



COMMITMENT  
IN ACTION

# SUSTAINABILITY HIGHLIGHTS

## MESSAGE FROM THE CHAIRMAN

At REN, we are committed to drive change, enable positive impact and create value to all stakeholders.

In 2023, the company made significant advances in sustainability by:

- Successfully enhancing the renewable energy production, incorporating substantial new capacities in hydro, wind, and solar energy. This effort led to the setting of multiple national records for renewable energy output;
- Overcoming severe climate challenges thanks to robust infrastructure and preparedness, ensuring reliable energy delivery;
- Remaining committed to sustainable investments and operational efficiency, despite high taxes affecting financial flexibility;
- Engaging stakeholders to refine its sustainability strategy, aligning with the Sustainable Development Goals and addressing climate change challenges, emphasizing its dedication to sustainable and responsible business practices. This approach highlights the importance of adaptability and stakeholder engagement in advancing sustainability goals; and
- We are adhering to ever-more stringent non-financial reporting directives and have seen our short-term emission reduction targets approved by the Science-based Target Initiative.

*Rodrigo Costa*



# OUR YEAR 2023

## JAN

EMPLOYMENT,  
EQUALITY AND  
SUSTAINABILITY

Joined the pact  
to **promote youth  
employment**.

Recognized in the **Bloomberg  
Gender-Equality Index**.

Green financing of  
**150 million euros**.

## APR

FIRST  
INTEGRATED  
REPORT

Publication of the first  
integrated Report,  
**awarded with the  
gold medal prize at the  
the Davey Awards**.

## MAR

NETWORK  
TRANSFORMATION  
AND ESG EXCELLENCE

REN and three partners sign  
an **agreement to drive the  
transformation of the gas  
network to hydrogen**.

MSCI ESG rating upgraded  
from "A" to "AAA".

## MAY

RECOGNITION, INNOVATION  
AND PROXIMITY

**Gold Medal** from the League  
of Portuguese Firefighters.

**1st self-consumption plant  
installed at the Sines LNG  
Terminal**.

Stakeholder consultation and  
**materiality analysis**.

## AUG

INFORMATION  
SECURITY

**Certification of the information  
security management system** in  
accordance with ISO 27001.

## JUL

ENVIRONMENT

Charter of **commitment to  
biodiversity**.

For the first time, **solar energy  
production reached 10%  
of electricity consumption  
in a single month**.

## JUN

DIGITAL PRESENCE  
AND RECOGNITION

Launch of the **new corporate  
website**.

**Auctions of guarantees of origin  
achieve record annual revenue**.

REN in the **top 10 places in the  
Brand Finance "Value of  
Sustainability Perception"**.

## SEP

MEETINGS AND  
TRANSFORMATIVE  
COALITIONS

**First event "Encontros com  
Futuro" (Meetings with a Future)**,  
in partnership with the Público  
newspaper.

REN is a **founding member of  
the Med OCEaN the Offshore  
Coalition** for Energy and Nature  
in the Mediterranean.

## OCT

SUSTAINABLE  
EXCELLENCE

**Certification of Portgás asset  
management system** in  
accordance with ISO 55001.

"**Wellbeing Award**" bestowed  
by Workwell.

Transemel wins bid to build and  
operate **two new substations  
and a power line in southern  
Chile**.

**Wind energy with record supply  
of 69% of electricity consumption**  
in mainland Portugal.

## DEC

COMMITMENT

Review of REN's approach  
to sustainability.

Circular economy strategy.

Approval of **emissions reduction  
targets by 2030** by the Science  
Based Target Initiative.

OGMP 2.0 "**Gold Standard**"  
**Award** for continuous commitment  
to reduce methane emissions.

Signed onto the **anti-corruption  
call to action of the United  
Nations Global Compact initiative**.

**Record production of electricity**  
from renewable energy sources  
(31.2 Twh).

## NOV

RENEWABLE ENERGY  
PRODUCTION RECORD

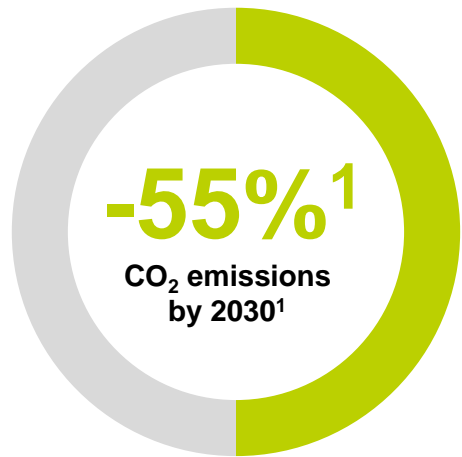
Mainland Portugal reaches  
a record of **149 consecutive  
hours of renewable energy  
production**, exceeding industrial  
and residential consumption  
throughout the country.

# ACCELERATING OUR SUSTAINABILITY COMMITMENT

PROGRESS TOWARDS OUR TARGETS



## Environmental



**Achieve carbon neutrality by 2040**

**On track**



## Social

**1/3 of women in 1<sup>st</sup> line management positions by 2030**

**33%** in 2023



## Governance

**Increasing ESG weight in managers' performance metrics**



**100% of new bond emissions to be green**



<sup>1</sup> Baseline 2019; Target updated from 50 to 55,3% following the committed submitted and approved by the Science Based Target initiative.

# SUSTAINABILITY PERFORMANCE AT A GLANCE



## Environment

**4,322,497**

Energy consumption (GJ)  
2022: 3,646,260



**676,237 (19%)**

**141,916**

GHG emissions (S1 & S2; tCO<sub>2</sub>eq)  
2022: 165,475



**-23,559 (-14%)**

**72,273**

GHG emissions (S3; tCO<sub>2</sub>eq)  
2022: 84,343



**-12,070 (-14%)**

**2,0**

Intensity of GHG emissions (tCO<sub>2</sub>/GWh)  
2022: 2.1



**-0,16 (-7%)**

**65%**

Revenues aligned with EU Taxonomy  
2022: 64%



**1 pp**

**83%**

Capex aligned with EU Taxonomy  
2022: 78%



**5 pp**



## Social

**33%**

Women in management positions  
2022: 29%



**4 pp**

**74%**

Employees with flexible working schedule  
2022: 73%



**1 pp**

**684 k€**

Investment in the community  
2022: 323 k€



**374 k€ (107%)**



## Governance

**47%**

Board independence  
2022: 43%



**4 pp**

**33%**

Women on the Board  
2022: 36%



**-3 pp**

**15%**

ESG linked to compensation for the Executive Committee  
2022: 15%



**0 pp**

# OPERATIONAL HIGHLIGHTS



## Electricity

**50.7 TWh**

Consumption

2022: 50.4 TWh



**0.3 TWh (0.6%)**

**2.26%**

Energy transmission losses

2022: 1.83%



**0.4 pp**

**9,409 km**

Line length

2022: 9,424 km



**-15 km (-0.2%)**

**60.6%**

Renewables in  
consumption supply

2022: 49.3%



**11.3 pp**

**0.39 min\***

Average interruption time

2022: 0.08 min



**0.31 min**

**98.4%**

Combined  
availability rate

2022: 98.7%



**-0.3 pp**



## Gas Transportation

**49.0 TWh**

Consumption

2022: 61.8 TWh



**-12.8 TWh (-20.7%)**

**100.0%**

Combined availability rate

2022: 100.0%



**0.0 pp**

**1,375 km**

Line length

2022: 1,375 km



**0 km (0.0%)**



## Gas Distribution

**5.7 TWh**

Gas distributed

2022: 6.0 TWh



**-0.3 TWh (-5%)**

**98.9%**

Emergency situations with  
response time up to 60 min

2022: 98.7%



**0.2 pp**

**6,485 km**

Line length

2022: 6,316 km



**169 km (2.7%)**

\* Excludes interruptions by fortuitous of force majeure and exceptional events.

# ENVIRONMENTAL HIGHLIGHTS

INDICATOR	UNIT	2023	2022	YoY
<b>Greenhouse gas (GHG) emissions</b>				
Scope 1	tCO <sub>2</sub> eq	29 437	32 104	-8%
Scope 2	tCO <sub>2</sub> eq	112 479	133 371	-16%
Scope 3	tCO <sub>2</sub> eq	72 273	84 343	-14%
<b>Total (scope 1, 2 and 3)</b>	<b>tCO<sub>2</sub>eq</b>	<b>214 189</b>	<b>249 818</b>	<b>-14%</b>
Intensity of scope 1 and 2 emissions	tCO <sub>2</sub> / GWh	1,30	1,41	-7%
Intensity of scope 1, 2 and 3 emissions	tCO <sub>2</sub> / GWh	1,97	2,13	-7%
<b>Non GHG emissions</b>				
Total	kg	53 014	50 915	4%
<b>Water management</b>				
Total water withdrawal	m <sup>3</sup>	102 678	109 762	-6%
Sea water withdrawal (returned in its entirety)	m <sup>3</sup>	111 062 444	127 935 431	-13%
<b>Waste management</b>				
Total waste generated	t	3 377	5 236	-36%
Total waste recovered	%	100	98	2 pp
<b>Certification</b>				
Companies certified with ISO 14001 (in relation to the number of employees)	%	98	98	-



## Approval of near-term targets by the SBTi

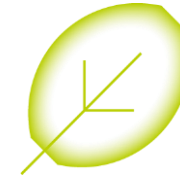
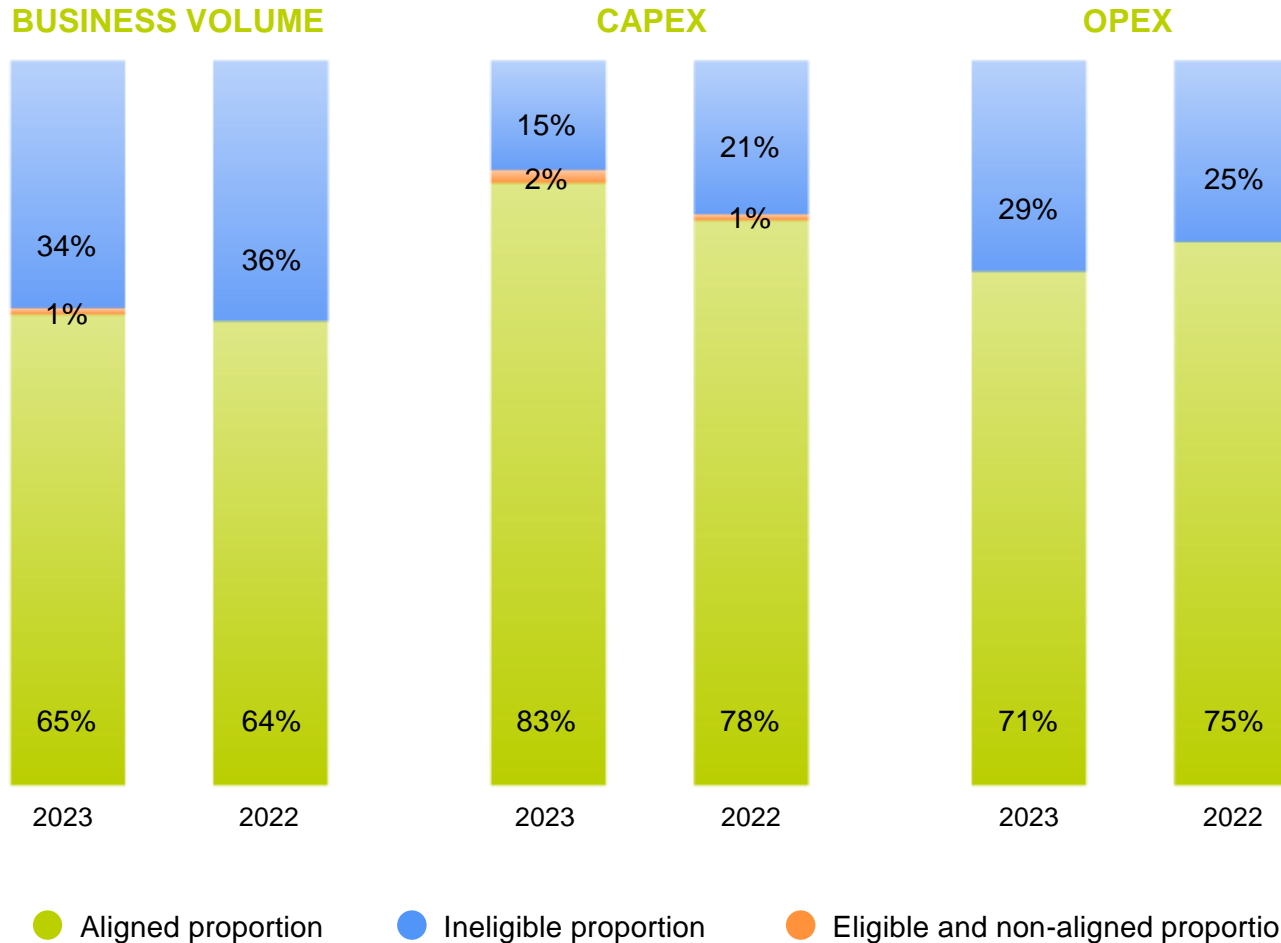
REN has elevated its commitment to reducing greenhouse gas (GHG) emissions. They aim for a 55.3% reduction in scope 1 and 2 CO<sub>2</sub> emissions by 2030 from 2019 levels, an improvement over the prior target of a 50% reduction. This target is in line with the Paris Agreement's ambitious 1.5°C scenario. Additionally, REN plans to cut indirect scope 3 emissions by 25% and scope 3 category C.11 emissions by 42% by 2030, using 2021 as the reference year

## Circular economy strategy

We've established a circular economy strategy with a focus on carbon neutrality, encompassing circular purchasing, asset management, natural capital management, circularity monitoring, and education

# ENVIRONMENTAL HIGHLIGHTS

## EU ENVIRONMENTAL TAXONOMY



### Biodiversity and natural capital

The company established a biodiversity strategy with four key action areas to better incorporate biodiversity in its operations. These areas include mitigating and monitoring biodiversity impacts, promoting and restoring biodiversity, engaging in research and innovation, and focusing on communication and knowledge sharing

Also, REN made new commitments for the 2023-2025 period under act4nature Portugal.

### Decarbonization

REN has a phased programme to install photovoltaic and thermal self consumption power units (UPAC), both in electricity as well as gas infrastructure. In 2023, important projects were completed for the installation of photovoltaic UPAC and thermal solar in three GRMS, that resulted in the installation of 1.5 MW of installed power.



# SOCIAL HIGHLIGHTS

INDICATOR	UNIT	2023	2022	YoY
<b>Employment</b>				
Employees	No	748	719	4%
Female employees	%	25.1	25.3	-0.2 pp
Gender pay gap	%	-1.81	-1.70	6%
Internal recruitment rate	%	44.0	37.5	6.5 pp
Employee turnover	%	6.9	6.9	-
Absenteeism rate	%	2.0	2.1	-0.1 pp
<b>Training</b>				
Total training hours	No	37 726	36 738	3%
Average number of training hours	No	51	52	-2%
Employees with training	%	100	100	-
<b>Health and safety</b>				
Non-fatal accidents with lost days REN	No	2	2	-
Non-fatal accidents with lost days CSP <sup>1</sup>	No	24	14	71%
Fatal work-related accidents REN	No	0	0	-
Fatal work-related accidents CSP <sup>1</sup>	No	0	0	-

<sup>1</sup> CSP – contractors and service providers.



## Evolution of the organization model

2023 was marked by progress toward a more robust organizational model able to meet the challenges posed by the rapid energy transition and decarbonization. This progress included the short and medium-term succession strategy, the streamlining of our talent capture and management programmes, as well as the reformulation of our training and professional development model. The main goal was to establish solid new foundations to master essential and emerging skills in the industry.

# SOCIAL HIGHLIGHTS

INDICATOR	UNIT	2023	2022	YoY
<b>Health and safety</b>				
Accident frequency index REN	No	1.6	1.6	-
Accident frequency index CSP <sup>1</sup>	No	7.6	5.1	49%
Accident severity index REN	No	96.7	96.5	0.2%
Accident severity index CSP <sup>1</sup>	No	398.7	282.3	41%
<b>Certification</b>				
Companies certified with ISO 45001 (in relation to the number of employees)	%	98	98	-
<b>Community</b>				
Community investment	k€	670	323	107%
Vehicles donated	No	7	16	-56%
REN volunteers	No	254	86	195%
Volunteering hours	No	1,525	881	74%

<sup>1</sup> CSP – contractors and service providers.



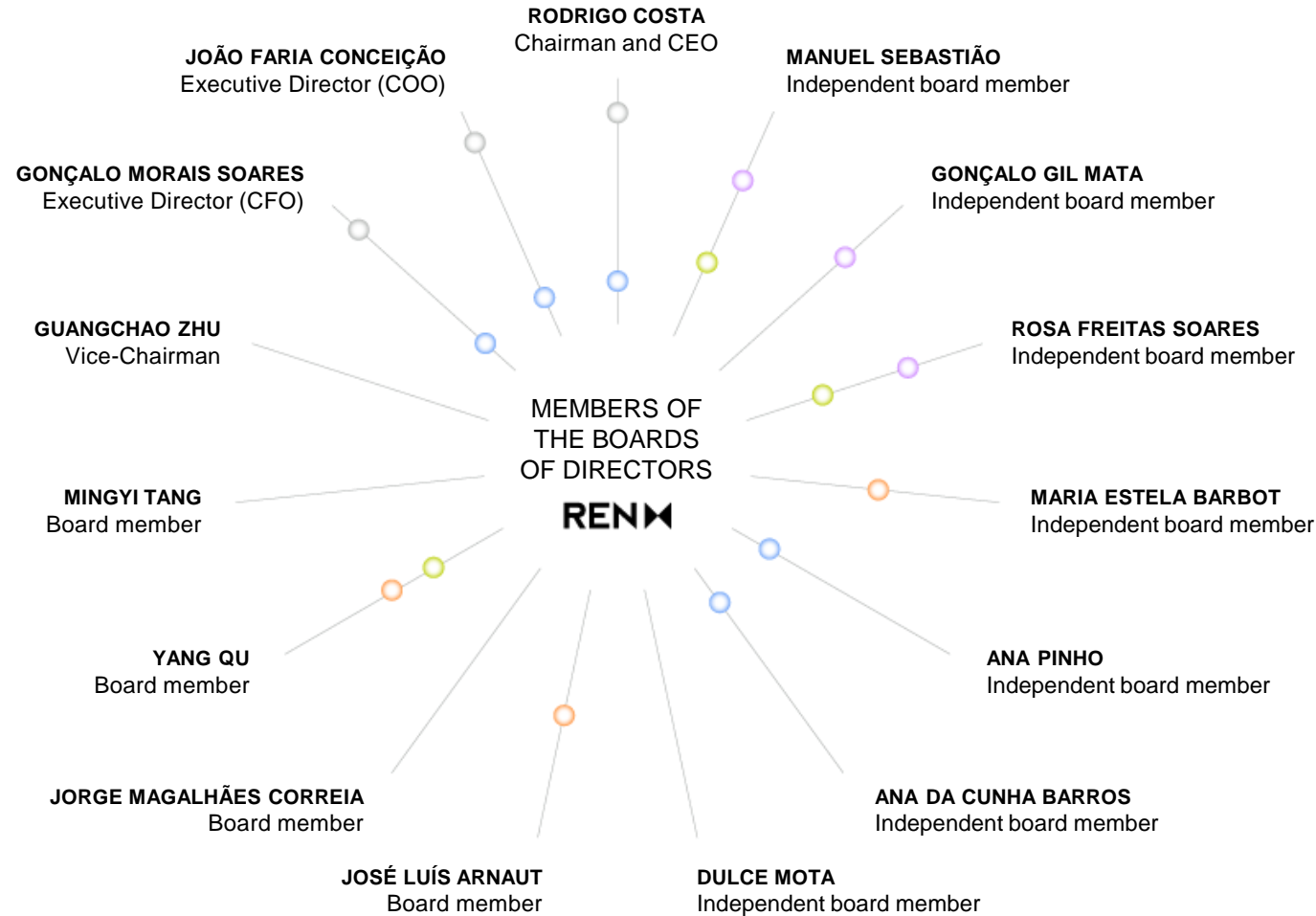
## Safety culture

In 2023 we continued to pursue our safety culture programme, based on the slogan “Everyone’s safety is everyone’s responsibility”, with the goal of reducing the risk of accidents and preventing the occurrence of near-accidents, accidents and occupational diseases.

## Well-being

REN’s well-being programme (NÓS programme) was recognized in 2023 with the Well-being Award from Workwell, in the category of companies with 251 to 1,000 employees.

# GOVERNANCE HIGHLIGHTS



- EXECUTIVE COMMITTEE
- AUDIT COMMITTEE
- CORPORATE GOVERNANCE AND ETHICS COMMITTEE
- NOMINATIONS AND APPRAISALS COMMITTEE
- SUSTAINABILITY COMMITTEE

**15** MEMBERS OF THE BOARD OF DIRECTORS

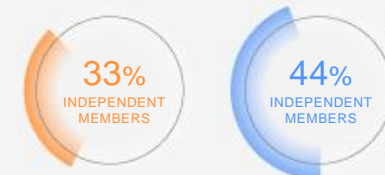
**33%** WOMEN ON THE BOARD OF DIRECTORS  
**66%** MEN ON THE BOARD OF DIRECTORS

**AGE DIVERSITY**

**71%** OVER 55 YEARS  
**29%** BETWEEN 50-55 YEARS  
**7%** UNDER 50 YEARS

AVERAGE MANDATE LENGTH **6.4** YEARS

**47%** INDEPENDENT MEMBERS ON THE BOARD OF DIRECTORS



# GOVERNANCE HIGHLIGHTS



## ISO 27001 Certification

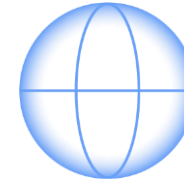
In 2023, REN underwent an external audit under its Information Security Management System (ISMS) by SGS – Société Général de Surveillance, an internationally renowned entity. This process culminated in the company's certification in accordance with the ISO 27001 standard, reflecting our full commitment to information security practices.



## Accepting and Rejecting Courtesy Gifts Policy

During 2023, REN drew up and approved the Accepting and Rejecting Courtesy Gifts Policy.

This Policy is aimed at all REN employees, proxies and representatives and seeks to establish rules and procedures for accepting or rejecting courtesy gifts, in compliance with the ethical principles set out in the REN Group Code of Conduct, in the Integrity Policy, and in the Plan for the Prevention of Corruption Risks and Related Offences.



## Corruption Prevention Model

REN has set a target of achieving certification under the ISO 37001 standard on anti-bribery management systems.

With this goal in mind, in 2023, we conducted a pre-audit of the Corruption Prevention Model, with a view to future certification under ISO 37001. This pre-audit resulted in a number of improvement measures, which will be implemented in the short term.

# INNOVATION HIGHLIGHTS

**33** RDI projects in portfolio



## Pipeline monitoring using distributed fibre sensing

The pilot project seeks to test an innovative sensing technology using the fibre optics already in pipelines, with the aim of detecting methane leaks and possible external interference.

This initiative will allow the capabilities of this technology to be evaluated for future large-scale implementation in the gas pipeline network, which is already equipped with fibre optics. The goal is to increase the sensor and monitoring capacity of gas pipelines, thus reducing GHG emissions from methane losses and improving the detection of possible defects that may compromise integrity and safety.

**34** projects with applications submitted to SIFIDE



## Internal capacity building via fixed-wing drones

This pilot project aims to monitor the infrastructure and access corridors of the National Electricity Transmission Network and the National Gas Transmission Network through the use of drones and evaluate impacts on the activities considered critical to REN.

The goal is to test drones in the field and use the images to assess any impact on REN's activities. Aims include the training of a team to fly the drones, the processing of images and raising awareness with respect to flight authorization and image capture.



## OPTIVEG – vegetation management operations

Development of an innovative technological solution to support operational planning with a view to increasing the sustainability of vegetation management operations. Incorporate augmented reality into this project to enable the viewing of access corridors and any limiting factors.

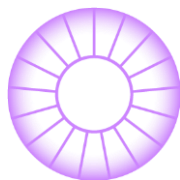
# STRATEGY AND COMMUNITY HIGHLIGHTS



## Stakeholder consultation

In 2023, a new stakeholder consultation process was conducted, with an impressive 83% participation rate increase compared to the previous process held in 2021.

The outcomes of this consultation played a crucial role in reviewing REN's material topics. This process was partially aligned with the concept of double materiality.



## Sustainability strategy

Under the strategic review carried out at the end of 2023, and with a view to the next strategic cycle, we have established five priority axes that reflect our dedication to sustainability:

- Energy transition and climate change
- Natural capital management
- Valuing our people
- Creating value for stakeholders
- Responsible governance

Our sustainability approach is directly linked to the Sustainable Development Goals (SDGs) created in 2015 by the United Nations.



## Engagement with the community






In 2023, to continue reinforcing our commitment to the safety and well-being of local communities, REN donated seven vehicles, mostly to be used by volunteer firefighters and in civil protection.

We continued to promote the REN Participatory Budget, an internal initiative run by the company that lets employees choose the associations and/or initiatives to be supported, broke the record for participation in 2023, with a total of 1 048 voters (vs. 934 in 2022, +12%). 20 different entities were supported in 2023.

We also continued to promote initiatives such as the REN Award, the AGIR Award and the MEDEA project.

# HIGHEST SUSTAINABILITY STANDARDS

IMPROVING OUR PERFORMANCE IN INTERNATIONAL SUSTAINABILITY SCORES

	Scale	Score	Strengths	Latest update
	D-A	A-	Governance, Opportunity disclosure, Risk management processes, and Targets	February 2024
	0-100	60	Transparency and reporting, Business ethics, Innovation management, Resource efficiency and circularity, Climate strategy, and Labour practices	February 2024
	100-0	16	Emissions, Occupational health and safety, Land use and biodiversity, Human capital, and Carbon	March 2024
	CCC-AAA	AAA	Biodiversity and land use, Carbon emissions, and Governance	March 2024
	D-A	B	Not available	March 2024

# SUSTAINABILITY OVERVIEW

## 2023



Access all the information  
on REN via a single platform.



THE NETWORK  
OF ALL NETWORKS

[www.ren.pt](http://www.ren.pt)