



# SUS TAI NABI LITY

# BEHIND ENERGY

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.

**Get to know the other side of our daily activity. Behind the energy we transport, the results we obtain, the limits we overcome.**

# '18

REN 

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# REN IN 2018



47.2 TWh

ELECTRICITY TRANSPORTED

66.6 TWh

NATURAL GAS TRANSPORTED

8,907 km

POWER GRID

1,375 km

GAS PIPELINES

52%

DOMESTIC CONSUMPTION SUPPLIED  
BY RENEWABLE PRODUCTION IN 2018

23% 23% 5% 1.5%

FOR WIND-POWER FOR HYDROPOWER FOR BIOMASS FOR PHOTOVOLTAICS

0.03\* Min

EQUIVALENT INTERRUPTION TIME

\* Without exceptional events (August fires) confirmed by the Regulatory Body of Energy Services (ERSE)

0.024 Min

AVERAGE DURATION OF INTERRUPTIONS  
PER OUTLET POINT



**300.0 mm<sup>3</sup>**MAXIMUM UNDERGROUND  
STORAGE CAPACITY**1.9M€**

R&amp;D INVESTMENTS

**100,900**

TREES PLANTED

**311**

STORK NESTS TRANSFERRED

**363 ha**UNDER REFORESTATION  
INITIATIVES AND AREA**70**PLATFORMS INSTALLED  
FOR STORK NESTS**0.3M€**

DONATIONS/SPONSORSHIPS

**4M€**ENVIRONMENTAL PROTECTION  
INVESTMENTS

# AWARDS

In 2018, REN received the following awards and acknowledgments:

**Gold, “REN ´s APP”,**  
W3 Awards

**Gold, “Annual Report” - Websites,**  
Energy Sector Websites, Davey Awards

**Gold, “Annual Report”,**  
Best Home Page, Davey Awards

**Silver, “REN ´s APP”,**  
Davey Awards

**Bronze, “REN ´s APP”,**  
2018 Astrid Awards

**Distinction award, Mozambique – Portugal**  
Cooperation Awards, Electrical Infrastructure Category, Agricultural, Commercial and Industrial Fair of Mozambique (FACIM)

**Distinction award, “Mobile General Business”,**  
REN Energia App, 2018 Communicator Awards

**Distinction award, “Best User Interface”,**  
REN Energia App, 2018 Communicator Awards

**Honourable mention, “REN ´s APP - Energy”,**  
2018 Mercury Excellence Awards

**Honourable Mention, Equality is Quality Award (PIQ)**  
Commission for Equality in Labour and Employment (CITE)



# 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.

# 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, minimizing 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.

# OUR NETWORKS

Consumption supplied by renewable production reached 52% in 2018, an improvement over the previous year. Renewable production was broken down by wind-power and hydropower (both at 23% of consumption), biomass, including conventional and cogeneration plants (5%), and photovoltaics (1.5%). Wind production reached an all-time high, breaking the previous record from 2016. In the non-renewable category, coal plants supplied 21% of consumption, while natural gas plants, including combined cycle and cogeneration plants, supplied 27%.

For the third year running, the national system maintained an exchange balance with foreign exports, equivalent to around 5% of domestic consumption. As such, for consumption of 50.9 TWh, domestic production reached 55.1 TWh due to the export balance of 2.7 TWh and consumption of 1.6 TWh in pumping.

Natural gas consumption totalled 64.9 TWh in 2018, down 6.8% from the previous year's historic record domestic consumption. This year's consumption was still the second highest of all time.

The highest hourly consumption occurred on 8 January at 7:00 PM, at 13.3 GWh, very close to the historic record of 13.4 GWh from the previous year.

In the electricity production segment, natural gas consumption, which totaled 20.8 TWh, was down 24.6% year-over-year, due to the increase in electricity production from

renewable sources. As such, power plant consumption accounted for 32% of all natural gas consumption, compared to 40% in 2017.

Much like the previous year, the conventional segment saw solid growth of 4.8%, for total consumption of 44.1 TWh. This segment accounted for 68% of all natural gas consumption.

**“CONSUMPTION SUPPLIED BY RENEWABLE PRODUCTION REACHED 52% IN 2018”**

TECHNICAL INDICATORS / ELECTRICITY	'18	'17	'16	'15	'14
Consumption (TWh)	50.9	49.6	49.3	49	48.8
Annual change in electricity consumption (%)	2.5%	0.7%	0.6%	0.3%	-0.7%
Installed capacity (MW)	19,949	19,800	19,539	18,545	17,775
Energy transported in the national electricity transport network (TWh)	47.2	47.2	46.7	43.0	41.9
Line length (km)	8,907	8,907	9,863	8,805	8,630
Transformation capacity (MVA)	37,638	37,382	36,636	36,673	35,754
Losses in energy transport (%)	1.66%	1.51%	1.72%	1.56%	1.86%
Equivalent interruption time (minutes)	0.83	0.11	0.34	0.21	0.02

TECHNICAL INDICATORS / NATURAL GAS	'18	'17	'16	'15	'14
Consumption (TWh)	64.9	69.7	55.8	52.2	45.3
Annual change in natural gas consumption (%)	-6.8%	24.8%	6.9%	15.3%	-5.4%
Gas transported by the national natural gas transport network (TWh)	66.6	71.1	56.7	53.1	46.2
Gas pipeline length (km)	1,375	1,375	1,375	1,375	1,375
Underground gas storage capacity (mm <sup>3</sup> ) (*)	300.0	300.0	300.0	300.0	170.3
Average duration of interruptions per outlet point (minutes/outlet point)	0.024	0.00	0.00	0.00	0.07
Consumption supplied by REN Portgás Distribuição (TWh)	7.3%	7.2%	-	-	-
Extension of primary and secondary networks of REN Portgás Distribuição (km)	5,486	5,267	-	-	-

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

# INNOVATION, RESEARCH AND TECHNOLOGY

The REN Group has invested around €1.7 million in R&D in the past three years.

For the same period, the R&D centre had an investment of around €4.8 million, including operating costs. In particular, with regard to 2017, this investment has positioned R&D Nester on the list of Portugal's 100 biggest corporate R&D investors in the SME category. This list is an integral part of the publication by the Directorate-General of Education and Science Statistics (DGEEC) on the final results of the 2017 IPCTN17 national science and technology potential survey.

The participation of REN and R&D Nester in collaborative research and development

projects with other partners in the sector has been growing.

Along these lines, 2018 saw the approval of five applications submitted to national and European funding programmes. These were part of the Horizon 2020 programme of the ESA (European Space Agency), as well as of the Portugal 2020 programme.

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.

## International bodies in which REN is represented:

- › **CIGRÉ** – Association of experts dedicated to macro 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

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.

2018 was also marked by REN SGPS, Rede Eléctrica Nacional, S.A.'s and REN Gasodutos, S.A.'s successful completion of certification in Portuguese social responsibility standard NP-4469. Also as part of REN's commitment to stakeholders, REN held a stakeholder hearing in 2018 to identify material topics, always with the aim of addressing stakeholder expectations and improving its performance in the three cornerstones of its sustainability strategy.

## 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.

# OUR STRATEGIC GUIDELINES

## 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.** Prioritising environmentally-friendly technology.

## Anti-Corruption Principle

- 10.** Working against all forms of corruption, including extortion and bribery

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. Starting with this principle, and the topics of material relevance according to the stakeholder hearing held at the end of 2013 (and reconfirmed in the 2016 hearing), the sustainability strategy is based on three cornerstones: promoting internal welfare, stakeholder engagement and satisfaction, and environmental protection.



## 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 which gives all employees an environment where their talent and hard work can pay off, contributing towards their personal growth and 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 proactive corporate citizenship, contributing towards the progress of communities and of people, with a collection of 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 sustainable use of natural resources, preventing pollution and playing a proactive role in preventing climate change.

## Main initiatives

With the aim of fostering an inclusive culture, encouraging the engagement of all stakeholders and giving an active role to the company, employees and local communities, REN continues to pursue initiatives which fall under this concept of proactive corporate citizenship.

REN has undertaken a sustainable commitment based on actual compliance with the 17 sustainable development goals created in 2015 by the United Nations. In this context, REN promotes, supports and develops initiatives and projects in line with those goals which, out of the 17, have been identified as priorities in line with the company's sustainability strategy: quality education; gender equality; accessible renewable energies; dignified work and economic growth; industry, innovation and infrastructures; sustainable communities and cities; sustainable production and consumption; climate action; protecting life on Earth; and partnerships for implementing goals.

Under REN's initiatives in line with the company's sustainable development goals and sustainability strategy based on three cornerstones (promoting internal welfare; stakeholder engagement and satisfaction; and environmental protection), the initiatives carried out under the NÓS Programme are particularly noteworthy as regards gender equality, inclusion, internal welfare and conciliation. In the educational field, namely with regard to fighting

academic underachievement and promoting entrepreneurship and citizenship, the initiatives carried out under the Share Corporate Volunteer Programme were particularly noteworthy, while in the area of biodiversity and preserving natural heritage, the Heróis de Toda a Espécie (Heroes of All Kinds) programme, the Easement Corridor Reforestation Programme and REN's Chair on Biodiversity were of particular note.

When it comes to community involvement and social innovation, specifically initiatives with true community impacts on major social challenges, the Agir (Action) Award served as an example, among others.

# Behind our energy





## Is the energy of the people

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, 22 initiatives involving 380 REN employees were carried out in 2018, per the three cornerstones which comprise the program: balance, equality and inclusion.

In 2018, the fourth edition of REN's Agir Award, dedicated to the theme of preserving regional natural heritage, distinguished the following projects from among the 40 applications submitted: Gado Sapador, by the Gardunha 21 Development Agency from Fundão, in first place, together with the A Encosta do Sol project from the Braga region and As Guardiãs do Mar from Setúbal. This award has directly benefited around 2,900 people since 2014. As regards proximity to local communities, REN once again gathered, at its facilities in Bucelas, local day centre users for the very traditional Christmas lunch.

From a social as well as environmental and educational standpoint, REN has continued to focus, through its Corporate Volunteer (Share) Programme, on various volunteer initiatives revolving around action, education, environment and social support, including 27 initiatives in 2018 with a total of 115 participating employees, up 3% from

## MAIN INITIA- TIVES

REN

the previous year. The number of volunteer hours also increased to 1,097, including 901 employee hours and 196 hours from employee family members and friends.

Within the scope of Share Programme's educational standpoint, employee participation in youth entrepreneurship programmes by Junior Achievement Portugal ([www.japortugal.org](http://www.japortugal.org)), and in the fight against academic underachievement and school dropout by EPIS – Businesspeople for Social Inclusion ([www.epis.pt](http://www.epis.pt)) should be highlighted. From an environmental standpoint, there was the annual environmental awareness activity involving the cleaning of Tapada de Mafra ([www.tapadademafra.pt](http://www.tapadademafra.pt)), now a tradition at REN since 2013, attended by 52 volunteers in 2018 who again helped to clean and restore the natural ecosystem of the REN corridor, now at 15 hectares.

Also under the Share Programme, from the standpoint of social support, the connection with Comunidade Vida e Paz ([www.cvidaepaz.pt](http://www.cvidaepaz.pt)) was maintained, with REN volunteers helping to prepare meals for the homeless in Lisbon on the last Thursday of each month (with a total of 34 participating volunteers in 2018), together with this institution's annual Christmas party, where company volunteers have offered logistical support in various activities since 2013.

Volunteers from REN were once again in attendance at the Adapted Sports for the Disabled Day of the Salvador Association ([www.associacaosalvador.com](http://www.associacaosalvador.com)), this year backed by the company, once again, through the Quality of Life Action Project. The Em Linha (On Line) project continued in 2018, using REN volunteers to strengthen the Chamadas de Conforto (Calls of Comfort) initiative of AREP (REN/EDP Retiree Association; [www.arep.pt](http://www.arep.pt)), which promotes interaction between employees.

Also of note in this same area in 2018 was support for the Food Bank ([www.bancoalimentar.pt](http://www.bancoalimentar.pt)), campaigns to collect children's clothing and toys, food and materials for animals, sponsored at the company's facilities, together with involvement, for the second year running, in the Operação Nariz Vermelho (Red Nose Operation) campaign ([www.narizvermelho.pt](http://www.narizvermelho.pt)), which has raised funds for the institution through employee purchases of various merchandising items related to this cause.

Also of note were donations of surplus food from company cafeterias and events to the Re-food ([www.re-food.org](http://www.re-food.org)), Zero Desperdício (Zero Waste) ([www.zerodesperdicio.pt](http://www.zerodesperdicio.pt)) and Comunidade Vida e Paz (Life and Peace Community) movements in the greater Lisbon and Porto area.

In 2018, within the scope of local community engagement and support, REN continued to support countless institutions in a wide range of different domains. Among these were the Portuguese Asperger Syndrome Association ([www.apsa.org.pt](http://www.apsa.org.pt)); the Quinta Essência Association ([www.quintaessencia.pt](http://www.quintaessencia.pt)); and the Grão international volunteer project ([www.ograo.com](http://www.ograo.com)) which, each year in summer, takes missions of university students and young professionals to Portuguese-speaking African countries.

In the sports field, REN continued to provide support for several types of employee sports, including mountain biking, triathlon, running and golf, renewing its sponsorship in 2018 for the wheelchair basketball team of APD Braga and to athlete João Correia in the wheelchair athletics area.

In the culture and education fields, REN renewed its partnerships with the National Museum of Ancient Art ([www.museudearteantiga.pt](http://www.museudearteantiga.pt)), the Serralves Foundation ([www.serralves.pt](http://www.serralves.pt)) and the Arpad Szenes Foundation ([www.fasvs.pt](http://www.fasvs.pt)), for which it is a patron. A patronage agreement was also established with the Jerónimos Monastery, sponsoring the “Dialogues with the Jerónimos Monastery” ([www.dialogosjeronimos.pt](http://www.dialogosjeronimos.pt)) conference circuits in celebration of the European Year of Cultural Heritage. REN also

supported the São Tomás School ([www.colegiodestomas.com](http://www.colegiodestomas.com)) through scholarship funds, and Lisbon MBA ([www.thelisbonmba.com](http://www.thelisbonmba.com)), of which it is a founder.

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 2018 edition, first place was awarded to a team of students from the Júlio Dantas High School in Lagos, with honorable mentions going out to two student teams from the Camilo Castelo Branco High School in Famalicão (see item 5.3.1.5 for further information).

With regard to innovation and development in the Portuguese energy sector in conjunction with academic institutions, there was the REN Prize – Portugal’s oldest award in the area of science – which had 36 applications in its 23rd 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 2018, the REN Prize had a new selection board, and the prize amount was doubled. The winning master’s degree theses were on topics related to renewable energies (to learn more, go to

[http://www.ren.pt/pt-PT/sustentabilidade/premios\\_ren/](http://www.ren.pt/pt-PT/sustentabilidade/premios_ren/)). Beginning in 2019, this prize will also be open to doctorate theses, awarded biannually to the best thesis in this category.

In the area of environmental protection, the agreement between REN and Quercus was renewed in support of the Floresta Comum (Common Forest) programme ([www.florestacomum.org](http://www.florestacomum.org)). Also associated with this programme, for educational purposes as well, REN carried out new reforestation initiatives in partnership with municipalities and schools, where once again took its Heróis de Toda a Espécie (Heroes of All Kinds) programme (see item 5.3.1.5 for further information).

The partnership with Movimento Eco – Empresas Contra os Fogos (Eco Movement – Companies Against Fire) was also maintained ([www.movimentoeco.pt](http://www.movimentoeco.pt)), a programme aimed at empowering forest fire prevention and educating the general public about high-risk behaviour. A concern for this topic,

and with a view to creating a collaborative network for defending the forest – a comprehensive national network involving a variety of agents, where REN plays a key role both for prevention and response – six new vehicles were purchased to support

REN's prevention and surveillance teams, who now are equipped for a first response in the event of a fire in conjunction with local fire brigades and civil protection units.

In 2018, in conjunction with the Foundation for Science and Technology (FCT) and CIBIO-InBIO, REN presented the findings of the activities carried out in the past three years by 13 researchers from REN's Chair on Biodiversity, who studied the impact of the electrical infrastructure on birds. The 2nd REN's Chair Symposium, held in June, had a contribution from North American biologist Rick Harness, an expert in the study of the interaction between birds and electrical facilities, and a discussion where multiple companies addressed the importance of the knowledge link between academia and companies.

Support for the Green Project Awards ([www.gpa.pt](http://www.gpa.pt)), a REN partner since 2013, was marked in 2018 with the launch of the REN Biodiversity and Forests Award in the Agriculture and Forest category. Support also continued for the APAI – Portuguese Impact Assessment Association ([www.sites.google.com/apai.org.pt/web/](http://www.sites.google.com/apai.org.pt/web/)).

Internally, 2018 was also marked by the Fazer Por Nós (Doing it for Ourselves) awareness and mobilization campaign to defend the environment, launched



on World Environment Day. More than raising awareness to the urgency of doing something for the survival of the planet and future generations, this initiative is aimed at encouraging 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 2018, each employee was given a personalised bottle, and the plastic bottles found in the meeting rooms at every REN building were replaced with glass bottles. Also as part of the campaign, employees were given recycling bags (paper, glass and plastic), thereby helping to reduce disposable waste, yet another small gesture that can make a big difference.

# Human capital development and management

2018 was about focusing on integrating the new REN Portgás Distribuição business, with impacts on various human resource policies and programmes, as well as on REN Group's organisational structure. Cultural integration was fostered by gathering and engaging primary stakeholders in various initiatives for migrating processes and systems, and by the initial reconciliation of several key human resource policies.

REN Group's organisational alignment was achieved by establishing the new Natural Gas Distribution business unit, centralizing areas of core responsibility and streamlining the remaining areas.

At the same time, from a rationale of promoting activities with more added value and potential for companies outside the REN Group, the REN Pro business unit was also created.

The year was also marked by the ongoing refinement of existing human resource processes and policies, along with the start of several key programmes aimed at empowering a unique culture throughout the entire REN Group.

> The start of a new development plan for activating and galvanizing strategic cornerstones and values which define the desired culture at REN.

> The preparation of the new three-year period (2019-2021) for the REN Campus, a development programme which prioritises selectivity in training and different development initiatives, so as to ensure that its main goal is actually achieved: the transfer of expertise and upgrading and sustainability of specific organizational knowledge.

> The start of the preparation of a strategic plan for gender equality at the organization, a topic of particular prevalence in talent and business management, which will empower REN as a model pioneer company. The initiatives pursued in this regard, which have already received outside recognition, with an honorable mention in the Equality is Quality Award (PIQ) of the Commission for Equality in Labour and Employment (CITE), together with the Gender Equality Commission (CIG).

> The continued monitoring of the organisational atmosphere to keep upholding and empowering motivational programmes and, in an overall sense, the employee experience.

> The revision and optimisation of human resource processes, with a focus on automation (improvements to systems and processes for evaluating performance, training, recruitment and selection).

Behind  
good  
results





## Is the focus on new skills



> The ongoing solid focus on communicating human resource activities and involving everyone, through initiatives such as the staff gathering, management gatherings, strategic workshops, sessions for disseminating and clarifying human resource policies, to name but a few.

# HUMAN CAPITAL DEVELOP- MENT AND MANAGE- MENT

RENX



# Behind our growth







# Is the dedication of our people

**691**

**NUMBER  
OF EMPLOYEES**

**5.51%**

**TURNOVER RATE**



**214**  
 > 50 years old

**61**  
 < 30 years old

**416**  
 30-50 years old



**675**  
 Permanent employees



**29,930.40 Hours**  
 of training



**25.47%**  
 % women versus men



**21**  
 Female  
 executives



**65.70%**  
 Employees  
 with higher education

# REN EMPLO- YEEES

REN

## Personal and professional development

The REN Trainee programme is a consolidated programme with outstanding degrees of satisfaction. It includes professional, academic and summer traineeships, and gives participants the chance to take on specific projects focusing on creating value for themselves and for the organization.

REN Campus is REN's training model dedicated to fully developing human capital. Its mission is to provide differentiated added value in managing knowledge through comprehensive and specific training programmes aligned with the company's strategy and business, with the

INDICATORS	'18
Professional traineeships	15
Academic traineeships	10
Summer traineeships	11
<b>Total</b>	<b>36</b>

larger goal of leveraging growth and business consolidation by developing people's skills, through a unique approach aimed at properly managing intellectual capital and continuously transferring knowledge.

TRAINING	'18	'17	'16
No. of hours of training	29,930.40	34,543.89	27,009.20
No. of participants	3,897	3,340	2,792
No. of training hours per employee	43.25	49.49	43.78
<b>Average no. of employees</b>	<b>692</b>	<b>698</b>	<b>617</b>

Behind  
good  
results





# Is the welfare of the community

TRAINING AREA (NO. OF HOURS)	'18	'17	'16
Behavioral	5,685.70	8,003.70	7,165.50
Technical	15,808.70	21,348.77	13,015.20
QAS	4,668.10	2,374.99	3,316.00
Management	3,767.90	2,816.43	3,512.50
<b>Total</b>	<b>29,930.40</b>	<b>34,543.89</b>	<b>27,009.20</b>

TRAINING AREA (NO. OF PARTICIPANTS)	'18	'17	'16
Behavioral	536	658	605
Technical	2,353	2,125	1,434
QAS	824	375	420
Management	184	182	333
<b>Total</b>	<b>3,897</b>	<b>3,340</b>	<b>2,792</b>

FUNCTIONAL GROUP (NO. OF HOURS)	'18	'17	'16
Management/ administration	3,994.80	4,841.57	4,781.60
Senior staff	19,354.00	21,665.68	16,090.60
Operational/administrative	6,581.60	8,036.64	6,137.00
<b>Total</b>	<b>29,930.40</b>	<b>34,543.89</b>	<b>27,009.20</b>

	Female	Male	Total
Hours of Training	7,419.60	22,510.80	29,930.40

# PERSONAL AND PROFESSIONAL DEVELOPMENT

RENX

## 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. It's main goal is to prevent occupational diseases and accidents involving company staff and the employees of contractors and service providers who work with REN.

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

In 2018, approximately 57% of REN's contractors and service providers with hours worked had safety management systems in place, certified per standard OHSAS 18001/NP 4397. Of the 90 companies listed, 51 are OHSAS-certified. Over the course of 2018, REN held safety awareness and training activities for all of its contractors and service providers.

**“IT'S MAIN GOAL IS TO PREVENT OCCUPATIONAL DISEASES AND ACCIDENTS INVOLVING COMPANY STAFF AND THE EMPLOYEES”**

# Behind our growth



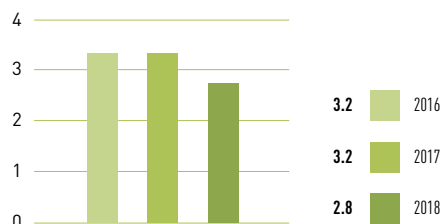




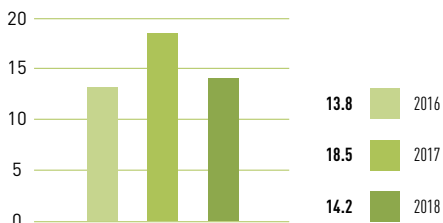
# Is a sustainable vision

## INCIDENCE INDEXES

### REN



### CONTRACTORS



# OCCUPATIONAL HEALTH & SAFETY

REN

	'18	'17	'16
No. of auxiliary diagnostic procedures (per test battery)	378	424	596
No. of medical procedures	633 (*)	262	589
No. of nursing procedures (per test battery)	475	304	580
Physician visits to the workplace	14	10	8

(\*) this increase is due to higher health surveillance to comply with legislation on electromagnetic fields and the integration of REN Portugal Distribuição

	'18	'17	'16
Absenteeism rate	2.11%	2.06%	2.05%

# ENVIRONMENTAL PROTECTION

A culture of sustainability must have the non-negotiable priority of safeguarding the environment and implementing practices which preserve and protect ecosystems and biodiversity. Since environmental protection is one of the three cornerstones which govern REN's sustainability strategy, the 2018 indicators we have complied in this area should be closely considered.

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:

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 SEA process for the 2018-2027 PDIRT began in 2016, for which REN prepared a report on critical decision-making factors, an environmental report, a non-technical summary and an environmental statement.

For the 2018-2027 PDIRGN, a technical note justifying exemption from the SEA was drawn up, since environmental assessments for project proposals for the upcoming decade had already been done in the 2014-2023 PDIRGN. This justification was approved by the Portuguese Environment Agency (APA).

	'18	'17	'16
Environmental impact assessment proceedings	7	2	5
Environmental impact statements issued	2	1	2
Draft environmental studies	0	0	0
Environmental impact assessments (EIA)	4	0	3
Implementation Project Environmental Compliance Reports (RECAPE)	3	0	0

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:

ACTION SELECTION	✓
SCOPE DEFINITION (PROPOSAL OF SCOPE/"PDA")	✓
ENVIRONMENTAL IMPACT ASSESSMENT (EIA)	✓
PUBLIC CONSULTATION	✓
ENVIRONMENTAL IMPACT STATEMENT (EIS)	✓
POST-ASSESSMENT	✓

# FLORA AND SOIL USE

REN's construction and maintenance activities have direct impacts on flora and soil 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).

To minimise these impacts, we have developed a programme for the reforestation of the easement corridors that promotes biodiversity

and environmental protection through a rationale of multifunctional management of the targeted areas, making them an integral part of the ecosystems.

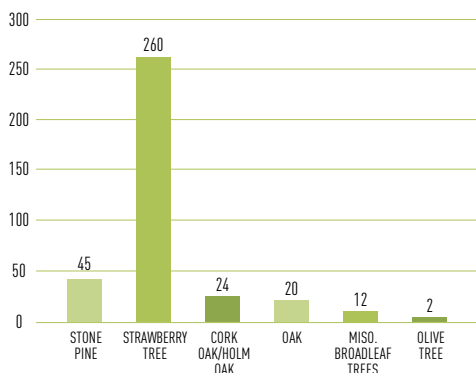
Since 2007, a number of forestation projects have been carried out during the building of new facilities, a methodology which has been extended to its lines in operation since 2013.

In 2018, a total of 100,900 trees were planted in an area covering approximately 363 hectares. The strawberry tree was the most frequently planted species, at 260 hectares (72,200 plants). This is due to the investment made by REN in the central coastal region, namely the Penela – Tábua 1/2 line, which was seriously affected by the extreme rural fires of 2017.

Following the strawberry tree, stone pine (45 hectares – 12,472 plants) and cork oak/holm oak (24 hectares – 6,589 plants) were the species most often used in (re)forestation in 2018.

## Planted area by species

ÁREA (HA)



# BIRDLIFE

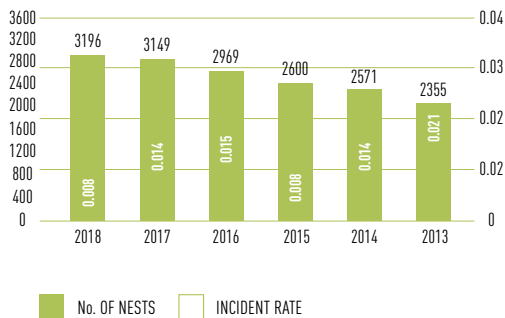
An area of true importance to REN involves compensatory measures in the wake of environmental impact assessments of new infrastructures. For more than 20 years, REN has controlled nesting for white stork populations at its infrastructures, laying the groundwork for this bird to nest in favorable habitats, and installing devices to minimise the risk of accidents originating from electricity.

The installation of fans and platforms prohibits nesting at locations with a higher likelihood of incidents, i.e. despite the considerably higher population of storks, which has resulted in a major increase in the number of nests, the number of incidents has actually decreased.

Over the course of the year, there was a significant reduction to the rate of white stork incidents compared to 2017.

## No. OF NESTS

## INCIDENT RATE



# RELATIONSHIP WITH LANDOWNERS

In 2018, 23,490 landowners whose properties have been or will be crossed by our electricity transport networks were contacted, with 1,584 cases of landowner compensation completed. In view of Portugal's small geographic area compared to most other European countries, this number is an indicator of the importance of this stakeholder group to the company.

REN constantly seeks to reconcile both the installation and operation of its infrastructures with the legitimate interests of other stakeholders.

## CLIMATE CHANGE

REN is one of the most transparent companies in providing information on its policies and activities when it comes to climate change, in accordance with the Carbon Disclosure Project Iberia 125 Climate Change Report 2017.

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 (TONNES CO <sub>2</sub> )	'18	'17	'16
<b>Scope 1</b>	<b>21,745</b>	<b>26,110</b>	<b>28,797</b>
Natural gas purges (CH <sub>4</sub> )	761	8,845	984
Burn in flare	17	123	11,214
Boiler self-consumption	16,491	15,570	15,570
Sulphur hexafluoride (SF <sub>6</sub> )	545	1,398	1,208
Natural gas (buildings)	2,186	166	177
Propane gas (buildings)	7	8	5
Fuel (equipment and fleet)	1,739	2,117	2,060
<b>Scope 2</b>	<b>241,607</b>	<b>156,165</b>	<b>110,109</b>
Electricity	21,039	7,074	9,121
Electricity losses in the network	220,568	149,590	100,989
<b>Scope 3</b>	<b>559</b>	<b>561</b>	<b>752</b>
Air travel	559	561	752

In recent years, within the field of preventing and controlling greenhouse gas emissions, REN has implemented an action plan to reduce its direct emissions, namely with regard to emissions of sulphur hexafluoride (SF<sub>6</sub>), a gas used as an electrical (dielectric) insulator in various types of high and very-high-voltage equipment. Despite the installed capacity, the leakage rate remained practically unchanged in 2018. The company's efforts to reduce SF<sub>6</sub> emissions are demonstrated by the leakage rate of this gas, with results which are considered highly positive from an international technical standpoint.

## ABOUT THIS BROCHURE

This document is a summary of the REN 2018 Sustainability Report, and matches the complete version, which has been drawn up according to the requirements of the Global Reporting Initiative (GRI Standards) and AA1000AP Accountability Principles (2018) standard, as verified by an independent entity, PricewaterhouseCoopers Associados SROC, Lda.

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REN 2018 Annual Report

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