

RENX



2019 Sustainability

We Drive the Future
of the Environment and of the Community

Sustainability Vision

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 2019, this commitment gained expression when we were recognised for our environmental protection initiatives.

A sustainable step in a changing world.

REN in 2019	04
Awards	06
Mission and Values	07
Social Responsibility Policy	08

01

Social responsibility

Our Networks	14
Innovation, Research and Technology	16
Our Approach	18
Our Strategic Guidelines	20

02

Social responsibility

Human Capital Management and Development	32
Characterisation of REN's Workers	34
Personal and Professional Development	35
Occupational Health & Safety	35

03

Environment

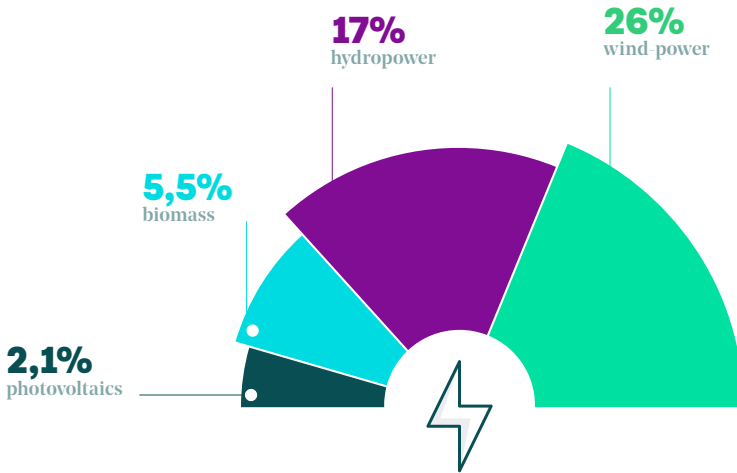
Environmental protection	40
Flora and land use	42
Birdlife	43
Relationship with landowners	44
Climate Change	45

REN in 2019

Over the years, REN has focused its business activity on fulfilling objectives aimed at sustainable growth. The results show operational excellence.

A sustainable step in a changing world.

51%
Renewable Production



Domestic consumption supplied by renewable production in 2019

5.5M€

*Environmental
protection
investments*



295.5 m€

Donations/sponsorships

74,856

Trees planted,
in 276 hectares

111

Stork nests
transferred

87

Platforms installed
for stork nests



RNT

43.0 TWh

Electricity
transported

9,002 km

Power grid

Equivalent interruption time:
0.72 Min, confirmed by ERSE



RNTGN

71.1 TWh

Natural gas
transported

300.0 mm³

Maximum underground
storage capacity

1,375 km

Gas pipelines

Average duration of interruptions
per outlet point: **0.00 Min**

Awards

In 2019, REN received the following awards and acknowledgements:

- Gold, Digital Annual Report, International Davey Awards
- Gold, Digital Annual Report 2018, W3 Awards
- APCE Grand Prize, Sustainability Report, APCE
- Gold, Digital Annual Report 2017, The Communicator Awards
- Gold, “REN’s APP”, Mercury Excellence Awards
- APCE 2019 Grand Prize, Sustainability Report, Portuguese Association of Corporate Communication
- Silver, “Best Annual Report”, Stevie Awards
- Silver, “Best Home Page”, International Davey Awards
- Bronze, “Annual Report”, Lusophone Creativity Awards
- Bronze, REN’s APP, Astrid Awards
- Bronze, “Heroes of All Kinds”, Lusophone Creativity Awards

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

- Reliability of supply
- Impartiality 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.



REN

Commitment *far beyond our mission*

01

Social Responsibility

In addition to ensuring an uninterrupted supply of energy to the entire country, our mission is to maintain a positive impact on the communities in which we work, striving for sustainable development while always defending their interests.

Our Networks

The consumption supplied by renewable production in 2019 reached 51%.

Both wind and photovoltaic production recorded the highest annual output ever.

The consumption supplied by renewable production in 2019 reached 51%. Wind production accounted for 26% of consumption, the highest share ever for this technology. Hydropower supplied 17%, biomass, including conventional and cogeneration plants, 5.5%, and photovoltaics 2.1%. Both wind and photovoltaic production recorded the highest annual output ever, reaching 13.4 TWh for wind power and exceeding 1 TWh for photovoltaics for the first time. In the non-renewable category, natural gas-fired power stations, including combined cycle and cogeneration, supplied 32% of consumption, while coal-fired power plants reduced their share to only 10%, which is the lowest share recorded since the Sines thermal power plant was fully commissioned in 1989.

With very unfavourable hydrological conditions, the national system interrupted three consecutive years of exporting trade balances with foreign countries, this year recording an import balance equivalent to around 7% of the domestic consumption. As such, for a consumption of 50.3 TWh, domestic production recorded 48.8 TWh,

the import balance was 3.4 TWh, with 1.8 TWh additionally consumed in pumping.

In 2019, natural gas consumption totalled 67.9 TWh, up 4.8% from the previous year. This is the second highest annual consumption ever, 2.5% below the all-time high recorded in 2017.

The maximum hourly consumption was recorded on 10 December at 8:00 with 12.6 GWh, 800 MWh below the all-time high of 13.4 GWh recorded on 24 January 2017.

In the electricity generation segment, 23.8 TWh were consumed, an increase of 14.6% over the previous year. This growth was boosted by the strong drop in hydraulic production and also by the increased competitiveness of natural gas versus coal. Thus, the consumption of the power plants represented 35% of the total consumption of natural gas, compared to 32% in the previous year.

The conventional segment grew 0.2%, with a consumption of 44.1 TWh, representing 65% of total natural gas consumption.



50,3TWh

*Renewable production fuelled
51% of the total electricity
consumption.*

Electricity

Technical indicators

	'19	'18	'17	'16	'15
Consumption, TWh	50.3	50.9	49.6	49.3	49.0
Annual change in electricity consumption, %	-1.1%	2.6%	0.7%	0.6%	0.3%
Installed capacity, MW	20,208	19,970	19,793	19,523	18,534
Energy transported in RNT, TWh	43.0	47.2	47.2	46.7	43.0
Length of lines, km	9,002	8,907	8,907	8,863	8,805
Transformation capacity, MVA	38,463	37,638	37,382	36,636	36,673
Losses in energy transport, %	1.71%	1.66%	1.51%	1.72%	1.56%
Equivalent interruption time, minutes	0.72	0.83	0.11	0.34	0.21

Natural Gas

Technical indicators

	'19	'18	'17	'16	'15
Consumption, TWh	67.9	64.9	69.7	55.8	52.2
Annual change in natural gas consumption, %	0.05%	-0.07%	0.25%	0.07%	0.15%
Gas transported by RNTGN, TWh	71.10	66.64	71.09	56.68	53.06
Length of pipelines, km	1375	1375	1375	1375	1375
Underground gas storage capacity, mm3(*)	300.0	300.0	300.0	300.0	300.0
Average duration of interruptions per outlet point (DIPS), minutes/outlet point	0.00	0.02	0.00	0.00	0.00

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

Innovation, Research and Technology

R&D investment in the REN Group between 2016 - 2018 amounted to approximately two million euros.

For the same period, the R&D Centre (R&D NESTER) had an investment of over four million euros.

R&D investment in the REN Group between 2016 and 2018 (three years) amounted to approximately two million euros.

For the same period, the R&D Centre (R&D NESTER) had an investment of over four million euros.

The participation of REN and R&D NESTER in collaborative Research and Development projects with other partners in the sector has been growing. In 2019, the participation in the Horizon 2020 (H2020) European Programme, in which Rede Eléctrica Nacional, S.A., as TSO, currently participates in four (4) projects, and R&D NESTER, as an R&D Centre, currently participates in eight (8) projects.

REN's R&D activities saw an increased sharing of knowledge and learning through projects involving the entire REN Group, leveraging synergies between the electricity and gas sectors.

REN and R&D NESTER remain active in the establishment of protocols and partnerships with multiple entities of the national scientific system and associations in the sector, namely INESC-TEC, ISEL, LABLEC, EFACEC, LNEG, the University of Coimbra and IST for the development of projects, as well as representation in entities such as COTEC, APREN, CCILC, IEEE and more recently, the UN CTNC (United Nations - Climate and Technology Centre and Network).

At this level, notice should go to active participation in international working groups, such as:

- **CIGRÉ** – Association of experts dedicated to grid electricity sector studies
- **ENTSO-E** – European association of electricity transport network operators



- **ENTSO-G** - European association of natural gas transport network operators
- **ETIPs** - European Technology & Innovation Platforms
- **CORESO** - Organisation which coordinates electricity transport system operators in Europe
- **MED-TSO** - Association of Mediterranean electricity transport network operators
- **GIE** - European association of operators of gas transmission networks, gas storage systems and LNG terminals

Our Approach

REN operates and is governed by a network guided by 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, and has an agreement with the Equality Organizations Forum (iGen) whose goal, among others, is to galvanize initiatives and best practices regarding equality and non-discrimination. 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

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. The topics materially relevant to REN can be found on the next page 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 organisation.

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 the company's performance with the best international governance ethics practices, by involving the company's stakeholders and promoting a culture of fighting corruption and absence of risk control.

REN has specific programmes to address this topic, such as the codes of conduct, the certification of the social responsibility management system, Source, a centralised empowerment programme for the purchasing process and for qualification of suppliers, and gestaotransparente.org, of which REN is a signatory, all of which are now highlighted in the company's Sustainability Strategy.

Main initiatives

REN is committed to effectively respecting the 17 Sustainable Development Goals (SDG), created in 2015 by the United Nations. Aware of this commitment, REN promotes, supports and develops actions and projects that are in line with the goals that, among the 17 SDG, have been identified as priorities and aligned with the company's sustainability strategy: quality education; gender equality; renewable and accessible energies; dignified work and economic growth; industry, innovation and infrastructure; sustainable cities and communities; sustainable production and consumption; climate action; protecting life on Earth; and partnerships for implementing goals.

The implementation of these goals, articulated in the four axes of REN's sustainability strategy (internal welfare; stakeholder engagement and satisfaction; environmental protection; governance and ethics), is achieved through various collaborative actions and projects, among which we highlight the various initiatives of the Share Corporate Volunteer Programme, the "Heroes of All Kinds" project, the reforestation programme of the easement corridors "Together We Plant the Future", the MEDEA project, the AGIR Prize, the REN Prize and REN's Chair on Biodiversity, among others.

We promote the well-being 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, namely initiatives promoting internal welfare, quality of life, diversity, inclusion, personal achievement, reconciliation between personal and professional life and overall employee satisfaction, 32 initiatives involving 526 REN employees were carried out in 2019, per the three cornerstones that comprise the program: balance, equality and inclusion.

We seek to respond to social problems involving our stakeholders



The involvement with the community, one of the fundamental pillars of REN's sustainability strategy, has characterised the company's performance in the area of Corporate Social Responsibility.

In 2019, the 6th edition of the REN's AGIR Prize from REN, dedicated to the topic of combating early school leaving and promoting academic success, awarded, out of the 47 submitted applications, the projects Apps for Good (www.appsforgood.org), promoted by CDI Portugal (www.cdi.org.pt), which was the big winner, and Schools of Superpowers, by the Youth Association Transformers (www.movimentotransformers.org), and Pescador de Sonhos, by Associação APEXA (www.apexa.org). Since 2014, this award has directly benefited over 2,900 people.

With regard to innovation and development in the Portuguese energy sector in conjunction with academic institutions, the REN Prize stood out – it's Portugal's oldest award in the area of science – which had 36 applications in its 24th edition. Created in 1995, the REN Prize continues to demonstrate REN's solid commitment to follow the defining changes and developments that have shaped the energy sector, anticipating challenges, identifying problems, and putting forward innovative solutions. In 2019, the REN Prize honoured, for the first time, the best doctoral thesis in this area. The winning master's theses focused on topics related to artificial intelligence, distribution systems and renewable energy.

In conjunction with the Portuguese Physics Society, REN once again gave out the MEDEA Award to scientific projects from the most prominent schools in the area of electromagnetic fields. In the 2019 edition,

MEDEA had the participation of 57 teams, with the first place being awarded to a team of students from the Primary and Secondary School of Povoação, in the Azores, and special mentions being given to two teams of students, one from the La Salle School in Barcelos and another from the Póvoa de Santa Iria School Group.

We have established a Volunteer Strategy so that each person “offers the best of themselves”



Still regarding stakeholder engagement and satisfaction, in 2019 REN carried out several actions through the Share Corporate Volunteer Programme, defining specific initiatives for each of the three areas of action that guide its volunteer strategy: education, environment and social support. This year, 24% of REN's employees participated in volunteer activities. In total, REN carried out 35 volunteer initiatives with the participation of 169 employees, an increase of 47% over the previous year. There was also an increase in the total number of volunteer hours to 1,647 hours, of which 1,342 hours were from employees and 305 hours from family and friends of employees.

In the area of education, the participation of 40 employees in the Junior Achievement Portugal youth entrepreneurship programmes (www.japportugal.org) and in the REN Potential initiative, a volunteer project to combat early school dropout and academic underachievement, developed in partnership with EPIS – Empresários para a Inclusão Social (Entrepreneurs for Social Inclusion – www.epis.pt), which had the participation of 18 REN volunteers in 2019.

Regarding the environment, the annual environmental awareness action for the cleaning of Tapada de Mafra (www.tapadademafra.pt), in which REN has participated since 2013 and which, in 2019, once again led 60 volunteers to contribute to the cleaning and recovery of 12.6 hectares of the natural ecosystem of REN's corridor. The participation of 63 REN employees, together with their families, in the cleaning action of Belinho beach, in the coastal region of the north of Portugal's Natural Park, should also be mentioned.

The action focused on the elimination of invasive plants in the dune area and also on the maintenance of the beach walkway structure. This is an initiative that has been undertaken by REN employees in partnership with the ICNF – Instituto da Conservação da Natureza e das Florestas (Institute for Nature and Forest Conservation).

In the area of social support, the conclusion of REN's first participatory budget should be noted. In total, 16

projects were chosen out of 46. These chosen projects benefited from REN's financial support under the company's Social Responsibility Policy and Sustainability Strategy, supporting and acting in proximity to local communities and protecting the environment. With this support, we cover 14 municipalities and nine districts.

Another initiative with a very positive impact was REN's participation in the #GivingTuesday movement (www.givingtuesday.pt), a worldwide solidarity initiative that unites companies, social organisations and civil society to contribute with essential goods, have generous

act or even simply donate an hour of volunteering to a cause/institution. In total, 61 employees put themselves at the service of their communities at Cercisiago (www.cercisiago.org.pt), Santiago do Cacém, Centro Social de Sacavém (Sacavém Social Centre – www.centrosocialsacavem.pt), Centro de Dia de Bucelas (Bucelas Day Centre – www.iasfbucelas.pt), Banco Alimentar (Food Bank – www.bancoalimentar.pt), Re-food (www.re-food.org/pt) and Comunidade Vida e Paz (Life and Peace Community – www.cvidaepaz.pt), in Lisbon, and

Santa Casa da Misericórdia de Gondomar (Gondomar's Santa Casa da Misericórdia – www.misericordia-gondomar.pt).

Still in the dimension of social support, REN maintained its connection to Comunidade Vida e Paz, with the participation of 35 volunteers in the actions to prepare suppers for the homeless of the city of Lisbon, which always take place

on the last Thursday of each month. Also of note are the support, with 11 volunteers, to Banco Alimentar's food collection campaign, as well as the campaigns to collect clothing and toys for children and food and goods for animals, promoted on the company's premises, and the participation, for the third consecutive year, in the Operação Nariz

***24% of
REN's
employees
participated
in volunteer
activities.***

Vermelho (Red Nose Operation – www.narizvermelho.pt) campaign, which enabled the institution to raise funds through the purchase by employees of various merchandising items related to this cause. To combat food waste, REN also donated surplus food from its canteens and events to Re-food, Zero Desperdício (zero waste) (www.zerodesperdicio.pt) and Comunidade Vida e Paz movements.

In 2019, the Em Linha (On Line) project was continued through the participation of five volunteers who joined the "Calls

for Comfort” initiative of the REN/EDP’s Retired Employees Association (www.arep.pt), which promotes interaction among former employees. Seeking to combat loneliness and abandonment of the elderly, REN once again hosted the traditional Christmas lunch in its facilities in Bucelas with the users of the parish’s day centre.

Also in 2019, REN was present in another Adapted Sports for the Disabled Day from Associação Salvador (www.associacaosalvador.com), with five volunteers, supporting, as in previous editions, the Quality of Life Action Project. Likewise, support was also maintained for the practice of various sports by employees, such as mountain biking, triathlon, running and golf, having renewed the sponsorship of the wheelchair basketball team of APD Braga and of athlete João Correia, in wheelchair athletics.

As to the support to social institutions, REN supported the activities of Associação Quinta Essência (www.quintaessencia.pt), whose mission is to maximise the autonomy and integration of people with mental development problems, and Associação Portuguesa de Síndrome de Asperger (Asperger Syndrome Portuguese Association – www.apsa.org.pt) and its employability programme aimed at developing social skills in a context of professional and social inclusion and integration.

In this segment, REN has again supported Rock’n’Law (www.rocknlaw.pt), a non-profit initiative promoted by a group of law firms, which aims to raise funds for solidarity projects, and also the “For a New Future” concert, by Associação Novo Futuro (www.novofuturo.org).

In the scope of support to arts, culture and education, REN has maintained partnerships with National Museum of Ancient Art (www.museudearteantiga.pt), with the Serralves Foundation (www.serralves.pt), with the Arpad Szenes Foundation (www.fasvs.pt), of which it is patron, and with the Lisbon MBA (www.thelissbonmba.com), of which it is a founder.

We protect the Environment and the Portuguese Forest



In the area of environmental protection, the “Heroes of All Kinds” programme (www.heroisdetodaaespecie.pt), a pedagogical initiative aimed at children in the 3rd and 4th grades of the 1st stage of education throughout the country, was present in five schools in 2019. Over 500 students, from north to south of the country, attended this project of REN, in partnership with the Ministry of Education and with the Ministry of the Environment and Energy Transition.

In 2019, the protocol between REN and Quercus to support the Common Forest programme (www.florestacomum.org) was maintained and, associated with this programme for educational and pedagogical purposes, REN carried out a new reforestation action, integrated in the “Together We Plant the Future” initiative, in partnership with the City Council of Figueira da Foz and the EB 2, 3 Pedrosa Veríssimo School, in Paião.

REN’s active approach to managing its easement corridors, namely the one related to the Portuguese National Defence System Against Forest Fires, was also recognised at the 2nd Session of the Learning by Sharing Cycle on Natural Capital, organised by BCSD Portugal (www.bcsdportugal.org), with the presentation of REN’s “Management of vegetation in easement corridors” project as a case study.

This initiative, which took place in the auditorium of the Municipality of Pampilhosa da Serra, was part of the LIFE Volunteer Escapes project (www.lifevolunteerescapes.org) project and sought to disseminate actions to share the companies’ good practices and to raise awareness about the importance of Natural Capital conservation and of its resulting opportunities and benefits.

Also in 2019, REN promoted, in Coimbra, a meeting with several partners about “Communication Networks” in the fifth edition of the Easement Management

Forum. This initiative brought together more than 160 people and targeted the teams that work with REN on vegetation management and in contact with the owners of the land crossed by the power transmission lines.

This Forum sought to take stock of 2018 and provide a few guidelines to increase effectiveness in the relationship with landowners. In this regard, the partnership with Movimento ECO – Empresas Contra os Fogos (ECO Movement – Companies Against Fires – www.movimentoeco.pt) was also maintained. This programme seeks to boost forest fire prevention and raise public awareness regarding risk behaviours. Due to its concern for this issue, and in order to create a collaborative national network for the defence of the forest, where REN has an important role, both in terms of prevention and in the response phase, it donated eight support vehicles to eight volunteer fire brigades (Poiães, Viana do Castelo, Batalha, Fundão, Trafaria, Montijo, Montemor-o-Novo and Ribeira de Pena), which were thus endowed with new means for intervention in the event of fires.

Also noteworthy is the execution of the “2019 Safety Symposium”, a meeting hosted by REN that seeks to share the best practices on prevention, safety culture and emergency response, bringing together representatives of ACT – Autoridade para as Condições do Trabalho (Working Conditions Authority) and ANEPC – Autoridade Nacional de Emergência

e Proteção Civil (National Emergency and Civil Protection Authority), multiple companies and REN's main service providers.

Internally, 2019 was again marked by the "Doing It For Us" campaign, an internal campaign of awareness and engagement for environmental protection, launched on the World Environment Day. More than raising awareness to the urgency of doing something for the survival of the planet and future generations, this initiative encourages each individual to act, whether personally or professionally, to cut waste and promote more conscientious consumption and more responsible behaviour, covering various communication actions and initiatives.

In this context, a challenge was launched to all employees to show what each one "does for us", #oqueeuvoafazer_por_nós. This challenge promoted the use of Instagram, with the #intranetren, and invited employees to share a photo or video showing what each of them has already done (or does regularly) that reflects their commitment within one of the four sustainable development goals (SDG), more specifically goals 12 – responsible consumption and production, 13 – climate action, 14 – protecting life below water and 15 – protecting life on land.

Still under the banner of the "Doing It For Us" campaign, REN launched an initiative to promote reading, through the creation

of spaces for sharing and reuse of books on its premises. "Take, donate, read, return" was the motto of this initiative, which, inspired by the concept already in existence and replicated throughout the world, intends to create community libraries within the company, encouraging reading, but also recycling through the donation and sharing of books.

We take on a model of ethical and sustainable government



Within the strategic axis of governance and ethics, REN became, in 2019, one of the Portuguese companies to sign the "Business Ambition for 1.5°" letter of commitment, an initiative of the United Nations that challenges companies, at a global level, to create measures to combat climate change.

As a founding member of the Portuguese Network of the United Nations Global Compact (www.unglobalcompact.org), whose commitment it follows since 2005, REN has been implementing an action plan throughout the years to reduce its direct emissions, namely regarding emissions of sulphur hexafluoride (SF6), a gas used as an electrical insulator (dielectric) in multiple high and very high-voltage devices. In this

context, REN participates in international working groups, in which these issues are discussed, and undertakes different measures to minimise the environmental impact associated with greenhouse gas emissions.

Also in 2019, REN subscribed to the CEO's Guide on Human Rights of BCSD Portugal – Business Council for Sustainable Development (www.bcsdportugal.org), an initiative aimed at encouraging business leaders to promote the defence of human rights and the improvement of people's living conditions.

REN is also a signatory of the Gestão Transparente.org – Guia Prático de Gestão de Riscos de Corrupção nas Organizações (Transparent Management.org – Practical Guide to Corruption Risk Management in Organisations – www.gestaotransparente.org), whose main objective is to raise the awareness of the business community and civil society in general to the problems associated with corruption, as well as to the advantages arising from prior identification of its risks and from the implementation of internal and external policies and actions to promote transparency and combat corruption.

REN also has a protocol with Fórum Organizações para a Igualdade – iGen (Organisations for Equality Forum – iGen

– www.forumigen.cite.gov.pt) which aims, among others, to promote initiatives and good practices in the field of equality and non-discrimination and has a REN Group Code of Conduct, which is regularly revised and monitored.

Still on the governance model axis, in 2019 REN maintained the certification attributed by APCER to its Social Responsibility Management System (standard NP 4469-1), thus seeing the best practices applied in the company in terms of sustainability and social responsibility recognised.



2019

***REN has subscribed
to the BCSD Portugal
CEO's Guide on Human
Rights Business
Council for Sustainable
Development.***





Investing *in our human capital*

02

Human Resources

Our growth is only made possible by ambitious and motivated teams. Part of our strategy is to promote policies and actions that value human capital for personal and professional development.

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.

Once the migration of REN Portgás's processes and systems was completed in 2018, 2019 was marked by the harmonisation of the main human resources policies, namely in terms of careers and benefits.

This was also the year of consolidation of the new business unit, REN PRO, which centralises the most market-oriented support functions, namely Communication and Sustainability, Marketing, Commercial Management, Business Development and IT Consulting and Services.

2019 was also characterised by the start of a few important programmes aimed at fostering a single culture for the entire REN Group and preparing for future business challenges:

- completion of a development plan for activating and boosting the values and strategic pillars that define the culture desired at REN, for implementation next year;
- start of the implementation of the new triennium of the REN Campus (2019–2021), a development programme that focuses on select training and on different development initiatives, in order to guarantee the effective fulfilment of its main objective, i.e., passing on expertise and updating and sustaining the company's specific knowledge;
- design of a new 2019–2023 Plan for Gender Equality. Over the years REN has been a pioneer in promoting gender equality in the Portuguese market. In 2019, with the closing of the 2014–2018 cycle, the task force for Gender Equality considered it essential to carry out a new diagnosis on the subject in order to get a closer

look at what was happening in this area in the companies after the implemented initiatives. It was based on this diagnosis that REN continued to challenge itself, designing a new plan and maintaining demand and excellence in these areas;

- seeking to maintain continuity, an organisational situation questionnaire was launched at the end of the year to sustain and enhance the motivation programmes and, on a

global level, the experience of the employees;

- continuing the significant investment in the communication of human resources activities and in everyone's involvement, with the execution of initiatives such as the Staff Meeting, Management Meetings, Strategy Workshops, sessions for disclosure and clarification of human resources policies, among others.

Characterisation of human resources

	'19
Number of employees	
< 30 years old	60
30-50 years old	382
> 50 years old	242
Total	684
Global employee turnover rate	3.57%
Permanent employees	670
Hours of training	29,858.00
% women versus men	24.27%
Female executives	21
Employees with higher education	66.52%

Personal and professional development

REN's Trainee Programme is already a consolidated brand, both internally and externally, and with a high level of satisfaction and demand in the market. It consists of professional, academic and

summer traineeships, with its participants having the opportunity to develop specific projects in multiple areas of the company, with a focus on creating value for themselves and the organisation.

Indicators

	'19
Professional traineeships	16
Academic traineeships	20
Summer traineeships	17
Total	53



***REN believes
that people
are its main
asset.***

The REN Campus is REN's training model dedicated to the full development of human capital, with the mission of offering distinctive value in knowledge management through the creation of transversal and specific training programmes in line with the company's strategy and business. Its main objective is to promote the growth and consolidation of the business through the development of people, with a differentiated offer directed to the correct management of intellectual capital and the continuous transfer of knowledge. In 2019, the implementation of REN Campus's second triennium (2019–2021) began.

Star Programme – Performance Management

The performance evaluation model for the entire group, including the recent

REN Portgás business unit, was harmonised in 2019.

Training	'19	'18	'17
No. of training hours	29,858.00	29,930.40	34,543.89
No. of participants	3,959	3,897	3,340
No. of training hours per employee	43.46	43.25	49.49
% of Men	41.60%		
% of Women	49.04%		

Occupational Health & Safety

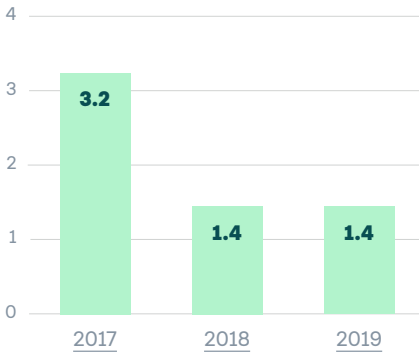
Fully aware that a safe, healthy environment is a determining factor in satisfying various stakeholders, REN is committed to effectively managing occupational health and safety. The occupational health and safety management system is certified by an accredited entity, and covers most of the Group's companies. Its main objective is to prevent the occurrence of accidents and occupational diseases involving both the company's employees and the contractors' workers and service providers who work with REN.

serious risks to the health and safety of its employees unacceptable, as well as of contractor and service provider employees. It will take all measures within its power to prevent or mitigate these risks. Policies, safety procedures and best practices are followed for the purpose of preventing accidents, namely numerous training initiatives and strict monitoring of company activities to ensure a high degree of operational control. By analysing accidents which have occurred, the inherent risks of their associated activities can be reevaluated.

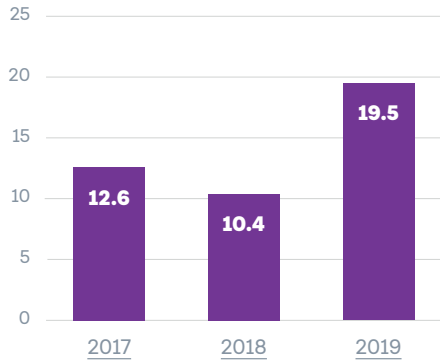
REN believes that people are its main asset. For this reason, it considers

Incidence Indexes

REN



Contractors



	'19	'18	'17
No. of auxiliary diagnostic procedures (per test battery)	458	378	424
No. of medical procedures	688	633 (*)	262
No. of nursing procedures (per test battery)	458	475	304
Physician visits to the workplace	16	14	10

	'19	'18	'17
Absenteeism rate	2.20%	2.11%	2.06%





Protecting *our ecosystem*

03

Environment

Each project is designed following the best practices for a minimum environmental impact. This way, we ensure the sustainability of our business, while preserving the specificities of the natural ecosystems of the regions in which we operate.

Environmental protection

A commitment to being a proactive agent in environmental protection.

Environmental protection is one of the three cornerstones that govern REN's sustainability strategy.

A culture of sustainability must have the non-negotiable priority of safeguarding the environment and implementing practices which preserve and protect ecosystems and biodiversity. Given that environmental protection is one of the three axes governing REN's sustainability strategy, it is

important to pay attention to the indicators we collected in 2019 in this area.

As part of efforts to expand and upgrade our energy transport networks, a significant number of environmental assessments have been carried out, in the project phase:

	'19	'18	'17
Environmental impact assessment proceedings	6	7	2
Environmental impact statements issued	5	2	1
Draft environmental studies	0	0	0
Environmental impact assessments (EIA)	1	4	0
Implementation Project Environmental Compliance Reports (RECAPE)	0	3	0

Strategic environmental assessment (SEA) is an environmental policy tool (Decree Law no. 232/2007 of 15 June, amended by Decree Law no. 58/2011 of 4 May) to evaluate the environmental consequences of certain plans and programmes and their prior adoption.

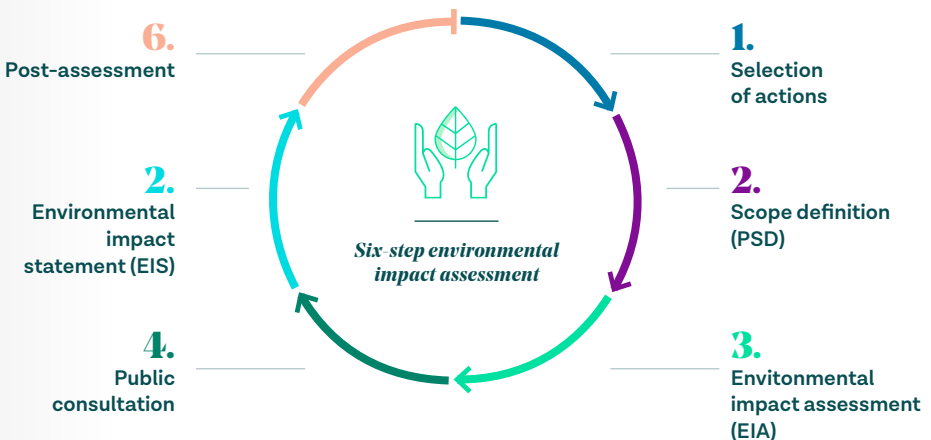
The proposals of the Electricity Transport Network Development and Investment Plan for the 2020–2029 period (PDIRT 2020–2029) and of the Natural Gas National Transmission Network, Storage Infrastructure and Liquefied Natural Gas Terminals (PDIRGN 2020–2029) were accompanied by a “Technical Note justifying the absence of the SEA for PDIRT 2020–2024 (2029)” and a “Technical Note justifying the absence of the SEA for

PDIRGN 2020–2024 (2029)”, prepared by REN with the collaboration of the Faculty of Engineering of the University of Porto (FEUP). These Technical Notes were submitted to a consultation addressed to the Entities with Specific Environmental Responsibilities.

It is also noted that in 2019, an “Environmental Assessment and Control Report (2015–2018)” (EACR) was also prepared, and is available on REN’s website.

An environmental impact assessment (EIA) is an evaluation tool applicable to several projects for infrastructures of public utility sponsored by REN. The EIA process is comprised of various stages:

The EIA process is comprised of various stages:

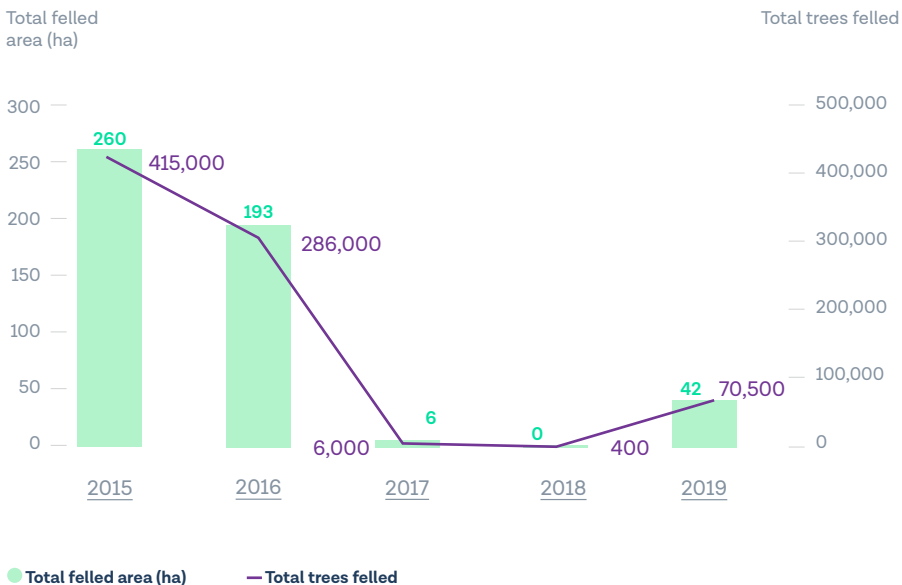


Flora and soil use

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.



In 2019, a total of 74,856 trees were planted on an area of approximately 276 hectares, with the strawberry tree standing out as one of the most planted species.

The strawberry tree is the species that we have increased the most in the land use conversion processes since it is a species perfectly compatible with the presence of power transmission lines, with great economic interest, particularly through the use of its fruit, both in the production of aguardente spirits (the best known use) and in the agri-food industry. This is an emerging cluster whose growth potential is high.

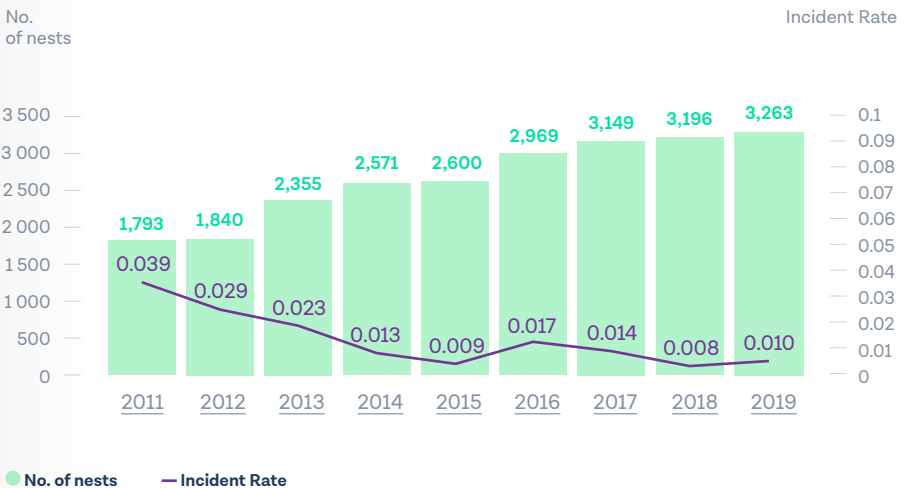
Birdlife

An area of true importance to REN involves compensatory measures in the wake of environmental impact assessments of new infrastructures. For more than 20 years,

REN has controlled nesting for white stork populations at its infrastructures, laying the groundwork for this bird to nest in favourable habitats, and installing devices to minimise the risk of accidents originating from electricity.

The assembly of fans and platforms prevents nesting in the places with the highest probability of incidents, i.e., despite the constant increase in the population of storks, which causes a significant increase in the number of nests, the number of incidents has remained stable at low values.

There was a significant reduction in the white stork incident rate during the year in question vis-à-vis 2018.



Relationship with landowners

In 2019, 28,191 owners of lands already crossed or to be crossed by our electricity transmission networks were contacted and 1,038 landowner compensation processes were completed.

This highlights the importance of this group stakeholders, given the small size of the country's geographical area in comparison to most European countries.

Climate change

Since 2010, REN has been providing information on the company's climate change policies and activities, according to the Carbon Disclosure Project (CDP).

The company has been given a C rating, which corresponds to Awareness level. This evaluation reinforces REN's awareness of the environmental impacts of its activities, particularly in its contribution to climate change. This awareness will allow positive progress in reducing GHG emissions, measuring and managing their impacts and setting and adopting goals for medium/long-term reduction, while at the same time monitoring these goals and the implementation of activities to reduce emissions.

Greenhouse gas emissions

(Ton.CO2...e)

	'19	'18	'17
Scope 1	22,812	21,745	28,286
Natural gas purges (CH4)	1,080	761	8,845
Flare burning	0	17	249
Boiler self-consumption	18,906	16,491	15,423
Sulphur hexafluoride (SF6)	541	545	1,398
Natural gas (buildings)	230	2,186	165
Propane gas (buildings)	2	7	7
Fuel (equipment and fleet)	2,053	1,739	2,199

Greenhouse gas emissions

(Ton.CO2...e)

	'19	'18	'17
Scope 2	232,200	241,607	242,891
Electricity	25,576	21,039	22,647
Electricity losses in the network	206,624	220,568	220,244
Scope 3	557	559	536
Air travel	557	559	536



2019

The leakage rate remained virtually unchanged.

In the field of greenhouse gas emissions prevention and control, REN has, for several years, been implementing a strategy to minimise its direct emissions, namely with regard to sulphur hexafluoride (SF6) emissions, a gas used as an electrical insulator (dielectric) in several high and very high-voltage devices.

In 2019, the leakage rate remained practically unchanged. The company's efforts to reduce SF6 emissions are demonstrated by the leakage rate of this gas, with results which are considered highly positive from an international technical standpoint.

REN 



**REN
Investidores**

Access all REN information
on a single platform. Download our app at:



**REN
Energia**



Available on the iPhone
App Store



GET IT ON
Google Play

About this Brochure

This document is an abridged version of REN's Sustainability Report for 2019 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.

Contact Information

For further information, please contact REN by the following means:

REN

Redes Energéticas Nacionais, SGPS, AS
Av. Estados Unidos da América, 55
1749-061 Lisbon
Tel. (+351) 210012500



REDES ENERGÉTICAS NACIONAIS, SGPS, S.A.

Avenida Estados Unidos da América,
55 1749-061 Lisboa
Phone: +351 210 013 500

www.ren.pt