

EDP

The company in brief

EDP is a Portuguese electric utilities company that generates, transports, distributes and sells electricity. It operates in 17 countries mainly in Portugal, Spain, the USA and Brazil. Much of EDP's infrastructure, for both generation and distribution of electricity, is situated in nature.



Why Natural capital

EDP wanted to mitigate the impact of their activities in the Sabor Valley, such as a hydroelectric dam, and maintain the integrity of [European Commission mandated Natura 2000 protected areas](#) through compensation measures. To do this, they sought to improve the population numbers of key species via intelligent land management that could be used to prevent forest fires and preserve the local infrastructure and ecosystem investments. EDP was also keen to involve the local community in their sustainability efforts. The environmental impact assessment by the Portuguese Environmental Agency and European authorities indicated a vast array of compensation measures that needed integration with local activities such as agriculture, forestry, fishing or hunting.

It was clear that the connection between the company and local agents would be crucial, because the necessary strategy would involve more than 2000 land owners.

The need to preserve existing high value ecosystems and the large-scale investment made by EDP meant that preserving and improving the natural capital of the region was crucial both for the company as for the community.

EDP group has followed the issues of natural capital since its beginning, and sustainability is a key value for the company and also a crucial differential factor in terms of market placement. This is clearly evidenced in the fact that EDP is present in the Dow Jones Sustainability Index for 11 eleven years being #1 in 2018.

Approach

Because of the twin desire to protect the priority habitats included in the Birds' and Habitats' EU Directives and involve local communities and stakeholders, EDP developed a "biodiversity conservation plan assumed as a rural development plan" – recognising the joint environmental, human and socioeconomic benefits of preserving natural capital. The Fire Hazard Reduction Plan is just one example. It involved four strategic pillars: infrastructure improvement/creation, forest fuel management, fire surveillance, and dissemination, interaction and collaboration with local & national authorities.

The first step was the internal understanding that reducing the fire hazard was crucial for all the environmental investments to be made. External consultants on forestry were then engaged to design the plan and it was put in to practice with local partners and regularly shared with local agents such as the civil protection.

A crucial part of the Fire Hazard Reduction Plan was stakeholder engagement – with local communities and authorities.

Key challenges

Key challenges that EDP faced were the sheer scale of the area they managed, at over 1000ha, combined with a short time-scale. The diversity of stakeholders that had to be engaged with, including local communities, firefighters, land-owners, NGOs and universities, also proved challenging, especially considering initial distrust, or lack of confidence in the effectiveness of the project. These challenges were overcome with large investment in communication, proximity and perseverance. When results started to be seen they were clear evidence of the value of the work previously performed.



Outcomes

As a result of taking a natural capital approach, the solutions used were cheaper than conventional alternatives, with the added bonus of creating local jobs and fostering rural development, which in turn helped the development of long-term local partnerships. Furthermore, EDP was then recognised by the State Authority for Fire Management for excellence in practice. Overall, the approach taken was also effective – it greatly decreased the number of hectares burnt in forest fires from an average of 210 to just 14 after the plan was implemented, saw a reduction in the high value habitats area burned by 86%, and a 78% decrease in the number of ignitions.

The campaign is being led by the [Institute of Chartered Accountants in England and Wales](#) alongside the [World Business Council for Sustainable Development](#), [IUCN](#) and [Oppla](#).



**WE VALUE
NATURE**

Supporting



**NATURAL
CAPITAL
COALITION**



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 821303

wevaluenature.eu

info@wevaluenature.eu

[@WeValueNature](https://www.instagram.com/wevaluenature)