



Commitment to protect flora and combat deforestation

Dirección Corporativa de Sostenibilidad y Estudios

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1 Commitment to protect flora and combat deforestation

The Red Eléctrica Group maintains a pledge to protect flora and to fight against deforestation which is aligned with and included in its biodiversity and climate change commitments in accordance with the main international criteria in these matters. Said pledge exceeds the regulations applicable in the territories and regions in which the Group's facilities and infrastructure are located.

For 2030, the Company has set a target of a net positive impact on natural capital in the areas surrounding its facilities. Furthermore, it has also established ambitious emission reduction targets for 2030 which are encompassed within a roadmap to achieve climate neutrality by 2050. Meeting these targets is directly related to maintaining a **no deforestation commitment** not only in the execution of the Group's activities but also in all those activities of its supply chain.

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 for the impact on vegetation to be avoided and minimised. The result of these actions means no significant loss of forested area or no change in land use and thus ensures that the activities of the Red Eléctrica Group do not represent a cause of gross deforestation¹.

In addition, it should be noted that in all countries where the Group operates, electricity transmission infrastructure is subject, by law, to Environmental Assessment² procedures 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 in addition to the proposed preventive and corrective measures to ensure that the environmental risks, including that of deforestation, are mitigated.

Offsetting measures

The potential impact of the activities of the Red Eléctrica Group on flora is mainly associated with the opening up of safety corridors for overhead electricity lines, which are necessary to maintain a safe distance between vegetation and the outermost power transmission lines 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 the **commitment to fully offset the felling of trees**.

Specific actions for this purpose are complemented by carrying out additional corporate reforestation projects. These include the Red Eléctrica 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 the Group regarding the voluntary mitigation or neutralisation of emissions is accomplished by ensuring that part of the carbon credits purchased in the voluntary carbon market come from projects where deforestation has been avoided or from reforestation projects.

Forest fire prevention

Forest fires are one of the greatest threats to the preservation of forests and the Red Eléctrica Group carries out intensive work related to preventing and fighting potential forest fires. 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

¹The 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.

²Environmental assessment procedures are referred to differently in the different countries where the Company operates (Spain, Peru, and Chile).



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 chain³. Nonetheless, the Group extends the Company's commitment to protect vegetation and combat deforestation to its suppliers and subcontractors⁴, insofar as it applies to the supplies and services provided by each of them. Thus, the Supplier Code of Conduct⁵ 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 criteria⁶ 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 deforestation.

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.

Supervision and monitoring

The environmental management systems of the Red Eléctrica Group 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 Group's electricity 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.

³ The Red Eléctrica Group, 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>

⁴ This includes both direct suppliers and the rest of the links in the supply chain.

⁵ https://www.ree.es/sites/default/files/20200612_Codigo_Conducta_Proveedores_ING.pdf

⁶ https://www.ree.es/sites/default/files/08_PROVEEDORES/Documentos/20211123_Criterios_Economia_Circular_V2.pdf (Only available in Spanish)



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