

REN

# SUSTAINABILITY 2020

**Carrying the Future**  
at the service of the environment  
and for the community

# SUSTAINABILITY VISION

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REN's mission is to ensure an uninterrupted power supply to the entire country, helping to develop communities and improve the quality of life for the Portuguese people. This task requires ongoing, dedicated efforts. However, our commitment goes far beyond our mission. We believe in proactive corporate citizenship – closely involved with local communities we operate in – both from a social and environmental standpoint.

By virtue of this commitment, all of REN's activities must be guided by principles of sustainability, following strict and measurable criteria, meeting demanding standards of excellence, and never forgetting the positive impact we want to have on the communities and ecosystems we work with.

For REN, sustainability means guiding our business action while respecting the company's founding values. In 2020, this

commitment gained expression when we were recognized for our environmental protection initiatives.

**A sustainable step in a changing world.**

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# OUR APPROACH

## REN OPERATES AND IS GOVERNED BY A NETWORK GUIDED BY THE BEST ENVIRONMENTAL AND CITIZENSHIP PRACTICES.

REN upholds its commitment to provide progress reports on the implementation of the ten principles related to human rights, labour practices, environmental protection and anti-corruption.

To help build a sustainable future for everyone, REN operates and is governed by a network guided by best environmental and citizenship practices. Along these lines, REN upholds its commitment – since joining the United Nations Global Compact (UNGC) initiative in 2005 – to provide progress reports on the implementation of the ten principles related to human rights, labour practices, environmental protection and anti-corruption.

REN is also a signatory to [Gestãotransparente.org](http://Gestãotransparente.org), and has an agreement with the Equality Organizations Forum (iGen) whose goal, among others, is to galvanize initiatives

and best practices regarding equality and nondiscrimination. The REN Group also has a Code of Conduct, which is reviewed and monitored regularly. Equally relevant and taken into account are the principles of Portuguese standard NP-4469-1, through which REN certified the Social Responsibility Management System (REN SGPS, Rede Eléctrica Nacional, S.A. and REN Gasodutos, S.A.) under Portuguese standard NP – 4469.

Also as part of REN's commitment to its stakeholders, REN completed, at the beginning of 2019, the stakeholder hearing to identify significant topics, always seeking to meet their expectations and to improve its performance in sustainability. In this hearing, new materially relevant topics were found, which, in accordance with good practices, led to an update of REN's Sustainability Strategy and the inclusion of a fourth pillar, governance and ethics.

## Codes and Principles

- REN Group Code of Conduct;
- Functional Codes of Conduct;
- Global Compact Anti-Corruption Letter;
- Business and HIV Code of Conduct;
- Quality, Environment and Safety Policy Declaration;
- Social Responsibility Policy Declaration;
- UN Global Compact.

## Human Rights Principles

1. Upholding and protecting human rights;
2. Prohibiting breaches of human rights;

## Labour Principles

3. Promoting the freedom of labour association;
4. Abolishing forced labour;
5. Abolishing child labour;
6. Eliminating workplace discrimination;

## Environment Principles

7. Promoting a preventive approach to environmental challenges;
8. Promoting environmental responsibility;
9. Prioritizing environmentally-friendly technology;

## Anti-Corruption Principle

10. Working against all forms of corruption, including extortion and bribery.

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# MISSION

To ensure an uninterrupted supply of electricity and natural gas, at the lowest possible cost, in line with quality and safety criteria, upholding a real-time balance between supply and demand, and ensuring system conditions that enable the energy market, as well as contributing to the development of communities and the improvement of the quality of life for the Portuguese people.

This task requires ongoing, dedicated efforts. However, our commitment goes far beyond our mission. We believe in proactive corporate citizenship, and we are closely involved with the local communities we operate in, both from a social and environmental standpoint.

# VALUES

- Security of supply;
- Fairness and promotion of competition;
- Efficiency;
- Sustainable development.

# SOCIAL RESPONSIBILITY POLICY

With the aim of growing with the local community, thereby building a socially responsible future, REN is guided by the best social and citizenship practices in its performance and as a cornerstone of its business, always seeking to achieve constant improvement in its performance. The guidelines for this development and the building blocks for action plans are found in REN's Responsibility Policy, which is rooted in defending and promoting principles of sustainable development and continuous value creation for its shareholders and other stakeholders.

REN – Redes Energéticas Nacionais, following its public service mission in the national energy sector, is committed to the defence and promotion of sustainable development principles, continuously seeking to create value for its shareholders and other stakeholders.

REN's Board of Directors is committed to adopting a model of ethical and socially responsible management, seeking to consider the economic, social and environment preservation aspects in its decisions, in a balanced way.

In line with these guidelines, REN's Board of Directors undertakes to apply the following principles in the performance of all activities covered by the concession agreements granted by the Portuguese Government:

- Contributing to the growth of the economy, managing the Group's activities and investing in the energy sector responsibly and in compliance with the highest corporate ethical values.
- Contributing to the control of the energy costs borne by the consumers and for the diversification of the sources of primary energy, acting efficiently and as a catalyst for the development of alternative energies and solutions that seek a more rational use of energy.
- Ensuring the continuity of the Group's activity through adequate risk management, namely of non-financial risks, current or foreseeable in the medium and long term.
- Striving for effective compliance of the principles of the Universal Declaration of Human Rights, of the

main conventions of the International Labour Organization on labour standards and of the Global Compact initiative of the United Nations.

- Upholding human rights and, namely, the freedom of trade union affiliation, the right to collective bargaining, the elimination of child labour and of all forms of forced labour, as well as of other labour practices in conflict with personal dignity.
- Ensuring equal opportunities and equal treatment, seeking to avoid all forms of discrimination not related to fitness for the execution of the work.
- Promoting the professional development of its employees and actively cooperate in balancing their respective professional and personal lives.
- Ensuring harmonious interaction with the environment, minimising environmental impacts stemming from its activities, promoting the sustainable use of natural resources and the prevention of pollution, seeking to safeguard the rights of future generations.
- Encouraging and supporting research and development projects of interest to the Group's activity, actively promoting domestic technology-based innovation, with favourable impact, namely in the environmental area.
- Sponsoring initiatives by local communities and by society in general, in a rationale of actual support to the development of the populations that most interact with REN's infrastructure.
- Fighting all forms of corruption.
- Adopting forms of open and constructive communication, both internal and external, with transparency and respect for the truth.
- Complying with the applicable legal requirements and other subscribed requirements in matters of Social Responsibility.
- Continuously improving its performance in Social Responsibility, complying with the requirements of the NP 4469-1 Standard.
- Including, in compliance with the principles and commitments mentioned above, not only all of the Group's employees, but also all suppliers and service providers that cooperate with REN in the different activities and initiatives.



# OUR STRATEGIC GUIDELINES

## REN HAS A SUSTAINABILITY STRATEGY ALIGNED WITH THE 17 SUSTAINABLE DEVELOPMENT GOALS (SDGs).

All of REN's activities must be guided by sustainability principles to make these goals a reality.

REN has a sustainability strategy aligned with the 17 Sustainable Development Goals (SDGs) created by the United Nations in 2015 being identified the themes materially relevant to REN in the first chapter of this report.

All of REN's activities must be guided by sustainability principles to make these goals a reality. Based on this principle, and on the materially relevant topics that resulted from the stakeholder hearing carried out at the end of 2018 (and completed in early 2019), REN's Sustainability Strategy is based on four fundamental pillars:

- i. promotion of internal welfare;
- ii. stakeholder engagement and satisfaction;
- iii. environmental protection;

iv. governance and ethics.

### Promoting Internal Welfare

Enhancing REN's human capital is of invaluable importance in achieving our goals. Ensuring that our employees have the best possible conditions to do their jobs – and that the workplace is one of diversity and equality – are essential. In short, making REN an even better place to work is a priority, a company that provides all its employees with an environment in which their talent and work can bear fruit, contributing to the personal and professional growth of the employee and to the proper functioning of the organization.

### Stakeholder Engagement and Satisfaction

Due to the nature and scope of its mission, REN is a company found across the entire country, whose business often requires interacting with local communities. We encourage active corporate citizenship,

contributing to the progress of communities and people, and jointly developing solutions for a more sustainable future.

### Environmental Protection

REN is committed to being a proactive agent in environmental protection, by implementing reforestation policies, promoting environmental education, preserving biodiversity, defending the rational use of natural resources, preventing pollution, and playing a proactive role in preventing climate change.

### Governance and ethics

This new pillar reflects the importance of updating and aligning company performance with the best practices in international governance ethics, involving stakeholders and promoting a culture of fighting corruption and the non-control of risk. REN has specific programmes to deal with this topic, such as codes of conduct, certification of the social responsibility management system, Source - an automated, centralized procurement and supplier qualification programme and gestão transparente. org qualification - to which REN is a signatory. There programmes are now highlighted in the company's Sustainability Strategy, as well as the General Data Protection Regulation.

» IN SHORT, MAKING REN AN EVEN BETTER PLACE TO WORK IS A PRIORITY, A COMPANY THAT PROVIDES ALL ITS EMPLOYEES WITH AN ENVIRONMENT IN WHICH THEIR TALENT AND WORK CAN BEAR FRUIT. «

## LIST OF MATERIALLY RELEVANT TOPICS

<b>ENVIRONMENTAL POLICY/ ENVIRONMENTAL MANAGEMENT SYSTEMS</b>	Energy Efficiency
	Biodiversity
	Awareness and environmental training
<b>GOVERNANCE MODEL</b>	Corporate governance
	Ethics and conduct
	Risk and crisis management
	Stakeholder engagement
	Anti-corruption
<b>HEALTH AND SAFETY AT WORK</b>	Employee satisfaction and well-being
<b>MANAGEMENT OF HUMAN CAPITAL AND DIVERSITY</b>	Respect for human rights
	Management of human capital and training
	Diversity and equal opportunities
<b>IMPACT ON COMMUNITIES</b>	Support for Local communities
<b>SAFETY, RELIABILITY, QUALITY AND GUARANTEE OF SUPPLY</b>	Innovation, research and technology
	Integration of energy markets
	Integration of renewable energies
	Qualidade da informação sobre o serviço

# 01



REN IN 2020

REN 

The permanent connection in in detachment times made it possible to bring communities and guarantee the activity of people and companies in the entire territory.

United by a sense of responsibility for all.

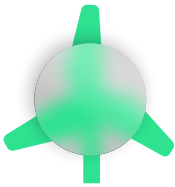
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# CARRYING COMMITMENT

# REN IN 2020

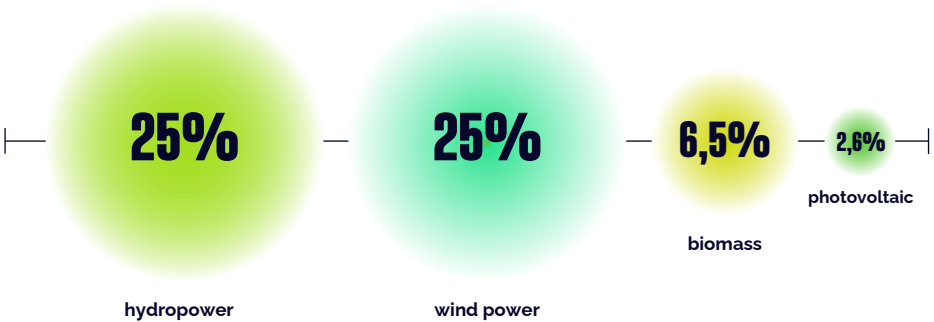
Respect for the environment is an ever-present value and increasingly central to our activity. We have a preponderant role in the creation of a sustainable future for our communities and natural resources, which we assume with responsibility and sense of mission.

**Sustainability is in our Nature.**



**59%**

**national supply** from renewable production in 2020





**789 K€**

Donations / sponsorships

Investment in environmental preservation

**11,2 M€**

**117 262**

Planted trees, on 424 hectares

**170**

Nests of storks transferred

**559**

Platforms installed for storks nests

Investment in R&D (2017-2019)

**2 M€**



**47 TWH**

Electricity transported

RNT

Electrical network

**9 002 KM**

Interruption Time Equivalent

**0,03 Min**, confirmed by ERSE



**70 TWH**

Natural gas transported

RNTGN

Maximum capacity underground storage

**300,0 MM<sup>3</sup>**

Pipelines

**1375 KM**

Average Duration of Interruptions by Exit Point:

**0,00 Min.**

## MAIN INITIATIVES

» WITH THE GOAL OF ACHIEVING THE SET TARGETS, REN CONTINUES TO PROMOTE, SUPPORT AND DEVELOP PROJECTS THAT HAVE BEEN IDENTIFIED AS PRIORITY. «

In 2015, REN subscribed to the 17 Sustainable Development Goals (SDGs), created by the United Nations.

In 2015, REN subscribed to the 17 Sustainable Development Goals (SDGs), created by the United Nations. With the goal of achieving the set targets, REN continues to promote, support and develop projects that have been identified as priority and that are aligned with the company's sustainability strategy and that are directly related to the SDGs that REN defined as critical: Quality Education; Gender Equality; Dignified Work and Economic Growth, Industry, Innovation and Infrastructures, Sustainable Cities and Communities; Climate Action; Protecting Life on Earth, Partnerships for Implementing Goals.

Based on the four pillars of the REN Sustainability Strategy (internal well-being; stakeholder involvement

and satisfaction; protection of the environment; governance and ethics), these goals are achieved through a range of collaborative actions and projects. These include the different initiatives in the Junior Achievement Portugal (JAP) Programme, the EOIS project, the forest corridor reforestation programme "Planting Tomorrow Together", the MEDEA project, the AGIR Award, the REN Award and the REN Chair in Biodiversity. REN's association with a number of leading companies in the forest industry should also be noted. These are nonprofit and R&D entities, to found the Association Forestwise - Collaborative Laboratory for the Integrated Management of Forest and Fire. This consortium is working in the development of projects for the enhancement of Portuguese forests by implementing strategies for the integrated management of forests and fire, with respect to Protecting Forests against Fires.



## We promote the welfare of our employees



Ensuring conditions of well-being, quality of life and global satisfaction to enhance the value of each employee is one of REN's strategic priorities.

Under the NÓS Programme, REN intends to ensure welfare, diversity and inclusion, personal accomplishment, work-life balance and general employee satisfaction in order for each individual to excel, one of REN's strategic priorities. During 2020, which was impacted by the management of the pandemic, 49 initiatives were undertaken involving 294 REN employees, as part of the the three pillars making up the programme: balance, equality and Inclusion.

Internal communication was reinforced, with programmes and initiatives to bring employees closer. The Nós, Mais Próximos initiative, at a time when a great number of employees were working from home, provided a series of online activities such as workshops, remotely taught fitness classes,

also including several activities for the children of employees (yoga, dance, workshops), who were also on synchronous classes. Later, with a safe return to work of its employees in mind, in May REN created a good practices manual and a video setting

out guidelines named 'REN, Returning in Safety. The COVID-19 page available on the intranet brought together, in a more direct and intuitive manner, a ranges of information on the topic: from guidelines and good practices for safety and hygiene to be followed, not only at work but also at home, to internal plans and procedures, and also multiple information published by national and worldwide health organisms, standards and applicable legislation, frequently asked questions and even news and internally published documentation on the novel Coronavirus.

## Responding to social problems involving our stakeholders



One of the fundamental pillars of REN's sustainability strategy is involvement with the community, which has guided the company's action with respect to Social Corporate Responsibility.

In 2020, the 7th edition of the REN's AGIR Award, dedicated to promoting employment and professional integration of persons in a vulnerable situation, awarded first prize, from 45 applications submitted, to the "It's a Restaurant" project, submitted by the CRESCER Association (<https://crescer.org/>). This is a restaurant which employs homeless people, allowing them to benefit from social

and psychological assistance, access to health care and housing, while also helping integrate into the community. As a result of the Covid-19 pandemic, the restaurant adapted and started cooking and delivering food to other homeless people. Other winners were the "Network of Smiles" project, which seeks to help the homeless who are beneficiaries of the Platform + Employment, run by the Porto Santa Casa da Misericórdia (<https://www.scmp.pt/>) and the "TecMeUp" project, which supports people suffering from mental illness, providing them with greater independence, promoted by the São João de Deus Institute, (<https://www.isjd.pt/>). Since 2014, this award has directly benefited more than 6,511 people all over Portugal.

With regard to innovation and development in the Portuguese energy sector, in cooperation with educational institutions, a special mention should be made of the REN Award, the oldest scientific award in Portugal, which in its 25th year, saw 28 applications submitted. Created in 1995, the REN Award continues to demonstrate REN's commitment to accompany the transformations and developments which have shaped the energy sector, to foresee challenges, identify problems and propose innovative solutions.

The winning masters theses focused on topics related to converting photovoltaic generated energy with synthetic inertia, the issue

of the security and stability of energy systems and new ways to analyse electric networks. Two other masters theses were recognized with honourable mentions.

Through its MEDEA Award and in partnership with the Portuguese Physics Society, REN once again recognized the work of outstanding school science projects in the subject of electromagnetic fields. In addition to gaining greater scientific knowledge and developing their critical thinking, students are also challenged to search for scientifically reliable information on the potential effects of electromagnetic fields on human health. At the 2020 awards, MEDEA saw participation by 48 teams, and first place was awarded to a team of students from the José Gomes Ferreira Secondary School, in Lisbon. Three teams with students from the Camilo Castelo Branco Secondary School, in Vila Nova de Famalicão, the Romeu Correia Secondary School, in Feijó, Almada, and the Rainha Dona Leonor Secondary School, in Lisbon were distinguished with honourable mentions.

## We defined a volunteer strategy so that each person can “give the best of himself or herself”



In 2020, corporate volunteer actions were extensively affected by the COVID-19 pandemic. The suspension of some activities was compulsory, while others could to be monitored online. Some actions on REN's calendar did not take place or were suspended, such as the traditional Cleaning of the National Hunting Grounds of Mafra and the preparation of suppers at the Comunidade Vida e Paz, to name just two. Nevertheless, at the beginning of 2020, through the Corporate Volunteer Programme Share, REN carried out 19 volunteer initiatives involving 79 employees, which represents 11% of employees. Specific initiatives were defined for each of the three axes that guide the REN volunteer strategy: education, environment and social support.

In addition to volunteer actions, REN strengthened its support for institutions, increasing the amount of donations allocated in 2020, namely with regard to the fight against Covid-19.

In relation to education, of note was an increase in employee participation in entrepreneurship programmes for young people from the Junior Achievement Portugal project

(41 employees). During the pandemic, this programme was adapted to an online format ([www.japportugal.org](http://www.japportugal.org)). The REN Potential – Maths Tutoring initiative, a volunteer project fighting school drop out and lack of academic success, developed in partnership with EPIS - Empresários para a inclusão Social ([www.epis.pt](http://www.epis.pt)), also suffered in 2020 as the programme was forced to stop due to the closure of schools. Despite this, REN maintained its support and in September 2020, it restarted the programme with the Escalada de Pampilhosa da Serra group of schools, in an online format, having also offered the students of Seomara da Costa Primo School, in Amadora, six computers allowing them to join the online classes. During the 2020 school year, this programme saw participation by 23 REN volunteers and the 2020/2021 edition enjoyed the participation of five more employees in relation to the previous year.

In relation to social support, of note was REN's participation fund. In total, 16 projects were selected, covering a total of nine districts and 14 municipalities, which benefited from REN's financial support under the company's Social Responsibility Policy and Sustainability Strategy, which supports local communities and environmental protection.

In 2020, REN once again took part in Giving Tuesday Portugal ([www.givingtuesday.org](http://www.givingtuesday.org)).

# 11% OF REN EMPLOYEES WERE INVOLVED IN VOLUNTEERING INITIATIVES

givingtuesday.pt), a worldwide solidarity initiative that connects companies, social organizations and civil society to contribute with essential goods, an act of generosity, or simply donate one hour of time to a cause/institution. This year, having to adapt to circumstances, instead of face-to-face actions at REN's partner institutions, food, clothing, toys, and other essential goods were collected at the different REN facilities all across Portugal.

In total, REN donated goods to the communities of the Vera Cruz de Gondomar Santa Casa da Misericórdia (<http://www.misericordia-gondomar.pt/>), the Ermesinde Social Centre (<https://www.cse.pt/>), the Sines Food Bank ([www.bancoalimentar.pt](http://www.bancoalimentar.pt)), the Ramada Parish Centre (<https://centrocomunitariodaramada.org/>), the São João de Brito Parish Centre (<https://paroquiasjbrito.pt/centro-paroquial-de-sao-joao-de-brito/>), the Champagnat Foundation (<https://fundacaochampagnat.org/>), the Banco do BÉBÉ (<https://www.bancodobebe.org/>), the Lisbon Municipal Council (<https://www.lisboa.pt/>), Cercisiago in Sines ([https://www.sines.pt/pages/813?poi\\_id=38](https://www.sines.pt/pages/813?poi_id=38)), the "Trata-me por tu" Community Intervention Association in Vermoim and the Ilha

Parish Social Centre, in Pombal.

Also within the social support axis, REN maintained its connection with Comunidade Vida e Paz, in the preparation of Christmas suppers for Lisbon's homeless people during the months of January and February.

Also of special note was the support provided by volunteers, even during the pandemic, for the campaign to collect food for the Food Bank, and campaigns to collect clothing and toys for children, food and supplies for animals, held at the company's facilities, and support for the Gil Foundation home care project (<https://fundacaodogil.pt/>) and the association "Kastelo- No meio do nada".

In 2020, the "Em Linha" (Online) Project was continued with assistance from five REN volunteers who joined the Comfort Calls initiative run by the REN/EDP Retiree Association; [www.arep.pt](http://www.arep.pt), which promotes interaction among former employees.

REN also partnered with the solidarity movement Emergência abem: COVID-19 which will help people to access health care who, due to the current situation, have specific needs caused by these difficult times.

During the Christmas period, and due to the difficult times the country is facing, REN strengthened its support for three institutions that play a particularly important role with people in need: The Portuguese Asperger's Syndrome Association (APSA), the Comunidade Vida e Paz and the Food Bank Federation/Entreajuda.

In relation to the environment, annual awareness raising actions to clean the National Hunting Grounds of Mafra ([www.tapadademafra.pt](http://www.tapadademafra.pt)), covering 16 hectares, and the cleaning of Belinho beach at the North Coast Nature Reserve, did not take place due to the pandemic.

In the field of sports, REN continued to support employees in their pursuit of different sports including mountain biking, triathlon and running. The company renewed its sponsorship of the APD Braga wheelchair basketball team and the wheelchair athlete João Correia. REN supported the activities of social institutions such as the Fifth Essence Association ([www.quintaessencia.pt](http://www.quintaessencia.pt)), whose mission is to maximise the autonomy and integration of people with cognitive impairment, and the Portuguese Asperger's Syndrome Association ([www.apsa.org.pt](http://www.apsa.org.pt)) and its employability programme which aims to develop social skills to help inclusion and professional and social integration. In this field, REN once again supported the "For a New Future" Concert by the New Future Association ([\[novofuturo.org\]\(http://novofuturo.org\)\). Support for the arts, culture and education saw REN maintain its partnerships with the National Museum of Ancient Art \(\[www.museudearteantiga.pt\]\(http://www.museudearteantiga.pt\)\), the Serralves Foundation \(\[www.serralves.pt\]\(http://www.serralves.pt\)\) and the Arpad Szenes Foundation \(\[www.fasvs.pt\]\(http://www.fasvs.pt\)\), where it is patron.](http://www.</a></p>
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### We protect the Environment and the Portuguese Forest



Due to the pandemic, the environmental protection programme Heroes of Every Kind (Heróis de Toda a Espécie) - an educational initiative for 3rd and 4th year children all over the country, did not take place.

However, the website ([www.heroisetodaaespecie.pt](http://www.heroisetodaaespecie.pt)) was constantly updated so it could be used by teachers and students. More than 500 students from the north to the south of the country have participated in person in this REN Project in partnership with the Ministry of Education and the Ministry of the Environment and Energy Transition.

Environmental protection has always been a constant concern for the company whose goal is to collaborate in the creation of a collaborative national forest cleaning network. As such, in July, we announced the planting of more than

30,000 native species in Penacova. In the same month, we donated seven vehicles to help in the defence of forests against fires to seven Volunteer Firefighting corporations (Alvalade - Santiago do Cacém, Águas de Moura - Palmela, Marco de Canaveses, Ponte de Lima, Salto - Montalegre, Sacavém - Loures and Terras de ouro). A vehicle was also donated to the Forest Fire Research Centre (CEIF), at the Mechanical

Engineering Department (DEM) of the Science and Technology Faculty of the Coimbra University (FCTUC).

Since 2010, REN has planted more than one million trees, in an area of more than 3,000 hectares, substituting rapid growth species with native species, which are more resistant to fires. More than 15,000 land owners were involved during this conversion, who can now earn income from land that was abandoned, while also promoting an increase in biodiversity.

In this regard, the partnership with the ECO Movement – Companies against Fires ([www.movimentoeco.pt](http://www.movimentoeco.pt)) was maintained. The aim of this programme is to promote forest fire prevention and raise awareness among the public with regard to activities that could lead to fires.

On an internal level, 2020 was once again impacted by the pandemic, due to the fact that it was not possible to carry out all our planned actions.

However, environmental issues remain relevant and the urgency to act for the survival of the planet and future generations is vital. REN participated and publicized the webinar 'Forest Bioeconomy', which is part of the BIOTECFOR project ([www.biotecfor.com](http://www.biotecfor.com)) and the 'The Forest and Fire during the Pandemic', organized by the Collaborative Laboratory Forestwise (<https://www.forestwise.pt/pt/institution/>).

REN is also one of the first Portuguese companies to join Act4nature, an initiative promoted by BCSD (Business Council for Sustainable Development), whose aim is to mobilize and encourage companies to protect, promote and restore biodiversity.

**We follow an ethical and sustainable government model**



With respect to strategic governance and ethics, REN is one of the Portuguese companies which has signed the letter of commitment "Business Ambition for 1.5°", an initiative by the United Nations challenging companies around the world to implement measures to fight climate change.

As a founding member of the Portuguese Network of the United Nations Global Compact

([www.unglobalcompact.org](http://www.unglobalcompact.org)), a commitment which has been in place since 2005, REN has implemented an action plan in recent years to reduce its direct emissions, particularly with regard to emissions of Sulphur hexafluoride (SF6), a gas used as an electrical insulator (dielectric) in high voltage equipment. In this regard, REN has taken part in international working groups where these issues are discussed, and has implemented a range of measures to minimize the environmental effect associated with emissions of GHG. REN continues to subscribe to the CEO Guide on Human rights issued by BCSD Portugal-Business Council for Sustainable Development ([www.bcsdportugal.org](http://www.bcsdportugal.org)), an initiative whose goal is to motivate business leaders to promote the defence of human rights and improve people's living conditions.

REN is also a signatory to the Transparent Management project - Gestão Transparente.org - Practical Guide to the Management of Corruption Risks In Organizations ([www.gestaotransparente.org](http://www.gestaotransparente.org)), (transparent management) which seeks to raise awareness in corporate circles and civil society to the problems associated with corruption. It also highlights the advantages of prior identification of risks and implementation of policies and internal and external actions to promote transparency and fight corruption.

REN has also established a protocol with the Forum of Organizations for Gender Equality – IGEN ([www.forumigen.cite.gov.pt](http://www.forumigen.cite.gov.pt)) whose goals include the promotion of actions and good practices in equality and non-discrimination. The REN Group has further implemented a Code of Conduct which is regularly reviewed and monitored. In this field, REN joined the United Nations Programmes, Target Gender Equality and Women's Empowerment Principles, in July and August, respectively. The practical effects of these actions undertaken by REN have already brought results, and 33% of women now have management roles.

Additionally, in relation to the governance model, REN maintained certification in 2020 awarded by APCER for its Social Responsibility Management System (standard NP 4469-1). This means that the best practices implemented within the company with respect to sustainability and social responsibility are recognized by an independent entity.

## OUR NETWORKS

# THE CONSUMPTION SUPPLIED BY RENEWABLE PRODUCTION IN 2020 REACHED 59%.

Hydro and wind production had similar shares, each representing about 25% of consumption

In 2020, national renewable production supplied 59% of consumption, as compared to the 51% recorded last year. This was mainly due to a less favourable hydro scenario and lower consumption. Under average weather conditions, renewable production accounts for around 60% of national consumption.

Hydroelectric Capability Index of 0.97 was seen in 2020, compared to the 0.81 in the previous year. Wind production was lower than average at 0.94, against 1.07 the previous year. Conditions were also less favourable for photovoltaic production with a Capability Index of 0.97, as opposed to the 1.00 recorded in 2019.

In 2020, hydro and wind production had similar shares, each representing about 25% of consumption. Also with regard to renewable sources, biomass, including classical plants and cogeneration had the highest share ever at almost 7% of consumption, and lastly photovoltaic with 2.6%, which reaches new maximum figures every year. In non-renewable production, of note are natural gas plants, including combined cycle and cogeneration, which supplied 34% of consumption, while coal-fired plants continue to reduce their participation in supply to just 4%, which is the lowest share recorded since the full entry into service of the Sines thermal plant in 1989.

As was the case in 2019, where imports supplied 7% of national consumption, the national electricity system once again saw a trend towards imports, with an annual balance of around 3% of national consumption. For consumption of 48.8 TWh, national production reached 49.3 TWh, with an import balance of 1.5 TWh, while pumping operations accounted for 2.0 TWh.

As was the case with electricity, consumption of natural gas was also affected by the pandemic in 2020, falling by 1.6% to a total of 66.9 TWh. As was also the case with electricity, falls were steepest during the lockdown period, but gradually attenuating in the 2<sup>nd</sup> semester.



As such, the conventional segment grew around 4.5%, with consumption of 42.2 TWh, representing 63% of total natural gas consumption.

## ELECTRICITY

### Technical indicators

	2020	2019	2018	2017	2016
Consumption, TWh	48,8	50,3	50,9	49,6	49,3
Annual variation in electricity consumption, %	-3,0%	-1,1%	2,6%	0,7%	0,6%
Installed power, MW	20 413	20 218	19 969	19 789	19 519
Energy transmitted by the RNT, TWh	42,8	43,0	47,2	47,2	46,7
Length of lines, km	9 036	9 002	8 907	8 907	8 863
Transformation power, MVA	38 463	38 463	37 638	37 382	36 636
Losses in energy transmission, %	1,84%	1,71%	1,66%	1,51%	1,72%
Equivalent interruption time, minutes	0,03	0,72	0,83	0,11	0,34

## NATURAL GAS

### Technical indicators

	2020	2019	2018	2017	2016
Consumption, TWh	66,9	67,9	64,8	69,7	52,2
Annual variation in natural gas consumption, %	-1,6%	4,8%	7,0%	24,8%	6,9%
Outputs from RNTGN, TWh	68,86	71,10	66,64	71,09	56,58
Length of high-pressure gas pipelines, km	1 375	1 375	1 375	1 375	1 375
Underground Gas Storage Capacity, mm <sup>3</sup> (*)	300,00	300,00	300,00	300,00	300,00
Supply interruption duration per offtake (sido), minutes/offtake	0,00	0,00	0,00	0,00	0,00
Consumption supplied by REN Portgás Distribuição, TWh	7,3	7,3	7,3	7,2	7,1
Length of distribution network REN Portgás Distribuição, Km	5 897	5 705	5 486	5 267	5 267
Supply interruption duration per client REN Postgás Distribuição, minutes/client	3,85	10,13	1,92	1,73	4,47

(\*) The volume indicated expresses the maximum capacity available for commercial purposes, which is conditioned by the specific thermodynamics of high-pressure, natural gas storage in salt caverns.

## INNOVATION, RESEARCH AND TECHNOLOGY

Investment in R&D at the REN Group for the period from 2017 to 2019 was around two million euros, maintaining the trend of recent years. In the same period, the R&D Centre (R&D NESTER) invested more than four million euros. In relation to Operational Innovation, and aware of the challenges regarding digital innovation and transition, of special note is the evolution of the pipeline of projects, in comparison to 2019, which has increased by around 280% to more than 30 projects which have been approved and or are already underway, with an investment of approximately four million euros.

This sum relates essentially to expenditure in R&D projects developed internally and/or in cooperation with national and international organizations, including academic institutions recognized by the national scientific and technological system.

In addition to internal investment, companies regularly use sources of external funding for R&D. Under funding programmes through applications to European programmes (e.g.: Horizon 2020, European Space Agency, Programme Interreg, Innovation Fund) and national programmes (e.g.: Portugal 2020), or as tax incentives, through applications to the so-called SIFIDE (National System of Tax Incentives for Corporate R&D), an approval

rate of 100% has been achieved, as a result of the effective nature of R&D in projects submitted in applications by the REN Group and R&D NESTER.

REN and R&D NESTER continue active in establishing protocols and partnerships with numerous entities in the national scientific system and sector associations, more specifically with GRTGaz, National GRID, INL, InnoEnergy, Fraunhofer AICOS, Ceii, INEGI, INESC-TEC, ISEL, LABLEC, EFACEC, LNEG, the University of Coimbra and IST for the development of projects, as well as representation at entities such as COTEC, APREN, CCILC, IEEE, UN CTNC (United Nations – Climate and Technology Center and Network) and the BLUE INVEST COMMUNITY.

Also of note in this regard is the active participation by the company in international working groups, including:

- **ENTSO-E - European Network of Transmission System Operators;**
- **GIGRÉ - Conseil International des Grands Réseaux Électriques;**
- **European Technology & Innovation Platforms (ETIP);**
- **EERA – European Energy Research Alliance.**

It should be noted that the REN application has been submitted to Hydrogen Europe which represents the hydrogen sector on a European level.

## ACKNOWLEDGEMENTS

**In 2020, REN received the following awards and acknowledgements:**

- Excellence, Digital Report & Accounts 2020, The Communicator Awards
- "Good Practice of the Year", "Environmental impact studies: virtual visit", Renewables Grid Initiative
- 3rd place, "Portugal's Most Attractive Employers 200", Employer Branding Universum

» WE HAVE A PREPONDERANT  
ROLE IN THE CREATION OF A  
SUSTAINABLE FUTURE FOR OUR  
COMMUNITIES AND NATURAL  
RESOURCES. «



02



**HUMAN RESOURCES**



The development and investment in our human capital is essential to ensure our permanent relevance in all activity sectors. We believe in strategy in which the future is made of, by and for people.

United by a shared vision for the future.

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# CARRYING POTENCIAL

## HUMAN CAPITAL DEVELOPMENT AND MANAGEMENT

# REN HAS A SUSTAINABILITY STRATEGY ALIGNED WITH ALL 17 SDGS.

All of REN's activities must be guided by sustainability principles to make these goals a reality.

2020 was affected by the management of the Covid-19 pandemic, which impacted across the entire organization, company employees and main human resources policies. Focusing on employee health and their protection, implementing large-scale remote work and ensuring a safe work environment for those who can't work remotely, were the main priorities of 2020.

The different human resources processes were reinvented to adapt to the new situation and to the different contingencies established. Digitalization and streamlining of regular processes was given special attention.

Also of note was the start up of operations in Chile, with a new

Business Unit - Transemel, acquired in 2019 and the migration plan for which continued to be implemented remotely during 2020.

The enormous challenges relating to management of the pandemic undertaken during 2020 included:

- Implementation of a hybrid working model (remote and on-site) depending on the type of job, activities and contingencies imposed at any given time, where working conditions and individual protection equipment were adapted to meet the requirements of pandemic management and health guidelines.
- Also continued was the N6s Programme, which aims to promote welfare, quality of life and general satisfaction for all REN employees, so as to adapt to different actions with respect to the pandemic. Existing initiatives were restructured and new initiatives established

which included online fitness classes, mindfulness classes, psychosocial and financial support for employees directly affected by the pandemic, payment of holiday subsidy in advance and distribution of surgical masks to all the company's employees and former employees, when there was a shortage in the market, to name just a few.

- Implementation of new health protocols to manage different cases of Covid-19 illness within teams, as well as distinct continuity plans. Notwithstanding this difficult situation, planned activities were adapted and implemented, where the following should be highlighted:
- Monitoring the results of the organizational questionnaire launched at the end of 2019, with the involvement of all organizational areas to design general and specific action plans;
- Implementation of the initiatives under the Plan for Gender Equality 2019-2023, in particular REN joining the WEPs (Women's Empowerment Principles) and the Target Gender Equality programme, both United Nations Global Compact initiatives, allowing REN to reinforce its stand and contribution to sustainable development goals;
- The beginning of a project to design a new training model providing

hybrid learning models and identifying and developing future competences that are crucial to business sustainability;

- The communication of human resources activities was adapted, where REN continued to focus on holding the Meetings for Managers and Management and other information sessions, but now taking place remotely, to promote alignment and sense of belonging among the different teams.

» FOCUSING ON  
EMPLOYEE HEALTH AND  
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IMPLEMENTING LARGE-  
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THOSE WHO CAN'T WORK  
REMOTELY, WERE THE MAIN  
PRIORITIES OF 2020. «

## CHARACTERISATION OF HUMAN RESOURCES

	2020
Number of employees	
Up to 29 years old	57
From 30 to 49 years old	394
50 or older	246
<b>Total</b>	<b>697</b>
<hr/>	
Rotation Rate	4,82%
Full time employees	692
N.º of Training Hours	25 325,10
% Women over men	24,25%
Women Directors	21
Higher Education (global)	67,43%

### Personal and professional development

The REN Trainee Programme is now a consolidated feature, both inside and outside the company. It also enjoys a high level of satisfaction and demand in the market. The programme consists of professional, academic and summer internships, where interns have the opportunity to work on specific projects in different areas of the company, creating value for the organization while also enhancing their own skills.



**REN CONSIDERS THAT ITS  
MAIN ASSET ARE PEOPLE.**



## INDICATORS

	2020
Professional internships	17
Academic internships	9
Summer internships	0
<b>Total</b>	<b>26</b>

The VIVA Programme – Welcome and Integration – has been a huge success and has had a highly positive effect on new employees joining the Company. In addition to providing an overview of the company, its values, mission and areas of business, it also allows newcomers to identify more quickly with REN and enable networking opportunities among new and existing employees. This programme consists of visits to REN's main installations and an e-learning course providing rapid and simple insight into REN's business.

The REN Campus is REN's training model, which is dedicated to the full development of human capital. Its mission is to provide differentiating value in the management of knowledge by creating across-the-board and specific training programmes, which are in alignment with the company's strategy and business. The main aim is to promote the growth and development of the business through the development of people,

with differentiated supply directed at the correct management of intellectual capital and the ongoing transfer of knowledge.

In relation to the scenario created by the pandemic, which marked most of 2020, it was necessary to restructure the REN Campus teaching programme for it to be applicable online and to start designing a project for a new learning model, that promotes hybrid learning and identifies and develops future competences that are crucial to business sustainability, while tailoring programme content and structure to the new situation, with the goal of ensuring that the transfer of knowledge and employee development is continued.

**Star programme -  
Performance Management**

Despite the need to manage the pandemic, 2020 was a year of stabilization in the performance assessment model for the entire group, taking place in the usual manner, but remotely.

**INDICATORS**

	<b>STAR 2019</b>
Number of employees covered	<b>663</b>
% of assessments concluded	<b>100%</b>
Average – final assessments competences	<b>2,50</b>
Average – final assessments goals	<b>4,12</b>
% of bonuses calculated as compared to the number of assessments	<b>99,85%</b>

**TRAINING**

	<b>2020</b>	2019	2018
<b>N.º of Hours of training (overall)</b>	<b>25 325,10</b>	29 858,00	29 930,40
Men	<b>19 432,50</b>	21 423,00	22 510,80
Women	<b>5 892,60</b>	8 435,00	7 419,60
<b>N.º of Participants (overall)</b>	<b>3 432</b>	3 959	3 897
Men	<b>2 470</b>	2 933	2 876
Women	<b>962</b>	1 026	1 021

### Health & Safety

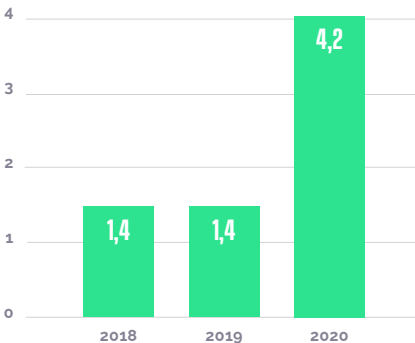
Aware that a safe and healthy environment is a decisive factor for the satisfaction of stakeholders, REN is committed to the effective management of occupational health and safety. The occupational health and safety management system is certified by an accredited entity and encompasses most Group companies. Its main objective is to prevent work related accidents and illnesses involving Company employees or the employees of contractors and service providers collaborating with REN.

REN considers that its main asset is its people, and as such, does not accept activity which poses a high level of risk to the health and safety

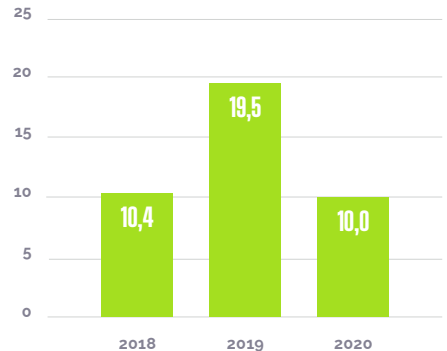
of employees or the employees of contractors and service providers. For this reason, REN is committed to developing and promoting measures to eliminate or mitigate such risks. With the aim of fighting accidents in the workplace, policies are implemented, safety procedures are followed and the best practices in this area are closely adhered to. This is achieved through numerous training courses and strict monitoring of activities so as to ensure demanding operational control. An analysis of the accidents allows reassessment of the risks inherent to the activities in which they occur.

## INCIDENCE INDEXES

### REN

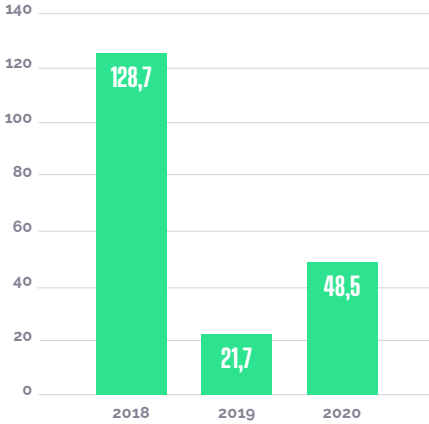


### Service providers and contractors

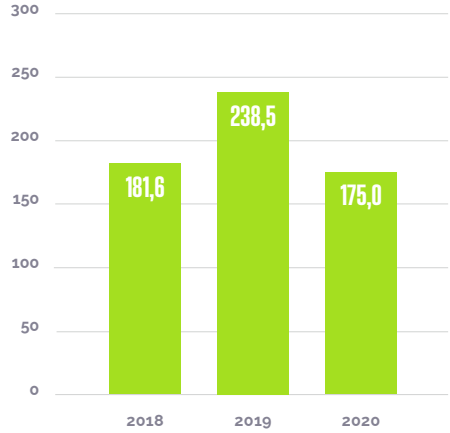


## SEVERITY INDEXES

### REN



### Service providers and contractors



Note: To calculate the indices shown in the graphs above, only full-time employee accidents were considered in days lost.

	2020	2019	2018
N.º of auxiliary diagnostic procedures (per test battery) <sup>(1)</sup>	424	458	378
N.º of medical procedures	262	688	633
N.º of nursing procedures (per test battery) <sup>(1)</sup>	304	458	475
Physician visits to the workplace <sup>(2)</sup>	10	16	14

<sup>(1)</sup> Lower figure than usual as it was not possible to take place during the pandemic;

<sup>(2)</sup> During the pandemic (March to August) periodic examinations were conducted by telephone.

## ABSENTEEISM RATE

	2020	2019	2018
Overall	2,13%	2,20%	2,11%
Men	2,13%	1,88%	2,11%
Women	2,12%	3,16%	2,09%





03

ENVIRONMENT



To guarantee the minimum environmental impact in everything we do is to maximize the quality of the future that matters to generations. It is important to preserve a heterogeneous ecosystem, with respect for the most important form of energy: life.

United by a mission to the planet.

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# CARRYING NATURE

## ENVIRONMENTAL PROTECTION

# A COMMITMENT TO BEING A PROACTIVE AGENT IN ENVIRONMENTAL PROTECTION.

The non-negotiable defending of the environment and the implementation of practices which conserve and protect ecosystems and biodiversity are clear priorities in a culture of sustainability.

As environmental protection is one of the three axes which govern REN's sustainability strategy, it is important to analyse the indicators which were compiled in 2020 in this regard.

As part of its activities to expand and improve energy transmission networks, REN has developed a significant set of environmental assessment processes, in the planning phase:

ENERGY CONSUMPTION AT REN (GJ)	2020	2019	2018
Environmental Impact Assessment Processes	4	6	7
Environmental Impact Statements Issued	0	5	2
Environmental Project Studies	1	0	0
Environmental Impact Studies (EIA)	4	1	4
Environmental Compliance Report on the Execution Project (RECAPE)	0	0	3



Strategic Environmental Assessment (SEA) is an environmental policy instrument (Decree-Law No 232/2007 of 15 June 2007, amended by Decree-Law No 58/2011 of 4 May) which seeks to ensure an assessment of the environmental consequences of specific plans and programmes and its respective prior implementation.

The draft versions of the Electricity Transmission Network Development and Investment Plan for the 2020-2029 period (PDIRT 2020-2029) and the Development and Investment Plan for the National Liquefied Natural Gas Transmission, Storage Infrastructure and Terminal Network (PDIRGN 2020-2029) were accompanied by a "Technical note justifying the non-completion of the AAE for PDIRT 2020-2024 (2029)" and a "Technical note justifying the non-completion of

the AAE for PDIRGN 2020-2024 (2029)", drawn up by REN with the collaboration of the Faculty of Engineering at the University of Porto (FEUP). These Technical Notes were submitted for consultation to the Entities with Specific Environmental Responsibilities.

During 2020, the abovementioned Technical Notes were reviewed so as to integrate the results of Public Hearings.

It should also be noted that in 2020, the "Environmental Assessment and Control Report (2012-2018)" (RACA) with respect to PDIRT was also drawn up and is available on the REN website.

Environmental Impact Assessment (EIA) is a tool which can be used on certain public utility infrastructure projects where REN is the promoter. The AIA process consists of different stages.

**The EIA process consists of several steps:**



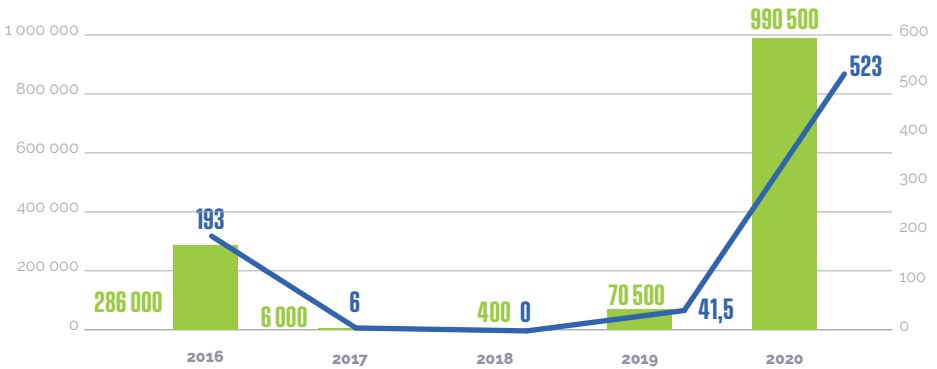
### Flora and soil use

As a result of the construction and maintenance activities, REN has direct impacts on flora and land use.

These impacts can be seen, for example, at the time of creating or maintaining protection corridors associated with its linear infrastructures (power lines and gas pipelines). In order

to offset these impacts, we have been carrying out several forestation projects as part of the construction of new facilities since 2007 and, since 2013, we have extended this methodology to lines already in operation.

### Trees felled in the construction of new REN infrastructure



● Total trees felled — Total area felled (ha)

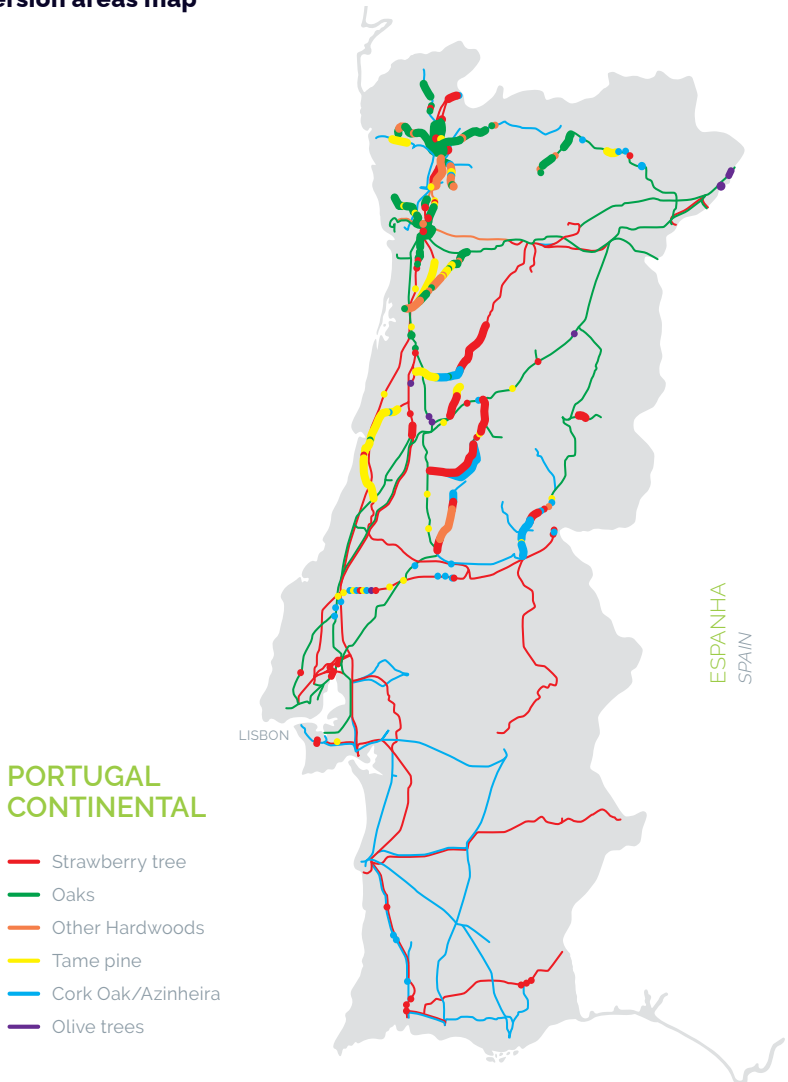
In 2020, a total of 117,262 trees were planted in an approximate area of 424 hectares, where the strawberry tree was the most planted species, with an area of 274 hectares (65%).

The strawberry tree is the species which we have most increased in conversion and soil use processes as it is perfectly compatible with

the presence of electricity transmission lines. It also has significant economic interest due to the use of its fruit to make brandy (most well-known use) and in the foodstuffs industry. This is an emerging area where potential growth is high. In a joint programme with the Portuguese Strawberry Tree Cooperative (CPM) and the Coimbra Higher School of Agriculture (ESAC),

we created the Strawberry Tree Manual to inform owners about this amazing species, thus promoting good practices when growing these trees.

### Reconversion areas map



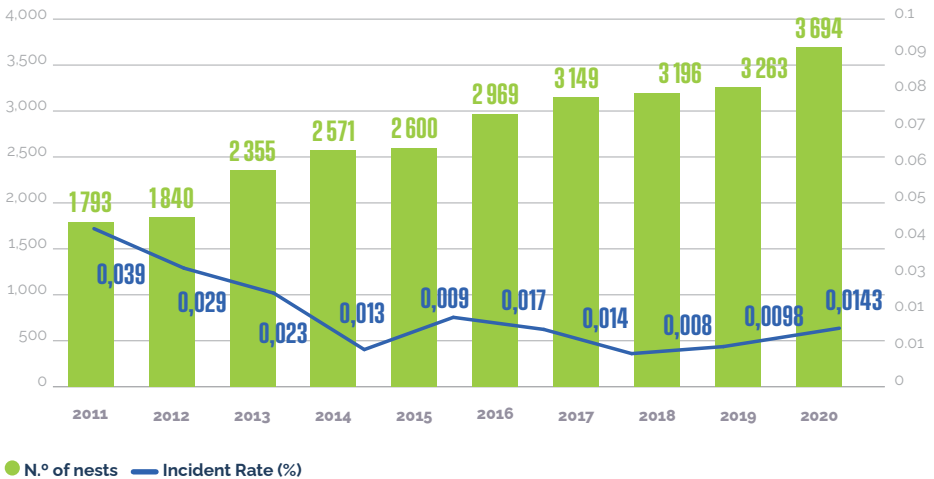
**Birdlife**

A very important area for REN is the implementation of offsetting measures, arising from the Environmental Impact Assessment process for new infrastructure. For more than twenty years, REN has monitored the nesting patterns of the white stork population in its infrastructure, creating nesting conditions for this bird in favourable habitats and installing devices that minimize the risk of accidents of electrical origin.

The fitting of fans and platforms stops nesting in places with greater likelihood of incidents, i.e., despite the constant increase in the population

of storks causing a relevant increase in the number of nests, the number of incidents has remained stable and low.

During 2020, the rate of incidents involving white storks continued to be low and similar to previous years.



## Relationship with landowners

In 2020, 31.093 landowners were contacted. The land in question is either already used or about to be used for our electricity transmission networks and 1,538 owner compensation processes were concluded.

These figures clearly demonstrate the importance of this group of company stakeholders, especially in light of the small size of Portugal when compared to most European countries.

## Climate change

Since 2010, REN has provided information on company policies and activity with regard to climate change, in line with the Carbon Disclosure Project (CDP).

At the last assessment carried out, the company obtained a mark of D. This assessment reinforces the fact that REN is aware of the impacts which its activities have on the environment, particularly with regard to climate change. This awareness will allow steps to be taken to reduce GHG emissions and measure and manage their impact. It will also allow medium and long-term reduction objectives to be defined and implemented while also monitoring the progress of these objectives and implementing activities for emissions reduction.

**GREENHOUSE GAS EMISSIONS (TON CO<sub>2</sub>E)**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Scope 1</b>	<b>21 737</b>	<b>23 005</b>	<b>21 746</b>
Natural gas purges (CH <sub>4</sub> )	1 159	1 080	761
Flare burn	103	0	17
Own consumption by boilers	17 953	18 906	16 491
Sulphur hexafluoride (SF <sub>6</sub> )	738	567	545
Natural Gas (buildings)	158	398	2 186
Propane Gas (buildings)	6	2	7
Diesel (equipment and fleet)	1 620	2 052	1 739
<b>Scope 2</b>	<b>175 768</b>	<b>235 720</b>	<b>241 607</b>
Electricity	20 197	29 096	21 039
Electricity losses in the network	155 571	206 624	220 568
<b>Scope 3</b>	<b>106</b>	<b>557</b>	<b>559</b>
Plane trips	106	557	559

With regard to preventing and controlling greenhouse gas emissions, over recent years REN has implemented an action plan to reduce its direct emissions, namely with regard to emissions of sulphur hexafluoride (SF<sub>6</sub>), a gas used as an electrical insulator (dielectric) in different high and very high voltage equipment. In 2020, the leak rate was maintained at low levels in keeping with

previous years. The company's efforts to reduce SF<sub>6</sub> leakages is reflected in the evolution of the leakage rates for this gas, with results considered to be highly positive from a technical viewpoint on an international level.



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**REN** 

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# ABOUT THIS BROCHURE

This document is an abridged version of REN's Sustainability Report for 2020 and complies with the full version prepared in accordance with the requirements of the Global Reporting Initiative (GRI Standards) and of the AA1000AP Accountability Principles (2018) standard, verified by an independent entity, PricewaterhouseCoopers Associados SROC, Lda.





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**REN is a member:**



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SUSTAINABILITY  
**2020**

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