

*edp*

# ENERGY AS THE NEW ART

RELATÓRIO SOCIAL  
2016

SOCIAL REPORT  
2016

**ENERGY**  
**AS**  
**THE**  
**NEW**  
**ART**

# ENERGY AS THE NEW ART

40 years of EDP

It's time to celebrate energy

Over these 40 years, the world has changed and energy has changed with it. Through the art of reinventing, innovating, revolutionizing and transforming the future. Through creativity driven by the engine of technology. Today we look at the past as a gallery of memories that inspires us to create anew.

Energy embodies an infinite narrative built every day as an inexhaustible and inspiring work of art.

Energy as the new Art

**ENERGY**  
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**NEW**  
**ART**

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The background features a complex pattern of overlapping circles and arcs in various shades of green and blue. The circles are filled with a fine, concentric line pattern, creating a textured effect. A white rectangular box is positioned in the bottom right corner, containing the text.

**SUSTAINABILITY**  
AS THE *NEW*ART



Antonio Mexia  
Chairman of the Executive  
Board of Directors

## 01 EDP

### 1.1. Message from the Chairman

#### **How do social concerns influence EDP's strategy?**

Sustainability is one of the pillars of the EDP Group. We assume social and environmental responsibilities that result from our activities, contributing to the development of the regions in which we operate. It is innovative and balanced management in economic, environmental and social matters that has enabled EDP to guarantee consistency and capacity for differentiation in a world undergoing constant change.

The EDP Group operates in 14 countries in 4 continents and has over 11 million customers and 12,000 employees of 40 nationalities worldwide. We are aware of our size and we therefore work with commitment, determination and considerable energy every day so that we can serve those around us better.

#### **What milestones should be highlighted?**

In 2016 we achieved important social objectives. We enhanced the importance of ethics in the culture of all employees, while continuing to be recognized as one of the most ethical companies in the world by the Ethisphere Institute. In terms of sustainability, for the 9th consecutive year, EDP has been listed in the Dow Jones World Sustainability Index as one of the top 5 utilities in the world and in the STOXX European Sustainability (Sustainalytics) Index, in first place among its peers.

We are continuing to focus on the development of people and a corporate culture that promotes innovation and continuous learning with a strong focus on internal mobility as the main tool for on-job development, with 854 employees taking up this challenge. In training, in 2016 the Group's Corporate University provided about 400,000 hours' training, involving more than 60,000 employees and service providers. This area of development and training was recognized this year through International Certification by the European Foundation for Management Development (EFMD), with EDP University being the first Portuguese corporate university to receive this recognition.

In 2016 EDP reinforced its diversity and inclusion culture, to promote respect for human beings and the integration of people of different generations, genders,

disabilities and nationalities. We were also recognised by our listing on the Thomson Reuters D & I index, in 12th place out of 100 companies worldwide and the only Portuguese company in the Top 25.

We launched the 3rd EDP Trainee Programme, an important milestone in attracting young talent of high potential. This year's programme attracted about 4,000 applications from 77 different nationalities and went to 300 universities worldwide. We took on 40 new trainees with a gender balance from 12 different nationalities, which shows the global nature of this programme.

In terms of health and safety, EDP reinforced its commitment by implementing a range of initiatives for the continual promotion of safety at work, including regular training and awareness raising for employees and service providers.

2016 was marked by the opening of the MAAT - the Museum of Art, Architecture and Technology, in Lisbon. This work reinforces EDP's vision of the importance of investing in culture, art and technology in order to contribute to the construction of a more cosmopolitan, inclusive and creative society. Our commitment to society is clear and our target is to invest 100 million euros in social areas by 2020.

#### **What is the biggest challenge for the future?**

EDP is the largest Portuguese company, the largest investor in Portugal, the largest private social investment programme and it also remains the largest corporate sponsor of culture in Portugal. Our biggest challenge will be to keep up with what we are proposing to do, by positively influencing the economy and society, increasingly aligning our business with the contribution to the community. To remain able to be innovative and bold, while at the same time caring for and respecting our stakeholders. To meet this challenge, we rely on our employees and it is thanks to this team that our company is, today, an example in everything that it does.

## 1.2. About this report

### Scope

This report summarizes the materially relevant social facts of 2016 by presenting metrics, objectives and evolution compared to previous years to enable the reader to analyse the company's social performance.

### Structure

The information presented begins by highlighting EDP's position in the world, its vision, values and commitments, and the external recognitions obtained by the work it completed in 2016. It then presents the general operation of the company and its social commitment to stakeholders, demonstrating the creation of shared value with society. The promotion of ethics, integrity and transparency is one of our priorities in a world of particularly challenging market conditions, where the resilience of the organization and the consistency of values on which it bases its culture are continually put to the test. This is followed by people management as one of the company's strategic priorities, in which there is evident investment and dedication to involving and valuing those who work with us on a daily basis, to enhance development and manage and reward performance. Finally, there is a presentation of EDP's relationships with society through the promotion of the quality of life of the communities in which we operate. The report is complemented by tables offering detailed information on human resources for 2016 and previous years and a list of the GRI-G4 indicators in accordance with the "Comprehensive" option in this report.

### Global Reporting Initiative (GRI)

The publication of the Social Report follows the principles of definition expressed by the Global Reporting Initiative G4 guidelines. This is a transparent report that is available on the edp website ([www.edp.pt](http://www.edp.pt)), based on the rigour with which the reported information was collected. Some of the information reported can also be found in the EDP Group's Annual Report and Accounts 2016, which underwent internal and external auditing conducted by KPMG & Associados - Sociedade de Revisores de Contas, S.A.

### Alternative Communication Channels

Moreover, EDP also provides a set of reports, available at [www.edp.pt](http://www.edp.pt):

- Annual Report and Accounts;
- General and Supervisory Board Annual Report;
- Sectoral reports, in particular: Biodiversity Report, Ethics Ombudsman's Report, Safety Summary and Stakeholder Report;
- Annual and sustainability reports of the companies Hidroeléctrica del Cantábrico, EDP - Energias do Brasil and EDP Renováveis;
- Report on Management Approach to Sustainability, which addresses the issues set by the G4 methodology and explains the relationship between organisational processes and issues of material relevance for the company.
- Principles, policies, statutes and internal regulations

### Coordination and Review

The overall coordination of the process of drafting the Social Report is the responsibility of the Human Resources Department of the Corporate Centre and the content review was managed by the Sustainability Department of the Corporate Centre.

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renewables



Canada

United States

United Kingdom

Belgium

Poland

France

Romania

Spain

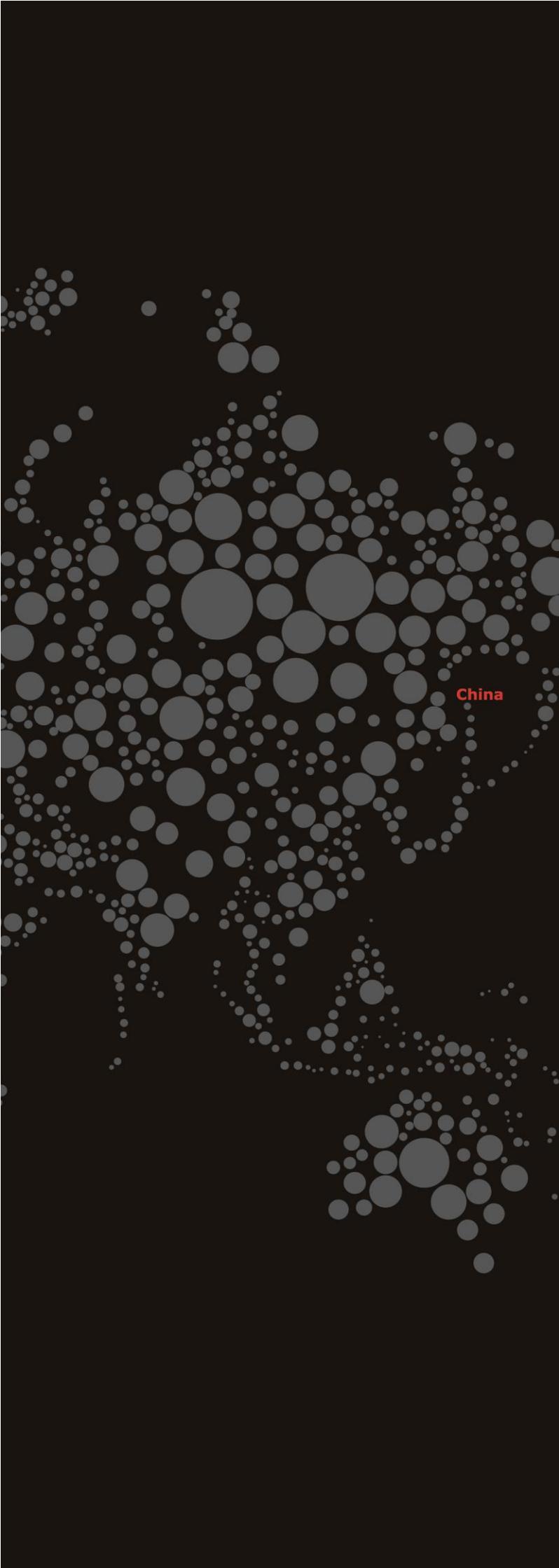
Italy

Portugal

Mexico

Brazil

Angola



## Present in 14 countries and has 9.8 million electricity customers

EDP – Energias de Portugal, S.A. is a listed company (“sociedade aberta”), whose ordinary shares are publicly traded in the “Eurolist by NYSE Euronext Lisbon, Mercado de Cotações Oficiais”. EDP is established in Portugal, organized under the laws of Portugal and registered with the Commercial Registry Office of Lisbon, under no. 500.697.256. Its registered head office is located at Avenida 24 de Julho, nr. 12, 1249-300 Lisboa, Portugal.

EDP was initially incorporated as a public enterprise (“empresa pública”) in 1976 pursuant to Decree-Law no. 502/76, of 30 June, as a result of the nationalisation and merger of the main Portuguese companies in the electricity sector in mainland Portugal. Subsequently, EDP was transformed into a limited liability company (“sociedade anónima”) pursuant to Decree-Law no. 7/91, of 8 January, and Decree-Law no. 78-A/97, of 7 April.

EDP is a vertically integrated utility company. It is the largest generator, distributor and supplier of electricity in Portugal, the third largest electricity generation company in the Iberian Peninsula and one of the largest gas distributors in the Iberian Peninsula.

EDP is one of the largest wind power operator worldwide with windfarms for energy generation in the Iberian Peninsula, the United States, Canada, Brazil, France, Belgium, Italy, Poland, Romania and Mexico and is developing wind projects in the United Kingdom. Additionally, EDP generates solar photovoltaic energy in Portugal, Romania and the United States. In Brazil, EDP is the fifth largest private operator in electricity generation, has 2 electricity distribution concessions and is the fourth largest private supplier in the liberalised market.

EDP has a relevant presence in the world energy landscape, being present in 14 countries, with **9.8 million electricity customers, 1.5 million gas customers** and more than **12 thousand employees** around the world. On December 31, 2016, EDP had an installed capacity of **25 GW** and generated **70TWh** during 2016, of which **65% from renewable sources**.

## EDP in the World

**Portugal**   renewables  gás  serviço universal  distribuição **61%**  
GENERATION FROM RENEWABLE SOURCES<sup>1</sup>

**6,537** employees

**5,442,602** electricity customers  
**646,762** gas customers

10,428 MW installed capacity  
30,648 GWh net generation  
44,599 GWh electricity distributed  
7,114 GWh gas distributed  
1,021 MW capacity under construction

**Spain**   naturgas energia  hc energia  renewables **42%**  
GENERATION FROM RENEWABLE SOURCES<sup>1</sup>

**1,886** employees

**1,067,509** electricity customers  
**850,890** gas customers

5,723 MW installed capacity  
186 MW installed capacity equity<sup>2</sup>  
13,984 GWh net generation  
9,190 GWh electricity distributed  
26,441 GWh gas distributed  
0 MW capacity under construction

**Brazil**   renewables **54%**  
GENERATION FROM RENEWABLE SOURCES<sup>1</sup>

**2,961** employees

**3,315,679** electricity customers

2,670 MW installed capacity  
296 MW installed capacity equity<sup>2</sup>  
9,546 GWh net generation  
24,425 GWh electricity distributed  
127 MW capacity under construction  
231 MW capacity under construction equity<sup>2</sup>

**France**  **100%**  
 GENERATION  
 FROM RENEWABLE SOURCES<sup>1</sup>

**53 employees**

388 MW	installed capacity
777 GWh	net generation
18 MW	capacity under construction

**Belgium**  **100%**  
 GENERATION  
 FROM RENEWABLE SOURCES<sup>1</sup>

**02 employees**

71 MW	installed capacity
128 GWh	net generation

**Italy**  **100%**  
 GENERATION  
 FROM RENEWABLE SOURCES<sup>1</sup>

**23 employees**

144 MW	installed capacity
258 GWh	net generation

**Poland**  **100%**  
 GENERATION  
 FROM RENEWABLE SOURCES<sup>1</sup>

**38 employees**

418 MW	installed capacity
951 GWh	net generation

**Romania**  **100%**  
 GENERATION  
 FROM RENEWABLE SOURCES<sup>1</sup>

**32 employees**

521 MW	installed capacity
1,143 GWh	net generation

**United States**  **100%**  
 GENERATION  
 FROM RENEWABLE SOURCES<sup>1</sup>

**410 employees**

4,631 MW	installed capacity
179 MW	installed capacity equity <sup>2</sup>
12,501 GWh	net generation
100 MW	capacity under construction

**Canada**  **100%**  
 GENERATION  
 FROM RENEWABLE SOURCES<sup>1</sup>

**05 employees**

30 MW	installed capacity
75 GWh	net generation

**Mexico** 

**07 employees**

200 MW	installed capacity
--------	--------------------

**United Kingdom** 

**34 employees**

**China and Angola**

**offices**

<sup>1</sup> Includes hydro, wind and solar.  
<sup>2</sup> Accounted according to the equity method.

## 1.4. Vision, values and commitments

### Vision

A global energy providing company, leader in creating value, innovation and sustainability.

### Values

#### **Initiative**

Demonstrated through the behaviour and attitude of our people.

#### **Trust**

Of shareholders, customers, suppliers and other Stakeholders.

#### **Excellence**

In the way we perform.

#### **Sustainability**

Aimed at improving the quality of life for present and future generations.

#### **Innovation**

With the objective of creating value within the various areas in which we operate.

### Commitments

#### **Sustainability**

- We assume the social and environmental responsibilities that result from our performance thus contributing towards the development of the regions in which we operate.
- We avoid specific greenhouse gas emissions with the energy we produce.
- We ensure the participatory, competent and honest governance of our business.

#### **People**

- We join conduct and professional rigour to enthusiasm and initiative, emphasizing team work.
- We promote the development of skills and merit.
- We believe that the balance between private and professional life is fundamental in order to be successful.

#### **Results**

- We fulfil the commitments that we embraced in the presence of our shareholders.
- We are leaders due to our capacity of anticipating and implementing.
- We demand excellence in everything that we do.

#### **Clients**

- We place ourselves in our clients' shoes whenever a decision has to be made.
- We listen to our clientes and answer in a simple and clear manner.
- We surprise our clientes by anticipating their needs.

## 1.5. Recognition

### EDP Group

#### EDP in the 2016 Ethisphere Institute ranking

EDP was recognized, for the fifth consecutive year, as one of the most ethical companies in the world. EDP is the only Portuguese company among the 131 companies recognized by the Ethisphere Institute appearing in the international ranking and one of the four electric utilities worldwide.

#### EDP distinguished for the promotion of equal opportunities in the workplace

EDP was ranked 12th in the first edition of the Thomson Reuters Diversity & Inclusion Index and Ratings (D & I). This analysis evaluates the performance of 4,200 listed companies with regard to respect for diversity in the workplace environment.

#### EDP is part of the Dow Jones Sustainability World Index

EDP is part of the Dow Jones Sustainability World Index for the 9th year running, ranking among the top 5 electrical utilities in the world.

#### EDP is part of Ethibel

EDP is on the Ethibel EXCELLENCE Investment Register and is included in the "Ethibel Sustainability Index Excellence Europe", for demonstrating an above average performance in its sector in terms of Corporate Social Responsibility.

#### EDP is in the Euronext VIGEO - World 120, Europe 120 and Eurozone 120 sustainability indices

EDP is recognised by VIGEO as one of the best companies in the world in terms of sustainability. This analyst reports on about 150 clients from 30 countries with 2,000 billion in Asset Under Management.

#### EDP is in the STOXX Global ESG Leaders and STOXX Sustainability indices

These indices produced by STOXX are based on the ESG Research analysis of Sustainalytics (ESG Leaders Indices) and Bank J. Safra Sarasin (STOXX Sustainability Indices).

#### EDP given Prime Status by OEKOM

OEKOM, an ESG financial analyst, provides sustainability information to financial services companies that manage more than 600 billion euros.

#### EDP is a member of the FTSE4GOOD Global Index

The methodology used in the evaluation of more than 4,000 companies is based on a set of around 300 indicators grouped into 14 themes across the three ESG pillars (Environmental, Social and Governance).

#### EDP is a member of Thomson Reuters CRI Europe ESG Index (TRCRI Europe)

Thomson Reuters indices measure the performance of more than 4,600 companies, on the basis of more than 225 ESG indicators. The assessment is based on information available in the Thomson Reuters ASSET4 ESG database.

#### EDP is included in the MSCI ESG Indices

EDP is included in a set of ESG indices by Morgan Stanley Capital International, including the World ESG, Europe ESG, World Low Carbon Leaders and ACWI Low Carbon Leaders Indices.

#### EDP in CDP - Climate Change

EDP is on the CDP - Climate Change "A List", which includes companies that have achieved a maximum rating of A, a status only achieved by 10% of the 2,000 companies evaluated.

#### EDP obtained bronze class in the Sustainability Yearbook 2016

Since 2007, EDP has been a member of the RobecoSAM Sustainability Yearbook. In 2016 RobecoSAM awarded the company the bronze distinction in the Electrical Utilities Industry. This category groups electric utilities whose score is 5 - 10% of the industry leader's score.

## Portugal

### **EDP wins award from Universum Most Attractive Companies in the Energy Sector**

Universum highlights EDP as one of the 50 most attractive companies in the sector due to its talent and merit management model on the Switch programme.

### **EDP recognized at the Randstad Awards in the category of work-life balance and social and environmental sustainability**

The Randstad Award is an annual, independent study that recognizes the most attractive companies to work for in many countries around the world. In 2016 the Randstad Award was held for the first time in Portugal.

### **EDP recognised as a trusted brand by Readers Digest Selections**

EDP was recognised as the most trusted brand in the 16th edition of the study by Reader's Digest Selections in the "Public Utilities" category. The aim of this annual study is to identify the "Trusted Brands" by the Portuguese in 65 categories of products and services.

### **EDP Distribuição wins award from the IACEE - International Association for Continuing Engineering Education**

The IACEE recognized EDP Distribuição, with an international prize for the company's commitment to the promotion of the continuous development of its employees in engineering.

### **EDP chosen as best company in the Human Resources Awards**

EDP is the company in which readers of Human Resources magazine would most like to work. This edition also awarded Best Chairman/CEO to António Mexia for the fifth consecutive year, and first place in the "Mobility" and "Internal Communication" categories.

### **EDP recognised by the Marketeer Awards**

EDP was picked as the best company in the "Energy" category for the second consecutive year. It also won the "Art and Culture" category, for the EDP Foundation's "7 Billion Others" exhibition.

### **EDP's 40th anniversary campaign recognized in the European Excellence Awards 2016 in the category of Corporate Advertising**

The "Sinais de Luz" (Light Signals) campaign which marked EDP's 40th anniversary was the big winner in this category. These awards acknowledge the best European performance in public relations and communications.

### **EDP honoured in the Portugal Digital Awards 2016**

EDP's Information Systems Department was awarded a special mention in the "Best Return on Digital Investment" category, in the Jornal de Negócios and IDC Portugal initiative in partnership with Novabase and Vodafone, which aims to reward and promote digital transformation in Portugal.

### **energia.edp.pt website wins Navegantes XXI prize**

The Digital Economy Association – ACEPI - recognized EDP Comercial's website in the category for sites with the ".pt" domain with main content in Portuguese and with outstanding performance in best practice, legal requirements and internet security rules and an unambiguous contribution to promoting .pt, the Portuguese language and the digital economy.

## Spain

### **Sustainability Report recognised by the Ministry of Employment and Social Security**

The EDP Espanha Sustainability Report was recognised for the transparency of the publication, following the Ministry's aim to promote initiatives that disclose non-financial information about organisations with regard to economic, social and environmental matters.

### **EDP Espanha recognised in the XVII Best Asturias Web Awards**

The prize given by the newspaper El Comercio de Gijón was awarded to EDP's commercial website, with the honours "Best business web" and "Best Asturias web".

### **EDP receives Gold Customer Relations Centre (CRC) award**

The Spanish Association of Experts in Customer Relations (AEERC) honoured EDP as the best customer service centre in the business segment. The CRC Oro awards are given after audits carried out by the IZO consultancy, which specialises in "Customer Experience".

## **Renováveis**

### **EDP Renováveis voted the best renewable energy company in France by Wealth & Finance International**

These awards honour companies that have used innovative methods and exceptional results to transform how the sector is perceived. The award is based on an analysis carried out by a research team from the publication Wealth & Finance International.

### **EDP Renováveis Spain recognised as A Great Place to Work®**

EDP Renováveis consolidated its position for the fifth consecutive year as one of the best companies to work in, being placed in the top 10 in the category of companies with 250 to 500 employees.

### **EDP Renováveis recognised by Institutional Investors**

In its ranking of European public utilities, the leading financial information group in Europe and America has awarded EDP Renováveis in the following categories: Best CEO, second place overall; Best Investor Relations Professional, third place; and Best Company in the Investor Relations category, third place.

## **Brazil**

### **Miguel Setas among the best CEO's in Brazil according to Forbes Magazine**

The President of EDP Brasil has been elected as one of the most influential Brazilian entrepreneurs, being included in Forbes Magazine's list of "Best CEOs in Brazil". In all, 34 executives were recognised for excellence in their business sectors, based on the opinions of the most important consultants in the country.

### **EDP Brasil among the Best Companies to Work for in Vocês/a magazine**

EDP Brasil was among the 150 best companies to work for. In its sector, "energy", it was in 5th place with a Total Happiness Index (IFT) of 78%.

### **EDP Brasil receives the IEL Prize for Good Internship Practices**

The award recognizes companies with best practices for trainees.

### **EDP Brasil receives ALAS20 Award - Sustainability Leaders Agenda**

This award recognises companies, investors and professionals who stand out for their commitment in the environmental, social and governance fields and who actively promote the sustainable development of Latin America and the development of its capital markets. EDP was recognised in the Leader in Sustainability and Leading Company in Corporate Governance categories.

### **EDP Brasil awarded Transparency Trophy 2016**

This award given by the National Association of Finance, Administration and Accounting Executives (ANEFAC) honoured EDP in the "Energy Companies" category for the quality of the information contained in its financial statements, including issues such as clarity, transparency and adherence to international accounting standards.

### **EDP Brasil remains in the Corporate Sustainability Index (ISE)**

For the 11th consecutive year, EDP is included in the ISE portfolio, which is maintained by BM&F Bovespa, being among companies that stand out for their commitment to sustainable development, quality, equity, transparency, accountability and nature of product, as well as business performance in economic, social, environmental and climate change areas.

### **EDP Brasil honoured with Pro-Ethics Seal 2016**

EDP Brasil was recognized for the third consecutive time with the Pro-Ethics Seal as one of the first four Brazilian companies to obtain this award, in a prize presented by the Ministry of Transparency, Inspection and Comptroller General of the Union.

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## 02 How EDP functions

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## 02 How EDP functions

### Business Structure

Iberia		EDP Renewables		EDP Brasil	
Portugal	Spain				
<b>Electricity Generation</b>					
EDP Produção	HC Energía	EDP Renováveis Portugal	EDP Renewables España	Energest	Porto do Pecém
EDP Produção Bioeléctrica*	HC Cogeneración*	EDP Renewables France	EDP Renewables Belgium	Lajeado Energia	EDP PCH
	Bioastur*	EDP Renewables Polska	EDP Renewables Romania	Enerpeixe	Costa Rica
		EDP Renewables North America	EDP Renewables Canada	Santa Fé	CEJA (Jari)*
		EDP Renewables Italia	EDP Renováveis Brasil		
		EDPR UK		Cachoeira Caldeirão*	São Manoel*
<b>Electricity and Gas Distribution</b>					
EDP Distribuição	HC Distribución			EDP Bandeirante	EDP Escelsa
EDP Gás Distribuição	Naturgas Distribución				
<b>Electricity and Gas Supply and Trading</b>					
EDP Serviço Universal	EDP Comercializadora			EDP Comercializadora	EDP Grid
EDP Comercial	EDP Comercializadora Último Recurso			EDP Soluções em Energia	
EDP Gás Serviço Universal	EDP Empresas de Serviços Energéticos				
EDP Gás.Com	CIDE HC Energia*				

\*Equity Consolidated Method

## 2.2. Governance Model

[G4-34 TO G4- 36]

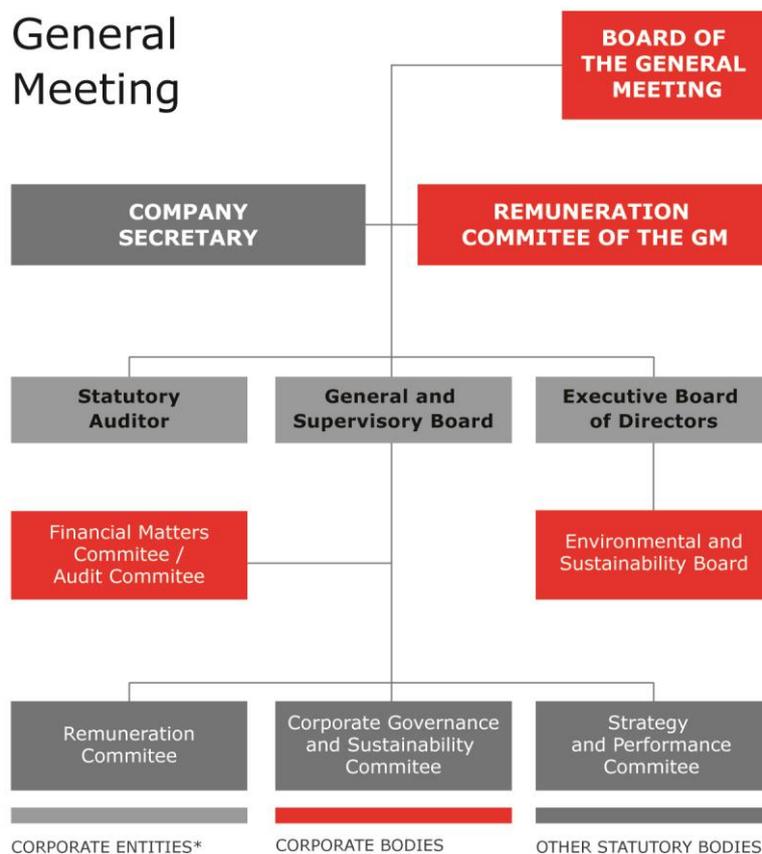
### Corporate Governance

Since 2006, the EDP's governance model has been the dual model, consisting of the General Assembly, Executive Board of Directors, General and Supervisory Board and Statutory Auditor. This governance model involves an inherent division of powers between the Executive Board of Directors and the General and Supervisory Board which has ensured the effective management of the company, which also benefits from constant and careful supervision.

The separation of management and supervisory functions is implemented in the existence of an Executive Board of Directors, in charge of the management of social affairs, and of a General and Supervisory Board, the highest body responsible for the supervisory remit.

Furthermore, the model adopted has proved suitable for the shareholder structure of the company by allowing supervision by key shareholders through their membership of the General and Supervisory Board.

The Company's governance model was approved by the EDP shareholders at their Annual General Meeting on 30 March 2006. The administration and oversight structure consists of an Executive Board of Directors (EBD), a General and Supervisory Board (GSB) and a Statutory Auditor (SA), as the following figure shows.



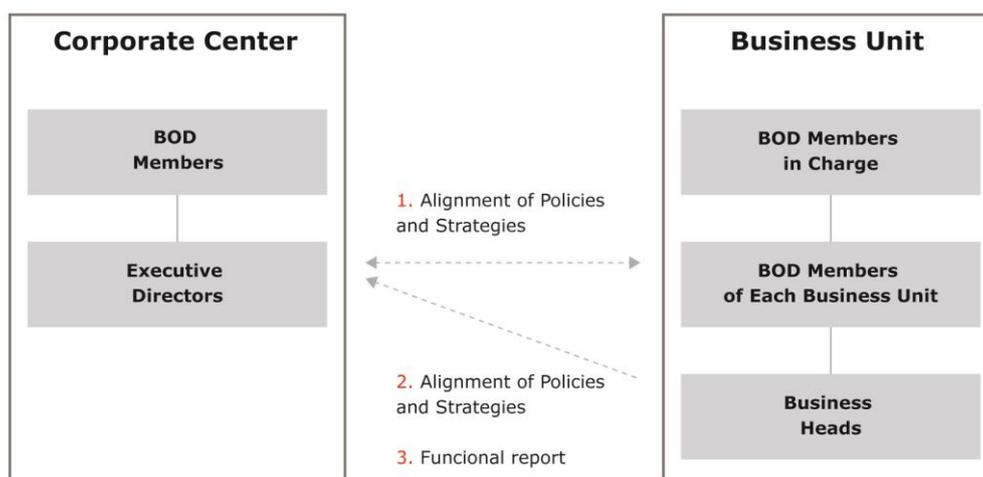
\*Corporate Entities are also Corporate Bodies, pursuing the article 8 of EDP's Articles Association.

## Mechanisms of coordination between the Corporate Centre's Departments and the Business Units

The Corporate Centre plays a fundamental role in defining and monitoring the implementation of strategies, policies and objectives. In order to fulfil this role, coordination mechanisms have been defined based on the following 3 principles:

- The Corporate Departments and Offices lead the activities in which they specialize in accordance with their declared "Mission" and "Duties";
- The Companies - through their Boards of Directors and Local Organizational Units (if any) with corporate functions - coordinate with the Corporate Centre to align local policies and strategies with those of the EDP Group as a whole.
- The liaison between the Corporate Centre and the regulated companies - EDP Distribuição, EDP Serviço Universal, EDP Gás (Portgas) and the regulated areas of HC, EDP Renováveis and EDP Brasil - will be in strict compliance with the specific rules governing the energy sector and competition, which impose on the management of these companies' specific duties of decision-making and management impartiality, fairness and independence. It is in the interests of EDP to combine the regulatory obligations in force with the most efficient and effective management, making use of the company's resources and corporate knowledge, thus maximising the interests and results for the energy sector and for the Group.

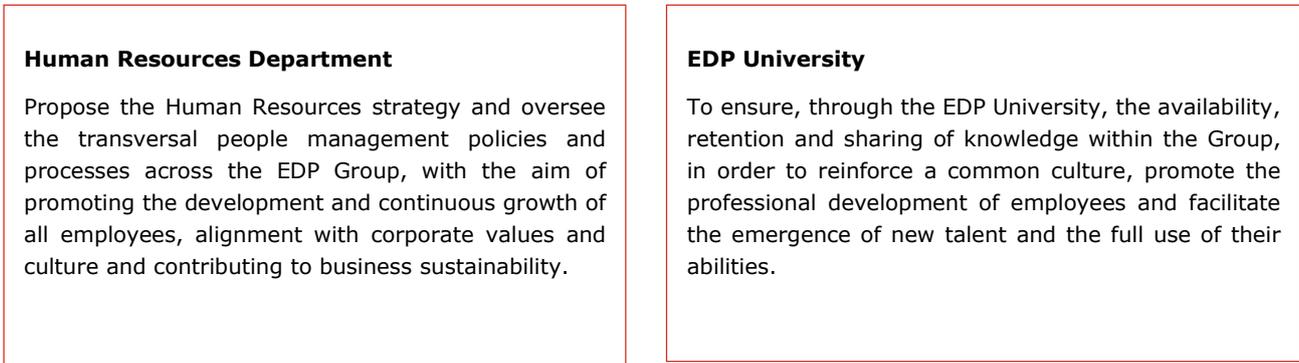
### Articulation Mechanisms



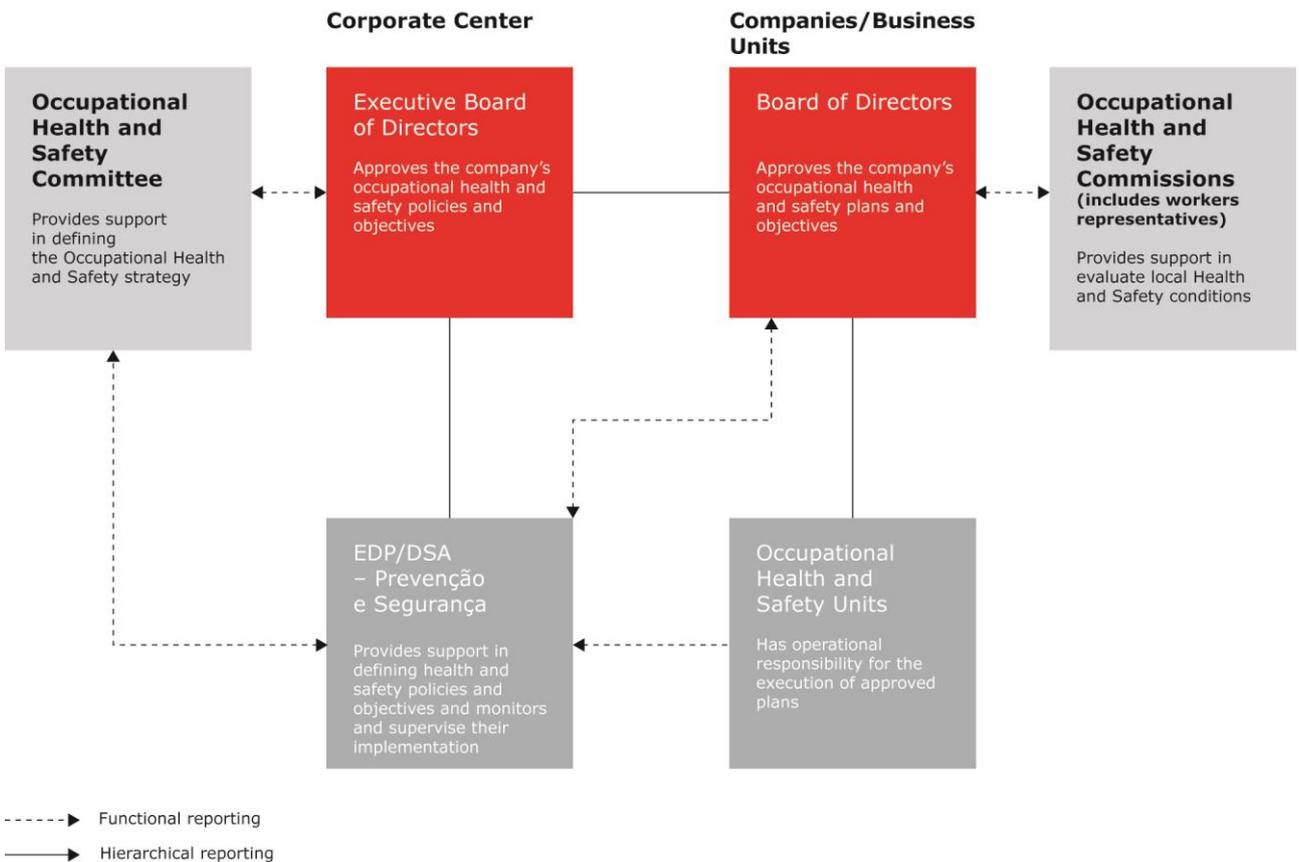
### Governance model that seeks to apply the Human Resources policy.

The governance model, which aims to implement the Human Resources (HR) strategy established to respond to emerging business needs, is based on a common and cross-cutting platform at the level of the main HR processes and policies of the different companies in the different geographical areas, with the above-mentioned coordination mechanisms.

In this context there are two corporate areas that ensure the coordinated and aligned definition of strategies, policies and procedures in HR matters, by decentralizing their implementation to the operational areas of the business units (companies) and, for smaller companies, to the teams with responsibility for this area.



In order to address issues related to the prevention and safety of employees and service providers, the Group relies on the Prevention and Safety Area of the Corporate Centre's Sustainability Department, which implements its relationship model as follows:



**Prevention and Safety**

Manages the EDP Group's strategic and coordination activities for the management of Health and Safety at Work and operational activities as part of the provision of services, occupational health and prevention and safety, to guarantee compliance with legal obligations in these areas.

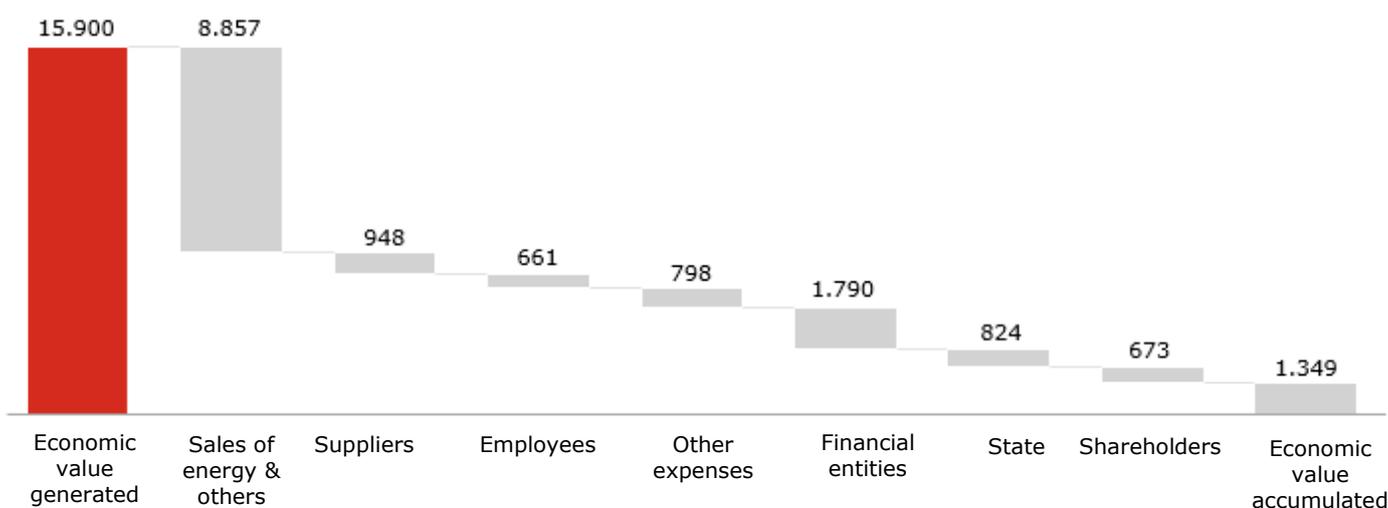
## 2.3. Creation of shared value

[G4-EC1]

Our involvement with the various stakeholders and the creation of impact on each of them form part of our sustainability strategy. EDP's business activities create value which is shared with a range of stakeholders with which the company relates and goes far beyond its stakeholders.

These direct and indirect benefits are also distributed among employees, retired employees and family members, the communities and areas where the company operates, suppliers and service providers and the state and financial bodies.

### Cumulative Economic Value, 2016 (euros)



## 2.4. Relations with stakeholders

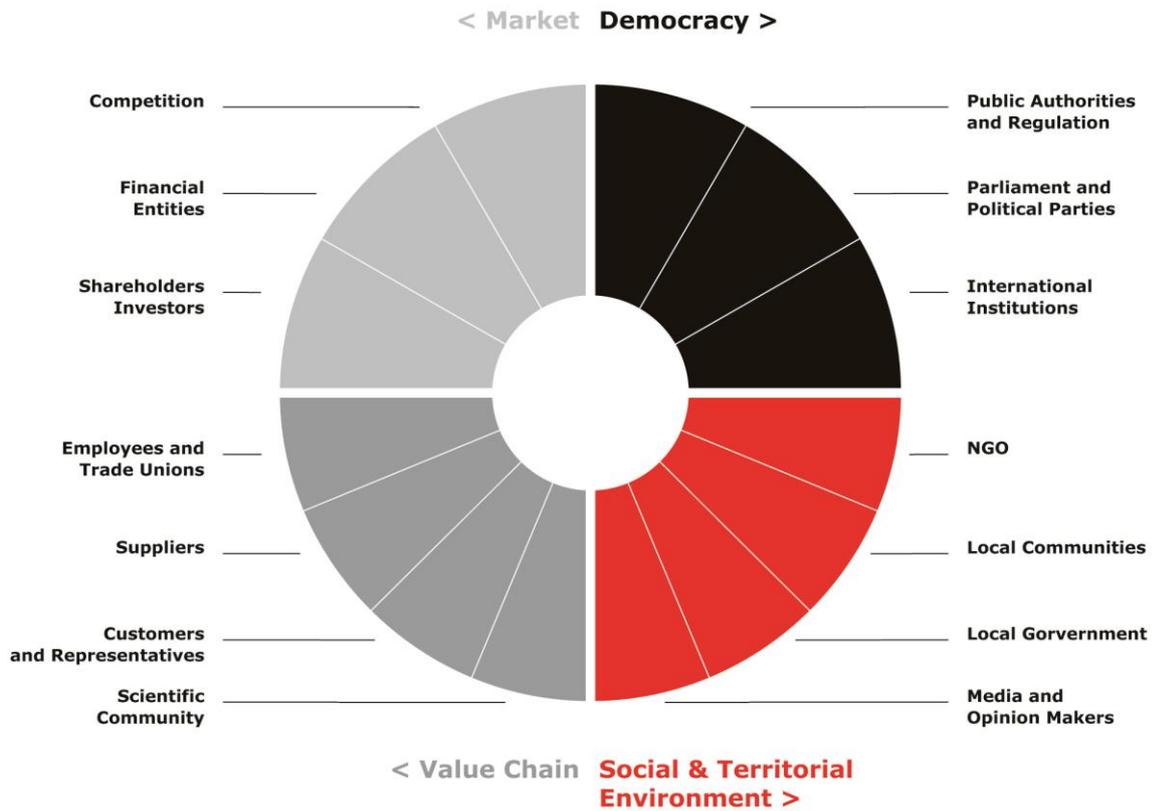
For EDP, the engagement of its stakeholders is a strategic priority for maintaining an open, transparent dialogue with everyone with whom it relates.

Stakeholder management is an exercise in demand, sharing and transparency of businesses in their relationship with society and in particular with all those that have an impact on, or are impacted by business activities.

Every year external stakeholder consultations are performed to allow those with whom companies interact to be heard, both at the level of the business unit projects and at the institutional level.

Building and strengthening relationships of trust, sharing meaningful knowledge and information, anticipating challenges and identifying new opportunities for cooperation with its stakeholders are, therefore, key goals in the EDP Group's stakeholder relations policy.

**Stakeholder segmentation model**



For more details on how the company works with its employees, see Chapter 5 - Valuing our people - in this report and for information on the Social and Territorial Involvement, see chapter 6 - Creating Value in Society. For further detail on stakeholder relations see the document on the EDP Group's Annual Report and Accounts 2016 at [www.edp.pt](http://www.edp.pt).

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## 03 Our social commitment

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## 03 Our social commitment

### 3.1. Objectives and Goals

[G4-EC1]

OBJECTIVE	GOALS	DATE	STATUS 2016	COMMENTS
<b>PROMOTING ETHICS, INTEGRITY AND TRANSPARENCY</b>				
Strengthen ethics in the culture of all EDP employees	Maintain the recognition of the Ethisphere Institute as one of the Most Ethical Companies in the World	2017-2020	100%	Objective fulfilled in 2016
	Exceed 80 points in the Ethicis corporate index	2020	78.7%	Score on the Ethics Index in 2016
<b>DEVELOPING OUR PEOPLE</b>				
Invest in the development of core competencies in the different activities of the Group	Extension of the EDP University's work to all segments and geographical areas of the Group	2017	76%	2016 - Review of the training offered by UEDP and implementation / consolidation of the Online Campus in EDP Espanha and EDP Renováveis
	Ensure the minimum benchmark of 35 hours' training per employee	2017-2020	32.6	Average over the last two years is 35 hours
Promote mobility as one of the key mechanisms for on-job training.	8% mobility at EDP Group level	2017-2020	7%	Average over the last two years is 8%
<b>PERFORMANCE ASSESSMENT</b>				
Align employees with the Group's value creation strategy	Rework the performance evaluation model	2018	n.a.	Future objective
<b>OCCUPATIONAL HEALTH AND SAFETY</b>				
Ensure stringent safety conditions at work for employees and service providers	Reduce frequency rate of workplace accidents involving EDP employees and service providers by 5% compared to the previous year	2016-2017	-9%	Frequency rate, 2016 = 3.0
	Maintain OHSAS certification of the corporate safety management system and maintain or extend the percentage of certification of systems specific to the companies	2017-2020	100%	Objective fulfilled in 2016
<b>ENCOURAGING DIVERSITY</b>				
Ensure ongoing increase in diversity in the EDP Group.	27% female representation in the EDP Group	2020	24%	% of female employees in 2015 was 23%
	30% female representation in the corporate bodies	2018	n.a.	
	Continually increase % of women in management positions	2017-2020	25%	% of female employees in MP in 2015 was 23%
	2% of employees with disabilities in the EDP Group	2020	1.63%	
	Review diversity policy	2017	n.a.	Future objective
Implementation of the Plan of 15 diversity initiatives	2016-2018	30%	Some measures already implemented	
<b>ORGANIZATIONAL CLIMATE</b>				
Contribute to improving the welfare and professional achievement of employees	Level of involvement of employees above 75%	2016-2020	74%	Outcome of the follow-up study
	Level of enablement of employees above 75%	2016-2020	70%	Outcome of the follow-up study
<b>SOCIAL DEVELOPMENT AND CITIZENSHIP</b>				
Intensify EDP's commitment to social development	Guarantee EDP Foundation a grant of up to 0.1% of consolidated turnover	2020	0.1%	Objective fulfilled in 2016
	10% annual increase in skills' volunteering hours	2020	2,300 h	Future objective
	3 new skills-based volunteering programmes	2020	n.a.	Future objective
	20,000 hours' annual work for voluntary programmes and campaigns	2020	15,639 h	Future objective
	20% of employees participating in at least one volunteering campaign per year	2020	20%	Objective fulfilled in 2016

## 3.2. Key performance indicators

	UN	2016	2015	2014	2013
<b>EMPLOYMENT</b>					
Employees	#	11,992	12,084	11,798	12,171
Female Employee	%	24	23	23	23
Organizational commitment index	%	74	75	n.a.	n.a.
Enablement perception index	%	70	70	n.a.	n.a.
Staff turnover <sup>(1)</sup>	%	6.38	6.32	6.12	6.16
Average employee age	years	45	45	46	46
Average length of exit	years	22	21	24	23
<b>TRAINING AND DEVELOPMENT</b>					
Total training hours	hours	389,882	443,105	516,659	410,734
Total training rate	h/p	33	37	44	34
Employees with training	%	94	96	95	86
Total costs with training <sup>(2)</sup>	thousand	8,651	9,102	9,687	7,930
HC Investment Factor <sup>(3)</sup>	€	721	753	821	652
<b>PRODUCTIVITY</b>					
Absenteeism rate <sup>(4)</sup>	%	3.12	3.45	3.46	3.26
Labour productivity <sup>(5)</sup>	€/h	224	242	236	220
GVA per Employee	€	369,505	408,544	411,817	368,993
<b>ECONOMIC PERFORMANCE</b>					
Staff Costs	thousand	588,843	575,665	581,512	583,231
Social Benefits	thousand	n.a.	77,313	54,512	55,285
Average salary	€	3,095	3,042	3,083	3,056
Cumulative economic value	thousand	1,349,097	2,114,932	2,298,892	1,955,785
HC ROI	€	24	22.4	24.3	24.3
<b>LABOUR RELATIONS</b>					
Collective Labour Agreements	%	92	92	92	82
Unionization	%	45	47	48	38
Union structures	#	37	30	29	37
<b>PREVENTION AND SAFETY</b>					
OSHAS 18001 (installed power)	%	94	88	97	73
Accidents involving EDP employees	#	30	49	33	42
Fatal accidents involving EDP employees	#	0	1	0	4
EDP attendance index	#	1.37	2.27	1.57	1.98
EDP severity index	#	91	106	119	128
Total lost days due to accidents	#	2,003	2,292	2,496	2,725
Fatalities of ESP	#	3	4	8	8
Working days of ESP	#	5,409,373	4,675,629	5,096,716	5,928,747
EDP and ESP attendance index	%	2.98	3.34	3.71	4.01
Fatal electrical accidents involving third parties <sup>(6)</sup>	#	7	16	9	7
<b>COMMUNITY</b>					
Social investment <sup>(7)</sup>	M€	26.8	27.4	26.3	27

<sup>(1)</sup> Staff turnover formula = (Recruitments + Departures in Year N) / 2 / (Headcount Year N-1 + Headcount Year N) / 2

<sup>(2)</sup> Includes structural charges

<sup>(3)</sup> Total training costs per employee

<sup>(4)</sup> 2014 value, for EDP Brasil, is the most recent value available (2013)

<sup>(5)</sup> GVA for hours actually worked

<sup>(6)</sup> Accidents involving people not working for EDP

<sup>(7)</sup> Ascertained using the LBG methodology. Including management costs

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04

## Promoting ethics, integrity and transparency

### 4.1. Ethics and transparency

[G4-DMA; G4-50; G4-56]

The world today is characterised by enormous volatility, complexity and uncertainty, arising from an unprecedented rate of change. For companies, this means particularly challenging market contexts where the resilience of the organisation and the consistency of the values on which it bases its culture are continually put to the test. In these contexts, the company's reputation, an intangible asset supported by the trust that its stakeholders place in it, assumes a value like never before.

At EDP, ensuring high levels of ethical awareness and demand, minimising the risk of malpractice and maintaining a consistent, trustworthy culture are the established ethical management objectives. Responsibility, compliance, integrity, respect and transparency are the principles that shape the ethical nature of our corporate culture, which we strive to strengthen and continually improve.

#### ETHICS OMBUDSMAN ANNUAL REPORT

The different initiatives, results and commitments within the remit of EDP's ethical performance management are detailed in the Ethics Ombudsman Annual Report, available at [www.edp.pt](http://www.edp.pt) > about edp > corporate governance > ethics > ethics ombudsman.

"... happiness is crucial, not only because we like people, but also because happier people are more productive. This is a major challenge because it implies a change in **company culture**: an **open, transparent culture that respects ethics**, that respects everything related to **sustainability** concepts."

António Mexia  
edpON Special Edition "Encontros 2016"

Since we understand that our responsibility is not confined to the organisational limits of the Group, we include our suppliers and service providers in the ethical performance management objectives, particularly with regard to compliance, the fight against corruption and the promotion of Human Rights, and within the broader framework of sustainable management of the EDP Group supply chain.

Furthermore, the Group's maturity in this area of management makes it possible to foster cooperation

### Highlights 2016



partnerships and networks and the co-creation of knowledge in the field of business ethics, fostering innovation and sharing with society. These were the main guidelines for the initiatives developed in the EDP Group in this field in 2016.

4.1.1. Ethical Complaint Management

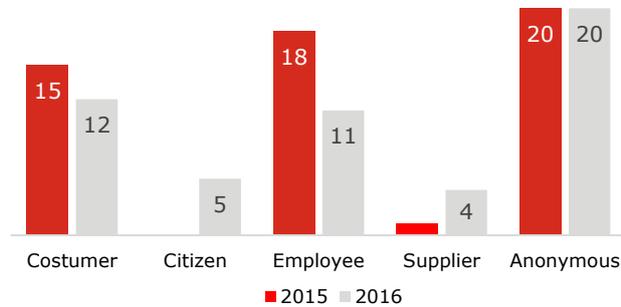
[G4-DMA; G4-57; G4-58; G4-LA16; G4-SO5; G4-SO7; G4-SO11]

Complaints registered and analysed

406 complaints were registered during 2016 in the various channels available for this purpose within the EDP Group. Of these, 52 gave rise to complaint procedures before the Ethics Committee, and the others were quickly and efficiently processed with the Business Units involved. Compared with the previous year, a reduction of 4% is apparent in the total number of new complaints submitted to the Ethics Committee.

As for the analysis of the complaints by origin, it is found that the complaint channels were used by all stakeholder groups, but particularly by the Client and Employee groups, which together represent about 44% of the total complaints assessed. There is a significant number of anonymous complaints, most of which originated from EDP Brasil, where this practice is generally more common.

Claims before the ethics committee, by source (#)



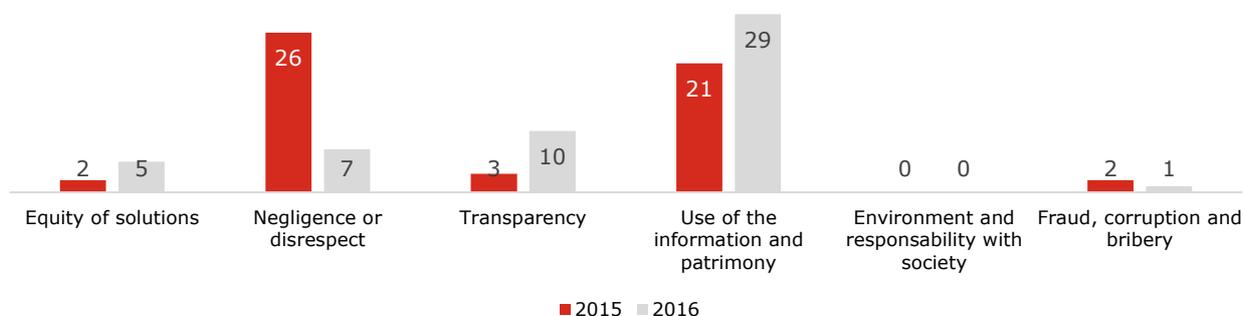
In addition to the analysis of their origin, the complaints received are classified according to the different topics in the Code of Ethics, according to the table:

Classification of complaints according to the Code of Ethics

Fairness of solutions	2.2. Conflicts of interest   3. Commitment to stakeholders
Negligence and disrespect	2.1. Legislation   2.3. Human and labour rights   3. Commitment to stakeholders
Transparency	2.4. Transparency   3. Commitment to stakeholders
Use of information and assets	2.2 Use of Information   3. Commitment to stakeholders
Environment and responsibility towards society	2.5. Corporate Social Responsibility   3.5. Community
Fraud, corruption and bribery	2.2. Financial issues   2.2. Corruption and bribery

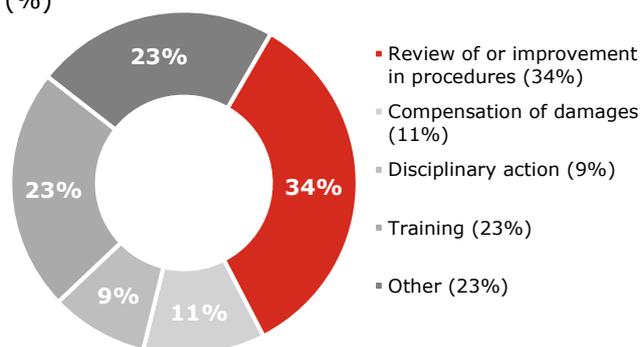
In an analysis by subject, a significant reduction stands out under the heading "Negligence or Disrespect" on the one hand, and on the other, a certain increase under the headings "Transparency" and "Use of Information and Assets". This increase may be justified by a greater degree of demand from stakeholders, but also by the training and awareness-raising actions carried out in the course of 2016.

Complaints submitted to the committee of ethics by subject (#)



The Ethics Committee assessed a total of 68 complaints in 2016, 16 of which were carried over from 2015. Of the complaints examined, 50 were closed and 18 are under investigation and carried over to 2017. Of the claims closed,

Actions determined by the ethics committee (%)



36% were considered to be justified and 64% were unfounded. Following the opinions of the Ethics Committee, more than forty follow-up actions were determined.

Like in 2015, these actions mostly focused on the review and improvement of procedures, thus promoting better management and control systems in order to prevent the recurrence of unethical practices. Actions classified as "others" included, for example, the monitoring of performance processes, the assessment of the effectiveness of initiatives, and the reporting of events to criminal investigation authorities.

### Complainant Satisfaction

With regard to control of the management process of ethical complaints, complainant satisfaction is evaluated annually for complaints submitted to the Ethics Committee that originated in Portugal or Spain. This evaluation focuses on such aspects as courtesy of treatment and response time to contacts. 18 questionnaires were sent out in 2016, which had a response rate of 44%. The results of the evaluation remain positive, with 75% of complainants declaring themselves satisfied or very satisfied in both areas analysed.

Complainants' satisfaction (#)



#### 4.1.2. Strengthening the ethical culture

[G4-SO4]

##### Code of Conduct for Senior Management and Senior Financial Officers

The Code of Conduct for Senior Management and Senior Financial Officers has been approved, whose aim is to promote synchrony and to explain, internally and externally, the current conduct matrix, shared by those who, in the different geographical areas and businesses of the Group, hold authority and assume top management responsibilities. While it does not replace the EDP Code of Ethics, this document reinforces and complements it, recognising that the example of the leader's performance is the best and most powerful code of conduct the organisation can have and the best safeguard of the Company's reputation.

**(...) The EDP Group today operates globally and is managed, throughout the world, by men and women of different generations, cultures and behavioural patterns. This diversity is valued and promoted as a wealth factor. (...)**

Excerpt from Code of Conduct for Senior Management and Senior Financial Officers

##### Commitment to Timely Payment

In 2016, as part of the supply chain sustainability development plan, EDP adhered to the "Timely Payment Commitment" initiative promoted by ACEGE - Christian Association of Entrepreneurs and Managers.

##### Ethics Training and Awareness

Throughout the year, under the "Smallest Film Cycle in the World" initiative, a series of short films was shown via the internal communication channels on subjects related to corporate ethics (Human Rights in the supply chain, gender diversity, individual responsibility, moral fortitude, etc.). Each session was complemented by brief questionnaires on the topics covered and their relationship with the situation within EDP. The results obtained were used as themes for debates on corporate radio and television.



**«The session offered a constructive and illuminating debate on the ethical challenges faced by the company's middle management and possible approaches to responding to these challenges.»**

(Comment of a participant in "Tone at the Middle" training)

Continuing the extensive awareness and training programme that has been undertaken in previous years, the "Tone at the Middle" initiative was designed and implemented in the business units in Portugal. This involved the entire middle management segment, and its aim was to strengthen the alignment of this segment of employees around ethics issues. In this reflection and debate exercise, and in addition to addressing the circumstances that lead to unethical practices in EDP, the importance of integrating day-to-day ethics in work teams and in decision-making was highlighted. For 2017, it is planned to extend this initiative to the other geographical areas where the Group operates.

Tone at the Middle  
**éticaedp**  
somos o que fazemos

**"Most trainees evaluated the course positively (<90% as Good, Very Good or Excellent), judging it to be -an excellent opportunity to reflect on ethical issues in decision-making, maintenance and development of the culture in terms of the economic, social and environmental performance that underpins EDP's strategic action priority."**

("Tone at the Middle" Trainee Satisfaction Evaluation Report)

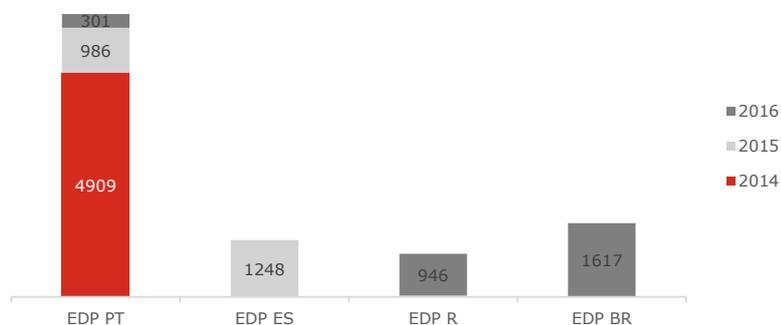
The "ethicsedp | suppliers" training course has been developed to consolidate the knowledge of the principles of action and of the commitments to stakeholders undertaken by EDP in its Code of Ethics within the Group's supply chain. As a first step, this training is aimed at the employees of companies that provide external services (ESP) that represent or act on behalf of EDP, or that work in our facilities. The initiative began in 2016 and will be extended to 2018, and the aim in this phase is to cover more than 6,000 ESP employees in Portugal and Spain.

In Portugal, the face-to-face module on ethics that complements the online "ethicsedp" training has been retained for the induction period. This training covered 85% of the employees admitted during the year in this geographical area. Expansion to all other business units is planned for 2017.

At EDP Brasil, several training sessions have been held by the Compliance area, disseminating information on legislation and corporate policies on competition and the fight against corruption, highlighting issues such as: "the most common forms and agents of corruption"; "money laundering"; "insider information"; and "gifts and presents". These sessions covered more than 1,900 employees.



Online Training "éticaedp" | Participants per year and geography (#)



In 2016, EDP Brasil and EDP Renováveis also carried out the online training programme "ethicsedp", covering a total of 2,535 employees in the two Business Units. This programme began in 2014 and was designed for all Group's employees. It has now been completed.

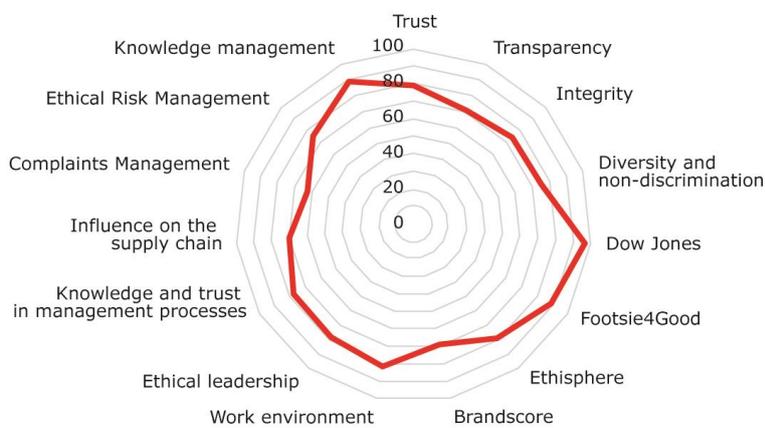
### 4.1.3. Evaluation of ethical performance

**[G4-S03]**

ETHICIS - Corporate Ethical Performance Index

**Ethics**

2016



The EDP Group uses the Ethicis index as a performance monitoring tool. This index, which has been in use since 2013, provides an integrated, balanced view of the Group's ethical performance, which enables the consistency of management practices with ethical commitments to be evaluated, and is also an effective support for external reporting.

In order to increase its robustness, clarity and coherence, Ethicis was given a thorough review in 2016; as a result, a greater diversification of the sources used for certain indicators was achieved, and the quality of indicators relating to suppliers improved. Two major areas of analysis - "Consistency" and "Culture" - were given greater weight, and recognised as structuring factors in ethical performance management, in line with the Ethics Management objectives at EDP.

In 2016 the Ethicis index showed a consolidated result of 78.7, which represents an increase of 2.9 points over 2015, calculated according to the methodology now adopted.

#### External evaluations

EDP has been recognised for the fifth consecutive year by the Ethisphere Institute - USA in the list of "2016 World's Most Ethical Companies". In assessing the maturity of its ethical performance management system, EDP saw the overall value of its Corporate Ethics Quotient improved by 0.2 points and extended its lead over the average points obtained by companies on the 2016 list to 9 points. Note that this result was achieved in the context of a higher level of demand and detail of the information requested in each of the five areas under analysis.

In the Brand-score 2016 study, in relation to ethical performance in the sector (in Portugal and Spain), EDP recorded a positive change of 7.62 points (11%) compared to the previous year.

EDP Brasil was awarded the 2016 Pro-Ethics Seal, given by Brazil's Federal Ministry of Transparency, Supervision and Control.

Other external evaluations of ethical performance, such as EDP's positioning on different ESG indices, are explained in the Ethics Ombudsman Annual Report.

## 4.2. Combating corruption

[G4-DMA; G4-S05; G4-S06]

### Pro-Ethics Seal

The Pro-Ethics Seal is an initiative that promotes the public recognition of companies committed to preventing and combating corruption and striving to promote greater integrity and a more ethical and transparent corporate environment. This recognition was obtained by EDP Brasil for the third consecutive time, and the company was one of the first four Brazilian companies to obtain it. The target for EDP in the coming years is to achieve the maximum score.

### Online Training on Corruption

In 2016, market research was completed with the aim of providing online training on corruption and bribery. The chosen solution uses a "gamification" approach and is being adapted to the needs of EDP. It will be launched in the first quarter of 2017, and cover all senior managers and the heads of all the Group's Business Units.



### Gestão Transparente.org

As a founding member of the collaborative initiative "Gestão Transparente.Org - A practical guide to the management of the risk of corruption in organisations", EDP continues to promote this community-based platform by carrying out activities to prevent corruption, promote transparency, and widen its dissemination and base of adherents and users. In essence, a web-based, free-access tool is made available with an organisation characterisation simulator and a corruption risk indicator. A set of measures and information aimed at enhancing prevention is also available, including the sharing of good practices amongst the founding companies and the public commitments of the member organisations. The Gestão Transparente.Org Project also focused on the protection of personal data in 2016 and in 2017, in the context of promoting and sharing values of integrity, accountability and transparency, it has also expanded the availability of its contents in Spanish, English, and European and South American Portuguese.

### Compliance

In May 2016, EDP formally adopted a Corporate Compliance Management System to monitor the main risks inherent in legal and regulatory compliance and to strengthen and systematise its compliance management practices. The Internal Audit and Compliance Department is responsible for promoting and coordinating the EDP Group's (Global and Specific) Compliance Programmes, through the provision of tools, methodological support and monitoring of the activities carried out. Throughout the year, certain initiatives were carried out aimed at implementing various Specific Compliance Programmes.

In particular, in EDP Espanha and in EDP Renováveis, in view of the recent changes in the Spanish Criminal Code regarding Legal Corporate Liability - a legal framework in which the responsibility for a range of potential offences (corruption, fraud, money laundering, influence peddling, crimes against the environment, crimes against public health, amongst others) may also be attributable in certain circumstances to companies - a review of the models of crime prevention already implemented has been carried out in order to defining a control benchmark that can reinforce a set of policies, guidelines and internal procedures, systematising a Compliance Programme required by the current legislation. This work also aims to promote the identification of best practices that can be adopted in the short term, across the EDP group.

At EDP Brasil, during 2016, several Compliance training sessions were held in order to transmit values, principles and rules to the main organisational structures, reinforcing internal topics such as the Code of Ethics, EDP Culture, risk tolerance, norms and internal procedures, and also addressing issues related to the legislation in force, such as the fight against corruption, the defence of competition and Human Rights, and others.

### System of Internal Control and Financial Reporting

With a view to enhancing the effectiveness of the control and reporting systems and reducing the risk of legal non-compliance, in particular the occurrence of corruption and bribery practices in the context of the evolution, quality and

maintenance of the system, topics related to the analysis of financial risks and fraud in financial reporting were reinforced, bearing in mind the continuous improvement and robustness of the system.

## 4.3. Promotion of human rights

[G4-DMA; G4-56; G4-HR1 to HR12; G4-SO5; G4-SO7; G4-SO9; G4-SO10; G4-SO11]

The Human and Labour Rights Monitoring Programme (HLRP), extended in 2016 to all EDP Group Business Units, covers, among other things, companies, facilities, new projects, mergers and acquisitions, as well as operations with a potential impact on Human Rights or materially significant turnover in Portugal, Spain, Brazil and the United States.

The Human and Labour Rights Monitoring Programme (HLRP) enables us to assess the conformity of our practices and the impact of decisions and operations on EDP's principles and the objectives of respect for Human and Labour rights. EDP's public principles and commitments regarding respect for human rights are reaffirmed and made publicly available on EDP's website ([www.edp.pt](http://www.edp.pt)> sustainability> approach to Sustainability> Ruggie principles) and other media such as the Code of Ethics and the EDP Group's Principles of Sustainable Development. HLRP monitoring also contributes to the systematic practice of ethical risk assessment and compliance with applicable legal, regulatory and ethical standards.

EDP has adopted the principles and values enshrined in the Universal Declaration of Human Rights and international conventions, treaties and initiatives such as the International Labour Organisation Conventions, the United Nations Global Compact and the Guiding Principles for Business of the Human Rights Council - "Ruggie Framework".

EDP is committed to respecting and promoting Human Rights and decent work practices, particularly in the supply chain. The Group's Principles of Sustainable Development assert its commitments to integrate social aspects into its planning and decision-making, to respect and promote respect for human rights within its sphere of influence, to reject abusive and discriminatory practices and to ensure equal opportunities.

In 2016, the self-diagnosis carried out identified no significant risks of adverse impacts on Human Rights, but a set of actions and improvement plans are nevertheless recommended, as well as their expansion throughout our supply chain, particularly in the entities who act on behalf of EDP. It should be noted that compliance with the prohibition of recourse to illegal workers and child labour is an explicit requirement for the qualification of suppliers, which is contractually established and is subject to verification and operational inspections, and is also addressed under the Compliance function by the Supply Chain Sustainability Programme, the HRLP and self-diagnosis.

In accordance with the commitments it has undertaken, EDP carefully manages the social impacts of its activities, in particular in respect of Human Rights, in the local communities where it operates, with a special focus on communities displaced by the construction of its energy projects. (see chapter 6.2. Investment in the community)

As part of the expansion of actions and plans to improve the supply chain, EDP identified coal extraction and transport as the activity of its supply chain with the highest potential exposure to social impact, labour, human rights and environmental risks. In order to promote the monitoring and mitigation of these risks, EDP is an active member of the international "Bettercoal" initiative (association of energy companies), which implements an annual audit plan for coal mines and promotes the adoption of a code of conduct for good practices with suppliers. The implementation of certified management processes for the active development of sustainability and impact management policies is thus encouraged. ([www.edp.pt](http://www.edp.pt)> sustainability> approach to sustainability> bettercoal)

Relevant HRLP procedures and documents - Commitments, UN Guiding Principles for Business, Monitoring Guide, Reports - are published at [www.edp.pt](http://www.edp.pt)> sustainability> approach to Sustainability> Ruggie principles.

The channel for complaints, reporting and queries to the EDP Group Ethics Ombudsman is the preferred means of contact on matters of Human and Labour Rights, including the supply chain.

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## 05 Valuing our People

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## 05 Valuing our People

In the EDP Group we promote a culture based on people leadership. A culture that attracts and empowers talent, promotes personal and professional development, values qualities and recognizes and rewards excellence and merit. Our philosophy is to promote well-being and create a positive environment of productivity and to share the principles and values of the EDP Group with all our employees, by involving people in our goals - value creation, innovation and sustainability. This is our route to success.

### 5.1. HR Strategic Plan

[G4-2]

EDP's Human Resources strategy will focus on encouraging the development and value of its employees and ensure alignment with corporate values and the creation of value that is sustained by the business. It is implemented through culture and leadership and through all the Group's employees. In terms of the strategic agenda, 2016 was marked by the successful closure of the deployment of the Human Resources Strategic Plan - Corporate People Plan 2014 -2016, the design of a new plan - the Corporate People Plan 2016-2020 -, in line with EDP's Business Plan.

### EDP's strategic guiding principles Business Plan 2016-2020

Maintain deleveraging as a central priority	<b>Requires a people agenda to support the business evolution while creating Multinational Culture</b>	Resilient and diverse workforce with a skillset matching future growth mix and Business Model Evolution	<b>1. Drive Generation Renewal</b>	
... while ensuring a consistent & selective growth path		Leaders as culture champions, driving talent growth as a key strategic imperative	<b>2. Lead to Inspire</b>	
Reinforce EDP's low risk profile		Talent growth through employee enterprise contribution	<b>3. Grow Global Talent</b>	
Continue pursuit for further efficiency	<b>Requires a people agenda that contributes for an overall profile of top efficiency and profitability</b>	Efficiency deriving from solid and reliable people related decisions	<b>4. Seek Efficiency</b>	
Target top return to shareholders		HR sustainable cost efficiency to support functional evolution	<b>5. Transform HR</b>	

**Enable Global Business Evolution through Leadership & People Performance and Development for the Digital Workplace**

The implementation of the projects and initiatives under the Corporate People Plan 2014-2016 provided an opportunity to work on key hard components which today place the Human Resources practices of the EDP Group amongst the best

in the market. Progress was made in people management technologies and systems, the globalisation of programmes, practices and procedures and the construction of a people management philosophy shared by all Group businesses and geographical areas.

Looking forward, the Corporate People Plan 2016-2020 addresses contemporary and transformational challenges in people management, envisioning the support of global evolution of the business by transforming leadership and performance and development models, within an increasingly digital workplace. This strategic plan comprises three core axes – (1) generational renewal, (2) leadership transformation, and (3) talent growth -, and two supporting axes – (4) the ongoing search for efficient processes and decisions, and (5) the development of the job profiles of the Human Resources team. The return on investment of the strategic initiatives defined under this plan will be measured by means of 3 key tools – the People scorecard (specific indicators and metrics), the study of engagement and external recognition and assessments.

### Characterization of Human Resources

[G4-10; G4-LA1; G4-EC6; G4-LA11; G4-EU15]



In 2016, the EDP Group had 11,992 employees, 1% down on 2015 (12,084). This decrease reflects staff inflows (722) and outflows (814), with different impacts according to the businesses and geographical areas in which EDP operates. By and large, the number of employees in Portugal, Spain and Brazil remained stable or decreased slightly, and the number of employees in those geographical areas where the EDP Renováveis business is more active - predominantly the United States - increased visibly.

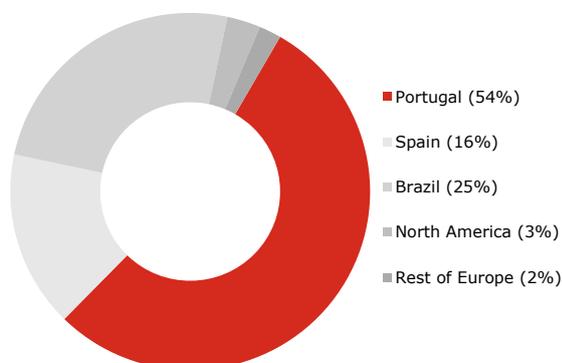
In Portugal, the balance was -146 employees, driven by the decline in recruitment needs for the energy distribution and generation businesses, caused by the technological changes in the sector, the implementation of initiatives focused on operational efficiency, and the high number of natural reforms.

In Brazil, the annual variation in the number of employees is residual (-11), despite a high turnover rate (10%) arising from the country's cultural and legal specifics. Most recruitment activity had to do with staff replacements, the set-up of the solar business and the acquisition of the company APS Soluções em Energia (+46). In Spain, the headcount increased by 1% (23 employees), for which recruitment for EDP Renováveis and the companies related

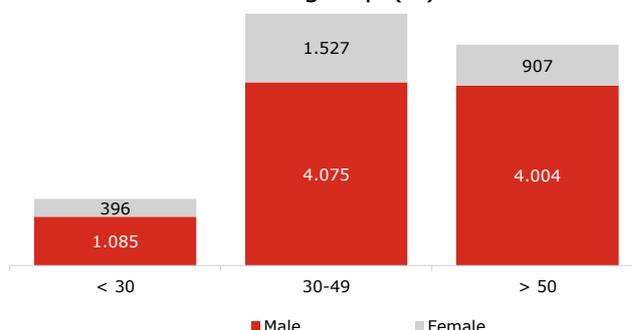
to the trading activity (EDP Comercializadora SA and EDP Soluciones Comerciales SA) contributed. In the United States of America, EDP increased its staff by 39 employees with the growth of the renewable energy business which involved the acquisition of new wind farms.

Of the total 11,992 Group employees, 11,874 (99%) are permanent staff, 65 are on fixed-term contracts and 53 are executive directors. In 2016, EDP's workforce was composed of employees from 40 nationalities with an average age of 45 years and is distributed geographically as follows:

Distribution of employees per geography (#11,992)



Distribution of employees by age group (#)

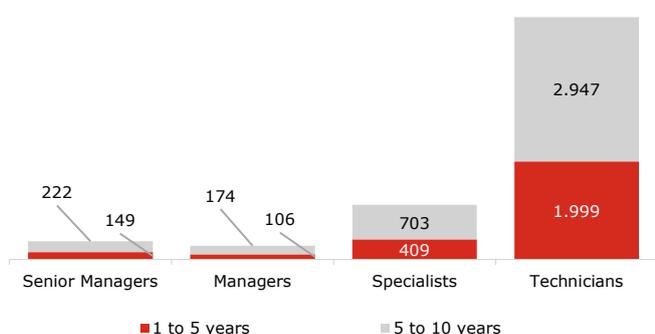


### Characterization of leaves

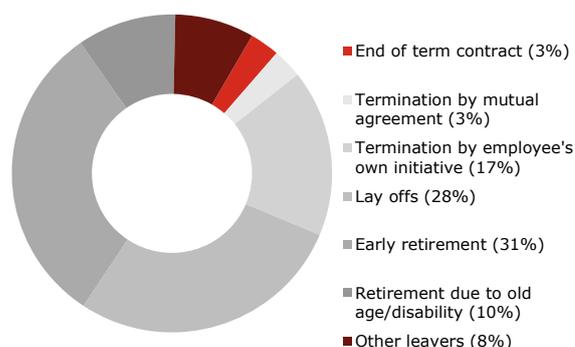
[G4-EU15]

2016 continued to mark an outflow due to retirement/early retirement. Of the total 814 employees who left the company, 41% was due to early retirement (253) or to natural old age or invalidity retirement (83). With regard to early retirement, the high number is explained by the fact that the employees had fulfilled the eligibility conditions, this being a right that combines age and seniority.

Employees eligible for retirement (#)

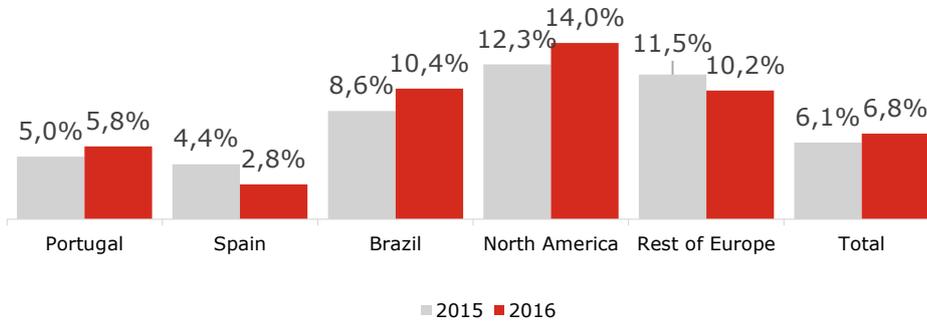


Type of leavers (%)



Over the next 10 years, approximately 4,000 employees could leave the company due to retirement and early retirement (34% of the workforce). In order to help these employees prepare for the transition to retirement, EDP has been improving the design of a programme focused on such aspects as physical and mental health, active life in retirement and how to manage this stage of life financially. In 2016, the concept was subject to testing, which began in 2015 with a pilot programme, and this will enable us to consolidate the broad application of the programme in 2017.

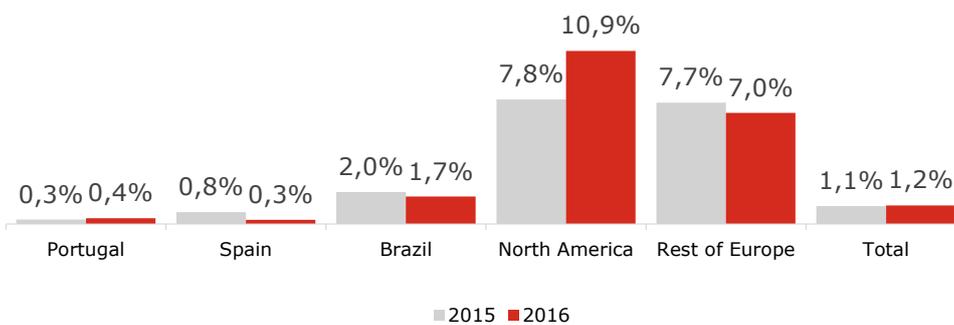
Turnover of Total Leavers (%)



In 2016 6.8% of staff left the Group, an increase of 0.7% compared to 2015. This covers all departures from the Group, including retirements and early retirements.

Staff turnover formula = total departures in year N/Headcount year N

Turnover of Voluntary Leavers (%)



The number of departures exclusively at the employee's initiative (voluntary turnover) was 1.2%, the same as the previous year. The geographical areas with the highest turnover were the United States of America and the countries of Europe (except Portugal and Spain), which is directly related to the dynamics of the market itself.

Voluntary staff turnover formula = total voluntary departures in year N/Headcount year N

## 5.2. Attracting and recruiting talent

[G4-43; G4-LA1]

The growth of the Group and the evolution of the business, in an increasingly challenging sector, have enabled us to strengthen our position as a global benchmark employer, with a key focus on capturing outstanding profiles with potential, that can add value and therefore contribute to the rejuvenation and diversity of EDP. We believe that the right people in the right places make the difference to an organization, which is why we seek to recruit the best talent for the various opportunities that arise at EDP. We are proactive in seeking out talent and we have an attractive strategy in place in the various markets in which we operate.

### Attracting talent

We are committed to disseminating existing initiatives and opportunities in the EDP Group to attract potential candidates and we have an increasingly prominent presence on digital channels.

We foster a closer relationship between the world of work and the academic community. That is why we have developed initiatives involving contact and sharing of experiences and know-how between Schools and our company, between students and our professionals.

In 2016, there were more than 60 outreach initiatives with the academic community. We use these initiatives to involve the Group's employees as ambassadors who can share their experience and, where possible, we try to use former students of the universities in question.

When promoting opportunities in the EDP Group, we emphasize:

- Presence in **27 Jobshops** in all geographical areas;
- Organization of **12 Open Days** with University students;
- **More than 100,000 LinkedIn followers** - currently more than 40% of permanent recruitments come through this channel.



We establish strategic partnerships with educational institutions and other entities, which are priority channels for attracting talent, disseminating and sharing experiences and knowledge. In 2016, 43 partnerships were established with Universities in various geographical areas.

We organize international competitions to promote skills development and identify potential candidates for our Group. We have launched challenges such as the EDP University Challenge or the EDP PowerTrade University Competition. In 2016, about 1,500 participants were involved in competitions organized by EDP.

### **EDP UNIVERSITY CHALLENGE**

EDP University Challenge is an initiative that takes place in Portugal, Spain and Brazil. It seeks to stimulate academic research and contribute to closer links between EDP and university students. The challenge includes development of a marketing and communication plan, with the best works awarded a cash prize. The students in the winning team also have the opportunity to undertake an internship in the EDP Group.

### **powertrade** energized by edp

EDP PowerTrade University is an Iberian competition for some finalists of the areas of management and engineering, with a first simulation phase (Powertrade Simulator) and a second phase of development of Business Cases in the various Group companies. The main objectives are to raise awareness of the energy sector and promote rapprochement between the academic community and EDP. The winners are awarded professional internships at EDP.

As a result of this proactive focus on attracting talent, the number of applications for the various opportunities in the EDP Group continues to grow, with a 27% increase in the number of applications (new and updated) compared to the previous year, from 22,505 in 2015 to 28,634 in 2016. This pool of candidates has a satisfactory balance of genders - 43% female candidates - and diversity of nationalities - candidates from more than 100 nationalities.

**28,634**

Candidates in the database

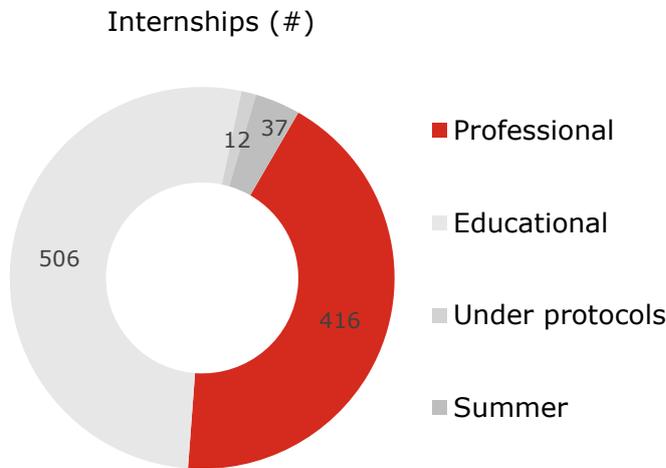
**43%**

Female Candidates

**+100**

Nationalities of Candidates

**EDP Group internships**



We promote close linkages between candidates and the employment market and the growth of the pool of potential new employees, by assigning internships of various types in the different geographical areas in which we work.

In 2016, a total of 971 Internships were allocated in the EDP Group - 416 Professional Internships (including trainees); 506 Educational Internships; 12 internships under protocols and 37 summer internships. The total is 53 higher than in 2015.

Also of note was the launch of the 3rd EDP Trainee Program:

**3rd Edition of the EDP Trainee Program**

The EDP Trainee Program is a challenge for young people of high potential, based on 3 key areas: overall job rotation, continuous learning and development of challenging projects. In the 2016 edition, 40 trainees were recruited, 60% more than in the previous edition, from 12 different nationalities and with a gender balance (45% female) and diverse backgrounds.



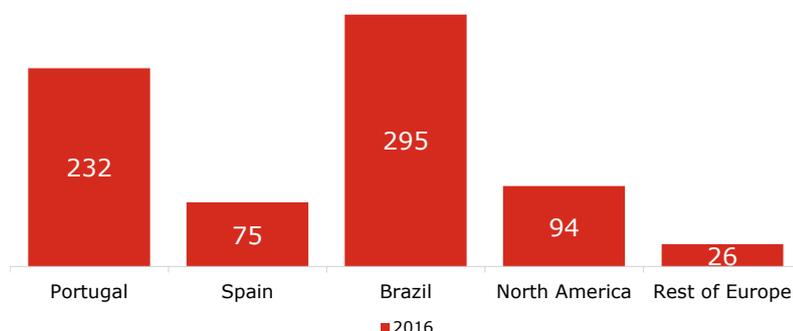
Launch of the 3rd EDP Trainee Programme.

**New recruits**

[G4-LA1]

The EDP Group's attractiveness plan enables us to recruit high numbers of talented individuals to meet business growth needs and to contribute to the replacement of the workers who leave every year, mostly due to retirement. In 2016, 722 employees joined the company, 7% lower than the previous year, spread across the various countries in which we operate.

Joiners per geography (#)



91% of these recruits throughout the year were permanent appointments. These new recruits included direct entries to the permanent staff and fixed term staff who were awarded permanent contracts. The remaining recruitments on fixed-term contracts are due to the temporary nature of some projects, mainly in Portugal.

## 5.3. Developing human capital

[G4-LA9; G4-LA10]

EDP views employee development to be an integrated cycle, which begins on their first day with the company and develops over time, driven by a transparent and constructive evaluation model. The following were of note in 2016:

- the induction programme
- training and skills' initiatives
- knowledge management
- internal mobility project and
- skills' evaluation model

### Induction programme

The employee's experience on taking up a post in the EDP Group has been the target of special attention due to the recognized impact on sense of belonging, satisfaction and acclimatization within the organization. Those starting at EDP are provided with an induction and integration programme including a set of activities and networking initiatives that aim to inculcate the values and culture of the company and convey knowledge of our business.

The induction and interaction includes a set of class-based and online activities that the new employee must complete, with a cross-cutting training component which is also adapted to the specific needs of each business. In line with the Group's vision, during 2016 a new approach was designed for the induction and integration of new employees with a more holistic and cross-cutting approach, enhancing synergies between geographical areas and business units. This programme, to be launched in 2017, has a global scope which integrates local characteristics, while ensuring the acquisition of cross-cutting knowledge of the EDP Group and facilitating experience sharing between and within geographical areas from recruitment to the company.



Integration meeting held in 2016 at EDP's headquarters in Lisbon.

## Training and Capacity Building

Continued commitment to the development of People and a corporate culture that promotes innovation and continuous learning, have always been distinctive factors at EDP, which are the keys to its sustained growth and to the achievement of its business strategy.

The need to ensure the retention and transmission of knowledge that is critical to the Group, to develop the skills of employees and consolidate the corporate culture, were at the origin of the creation of the EDP corporate university, which since 2009 has been fulfilling this mission through the training provided in its Schools, with the involvement of a solid network of internal teachers and through activities in the area of knowledge management.



International Certification of the EDP University

In 2016, the EDP University obtained International Certification from the European Foundation for Management Development (EFMD) in the area of the Corporate Learning Improvement Process Accreditation (CLIP) - the first Portuguese corporate university to receive this distinction. The EDP University is thus a world benchmark, with DGERT certification in Portugal (in 16 areas of education and training) and internationally as a corporate university certified by EFMD.

To provide an external perspective on training and knowledge management, particularly on trends and best practices in these areas, the EDP University's Advisory Board has been established in 2016. This body, whose members are individuals of recognized merit at international level in the academic and energy sectors, held its first meeting in July 2016, which resulted in a set of contributions and recommendations, which have been adopted.

Scientific officers responsible for each of EDP University's training areas were also appointed in 2016. These in-house experts in the different areas of knowledge



Meeting of the EDP University Advisory Board

play a very important role in ensuring that training content is constantly updated and adapted to the Group's specific situation.



Throughout 2016, the EDP University's training programmes were also reviewed, to adapt them to the specifics of the business and to respond to employee development needs throughout their "life cycle" in the company. The EDP University's training programmes for 2017 were consolidated in a single document made available to all employees for them to devise their own Individual Development Plan. In addition to the training programmes, the document also provides more detailed information on the EDP University's structure and team.

Training Programmes

One of the new training solutions, Ulectures, aims to stimulate employee interest in areas of knowledge outside those of their daily professional life, to enhance the individual development of a more holistic view of the world and of life. The first session took place in October 2016 and was delivered by the EDP Group's CEO, Dr. António Mexia, who addressed challenges and good management practices in the 21st century.



Ulectures



Teachers' Day

The EDP University held its first event dedicated to all the EDP Group's internal teachers: Teachers' Day. The main objective of this event was to recognize the contribution of all the employees who, as internal teachers, make their time available to share their knowledge with other employees.

During 2016, new functionalities were implemented in Campus Online, in order to improve the experience of users in accessing the platform and to optimize training management processes. It also continued to implement this platform at an

international level, with the consolidation of its use in EDP Espanha and through the implementation project in EDP Renováveis.

Following the main market trends, the effort to develop distance training channels was continued and a new area was made available on Online Campus - ULearn - which provides employees with free access to e-learning content, enabling learning to be adapted to individual rhythms and availability.



Sacavém Training Centre Renovated facilities

In 2016, the Sacavém Training Centre was refurbished to make the facilities more welcoming and better equipped for training. At the end of the year, the EDP University moved from its facilities in the centre of Lisbon to a larger and more spacious venue with training rooms where trainees can be hosted in a more modern and welcoming environment.

In 2016, 390,000 hours of training were delivered at the EDP group, corresponding to a total of about 78,000 participants in more than 5,000 training actions.

### Training indicators by geographical area

2016	Un.	Portugal	Spain	Brazil	USA	Rest of Europe	Group
Total training hours	h	198,041	65,705	102,730	14,764	8,642	389,882
Training Courses	#	1,785	1,638	798	514	200	4,935
Direct Investment	€	3,639,387	1,198,565	435,592	622,382	51,995	5,947,920

2015	Un.	Portugal	Spain	Brazil	USA	Rest of Europe	Group
Total training hours	h	210,368	65,012	148,169	12,335	7,221	443,105
Training Courses	#	1,954	1,357	861	440	181	4,793
Direct Investment	€	3,775,237	1,117,563	394,495	498,379	75,087	5,860,762

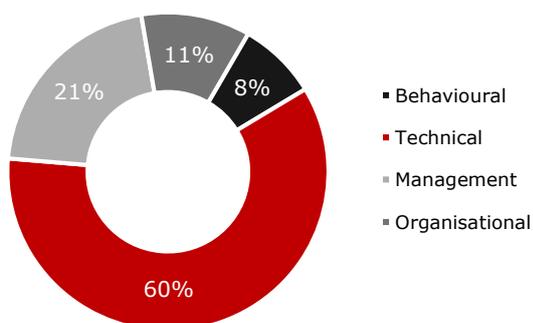
### Training indicators by segment

94% of employees were covered by training programmes (11.212).

2016	Volume of training (h)	Training Volume by emp.	Trained Employees
<b>Total</b>	<b>389,882</b>	<b>32.6</b>	<b>11,212</b>
Senior Managers	27,393	39.2	672
Managers	46,171	54.2	771
Experts	150,231	37.6	3,815
Technicians	166,086	25.9	5,954

2015	Volume of training (h)	Training Volume by emp.	Trained Employees
<b>Total</b>	<b>443,105</b>	<b>37.0</b>	<b>11,659</b>
Senior Managers	27,062	40.6	645
Managers	39,738	48.8	771
Experts	173,012	43.4	3,893
Technicians	203,292	29.8	6,350

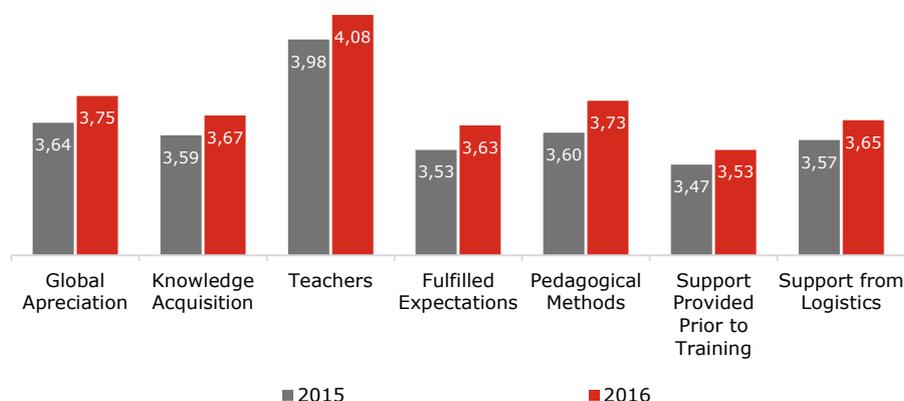
### Trainings per subject area



In terms of training areas, Technical subjects were the most significant (~ 60%), followed by Management (~ 21%), Organisational (~ 11%) and Behavioural (~ 8%).

Domain	Volume of training (h)	Training courses (#)
Technical	234,079	3,086
Management	82,521	799
Organisational	41,755	585
Behavioural	31,527	465
<b>TOTAL TRAINING</b>	<b>389,882</b>	<b>4,935</b>

**Assessment of Employee Satisfaction with Trainings  
(Scale 0-5)**



In 2016, there was a significant improvement in the various levels of satisfaction of the trainees, compared to the previous year, with emphasis on the evaluation attributed to the quality of teaching in the training carried out by the EDP University.

### Key initiatives

The main initiatives developed by the EDP University Schools in 2016 are presented in the following table:

SCHOOLS	FOCUS ON INITIATIVES
<b>MANAGEMENT DEVELOPMENT SCHOOL</b>	<p>The "Global Leadership Program", whose aim is to develop middle managers within the EDP Group, was promoted in partnership with an internationally renowned business school. The participants were given the opportunity to deepen their knowledge and skills in business, finance, strategy and leadership, as well as in people management.</p> <p>"Meaningful Conversations" is a programme started in 2016 which will run into 2017, whose aim is to encourage a meritocratic and transparent culture, and ongoing feedback. Participants had the opportunity to develop the appropriate attitudes and skills for conducting and managing meaningful conversations that enhance performance differentiation and development opportunities.</p> <p>The "Lead Now Program" was designed to develop new leaders at the EDP Group, who were undertaking the responsibility for managing people for the first time. It is a leadership and management skill development programme, in line with the Amplify model.</p>
<b>PRODUCTION SCHOOL</b>	<p>Training for senior managers - workshops were organised for all on innovative and disruptive topics, e.g. the workshops "OTGEN - The role of solar power in Portugal" and "Data Analytics to support the generation business", together with specialisation courses focusing on the specific needs of the Business Unit, such as the "Implementation of Generation Projects" course.</p> <p>Training for technical staff - in addition to completing the design of the training offered to the "junior" segment, a pilot training was held for the "Senior" segment, called "Maintenance of Hydro and Thermal Power Plants".</p> <p>Training courses for technical staff (non O&amp;M), training courses have been developed in cross-cutting Seminar format on the topic "Sustainability and Energy Business".</p>
<b>DISTRIBUTION SCHOOL</b>	<p>Training courses for technical staff - development of a structured programme continued, focusing on core areas of EDP Distribuição (distribution networks, asset management and dispatch and driving), whereby safety and sustainability remained as critical contents, transversal to the various courses.</p> <p>Public Lighting Seminar - EDP Distribuição is playing the role of facilitator with all those involved in the management of the national public lighting network. The purpose of this seminar was to raise awareness of new technologies in this field and to strengthen motivation for taking responsibilities.</p> <p>Training on ISO 55000 - training in Spain in the area of asset management.</p> <p>Courses in "Cybersecurity of Critical Information of the Grid Infrastructure" (rapid learning) and "Asset Management" - new courses that are part of the enhanced commitment to development of eLearning training.</p> <p>Training for Trainers - Low Voltage Live Works - course in Macao that was developed as part of a Training for Trainers Project in partnership with EDP Internacional for EMF.</p>

<p><b>SCHOOL OF RENEWABLES</b></p>	<p>Strategic Workshop on Climate Change - online course, based on videos filmed during the Workshop for Managers with the same name, made available on request to all employees.</p> <p>Business Overview - a course introduced as part of the induction programme for new recruits during the "Welcome Day".</p> <p>Strategic Workshop on EDPR competing companies: strategies in onshore, offshore, solar, funding sources - workshop for EU Directors.</p> <p>EDPR Over the Next 5 Years – What Should Senior Management be Doing in Order to be Ready to Meet Our Business Goals - for NA Directors.</p>
<p><b>SCHOOL OF GAS</b></p>	<p>Courses for senior managers - development of additional courses on Environment and Safety, Negotiation of Gas Contracts and Innovation in Natural Gas Supply as well as the preparation of an advanced Infrastructures course and the final session of Basic Training, completing a training cycle for all Gas Business Specialists and Senior Specialists.</p> <p>Training for technical staff - launch of targeted training comprising four key courses on the Value Chain, Regulations and Procedures, Infrastructure and Environment/Safety.</p>
<p><b>COMMERCIAL SCHOOL</b></p>	<p>Training programme - an in-depth review of the training offered in the Commercial School was conducted, in line with the current strategy and the critical competences of the EDP Group's commercial area.</p> <p>Commercial Business Integration and Specialisation Programme, Commercial Capacity Building Programme, Marketing Programme, Commercial Processes and Systems Programme and Workshop/Seminar Programme targeting current challenges in the Commercial Area are the 5 programmes comprising the new training programme of the Commercial School.</p> <p>Digital Transformation - pilot course focusing on one of the themes with the most impact on society today, giving participants the opportunity to acquainted themselves with the main concepts of the digital universe from a corporate/business perspective and a customer /user perspective.</p>
<p><b>EDP SCHOOL</b></p>	<p>Training courses - the School's training courses were reviewed through structuring by programmes and with consideration of the employee's entire life cycle. The training on the Behavioural Area was stepped up.</p> <p>U Lectures - new format of classes lasting 1.5 hours, with internal or external guests and current topics or topics considered of interest to the EDP population, the first speaker being Dr. António Mexia.</p> <p>Strategic Innovation workshop - organised with John Litman, the author of "Ten Faces of Innovation", as the main speaker.</p> <p>The Mindfulness component was introduced into the Management of Stress and Well-Being course, to help develop mindfulness competencies and enabling better management of thoughts, emotions and attention.</p>

Also of note are the initiatives in EDP Espanha, EDP Brasil and EDP Renováveis:

COMPANY	FOCUS ON INITIATIVES
<p><b>EDP ESPANHA</b></p>	<p>Road Safety Programme - driver safety awareness programme, part of the Road Mobility and Safety Plan in which all EDP Espanha employees will participate during 2016-2018.</p> <p>Lead Now Programme - Launch of pilot of the corporate programme promoted by UEDP, adapted to EDP Espanha's situation and targeting all managers to develop management and leadership skills, aligned with the competency model and to consolidate a leadership style at EDP.</p> <p>Meaningful Conversations - Start of the corporate programme for EDP leaders. During November and December sessions were held with Top Management and Senior Management. It is planned that these sessions will be extended to all managers during quarter 1 of 2017.</p> <p>Cybersecurity - Programme to raise awareness on the appropriate use of IT and the risks of incorrect use, both personally and professionally, with a practical focus, with analysis of case studies of abuse in this area.</p> <p>SIM project – training for key-users and end users in all areas in response to the implementation of the Economic-Financial module of the new SAP system (SAP-F) in all EDP Espanha companies.</p> <p>EDP Talks – 2nd year of this programme in EDP Espanha, to raise the awareness of employees on the importance of the Customer and on relationships of trust and on the efficiency that the company is seeking to reinforce. This programme will involve speakers from different areas (academic community, sport, etc.) who will present a particular point of view on the experience of the Customer.</p>

<p><b>EDP BRASIL</b></p>	<p>Grid Losses - Internal training on the theme of losses (technical and non-technical) in the Grid Infrastructure.</p> <p>Excellence in Customer Service - Internal training in the area of customer service with the aim of promoting the principle: "Customer: Our Reason d'Être".</p> <p>Training for New Leaders and Supervisors - External training for new leaders and capacity building for supervisors, structured in five modules: Leadership, Security, HR Processes and Payroll Process.</p> <p>Volunteering - Action to develop the entire company leadership through volunteering campaigns in partnership with the EDP Institute.</p>
<p><b>EDP RENOVÁVEIS</b></p>	<p>Intermediate Leadership Development Programme - Programme to develop the skills required of managers for an effective leadership style and knowledge of their role in the various human resources management processes.</p> <p>Management and Leadership Programme - Advanced programme delivered in collaboration with a recognized business school to improve the management and leadership skills of outstanding employees in different areas. Participants learned how to make management decisions in a particularly competitive and dynamic business and enhanced their expertise in key business areas. In this context, new strategic opportunities for EDP Renováveis were also analysed and several proposals for further implementation were presented.</p> <p>Road Safety Programme - Corporate driver safety awareness programme, part of the Road Mobility and Safety Plan in which all EDP Espanha employees will participate and which will continue in 2017.</p> <p>EDP Ethics - Completion of the e-learning course started in 2015, which covered employees in the different geographical areas in which EDP Renováveis operates. This course provides an understanding of the importance of business ethics, its position in the company's management system and the principles of action and commitments established in the EDP Code of Ethics, which govern our performance.</p> <p>Specific Business Unit Programmes - Delivery of a range of training programmes in technical and management areas, in response to the needs of different departments and business units to support responses to their specific challenges.</p>

## Knowledge Management

Acknowledging knowledge as an intangible asset of the utmost importance for EDP, EDP University, in collaboration with the Group's various companies, launched the Corporate Knowledge Management Project in 2016. The aim of this initiative is to define a cross-cutting Knowledge Management Model for the Group and to adopt systemic critical knowledge retention and transfer practices within the organisation.



As part of this work, the Link (Login to Knowledge) platform was launched to provide the central core of an ecosystem of expert communities to support the explanation, collaboration and sharing of knowledge. This system, implemented as the result of a pilot project carried out in a partnership between the EDP University and EDP Produção, so far covers conventional electricity generation, but its extension to other business areas is planned.

To facilitate employee access to information, an online library initiative was also launched in 2016, resulting in the reinforcement of the use of the alert mechanism, which enables information to be received in accordance with the user interest profiles. The online library provides a wide range of information resources covering the different business areas as well as access to a vast array of libraries and databases worldwide.

The Online library is available to all employees and in 2016 had its own documentation repository with more than 180,000 documents and the capability to query a larger set of 25 million records from a number of libraries worldwide.

## Switch – Mobility as a development instrument

The presence of the EDP Group in different business units of the sector's value chain and in various geographical areas poses challenges and opportunities for its employees. The Switch Programme provides employees with a more transversal vision of the business, exposing them to new situations and different realities, and preparing them to meet new challenges.

*"On the one hand, it strengthens a technical and work experience component with new learning in different business units and on the other it enhances the development of the formal and informal contact network and the networking process."*

*Miguel Stilwell de Andrade, Executive Board of Directors*

*"Professional mobility is a fundamental tool for developing new skills and stimulating synergies between Group teams and businesses"*

*Miguel Setas, Executive Board of Directors*

*"Professional mobility is one of the main on-the-job development tools that the EDP Group provides for its employees (...). It enables cross-cutting knowledge to be shared and promotes interaction between the different business units and teams".*

*Paula Carneiro, Human Resources Department of the Corporate Centre*

In 2016, there were 823 long-term mobilities (permanent mobilities) under the Switch Programme, which represented a job/activity change for 7% of the EDP group's universe of employees. Additionally, there were 31 short-term mobilities of 3 to 6 months (18 in Portugal; 4 in Spain; and 9 in Brazil).



EDP is aware of the added value that the SWITCH programme can bring to its employees and therefore presented examples of successful experiences to inspire others in its internal magazine. EDP employees from various geographical areas and business units who stimulate us with their stories of courage to change and embrace new challenges.

*"These days there are no jobs for life, but there are companies for life that give their employees unique opportunities for professional and personal growth"*

*Paulo Campos Costa, EDP's Global Brand, Marketing and Communication Coordination Division*



**Milena Vicari**  
< EDP Brasil  
> EDP Soluções Comerciais, em Portugal

"The greatest learning is about the change, it makes us stronger..."



**Daniela Pereira**  
< Direção de Sustentabilidade  
> Departamento de Planeamento e Sustentabilidade, na EDP Brasil

"The miles do not matter – We can travel to the other side of the world and meet our own people - this is one of the most beautiful things we can live"



**Ruben Lopez Garcia**  
< EDP Espanha  
> EDP Distribuição, em Portugal

"Learn in the field how to work and share the knowledge and experiences learned between the two geographies"



**Hector Nodar González**  
< EDP Espanha  
> EDP Valor, em Portugal

"Work in another country is an exceptional experience, as a professional and as a personal level"



**Joana Almeida**  
< UNGE, Portugal  
> EDP Renováveis, em França

"Learning to work in a multicultural team, with differences in the way they approach and address problems, the humor, the moments lost in translation, and of course, all the similarities"

## Amplify - EDP Group's Skill Model

"Amplify", the EDP Group's skill model, seeks to align the development of its employees with the Group's strategic challenges, in order to contribute to the creation of a global culture and endow the company with the skills that will allow it to achieve results in a highly competitive global environment.

"Amplify" is a development cycle which includes an analysis of skills, feedback and the building of an Individual Development Plan (IDP), processes based on a new global inter-geographical area platform for Human resource management – about.me.

Approximately 10,750 employees participated in this model in the various companies and geographical areas in which EDP operates.

As global results, the skills with the highest ratings in the various geographical areas, under the Employee segment, are Excellence in Performance, Openness and Transparency and Collaboration and Networking. The skills in need of development are Curiosity and Self-Development, Initiative and Proactivity and Problem-Solving.

Under the leadership segment, the highest ratings were given to Openness and Transparency, Executive Maturity and Building of Partnerships. The skills with more scope for enhancement are Management of Innovation, People Development and Organisational Change.

In order to strengthen these skills, the EDP Group's employees drafted 5,069 Individual Development Plans, subsequently validated by senior managers. This means that about 47% of the structure prepared an IDP in its first year of implementation.

## Sustainability Performance Indicators

In 2016, in order to ensure compliance with the strategic sustainability goals and deepen EDP's culture, extending it to all departments and employees, the Executive Board of Directors approved the application of the Key Sustainability Performance Indicators to the entire EDP Group and to each business unit and respective areas. For 2017, the sustainability indicators will be developed so as to extend the allocation of specific targets to individual employees.

## 5.4. Managing Performance and Rewarding Employees

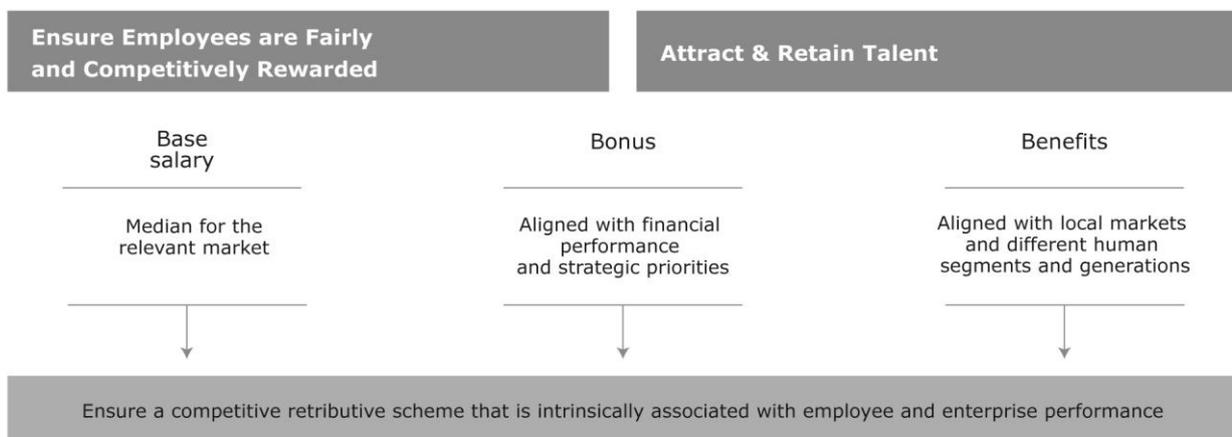
[G4-44; G4- 54; G4- 55; G4-EC5; G4-LA13; G4-43; G4-LA11]

We believe that our recognition and reward policies play a key role in attracting and retaining the best talent by contributing significantly to building a work environment that motivates the best people to work enthusiastically and productively. We manage our policies with a global framework which also respects local specificities and challenges, in order to ensure that they meet the best practices in the markets in which we operate and that we stand out as a competitive player.

### Employee pay policy

The EDP Group believes that the pay received for work should not merely be derived from an algorithm, but should be set so as to reward the knowledge, skills, performance and energy of employees. Accordingly, the pay and benefits system reflects EDP's culture and values by seeking continuous improvement while complying with agreements reached at all levels of relationships with employees and/or those who represent them.

One of the pillars of the remuneration policy rests on the principle of internal equity and external competitiveness, i.e. the contribution/reward competitive advantage, but without losing focus on maintaining a benchmark position in the market in terms of remuneration policy aligned with best practice.



In summary, our pay policy consists of three high level elements:

- **Fixed permanent remuneration**, which is normal regular remuneration paid for contract work; regular work-related subsidies and bonuses, based on monthly work (meal subsidy and attendance bonus); remuneration for special work schemes, such as flexible hours, shifts, rotating days off or availability, remuneration for jobs arising from work commissions, coordination of activity groups and functional managerial positions. All employees are placed on a certain pay grade and the rules for progression and promotion in the professional career are public knowledge and are set forth in Collective Labour Agreements, if any.
- **Variable Pay**, including the distribution of extraordinary and / or occasional income and premiums for individual or group performance. EDP values the initiative, merit, commitment and fulfilment of objectives by its employees and recognizes variable pay as a mechanism for rewarding this individual and collective dynamism.
- **Benefits** that we seek to align with the needs of our employees and link up with their life cycle and that of the household.

## Pay policy of the Executive Board of Directors

The Remuneration Committee, appointed by the General Supervisory Board (corporate body responsible for overseeing the management of the EBD) is responsible for, among other things, the annual evaluation of the Executive Board of Directors, which considers, among other matters, compliance with the company's strategy and previously set objectives, plans and budgets, for the purpose of weighing and determining the variable pay of the Chairman of the EBD and the Directors. It also evaluates the individual performance of each member of the EBD including their contributions to the mode of operation of that body and its relationship with the other corporate bodies.

This Committee defines pay levels for managers, seeking to ensure that they reflect the performance of each member of the Executive Board of Directors in each year of their mandate (annual variable pay) and their performance during their mandate by setting a variable component that is consistent with the maximization of EDP's long-term performance (multi-year variable pay).

The statement of the pay policy, approved by the shareholders, provides that the overall variable component may be twice the fixed component during the mandate, thus making a maximum of two thirds of the pay dependent on the fulfilment of strict company performance objectives.

Variable pay depends on the executive board achieving a performance level of 90% of the business plan while the maximum amounts allowed by the company's pay policy will only be earned for 110% compliance.

Variable pay is subdivided between annual variable, which can only be 80% of fixed pay and variable multiannual, which can be up to 120% of fixed pay.

Variable multiannual pay is only payable if previously defined objectives are met and is paid three years after the year in question.

If the pay objectives are met in full during a mandate, the directors have 60% of their variable pay deferred for at least 3 years.

For a better understanding of how EDP's corporate governance works, see EDP's corporate website ([www.edp.pt](http://www.edp.pt)> investors> edp>corporate governance> by-laws and internal regulations)

## Evaluation of employee performance and potential

When evaluating its employees' initiative, merit, commitment and fulfilment of objectives, with a focus on recognition and how to reward it, the EDP Group's pay policy is intrinsically linked to the talent management process.

Talent management in the EDP Group aims to align employees with the Group's value creation strategy, enhancing its development and growth through the multiplicity of objectives to be achieved and the various development opportunities offered. Both performance evaluation and skills analysis and development (Amplify) apply to all employees in the countries where the company operates.

### **Performance evaluation and Skills analysis indicators**

Evaluation of performance for the determination of results achieved in 2016 - Degree of compliance with objectives (KPIs):

10,351 (86%) employees evaluated (7,925 males and 2,426 females)

10,343 EDP Group employees in 2015 were involved in Amplify, the employee development cycle, which includes skills analysis, feedback and the drafting of an Individual Development Plan (IDP). 2016 was a year of reflection, involving a review of IDPs, with discussion of skills developed and areas for consolidation. 7618 EDP Group employees currently have an individual development plan. Except for Brazil, the skills' analysis process was carried out, with 1887 180° processes and 756 270° processes being carried out.

## Fixed Pay

In 2016 there was an increase of approximately 1.7% in the overall pay of the EDP Group. The changes presented in the following tables also include effects of career developments through merit promotions and leadership rotation.

### Average fixed monthly pay (euros):

	2016			2015			Percentage change 2016-2015			
	Un.	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Group</b>		<b>3,075</b>	<b>3,158</b>	<b>3,095</b>	<b>3,026</b>	<b>3,098</b>	<b>3,042</b>	<b>1.6%</b>	<b>2.0%</b>	<b>1.7%</b>
Portugal	€	3,139	3,343	3,184	3,085	3,271	3,126	1.7%	2.2%	1.9%
Spain	€	4,427	3,779	4,250	4,471	3,773	4,284	-1.0%	0.2%	-0.8%
Brazil	€	1,526	1,547	1,516	1,480	1,529	1,491	3.1%	1.2%	2.7%
USA	€	7,565	6,503	7,215	7,465	6,351	7,101	1.3%	2.4%	1.6%
Rest of Europe	€	4,408	3,316	3,993	4,331	3,433	4,022	1.8%	-3.4%	-0.7%

In absolute and geographical terms, and due to the specific characteristics of local labour markets and economies, the same situation as in 2015 continued, with the USA continuing to see the highest average wage in all professional categories, while Brazil had the lowest. In Brazil, there was a modest pay increase of 2.7%. Overall, there was a further increase in female pay, in line with the trend, seen in 2015, towards a reversal of the gender pay ratio (male / female) of 1.02 in 2015 to 1.03 in 2016, although there was a slight decrease in this ratio in the rest of Europe (from 0.79 to 0.75).

### M/F Pay Ratio

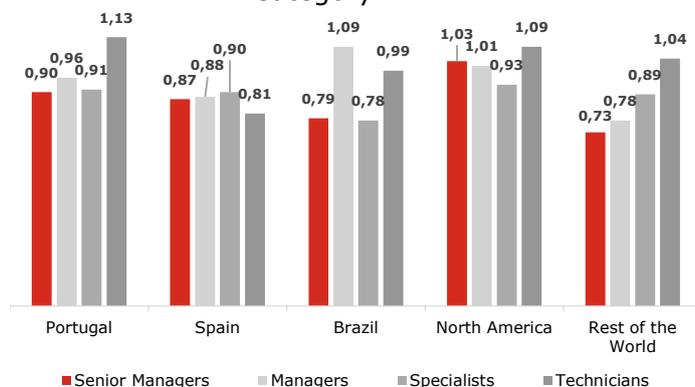
2016	Portugal	Spain	Brazil	USA	Rest of Europe	Group
<b>TOTAL</b>	1.07	0.85	1.01	0.86	0.75	1.03
Senior Managers	0.89	0.87	0.79	1.03	0.73	0.90
Managers	0.96	0.88	1.09	1.01	0.78	0.99
Specialists	0.92	0.90	0.78	0.93	0.89	0.86
Technicians	1.13	0.81	0.99	1.09	1.04	1.12

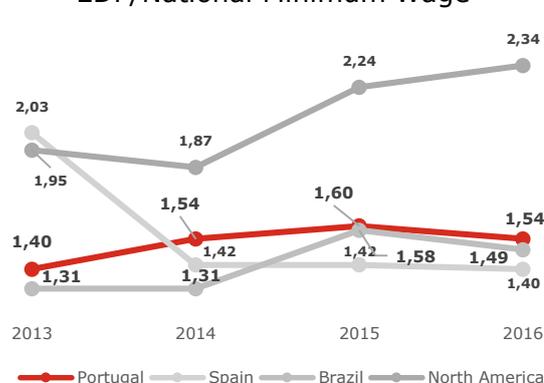
2015	Portugal	Spain	Brazil	USA	Rest of Europe	Group
<b>TOTAL</b>	<b>1.06</b>	<b>0.84</b>	<b>1.03</b>	<b>0.85</b>	<b>0.79</b>	<b>1.02</b>
Senior Managers	0.9	0.82	0.81	1.03	0.78	0.88
Managers	0.97	0.86	1	1.11	0.7	0.97
Specialists	0.93	0.89	0.8	0.96	0.96	0.88
Technicians	1.13	0.8	1.0	1.1	0.93	1.12

Regarding the ratio between the minimum wage paid by EDP in each geographical area and the national minimum wage, there was a slight decrease in all geographical areas in 2016 except for the USA, which increased from 2.24 to 2.34.

Salary Ratio F/M per Professional Category



Minimum Wage Paid by EDP/National Minimum Wage



**Relationship between the fixed pay of the highest paid employee in each geographical area and the average fixed pay of all employees (excluding the highest paid) of that area**

Annual fixed pay in the currency of the country	Un.	2016				2015			
		Portugal	Spain	Brazil	USA	Portugal	Spain	Brazil	USA
Highest paid employee (a)	€, R\$, USD	243,418	248,250	933,100	366,887	243,418	284,250	899,775	366,891
Other employees (b)	€, R\$, USD	38,176	50,880	69,232	95,182	37,477	51,278	65,888	93,869
Ratio between both	a/b	6.4	4.9	13.5	3.9	6.5	5.5	13.7	3.9

In terms of the ratio of the annual fixed pay of the highest paid employee in each geographical area to the average fixed pay of all employees (excluding the highest paid) of that area, the highest difference is in Brazil and the lowest in USA. This situation is explained by the specific characteristics of local markets and economies. This analysis excludes the members of the EBD - Executive Board of Directors, either because they have fixed pay approved by the Remuneration Committee or because their scope of operations is universal.

**Relationship between the percentage increase in the fixed pay of the highest paid employee in each geographical area and the percentage increase of the average fixed pay of all employees (excluding the highest paid) of that area.**

Percentage increase in annual fixed pay	Un.	Portugal	Spain	Brazil	USA
Highest paid employee (a)	%	0.00	0.00	0.04	0.00
Other employees (b)	%	0.02	-0.01	0.05	0.01
Ratio between both	a/b	0.00	0.00	0.73	0.00

## 5.5. Ensuring health, safety and well-being standards

Safety at work is an EDP Group priority, made explicit - particularly - in its Code of Ethics. Risk factors associated with the development of our activities, regardless of geographical areas, require concern and attention to eliminate or minimize risks through our Occupational Health and Safety Policy, guided by the "zero accidents, no personal injury" strategic objective.

In parallel, the EDP Group views health and well-being as a basis for work-life balance. This is a success factor, so the quality of life of employees is incentivized through suggestions and initiatives that promote a culture of balance between health, work, family and leisure. This vision of knowing how to live is vital for the success of people and, therefore, for the success of EDP.

### 5.5.1 Safety and Health at Work Policy

**[G4 DMA: G4- LA5]**

Through its Safety and Health at Work Policy, the EDP Group pursues and consolidates an active safety culture with the participation and involvement of all employees, service providers and suppliers, promoting its dissemination in communities and to all those who may be affected by the normal development of our activities.

Strategic coordination actions are managed within a corporate structure supporting the Executive Board of Directors and the Prevention and Safety Committee in the definition of strategic objectives and evaluation of results. In turn, the Prevention and Safety Services of each Business Unit implement the proposed and defined initiatives at local level.

The EDP Group companies integrate joint safety committees and sub-committees in their safety management systems. Their members are representatives of companies and representatives of workers for occupational health and safety and elected in accordance with the legislation of each country. In 2016, 553 meetings were held and EDP employees accounted for 88% of those represented in these committees. In matters of occupational health, internal occupational medical services are responsible for checking on the health of employees through medical exams, promoting sanitary education and checking conditions at work places and first aid equipment.

In order to better manage the strategic objectives of its Occupational Health and Safety Policy, EDP has adopted an EDP Corporate Safety Management System (CSMS) which follows recommendation ILO-OSH 2001 of the International Labour Organization and the reference standard model OHSAS 18001: 2007, by reinforcing the principle that Occupational Health and Safety issues are managed according to common cross-cutting criteria in the EDP Group companies.

EDP has several instruments for continuous monitoring and regular assessment of health and safety impacts, in particular: safety audits of employees and service providers, certification systems, management indicators and safety audits of employees and service providers.

### 5.5.2 Safety in the Workplace

The safety of employees, service providers and other suppliers is one of the commitments that EDP expresses in its Code of Ethics and in its Safety Policy. In this sense, EDP employees and service providers acting on behalf of EDP, undertake to get to know, comply with and enforce occupational safety standards and to report any nonconformities detected. EDP also undertakes to promote compliance with current safety standards and practices and employment legislation with its suppliers.

As such, EDP engages in a range of initiatives that continuously promote workplace safety, including regular training and awareness-raising actions, aimed at employees and service providers and adapted to the safe performance of their tasks.

In addition, service providers are obliged to comply with the conditions set out in the occupational health and safety at work specifications for the training and qualification of their employees and they can also be included in additional actions on safe behaviour and risk prevention specific to certain activities or facilities.

### Training and Awareness-Raising

In 2016, a total of 16,735 training actions were delivered, corresponding to 397,132 hours, and involving 61,925 employees and service providers.

#### Summary of safety training (employees)

Geographical area	No. of courses	Employees involved	Hours of training	Hours Training / Employees
Portugal	219	1799	11432	6.35
Spain	447	2676	9706	3.63
Brazil	171	3554	40329	11.35
North America	295	2679	5958	2.22
Rest of Europe	65	211	1414	6.70
EDP Group	1197	10919	68839	6.30

Regarding training and awareness raising for employees of service providers in matters of occupational health and safety, there were 15,538 courses involving 51,006 employees lasting 328,293 hours. These courses are detailed below.

#### Summary of safety training (service providers)

Geographical area	No. of courses	Employees involved	Hours of training	Hours Training / Employees
Portugal	5770	19057	16107	0.85
Spain	52	529	103	0.19
Brazil	8274	29568	299054	10.11
North America	1412	1756	12588	7.17
Rest of Europe	30	96	442	4.60
EDP Group	15538	51006	328293	6.44

### OHSAS 18001:2007 Certification

In 2016, the EDP Group had 4,138 employees covered by certifications, an increase over the previous year, distributed as shown in the following table:

Geographical area / Year	Employees covered	% employees covered
Portugal	1195	18%
Spain	1892	100%
Brazil	732	23%
North America	184	44%
Rest of Europe	135	79%

Certification covers 94% of net installed capacity in production activities, 29% of processing power in electricity distribution activities and 100% in activities in the gas sector.

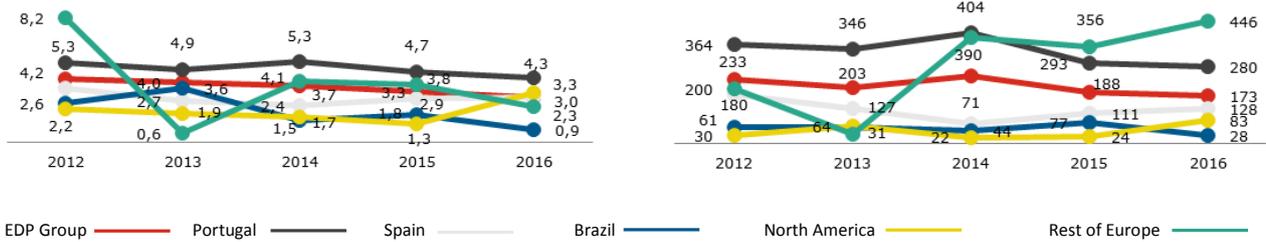
**Safety Indicators**

[G4- LA6; G4-PR2]

In 2016 there were 188 work accidents for all EDP employees and service providers, a reduction of 2% over the previous year, leading to a reduction of 9% and 8% in frequency and severity indexes, respectively.

Frequency rate (employees + ESP)

Severity rate (employees + ESP)



These indicators reflect the results of campaigns and initiatives undertaken throughout the year which were backed up by prevention campaigns with service providers, namely in training, awareness, risk evaluation and control domains and reinforcing the audits and inspections programme.

Accidents involving employees

2016	Un.	Group	Portugal	Spain	Brazil	USA	Rest of Europe
Accidents <sup>1</sup>		30	23	3	3	0	1
Male	#	26	21	3	2	0	0
Female	#	4	2	0	1	0	1
Days' lost		2,003	1,723	90	180	0	10
Male	#	1,882	1,626	90	166	0	0
Female	#	121	97	0	14	0	10
Fatal accidents		0	0	0	0	0	0
Male	#	0	0	0	0	0	0
Female	#	0	0	0	0	0	0

<sup>1</sup> Accidents with 1 or more days' absence and fatal accidents.

Accidents involving service providers

2016	Un.	Group	Portugal	Spain	Brazil	USA	Rest of Europe
Accidents <sup>2</sup>		158	110	21	14	12	1
Days' lost		8936	6970	930	361	304	371
Fatal accidents		3	3	0	0	0	0

<sup>2</sup> Accidents with 1 or more days' absence and fatal accidents.

There were 3 fatal accidents involving service providers in Portugal, 2 due to entrapment and 1 due to a fall from height.

Pro-active safety management at EDP includes analysis of near accidents in order to learn and improve prevention of accidents in similar circumstances. In 2016, 384 near accidents were recorded (49 in Portugal, 48 in Spain, 92 in Brazil, 176 in USA and 17 in the other geographical areas).

## Safety audits

On an annual basis the EDP Group carries out a wide programme of occupational health and safety audits which include the different organisational units, premises and installations, building sites, operational activities and infrastructure maintenance carried out by EDP staff and service providers.

These audits, depending on their nature and scope, may take the form of system management audits, technical audits or inspection audits.

In addition to these, the EDP Group is annually subject to a significant number of external audits resulting from safety management systems certification and from inspection activities from outside bodies such as insurers or Government entities.

### Audits conducted during 2016

Geographical area	No. of audits conducted by external entities	No. of internal audits conducted	No. of internal audits conducted on ESP	No. of ESP audited
Portugal	85	336	6,470	651
Spain	70	10	1,157	208
Brazil	7	9	15,032	95
USA	12	10	4	5
Rest of Europe	4	5	110	32
EDP Group	178	370	22,773	991

## Safety of citizens

### [G4 DMA; G4 EU25]

For EDP, the issue of prevention and citizen safety is important because it is an issue that has a direct impact on people's lives.

In the context of the safety management systems implemented in works projects, assets being operated and decommissioned, the safety risks to the public are identified and their significance is analysed. These risks are also addressed in the context of the emergency prevention and response plans in EDP shops which are available to the general public. The main risks identified for customers and society are related to improper use of equipment or power tools, which may be in poor condition, faulty wiring or work or activity in the vicinity of high voltage power lines.

At this level, the theme of electric and magnetic fields (EMF) is notable as a very relevant topic for local communities. EDP routinely monitors all scientific developments in this area and follows the recommendations issued by the world bodies of recognized credibility by the scientific community. Accordingly, we regularly review the position of the World Health Organization (WHO) and the opinions of the Scientific Committee on Emerging and Newly Identified Health Risks (SCENIHR) of the European Commission. As a result of this monitoring, we have promoted the implementation of measures involving:

- Public briefing meetings to provide communities with clarification and written explanations to complainants, indicating the website where various scientific positions can be consulted, including those that disagree with the WHO;
- Systematic calculations of the EMF values of planned infrastructures and surveys of EMF values of facilities in service, according to standard configurations;
- Specific measurements of EMF whenever requested by stakeholders;
- Financing of research and specialized conferences to increase qualified communication on this matter;
- Encouraging the production of national legislation and regulations that include balanced precautionary measures that the country intends to adopt; and
- Regular participation (for more than 10 years) in European (EURELECTRIC) and global (CIGRÉ) working groups on the subject.

In 2016, there were 7 fatal accidents of third parties due to electricity (foreign to EDP's activity) involving EDP Group facilities or equipment - 3 in Portugal and 4 in Brazil, mainly during civil construction and the transportation of goods that led to the contact of machines / work equipment with live power lines and due to unauthorized access to live installations.

### 5.5.3. Health and well-being at work

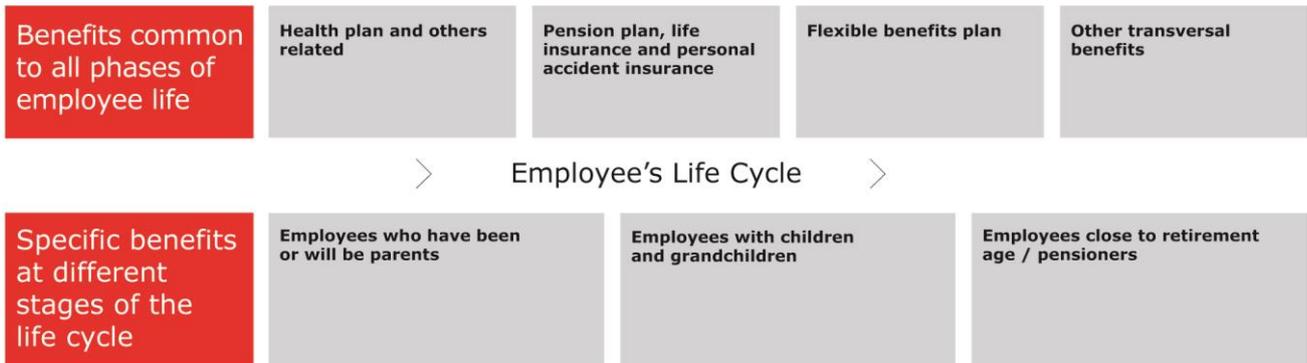
[G4 EC3; G4 LA2; G4 LA3]

The EDP Group provides all employees with a package of benefits for the promotion of employee health and well-being, associated with their life cycle and that of their household (descendants and direct family members).

Thus, in addition to the standard benefits, EDP offers a specialized service which takes account of the different stages of the employee's life cycle: Employees who were or will be parents, employees with children or grandchildren, employees nearing retirement and retired, among others.

**In the climate survey conducted in the EDP Group at the end of 2015, one of the areas with the highest popularity rating, valued as a strength, was the benefits package offered by EDP. About 76% of employees acknowledged that the benefits provided by EDP meet their needs.**

#### Benefits provided to employees



#### Benefits for all phases of the life cycle

##### Health

#### Health Plan, awareness campaigns and screenings

The EDP Group grants all permanent staff in all geographical areas access to health protection and care systems complementary to the public health services of each country, regardless of their scope, as it seeks to guarantee prevention, diagnosis and treatments for its employees to promote not only better health but also a superior quality of life.

In Portugal, health services are provided by EDP Sãvida. With regard to EDP's companies in Brazil, the healthcare service involves contributions to eligible medical and health expenses, provided by an agreed external network.

In addition to the provision of the health plan, the company seeks to ensure the continuous promotion of the health and well-being of the current EDP Group staff, by running a range of information campaigns throughout the year to raise employee awareness on various issues related to health promotion and disease prevention.

This dissemination activity is complemented by specific campaigns and screening activities, in collaboration with external entities, the flagship examples being partnerships with the Portuguese Cardiology Foundation, the promotion of Dia do Coração (Healthy Heart Day) and the Association for the Protection of Diabetics from Portugal.

EDP also supports health and well-being promotion programmes through schemes on giving up smoking, nutrition and healthy eating, prevention of alcohol consumption, drug addictions and correction of body posture.

During 2016 as part of EDP Group Occupational Health activities, 8,586 medical examinations and 493 consultations were performed for employees on ongoing nutrition programmes and 29 consultations on giving up smoking. Also as part of health prevention activity there were regular cardiovascular screening campaigns and flu, hepatitis B and yellow fever vaccination programmes covering 3,860 workers.

### **Sãvida**

SãVida-Medicina Apoiada S.A. is the company responsible for the provision of healthcare provided in the EDP health plan in Portugal which covers approximately 40,500 users, including current staff, retired employees and their households. It operates out of 43 clinics, where about 183,000 general practice and pediatric consultations were carried out.

The company has a cooperation agreement with the Ministry of Health which reduces waiting times for general practice visits and medical and surgical specialist consultations in national health system hospitals and surgeries.

## Monitoring and follow-up of occupational diseases

**[G4- LA6; G4-LA7]**

The EDP Group monitors and follows up the occurrence of occupational diseases. In 2016, 2 cases of occupational disease were recognized, 1 without impairment and 1 with incapacity for work (4.5%), in Portugal. With regard to the number of situations with impairment, the rate of occupational diseases with impairment per million hours worked is 0.05 for the entire EDP Group and 0.09 in Portugal.

## Stress management measures

We recognize that the promotion of health and well-being in a work context must be based on sound measures and must contribute to the effective management of work-related stress. For this reason, EDP has defined and implemented a series of measures that aim to contribute directly or indirectly to the prevention of disruptive occupational stress. Among these measures, we highlight:

<b>Stress management measures</b>	
<b>Healthy workplace environment</b>	EDP has instruments that regularly control the conditions of the working environment of its facilities in the following areas: lighting, work area, noise, suspended particles, CO <sub>2</sub> and CO, ventilation rate, air velocity, ozone, formaldehyde, VOCs, temperature, relative humidity, bacteria and fungi. In industrial facilities, there is regular awareness-raising and distribution of leaflets on the safe handling of hazardous substances.
<b>Psychosocial support provided by the team of social workers</b>	Analysis and support for employees in situations of psychological and social need.
<b>Flexible work schedule</b>	This applies if it is in the interest of the employee and compatible with the activity performed. Time of arrival and departure and lunch is flexible, flexible starting and finishing time, enabling employees to adapt it to their needs

	provided that they work the stipulated weekly hours and there is a compulsory attendance period. In 2015 this type of timetable applied to around 66% of employees (# 7,945).
<b>Staff Club Initiatives</b>	The EDP "Staff Club" is a non-profit organization which engages in cultural, social, recreational and sporting promotion within the EDP Group companies and has sports facilities distributed throughout the country to promote sports for EDP employees. There is also an annual prize for employees with outstanding sporting performance each year: EDP Sport & Fitness Prize

**Pension Plans, personal accident and life insurance**

EDP also provides its employees with complementary retirement plans, life and personal accident insurance and a range of other benefits.

In Portugal, following the conclusion of the ACT (Collective Bargaining Agreement) in 2014, which covers practically all Permanent Staff, there are still two types of beneficiaries: employees already covered by the Collective Agreement signed in 2000 (70%), with a defined benefits plan financed by a closed pension fund and supplemented by a specific provision and employees who have been added to the current ACT and who continue to benefit from a defined contribution plan (30%).

**Defined benefits plans**

The EDP Group also assigns flexible benefit plans to a broad group of employees to give them the option to choose based on their needs and the needs of their household.

The flexible benefit plans in the EDP Group are adapted based on the legislation of each country.

More than 20% of employees can now opt for a set of benefits based on their needs - although local constraints mean that this is not yet a cross-cutting policy.

In Portugal, employees covered by the defined contribution plan (Flex Social Plan), in addition to the common benefits mentioned above, have a supplementary amount available to them enabling them to choose from a total of 14 different benefits funded by this sum.

In Spain and the UK, employees can opt for flexibility and maximization of their pay by converting part of their annual salary into about 4 benefits that allow significant tax benefits.

**Other benefits**

Other intangible benefits are awarded in all geographical areas under specific programmes such as Conciliar (chapter 5.6.2), volunteering (chapter 6.2.2.1) or through platforms provided by EDP, where employees have access to a range of discounts on the purchase of various products and services due to agreements reached by the company with the relevant suppliers.

**Specific benefits for all phases of the life cycle**

EDP also has a set of initiatives and benefits that aim to involve and provide a better balance throughout the life cycle, with a special focus on employees who want to be parents, employees with children or grandchildren and those who are nearing retirement. Many of these benefits are included in the Conciliar programme - for more detail see chapter 5.6.2. The following are some examples of these benefits:

**Employees who are or who will be parents**

For EDP parenting is a right that is embedded in the group's work-life balance culture. Accordingly, there is a range of initiatives aiming to promote childbirth and to facilitate this new stage in the life of the EDP employee:

- **New parents' kit:** Set of useful and important information for EDP employees having / adopting a child **[Portugal]**
- **Maternity leave:** 15 days' leave immediately prior to the expected delivery date **[Portugal]** **[Spain]** **[Brazil]** **[EDP Renováveis]**
- **Parking for pregnant employees:** EDP guarantees pregnant employees parking space in the EDP building or in a car park near to their place of work, during the third trimester of pregnancy **[Portugal]** **[Spain]** **[EDP Renováveis]**
- **Celebrating birth and adoption:** Nest egg for the child and memento sent to the workplace of the parent **[Portugal]** **[Spain]** **[EDP Renováveis]**
- **Delivery of a bunch of flowers** to new mothers **[Spain]** and delivery of a maternity kit with useful items for the new-born **[Brazil]** **[EDP Renováveis]**
- **Flexible hours** from the sixth month of the pregnancy **[Spain]**
- Breastfeeding room **[Brazil]**



New parents' kit



Maternity leave



Birth and adoption



Pregnant employees parking

## Employees with children and grandchildren

EDP promotes family involvement in the company by providing initiatives and subsidizing activities for descendants and family members:

- **Holiday camps and activities** for the children and grandchildren of employees. In 2016 742 children took part in EDP holiday camps **[Portugal]** **[Brazil]**
- Assignment of **internships** to the children and grandchildren of employees **[Portugal]** **[Spain]** **[EDP Renováveis]**, and subsidies for the purchase of school books and other items, with total grant funding of €180,000 in 2016 **[Spain]**
- **EDP nights** - spending a night in an EDP facility - a plant, a museum, among others - that will be different every year **[Portugal]**, and **Ways with energy** - taking the family to know some of the EDP structures, like a dam, a plant or other **[Portugal]**
- **EDP Junior prize** - prizes for the children of employees, retired employees and pensioners achieving good academic results and with outstanding performance in any other talent area (art, sport, civic action, etc). In all, around 450 children took part in these activities **[Portugal]**
- Child voucher/gift, for employees' children at Christmas **[Portugal]** **[Brazil]** **[EDP Renováveis]**
- **Support for employees with disabled children** - Association promoting labour market access and social integration of employees' children with physical and mental disabilities **[Spain]**
- Children's visit to the workplace **[Brazil]** **[Spain]** **[EDP Renováveis]** and Children's day **[EDP Renováveis]**



Summer internships



EDP nights



Ways with energy



EDP Junior

## Employees nearing retirement age or already retired

In some regions, EDP provides employees nearing retirement age or those who are already retired with complementary health benefits:

- **Reduced** work schedule for gradual preparation for transition **[Portugal]**
- **AREP - Association for Social Support for Workers and Retirees** of EDP and REN, a private social support institution (non-profit organization) which depends exclusively on the volunteering of its members (5,735 on 30/06). Some of their social support initiatives involve comfort calls to relieve loneliness (539 calls by 30/9); continued financial support to 37 members for home support and care services (€ 72,000 - annual estimate); distribution of cards of purchases of goods and services to 65 associates in precarious financial situations (€ 16,400 - on 06/30); free assignment of Portuguese Red Cross remote assistance devices to 42 members (€ 10 thousand); medical support for 29 isolation elderly members with financial or mobility difficulties **[Portugal]**
- **Launch of the Retratar Project** - that seeks to identify AREP members aged over 70, in vulnerable situations. The above demographics cover approximately 2900 people. In order to identify these demographics, three surveys were launched with a response rate of 49%. At the end of the evaluation project it will be possible to identify the problem areas **[Portugal]**
- **Workshops as part of the Retirement incentive plan** - Five workshops were held to address topics such as motivational guidelines, financial health and affective relationships to provide better preparation for life after work **[Brazil]**

## 5.6. Promoting diversity and equality of opportunities

In 2016, EDP strengthened its diversity and inclusion (D&I) culture by implementing various measures approved in the 2015 3-year Action Plan.

The key task of this area, which was created in 2015, is to guarantee the promotion and incorporation of a culture of diversity and inclusion based on respect for individuals, which is evident in the EDP Group's identity and its people management and functions as a benchmark for the organization's internal and external activities.

It is also the responsibility of the diversity and inclusion area to ensure, whenever possible, that the geographical areas are aligned in the following action areas:

- **Strategic:** reflect the organization's D&I strategy which incorporates the policy and the development / definition of initiatives that contribute to the global action plan and local action plans.
- **Operational:** suggest and implement the measures put forward in the Conciliar programme.
- **Recognition:** reflect all the certifications / awards / recognitions for the area's activity to boost the company's position in this area.

### 5.6.1. Strategy

Focused on 4 main dimensions, the following objectives are highlighted for each of them:



- Gender: implementation of cultural change for equality that impacts on numbers and is reflected in the defined objectives
- Disabilities: creation of the necessary conditions and improvement of internal processes for those with disabilities
- Generations: consider the different needs of the generations in the EDP Group, by promoting active dialogue and knowledge transfer
- Nationalities: promotion of a global "feel" and alignment in work and communication methods

#### Five basic principles to support strategy



In order to contribute not only to the development of the company's diversity and inclusion culture, but also to its specific targets the following initiatives were started in 2016:

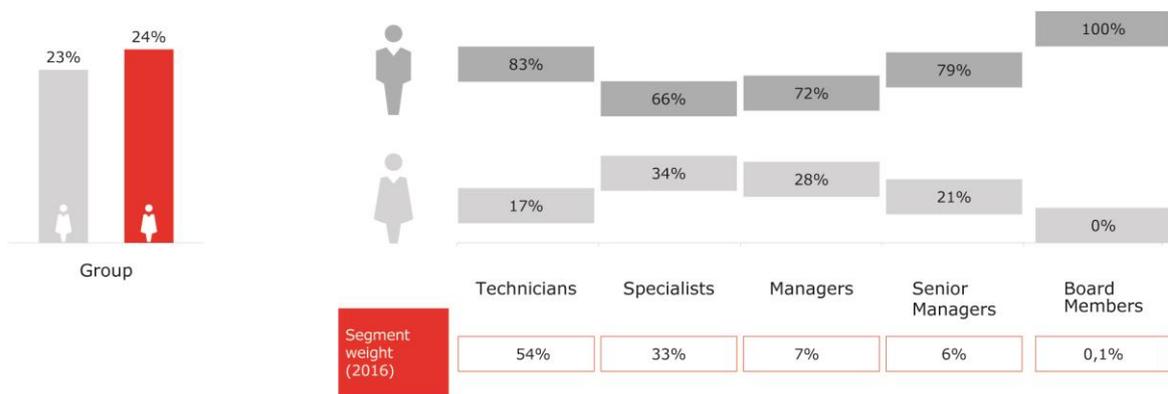
- Training on Unconscious Bias for the team of HR professionals in Portugal, mainly those with a direct impact on the recruitment and selection of candidates;
- Ensuring gender equality in the Trainee Program, as well as the incorporation of candidates from 12 different nationalities;
- Evaluation of the accessibility and mobility conditions of EDP buildings (starting with the headquarters building in Porto), which had a very positive result;
- Mapping positions with the possibility of being assigned to a disabled employee in Portugal and Brazil and active search by EDP Brasil for disabled candidates for job vacancies;
- Workshops conducted in Portugal and Spain (EDPR) to encourage young women to choose STEM courses, with a particular emphasis on engineering, with close mentoring by various female employees in the company;
- New Parent Kit, intended to structure and consolidate relevant information for this stage in the employees' lives, including information on benefits, rights and duties of future and new parents.

2016 main initiatives for D&I strategy



Globally, the number of women increased by 1% over 2015, representing in 2016 24% of the Group's total staff. The presence of women in managerial posts increased to 25%, a growth from 25% to 28% in the management segment.

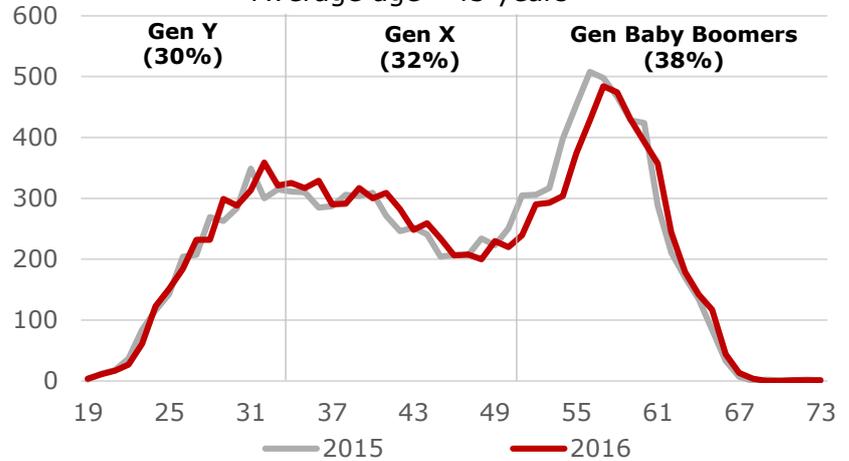
Gender representation per segment



In generational terms, there was a significant increase in the Y generation, which already accounts for 30% of the organisation; this was partly due to the recruitment effort made, particularly in Portugal, and also to employees retiring, with the Baby Boomers generation now accounting for 36% of the organisation. The average age of the Group's employees is 45 years.

In 2016 the company also focused on the diversification of its workforce in terms of nationality, with 40 different nationalities being represented in EDP's 14 geographical areas.

Distribution of employees per generation  
Average age= 45 years



With regard to the commitments undertaken, EDP joined the group of 79 companies in 2016 that adopted diversity as an ethical imperative, by signing the Portuguese Charter on Diversity, and renewing its commitment to IGEN, which strives for the development of internal measures and policies that foster Gender Equality within Companies. EDP Espanha has also undertaken the commitment to sign the Charter de la Diversidad, following the example of the 802 companies that have also done so.

### 5.6.2. Implementation through the Conciliar Programme

Conciliar is a multi-geographical area programme (in place in Portugal, Spain and Brazil) of an operational nature, which is part of the Diversity and Inclusion area in Portugal.

The programme's mission is to promote the development and improvement of the quality of employees' lives, fostering a balance and reconciliation between the various plans in their lives (professional, family and social) so as to contribute to a culture of diversity and inclusion within the EDP Group.

The aims of the programme are the promotion of measures covering the different employee segments and generations, ensuring that measures are applied in a decentralised manner and encouraging the active engagement of employees in their development and use (including senior managers).

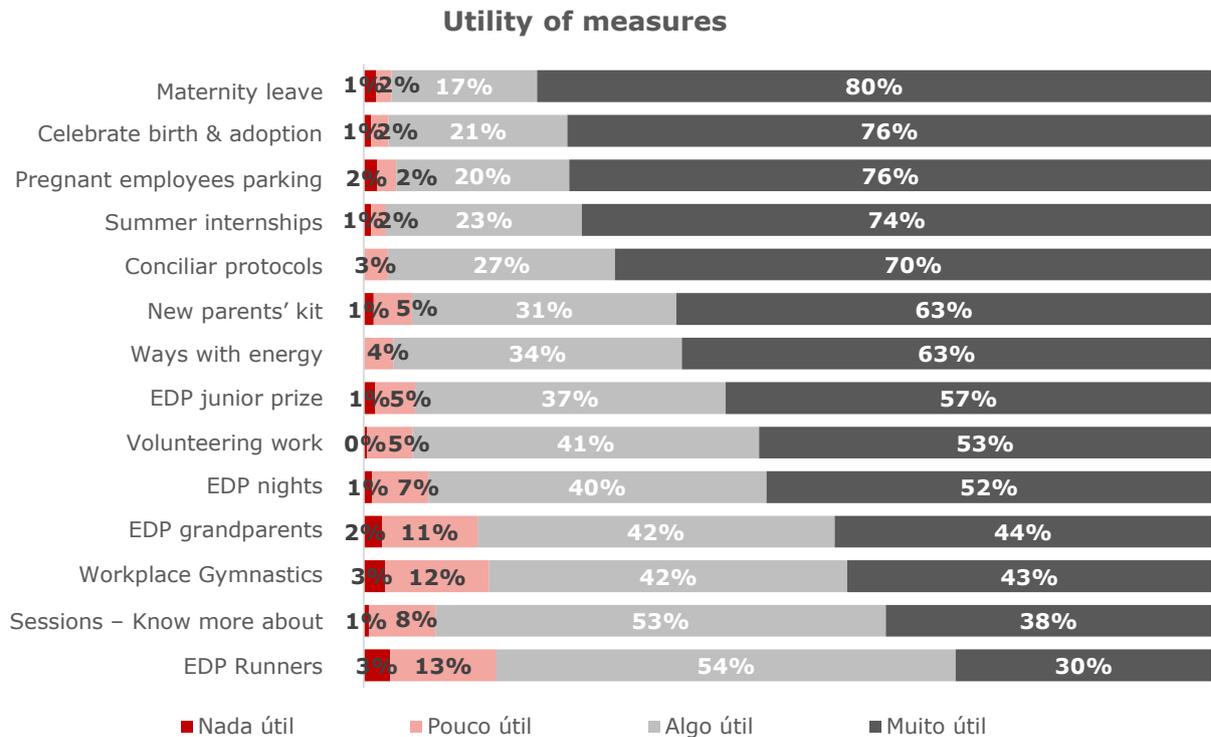
In 2016, these measures included:

- Global Meetings in all geographical areas, resulting in 27 measures, 18 good practices and 6 challenges shared by the teams managing the programme locally;
- Dissemination sessions of the Programme in Portugal (21 sessions in 16 localities for over 900 employees) and in Brazil;
- The launch of the programme newsletter in Portugal, to reach out to employees all over the country and provide monthly updates;
- Initiatives for more than 450 descendants of employees in Portugal (children and grandchildren) to put them in touch with the business and the company's activities;
- The extension of the Workplace Gymnastics measure to the 15 largest buildings in Lisbon, Porto and Coimbra (Portugal) impacting more than 3,000 employees;
- The support for more than 170 new parents for birth and adoption in Portugal;
- The implementation of a new discount/protocol platform for Portugal and Spain;
- The launch of the "edp es saludable" Programme at EDP Espanha to promote healthy habits in nutrition, sports and health;
- The reinforcement/structuring of the assistance services programme for employees in Spain and Brazil;
- The introduction of the "Sport Aid" measure at EDP Renováveis to promote a healthy lifestyle through financial allowances for employees to attend gyms.

In 2016, EDP also engaged in a national level feedback exercise asking the opinion of its employees on the usefulness of the Conciliar Programme's measures. The results showed that, of the 14 measures evaluated, on average > 90% of employees evaluated them as useful or very useful. This questionnaire enabled the organization to reinforce / adapt existing measures and to create new measures for the different segments and generations in the EDP Group.

### 5.6.3. Recognition

In Portugal and Spain, this programme has contributed since 2011 to the certification as a “Family Responsible Company” granted by the Fundación Másfamilia. In 2016, EDP followed up on and monitored the measures that lead to this certification, and also sought to incorporate suggestions for improvement that arose from the 2015 audit.



2016 also saw EDP enter the Thomson Reuters D&I index, in 12th place out of 100 companies worldwide and the only Portuguese company in the Top 25.

## 5.7. Efficient labour relations and employee involvement

### 5.7.1 Efficient labour relations

**[G4-DMA; G4-LA4]**

EDP maintains a constructive and collaborative relationship with official entities and employees' representatives – workers' commissions and unions. This relationship is put into practice in each geographical area by local teams that guarantee contact and proximity with the various entities on a daily basis.

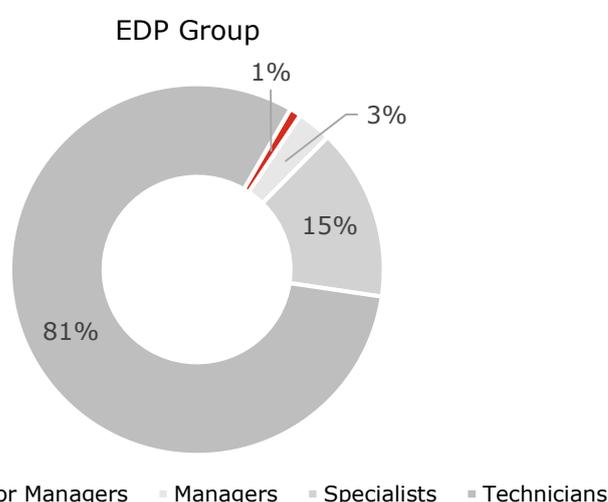
Collective bargaining mechanisms in the countries where EDP operates do not include specific deadlines for communication of the company's operational changes to employees. However, EDP communicates organizational changes with an impact on employees, both to the employees themselves and to their union representatives (which in some geographical areas go beyond what is stipulated in national labour law).

#### Trade union representation in the EDP Group

At the end of 2016, 45% of EDP Group employees were unionized, the largest percentage in Portugal (the geographical area with the largest number of employees).

**Trade Union Representation - Number of unionized employees by geographical area**

Geographical area /year	2013	2014	2015	2016
<b>Percentage of unionized employees</b>	38%	48%	47%	45%
Portugal	4 284	3 973	3 827	3 640
Spain	403	346	321	316
Brazil	n.a.	1 332	1 484	1 477
North America	n.a.	n.a.	n.a.	n.a.
Rest of Europe	n.a.	n.a.	n.a.	2
<b>Total</b>	<b>4,687</b>	<b>5,651</b>	<b>5,632</b>	<b>5 435</b>



% of unionized employees in the headcount	
	2016
Portugal	56%
Spain	17%
Brazil	50%
North America	n.a.
Rest of Europe	1%
<b>Total</b>	<b>45%</b>

**Activity in Portugal**

The year 2016 saw the ongoing implementation of the Collective Bargaining Agreement (ACT) that came into force at the end of 2014 in the 23 companies of the EDP Group in Portugal (ACT signatories). This process aimed to ensure the uniform application of the rules which involved meetings with the companies and unions representing the workers.

In the relationships with trade union organizations, the negotiation on salary increases was notable as it was possible, as in previous years, to reach agreement with all the trade union negotiating committees.

At the end of the year, two new companies - EDP Foundation and EDP Internacional - and a new trade union joined the above-mentioned ACT.

In order to promote greater clarity on the matters addressed in the ACT, in completion of the training cycle that started the previous year, 1 additional training session was organized for employees in the areas of human resources and processing (14 hours). In 2015 3 training sessions had already been held for employees in the areas of human resources and processing (14 hours each) plus 11 sessions for managers leading work teams (4 hours per session). In total, in 2015 and 2016, this training cycle involved around 230 employees in all companies. This training work will continue in 2017.

As a result of legislative changes, particularly with regard to retirement access conditions, amendments to the Labour Code and changes arising from the State Budget which had an impact of employment, more than 60 meetings were held with official agencies, workers' committees and unions for the introduction, amendment or removal of rules or regulatory procedures derived from the legal framework and as part of the revision and updating of collective regulation.

In Portugal, operational changes are communicated to Unions, Workers Committees and Employees no less than 30 days in advance.

In the area of labour relations, support was also maintained for workers' recreational, cultural and social organizations, namely the EDP Staff Club, the Retirees and Pensioners Association and the Blood Donors Association.

There were 3,640 unionized employees in Portugal in 2016.

### **Activity in Spain**

In Spain, in 2016, a Collective Bargaining Agreement was signed in the Naturgás Group, covering 227 employees, to bring their working conditions into line with the remaining employees of EDP Espanha.

In industrial relations, the rationalization of the company's structure in Spain was implemented without traumatic impact on employment or other labour conditions.

Likewise, the Collective Bargaining Agreement was applied as normal through the participation of the joint committees.

There were 316 unionized employees in Spain in 2016.

### **Activity in Brazil**

In Brazil, despite ongoing political and economic instability, the company undertook bargaining negotiations with eight different unions involving an average of ten monthly meetings as well as bimonthly meetings with the main unions. These meetings discussed issues related to Collective Bargaining Agreements (annual), Profit Sharing and other claims.

EDP Brasil has worked actively on different labour issues, from daily consultations involving questions about labour and union relations to internal customers and also on effective action with public agencies (Ministry of Labour and Employment and Public Labour Ministry).

In Brazil, progress in collective bargaining is reported simultaneously by EDP Brasil and by the trade unions to clear up any doubts and demonstrate transparency in the bargaining process. It should also be noted that the collective bargaining is an annual process that complies with the terms of national labour legislation.

There were 1477 unionized employees in Brazil in 2016.

## **5.7.2 Involvement with employees**

### **Organizational Climate**

Organizational Climate is a matter of great importance for EDP as it reveals employees' engagement and perception of Organizational Support (enablement) which directly affect their well-being and productivity.

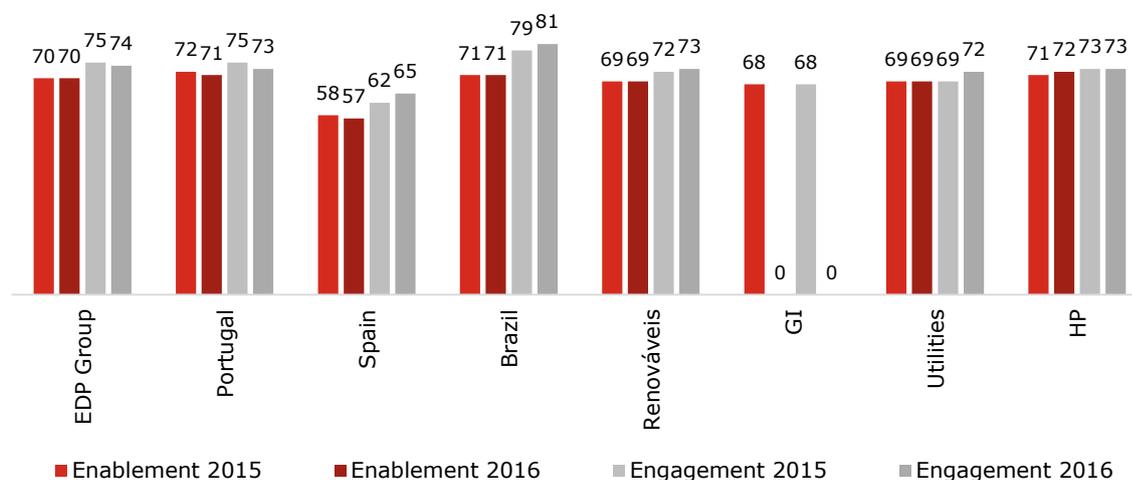
In this context, from 2015, every year levels of Engagement and Enablement, as perceived by our employees, are measured:

- In 2015 there was an exhaustive study addressing issues of Engagement and Enablement, along with additional areas, whose results were used by managers and their teams to create more than 900 initiatives throughout the Group;
- In 2016 there was a "follow-up" appraisal study to reassess the previously established plans by measuring only the more global dimensions, the level of employees' engagement with the company and their enablement.

The "Follow-up" study in 2016 involved 89% of EDP Group employees and found that 74% felt engaged in the company and 70% had a strong perception of organisational support.

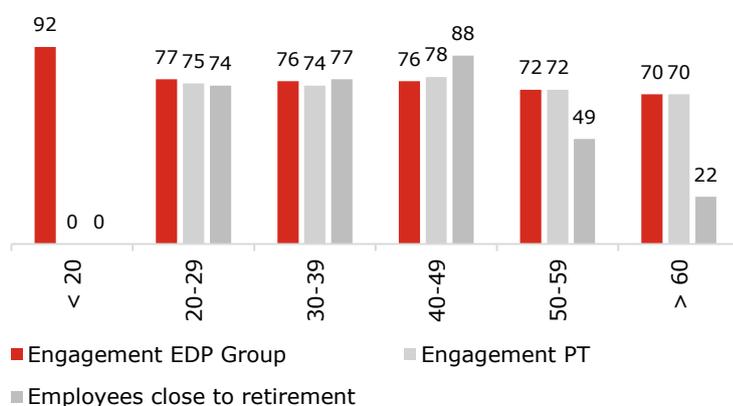
These results were in line with those obtained in 2015, and there was no change in enablement in the EDP Group.

**Global Evolution of Enablement and Engagement (% favorability)**



The level of engagement fell by 1% but, even so, it is notable that even with this small reduction, EDP's results are 1% above the average of benchmark market companies (HP) and in both areas its results are better than the average for the Industry (GI) and for the Utilities.

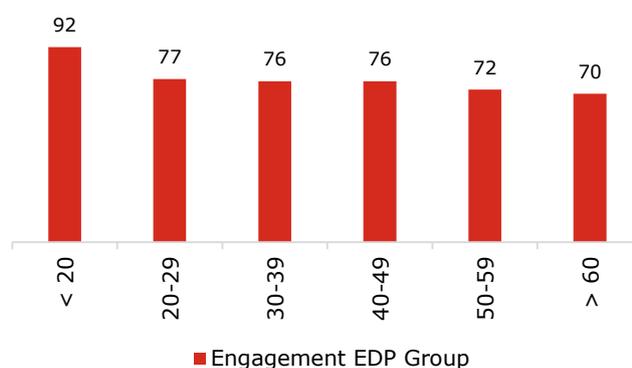
**Engagement per Age Group (% favorability)**



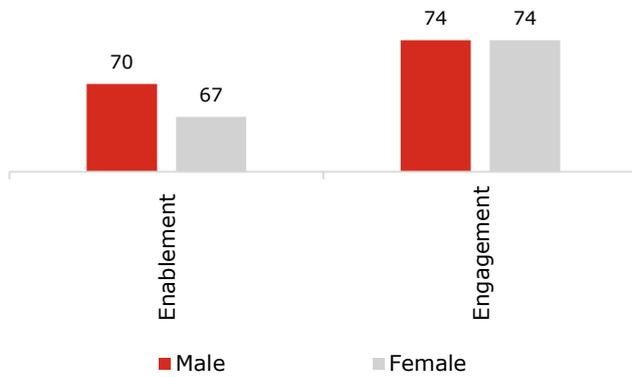
Detailed analysis of the slight reduction in organizational engagement shows that this is the result of the macroeconomic situation in Portugal - as in the other geographical areas of the Group there was a rise. In Portugal, the group that contributed most to this decline is employees nearing retirement. When faced with the question "Given the choice, how long do you plan to continue working in the company?" they answer with numbers that undermine this result.

Regarding enablement, it is of note that the group that needs most support to improve this area is the new generation of graduate employees entering the Organization, which confirms a trend in the EDP Group of focus and adaptation to the characteristics of this new workforce (see induction programme Chapter 5.3).

**Enablement per Age Group (% favorability)**



Engagement & Enablement per Gender  
(% favorability)



It is also of note that categorization of the results by gender reveals the efforts being made by EDP to create equality and work-life balance. As with the results in 2015, there are zero or negligible differences between the responses of males and females.

This "Follow-up" also asked employees if they were aware of their area's Climate improvement plans, with 71% answering in the affirmative.

Accordingly, throughout 2016, based on the results of 2015, more than 900 global initiatives were defined, with the following being those with most impact on the Organization:

- *Meaningful Conversations* - in 2016, all company managers were involved in this training project whose chief objective was to enable them to manage their teams with more focus on employee development and to consolidate the Organization's feedback culture (for more detail see chapter 5.3. Training and Capacity Building);

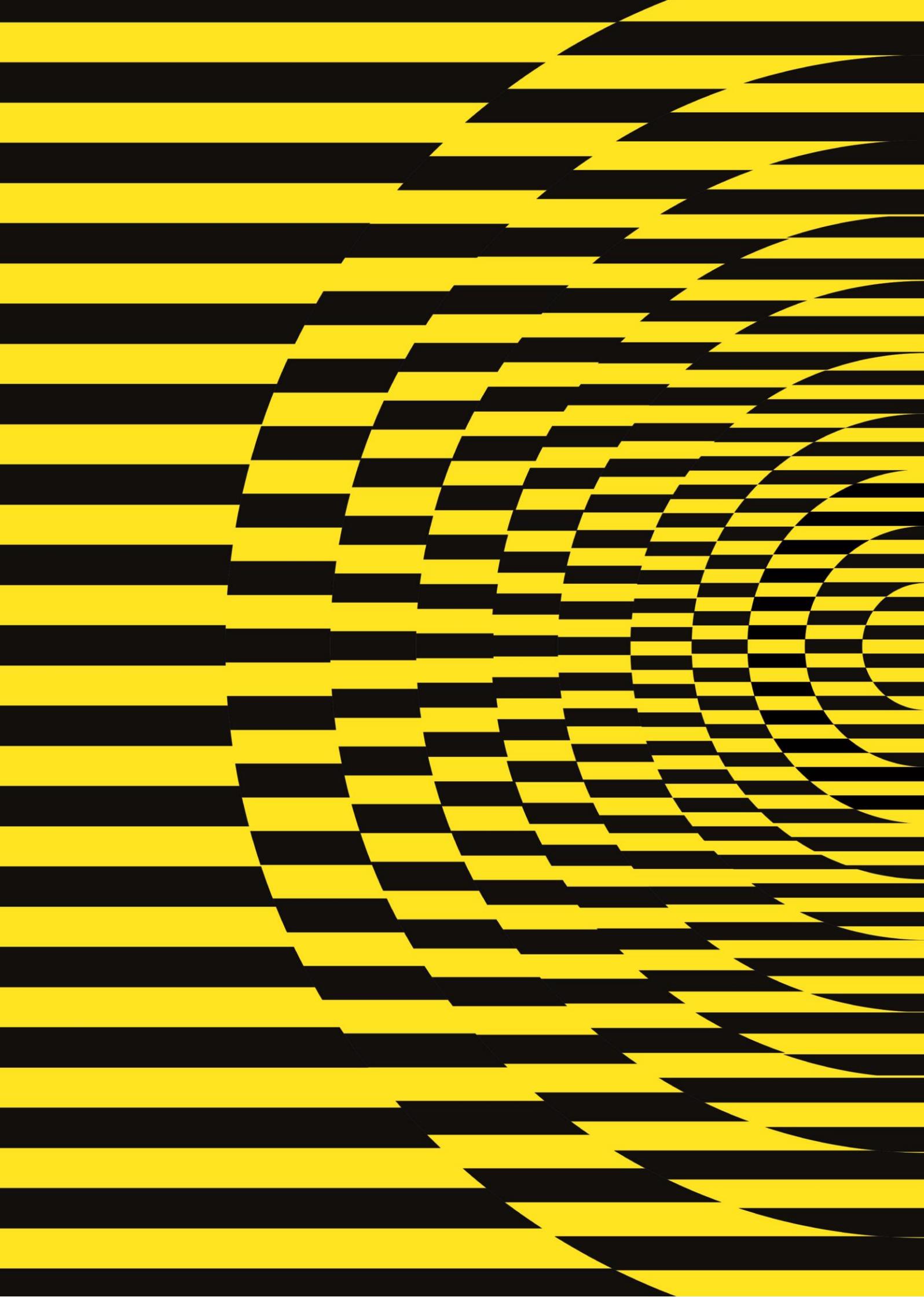
In 2017, the Climate Cycle will recommence and there will be another in-depth study to enable EDP to continue to listen to its most valuable resources - its employees.

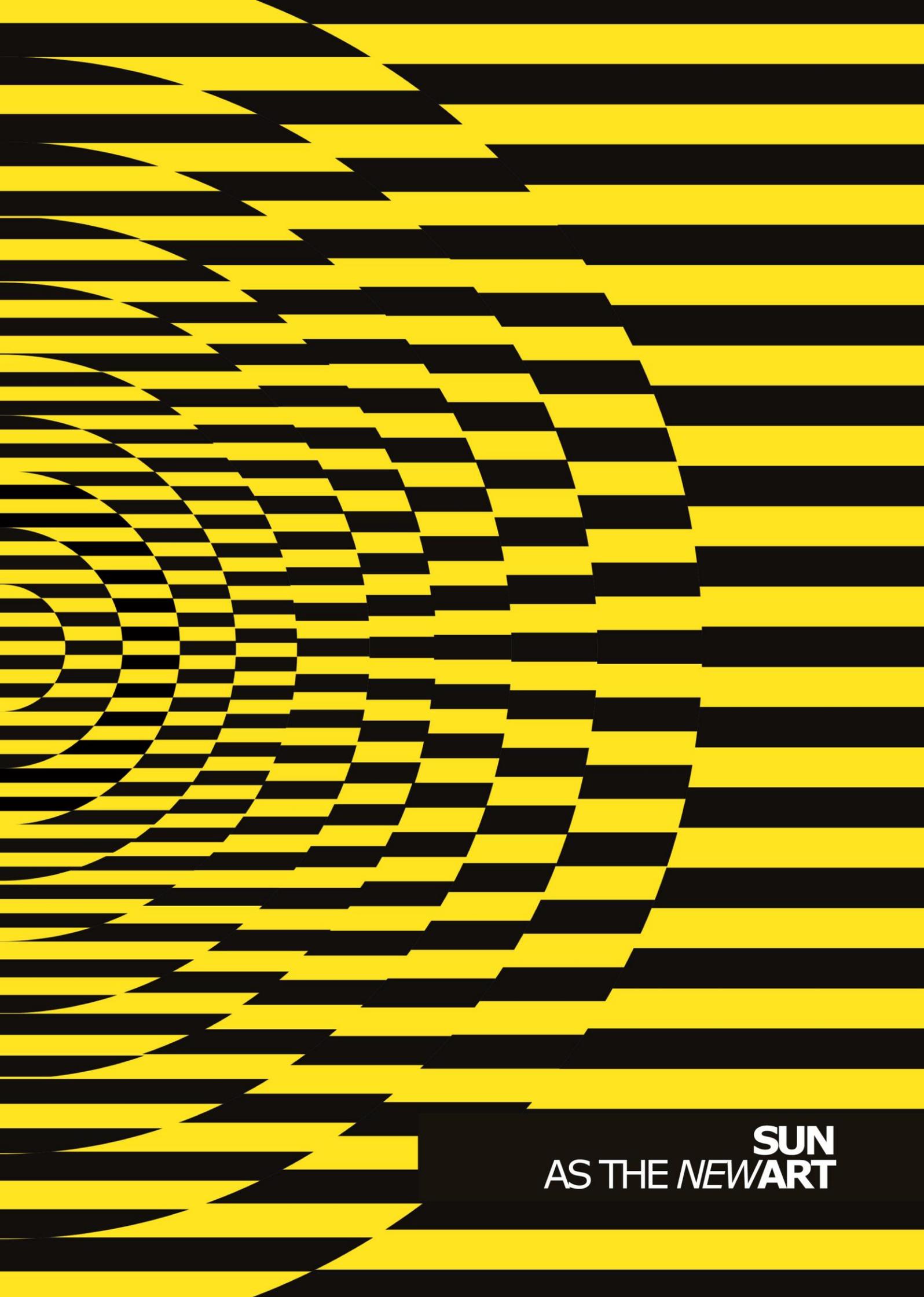
**ENERGY**  
**AS**  
**THE**  
**NEW**  
**ART**

**ENERGY**  
**AS**  
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**NEW**  
**ART**

## **06** **Sustainable value creation**

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**SUN**  
AS THE *NEW*ART

**ENERGY**  
**AS**  
**THE**  
**NEW**  
**ART**

## 06

### Creating value in society

## 6.1. Sustainable value creation

[G4-EC7; G4-EC8; G4-SO1; G4-SO2; G4-EU22]

In 2005, EDP adopted a Corporate Citizenship Policy with the key objective of developing EDP's integration in society by promoting the quality of life of communities, supporting initiatives to promote sustainability and thus reinforcing its reputation and guaranteeing the "right to operate". These guidelines have profoundly transformed how the EDP Group performs its social responsibility and citizenship activities, by increasing its contribution to the community, extending action to all the geographical areas in which it operates and gearing decisions towards close alignment with the business and the creation of value through the company being very open to society.

The community investment policy is based on three priorities:

- Promotion of the EDP Group's engagement in the surrounding environment for improved quality of life of the respective communities.
- Support for initiatives that contribute to strengthening each of the dimensions of sustainable development:
- Contributing to the recognition and prestige of the Group and to its brand reputation and value.

This Group strategy establishes a guideline for corporate the citizenship activities undertaken by EDP, to ensure alignment between priorities at citizenship level and the pillars of the business. Projects and programmes that contribute to strategic objectives are prioritized based on the following assumptions:

- Their compliance with the EDP Group's Code of Ethics and principles of sustainability;
- The credibility of the bidding organizations and their contribution to at least one Sustainable Development dimension;
- The value and significance of the projects to communities;
- Economic, institutional or social relations with the EDP Group.

The Citizenship Policy establishes the management structure for investment in the community and its monitoring and communication approach as follows:

- Investment in the community is managed by EDP's Foundations and Business Units, through their Sustainability and Communication Departments, following the Group policy;
- EDP voluntarily promotes corporate citizenship and specifies the results it seeks to achieve and evaluates its projects using the LBG methodology – London Benchmarking Group. All the Foundations and Business Units use this methodology;
- EDP uses this model to incentivize the structured reporting of its decisions and enables stakeholders to reflect on their results and benefits. The internet and specific programs are used to communicate and provide resources for the submission of requests for support by entities wishing to present projects.

The mission of the Departments of Sustainability and Communication of the various EDP units is to develop citizenship programmes in accordance with defined objectives. Furthermore, the EDP Volunteer Programme is used to perform actions aligned with the strategic objectives.

## 6.2. Investment in the community

The development of a sustainability culture, in all its aspects, promotes the preference of consumers and decision-makers for more sustainable behaviours and lifestyles, and favours EDP's strategy of value creation where the strategic guidelines are the internationalization of its business and increased production from renewable sources. In this sense, for the EDP Group to develop a sustainable business, the company also seeks to contribute to public awareness of sustainability in all the countries and regions where it operates.

The ability of EDP successfully to expand its investments into new areas, including emerging countries, depends on the robustness of its reputation in environmental and social terms and as a responsible employer. This reputation is based on the development of an internal and external culture that promotes best sustainability practices, which are essential to guarantee the "right to operate" in regions with production facilities and to guarantee the loyalty of an increasing number of consumers, by offering a greater range of complementary energy services, based on energy efficiency and renewable sources.

The Group therefore is developing several programmes for investment in society, both in communities directly impacted by EDP projects and through social innovation initiatives freely chosen by the company.



EDP's business has impacts on the local communities of the geographical areas where it operates. The company seeks to manage these impacts by promoting active and transparent involvement with local stakeholders, to establish partnerships and strengthen ongoing and lasting relationships. The main objective of this involvement between the company and local communities is to promote transparency, a feeling of trust and proximity between the parties, to prevent and avoid obstacles and conflicts arising from lack of understanding of EDP's projects. The projects supported and developed by the EDP Group prioritize incentives for entrepreneurship, promotion of the potential of local products and businesses, combating social exclusion, training and skills development, with a focus on cultural training and development of environmental awareness.

Moreover, EDP voluntarily promotes and supports social, cultural and environmental initiatives with the purpose of contributing to the sustainable development of societies and upholding its strategic vision. EDP explicitly specifies the results that it intends to achieve and the projects in which it is involved using the LBG international methodology (Measuring Community Investment), in which it participates actively through a role on its Steering Group. Using this model, EDP promotes the structured dissemination of its decisions and enables discussion of the results and benefits for communities. All of the Group's business units and foundations use this methodology.

### 6.2.1. EDP Enterprises Communities

As part of its work, through the construction and installation of the necessary infrastructure for the production and distribution of energy, EDP produces different environmental and socioeconomic impacts in the areas in which it operates. The company addresses this through a policy of active and transparent engagement with local stakeholders in order to enhance the positive impacts of the business and to prevent and minimize negative outcomes. Constant dialogue, the promotion and encouragement of communication channels and the creation of continuous and lasting relationships

guarantee transparency, trust and closeness between the parties and help prevent obstacles and conflicts resulting from the non-inclusion of communities in project planning. These programmes, which include compulsory compensatory measures, also call for considerable voluntary investment by EDP, guided by priority for actions promoting local development.

During 2016, several initiatives were developed with the involvement of communities - the main ones are highlighted below.

### Edp + Perto training programme

[Portugal]

Through the Edp + Perto training programme, through which EDP employees are made aware of community expectations and trained in analytical tools and dialogue methodologies. This preparation of EDP employees is especially significant in the construction of new dams and wind farms, due to both the disruption to the property of the populations and impacts on ecosystems. The dynamics of construction operations require major mobilization of technical resources and seasonal over-population of workers whose impacts have to be included in planning. However, once the construction phase is completed, the presence of the infrastructure still requires an active policy of dialogue and engagement with communities. This is now part of the EDP's operational management Business Plan.



### Partnership with local entities

[Portugal]

In 2016, a Partnering Agreement was signed between EDP and the **Baixo Sabor** Municipalities Association, with the delivery to the municipalities of the management of the Environmental Interpretation and Animal Recovery Centre, with the support of the University of Trás-os-Montes and Alto Douro and the Polytechnic Institute of Bragança. These awards acknowledge the best global performance in public relations and communications.

Protocols have been signed with the Local Councils of Vieira do Minho and Montalegre in the **Venda Nova III** and **Salamonde II** capacity upgrades currently taking place in the **Cávado** basin. These protocols aim to contribute to the development of the areas covered. In one case, by financing the facilities for a future business incubator - 539,000 euros. In the other by financing the paving of the Caminho and Formiga track - 111,000 euros.

### Infrastructure projects

[Portugal]

In connection with the **Foz Tua** hydroelectric plant, a Mobility System is being implemented as a compensatory measure. In 2016 the construction of the quays, recovery of the rail infrastructure and the construction of rolling stock all began. At the beginning of the second half of 2017 operation by a specialised operator will start.

The Vale do Tua Interpretative Centre - in late 2015 the museum programme and architecture project were approved. Work started in October and it is expected to open to the public in the third quarter of 2017.

### Protocols with Local Authorities

[Portugal]

Inclusion of LED lamps in Street Lighting: Following a period of negotiation between EDP Distribuição and the **National Association of Portuguese Municipalities**, a protocol was signed on 13 September, 2016, agreeing the revision of Annex I of the Low Voltage power distribution concession contract. This involved the removal of mercury vapour and the use of LED lamps as standard equipment for the installation of new Street Lighting systems, replacement of mercury vapour lamps in upgrades of Street Lighting systems and the replacement of obsolete lamps or lamps in a poor state of repair. This initiative was implemented as part of EDP Distribuição's Stakeholder Management Plan 2016, which aimed to address energy efficiency and environmental concerns by applying an innovative technology to the low voltage network.

EDP promotes **capacity building** in the municipalities by providing funding for equipment and infrastructure projects and by delivering training. Examples of this approach are the 2016 Vehicle Donation Programme through which 21 cars were allocated to 21 civil protection agencies and training was delivered to local organizations to improve their funding applications to EDP and thus enhance the success of their projects.

## Relocation families

[Brazil]

EDP Brasil is adopting measures for the management of the impacts of relocation of families and on communities affected by the construction of generation plants. At **Cachoeira Caldeirão**, the extension of the Compensation and Relocation of Affected Families Programme was noteworthy: although 344 families were identified in the feasibility study phase, it was increased to 750 families during project implementation, with the decision taken to include them all in the package of socio-economic benefits.

In 2016, for example, **EDP Escelsa** completed the construction of a line over a distance of approximately 35 km, between the municipalities of Jaguaré and São Mateus, without the need for relocation of families and



### 6.2.2. Citizenship

EDP voluntarily promotes a range of community investment initiatives as a way of actively contributing to the sustainable development of society. Some examples of this type of investment are support for talent-attracting initiatives, the establishment of a medium/long-term agreement with third sector organizations and others linked to Education and Science, especially through the creation of structured programmes with their own objectives, evaluated by independent juries and with assessment of results and impacts. The main initiatives of the voluntary investment in the community in 2016 are highlighted below:

with 100% of the compensation being paid following amicable negotiations.

In total, infrastructure projects in Brazil required the displacement of 924 families. These impacts were mitigated through compensation in 920 cases and rehousing in 14 cases.

## Indigenous people

[Brazil]

As part of the Jari hydro plant, in order to maintain open and transparent communication with the Kayabi, Apiaká and Munduruku indigenous people of the lower Teles Pires river, EDP Brasil implemented Fale Conosco Indígena (Speak to Us for Indigenous Peoples). Amateur radio (frequency 6977 - channel 2) is the main channel for dialogue with the indigenous people. There is also fale conosco (0800 762 6635), e-mail (faleconosco@saomanoelenergia.com.br) and the services offices in the municipalities of Paranaíta and Alta Floresta. All requests received are evaluated and answered with a record of the questions, claims, ideas and requests.

## Social Development

[Brazil]

To mitigate, compensate and monitor the impacts of the **Cachoeira Caldeirão** hydroelectric development, 58 socio-environmental programmes have been put in place. The actions include the construction of nine classrooms with 700 school desks and a commitment has been made to build a hospital.

The impacts of the **São Manoel** Hydro Plant are mitigated through the Social Facilities and Infrastructure Upgrade Programme. EDP Brasil has invested in excess of R\$ 27 million to address improvements in public services, such as enhanced public safety, social assistance and education in the municipalities of Paranaíta (MT), Alta Floresta (MT) and Jacareacanga (PA).

## EDP Solidarity (EDP Solidária):

[Spain] [Brazil] [Portugal]

For the second year, Fundación EDP launched the EDP Solidária programme in Spain and this year extended the successes of the previous year - it received 49 applications and selected 15 projects, in a total investment of 400 thousand euros.

In Brazil, EDP Solidária has been developed by the EDP Institute since 2010 and supported three new projects taking its total support to over 75 projects.

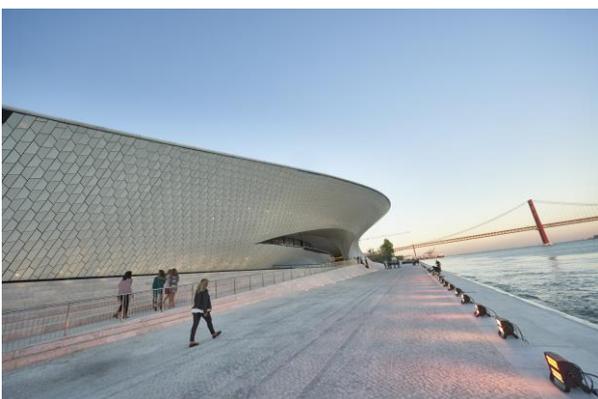
In Portugal, in 2016, 30 new projects were supported in the area of Social Inclusion and 17 in Health, with a total amount of €1,882,634. In Education, two more universities were included for the award of scholarships to 22 students.



## MAAT

[Portugal]

MAAT – the Museum of Art, Architecture and Technology is EDP's new cultural initiative for the city of Lisbon. A museum that crosses three areas in a venue for debate, discovery, critical thought and international dialogue. An innovative project that connects a new building, designed by the Amanda Levete Architects firm, to the Tejo Plant, an example of national industrial



architecture of the first half of the twentieth century and one of the most visited museums in the country. MAAT reflects the ambition to present national and international exhibitions with the contributions of contemporary artists, architects and thinkers. Reflecting on major themes and current trends, the programme will also present a range of curator perspectives on EDP's Foundation Art Collection.

## Holidays for children

[Portugal]

The EDP Foundation Holiday Camps have been taking place at the Palmela EDP Camp since 2014. In 2016 the Holiday Camp for children and young people with chronic illnesses benefited 48 children supported in five National Health System hospitals and was organized by the EDP Foundation in partnership with EDP Valor and SãVida, with the support and approval of the General Directorate of Health.

## Public Art

[Portugal]

EDP's Foundation Public Art Programme involves populations in new cultural experiences and stimulates local development through art initiatives in public spaces in low-density areas nationwide. In 2016, programmes were developed in Trás-os-Montes, (Alfândega da Fé, Torre de Moncorvo, Miranda do Douro and Mogadouro), Ribatejo (Vila da Marmeleira, Assentiz, São João da Ribeira and Ribeira de São João), Alentejo (Campo Maior, Ouguela, and Degolados), Algarve (Vila do Bispo, Barão de S. João, São Bartolomeu de Messines, Alte and Alportel).

## Tree planting

[Spain]

For the third time Fundación EDP celebrated the spring festival with the "swap a drawing to plant a tree" project. The programme took place in Oviedo, Santander, Bilbao and Gijón, with 4,000 cherry trees planted in 2016. In total 80,000 trees have been replanted in these initiatives.

## Fundraising

### [Renewables]

With more than 11,000 participants, the annual Houston to Austin bicycle ride is one of the largest fundraising events in support of research and services for the treatment of Multiple Sclerosis. More than \$ 32,000 was collected through EDP Renováveis.

## Museum of the Portuguese Language

### [Brazil]

The Museum of the Portuguese Language was inaugurated in São Paulo in 2006 and recorded four million visitors before being destroyed by fire in late 2015. Recognized by Unesco as the best communication and information project, EDP Brasil, through the EDP

Institute, is investing R\$ 20 million in its refurbishment and reopening to the public.

## EDP at School

### [Brazil]

Run in partnership with the Ministry of Education, the programme develops initiatives in citizenship and improvement in the school environment to enhance the quality of life of students in local state schools. EDP's work in schools provides tools for student learning, promotes a fusion of art and energy, encourages community participation in schools, fosters student health and mobilizes partnerships for educational causes. In 2016, the programme was present in 31 schools in eight Brazilian states, reaching 5,564 students with eight different initiatives.

### 6.2.2.1. Volunteering

EDP Volunteering is a fundamental priority of the Group's relationship with communities and, at the same time, of the development and motivation of EDP employees.



## Objectives and Goals

- 10% annual increase in skills' volunteering hours by 2020
- 3 new skills-based volunteering programmes by 2020
- 20,000 hours' annual work for voluntary programmes and campaigns by 2020
- 20% of employees participating in at least one volunteering campaign per year up to 2020

EDP CORPORATE VOLUNTEERING	Un.	2016	2015	2014
EDP Volunteers	#	2,446	2,404	2,248
EDP work hours used in volunteering	h)	15,639	17,426	17,946
Beneficiary entities	#	346	332	242

Through a different set of programmes, volunteering at EDP challenges employees to participate actively in corporate social responsibility, by contributing to the development of communities and to the development of their own skills. This is why EDP's commitment to a volunteering programme is part of a broader sustainable value creation strategy in the geographical areas where we operate.

Employees in Portugal, Spain and Brazil are entitled to four hours' monthly work for participation in volunteering campaigns that may even be suggested by them.

The volunteering programme promotes awareness raising and mobilization through the "Parte de Nós" (It Starts with Us) initiatives. These initiatives promote collective volunteering in special periods and campaigns. For example, Parte de Nós Natal and Parte de Nós Ambiente (Christmas and Environment, respectively), held in the Group's various geographical areas and bringing employees and their families, suppliers and stakeholders together in joint campaigns with vulnerable people or environmental protection initiatives.

The programme is currently increasingly committed to volunteering initiatives that put the professional and personal skills of every employee at the service of the community. It is a type of specialized and continuous volunteering that is materialized in projects such as a pool of electricians and energy efficiency advisors to help social sector agencies manage their consumption or carry out electrical repairs, or lean volunteering initiatives which, based on this methodology, also used by EDP, support institutions in implementing improvements in management processes. The following are some of the programmes that took place in 2016 and their indicators.

### Learning to Endeavour

**[Portugal]**

85 EDP volunteers, 852 hours and 1,769 students in 80 schools. Based on their professional experience and in the context of the Junior Achievement Portugal - Aprender a Empreender Association, EDP employees promote the training of students in management, economics and entrepreneurship in dozens of schools in Portugal, to develop skills in teamwork, problem solving, project development, leadership and guidance for success.

### Electricians' Pool

**[Portugal]**

Consisting of volunteer electricians working in social economy organizations to correct faults, replace and upgrade systems and perform safety checks

### Pool of Energy Efficiency Assessors

**[Portugal]**

40 EDP electricians, in a total of 310 hours' volunteering in working hours, support social institutions to use energy more efficiently and reduce their bills.



## LEAN

[Portugal]

EDP employees provide training and support in the LEAN methodology, which identifies ways to increase process efficiency and reduce consumption and waste. In 2016, 64 volunteers invested 377 hours' volunteering during working hours, thus enabling the implementation of more than 10 LEAN initiatives in schools, public bodies and social sector institutions.

## Parte de Nós Natal (It's up to us - Christmas)

[Portugal]

This collective volunteering programme, which challenges employees to leave the office to contribute to a happier Christmas, mobilized 1,064 EDP employees and 206 friends, family members, EDP retirees and partners on 114 initiatives countrywide - a total of 7,397 hours' volunteering during working hours that benefited 10,063 people in 119 institutions.



## Desafio do Bem (Challenge for Good)

[Brazil]

This project is moving into its 6th year and involves healthy competition between work teams for the practice of volunteering. In 6 years 76 social organizations have taken part, with 843 volunteers and investment of 97,000 reais.

## Cidadãos Pró-Mundo (Pro-World Citizens)

[Brazil]

In skills volunteering on the Pro-Mundo Cidadãos programme, 14 volunteers give English classes at the João XXIII School, near to EDP's facilities, in a highly vulnerable community, a total of 800 hours' volunteering on Sundays.

## Collaboration with Operation Turkey

[EDP Renováveis]

For the third consecutive year, EDP Renováveis collaborated with the Operation Turkey NGO for the distribution of meals to the Houston homeless for Thanksgiving. 18 volunteers and their families were involved in a total of 72 hours and over 3,000 meals were distributed at the event.

## Christmas party at Bilbao la Vieja

[Espanha]

Since 2012, EDP Espanha, in collaboration with the Bilbao Chamber of Commerce, has organized a Christmas party every year at the facilities of Miribilla Public College, so that the children of the district of Bilbao la Vieja, one of the most deprived areas of the city, can enjoy a fun day with family and friends. Seven volunteers were involved in a total of 56 hours.

Among the collective volunteering projects in 2016 we highlight the Parte de Nós Natal project in Portugal. This programme, which the company has been running continuously between December and January for the last 6 years, last year mobilized 1,064 EDP employees and 206 friends, family members, EDP retirees and partners, on 116 initiatives countrywide - a total of 7,404 hours' volunteering during working hours that benefited 10,218 people in 121 institutions. This programme challenges employees to promote a volunteering initiative in the morning or afternoon to provide a more human and happy Christmas to the most vulnerable in society.

The 404 respondents mainly value the contribution to celebrating Christmas (49.2%), the contribution to reinforcing the company's links with society (59.6%) and also that their participation increased their willingness to volunteer (43.3%).

### Response to humanitarian crises

- As part of the partnership between EDP Foundation and the Refugee Support Platform (PAR), in July 2016, one month's paid leave was awarded to two EDP employees in Portugal to work with a humanitarian support and initial hosting mission for the refugee population in Greece.

The Linha da Frente - Greece Refugee Support Programme provides first-line support to refugees arriving in Greece in the current migratory crisis. The two employees worked as volunteers in a refugee camp and in a shelter, providing play and education activities for children, young people and adults.

In addition, EDP made it possible for employees in Portugal to support this mission and the UNICEF - Children in Syria project, through credits from their benefits plan.



#### Summary:

No. of contributing employees	Linha da Frente Refugee Support Platform	UNICEF – Children in Syria
63	1.881€	4.469 €

EDP Foundation also supported this cause through the revenues earned from visitors to the ILUSTRARTE 2016 exhibition - a total of 20,799 € which was donated to UNICEF – Children in Syria.

## 6.3. Measurement of investment in the community

In 2008, EDP joined the LBG international network (formerly the London Benchmarking Group, in the UK) and started reporting its voluntary contributions in accordance with this methodology. In 2014, the methodology was updated to enable a more thorough assessment and understanding of the degree of change and impact that the programmes are achieving. The EDP Group started to report all its contributions to communities based on this updated methodology.

In view of the need for constant monitoring of the projects supported, every quarter the EDP Group reports its social investment using the LBG methodology and requests regular information from its partners. A collaboration protocol is often agreed with the supported entities with the rights and obligations of each party setting out the conditions for the implementation of the support to be provided, namely its timing and the obligations to which the beneficiary party shall

be subject. This protocol identifies the project objectives and the indicators to be used to monitor the results / impacts. There is thus closer monitoring of the organizations, so that they are not only supported, but enabled to bring more rigour to the whole process.

### 6.3.1. Contributions

EDP's global voluntary investment has contributed to the implementation of 591 projects, 137 fewer than the previous year but with a greater concentration of contributions, which rose from an average of 35,549 euros to 45,366 euros per project. The thin spread of contributions in 2015 has therefore been addressed, in line with the preference for greater concentration of contributions in projects of greater worth in terms of outcomes and effects.

In recent years, assessment of the positive social impact of voluntary corporate contributions has become a prevalent theme, fed by intense international debate. However, although the debate is ongoing and there is a wide range of approaches, the discussions increasingly point towards three key ideas.

- The companies must establish clear priorities to demonstrate the link between their voluntary investments and their business priorities;
- The companies must decide which projects to finance in accordance with quantitative targets for the expected results and effects; and, finally,
- Volunteering must be more oriented towards initiatives that add value, in the areas of expertise of company employees, with direct and simultaneous returns for the company and society.

#### **EDP VOLUNTARY INVESTMENT**

In 2016, EDP undertook an in-depth study of its contribution history, with the projects characterized based on a methodology developed by the Institute for Social Entrepreneurship to identify those with most transformative potential. The analysis facilitated the construction of a decision-making methodology that forecasts the replicating effects of the investment.

In parallel with this debate, in 2016, EDP worked within the BCSD Portugal and WBCSD framework on the development of the Social Capital Protocol. This methodology will be launched in the first half of 2017 to establish the common international logical body for the identification and valuation of projects and themes in the social sphere, based on the "Logical Model" concept, with prioritization of the subjects of employment, training and the development of skills and security of people.

The EDP Group's total Voluntary Investment was 26.8 million euros (see table), thus maintaining roughly the same average contribution amount since 2013.

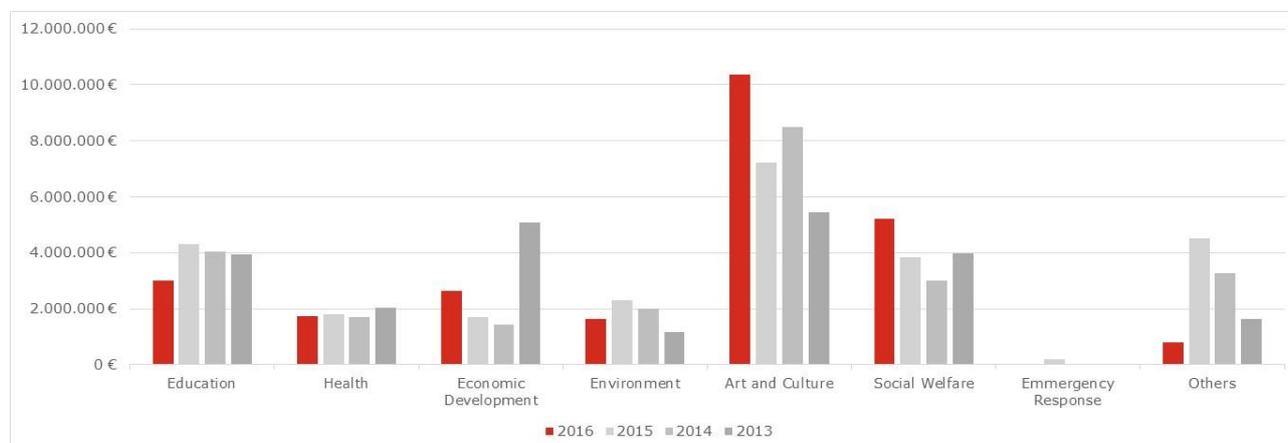
Close to 87% of the entire investment was in the form of direct monetary contributions, with 8% coming from donations in kind and time contributions, including corporate volunteering during working hours, in accordance with EDP's Conciliar (*Reconcile*) programme. Direct project development and management costs accounted for 5% of the total investment.

Distribution of investment by business area changed compared to 2015, most notably the increase in Brazil from 8% to 16% and with Portugal now 69%, EDP in Spain 13% and EDP Renováveis 3%.

INVESTMENT IN THE COMMUNITY (€)	2016 <sup>1</sup>	2015	2014	2013
<b>CATEGORY</b>	<b>25 423 816</b>	<b>25 879 425</b>	<b>23 938 444</b>	<b>23 349 362</b>
Non-strategic investment	1 974 485	209 398	450 758	1 424 720
Strategic Investment	21 990 186	23 556 186	22 474 228	19 485 249
Commercial Initiative	1 459 144	2 113 841	1 013 458	2 439 393
<b>TYPE</b>	<b>25 423 816</b>	<b>25 879 425</b>	<b>23 938 444</b>	<b>23 349 361</b>
Education	3 014 078	4 316 280	4 039 760	3 956 229
Health	1 745 576	1 814 003	1 689 097	2 036 327
Economic Development	2 636 611	1 692 293	1 438 385	5 070 549
Environment	1 617 103	2 296 117	2 003 958	1 163 368
Art and Culture	10 360 759	7 234 190	8 486 509	5 459 532
Social Welfare	5 225 581	3 839 037	2 997 119	3 989 792
Responses to emergencies	23 805	183 150	7 640	32 673
Other	800 302	4 504 356	3 275 977	1 640 891
<b>TYPE</b>	<b>25 423 816</b>	<b>25 879 425</b>	<b>23 938 444</b>	<b>23 349 362</b>
Monetary contributions	23 193 983	23 288 861	21 443 096	22 807 122
In-kind contributions	249 697	71 334	813 399	238 101
Contributions based on working time	1 980 135	2 519 230	1 681 949	304 139
Management costs	1 387 549	1 532 303	2 315 382	3 625 320
Total value of contributions (including management costs)	26 811 365	27 411 728	26 253 826	26 974 682

<sup>1</sup> Ascertained using the LBG methodology. Amounts have not yet been validated by Corporate Citizenship.

### Investment in the community per nature (€)



The distribution of voluntary investment by types shows an increase in contributions for Arts and Culture, Economic Development and Social Welfare with a reduction in the areas of Education and Environment. These reductions do not entail an actual reduction in total investment because, in the case of compulsory programmes linked to the new producing centres, the dominant themes are actually Education and the Environment.

### 6.3.2. Results

In 2016, EDP identified at least one type of result in 518 of the 560 projects promoted or supported, thus covering about 93% of the total investment. Especially significant among these results is the number of beneficiaries in the initiatives - 2.2 million in 2016, distributed across all the EDP Group's geographical areas. This result must be considered a general measure as it does not enable any distinction to be made between individuals who may have benefited from an initiative and the different levels of the benefit received. The LBG refers to the levels of effects on beneficiaries for measurement of impacts

RESULTS	2015		2016	
	Direct beneficiaries	Beneficiary Organizations	Direct beneficiaries	Beneficiary Organizations
Art and Culture	2.233.966	194	662.490	96
Environment	441.454	233	488.337	79
Social Welfare	373.371	742	485.473	408
Economic development	287.523	44	281.204	132
Education	160.493	731	141.557	952
Health	34.023	50	108.695	111
<b>Total</b>	<b>3.530.830</b>	<b>1.994</b>	<b>2.175.206</b>	<b>1.778</b>

One of the most significant results of the Group's investment in the community in 2016 were the 1,778 beneficiary organizations and 2,175,206 direct individual beneficiaries. The coverage of these indicators shows a high level of relationship with society. This commitment contributes to EDP's position, its reputation and image as a socially responsible company that participates actively in the life of communities. It should be noted that about 77% of the beneficiary organizations were supported in education and social welfare projects.

Comparison of per capita investment according to the type of projects supported shows that education and social welfare projects also received the highest contributions and that economic development projects were another highly valued type. By contrast, the areas of environment and health received grants of 3 and 5 euros, respectively.

Focusing the analysis on the specific beneficiary groups targeted by the programmes, the main group is young people with specific needs (those seeking their first job and those with language deficiencies), followed by the group of at-risk children. These groups were targeted, in particular, by the Cidadãos para o Mundo (Citizens for the World) programmes, involving development of language competence and the scholarships for professional recruitment to the Orquestras Energia orchestras.

The following table shows the allocation of approximately 1.2 million euros to 94,021 people analysed, by type of beneficiary group. Support for young people seeking their first job represents the largest individual financial contribution.

INVESTMENT	2015	2016
	€/capita	€/capita
Art and Culture	3	9
Environment	5	3
Social Welfare	10	13
Economic development	6	12
Education	27	20
Health	53	5

BENEFICIARY GROUP	€	#	€/capita
Young people seeking their first job	921.527	235	3921
Young people with language needs	16.208	30	540
At-risk children and young people	116.133	1.345	86
People with illnesses (chronic / rare / others)	107.710	90.004	1
People with special needs (cognitive)	27.337	1.775	15
People with special needs (physical)	682	632	1
<b>Total</b>	<b>1.189.597</b>	<b>94.021</b>	<b>13</b>

### 6.3.3. Impacts

Due to the associated costs, the impact score, which is the most demanding and informative element of the LBG, is not calculated by EDP for all projects developed. For the decision to calculate the impact score of a project, the EDP Group takes account of the relationship between the cost of conducting the impact analysis and the added value it provides. This decision is determined based on the strategic importance of the project to EDP, the value of the investment involved, the development phase of the project and the return from the project to the business. In addition, the investment necessary to determine the effects of the projects using the LBG methodology does not always produce sufficient

information for a decision to be made. The issue of project impact assessment is currently a subject of international controversy and debate and other methodologies are needed to assess the impacts of projects when the aim is to meet very specific objectives not provided for in the LBG.

In 2016, the LBG impact analysis methodology was used by EDP to assess the impact of 44 programmes in Spain. This evaluation of its voluntary investment in the community covers 96 partners or beneficiary organizations, 33,500 direct beneficiaries and total investment of 400,000 euros. In general, it can be recognised that the contributions fundamentally achieve an increase in the capacity of organizations to develop their projects, increase their income and contribute to a stronger position of the EDP brand.

<b>IMPACTS ON BENEFICIARY ORGANIZATIONS</b>		
No. of beneficiary Organizations with measurement of impacts		96
No. of direct beneficiaries		33,495
EDP contributions (time + <i>Cash</i> )		415,522 €
<b>IMPACTS ON THE COMMUNITY</b>		
What benefit did the beneficiary organization report?	No difference (#entities)	Some difference (#entities)
Improvement or creation of new products / services	0	44
Improvement of its management systems (e.g. HR, IT and finances)	0	44
Increased income	0	44
<b>IMPACTS ON THE BUSINESS</b>		
Wide-ranging impacts to what extent did the activity generate:	No difference (#entities)	Some difference (#entities)
Improved brand recognition and reputation	0	44

## **6.4. Vulnerable Clients**

One of EDP's objectives is to ensure a quality service to every client, with particular focus on the most vulnerable segments.

EDP in Portugal, in line with the Group's Sustainable Development Principles and in compliance with current legislation, has encouraged eligible customers to sign up for the social tariff and for Extraordinary Social Support to Energy Consumers (ASECE), through communication campaigns and initiatives together with Private Social Solidarity Institutions. In 2016, the cross-referencing of information between the Tax Authority and Social Security allowed the Social Tariff to reach around 663 thousand customers (vs. 93,000 customers in 2015). This social support allows a discount of more than 30% on energy bills, supported above all by EDP.

In Spain, in addition to the special tariff created in 2009, EDP entered into agreements with the Local Authorities in some areas to avoid the interruption of energy supply on the grounds of non-compliance and provide advice on energy efficiency, maximising clients' savings.

With the "Energía Solidaria" initiative, Fundación EDP has promoted the well-being and energy efficiency of the most disadvantaged families in the Asturias, Basque Country and Cantabria areas. This project consists of identifying initiatives that could lead to reductions in clients' energy bills by changing consumption habits and implementing energy efficiency measures. In 2016, 77 households and 5 Social Centres were targeted, with a total reduction of 137,210kWh in annual gas consumption and 57,380kWh in electricity, and expected savings of €13,745.

In Brazil, the electricity social tariff allows for discounts varying in accordance with the conventional tariff established for each company. Since 2010, EDP's two distributors have partnered with local authorities to encourage the community to formally register for the social tariff. In 2016, 143,502 customers benefited from this tariff.

**ENERGY**  
**AS**  
**THE**  
**NEW**  
**ART**

**ENERGY**  
**AS**  
**THE**  
**NEW**  
**ART**

## 07 ANNEXES

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7.2. GRI Table	131



The background of the image is a dark, deep blue gradient. Overlaid on this are several thick, flowing, wavy lines that create a sense of movement and depth. These lines transition in color from a bright, almost white light blue at their peaks to a rich, vibrant purple at their troughs. The overall effect is reminiscent of water currents or a dynamic, abstract landscape.

**WATER**  
AS THE *NEW*ART

**ENERGY**  
**AS**  
**THE**  
**NEW**  
**ART**

## 07 Annexes

### 7.1. Additional tables

The following tables provide information on the characterization of employees and movements in the EDP Group. In general, they present a 3-year history (2016, 2015 and 2014) and distinguish the different geographical areas where EDP operates, gender, age and professional categorization of employees.

#### Correspondences

1. Correspondence between nomenclatures relating to professional categories

#### Characterization of EDP Group Employees

2. Employees by geographical area, age group and gender (#) [G4-LA12](#)
3. Employees by professional category, geography and gender (#) [G4-LA1](#)
4. Median age of employees by geographical area and gender (#) [G4-LA1](#)
5. Average years' service of employees by geographical area and gender (#) [G4-LA1](#)
6. Parenting Indicators (#) [G4-LA3](#)
7. Employees who as of 31 December of each year may be retiring within the next 5 years by geographical area and professional category (#) [G4-EU15](#)
8. Employees who as of 31 December of each year may be retiring within the next 10 years by geographical area and professional category (#) [G4-EU15](#)
9. Staff turnover by geographical area, gender and age group (%) [G4-LA1](#)

#### Characterization of EDP Group recruitments

10. Recruitments by type, geography and gender (#) [G4-LA1](#)
11. Average age of recruitments by geographical area and gender (#) [G4-LA1](#)
12. Percentage of employees recruited locally (%) [G4-EC6](#)

#### Characterization of EDP Group departures

13. Departures by geographical area and gender (#) [G4-LA1](#)
14. Average years' service of staff departing by gender and age group (#) [G4-LA1](#)
15. Turnover of total departures (%) [G4-LA1](#)

1. Correspondence between nomenclatures relating to professional categories

External Segmentation	Internal Segmentation
EBD	EBD
Senior Managers	Top Management
	Higher Management
	Macrostructure
Managers	Managers
Specialists	Macrostructure without team
	Senior Specialists
	Experts
Technicians	Support Technicians
	Operatives and
	Administrative

2. Employees by geographical area, age group and gender (#) **G4-LA12**

2016	Up to 29 years old	30-49 years old	50+ years old	Total
<b>EDP Group</b>	<b>1481</b>	<b>5601</b>	<b>4910</b>	<b>11992</b>
Male	1085	4074.5	4003.5	9163
Female	396	1526.5	906.5	2829
<b>Portugal</b>	<b>638</b>	<b>2196</b>	<b>3703</b>	<b>6537</b>
Male	498	1608	2986	5092
Female	140	588	717	1445
<b>Spain</b>	<b>69</b>	<b>1104</b>	<b>713</b>	<b>1886</b>
Male	37	701.5	632.5	1371
Female	32	402.5	80.5	515
<b>Brazil</b>	<b>650</b>	<b>1890</b>	<b>421</b>	<b>2961</b>
Male	471	1483	347	2301
Female	179	407	74	660
<b>USA</b>	<b>89</b>	<b>270</b>	<b>63</b>	<b>422</b>
Male	64	189	30	283
Female	25	81	33	139
<b>Rest of Europe</b>	<b>35</b>	<b>141</b>	<b>10</b>	<b>186</b>
Male	15	93	8	116
Female	20	48	2	70

2015	Up to 29 years old	30-49 years old	50+ years old	Total
<b>EDP Group</b>	<b>1490</b>	<b>5422</b>	<b>5172</b>	<b>12084</b>
Male	1107	3960	4226	9293
Female	383	1462	946	2791
<b>Portugal</b>	<b>627</b>	<b>2132</b>	<b>3924</b>	<b>6683</b>
Male	492	1568	3169	5229
Female	135	564	755	1454
<b>Spain</b>	<b>59</b>	<b>1108</b>	<b>696</b>	<b>1863</b>
Male	33	705	624	1363
Female	26	403	72	500
<b>Brazil</b>	<b>679</b>	<b>1818</b>	<b>475</b>	<b>2972</b>
Male	497	1437	389	2323
Female	182	381	86	649
<b>USA</b>	<b>82</b>	<b>233</b>	<b>68</b>	<b>383</b>
Male	60	162	36	258
Female	22	71	32	125
<b>Rest of Europe</b>	<b>43</b>	<b>131</b>	<b>9</b>	<b>183</b>
Male	25	87	8	120
Female	18	44	1	63

2014	Up to 29 years old	30-49 years old	50+ years old	Total
<b>EDP Group</b>	<b>1381</b>	<b>5150</b>	<b>5267</b>	<b>11798</b>
Male	1012	3759	4330	9102
Female	369	1391	937	2696
<b>Portugal</b>	<b>569</b>	<b>2105</b>	<b>4059</b>	<b>6733</b>
Male	450	1554	3307	5311
Female	119	551	752	1422
<b>Spain</b>	<b>58</b>	<b>1139</b>	<b>701</b>	<b>1898</b>
Male	36	749	629	1415
Female	22	390	72	483
<b>Brazil</b>	<b>648</b>	<b>1585</b>	<b>441</b>	<b>2674</b>
Male	459	1233	354	2046
Female	189	352	87	628
<b>USA</b>	<b>61</b>	<b>197</b>	<b>58</b>	<b>316</b>
Male	40	142	32	214
Female	21	55	26	102
<b>Rest of Europe</b>	<b>45</b>	<b>124</b>	<b>8</b>	<b>177</b>
Male	27	81	8	116
Female	18	43	0	61

**3. Employees by professional category, geography and gender (#) G4-LA1**

2016						
Professional Categories / Geographical area	Portugal	Spain	Brazil	USA	Rest of Europe	Group
EBD - Executive Board of Directors	8	0	0	0	0	8
Male	8					8
Female	0					0
Senior Managers	406	163	77	62	25	733
Male	314	126	68	50	20	578
Female	92	37	9	12	5	155
Managers	352	243	140	48	23	806
Male	259	171	113	29	11	583
Female	93	72	27	19	12	223
Specialists	1,982	733	914	235	132	3,996
Male	1,322	514	560	165	84	2,645
Female	660	219	354	70	48	1,351
Technicians	3,789	748	1,830	77	6	6,450
Male	3,189	561	1,560	39	1	5,350
Female	600	187	270	38	5	1,100
<b>Total</b>	<b>6,537</b>	<b>1,886</b>	<b>2,961</b>	<b>422</b>	<b>186</b>	<b>11,992</b>
Male	5,092	1,371	2,301	283	116	9,163
Female	1,445	515	660	139	70	2,829

2015						
Professional Categories / Geographical area	Portugal	Spain	Brazil	USA	Rest of Europe	Group
EBD - Executive Board of Directors	8	0	0	0	0	8
Male	8	0	0	0	0	8
Female	0	0	0	0	0	0
Senior Managers	390	159	72	57	23	701
Male	310	121	59	47	19	556
Female	80	38	13	10	4	145
Managers	354	238	121	48	21	782
Male	270	172	100	34	11	587
Female	84	66	21	14	10	195
Specialists	1,922	713	921	209	131	3,896
Male	1,294	504	580	145	88	2,611
Female	628	209	341	64	43	1,285
Technicians	4,009	754	1,858	69	8	6,698
Male	3,347	567	1,584	32	2	5,532
Female	662	187	274	37	6	1,166
<b>Total</b>	<b>6,683</b>	<b>1,863</b>	<b>2,972</b>	<b>383</b>	<b>183</b>	<b>12,084</b>
Male	5,229	1,363	2,323	258	120	9,293
Female	1,454	500	649	125	63	2,791

4. Median age of employees by geographical area and gender (#) G4-LA1

	2016	2015	2014		2016	2015	2014
<b>EDP Group</b>	<b>45</b>	<b>45</b>	<b>46</b>	<b>Brazil</b>	<b>38</b>	<b>38</b>	<b>38</b>
Male	46	46	46	Male	39	39	39
Female	43	43	43	Female	37	37	37
<b>Portugal</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>USA</b>	<b>38</b>	<b>39</b>	<b>39</b>
Male	49	49	50	Male	37	38	38
Female	47	47	47	Female	40	41	41
<b>Spain</b>	<b>46</b>	<b>46</b>	<b>46</b>	<b>Rest of Europe</b>	<b>36</b>	<b>35</b>	<b>35</b>
Male	48	48	47	Male	37	36	36
Female	42	41	42	Female	34	34	33

5. Average years' service of employees by geographical area and gender (#) G4-LA1

	2016	2015	2014		2016	2015	2014
<b>EDP Group</b>	<b>18</b>	<b>19</b>	<b>19</b>	<b>Brazil</b>	<b>10</b>	<b>11</b>	<b>11</b>
Male	19	19	20	Male	11	11	12
Female	15	16	16	Female	9	10	10
<b>Portugal</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>USA</b>	<b>4</b>	<b>4</b>	<b>4</b>
Male	24	25	25	Male	4	4	4
Female	21	21	22	Female	5	5	5
<b>Spain</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>Rest of Europe</b>	<b>5</b>	<b>4</b>	<b>4</b>
Male	19	19	18	Male	5	4	4
Female	12	12	12	Female	4	4	3

6. Parenting Indicators (#) G4-LA3

	Employees entitled to parental leave (#)		Employees who took parental leave (#)		Employees who left the company during the year for reasons of dismissal and who took parental leave in the past 2 years (#)		Retention rate of employees who took parental leave (%)	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>EDP GROUP</b>	<b>399</b>	<b>409</b>	<b>297</b>	<b>309</b>	<b>2</b>	<b>2</b>	<b>99%</b>	<b>100%</b>
Male	273	272	171	172	0	0	100%	100%
Female	126	137	126	137	2	2	98%	99%
<b>Portugal</b>	<b>153</b>	<b>135</b>	<b>151</b>	<b>134</b>	<b>0</b>	<b>0</b>	<b>100%</b>	<b>100%</b>
Male	109	91	107	90	0	0	100%	100%
Female	44	44	44	44	0	0	100%	100%
<b>Spain</b>	<b>73</b>	<b>100</b>	<b>72</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>100%</b>	<b>100%</b>
Male	40	48	39	48	0	0	100%	100%
Female	33	52	33	52	0	0	100%	100%
<b>Rest of Europe</b>	<b>15</b>	<b>17</b>	<b>15</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>100%</b>	<b>100%</b>
Male	10	9	10	9	0	0	100%	100%
Female	5	8	5	8	0	0	100%	100%
<b>Brazil</b>	<b>139</b>	<b>128</b>	<b>40</b>	<b>29</b>	<b>2</b>	<b>2</b>	<b>99%</b>	<b>98%</b>

Male	101	99	N.A.	N.A.	N.A.	N.A.	-	N.A.
Female	38	29	38	29	2		95%	93%
<b>USA</b>	<b>19</b>	<b>29</b>	<b>19</b>	<b>29</b>	<b>0</b>	<b>0</b>	<b>100%</b>	<b>100%</b>
Male	13	25	13	25	0	0	100%	100%
Female	6	4	6	4	0	0	100%	100%

7. Employees who as of 31 December of each year may be retiring within the next 5 years by geographical area and professional category (#) **G4-EU15**

Geographical area/ Professional category*	Senior Managers		Managers		Specialists		Technicians		EDP Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Portugal	131	137	88	81	346	304	1,933	1,883	2,499	2,405
Spain	8	7	11	14	26	33	45	55	89	109
Brazil	3	3	2	1	29	29	17	24	51	57
USA	6	8	5	7	7	7	5	2	23	24
Rest of Europe	1	1	0	0	1	2	0	0	2	3
<b>EDP Group</b>	<b>149</b>	<b>156</b>	<b>106</b>	<b>103</b>	<b>409</b>	<b>375</b>	<b>2,000</b>	<b>1,964</b>	<b>2,664</b>	<b>2,598</b>

\*Excluding EBD

8. Employees who as of 31 December of each year may be retiring within the next 10 years by geographical area and professional category (#) **G4-EU15**

Geographical area/ Professional category*	Senior Managers		Managers		Specialists		Technicians		EDP Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Portugal	170	185	118	130	495	484	2,666	2,890	3,449	3,689
Spain	29.5	25	42	43	95	98	179	196	346	362
Brazil	8	14	8	7	88	101	90	104	194	226
USA	11	10	6	7	20	12	12	10	49	39
Rest of Europe	3	1	0	0	5	4	0	0	8	5
<b>EDP Group</b>	<b>221.5</b>	<b>235</b>	<b>174</b>	<b>187</b>	<b>703</b>	<b>699</b>	<b>2,947</b>	<b>3,200</b>	<b>4,046</b>	<b>4,321</b>

\*Excluding EBD

9. Staff turnover by region, gender and age group (%) **G4-LA1**

	2016	2015	2014
<b>Portugal</b>	<b>4.61%</b>	<b>4.58%</b>	<b>5.37%</b>
Male	4.35%	4.55%	5.57%
Female	5.52%	4.69%	4.65%
Up to 29 years old	14.39%	16.64%	18,11% <sup>1</sup>
30-49 years old	2.26%	2.93%	2.06%
50+ years old	4.31%	3.66%	5,37% <sup>1</sup>
<b>Spain</b>	<b>3.39%</b>	<b>4.29%</b>	<b>2.26%</b>
Male	3.55%	3.87%	2.27%
Female	2.96%	5.49%	2.23%
Up to 29 years old	35.94%	38.46%	13.62%
30-49 years old	2.26%	2.76%	1.28%
50+ years old	2.20%	3.90%	2.75%
<b>Brazil</b>	<b>10.15%</b>	<b>9.39%</b>	<b>8.85%</b>
Male	9.71%	9.18%	8,13% <sup>1</sup>
Female	11.69%	10.10%	11,18% <sup>1</sup>
Up to 29 years old	15.05%	15.07%	12.55%
30-49 years old	7.15%	7.76%	7.32%
50+ years old	15.29%	7.21%	8.67%
<b>USA</b>	<b>19.01%</b>	<b>22.32%</b>	<b>18.83%</b>
Male	21.63%	24.15%	19,32% <sup>1</sup>
Female	13.64%	18.50%	17,82% <sup>1</sup>
Up to 29 years old	33.92%	36.36%	30.09%
30-49 years old	15.11%	18.60%	17.65%
50+ years old	14.50%	19.05%	11.61%
<b>Rest of Europe</b>	<b>12.20%</b>	<b>13.06%</b>	<b>12.87%</b>
Male	12.29%	10.59%	15.04%
Female	12.03%	17.74%	8.62%
Up to 29 years old	33.33%	19.32%	17.24%
30-49 years old	6.99%	10.98%	11.30%
50+ years old	0.00%	11.76%	12.50%
<b>Total</b>	<b>6.38%</b>	<b>6.32%</b>	<b>6.12%</b>
Male	6.34%	6.96%	7.03%
Female	6.06%	6.13%	6.18%
Up to 29 years old	15.63%	17.87%	17.23%
30-49 years old	4.32%	5.28%	4.61%
50+ years old	5.38%	4.20%	5.12%

Note: Staff turnover formula = (Recruitments + Departures in Year N) / 2 / (Headcount Year N-1 + Headcount Year N) / 2  
<sup>1</sup>2014 values adjusted in 2015

## 10. Recruitments by type, geography and gender (#) G4-LA1

	Direct recruitments to Permanent Staff		Fixed-term recruitments		Other recruitments		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>EDP Group</b>	<b>584</b>	<b>636</b>	<b>62</b>	<b>89</b>	<b>76</b>	<b>49</b>	<b>722</b>	<b>774</b>
Male	406	461	39	53	64	39	509	553
Female	178	175	23	36	12	10	213	221
<b>Portugal</b>	<b>190</b>	<b>187</b>	<b>34</b>	<b>78</b>	<b>8</b>	<b>18</b>	<b>232</b>	<b>283</b>
Male	134	141	17	48	6	12	157	201
Female	56	46	17	30	2	6	75	82
<b>Spain</b>	<b>49</b>	<b>70</b>	<b>24</b>	<b>3</b>	<b>2</b>	<b>7</b>	<b>75</b>	<b>80</b>
Male	33	36	19	2	0	4	52	42
Female	16	34	5	1	2	3	23	38
<b>Brazil</b>	<b>228</b>	<b>249</b>	<b>2</b>	<b>2</b>	<b>65</b>	<b>24</b>	<b>295</b>	<b>275</b>
Male	156	194	2	1	57	23	215	218
Female	72	55	0	1	8	1	80	57
<b>USA</b>	<b>94</b>	<b>110</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>94</b>	<b>110</b>
Male	70	78	0	0	0	0	70	78
Female	24	32	0	0	0	0	24	32
<b>Rest of Europe</b>	<b>23</b>	<b>20</b>	<b>2</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>26</b>	<b>26</b>
Male	13	12	1	2	1	0	25	14
Female	10	8	1	4	0	0	11	12

## 11. Average age of recruitments by geographical area and gender (#) G4-LA1

	2016	2015	2014		2016	2015	2014
	<b>EDP Group</b>	<b>31</b>	<b>31</b>		<b>31</b>	<b>Brazil</b>	<b>31</b>
Male	32	31	30	Male	32	31	32
Female	30	31	31	Female	30	29	30
<b>Portugal</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>USA</b>	<b>33</b>	<b>35</b>	<b>35</b>
Male	30	29	28	Male	32	33	33
Female	29	30	31	Female	34	37	36
<b>Spain</b>	<b>32</b>	<b>31</b>	<b>32</b>	<b>Rest of Europe</b>	<b>30</b>	<b>32</b>	<b>30</b>
Male	32	31	32	Male	32	34	32
Female	31	31	32	Female	28	30	28

12. Percentage of employees recruited locally (%) **G4-EC6**

	Senior Managers		Managers		Specialists		Technicians		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Portugal</b>	100%	100.0%	100%	100.0%	100.0%	99.9%	100%	100.0%	100%	100.0%
<b>Spain</b>	99.4%	98.7%	100%	99.6%	100%	99.7%	99.7%	100.0%	99.8%	99.5%
<b>Brazil</b>	97.4%	97.2%	100%	100.0%	100%	99.9%	100%	100.0%	99.9%	99.3%
<b>USA</b>	98.4%	94.7%	100%	100.0%	100%	99.5%	98.7%	100.0%	99.5%	98.6%
<b>Rest of Europe</b>	64.0%	78.3%	95.7%	95.2%	100%	96.2%	33.3%	100.0%	92.5%	92.4%
<b>EDP Group</b>	<b>98.2%</b>	<b>99.8%</b>	<b>99.9%</b>	<b>99.7%</b>	<b>100.0%</b>	<b>99.7%</b>	<b>99.9%</b>	<b>100.0%</b>	<b>99.8%</b>	<b>99.8%</b>

13. Departures by geographical area and gender (#) **G4-LA1**

	2016	2015	2014		2016	2015	2014
<b>EDP Group</b>	<b>814</b>	<b>737</b>	<b>853</b>	<b>Brazil</b>	<b>307</b>	<b>255</b>	<b>240</b>
Male	632	576	666	Male	234	183	166
Female	182	161	187	Female	73	72	74
<b>Portugal</b>	<b>377</b>	<b>332</b>	<b>489</b>	<b>USA</b>	<b>59</b>	<b>47</b>	<b>50</b>
Male	292	279	405	Male	47	37	32
Female	85	53	84	Female	12	10	18
<b>Spain</b>	<b>52</b>	<b>82</b>	<b>56</b>	<b>Rest of Europe</b>	<b>19</b>	<b>21</b>	<b>18</b>
Male	45	66	47	Male	14	11	16
Female	7	16	9	Female	5	10	2

14. Average years' service of staff departing by gender and age group (#) **G4-LA1**

	Male		Female		Up to 29 years old		30-49 years old		50+ years old		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Portugal</b>	34	33	29	26	1	2	8	7	37	36	32	32
<b>Spain</b>	21	27	16	23	1	1	8	11	32	35	20	26
<b>Brazil</b>	16	10	13	10	3	2	8	5	28	27	15	10
<b>USA</b>	4	5	4	3	2	6	4	4	6	4	4	4
<b>Rest of Europe</b>	3	3	5	3	2	2	4	3	0	5	4	3
<b>EDP Group</b>	<b>23</b>	<b>23</b>	<b>19</b>	<b>16</b>	<b>2</b>	<b>2</b>	<b>7</b>	<b>6</b>	<b>33</b>	<b>34</b>	<b>22</b>	<b>21</b>

15. Turnover of total departures (%) **G4-LA1**

	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Portugal</b>	5.8%	5.0%	7.3%
<b>Spain</b>	2.8%	4.4%	3.0%
<b>Brazil</b>	10.4%	8.6%	9.0%
<b>USA</b>	14.0%	12.3%	15.8%
<b>Rest of Europe</b>	10.2%	11.5%	10.2%
<b>EDP Group</b>	<b>6.8%</b>	<b>6.1%</b>	<b>7.2%</b>

## 7.2. GRI Table

The following table summarises the GRI-G4 indicators for the social area in accordance with the "Comprehensive" option and the specifics of the Protocol of the Electricity Sector, assuming deadlines for the implementation of the indicators for which full compliance has not yet been possible. Simultaneously, the following table identifies the available information that responds to the 10 principles of the Global Compact, demonstrating EDP's commitment to this initiative.

### GRI TABLE (comprehensive option)

GENERAL CONTENTS		REPORT PAGES	REPORT	OMISSIONS / ADDITIONAL INFORMATION	GLOBAL COMPACT
<b>STRATEGY AND ANALYSIS</b>					
G4-1	Message from the Chairman	9			
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<b>ORGANISATION</b>					
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G4-4	Products	14			
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G4-6	# countries	12-15			
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G4-8	Geographical distribution	12 -15			
G4-9	General Indicators	13			
G4-10*	# Employees' geographical area and gender	60, 123, 124		The number of individual <i>contractors</i> in EDP is not significant	
G4-11*	% unionized employees	91		The number of individual <i>contractors</i> in EDP is not significant	
G4-12	Description of the organization of the value chain	29			
G4-13	Significant changes in the reporting period	Annual Report		<a href="http://www.edp.pt">www.edp.pt</a> > investors> publications> annual report	
G4-14	Precautionary principle	Code of Ethics		<a href="http://www.edp.pt">www.edp.pt</a> > about edp> corporate governance> ethics	
G4-15	Memberships	Principles of Sustainable Development		<a href="http://www.edp.pt">www.edp.pt</a> > sustainability> approach to sustainability> principles	
G4-16	Memberships of business associations	Principles of Sustainable Development		<a href="http://www.edp.pt">www.edp.pt</a> > sustainability> approach to sustainability> principles	
<b>IDENTIFICATION OF THE MATERIAL ASPECTS AND THEIR REPORTING LIMITS</b>					
G4-17	Consolidation perimeter	Annual Report		<a href="http://www.edp.pt">www.edp.pt</a> > investors> publications> annual report> Note 5 of the Financial Statements	
<b>REPORT PROFILE</b>					
G4-28	Reporting period	10			
G4-29	Date of most recent report	10			
G4-30	Reporting cycle	10			
G4-31	Final Page - Contacts	10			
<b>GOVERNANCE</b>					
G4-34	Governance structure	26-28			
G4-35	Power delegation principles	26			
G4-36	Responsibility for economic, environmental and social affairs	26-28		<a href="http://www.edp.pt">www.edp.pt</a> > sustainability> approach to sustainability> principles	
G4-37	Stakeholder consultation process	Annual Report		<a href="http://www.edp.pt">www.edp.pt</a> > investors> publications> annual report	
G4-38	Governance structure and committees	26		<a href="http://www.edp.pt">www.edp.pt</a> > investors> publications> annual report	
G4-39	Governance Model	26		<a href="http://www.edp.pt">www.edp.pt</a> > investors> publications> annual report	
G4-40	EBD selection process	Annual Report		<a href="http://www.edp.pt">www.edp.pt</a> > investors> publications> annual report	

GENERAL CONTENTS		REPORT PAGES	REPORT	OMISSIONS / ADDITIONAL INFORMATION	GLOBAL COMPACT
G4-41	Management of conflicts of interest	Independence and Incompatibilities Statement		www.edp.pt> about edp> corporate governance> independence and incompatibilities statement	
G4-42	Role of management bodies in the definition of mission, policy and values	Annual Report		www.edp.pt> investors> publications> annual report	
G4-43	Development of the skills of the EBD	75			
G4-44	EBD evaluation process	75			
G4-45	Responsibilities for risk assessment and due diligence	Annual Report		www.edp.pt> investors> publications> annual report	
G4-46	Responsibility for evaluating efficacy of risk management	Annual Report		www.edp.pt> investors> publications> annual report	
G4-47	Risks and opportunities review frequency	Annual Report		www.edp.pt> investors> publications> annual report	
G4-48	Responsibility for validation of the sustainability report	Annual Report		www.edp.pt> investors> publications> annual report	
G4-49	Modes of access to the EBD	Annual Report		www.edp.pt> investors> publications> annual report	
G4-50	Ethics	45-50			
G4-51	EBD pay policy	75; Annual Report		www.edp.pt> investors> publications> annual report	
G4-52	Pay setting process	74		www.edp.pt> investors> publications> annual report	
G4-53	Stakeholder participation	29-30		www.edp.pt> investors> publications> annual report	
G4-54	Highest to average pay ratio	77			
G4-55	Ratio of change in highest to average pay	77			
<b>ETHICS AND INTEGRITY</b>					
G4-56	Codes of conduct	45-50; Code of Ethics		www.edp.pt> about edp> corporate governance> ethics	
G4-57	Advice in ethical behaviour	45; Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-58	Reporting of violations of the Code of Ethics	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
<b>ECONOMIC PERFORMANCE</b>					
G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-EC1	Distributed added value	29			
G4-EC3	Employee benefits	82-90			
<b>MARKET PRESENCE</b>					
G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-EC5	Pay policy	74-77			
G4-EC6	% locally recruited staff	129			
<b>INDIRECT ECONOMIC IMPACTS</b>					
G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-EC7	Impacts on the Community	102-113			
G4-EC8	Suppliers	Annual Report		www.edp.pt> investors> publications> annual report	
<b>PROCUREMENT PRACTICES</b>					
G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-EC9	Percentage of local suppliers	www.edp.pt		www.edp.pt> investors> publications> annual report	
<b>LABOUR PRACTICES</b>					
<b>EMPLOYMENT</b>					
G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-LA1*	Employees, recruitment and turnover	59-94, 120-130			
EU15*	Forecast employees reaching retirement age	61, 126			

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EU18*	Providers and suppliers who have received safety training	79		The number of individual <i>contractors</i> in EDP is not significant	
G4-LA2	Benefits for full-time employees	82-90; Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-LA3	Parenting	84, 125			
<b>LABOUR RELATIONS</b>					
G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-LA4	Communication of organizational changes	56-94; Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
<b>HEALTH AND SAFETY</b>					
G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-LA5	% employees represented on Prevention and Safety committees	78-84; Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-LA6*	Accidents, occupational diseases, absenteeism and deaths	38, 80, 83			
G4-LA7	# employees in positions with high occupational risk	84; Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-LA8	Inclusion of P & S aspects in agreements with unions	90-91; Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
<b>TRAINING AND EDUCATION</b>					
G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-LA9	Training	66-71			
G4-LA10	Management of skills, ongoing training and preparation for retirement	59-94			
G4-LA11	Performance Assessment	74-75			
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>					
G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-LA12	Diversity in management bodies and employees	86-89			
<b>EQUAL PAY FOR WOMEN AND MEN</b>					
G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-LA13	Male / Female salary ratio	76			
<b>EVALUATION OF SUPPLIERS' LABOUR PRACTICES</b>					
G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-LA14	Evaluation of Suppliers in labour matters	www.edp.pt/pt/suppliers/EDP's impact in the supply chain		www.edp.pt> investors> publications> annual report	
G4-LA15	Risks in the supply chain	www.edp.pt/pt/suppliers/EDP's impact in the supply chain		www.edp.pt> investors> publications> annual report	
<b>LABOUR PRACTICES CLAIMS</b>					
G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-LA16	Labour practices infractions	46			
<b>HUMAN RIGHTS</b>					
					<b>1</b>
<b>INVESTMENT</b>					
G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-HR1	# contracts including clauses relating to Human Rights	52			
G4-HR2	Human rights training	45-52		Included in ethics training	
<b>NON-DISCRIMINATION</b>					
G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-HR3	# violations of non-discrimination principles	45-52			

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G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-HR4	# operations and suppliers with risk of violation of labour rights	45-52			
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G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-HR5	# operations and suppliers with risk of violation of rights relating to child labour	45-52			
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G4-HR6	# operations and suppliers with risk of violation of rights relating to forced work	45-52			
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G4-HR7	Safety staff training in matters relating to Human Rights	45-52		Non-material	
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G4-HR8	# violations of the rights of indigenous peoples	45-52			
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G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-HR9	# Human Rights due diligence	45-52			
<b>EVALUATION OF SUPPLIERS IN HUMAN RIGHTS</b>					
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G4-HR10	Evaluation of Suppliers in matters relating to Human Rights	45-52			
G4-HR11	Risks in the supply chain relating to Human Rights issues	45-52			
<b>HUMAN RIGHTS COMPLAINTS</b>					
G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-HR12	# complaints relating to Human Rights violations	45-52			
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G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
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G4-SO2	Risks associated with relationships with Local Communities	102-113			
EU22*	Displaced populations	102-113			
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G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-SO3	Due diligence relating to corruption risks	Annual Report		www.edp.pt> investors> publications> annual report	
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G4-SO7	Anti-competitive practices cases	45-52		Non-material	
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G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-SO8	Fines and penalties	Annual Report		www.edp.pt> investors> publications> annual report	
<b>EVALUATION OF SUPPLIERS REGARDING IMPACTS ON SOCIETY</b>					
G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-SO9	Evaluation of suppliers relating to impacts in the Community	Sustainable purchases		www.edp.pt> suppliers> sustainable purchases	
G4-SO10	Risks in the Supply Chain	Sustainable purchases		www.edp.pt> suppliers> sustainable purchases	
<b>CLAIMS OF IMPACTS ON SOCIETY</b>					
G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-SO11	Incidents related to impacts on Society	45-52			
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G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-PR1	Evaluation of products and services in relation to health and safety impacts	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
G4-PR2	# incidents relating to impacts in health and safety of products and services	80		Non-material	
EU25*	Accidents and deaths of citizens related to company assets	80			
<b>AVAILABILITY OF INFORMATION</b>					
G4-DMA	Materiality	Sustainability Management Approaches Report		www.edp.pt> sustainability> publications and reports	
Total Compliance       Partial Compliance       Not available					
* Sector Specific Indicator					

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