



Sustainability  
Report  
2nd quarter 2008



# Summary of EDP's Activities



6M 2008

## EMISSIONS

NO<sub>x</sub>  
23 364 t

SO<sub>2</sub>  
30 622 t

CO<sub>2</sub>  
9 220 463 t

Particulate  
1 967 t

Water (713 218 10<sup>3</sup>m<sup>3</sup>)

Natural Gas (37 317 TJ)

Coal (53 068 TJ)

Fuel oil (3 459 TJ)

Mini-hydroelectric

100 MW

Wind

3 237 MW

Biomass

24 MW

Hydroelectric

6 027 MW

CCGT

2 152 MW

CHP

213 MW

Conventional thermal generation

4 353 MW

Gross Electricity  
Generation <sup>(b);(c)</sup>

24 822 GWh

Gross Renewable  
Generation

11 043 GWh

Net Electricity Generation <sup>(b)</sup>

23 194 GWh

Electricity supplied by the  
distribution network

40 771 GWh

Supply of electricity

10 742 GWh

Total Waste

298 107 t

Hazardous  
Waste

1 117 t

Coal fly ashes

104 902 t



# Economic Indicators



Sustainability Semester Indicators	1S2007	1S2008	Variation 08/07 h.v.	Goal for 2008
GVA per employee (€)	130 471	148 275	13,6%	n.d
Turnover (millions of euros)	5 627	6 720	19,4%	11 687
Contribution for GDP (Amount of Business) (%) <sup>(a)</sup>	6,98%	8,03%	1,05 p.p	6,86%P
Net operating investment (millions of €)	554	1 345	142,9%	3 806
Investment in renewable energies (millions of €)	192	889	363,3%	2 406
Investment in renewables in total investment (%)	34,68%	66,13%	31,45 p.p	63,21%
Investment in environment (millions of €)	44	32	-27,9%	n.d
Investment in environment in total investment (%)	7,89%	2,34%	-5,55 p.p	n.d
Net profit (millions of €)	422	703	66,6%	n.d
Profit per share (€)	0,115	0,192	66,6%	n.d
Market capitalisation (millions of €)	14 955	12 121	-18,9%	n.d





# Operating Indicators



## Sustainability Semester Indicators

1S2007

1S2008

Variation 08/07  
h.v.

Goal for 2008

Maximum installed power (MW) (b)	13 629	16 107	18,2%	17 847
Maximum certified net power (%)	76%	70%	-6,0p.p	72%
Gross electricity generation (GWh) (b); (c)	26 716	24 822	-7,1%	55 367 P
Renewable generation (GWh)	11 280	11 043	-2,1%	25 594
Renewable generation in total gross electricity generation (%)	42,22%	44,49%	2,2p.p	46,23%
Renewable power (MW)	7 260	9 389	29,3%	10 711
Renewable power in total power (%)	53,27%	58,29%	5,02p.p	60,01%
Electricity distribution (GWh)	40 899	40 771	-0,3%	83 057
Electricity supply – liberalized market (GWh)	9 759	10 742	10,1%	19 027
Number of customers in the regulated market	9 744 259	9 974 394	2,4%	9 799 140
Number of customers in the liberalized market	121 377	240 240	97,9%	200 298
Gas distribution (GWh)	12 696	13 187	3,9%	24 993
Gas supply (GWh)	8 564	12 743	48,8%	23 000
Number of clients in gas	778 038	807 848	3,8%	796 596
TIEPI - Iberian Peninsula (d) (min)	90	92	2,2%	206
Total GWh distributed per employee	2,04	1,91	-6,4%	4,27
Total GWh generated per employee	3,13	3,14	0,5%	6,40



# Environment Indicators



## Sustainability Semester Indicators

1S2007

1S2008

Variation 08/07  
h.v.

Goal for 2008

CO <sub>2</sub> Emissions (kt)	11 324	9221	-18,6%	22 555
NO <sub>x</sub> Emissions (kt)	9,6	8,8	-7,8%	n.d.
SO <sub>2</sub> Emissions (kt)	25,18	23,36	-7,2%	35,28
Particulate emissions (kt)	49,70	30,62	-38,4%	43,77
CO <sub>2</sub> specific emissions (g CO <sub>2</sub> /kWh)	1,80	1,97	9,1%	1,01 P
NO <sub>x</sub> specific emissions (g NO <sub>x</sub> /kWh)	424	372	-12,4%	407
SO <sub>2</sub> specific emissions (g SO <sub>2</sub> /kWh)	0,94	0,94	-0,1%	0,64
Total waste (t)	1,86	1,23	-33,7%	0,79
Total hazardous waste (t)	478 909	298107	-37,8%	1 044 303 P
Recovered waste (%)	122 268	100 171	-18,1%	233 407
Primary energy consumption (TJ)	82 069	53 068	-35,3%	150 719
Coal	26 085	37 317	43,1%	78 573 P
Natural Gas	4 814	5 291	9,9%	n.d.
Furnace gas	932	526	-43,5%	n.d.
Coke gas	1	0	-100%	n.d.
Propane gas	7 476	3 459	-53,7%	3 030
Fuel oil	37	36	-2,1%	n.d.
Gasoil	721	352	-51,2%	1 086
Forest waste	132	121	-8,2%	n.d.



# Environment Indicators



## Sustainability Semester Indicators

1S2007

1S2008

Variation 08/07  
h.v.

Goal for 2008

Consumption by generation (MWh) <sup>(f)</sup>	706 641	781 914	11,4%	n.d
Electricity consumption at administrative services (e) (MWh)	15 451	11 313	-26,8%	n.d
Water use (f) (10 m3*)	874 292	713 218	-18,4%	2 473 565 P
Cooling water	871 932	710 802	-18,4%	n.d
Gross water	2 793	2 296	-17,8%	n.d
Safe water	108	119	10,8%	n.d
Lines (HV and MV) in classified sites (%) <sup>(f)</sup>	11,03%	11,3%	2,3%	n.d
Substations in classified sites (%) <sup>(f)</sup>	5,5%	5,2%	-4,8%	n.d
Number of environmental complaints <sup>(f)</sup>	30	42	40,0%	n.d
Number of environmental non-compliances <sup>(f)</sup>	11	18	63,6%	n.d





# Social Indicators



Sustainability Semester Indicators	1S2007	1S2008	Variation 08/07 h.v.	Goal for 2008
Number of employees <sup>(g)</sup>	13 066	12 965	-0,8%	12 980
Number of female employees	0,02	0,03	54,3%	n.d
Job rotation index or turnover	3,47%	3,45%	-0,03 p.p	n.d
Absenteeism rate (%)	211 604	214 553	1,4%	577 877
Total training hours	n.d	70,2%	n.d	100%
Trained employees (%)	5 759	7 162	n.d	n.d
Sponsorship & Patronage (thousand €) <sup>(h)</sup>	46	39	-15,2%	... <sup>(i)</sup>
On-duty accidents (number)	227	198	-13,0%	... <sup>(i)</sup>
Severity rate (Tg)	4,00	3,35	-16,3%	... <sup>(i)</sup>
Frequency rate (Tf)				





## Quarter summary

### • Economy

- During the first quarter of 2008, EDP's VAB corresponded to 1 922 million euros, representing an increase of 12,8% compared to the homologous quarter. The wealth created per employee reached 148 thousand euros, corresponding to an homologous variation of 13,6 %. For the same period, we point out the high growth of EDP's turnover (19,4 %) compared to the 1st semester of 2007. In the period under analysis, there was a high growth of the operating investment (+142,9%) originated by the investment in renewable energies, which increased from 34,7%, in the first semester of 2007, to 66,1% in the same semester of the current year.

### • Operating and Environment

- Compared to the homologous period, a 7,1% decrease in electricity generation was registered. The main contribution to this was the reduction in thermal generation (-10,7%), in spite of the increase in CCGP generation (62,2%). This evolution is due to the programmed breaks in Sines and Soto power plants for the installation of desulphurizing equipment. Primary energy consumption showed a 18% reduction compared to the homologous period. The homologous decrease of 35,3% in coal consumption and the increase of 43% in natural gas consumption is to be highlighted. This fact is due to the higher use of CCGT over conventional thermal plants. The CO<sub>2</sub> emission factor was 371,5 g/kWh, representing a 12,4% decrease compared to the homologous period.





## Quarter summary

- **Operating and Environment**

- In the scope of internal initiatives concerning the energy efficiency program, we can outline an homologous reduction of about 27% in office buildings' electric consumption.

- **Contribution to social development**

- In the period of January to June 2008, there were 39 on-duty accidents – 7,1% less than the homologous period.
- EDP involved about 7 million euros in social investment actions, 52% of which were originated in projects of corporate promotion, 24% in actions developed in the scope of the patronage politic of EDP Foundation and the remaining initiatives were supported by Energias do Brazil Institute.



## Relevant Issues

### • January

–EDP is Silver in Sustainability matters. In terms of Sustainability performance, SAM classified EDP in Silver category for the electricity sector, side by side with Spanish congeners

–Best of European Business (BEB). EDP won “Best of European Business” (BEB) in “cross-border M&A – fusions and acquisitions” category.

### • February

–Approval of EDP Code of Ethics Regulation. The approval of this regulation will put into operation the corporate Ethic Committee functioning, which should act in articulation with the Corporate Governance and Sustainability Committee of the General and Supervisory Board.

–EDP was invited to present the project “The Environment belongs to us all – Let’s use energy well” in the “Electricity Industry Activities on Energy Efficiency” workshop, organized by Eurelectric, that took place in the European Commission facilities, under the scope of the “Sustainable Energy Week 2008” event.

–Hidrocantábrico Foundation sponsored the art lighting of Vieyu Bridge in Lugones, with the aim of emphasizing its medieval construction.



## Relevant Issues

### • March

–EDP signed a cooperation protocol with the Portuguese Association of Electrical and Electronic Equipment Waste Management. This will broaden the reception network for this kind of waste to all its generation centres (thermal and hydroelectric) in Portugal.

–A framework was established for the Distribution Programme 2010. This programme is composed by 10 complementary projects, one of which (ECODIS) aims to contribute to launch an environmental culture integrated in Organization management and is composed by two subprojects: Environmental Management System and Incorporation of Environmental Costs.

–In the scope of the contest “Business ideas in the area of energy efficiency” (PPEC), organized in partnership with the University of Coimbra, a prize was delivered to the winning team following the selection process of innovative projects in the area of energy efficiency.

–The analysis and selection of 95 candidacies presented to EDP Solidária 2007 Programme was closed, and the results will be officially presented until the end of April. The correspondent protocols will be signed with the winner entities next May. In this quarter protocols with winner entities from 2006 edition have been signed.

–In the scope of the cooperation arrangement between Hidrocantábrico Foundation and the University of Oviedo, 125 fellowship were delivered to be executed in HC Energía head-quarters.



## Relevant Issues

### • April

• ECO Program actions concerning 2008 were presented. In the scope of this Program EDP expects an investment of 7 million euros to be applied in measures supporting energy efficiency, which will allow to reduce families and enterprises energy consumption. As an example, we can outline actions and initiatives such as the use of electronic speed variators and the creation of the site “the environment belongs to us all”.

• An intention protocol for the construction of the Resende Thermal Plant, with 500 MW, was signed between Energias do Brasil and the local authority of Resende, Brazil.



## Relevant Issues

- Under the scope of the project “To learn how to venture”, EDP Foundation and EDP launched the venture project 2008 with the participation of 30 collaborators, for the dynamization of the 2nd degree classes.
- EDP’s 2007 sustainability report deserved A+ application level from Global Reporting Initiative (GRI). This classification is the highest recognition level allowed by the international sustainability report guidelines, which correspond to a compliance of more than 90 sustainability indicators.
- A cooperation protocol for 3 years was signed between EDP Foundation and the Mental Hygiene Portuguese League. In the second quarter of 2008, 10 thousand euros were spent in the scope of this protocol, addressed to revitalizing the services rendered by the SOS Centre – Friendly Voice.

### May

- Works in solar heating system belonging to the houses of Mogi das Cruzes and Guarulhos, in Brazil, were approved. These works aim to reduce electric energy consumption between 30% and 40%. The project involves Bandeirante and the Habitational and Urban Development Company. Bandeirante expects to invest about 8 million reais (20 million euros) in the project.



## Relevant Issues

### May

- EDP joined *London Benchmarking Group* (LBG), a group with more than 100 enterprises who work together to determine social investment return through the creation of a global measuring pattern and sharing best practices.
- A protocol between EDP Foundation and Serralves Foundation was signed with the purpose of supporting contemporary art and young artistic creation, being one of the main patronage projects of EDP Foundation estimated in 315 thousand euros in the period of 2007/2008.

### June

- EDP obtained the certificate of its Environmental Management System, according to ISO 14 001:2004, applicable to corporate management of environmental policies and strategic environmental plans, environmental information and performance of EDP Group organizations.
- HC Energía obtained the ISO 14 001:2004 certificate of Environmental Management System of its hydroelectric plants. Being so, EDP in Spain has all of its generation area certified, with the exception of some renewable plants with around 3 MW and one plant belonging to the ordinary regime with 79 MW .



## Relevant Issues

- In the scope of the certificate of environmental management system of the electric energy distribution activity in Portugal, the environmental diagnosis of 60 HV substations was concluded. Three of these are expected to obtain the ISO 14001:2004 along 2008.



## Notes

### Clarification:

The shown information was not verified by any independent external entity. The presentation includes values concerning the account consolidation perimeter of EDP Group. Values do not include nuclear power plant of Trillo.

### Map symbols:

h.v.- homologous variation

p.p- percentage point

P- interim

n.a.- not available

GVA- Gross Value Added

GDP- Gross Domestic Product





## Notes

### Footnote:

- (a) GDP value for the second quarter 2008 is interim
- (b) Does not include nuclear power plant of Trillo
- (c) Includes steam generation (Barreiro and CCGT)
- (d) Values for Portugal and Spain
- (e) Values concerning Portugal and Brazil
- (f) Values concerning Portugal
- (g) Active Employees; does not include governing bodies
- (h) Aims were established according to predicted in EDP's prevention and security action plan, under the scope of which the expectations are to achieve a 10% reduction relative to values recorded in 2007.

### Glossary

This information is complemented by the definitions of sustainability indicators that can be found in our Portuguese site under the link [Glossário](#).



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