

edp

ENERGY
WITH
INTELLIGENCE

**ETHICS OMBUDSMAN
ANNUAL REPORT
2015**



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LIVING ETHICS IN EVERYDAY LIFE

The “ethical quality of the organisational culture” is sometimes defined as the extent to which it encourages ethical practices among the members of the organisation, while discouraging and preventing unethical behaviour.

This “ethical quality of the organisational culture” is only achieved when ethics are truly part of the everyday life of the organisation, covering all its activities, without being confined to functional areas or specific topics.

In other words, ethics are in fact a dimension of everything we do and should be perceived as such within the organisation.

I would say that activity in the field of ethics undertaken within the EDP Group in 2015 was mostly targeted at the enhancement of the quality of this dimension of our organisational culture, fostering on the one hand a reflection on the topic of ethics to make it more present and bring it closer to employees and, on the other, broadening and strengthening internal and external partnerships in this area.

The ethics training and awareness activities undertaken with the various business units and covering all employees are cases in point. The inclusion of skills directly linked to the policy principles and commitments set out in our Code of Ethics in the new skill evaluation and management model carried out by the Human Resource Corporate Department has been of equal importance.

The evaluation of the different aspects of our ethical performance management system performed by the recipients and partners of the initiatives undertaken during the year has been generally positive. Also positive were the results achieved in Ethicis, EDP’s Corporate Ethical Performance Index, and the fact that, for the fourth consecutive year, EDP is included in the list of the World’s Most Ethical Companies drawn up by the Ethisphere Institute.

Looking at the activities undertaken overall, I would like to thank members of the Ethics Committee and the Corporate Governance and Sustainability Committee of the GSB for the support they provided, and to acknowledge the cooperation of all those who, within their organisational units or in the various working groups formed, participated in the different initiatives launched by the Office of the Ethics Ombudsman this year, and whose skill and enthusiasm were instrumental for the results achieved.

José Figueiredo Soares
EDP Group’s Ethics Ombudsman

highlights

JANUARY 2015

QUICK GUIDE TO THE EDP CODE OF ETHICS

The Portuguese edition of the Quick Guide to the EDP Code of Ethics was launched in pocket format and with simplified language.

This document is now given to new employees at their induction, and there are plans to make it available during specific actions targeting other stakeholders, e.g. suppliers and clients.



MARCH 2015

ETHISPHERE RANKING

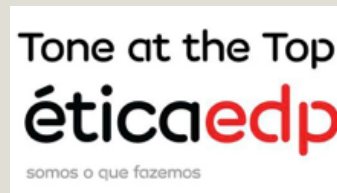
In 2015, EDP was once again recognised (for the 4th consecutive year) by the Ethisphere Institute as one of the companies with better ethical performance management.



JUNE 2015

TONE AT THE TOP

A series of six workshops on ethical risk was organised, involving EDP's senior management in Portugal and Spain, aimed at reflecting on the circumstances that make unethical practices at EDP potentially possible, and identifying concrete measures to make the organisation less prone to them.



LAUNCH OF EDP TRAINING IN SPAIN

Following localisation work and a pilot, an Online Campus version of éticaedp training for all EDP Spain employees (HC and Naturgas) was made available.



JULY 2015

HUMAN RIGHTS

The Human Rights Monitoring Programme (HRMP) was launched in the wake of EDP's endorsement in its Code of Ethics of the commitment to the United Nations "Guiding Principles on Business and Human Rights".

SEPTEMBER 2015

AMPLIFY

The new Amplify model for skill evaluation and management was made available by the Human Rights Corporate Department. This model, to be applied across the Group, specifies "openness and transparency" as cross-cutting competences for employees and managers, and is directly linked to the policy principles and commitments set out in EDP's Code of Ethics.



OCTOBER 2015

ETHICS COMMITTEE

The General and Supervisory Board carried out a reshuffle of the EDP Ethics Committee and approved the review of the Code of Ethics Regulations.

NOVEMBER 2015

EDP BRASIL RECOGNISED BY 2015 ETHICS AWARD

The Ethics Seal has been attributed by Brazil's Federal Controller's Department (CGU), a government agency overseeing integrity, ethics and transparency.

DECEMBER 2015

TRAINING AT EDP R AND EDP BRASIL

The online éticaedp training pilots began at EDP Brasil and EDP Renováveis.

01 STRENGTHENING AN ETHICAL CULTURE

The highlights of our work in 2015 were to make the presence of ethics in the evaluation of performance more explicit and visible, to promote reflection among senior management, to train employees and to develop tools that foster better self-awareness within the organisation.

ETHICS IN THE EVALUATION AND DEVELOPMENT OF SKILLS FOR ALL EMPLOYEES ACROSS THE EDP GROUP

EDP's ethical policy principles and commitments are clear in Amplify, the new skill evaluation model adopted in 2015, created to promote a culture of feedback and alignment of personal development with organisational development throughout the life of an employee in the company.

In this model, "openness and transparency" are cross-cutting competences for managers and employees, and the behaviour expected from them in this respect at all times is also described. Leaders have a special responsibility for encouraging such behaviour.

Indeed, leaders are expected to inspire their teams and help them grow. They are required to promote a culture of accountability, cooperation and sharing, within an environment of mutual trust, free from fear, fostering the individual growth of those who are under their leadership at any given time.

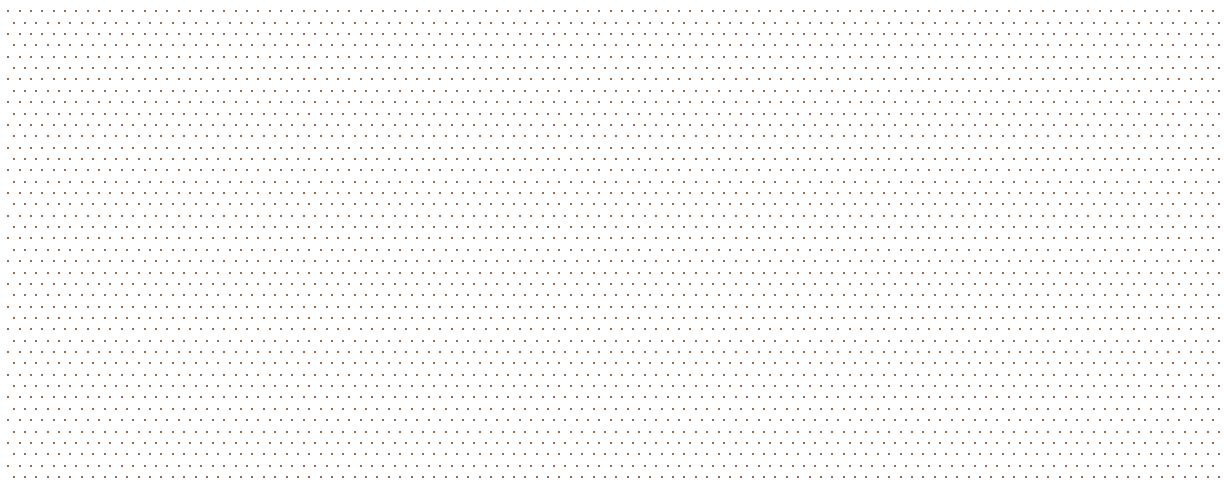
Leaders are also asked to make greater demands of themselves, notably with regard to reflecting on their own ability for self-control and requesting feedback from the team whenever they sense that a decision has not been well received.

This fosters introspection among leaders, in an exercise in humility and sense of serving the team, while seeking excellence. It also introduces the notion of "feeling" in the development of skills.

With this model, the person - the "EDP person" - achieves a place within the company, with a clear perception that the company will benefit from more complete and fulfilled people.

According to the results, "openness and transparency" are the highest ranked (4.1/5) of the eight skills assessed, in both the "managers" and the "employees" segments.

Amongst these skills, managers' behaviour ranked highest by their employees are: "Acts and decides in a transparent and fair manner, understanding the limits of their autonomy and clearly identifying and reporting on the rationale and risks inherent in the decision-making process" and "Promotes an environment of respect, trust and openness in the relationship with others, acting as a role model".



ETHICS TRAINING AND AWARENESS

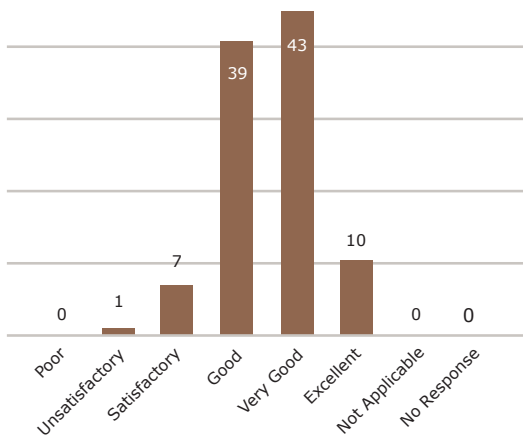
WORKSHOP FOR SENIOR MANAGEMENT

“Tone at the Top” was the title of an initiative which involved all EDP senior managers in Portugal and Spain. Its aim was to strengthen the focus of this employee segment on ethical topics, reflecting on circumstances that make unethical practices at EDP potentially possible, and identifying concrete measures to make the organisation less prone to them.

This initiative was held in the context of a review of the ethical risk at EDP and took the form of six workshops, which had an attendance rate of over 92% and a very positive assessment.



Figure 1 - Overall Evaluation (%)



53% Very Good or Excellent

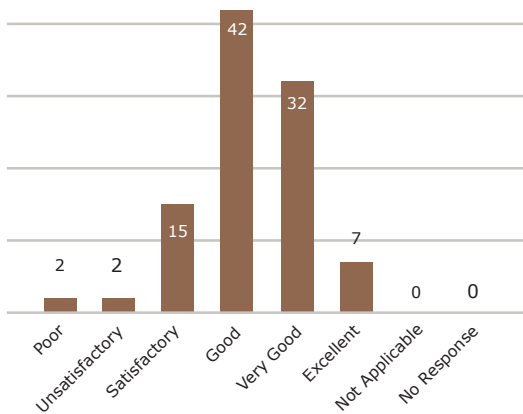
95% would recommend the course

comments

“The most difficult thing was accomplished - to put an essentially theoretical topic into practice.”

“This was an unprecedented reflection on this field to which everyone had the opportunity to freely and actively contribute.”

Figure 2 - Overall Appraisal of the Training Action (%)



ONGOING ONLINE TRAINING FOR EMPLOYEES

Like last year’s programme in Portugal, the online éticaedp training programme conducted in 2015 in Spain had an attendance rate of 83%, covering more than 1,400 employees. The overall assessment was very positive, with 81% of participants rating it as “excellent”, “very good” or “good”.

some comments from participants

“It instilled and recalled that, in this company, there are key values that are required for a good working environment for everyone in the team.”

“Positive for my work. Positive because it can help solve many problems in everyday life.”

“Because we need to be reminded on a daily basis of certain values which we frequently set aside, losing sight of common sense.”

“It refreshes ethical culture and knowledge and helps to reflect and internalise.”

Before this training action, a survey of all EDP Spain employees was carried out in May on the ethical performance management system. The rate of response to this survey was 49% and enabled a standard to be established in terms of knowledge about the components of the management system and employee expectations of business units. In addition to its usefulness in planning and evaluating the effectiveness of the local initiatives launched, the data gathered will provide a benchmark with data obtained from identical surveys conducted in other geographies.

In 2015, the éticaedp training programme was also adapted to the specifics of EDP Renováveis and EDP Brasil. The relevant pilots were already launched at the end of the year, in order to set the conditions for this training to be operational by 2016.

ETHICS IN THE INDUCTION OF NEW EMPLOYEES

The face-to-face module on ethics that complements the online éticaedp training has been retained for the induction period. This specific training covered 84% of employees engaged in Portugal this year, and its extension to other business units is planned for 2016.

ANTICORRUPTION TRAINING

Various specific training programmes have been conducted in Portugal under the Internal Control and Financial Reporting System, whose aim has been to strengthen the effectiveness of the control and reporting systems and to mitigate the risk of legal non-compliance, in particular the occurrence of corruption and bribery practices.

At EDP Brasil, the training was carried out with employees whose risk to this exposure is greater, such as those who have direct or indirect contact and/or personal relationships with public agencies, deal with confidential information, are responsible for cash transactions or are involved in outsourcing or contract negotiation.

Specific training was delivered on this topic at EDP Renováveis, covering all employees of the Europe and United States platforms, following the implementation of its Anticorruption Policy, approved in late 2014.

Although some legal systems in force in countries in which the EDP Group operates permit it, no group company made contributions in cash or in kind to political parties. Not making such contributions is in line with the internal values enshrined in the EDP Code of Ethics, pursuant to which "employees undertake not to make, on behalf of the company, monetary or other contributions to political parties." In turn, "EDP undertakes, whenever permitted by law, to provide properly regulated mechanisms for employees' participation in political processes, which may include voluntary personal monetary contributions."

Particularly with regard to the chain of suppliers, agents, intermediaries and distributors, EDP includes explicit provisions on respect for ethical standards in their respective contracts, as well as specific provisions on compliance with applicable laws on corruption and bribery. In 2015, the new Procurement Manual reinforced ethical procedures, especially those relating to corruption.

DEVELOPMENT OF A HUMAN RIGHTS MONITORING PROGRAMME

Respect for Human and Labour Rights is one of the Policy Principles enshrined in the EDP Code of Ethics as part of various commitments voluntarily undertaken by the company in recognition of its Social Responsibility.

Specifically, within the framework of the United Nations Guiding Principles on Business and Human Rights - the "Ruggie Framework", and following the project to identify and assess ethical risks, EDP launched a Human Rights Monitoring Programme to evaluate internal practices, identify due diligence needs and prepare action plans.

In 2015, the Human Rights Monitoring Programme comprised a self-diagnosis by Business Units in Portugal, Spain, Brazil and the United States, including companies, facilities, new projects, mergers and takeovers, as well as operations with a materially relevant potential impact on Human Rights or turnover.

EDP made a number of relevant Monitoring Programme standards and procedures available on its website: Summary of Commitments to respect for Human Rights, published by the EDP Group; List of the United Nations Guiding Principles on Business and Human Rights; Monitoring Guide; Self-Diagnosis Sheet (www.edp.pt) > sustentabilidade > abordagem à sustentabilidade > princípios Ruggie).

It should be stressed that compliance with the ban on the employment of illegal workers and child labour is an explicit requirement when selecting suppliers, is contractually established and is liable to operational checks and inspections.

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.

02 COMPLAINTS FLOW IN 2015

WHO COMPLAINED AND ABOUT WHAT

317 complaints were recorded in 2015 via the various channels available for the purpose in the EDP group, 54 of which gave rise to complaint cases submitted to the Ethics Committee, the remainder being swiftly processed in conjunction with the business units involved.

The complaints received are classified by origin and according to the different topics in the Code of Ethics, as shown in the table:

Table 1 - Correspondence Between the Classification of Complaints and the Items in the Code of Ethics

Fraud, corruption and bribery	2.2. Financial issues 2.2. Corruption and bribery
Environment and responsibility towards society	2.5. Corporate social responsibility Commitment to stakeholders: 3.5. Community
Uso da informação e património	2.2. Use of information Commitment to stakeholders: 3.1. Employees; and 3.3. Clients
Transparency	2.4. Transparency Commitment to stakeholders: 3.1. Employees; 3.2. Shareholders; 3.3. Clients; and 3.4. Suppliers
Fairness of solutions	2.2. Conflict of interest; Commitment to stakeholders: 3.1. Employees; 3.2. Shareholders; 3.3. Clients; and 3.4. Suppliers
Negligence and disrespect	2.1. Legislation 2.3. Human and labour rights Commitment to stakeholders: 3.4. Suppliers and other <i>stakeholders</i>

From the above, a reduction of 14% is apparent in the total number of new complaints submitted to the Ethics Committee, expressed in all subject areas considered, with the exception of the item “use of information and heritage”, which shows a significant increase of 50%.

Figure 3 - Complaints Made to the Ethics Committee by Subject (#)

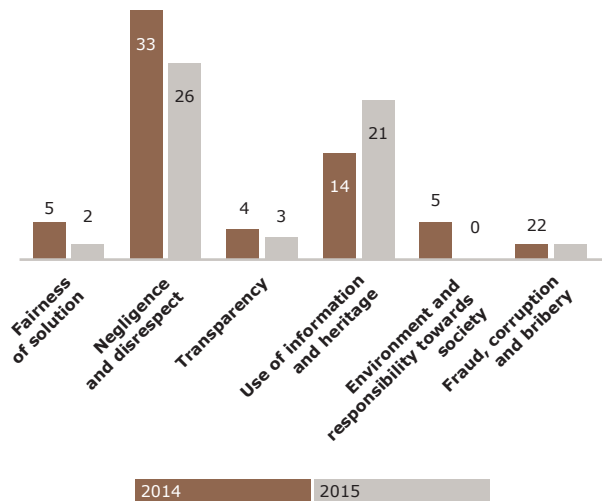
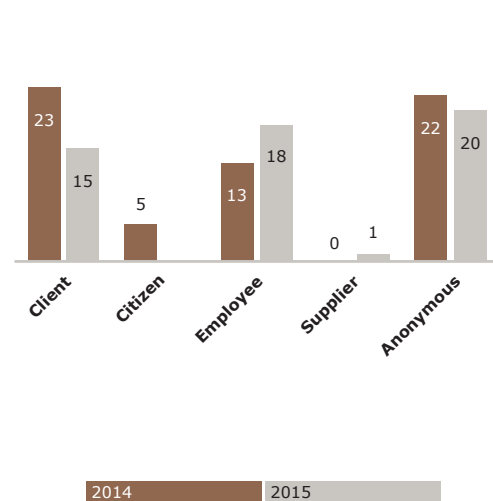


Figure 4 - Complaints Made to the Ethics Committee by Origin (#)



With regard to breakdown by origin, the variations of similar size but in the opposite direction in the “Employee” and “Client” segments should be noted, a fact that may be justified by the in-house training and awareness actions carried out.

03 SUMMARY OF THE EDP ETHICS COMMITTEE'S ACTIVITY

In accordance with the decision by the Corporate Governance and Sustainability Committee of the General and Supervisory Board, the composition of the EDP Ethics Committee was reviewed following organisational changes that have taken place. Consequently, the Regulation for the Code of Ethics would also be revised.

At the end of 2015, the following members were part of the Committee: António Mexia, Chairman; António Martins da Costa; António Ferreira da Costa; Azucena Viñuela; Eugénio Carvalho; João Paulo Costeira; João Torres; José Figueiredo Soares (Secretary); José Luis Mohedano; Manuela Silva; Nuno Chung; Paula Carneiro; Paulo Pinto de Almeida; Pedro Pires João; Sérgio Martins.

The EDP Ethics Committee held three meetings in 2015, with an 80% attendance rate by its members.

COMPLAINTS REVIEWED

The Committee analysed the preliminary reports prepared by the Ethics Ombudsman on ethical complaints originating in Portugal and Spain (6 carried forward from 2014 and 21 new complaints filed in 2015). Of these, 18 complaints were investigated and closed, and the relevant "Ethics Committee's Opinion" was issued.

The Committee also reviewed the cases submitted by EDP Brasil's Ethics Committee, and ratified the decisions made on them. No ethical complaints originating from or regarding EDP Renováveis were recorded.

All cases and the Opinions issued on them were sent to the Corporate Governance and Sustainability Committee of the General and Supervisory Board, in accordance with the established procedures.

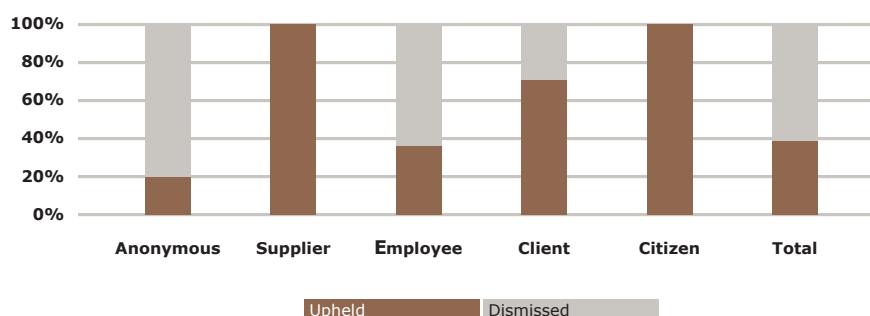
Table 2 - Complaints Reviewed by the Ethics Committee in 2015

	CARRIED FORWARD FROM 2014	OPENED IN 2015	CLOSED IN 2015	CARRIED FORWARD TO 2016
EDP Portugal	6	20	18	8
EDP Spain	0	1	0	1
EDP Brasil	5	33	29	9
EDP Renováveis	0	0	0	0
Total	11	54	47	18

DECISIONS MADE AND ACTIONS DETERMINED

Of the complaints submitted to the Ethics Committee, 47 were closed during the year, 43% of which were upheld. The breakdown of these decisions by complaint origin is shown in Figure 5.

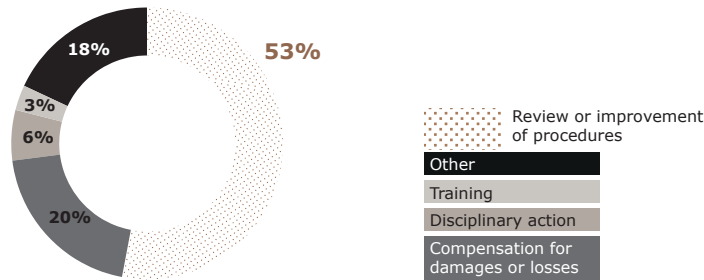
Figure 5 - Complaints Closed in 2015 Decisions by the Ethics Committee



With regard to cases closed during the year, the Ethics Committee determined over twenty follow-up actions considered to be appropriate in each case.

As in 2014, 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 process performance, the assessment of the effectiveness of initiatives, and the reporting of events to criminal investigation authorities.

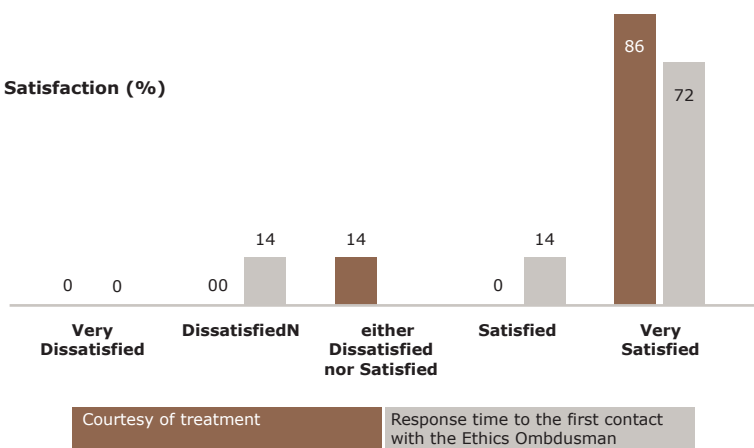
Figure 6 - Actions Determined by the Ethics Committee (%)



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. The results of the evaluation are still significantly positive, although there was a decrease in the survey response rate, which now stands at 39%.

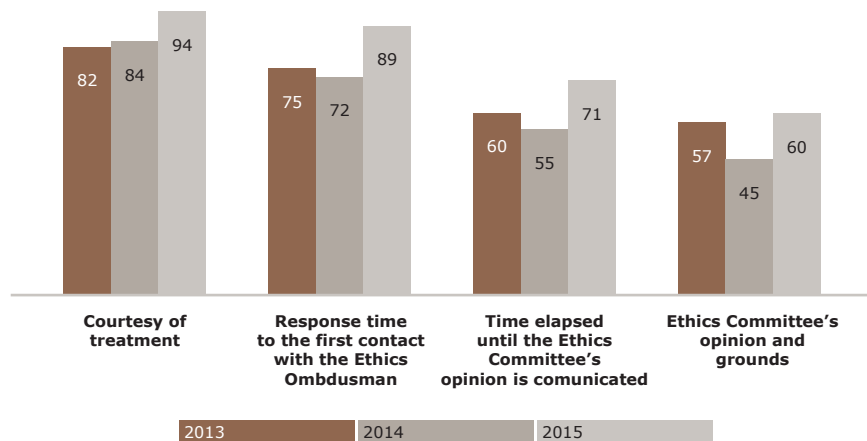
Figure 7 - Complainant Satisfaction (%)



"I again express my regret for what happened but thanks to the impartiality, speed and promptness shown in resolving this situation, I am 'satisfied' with the outcome of the 'complaint made'." (Feedback from a complainant)

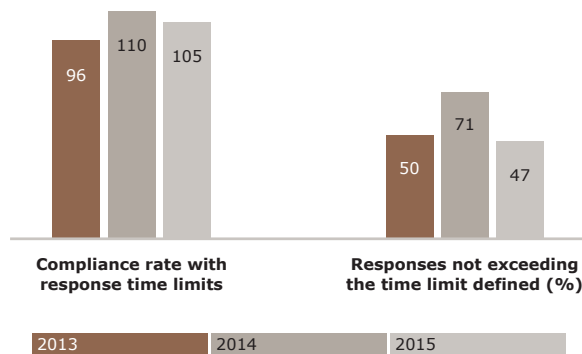
Figure 8 compares the results of the three years in which the assessment was conducted. All indicators - homogenised in accordance with the methodology used for consolidation purposes in the Ethics Index - show an improvement on any from the previous years. While the percentage of respondents to this survey was relatively low (39%), the fact that the indicator of satisfaction with the "Committee's opinion and grounds" is close to that achieved in 2013, when the participation of complainants was substantially higher (73%), allows the possibility of a significant bias in the results achieved in the other indicators to be ruled out.

Figure 8 - Level of Complainant Satisfaction (Cases Closed During the Year) - Values of Homogenised Indicators



It is noticeable that the satisfaction of complainants appears to have been influenced by the less favourable evolution of the indicators relating to "response time to complaints," which is essentially due to the fact that the Ethics Committee, as a result of its reshuffling, has met once less than planned.

Figure 9 - Response Time to Complaints



The initiatives that have been developed to improve the performance of ethical complaints filing and handling procedures, both in terms of contact with complainants and the speed in reviewing ethical complaints and issuing the corresponding Ethics Committee's opinions, should contribute to increased levels of satisfaction and, especially, trust of those using the ethical complaint or reporting channels made available by EDP.



04

**EXPERIENCE SHARING AND SUPPORT TO
BUSINESS ETHICS INITIATIVES**

EDP's actions have always been guided by the sharing of our experiences in the management of ethical performance with both Academia and other companies. Examples of this are:

PARTNERSHIP WITH THE BUSINESS SCHOOL OF THE CATHOLIC UNIVERSITY, PORTO

A Cooperation Agreement was signed in 2013 with the Management and Applied Economics School of the Catholic University in Porto, with a view to improving EDP's ethical performance management system and mapping and disseminating good practices in the area of business ethics. This Agreement has a medium-term outlook (2013/2016) and strengthens the links between the Company and the University on a very important matter for both business management and for academia.

Under this Agreement, 2015 saw the provision of technical support to the Office of the Ombudsman in various projects and initiatives, with an emphasis on: carrying out external benchmarking on matters relating to the management of ethics in organisations; facilitation of ethical risk analysis projects and drawing up of a Code of Conduct for top management; integration of the ethical dimension in the new evaluation model for EDP skills; design, coordination and monitoring of new training activities delivered and the adaptation of the online éticaedp training for EDP Spain, EDP Renováveis (EU and NA platforms) and EDP Brasil.

In this respect, the Business School of the Catholic University in Porto has also prepared the case studies "Ethics | EDP's Corporate Ethical Performance Index" and "Review of the EDP Code of Ethics | A single document for a transnational company".

For more on this collaboration agreement, see also: <http://www.catholicabs.porto.ucp.pt/pt/cegea-consultoria>

AESE|EDP CHAIR OF ETHICS IN BUSINESS AND IN SOCIETY

The AESE/EDP Chair of Ethics in Business and in Society was established in 2011, under a Protocol signed by the two institutions, with Professor Raul Diniz as its holder.

Currently, the Chair is involved in two lines of research: The basics of ethics in business and in society; and new management paradigms.

The following activities took place in 2015:

Participation in Conferences

4th International Colloquium on Christian Humanism in Economics and Business, Barcelona, April 2015 - From Greek Tragedy to Christian Drama: Determinism and Freedom in Economics; Ana Machado and Madalena Brito

EBEN Research Conference - Philosophical Foundations of Business Ethics
Copenhagen, October 2015 - Incorporating Values into Curricula; Ana Machado

Conferences on Business Ethics

How can we be happier at work? - Domenèc Melé, IESE Business School
<http://www.ver.pt/como-ser-mais-feliz-no-trabalho/>

The relationship between ethics and social innovation - Joan Fontrodona, IESE Business School
<http://www.ver.pt/somos-o-unico-animal-que-tropeca-duas-vezes-na-mesma-pedra/>

Training for the AESE Senate

The idea of the human person in management and organizational theories - Domenèc Melé, IESE Business School

Learn more at: http://www.aese.pt/aese/investigacao/centros_de_investigacao/catedra_aese-edp_etica_na_empresa_e_na_sociedade

PARTNERSHIP WITH THE UNIVERSITY OF DEUSTO (BILBAO)

Contacts were established in 2015 between EDP and the Applied Ethics Centre (CEA) at the University of Deusto in Bilbao, in order to assess the possibilities for cooperation in various areas, and the participation of EDP Foundation has been agreed for the co-financing of a three-year Deusto International Research School (SRD) PhD, which is also co-financed by the European Union (European Union's Horizon 2020 Research and Innovation Programme under the Marie Skłodowska-Curie grant agreement).

Learn more at:

<http://www.deusto.es/cs/Satellite/deusto/es/doctorado-2/cofund/presentacion-23?cambioidioma=si>

PARTICIPATION IN EXTERNAL EVENTS

During 2015, the Ethics Ombudsman participated in a number of seminars and conferences, presenting EDP's ethical performance management system and, more generally, debating issues related to ethics in business.

In January, EDP hosted a seminar for master's degree students from the Nova School of Business and Economics, and the Ethics Ombudsman also participated in three seminars (within the Atlantic MBA and International MBA) as well as a conference at the Business School of the Catholic University in Porto, held in February and November.

The Ethics Ombudsman was also active in 2015 in the Ethics Forum at Business School of the Catholic University in Porto, at which he delivered an address on evaluation of the ethical performance of organisations in the session organised by the APQ Social Responsibility and Innovation Centre, as part of the 40th Colloquium on Quality organised in November by the Portuguese Association for Quality.

05 MEASURING, ASSESSING AND REPORTING ON OUR ETHICAL PERFORMANCE

The definition of management objectives and commitments to ethical performance implies that there is periodic assessment of the degree to which these goals are achieved, and the consistency between the company’s practices and the commitments it has made. Besides being provided for in the EDP Code of Ethics Regulations, carrying out this evaluation/monitoring and its external reporting is also considered to be good practice in the management of ethical performance in a business context.

To this end, EDP has applied a specific monitoring methodology since 2013 - the Ethicis Corporate Ethical Performance Index - and for external benchmarking purposes, it submits its management system annually for assessment by the Ethisphere Institute (USA).

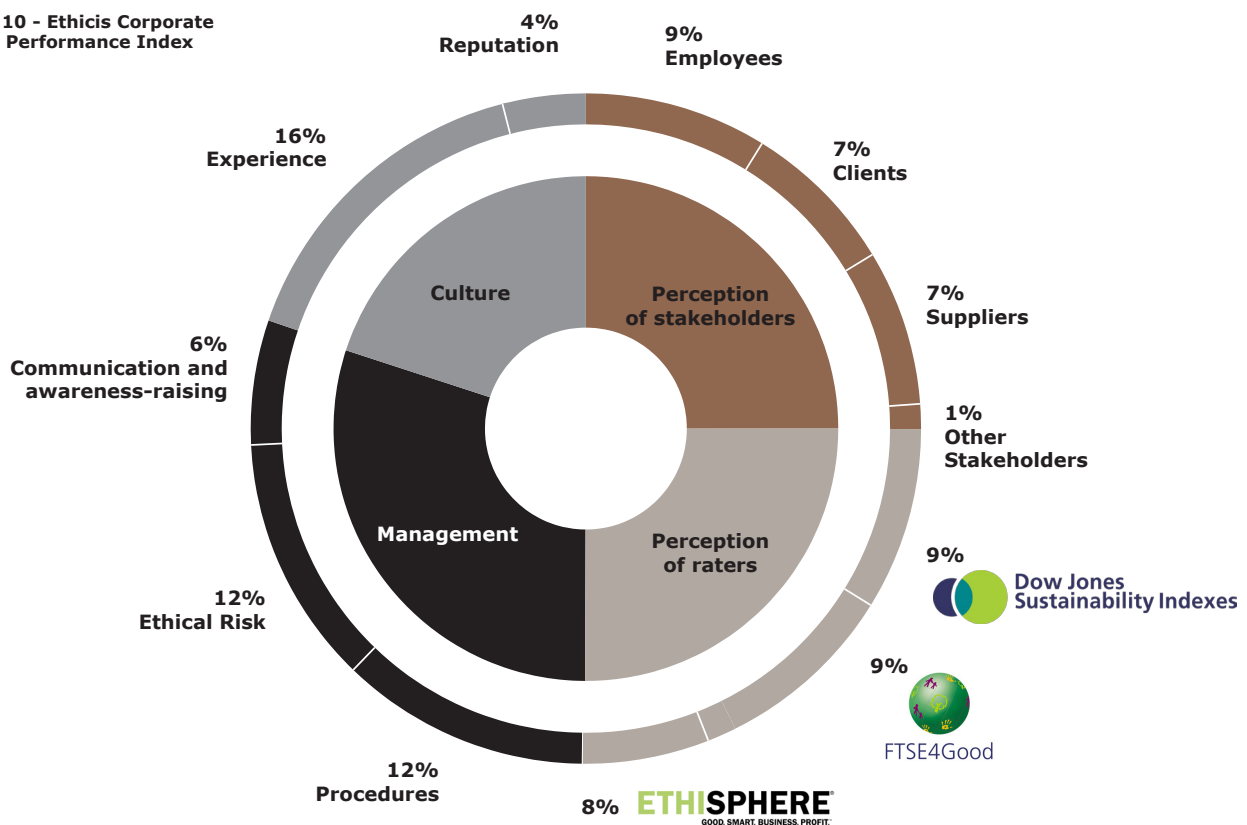
The results are relevant to the assessment of the effectiveness of initiatives in this area, but also enable medium term planning to be more balanced and consistent with the objectives and goals pursued.

INTERNAL ASSESSMENT - THE ETHICIS CORPORATE ETHICAL PERFORMANCE INDEX

Ethicis brings into play a significant number of partial indicators, which are organised in four segments and twelve subject areas (Figure 1), and essentially relate to:

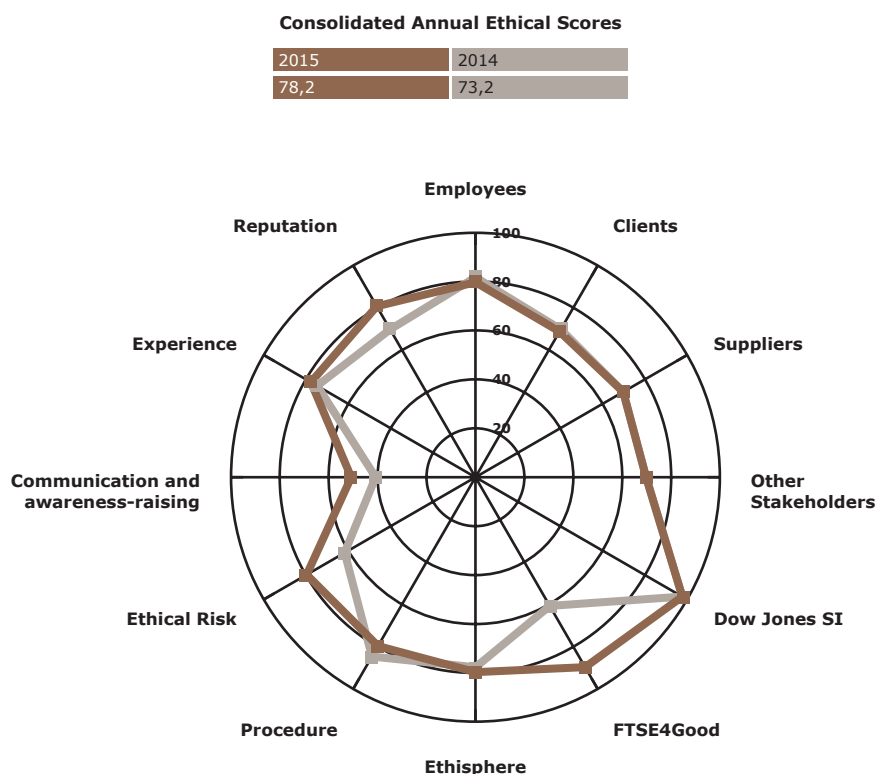
- Perceptions of stakeholders** (on the consistency of the company’s practices and its commitments);
- Perception of raters** (how do they place us compared to other companies? How do they evaluate us externally? To which aspects do raters attach greater importance?);
- Management** (performance of the process of recording and dealing with ethical complaints, performance of the Ethics Committee and the Ethics Ombudsman, identification and management of ethical risk, scope and effectiveness of communication and awareness of ethics);
- Culture** (How are ethics dealt with on a daily basis internally? Do people participate in initiatives related to ethics? How do ethics contribute to the image of EDP?).

Figure 10 - Ethicis Corporate Ethical Performance Index



The results measured for 2015, shown in Figure 2, demonstrate an increase of 5 percentage points in the consolidated annual score compared to 2014. This improvement reflects a change in the evaluation methodology of the FTSE4Good index, which did not apply to the previous year, and keeps the 2014 results relating to the perceptions of “suppliers” and “other stakeholders”, whose evaluation is done by direct inquiry, every two years. Further improvements can be seen in the following areas: “[management of] Ethical risk”, mainly due to the completion of specific training covering the entire senior management of the Group in Portugal and Spain; “Communication and Awareness”, due to increased number (and coverage) of ethics training actions provided; and “Reputation”, as a result of the number of external presentations and published case studies relating to the Group’s management of ethical performance.

Figure 11 - Índice Corporativo ETHICIS (consolidated annual ethical scores)



EXTERNAL EVALUATION: THE ETHISPHERE INSTITUTE ETHICS QUOTIENT

Since 2012, EDP’s ethical performance (or rather the maturity of its “ethical performance management system”) has been evaluated by the Ethisphere Institute (USA), whilst gathering important benchmarking information for the development of new management approaches in this area.



On the basis of the Ethics Quotient (EQ) scores obtained by the company, EDP has been on the World’s Most Ethical Companies list (WMEC), published by the Ethisphere Institute, since its first submission in 2012. The number of companies named in the 2015 | WMEC list was 132, and EDP was the only Portuguese company named this year.

In 2015, EDP had an increased score of 2.1 points in its Ethics Quotient, which extended the gap above the average WMEC score by 5.5 points. This result was achieved within the context of a significantly increased level of demand and detail of information required in each of the five analysed dimensions.

06

PROSPECTS
FOR 2016

The activity planned for 2016 will focus on five main lines of action, which maintain the commitment to the management objectives for ethical performance established by EDP, in particular with regard to management of the risk of occurrence of unethical practices, and strengthening an organisational culture consistent with the values adopted:

Improvement in the Ethical Performance Management System

Performance monitoring

Review and consolidation of Ethicis, EDP's Corporate Ethical Performance Index, through the improvement of indicators in the areas of risk management and organisational culture and strengthening of national and international benchmarking actions in this field.

Risk Management

Strengthening the integration of the management of the risk of unethical practices in the Group's risk management models and procedures, and the development of a self-assessment methodology, with a pilot being carried out on the application of the methodology.

Culture

Encouragement of informal internal cooperation networks within the Group

The activity and scaling-up of the group of éticaedp representatives and Focal Points will be encouraged, so that they can act as multipliers for initiatives launched at central level and as conveyors of opportunities and needs in the different OUs/BUs.

Strengthening and enlargement of the informal network of internal partnerships to capture synergies. Specific initiatives will be undertaken to promote reflection on and strengthening of the ethical culture.

Communication

Restructuring and improvement of the Ethics pages on domestic and foreign websites in order to promote transparency in the relationship with stakeholders and to strengthen their trust in the use of the complaint channels provided and the process of dealing with these complaints.

Publication of case studies developed in specialised external platforms.

Training/Awareness/Knowledge Creation

Internal Training

Continuation of the training programme in Portugal and Spain (face-to-face component) for Macrostructure and middle management and collaboration in the design and development of face-to-face training in EDP Brasil and EDP Renováveis.

Development of specific content to be integrated in the training programmes for new managers.

Development of a short-term eLearning training module on corruption and bribery.

Training for service providers and suppliers

Collaboration with the Sustainability Department and EDP University in the development of training components in online and face-to-face format for ethics training/awareness for EDP suppliers.

Case Studies

Preparation of two new case studies: "The process of identification and assessment of ethical risks within EDP" and "Roll-out of a training programme on ethics".

Participation in events, external cooperation and support to ethics-related initiatives

EDP should continue to share its business ethics experience and practices, including participation in events and training sessions.

ANNEX I - LIST OF REPRESENTATIVES OF THE ETHICS OMBUDSMAN AND "EDP ETHICS FOCAL POINTS" IN 2015

||| **Representatives:**

Emílio Garcia-Conde Noriega, EDP Renováveis
José Luis Martínez Mohedano, HC Energía
Rafael Careaga Arlunduaga, Naturgas
Sónia de Sá, EDP Brasil

/// **Focal points:**

Ángela Saenz, EDP Renováveis
Américo Fernandes, EDP Gás
Borja Perez Dapena, EDP Renováveis
Carlos Vaz, DRC
Isabel Botelho, EDP Comercial
Isabel Infante, Sãvida
Joana Dinis, EDP SG-Legal Advisor
José Chorão, EDP Distribuição
José Luis Martínez Mohedano, HC Energía
Leonilde Simões, EDP Valor
Maria Ester Carvalho, DAI
Marrachinho Soares, DSA
Paulo Moniz, DSI
Rui Matos Cunha, EDP Soluções Comerciais
Salvador Peres, Fundação EDP
Sérgio Martins, EDP Brasil
Sónia Cardoso, EDP Brasil
Verónica Pinto, UEDP



Always present.
Always future.