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1. EDP Group's commitments to respect human rights and fair labour practices

Within EDP's policy on Human Rights and Labour Practices and under the Guiding Principles for Business and Human Rights (Ruggie framework), of the UN Human Rights Council, EDP Group undertakes, in its main corporate documents, such as the Principles of Sustainable Development (2004) and the Code of Ethics (2005), the following commitments:

- To act in full compliance with the laws and regulations of the regions in which it operates, with integrity and good governance, promoting respect for Human Rights and decent labour practices, in its sphere of influence, including their employees, partners, stakeholders and the value chain – suppliers and customers;
- To respect the Human Rights Universal Declaration, the International Labour Organization conventions, the United Nations Global Compact and the Guiding Principles for Business and Human Rights – Ruggie framework;
- Opposes to arbitrary detention, torture or execution and in favour of freedom of conscience, religion, organisation, association, opinion and speech;
- Not to employ child or forced labour or to condone such practices by third parties providing it with products or services;
- To respect freedom of trade union association and recognise the right to collective bargaining;
- To settle down their labour policies and procedures in order to prevent any unjustified discrimination or differential treatment on the basis of ethnic or social origin, gender, sexual orientation, age, creed, marital status, disability, political orientation, beliefs, place of birth or trade union association;
- To give priority to safety, health and welfare of employees, ensuring the development of appropriate management systems of occupational safety and health;
- To provide regular training on human rights and fair labour practices to its employees, partners and value chain (suppliers and clients);
- To maintain a close relationship with the communities in the regions in which it operates, by establishing regular, open and truthful dialogue, seeking to meet their needs, while respecting their cultural identity and aiming to contribute to the improvement of the living conditions of the local populations, recognizing the rights of ethnic minorities and of indigenous peoples;
- To respect the precautionary principle, when their activities may produce irreversible and serious damage to human life or health or to the environment that although uncertain are scientifically plausible, taking measures to avoid or mitigate these effects.



HUMAN RIGHTS MONITORING PROGRAMME

Human Rights potential impacts assessment report – year 2015

In order to seek to ensure respect for the commitments above expressed, EDP Group develops appropriate monitoring actions in all its business units and new projects or ventures, including mergers and acquisitions, as well as with partners and value chain – suppliers, contractors, joint ventures, agents and customers.

This monitoring process is designed to check the effective practices, assess the level of compliance with the principles and commitments undertaken, particularly among groups identified as most vulnerable, identify potential risks, develop essential actions to prevent and manage and, if inevitable, develop the appropriate mitigation initiatives.

Under a policy of transparency with regard to its stakeholders, EDP reports regularly the key information relating to its Human and Labour Rights commitments' management and monitoring process.

In this context, in the following chapters are presented the results of the monitoring process carried out in 2015, the identification of risk areas and the potentially affected stakeholders.

Additionally, in the framework of the 2016 Edition of the Human Rights Monitoring Programme, it is explained the identification of needs and opportunities to deepening or action plans and improvement measures in the monitoring process and compliance with EDP Group's commitments to respect Human Rights and fair Labour Practices.



2. Human Rights Monitoring Programme - summary of the work carried out in 2015

In 2015, the EDP Group's Human Rights evaluation under the Ruggie framework was settled in our Human Rights Monitoring Programme. The assessment phase included a self-diagnosis by the companies of EDP's consolidation perimeter, aiming to evaluate the identification, prevention and remedy of potential impacts on human rights resulting of its activities and decisions, as well as among its stakeholders.

The questionnaire was based on the response to the applicability to EDP, on the identification of practices and approaches, and on the verification of human rights respect under the responsibility of the managers of each EDP Group company and business unit, with regard to the 35 Fundamental Rights – *item 1 to 35* in the respective table – as listed by IFC and according to the methodology provided in the United Nations Guiding Principles on Business and Human Rights - https://www.unglobalcompact.org/docs/issues_doc/human_rights/GuidetoHRIAM.pdf.

#	Human Rights
1	Right to life
2	Right to liberty and security
3	Right not to be subjected to slavery, servitude or forced labour
4	Right not to be subjected to torture, cruel, inhuman and/or degrading treatment or punishment
5	Right to recognition as a person before the law
6	Right to equality before the law, equal protection of the law, non-discrimination
7	Right to freedom from war propaganda, and freedom from incitement to racial, religious or national hatred
8	Right to access to effective remedies
9	Right to a fair trial
10	Right to be free from retroactive criminal law
11	Right to privacy
12	Right to freedom of movement
13	Right to seek asylum from persecution in other countries
14	Right to have a nationality
15	Right of protection for the child
16	Right to marry and form a family
17	Right to own property
18	Right to freedom of thought, conscience and religion
19	Right to freedom of opinion, information and expression
20	Right to freedom of assembly
21	Right to freedom of association
22	Right to participate in public life
23	Right to social security, including social insurance
24	Right to work
25	Right to enjoy just and favourable conditions of work
26	Right to form and join trade unions and the right to strike
27	Right to an adequate standard of living
28	Right to health
29	Right to education
30	Right to take part in cultural life, benefit from scientific progress, material and moral rights of authors and inventors
31	Right of self-determination
32	Right of detained persons to humane treatment
33	Right not to be subjected to imprisonment for inability to fulfill a contract
34	Right of aliens due process when facing expulsion
35	Rights of minorities



The questionnaire was addressed to representatives of a universe of companies and business units that corresponds to 92.6% of the EDP Group's employees.

In the answers to the questionnaire took part business areas and the respective responsible, according to the table below.

Business area	Functions of the responsible
EDP (Holding)	Top Manager
UNGE	Top Manager
EDP Produção	Deputy Manager
EDP Distribuição	Top Manager
EDP Serviço Universal	Top Manager
EDP Comercial	Top Manager
EDP Gás	Top Manager
EDP Renováveis	Corporate Development Associate
EDP Soluções Comerciais	Senior adviser
EDP Valor	Top Manager
EDP Internacional	Senior adviser
EDP Espanha (HC/Naturgas)	Top Manager
EDP Brasil	Top Manager

3. Analysis of the responses

3.1. Applicability to the EDP Group companies

The exposure in terms of applicability to EDP of impacts on Human Rights and Labour Practices is 92.6% in relation to the following principles in the context of the Ruggie framework: right to life (# 1), freedom and security (# 2), not to be subjected to slavery, servitude or forced labour (# 3), not to be subjected to torture, cruel, inhuman or degrading treatment or punishment (# 4) equal before the law, equal legal protection and non-discrimination (# 6), the access to effective remedies (# 8), fair trial (# 9), privacy (# 11), freedom of movement (# 12), protection for children (# 15), to marry and form a family (# 16), property (# 17), freedom of thought, conscience and religion (# 18), freedom of opinion, expression and information (# 19), freedom of association (# 21), social security, including social insurance (income and health) (# 23), to work (# 24), conditions of work (# 25), to establish and integrate trade unions and right to strike (# 26), to an adequate standard of living (# 27), health (# 28), education (# 29), to take part in cultural life, benefit from scientific progress, material and moral rights of authors and inventors (# 30), self-determination (# 31) and minorities (# 35).



3.2. Assessment and practices

The assessment phase was performed through an evaluation form drawn up in accordance with the list of 35 Human Rights set in the methodology of the United Nations' Guide to Human Rights Impact Assessment and Management, provided by the Human Rights Council (questionnaire answered by the companies sheltered by EDP Group's Human Rights Monitoring Programme) and through an assessment tool provided by the Danish Institute for human rights, answered under an overall EDP Group level.

Besides the aforementioned questionnaires, the Human Rights Monitoring Programme is designed to identify practices and approaches – due diligence – of EDP Group's companies and activities in all geographies, according to the Ruggie framework, adopted by the Human Rights Council, under the «Protect, Respect and Remedy» principles and the UN «Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework» - http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf. To this end, a specific Guide was provided for monitoring and verification of the adequacy of the performance and decisions on respecting human rights, document also available on EDP's internet site, for periodical accomplishment.

The main results of the work carried out, both in the monitoring of the direct activities of EDP Group's companies and the supply chain, in relevant part including the impact on a set of social dimension and Human Rights risks are published in EDP's 2015 Annual report and Social report.

The Human Rights Monitoring Programme is subject to internal audit and Compliance supervision.

3.3. Responsibility of each EDP Company's undertaking human rights respect

As a result of the monitoring initiative, none of EDP Group companies presents a significant risk exposure in respect of Human Rights and fair Labour Practices applicable to its activities.

The stakeholders potentially more sensitive to our activities' impacts regarding the salient human rights issues are mainly children, indigenous populations and migrant populations, deserving special attention and monitoring. In particular, regarding the salient human rights issues, potentially more sensitive activities are the construction of hydroelectric projects and electric generation; Brazil was identified as the most sensitive geography.

Corrective actions to strengthen the management systems were also identified and implemented to ensure the effectiveness of the respect of human rights in all activities (due diligence), in particular by the provision of information to stakeholders on economic, environmental and social risks arising from EDP Group's activity and projects that could significantly influence or impact them, listening to them and respecting their views, treating them fairly, without discrimination, respecting the diversity and their legal rights as well as conducting socio-environmental impact assessment studies, public hearings with the participation of communities and stakeholders impacted and Basic Environmental Programs including social and environmental mitigation and compensation actions.

After the conclusions, a subsequent relevant action was to revisit the feedback from participants, and it was settled and decided to continue, strengthen and broaden the Monitoring Programme, the self-assessment process and the involvement of EDP Group's companies and business units to better clarify the monitoring of Human Rights and fair Labour Practices respect.



With this first Monitoring Programme, in addition to identifying several opportunities for improvement at the level of practices and approaches in the different businesses and geographies and their sharing and benchmarking, that periodic monitoring will allow you to perform, it is also recommended the strengthening of awareness-raising and training in Human Rights, whether in specific or general training actions in Ethics and Sustainability currently underway in EDP Group.

Besides improvements are needed, a low level of risk was identified on EDP's activities, and no significant violations of Human Rights were detected, despite country (Brazil) or activity (infrastructures construction and electric generation) risk exposure on a few issues, as above mentioned.

4. EDP Group's Human Rights Monitoring Programme in 2016

After the preparation of materials and annual planning, the issue of the EDP Group's 2016 Human Rights Monitoring Programme began with a training session the 10th March 2016. The action was attended by spokespersons of EDP Group's Companies and business units involved in the Human Rights Monitoring Programme in Portugal, Spain, Brazil and EDP Renováveis (Europe and America), as well by Corporate Centre Sustainability Department and Internal Audit representatives and EDP's Ethics Ombudsman.

In this training action, additionally to the overall framework of Human Rights in EDP's system of ethics and sustainability vision, were presented and discussed practices and approaches of different geographies (Portugal, Spain and Brazil) including the supply chain, as well as settled out the development terms of the 2016 Monitoring Programme.

The 2016 edition of the Human Rights Monitoring Programme was launched formally through an internal regulatory jointly issued by Sustainability Department and Internal Audit, on March 29th.

In 2016 the self-diagnosis is also supported by the assessment tool provided by the Danish Institute for Human Rights, through a questionnaire to be answered by each company and business unit covered by the Monitoring Programme, considering that it allows a more specific diagnosis, as well as through the Monitoring Guide prepared in accordance with the principles of the Ruggie framework. All the responses of the companies will be consolidated into a global evaluation of the EDP Group.

For more details and access to the main monitoring programme documents, consult www.edp.pt and, in particular, the page «EDP and Human Rights/ Ruggie Principles» in <http://www.edp.pt/en/sustentabilidade/abordagemasustentabilidade/ruggie/Pages/ruggie.aspx>.