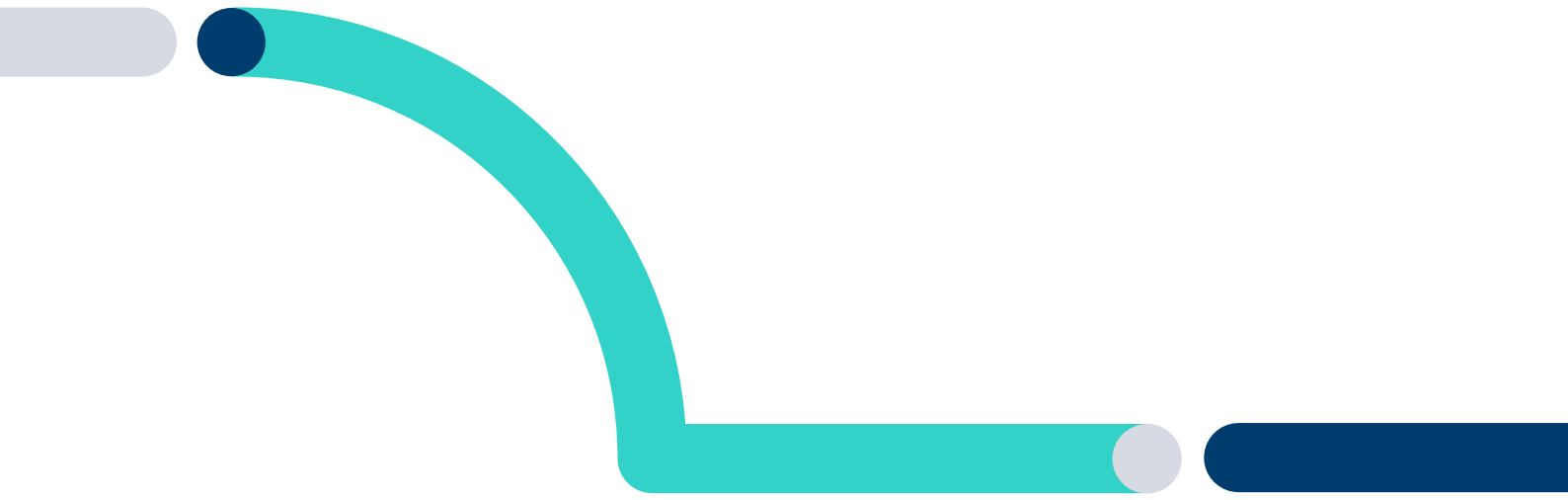


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Commitment to protect
vegetation and combat
deforestation.

Objective

The aim of this document is to formalise Redeia's commitment to protect vegetation and combat deforestation.

Commitment to protect vegetation and combat deforestation

Redeia maintains a pledge to protect vegetation and fight against deforestation in accordance with the main international criteria in this area and going beyond the regulations applicable in the territories and regions where its facilities and infrastructure are located. This pledge includes, as a starting point, a **no deforestation commitment**, that applies both to the development of its activities and those of its supply chain¹. It also includes other issues aimed at promoting the protection of woodlands at a global level: reforestation and restoration, forest conservation and forest fire prevention.

Relationship with the Biodiversity Commitment and the Climate Change Commitment

Within the framework of the Biodiversity Commitment and the Climate Change Commitment, Redeia has set a target of a net positive impact in the areas surrounding its facilities for 2030, as well as ambitious emission reduction targets for 2030 as part of a trajectory towards climate neutrality by 2050.

The adoption of the Commitment to protect vegetation and combat deforestation is important and necessary for the achievement of these goals and is therefore aligned with and included in the biodiversity and climate change commitments.

No gross deforestation

The correct selection of sites for Company infrastructures, the appropriate design of the facilities and the application of preventive and corrective measures during their construction and maintenance make it possible to avoid or reduce as much as possible the impact on vegetation. The result of these actions means no significant loss of forested area or a change in land use and thus ensures that Redeia's activities do not represent a cause of gross deforestation².

In addition, it should be noted that in all countries where Redeia operates, electricity transmission infrastructures are subjected by law to Environmental Assessment procedures³ and require prior environmental authorisation for its construction. The fact of passing the environmental procedure and obtaining such permits implies that the competent environmental administration reviews and validates the projects and the proposed preventive and corrective measures to ensure that the environmental risks, including the risk of deforestation, are mitigated.

¹ In addition, Redeia will communicate and promote compliance with the commitment to the partners to which it may apply (investee companies in which Redeia does not have effective control, joint ventures, consortiums, or any equivalent association).

² The definitions of deforestation of the OECC, MITECO, Spain (Conversion of forested land to non-forested land) and the Accountability Framework Initiative (Loss of natural forest as a result of conversion to agriculture or other non-forest land use; conversion to a plantation or severe; or sustained degradation) are taken as a reference. According to the World Resources Institute criteria (land-use definitions), even if a forest is cleared, it is not measured as deforestation until that area is converted to agriculture, developed, or used in another fashion.

³ Environmental assessment procedures are referred to differently in the different countries where the Company operates

In accordance with the above, **Redeia can affirm that the no deforestation commitment is fully implemented in the development of its activities.**

Offsetting measures

The potential impact of Redeia's activities on vegetation is mainly associated with the opening of safety corridors on overhead power lines, which are necessary to maintain safe distances between vegetation and infrastructures and thus limit the risk of forest fires. On some occasions, despite the application of best practices and the implementation of avoidance and mitigation measures, compliance with statutory minimum safety clearance for overhead lines and the legal requirements established for the opening up of such corridors makes the removal and cutting back of species that are close to or under power lines unavoidable. In these cases, and in accordance with the mitigation hierarchy guidelines, the Company undertakes to **fully offset the felling of trees**, through planting, reforestation or other actions aimed at the preservation of forests.

Specific actions for this purpose are complemented by carrying out additional corporate reforestation projects. These include the Redeia's Forest, which aims to offset part of the Company's emissions by planting trees in degraded natural areas. In addition, another of the criteria established by Redeia regarding the voluntary offsetting of emissions, is accomplished by ensuring that part of the carbon credits purchased in the voluntary carbon market come from avoided deforestation or reforestation projects.

Forest fire prevention

Forest fires are one of the greatest threats to the preservation of forests and Redeia carries out intensive work related to preventing and fighting them. In addition to the proper maintenance of safety corridors, the Company has strict work and supervision procedures in place to reduce the risk of fire in the vicinity of its facilities. It also maintains an active and ongoing close-knit relationship with the public administrations involved in forestry management. This cooperation is formalised through collaboration agreements that involve the carrying out of actions and the provision of material and equipment for monitoring duties, prevention tasks, training, and awareness-raising activities regarding forest fire prevention.

The supply chain

The activities of the Red Eléctrica Group are not dependent on forest resources and therefore there is no risk of deforestation linked to the supply chain⁴. Nonetheless, the Company extends the commitment to protect vegetation and combat deforestation to its suppliers and subcontractors⁵, insofar as it applies to the supplies and services provided by each of them. Thus, the Supplier Code of Conduct⁶ includes the protection of habitats and biodiversity as one of the principles that suppliers and their supply chain must uphold in their relationship with the environment. In addition, the circular economy criteria related to the supply chain include the need to have FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification) certificates for wood and cardboard packaging, ensuring that the material used in their manufacture comes from sustainably managed forests, thus avoiding deforestation⁷.

⁴ Redeia, within its responsible supply chain management framework, identifies the sustainability impacts of supplies and the requirements associated with such impacts. As a result of this initiative, 20 types of sustainability impact have been identified, 9 of them related to the environment, although no risk of deforestation has been identified. <https://www.ree.es/en/suppliers/responsible-supply-chain-management/impacts-identified-in-terms-of-sustainability>

⁵ This includes both direct suppliers and the rest of the links in the supply chain.

⁶ https://www.ree.es/sites/default/files/20200612_Codigo_Conducta_Proveedores_ING.pdf

⁷ https://www.ree.es/sites/default/files/08_PROVEEDORES/Documentos/20211123_Criterios_Economia_Circular_V2.pdf (Only available in Spanish)

In cases where the nature of the services provided requires additional and specific measures for their completion, these considerations are incorporated into the specifications for the execution of the work and are included as an integral part of the contractual documentation. In this respect, for activities carried out in forest areas, specific requirements have been established in terms of training and regarding the execution of the work to ensure the protection of flora and the prevention of forest fires. At the same time, thorough supervision of the work is carried out to ensure compliance with the requirements established in the contract awarded.

Accordingly, the no deforestation commitment is considered to be implemented for the supply chain.

Implementation and monitoring

The environmental management systems of Redeia are certified under the ISO 14001 standard that ensures compliance with the established criteria and guarantees the application and effectiveness of the measures implemented for the protection of vegetation throughout the life cycle of the infrastructure and facilities.

In addition to the Environmental Monitoring Programmes associated with the environmental authorisation and permitting procedures for infrastructure, the group has specific supervision and monitoring procedures for the construction and maintenance phases, as well as for monitoring suppliers.

Communication and transparency

Redeia maintains active and continuous communication through different participation tools and channels with its stakeholders (administration, local community, NGOs, media, etc.) in all geographical areas, with the aim of transmitting its commitment to protect vegetation and fight against deforestation and to know their requirements and expectations in this area, always applying transparency criteria, and in order to achieve a lasting relationship of trust.

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

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