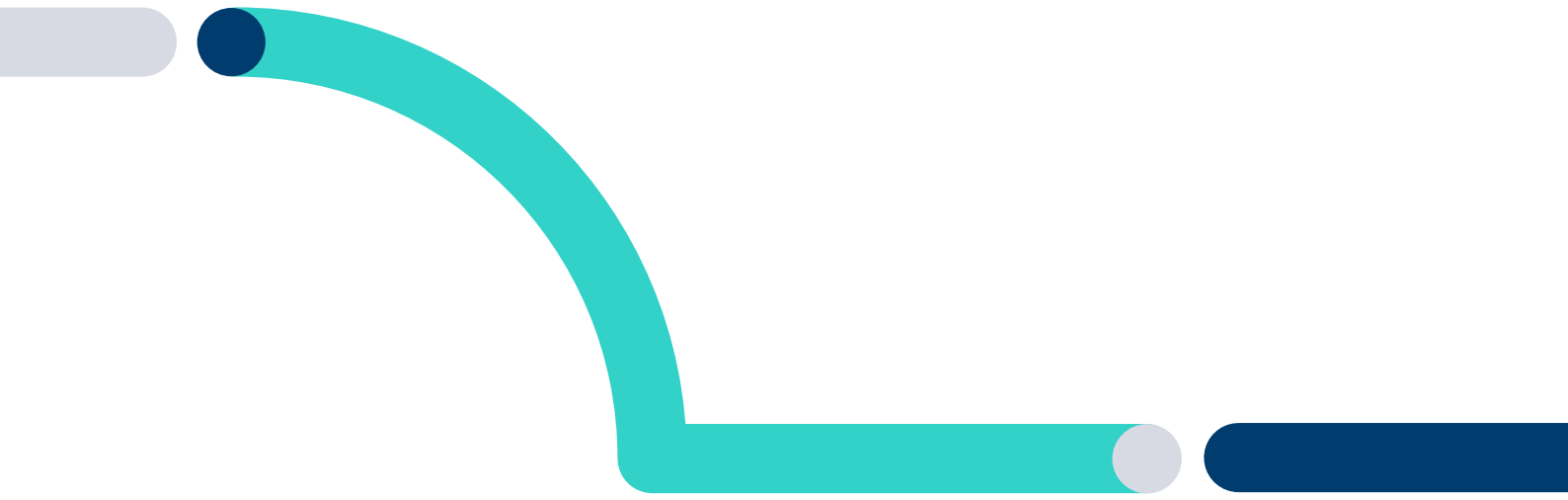


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Biodiversity Commitment

Biodiversity and Natural Capital. Current Context

For Redeia, **natural capital**¹ encompasses the set of assets found in nature, including both living (biotic) and non-living (abiotic) elements, which, either individually or collectively, contribute to society's well-being through the provision of ecosystem services.

Biodiversity plays a vital role within natural capital as it serves as the foundation for the services and goods that ecosystems provide, which are essential for sustaining life on Earth. Consequently, biodiversity is also fundamental for generating value for society and the economy.

The United Nations' Convention on Biological Diversity², established in 1992, defines biodiversity as “*the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems*”.

Given the increasing pressure on biodiversity, wildlife is vanishing, ecosystems are degrading, and finite resources are being rapidly and unprecedentedly diminished. The state of biodiversity loss is so alarming that the point of no return is becoming increasingly close.

Human dependence on the natural environment is such that a collapse of species or the environment in which we live could have devastating consequences for the planet.

Motivation

Due to the significant presence of Redeia's assets in natural environments, which are home to a wealth of biodiversity, terrestrial and marine ecosystems, as well as natural capital, are recognised as pivotal factors for the sustainable development of the business in all the countries where the Company operates.

Redeia's Biodiversity Commitment is inspired by the new Biodiversity Framework outlined by the United Nations' Convention on Biological Diversity, along with its visionary ‘*Living in Harmony with Nature*’ perspective for 2050. Additionally, the Company is dedicated to achieving the Sustainable Development Goals (SDGs) outlined in the 2030 Agenda, particularly Goals 13 (Climate Action), 14 (Life Below Water), 15 (Life on Land), and 17 (Partnerships for the Goals).

Moreover, this commitment is firmly embedded within Redeia's 2030 Sustainability Commitment and its Environmental Policy. It ensures that the commitment is effectively implemented through robust environmental management practices that align with both national and international standards, such as the global Kunming-Montreal Biodiversity Framework, the European Biodiversity Strategy for 2030, the European Green Deal, the strategic roadmap outlined in Spain's Strategic Plan for Natural Heritage and Biodiversity 2030, and the Biodiversity and Natural Capital Pact (Spain), to which Redeia is a proud signatory, as well as with national biodiversity strategies established in Latin American countries where the group conducts its business.

The materialisation of this Biodiversity Commitment entails strengthening and optimising Redeia's ongoing efforts and resources in biodiversity and sustainability. The organisation strives to maximise operational process efficiency while minimising the residual impact of its activities as much as possible.

As an integral part of its commitment to biodiversity and climate change, Redeia places specific emphasis on the protection of vegetation and combating deforestation in the execution of its activities as well as those of its supply chain.

¹ Definition of the Natural Capital Coalition: "Natural capital is another term for the stock of renewable and non-renewable natural resources (such as plants, animals, air, water, soil, minerals) that combine to yield a flow of benefits to people”.

² <https://www.cbd.int/convention/text/>

By carefully selecting infrastructure locations, employing appropriate facility design practices, and implementing preventive and corrective measures during construction and maintenance, Redeia aims to avoid and minimise any adverse effects on vegetation. This approach helps prevent significant loss of forested areas and ensures that the group's activities do not contribute to deforestation or harm biodiversity.

Purpose

Redeia has made a firm commitment to fostering **a net positive impact on biodiversity in the areas where the Company carries out its activity**. This commitment aligns with the group's challenge of fulfilling its 2030 Sustainability Goal related to '*Generating a net positive impact on the natural capital of the surrounding environment of new facilities*' by 2030.

Scope

This commitment extends its reach to encompass every company in which Redeia holds a majority stake. It is incumbent upon each and every individual within Redeia to wholeheartedly embrace and adhere to this commitment, diligently upholding its principles in the performance of their duties and obligations across all professional domains where they represent the organisation.

In those affiliated companies/subsidiaries where Redeia does not hold a majority shareholding, efforts will be made to promote principles that align with those established in this commitment. Furthermore, the application of these principles will be actively encouraged among Redeia's business partners, including temporary joint ventures, consortia, or any other equivalent associations. Contractors, suppliers, and all those who collaborate with or act on behalf of Redeia will similarly be encouraged to embrace and adhere to the principles outlined in this commitment.

Principles

The fundamental principles that define Redeia's Biodiversity Commitment are as follows:

- Consider biodiversity and natural capital as a **key factor** in the group's strategy and objectives.
- Manage **risks and opportunities** by measuring and assessing the **impacts** (both negative and positive) and **dependencies** associated with biodiversity, integrating the Commitment into internal management processes in alignment with the approach proposed by the **Taskforce on Nature-related Financial Disclosures** (TNFD).
- **Avoid** siting new infrastructure projects in protected areas³ due to their ecological, biological, cultural, and/or landscape value or in areas designated as **high biodiversity value**.
- Under the approach of the **mitigation hierarchy** (*avoid, reduce, restore, and offset*), consolidating the preservation and conservation of biodiversity and its ecosystem services in the territories where

³ Protected areas include World Heritage sites, national protections, and the respective categories of protected areas defined by the International Union for Conservation of Nature (IUCN). In the event that Redeia is required to operate in these areas due to legal obligations or as a result of regulations governing its transmission activity and its operation of the electricity system, legally established measures and the conservation hierarchy are applied as a bespoke measure of the Company.

Redeia carries out its business activities, considering the life cycle of its facilities and striving to achieve a net positive impact.

- Drive the **transformation** of Redeia's comprehensive actions regarding biodiversity by:
 - Avoiding impacts from activities linked to the supply chain by integrating it into the objectives undertaken by the Company, promoting effective communication channels and establishing partnerships with stakeholders that enhance the generation of shared value and showcase the group's commitment to biodiversity conservation.
 - Promoting applied research and innovation aimed at designing solutions and implementing new ways of addressing risks and opportunities that reverse the loss of natural capital and biodiversity.
 - Contributing to the training and education, collaboration, and development of society through biodiversity conservation.
 - Openly communicating the actions and projects related to conservation, training and education, collaboration, research, and innovation carried out by Redeia, as well as the evolution of risks and opportunities associated with biodiversity.

Courses of Action

The principles and guidelines on which this Commitment is built are developed through five priority courses of action:

- **Positive leadership in biodiversity:** Consider biodiversity as a key factor in the group's strategy, making it an integral part of the Company's tactical approach. Strive to achieve a positive impact on biodiversity by adapting the Company's operational and strategic model in relation to the natural environment in each step of its value chain.
- **Management of risks and opportunities related to natural capital and biodiversity:** Measure and assessing the (negative and positive) impact and dependencies on biodiversity, using a measurement system that facilitates the management of associated risks and opportunities.
- **Positive impact on habitats and species:** Integrate the hierarchy of mitigation (*avoid, reduce, restore, and offset*) into Redeia's facilities and activities to ensure the preservation, conservation, and restoration of biodiversity in the territories where it carries out its activities, avoiding siting new infrastructure in areas with high natural value.

The potential effects on terrestrial and marine biodiversity are due to the presence of the Company's facilities and the construction, operation, and maintenance work carried out in natural environments. The main measure implemented to **avoid** any undesired impacts of facilities on the natural environment in biodiversity-rich areas, or local communities, is based on the selection of the location for new facilities.

The Company's facilities are distributed nationwide, with a considerable percentage located in rural areas. Given that a significant portion of the land is environmentally protected, it is inevitable that some of the infrastructure may run through or be situated in protected spaces or biodiversity hotspots. The definition of appropriate **minimisation** measures (preventive and corrective), including the **restoration and regeneration** of affected areas, if necessary, guarantees the protection of habitats and species throughout the lifespan of the facility. In cases where significant residual impacts cannot be completely avoided, appropriate **offsetting** actions will be implemented to achieve a net gain in biodiversity. Throughout this process,

the Company will prioritise the adoption of **nature-based solutions**, while also considering alternative approaches based on governance, management, and infrastructure.

Within this course of action, the development of projects or plans for the prevention and control of invasive non-native species would also be included.

- **Increasing biodiversity knowledge and promoting actions:** Drive **transformation**, training and education, knowledge transfer, dissemination, and the promotion of scientific innovation and research to generate shared **social value** through projects and actions related to the protection and conservation of biodiversity.
- **Promoting the reduction of the biodiversity impact within the supply chain:** Redeia takes a leading role in social challenges and, as such, promotes the commitment to have a positive impact on natural capital and biodiversity throughout its value chain. This fosters awareness and good practices in reducing the contribution of social development to the pressures that threaten natural capital and biodiversity.

By way of these five courses of action, Redeia aims to strengthen and implement mechanisms to achieve a positive impact on biodiversity and ‘Living in Harmony with Nature’ (2050 vision of the United Nations Convention on Biological Diversity).

Application and Monitoring

Redeia has environmental management systems certified under the ISO 14001 standard, ensuring compliance with the established principles, implementation in operations, and the effectiveness of measures applied regarding biodiversity throughout the life cycle of its facilities and the activities it carries out.

In addition to Environmental Monitoring Programmes associated with the environmental authorisation procedures for the infrastructure, Redeia has specific monitoring measures for the construction and maintenance phases, allowing for continuous evaluation of the interaction between the infrastructure and biodiversity. It also includes the monitoring of suppliers operating within the territory.

Communication and Transparency

Redeia maintains active and ongoing communication with its stakeholders (government authorities, local communities, NGOs, media, etc.) through various participation tools and channels across all geographic areas. The aim is to convey its Commitment to Biodiversity Conservation and to gain insights into the requirements and expectations of stakeholders in this regard. The Company ensures transparency by consistently applying criteria that promote openness in order to establish a lasting and trustworthy relationship with its stakeholders.

This Commitment was approved by the Board of Directors on 30 May 2023.

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