

REN 



2012

**SUSTAINABILITY**



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# REN IN 2012

**0 MIN**

ELECTRICITY:  
EQUIVALENT  
INTERRUPTION TIME

**0 MIN**

GAS:  
EQUIVALENT  
INTERRUPTION TIME

**49.7 TWh**

ELECTRICITY  
SUPPLIED

**49.4 TWh**

NATURAL GAS  
SUPPLIED

**8.534 KM**

ELECTRICITY GRID

**1.298 KM**

GAS PIPELINES

**78**

NUMBER OF SUBSTATIONS  
AND SWITCHING, ISOLATING  
AND TRANSITION STATIONS

**132,7 Mm<sup>3</sup>**

UNDERGROUND  
STORAGE

**106.000**

TREES PLANTED UNDER FOREST  
RESTORATION INITIATIVES, OVER  
AN AREA OF AROUND 127 ha





# INVESTMENT AND DONATIONS

**119,5 M€** **4,3 M€**

INVESTMENT IN ENERGY  
TRANSMISSION GRIDS

INVESTMENT IN PRESERVING  
THE ENVIRONMENT

**0,9 M€**

R&D INVESTMENT

**0,8 M€**

DONATIONS / SPONSORSHIP



# GRIDS



**REN**

WE ARE GROWING  
WITH PORTUGAL

## PRODUCTION AND DEMAND

Electricity consumption supplied from the public grid was 49.1 TWh in 2012, declining 2.9% from the previous year, or 3.6% when corrected for the effects of temperature and number of working days. 2012 was the second consecutive year of consumption decline, despite a certain slowdown of that trend at the end of the year, accumulating a fall of 6% from the peak value, recorded in 2010.

Generation from renewable sources supplied 37% of consumption, less than the 46% recorded the previous year due to very unfavourable hydrological conditions. Inflows were below average throughout the year, producing a hydraulicity rate of 0.48.

## ELECTRICITY

	'12
ELECTRICITY (TWh)	49.1
ANNUAL CHANGE IN ELECTRICITY CONSUMPTION (%)	-2.9
INSTALLED CAPACITY (MW)	18,532
POWER TRANSMITTED ON THE NTG (TWh)	41.0
ENERGY TRANSMISSION LOSSES (%)	1.66
EQUIVALENT INTERRUPTION TIME (MIN)	0.00



## NATURAL GAS

	'12
ANNUAL CHANGE IN ELECTRICITY CONSUMPTION (%)	-13.0
INPUTS TO RNTGN (TWh)	51.0
OUTPUTS FROM RNTGN (TWh)	51.2
LENGTH OF THE RNTGN (National Natural Gas Transmission Network) (Km)	1,298
UNDERGROUND GAS STORAGE CAPACITY (Mm <sup>3</sup> ) (*)	132.7

At the end of 2012, the national transmission grid consisted of 8,533 kilometres of lines, 65 transforming substations and 13 switching, insulating and transition stations

- ▶ **1,298 KILOMETRES**  
OF HIGH-PRESSURE GAS PIPELINES
- ▶ **62 JUNCTION STATIONS**  
FOR PIPELINE BRANCHING
- ▶ **43 BLOCK VALVE**  
STATIONS
- ▶ **5 T-BRANCH**  
INTERCONNECTION STATIONS
- ▶ **84 GAS PRESSURE**  
REGULATING AND METERING STATIONS
- ▶ **2 CUSTODY**  
TRANSFER STATIONS

## RECOGNITION

- ▶ **Best Corporate Citizen Portugal international award for REN – Redes Energéticas Nacionais, SGPS, S.A. (REN).**  
New Economy
- ▶ **INTERNATIONAL ASSOCIATION FOR IMPACT ASSESSMENT (IAIA)**  
International Association for Impact Assessment (IAIA)
- ▶ **Bronze Stevie in the Best Online/Electronic Annual Report category.**  
International Business Awards
- ▶ **“AAA” Rating in Corporate Governance, in a study conducted for AEM - Associação de Empresas Emitentes de Valores Quotados no Mercado.**  
Portuguese Catholic University
- ▶ **Company of the Decade in Portugal (2000-2010) at the World Finance Awards, an award bestowed by the London-based publication specialised in financial affairs.**  
World Finance





## COMMUNICATION MEANS WITH STAKEHOLDERS

COMMUNICATION MEANS	INVESTORS/ SHAREHOLDERS	ENERGY DISTRIBUTION COMPANIES	ENERGY GENERATION COMPANIES	FINANCIAL SECTOR	ACADEMIC AND SCIENTIFIC INSTITUTIONS	EMPLOYEES	LAND OWNERS AND LOCAL COMMUNITY	OFFICIAL ENTITIES	ENTIDADES OFICIALES	FORNECEDORES E PRESTADORES DE SERVICIOS	ASSOCIATIONS AND STRATEGIC PARTNERS
GENERAL SHAREHOLDERS' MEETING	■			■			■				
JOINT COMMITTEES		■	■								
ROADSHOWS	■										
MEETINGS AND WORKING GROUPS		■	■	■		■		■	■	■	■
CONFERENCES AND WORKSHOPS				■	■						
JOBSHOPS					■						
STUDY VISITS					■						
INVESTORS' DAY	■			■							
INVESTOR RELATIONS OFFICE	■			■							
INVESTOR CHANNEL ON THE REN WEBSITE	■			■							
CMVM WEBSITE		■					■				
REN WEBSITE	■	■		■	■	■	■	■	■	■	■
ENERGY MARKET INFORMATION SYSTEM			■								
ERSE INFORMATION SYSTEM - SIGNO							■				
REPRO SYSTEM										■	
ELECTRONIC PROCUREMENT PLATFORM										■	
GRID CONTROL ROOMS			■								
WORKS SUPPORT OFFICE								■			
Q&A SESSIONS						■		■	■	■	
FREE PHONE HELPLINE								■			
ANNUAL REPORT AND ACCOUNTS	■			■	■	■	■		■	■	
REGULAR PUBLICATIONS							■				
PUBLICATION OF PUBLIC NOTICES								■			
ENVIRONMENTAL IMPACT ASSESSMENT PROCEDURES								■	■		
REN SAFETY AWARD										■	
SUPPLIERS' PERFORMANCE ASSESSMENT								■		■	
PERCEIVED QUALITY SURVEY			■						■		
SATISFACTION AND ORGANISATIONAL CLIMATE SURVEYS						■					
REN TV CHANNEL						■					
REN INTRANET						■					
INTERNAL NEWSLETTER						■					
SOCIAL EVENTS						■					
HUMAN RESOURCES PORTAL						■					

REGULARITY: ■ CONTINUOUS ■ REGULAR ■ SPORADIC

# APPROACH TO SUSTAINABILITY



**REN**  
WE ARE  
GROWING  
WITH ETHICS



## PRINCIPLES

- ▶ REN GROUP  
**CODE OF CONDUCT**
- ▶ **FUNCTIONAL CODES OF CONDUCT**
- ▶ GLOBAL COMPACT  
**ANTI-CORRUPTION PRINCIPLE**
- ▶ COMPANIES AND HIV  
**CODE OF CONDUCT**
- ▶ QUALITY, ENVIRONMENT AND SAFETY  
**POLICY STATEMENT**
- ▶ SOCIAL RESPONSIBILITY  
**POLICY STATEMENT**
- ▶ **UN GLOBAL COMPACT**



REN respects the commitment arising from signing the United Nations "Global Compact" initiative in 2005 to provide information on the implementation progress of the ten principles, indicated throughout this report.

### Human Rights Principles

- 1 Respect and protect** human rights
- 2 Prevent violations** of human rights

### Labour Rights Principles

- 3 Support the freedom** of association
- 4 Eliminate forced and compulsory labour**
- 5 Eliminate child labour**
- 6 Eliminate discrimination** in the workplace

### Environmental Protection Principles

- 7 Support a preventive approach** to environmental challenges
  - 8 Promote environmental responsibility**
  - 9 Encourage environmentally friendly technologies**
- Anti-Corruption Principles

### Anti-Corruption Principles

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

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REN respects its commitment to provide information on its progress in implementing the ten principles, resulting from joining the United Nations Global Compact initiative.

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# HUMAN CAPITAL MANAGEMENT

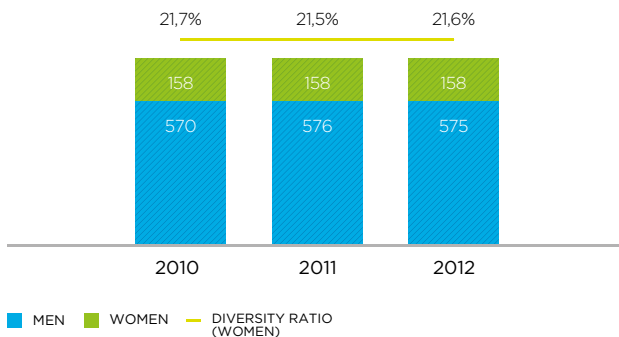


REN

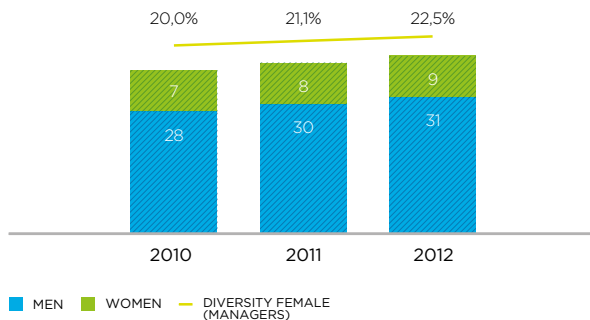
WE ARE GROWING  
WITH TALENT

## DIVERSITY OF EMPLOYEES

### EMPLOYEES



### MANAGERS



REN believes in its integrated human capital management model, which is aimed at the consistency and activity of its teams.

The growing share of female employees in REN in recent years is to be noted, particularly in leadership roles, rising 2.5 percentage points in the last three years. This result reflects the gender balance policy in leadership roles of REN, as providing a capital gain for management.



## HUMAN CAPITAL MANAGEMENT PILLARS

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Identification,  
development  
and integration  
of REN's mission,  
values and culture.

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- ▶ **Strengthen the Organisational Culture**  
through the promotion of cross-cutting activities of identification, development and integration with the REN Mission, Values and Culture;
- ▶ **Sustainability by investing in an integrated model of human capital management**  
aimed at ensuring the consistency of the activity of REN in the People area, ensuring fairness and articulation between all defined policies;
- ▶ **Alignment and organisational development**  
aimed at adapting the structure and development of the skills necessary for developing the business, internationalisation and competitiveness in the sector;
- ▶ **Productivity**, by consolidation of management instruments and tools that foster efficiency in the performance of the various business activities;
- ▶ **Development**, by definition and implementation of a training policy geared to respond to the organisational and individual development issues of employees.



## CHARACTERISATION REN EMPLOYEES

▲  
**733**  
NO. OF EMPLOYEES

▲  
**4,6%**  
TURNOVER RATE

## BY AGE GROUP

▲  
**79**  
EMPLOYEES  
< 30 YEARS

▲  
**371**  
EMPLOYEES  
30 - 50 YEARS

▲  
**283**  
EMPLOYEES > 50 YEARS

## HUMAN RESOURCES FIGURES

▲  
**23%**  
OF MANAGERS  
ARE WOMEN

▲  
**56%**  
OF EMPLOYEES WITH HIGHER  
EDUCATION QUALIFICATIONS

▲  
**46.882**  
OF TRAINING

▲  
**94%**  
OF EMPLOYEES  
ON PERMANENT PAYROLL

## DEVELOPMENT, PERSONNEL AND PROFESSIONAL ADVANCEMENT

The 2012 activities plan aimed to develop and consolidate the goals set for the REN Human Resources strategy.

Several initiatives form part of this plan, including:

- ▶ **Cross-cutting training programme**
- ▶ **Specific training programme**
- ▶ **Training contribution**
- ▶ **Seminars, lectures and conferences**

This is a programme that aims to standardise and professionalise practices for the induction and integration of new employees in all business units of the company.

The REN Trainee Program aims to equip the company with the best and most suitable human resources, introduce new skills, rejuvenate the staff, strengthen relationships with the scientific and academic community, fill temporary business needs with qualified resources and promote the company's image as an employer.

The Trainee Program had 39 trainees in 2012. REN will continue to invest in attracting and training new trainees, according to the company's needs.



## COMMUNITY RELATIONS

The company again supported in 2012 numerous civil society organisations and public entities, aware of its responsibility in the field of corporate citizenship and faithful to the commitment to maintain and improve an ethical and socially responsible management model. The company participated in several initiatives in a wide range of fields.

### SUPPORT FOR THE COMMUNITY



### RELATIONSHIP WITH LAND OWNERS

In 2012, as part of the high investment in expanding the company's electricity and natural gas infrastructures, 24 properties were acquired and 2,267 land owners contacted. As a result, REN's database had around 65,000 entries at 31 December 2012, which indicates the importance of this group of stakeholders for REN.

The concern with dialogue and communication with the land owners and people who live close to the REN infrastructure falls under the company's commitments set out in its social responsibility policy.

As part of its policy of proximity to local communities, the company seeks to be socially responsible and expresses concern for the protection of the environment, historical and cultural heritage and the legitimate interests of the people living in surrounding areas.

### TREE PLANTING PROJECTS ARISING FROM THE CONSTRUCTION OF NEW FACILITIES

Land use restoration initiatives are methodically implemented, particularly when new electricity transmission lines are being built. There are a vast number of positive aspects to this initiative, including:

- ▶ **Adapting** land occupation to the presence of the line
- ▶ **Preventing the proliferation** of fast-growing forest species
- ▶ **Enhancing the landscape** and fostering plant species' variety
- ▶ **Enhanced return** on the land uses implemented by the owners
- ▶ **More frequent intervention** in the line protection strip, reduction of maintenance costs
- ▶ **Make owners jointly responsible** for management of work areas
- ▶ **Greater acceptance among owners**, enabling them to obtain a different type of income from the land in a form that is compatible with the presence of the line
- ▶ **Halting the cycle of single species** plant cover and reduction of soil exposure time to erosive agents
- ▶ **Reduction of fire hazard** and formation of a fire barrier, which is also a measure of the national forest fire strategy

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# INNOVATION, RESEARCH AND TECHNOLOGY



**REN**  
WE ARE GROWING  
WITH RECOGNITION

## INTERNATIONAL INITIATIVES AND WORKING GROUPS

In 2012, REN continued to focus on research, development and innovation (RDI) by participating in projects or developing new, innovative solutions with a current and future impact on the company's business activity and performance.

### Some international bodies of the sector with which REN is involved:

**CIGRÉ** - Conseil International des Grands Réseaux Électriques

**EUROELECTRIC** - Union of Electricity Industry

**ENTSO-G** - European Network of Transmission System Operators for Gas

**ENTSO-E** - European Network of Transmission System Operators for Electricity

**MED-TSO** - Mediterranean Transmission System Operators

**MEDGRID** - Consortium which has the goal of promoting the development of electricity interconnection between the north, south and east Mediterranean

**FOSG** - Association of companies and organisations with the goal of promoting and influencing policy and the necessary regulatory framework for large-scale European interconnection (the Supergrid).

Of note during 2012 is the approval of the applications to the E-Highway2050 and EUPORIAS projects:

► **E-Highway 2050 (2012-2015)** - European Electricity Highway System 2050

► **EUPORIAS (2012-2017)** - European Provision Of Regional Impact Assessment On A Seasonal-to decadal timescale

REN is once more among the 100 companies that most invested in R&D.

DGEEC, based on the results of the National Scientific and Technological Potential Survey 2010 published as usual the ranking of the 100 companies that have contributed most to R&D investment in our country.

In this edition of the listing, the REN Group is again among the top 100 Portuguese companies that have invested most in R&D activities.



# ENVIRONMENTAL MANAGEMENT



**REN**

WE ARE GROWING  
WITH THE ENVIRONMENT

## STRATEGIC ENVIRONMENTAL ASSESSMENT

The results of environmental assessment constitute a framework for future approval of projects subject to an environmental impact assessment, which is the case of most of the company's investment projects.

REN won the Regional Award 2012 from the International Association for Impact Assessment (IAIA), a respected international organisation that promotes best practices in the use of impact assessment to enhance informed decision-making concerning policies, programmes, plans and projects. It operates in about 120 countries worldwide.

The award is bestowed, according to IAIA, because of the significant contributions of the REN Group in terms of the environmental impact assessment of its projects and activities, even when not legally required, and its pioneering role in guiding the strategic environmental assessment of its NTG Investment and Development Plan in Portugal.



▲  
**28**  
CONSTRUCTION PROJECTS  
UNDER ENVIRONMENTAL  
MONITORING

▲  
**2**  
ENVIRONMENTAL IMPACT  
STATEMENTS

▲  
**5**  
ENVIRONMENTAL STUDIES  
FOR PROJECTS

▲  
**5% and 12%**  
OF STATIONS / FACILITIES  
AND LINES / GAS PIPELINES,  
RESPECTIVELY, ARE LOCATED  
IN PROTECTED AREAS

▲  
**5**  
ENVIRONMENTAL IMPACT  
STATEMENTS

▲  
**1**  
ENVIRONMENTAL  
COMPLIANCE REPORT  
FOR DESIGNS AND  
IMPLEMENTATION DRAFTS



## FLORA AND LAND USE

REN's construction and maintenance activities produce direct impacts on flora and land use. These impacts occur, for example, when creating or maintaining buffer strips associated with its line infrastructure (electricity lines and gas pipelines). It has been implementing various tree planting projects when building new facilities, in order to offset these impacts.

REN presented offsetting measures in the construction of the Mangualde-Celorico-Guarda gas pipeline that far exceed the affected areas and that required by law. Holm oaks will be planted on 6.96 hectares, around the forest perimeter of Serra da Estrela. Also 5,798 holm oaks, 20,488 oaks and 2,375 ash trees will be planted over an area of around 25 hectares. This project will follow the best forestry and environmental practices given the sensitive location of the project. The mission will continue over the next 22 years. REN has planted over 400,000 trees in recent years, in an area exceeding 500 hectares, through its reforestation program.

A total of 106,287 trees were planted in 2012, over an area of approximately 127 hectares.

## BIRDLIFE

► **Installation of 975 anti-perching devices** and 155 nesting platforms for storks.

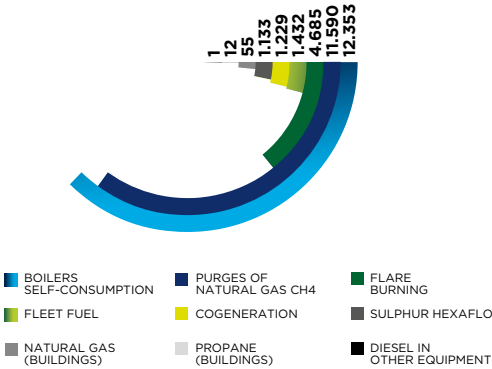
► **Transfer of 51 stork nests** to platforms erected in lower risk locations.

There was a slight reduction in incidents with white storks in 2012, compared with 2011. The erection of fans and platforms prevents nesting from occurring in the most dangerous places, more likely to cause incidents. This has meant that the increase in nests has not resulted in the growth of incidents.

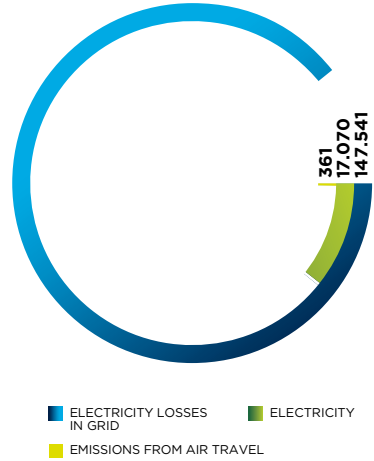
0.029 incidents per no. of nests were recorded this year, in a total of 1,837 nests.

## EMISSIONS MANAGEMENT

### DIRECT EMISSIONS (TCO<sub>2</sub> EQ)



### INDIRECT EMISSIONS (TCO<sub>2</sub> EQ)



REN is developing a pioneering project among European operators that comprises the installation of solar panels at gas stations. The project, under the purview of the Regulatory Authority (ERSE), has achieved the goal of reducing CO<sub>2</sub> emissions. It has achieved a 28% reduction in emissions since 2011. The innovative nature of the project and the proven results in reducing CO<sub>2</sub> emissions have formed the basis for the project's application to SIFIDE - Tax Incentives System for Corporate R&D.

REN continues to encourage the use of rail transport rather than the use of light vehicles, particular for transport between Lisbon and Porto. The number of train trips in 2012 increased by about 20% compared to 2011.

## CLIMATE CHANGE

REN is among the companies that best provide information on policies and the company's business activity in the field of climate change, in accordance with the Carbon Disclosure Project Iberia 125 Climate Change report 2012. The company obtained a score of 81 points in the assessment of the availability of information and compliance with the reporting rules. The Company also obtained Level C classification for its performance in combating climate change.

## REN IS A MEMBER OF:



**BCSD Portugal**  
Conselho Empresarial para o  
Desenvolvimento Sustentável



**REN**  
A NETWORK  
IN EVOLUTION

## ABOUT THIS BROCHURE

This is a summary of the REN Sustainability Report for 2012, and it is in accordance with the complete version, drawn up according to the requirements of the Global Reporting Initiative (GRI) G3 and its Electric Utilities Sector Supplement for GRI, level A+ and AA1000 APS (2008) (Accountability Principles Standard). It has been verified by an independent body, PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. (PwC SROC).





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