

Redeia Net Zero Transition Plan

Redeia is an essential agent in the transition towards a new energy model, needed to get the Net Zero global goal: Redeia's activities are fundamental to achieve the climate and energy objectives in Spain (aligned with the European objectives), both in the near term (2030) and in the long term (2050).

According to the **company's vision, Redeia's goal is to make a truly meaningful contribution to the decarbonisation of the economy and to engage citizens through technological innovation, the sustainable electrification of society and the deployment of cutting-edge telecommunications, guaranteeing connectivity and access to new renewable generation and favouring social inclusion and territorial cohesion.**

Since 2011, the Red Eléctrica Group has maintained a public and explicit commitment to the fight against climate change, having established the principles and main lines of action of the Group in relation to mitigation and adaptation to climate change.

1. Comprehensive net zero commitment

The company has committed to reach net-zero greenhouse gas emissions across de the value chain by 2050. This overall commitment covers all business areas and all scopes. It has been validated by the Science Based Target initiative (SBTi) and it's consistent with achieving global net zero.

2. Aligned GHG targets

The company has set near-term (short & medium) and long -term targets, both consistent with limiting the global temperature increase to 1.5 degrees Celsius.

- **Near-term targets:** Redeia commits to **reduce absolute scope 1 & 2 emissions 55% by 2030** from a 2019 base year. With regard to **scope 3** emissions the company has set a dual target: a **28% reduction** in GHG emissions within the same timeframe and, in addition, that **67% of its suppliers by emissions covering purchased goods and services and capital goods will have by 2026.**

These targets have been approved by SBTi.

To monitor and drive progress towards these objectives, short-term targets (**2025**) have been defined and included in the Sustainability plan (2023-2025):

- Reduce absolute scope 1&2 emissions 30% by 2025 (base year 2019)
- Have at least two thirds of our suppliers (67%) by emissions covering with targets approved by SBTi by 2025 (advance of the proposed 2026 target)
- Offset 100% scope 1 emissions (the ones that cannot be reduced), starting in 2022.
- **Long term -targets:** Redeia commits to **reduce absolute scope 1 & 2 emissions 90% by 2050** from a 2019 base year, and **scope 3 emissions 90%** within the same timeframe.

These targets have been approved by SBTi.

3. Emissions performance disclosure

Redeia's **GHG inventory** is verified by a third party according to ISAE 3410. It specifies scope 1, scope 2 and all the applicable scope 3 categories.

Other relevant information is also disclosed: targets, progress against targets, main reduction measures and reduction achieved, indicators regarding energy consumption and **emission intensity performance indicators** (emissions/revenue & emissions/energy transported).

The information is publicly available to the public in the Sustainability Report and on the website.

In addition, as the group's activities significantly contribute to the achievement of the decarbonization goals, they are considered as sustainable according to the EU taxonomy (they contribute to mitigation and adaptation to climate change). In this sense the company also report **detailed information about the alignment with the EU taxonomy**. This information is included in the Sustainability Report and in the Consolidate Director's Report.

4. Decarbonisation strategy

Redeia's decarbonisation strategy is set out in the **Climate Change Commitment** and in its **emission reduction targets** (2030-2050) approved by SBTi.

Specific commitments, goals and actions are reflected in different plans and commitments (depending on the timeframe).

In the 2030 horizon, the decarbonization strategy is also included in the 2030 Sustainability Commitment and is specified in the **Climate Change Action Plan**, which incorporates the particular activities and projects aimed at achieving the targets set.

The company's **strategic plans** establish the short-term strategy (the current Strategic Plan is 2021-2025). In addition, the actions linked to decarbonisation strategy are incorporated in the sustainability plans (Sustainability Plan in force 2023-2025).

Redeia's decarbonisation strategy comprises different approaches:

- **Contribution to the decarbonisation of the economy**

Redeia, as the key player in the Spanish electricity system, is an essential agent in the transition towards a new and emissions-free energy model, and its activities are critical for achieving European and national climate objectives in both the short-medium term (55% reduction in emissions in 2030) and the long term (climate neutrality in 2050).

The group is committed to the electrification of the economy and the efficient integration of renewable energy, through a robust and better interconnected grid, the optimization of the system operation, the development of energy storage systems and the promotion of new services and innovative activities that facilitate coordination between the various agents.

In addition, the role of the company's technology subsidiaries in increasing digitization and increasing connectivity are also noteworthy elements in terms of their contribution to a decarbonized economy.

In this regard, both the **company's CAPEX and future investments are consistent with and fully aligned with net zero emissions target by 2050 and beyond**.

- **Reduction of the Company's carbon footprint (achieving emission reduction goals).**

The main lines of action to achieve goals are as follows:

- **Medium-term (2030)- included and detailed in the current Climate Change Action Plan.**

- » Reduction of SF₆ emissions (25% of SF₆ emission with respect 2015) through:
 - › Prevention, detection, and control of leakages. Improvement of monitoring and reparation techniques.
 - › Renovation of the equipment (mainly from 2026).
 - › Limit to the growth of installed SF₆ gas: promotion the development of alternatives

- » Reduction of energy consumption and associated emissions: increased use of renewable energy (100% renewable electricity), implementation of energy efficiency measures in buildings and sustainable mobility.
- » Reduction of emissions from grid losses, working actively to increase the proportion of renewable energy in the electricity mix: at least 60% in 2025 and 74% in 2030.
- » Reduction of emissions associated with the supply chain:
 - › Development of collaborative programmes aimed at encouraging suppliers the setting of reduction targets aligned with SBTi.
 - › Consideration of sustainability criteria in purchasing decisions, prioritising the most sustainable supplies, and promoting changes that result in a reduction of emissions.
- » Offsetting emissions¹: 100% up to 2025 and increase ambition for 2026-2030
 - › Red Eléctrica Forest and other Nature Based Solutions (forest restoration-permanent removals - and conservation at a national level)
 - › Purchasing carbon credits (voluntary markets)
 - › Development of new offsetting projects, Nature Based Solutions (starting 2026)
- **Long-term (2050).** Main areas of works have been identified on the basis of long-term scenarios analysis, but detailed projects or actions cannot be defined yet.
 - » Reduction of SF₆ emissions through:
 - › Renovation of the equipment (the renovation of a great amount of assets is expected from 2030)
 - › End of new SF₆ installation (expected from 2031, except for reparations or ampliation of existing substations).
 - » End of F-gases for air conditioning.
 - » Reduction of energy consumption and associated emissions (end of fossil fuels consumption): alternatives to diesel generating sets and sustainable mobility.
 - » Reduction of emissions from grid losses, working actively to increase the proportion of renewable energy in the electricity mix: 90% of renewable energy can be expected from 2040.
 - » Reduction of emissions associated with the supply chain:
 - › Sustainable procurement: mandatory sustainability (including climate change and circular economy issues) requirements.
 - › Promoting changes that result in a reduction of emissions.
 - » Offsetting emissions²: progressive offsetting of the emissions that cannot be reduced, 100% of remaining emissions by 2050.
 - › Development of offsetting projects (Nature Based Solutions)
 - › Purchasing carbon credits (voluntary markets)
- **Adaptation to climate change. Risks and opportunities.**

Redeia periodically identifies and assesses both risks and opportunities derived from climate change. The company has implemented the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and has a methodology for the identification, prioritisation, and economic

^{1 2} Mitigation of emissions beyond the value chain/neutralization of emissions

quantification, considering different scenarios in the analysis (including a 1.5 ° C scenario). **Assessment results are considered in the definition of the strategy and action plans.**

Information about risks and opportunities is disclosed in the Consolidated Director's Report.

It should also be noted that Redeia' s activity as a whole is a key element in the adaptation of the energy system to the risks derived from climate change.