Green Framework

²²New projects refer to the projects that have been disbursed in the year of the issuance (In the case of assets, this would include annual investment on an existing asset or a new asset, such as a new line)

b) Impact Reporting

Redeia intends to report on the environmental impacts of the projects funded with the Green Finance Instruments proceeds, by way of its existing Sustainability Report, and/or specific impact reports. These may be supplemented by qualitative and/or case-study reports on outcomes and impacts of the projects funded. Where relevant, information may be provided on data reporting and impact assessment methodologies, to increase transparency. Redeia will always take a conservative approach to reporting impact in relation to any obstacles that may arise in relation to data quality, availability and/or the effort and resources that may be required to processes granular data for the purposes of impact reporting. As a result, users of our impact reporting can be assured that the impact metrics will not be overstated.

Use of Proceeds	Potential impact
Renewable Energy	<p>For assets aimed at directly increasing the production of renewable energies (e.g. interconnections):</p> <ul style="list-style-type: none">• MW of interconnection (increase of interconnection capacity (%/year)• Annual output (MWh/year)• Estimated annual CO2 emissions avoided (in tCO2 and in TCO2eq.) <p>For all transmission assets:</p> <ul style="list-style-type: none">• Renewable capacity connected to the grid (in GW and relative share of total capacity in %)• Annual output (MWh/year, split in renewable and conventional electricity in %)• Efficiency improvements (%) and energy losses avoided (MWh)• Estimated annual CO2 emissions avoided (in tCO2 and in TCO2eq.)

Redeia intends to align, on a best effort basis, the reporting with the portfolio approach described in Handbook - Harmonized Framework for Impact Reporting (June 2024)²³.

3.5. External Review

a) Pre-issuance verification: Second Party Opinion

This Redeia Group Green Finance Framework has been reviewed by S&P Global Ratings Europe. The Second Party Opinion prepared by S&P Global Ratings Europe as well as the Green Finance Framework will be made available to the Green Bond investors on Redeia’s website¹⁷.

b) Post-issuance verification: Limited assurance on the allocation report

Redeia intends to request a limited assurance report by an independent auditor regarding the allocation of the proceeds for any Instruments issued under this Green Finance Framework. Such report will be issued annually until all the proceeds of the Green Finance Instruments have been allocated or until maturity of the Green Finance Instruments, confirming that an amount equal to the net proceeds of the Green Finance Instruments have been allocated in compliance with the eligibility criteria set out in this Green Finance Framework.allocated in compliance with the eligibility criteria set out in this Green Finance Framework.

²³Handbook – Harmonised Framework for Impact Reporting (June 2024)

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