

# GREEN FINANCE 2024 REPORT

# Green Finance Report 2024



REN - Redes Energéticas Nacionais ("REN") is committed to its mission of being an active agent and enabler of the energy transition. We are committed to creating sustainable value and having a tangible positive impact, both on communities and ecosystems around us.

Our sustainability approach reinforces and operationalizes sustainability as a REN strategic pillar, reflecting a solid approach based not only on the size of the company but also on the external environment. This integrated perspective ensures that REN actively contributes to a more resilient and sustainable energy system.

In fulfilling this mission, REN aligns its strategy with the Sustainable Development Goals (SDGs), particularly SDG 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation, and Infrastructure), 11 (Sustainable Cities and Communities), 13 (Climate Action), and 15 (Life on Land).





## Renewable Energy

REN, for now, is only considering eligible assets under the “Renewable Energy” category, as per detailed in its [Integrated Sustainable Financing Framework](#).

### ELIGIBLE GREEN PROJECTS

- Electricity grid assets built for the sole purpose of connecting renewable energy sources to the grid; and or
- Electricity grid assets aimed at integrating and enhancing the transmission capacity for renewable energy in the Portuguese electricity grid.



# 300 M€

First green bond  
issuance  
in April 2021



# 0.50%

Coupon p.a.  
and a maturity  
of eight years

# 300 M€

Second green bond  
issuance  
in February 2024



# 3.50%

Coupon p.a.  
and a maturity  
of eight years



## Through the Integrated Sustainable Financing Framework, REN selects and monitors a set of projects eligible for green financing.

In line with this commitment, REN established its Integrated Sustainable Financing Framework, to align its financing strategy with its mission, strategy and sustainability goals. Through this Framework, REN selects and monitors a set of projects eligible for green financing, while strictly observing the principles of the ICMA - International Capital Markets Association and of the LMA - Loan Markets Association, with regard to green financing (the so-called “ICMA Green Bond Principles” and “LMA Green Loan Principles”). REN believes that green financing instruments are an effective tool for channelling investment into projects that demonstrate significant benefits with regard to climate action and, therefore, make a valuable contribution to the Sustainable Development Goals.

Following the publication of its Green Finance Framework in February 2021, REN launched its first green bond issuance in April 2021, amounting to 300 million euros, with a coupon of 0.50% p.a. and a maturity of eight years.

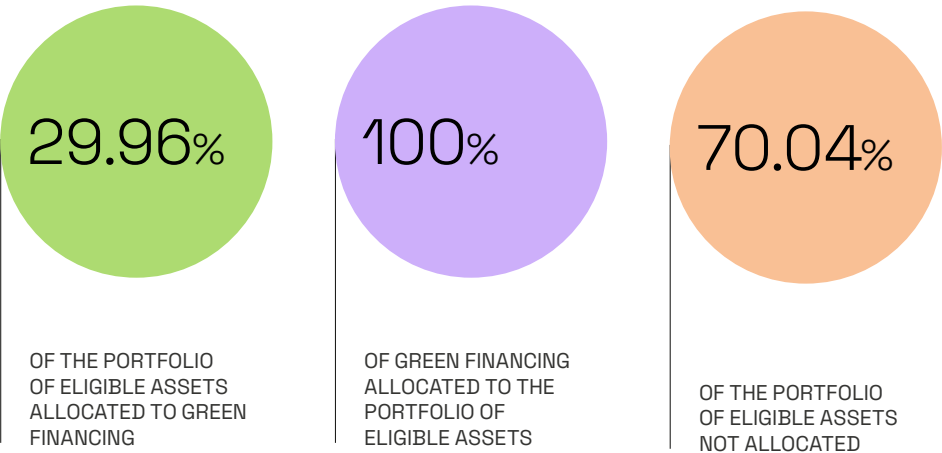
In February 2024, REN carried out its second green bond issuance, also worth 300 million euros, with a coupon of 3.50% p.a. and a maturity of eight years. This issuance was significantly oversubscribed, reaching a demand of approximately 2.05 billion euros. Also in 2024, during the third quarter, the Company published its [Integrated Sustainable Financing Framework](#).

REN's Integrated Sustainable Financing Framework was subject to a Second Party Opinion by the Institutional Shareholder Services (ISS-ESG), thus joining the certifications verified by external entities already incorporated in REN's Integrated Report 2023, namely standard ISAE 3000 (International Standard on Assurance Engagements 3000), with reference to GRI and standard AA1000AP (Accountability Principles - 2018).

This document enables REN to materialise its commitment to annually provide information on the allocation of the green financing made to the eligible assets under consideration and on their associated environmental impacts.

REN has also negotiated five Commercial Paper Programs and three facility agreements, totalling 1,165 million euros, with a green label falling in the scope of its Green Finance Framework. Outstanding under this category, as of 31 December 2024, there is a 250 million euros, commercial paper issue and a 35 million euros, disbursed from the facility agreement.

Funding allocation





ALLOCATION REPORT - PORTFOLIO DATE: 31 DECEMBER 2024  
FUNDING ALLOCATION TABLE

PORTFOLIO OF ELIGIBLE ASSETS		GREEN FINANCING			
Category of eligible assets:	Value of eligible investments (€M)	Instrument (ISIN)	Issue date	Maturity	Amount (€M)
RENEWABLE ENERGY					
Electricity grid assets developed to interconnect renewable energy sources with the grid	166.0	Bond (XS2332186001)	16/04/2021	16/04/2029	300.0
Electricity grid assets aimed at integrating and improving the transmission capacity of energy from renewable sources in the Portuguese electricity grid	2,788.5	Bond (XS2771494940)	27/02/2024	27/02/2032	300.0
		LOAN ICBC (ISIN N/A)	20/05/2022	11/05/2027	35.0
		Papel comercial SANTANDER TOTTA (PTRE17JM0096)	28/10/2024	28/04/2026	125.0
		Papel comercial SANTANDER TOTTA (PTRE1VJM0096)	28/10/2024	28/04/2029	125.0
Total eligible assets	2,954.4	Total green financing			885.0



IMPACT REPORT

PORTFOLIO DATE: 31 DECEMBER 2024

	RENEWABLE ENERGY
Eligible investments (€M)	2,954.4
Portfolio %	29.96
Evolution of RES Power/ Total NES Power <sup>1</sup>	23 p.p. <sup>4</sup>
Installed renewable capacity (MW) <sup>1</sup>	7,702 <sup>5</sup>
Evolution of renewable generation/ Total generation <sup>1</sup>	44 p.p. <sup>6</sup>
Additional renewable generation (MWh/ year) <sup>1</sup>	18,380 <sup>7</sup>
Estimated avoided emissions of the portfolio of eligible assets(tCO <sub>2</sub> / year) <sup>2</sup>	13,214,172
Estimated avoided emissions of the green financing allocated to the portfolio of eligible assets (tCO <sub>2</sub> / year) <sup>3</sup>	3,958,315
Contribution to the SDGs	 

<sup>1</sup> Source: REN, Evolution 2012 to 2024.

<sup>2</sup> Source: REN, Emissions avoided in 2024 with reference to 2012.  
Estimated avoided emissions (tCO<sub>2</sub>) = [National Electricity Emission Factor 2024 (tCO<sub>2</sub>/GWh) - National Electricity Emission Factor 2012 (tCO<sub>2</sub>/GWh)] \* [Total Portuguese Electricity Production 2024 (GWh)].  
**Note:** baseline considers all of the Portuguese Electricity Production 2024 but using the National Electricity Emission Factor 2012.

<sup>3</sup> Source: REN, Emissions avoided in 2024 with reference to 2012. Pro rata considers the percentage of investments compared to the total amount of investments and the correspondent contribution to avoided emissions.

<sup>4</sup> Evolution from 58% in 2012 to 81% in 2024 (represents the difference between the ratio of the installed renewable capacity and total installed capacity in 2012 and the same ratio in 2024).

<sup>5</sup> Represents the additional capacity of renewable energy generation connected to our transmission and distribution systems, between 2012 and 2024.

<sup>6</sup> Evolution from 44% in 2012 to 88% in 2024 (represents the difference between the ratio of the renewable electricity generation and the total electricity generation in 2012 and the same ratio in 2024).

<sup>7</sup> Represents the additional renewable energy generation between 2012 and 2024.

Tackling climate change places decarbonisation at the centre of public policies, thus generating significant changes on the energy sector. From an energy transition perspective, adapting the power grid’s infrastructure is therefore critical to achieve Portuguese and European energy policy goals. To address these, the European Union (EU) and the respective Member States sought to review their energy and climate strategies. Exploring opportunities and the comprehensive revision and implementation of Member States’ National Energy and Climate Plans (NECP) will play a key role in achieving higher climate and energy ambition in the EU by 2030. The review of NECPs, approved on 4 October 2024, sets more ambitious targets and boosts the country’s ambition for the coming decade. The plan increases the use of renewables, aiming for 51% of renewables in the final energy consumption and up to 93% Renewable Energy Sources (RES) in electricity consumption by 2030. Additionally, the target to cut Greenhouse Gas (GHG) emissions was set at 55% compared to 2005 levels.

The plan also includes a significant increase in the capacity to store energy, a boost in green hydrogen production and offshore wind power will also play a central role. To ensure centralized action in achieving the objectives of the proposed revision of NECP 2030 and to accelerate the implementation of RES projects by simplifying and increasing the transparency of licensing procedures, the Government created the Mission Structure for the Licensing of Renewable Energy Projects (EMER 2030). Another crucial decision was setting up the Climate Agency

whose mission is to ensure greater efficacy in implementing climate policy, ensuring planning, monitoring, and accountability. The agency will play a fundamental role in accelerating the licensing processes and simplifying procedures, guaranteeing transparency and swiftness in the assessments and public tenders.

Building on these goals and targets, REN’s role in the energy transition and contribution to the European Energy Policy and Domestic Energy Policy can be seen as follows: with regard to the electricity sector infrastructures, the growth targets for RES, combined with the decrease of thermal power plant generation in the current Portuguese National Electricity System (SEN), determine that there is a permanent need to adapt and develop transmission network infrastructures in order to guarantee security of supply. The investments carried out by REN (as the concession holder of the electricity transmission activity through the Portuguese National Electricity Transmission Grid - RNT), in the construction of new infrastructure needed to receive and integrate new renewable generation and the necessary adaptation to guarantee the quality, security of supply, and management of the system have been crucial to enable the goals of energy transition, namely the progressive reduction of GHG emissions in the energy sector.

The development and investment plans for the transmission grid include multiple kinds of projects to achieve the decarbonisation goals in the electricity sector.



Projects completed in 2024 in the RNT played a key role in strengthening supply on the National Electricity Distribution Grid (RND) and creating new connections, particularly with respect to increasing new production reception capacity. These projects also contributed significantly to the internal security and reliability of the network and the overall operation of the National Electricity System. In this regard, of note were the following projects:

- Panóias station and the Panóias - Tavira and Ferreira do Alentejo - Panóias 400 kV lines;
- Strengthening of transformation at the Ourique substation, with the second and third 150/ 60 kV (126 MVA) unit, and at the Fundão substation, with the second 400/ 220 kV (450 MVA) unit; and
- Conclusion of the new line panels at the following substations: Ferro, Porto Alto, Tavira, Tunes, Pego and Divor, to enable new renewable production to be connected to the RNT.

In addition to the network development projects mentioned above, investment was also made in uprating the transmission capacity and modernizing assets at the end of working life. This work included remodelling of the Batalha Ribatejo line at 400 kV, Pocinho Chafariz 1, Pocinho Chafariz 2 and Estarreja Mourisca lines, all at 220 kV, as well as the conclusion of remodelling work on protection equipment and systems and automation and control equipment at the Pocinho, Pereiros, Valdigem and Palmela substations.



OTHER PROJECTS INVESTMENTS UNDERWAY:

CONNECTION OF LARGE HYDRO-PLANT TO THE RNT

400 kV line between the Feira and Ribeira de Pena substations to enable the connection of stages 1 and 3 and full integration of new power generation throughout the Tâmega River hydro area (around 1,150 MW of installed power).

CONNECTION TO THE RNT OF PRODUCTION OTHER THAN LARGE HYDRO OR THERMAL POWER

Studies on new RNT infrastructure and reinforcement of the transmission capacity of some infrastructure to provide additional capacity to receive new solar photovoltaic production as a result of the competitive procedures for awarding reservation of injection capacity into the Public Service Electricity Network (RESP) and connection requests under the agreement between the applicant and the RESP operator, as is the case between the transmission network operator and promoters of new power production centres.

FEEDING OF CONSUMPTION CENTRES IN DISTRIBUTION NETWORKS AND VERY HIGH VOLTAGE CLIENTS

Introduction of RNT/ RND transformation or reinforcing of existing power, more specifically, at the Divor substation to meet supply security requirements and adapt to regulatory standards. In terms of feeding to large industrial consumption centres, new network reinforcements in the south stand out, further to the recognition of the network zone for the existing Sines RNT substation as a High Demand Area, pursuant to Decree-Law No 80/2023 of 6 September establishing an exceptional procedure to award connection capacity to RESP when demand exceeds network capacity.

REINFORCEMENT OF THE RNT WITH RESPECT TO THE SHUTTING DOWN OF PRODUCTION AT THE SINES COAL-FIRED THERMAL POWER PLANT

Development of the RNT 400 kV lines, as part of RNT reinforcement work in Lisbon and southern Portugal, which will help structurally adapt the performance of the network given the termination of production at the Sines coal-fired power plant, in particular the Fanhões - Rio Maior line, also at 400 kV.

REINFORCEMENT OF THE INTERCONNECTION CAPACITY BETWEEN PORTUGAL AND SPAIN

New 400 kV interconnection between the future substations of Ponte de Lima, on the Portuguese side, and Fontefría, on the Spanish side, to reinforce commercial exchange capacity between Portugal and Spain. Construction for this project is currently underway.

REMODELLING AND UPRATING OF EQUIPMENT AND SYSTEMS AT THE END OF WORKING LIFE

Several projects for modernizing transmission network assets and replacing high and very high voltage equipment in substations, protection systems, automation and control equipment, power transformers and overhead lines included the and the Tunes, Recarei, Palmela and Ferreira do Alentejo substations.



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## Independent Limited Assurance Report

To the Board of Directors of  
REN – Redes Energéticas Nacionais, S.G.P.S., S.A.

### Scope

We have been engaged by REN – Redes Energéticas Nacionais, S.G.P.S., S.A. ("REN") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, to report on the Green Finance Report 2024 ("Green Finance Report"), for the year ended 31 December 2024.

### Criteria applied

REN prepared the Green Finance Report in accordance with the REN Integrated Sustainable Finance Framework (the "Criteria").

### Responsibilities of the Management

REN's management is responsible for selecting the Criteria, and for preparing the Green Finance Report in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining an appropriate internal control system, maintaining adequate records and making estimates that are relevant to the preparation of the Green Finance Report, such that it is free from material misstatement, whether due to fraud or error.

### Responsibilities of the Auditor

Our responsibility is to examine the Green Finance Report prepared by REN and to issue a limited assurance report based on the evidence obtained.

Our engagement was conducted in accordance with the International Standards for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information – ISAE 3000 (Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and other technical standards and recommendations issued by the Portuguese Institute of Statutory Auditors (Ordem dos Revisores Oficiais de Contas). These standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Green Bond Report is prepared in accordance with the Criteria.

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. In these circumstances, our independent review procedures comprised the following:

- ▶ Conducting interviews with management and other personnel involved in the preparation of the Green Finance Report, in order to understand the characteristics of the (re)financed projects and how the information system is structured;
- ▶ Inquiries with the personnel responsible for preparing the Green Finance Report in order to understand the processes for collecting, collating, reporting, and validating the allocation and impact report data for the reporting period;
- ▶ Checking the Green Finance Report net proceeds allocation in the eligible project portfolio has been made in accordance with the Criteria;



REN – Redes Energéticas Nacionais, S.G.P.S., S.A.  
Independent Limited Assurance Report  
31 December 2024

- ▶ Performing analytical review procedures to support the reasonableness of the allocation and impact report data, including information related to indicators disclosed in the report;
- ▶ Verification of the conformity of the Green Finance Report with the results of our work and with the Criteria applied.

We consider that the evidence obtained is sufficient and appropriate to provide the basis for our conclusion.

### Quality and Independence

EY applies the International Standard on Quality Management ISQM 1, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the Ordem dos Revisores Oficiais de Contas' Code of ethics and of the International Code of Ethics for Professional Accountants (including international independence standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

### Conclusion

Based on our work and evidence obtained, nothing has come to our attention that cause us to believe that the Green Finance Report, for the year ended 31 December 2024, has not been prepared, in all material respects, in accordance with the Criteria.

Lisboa, 20 March 2025

Ernst & Young Audit & Associados – SROC, S.A.  
Sociedade de Revisores Oficiais de Contas  
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