



ENERGY  
WITH  
INTELLIGENCE

**SOCIAL  
REPORT  
2015**




The background of the cover is a photograph of a modern building's glass facade. The image shows a series of horizontal and vertical metal frames holding large glass panels. The glass reflects the sky and other parts of the building, creating a complex pattern of lines and colors. The overall tone is clean and architectural.

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**Energy with inherent intelligence.  
Energy that goes beyond.**

It stretches boundaries and is part of the EDP Universe. It is in every structure, building and piece of equipment within our Group, and in the people who work here and make us unique.

Taken from across the different latitudes where we are present, the following images reflect the values that define who we are: human, sustainable and innovative.

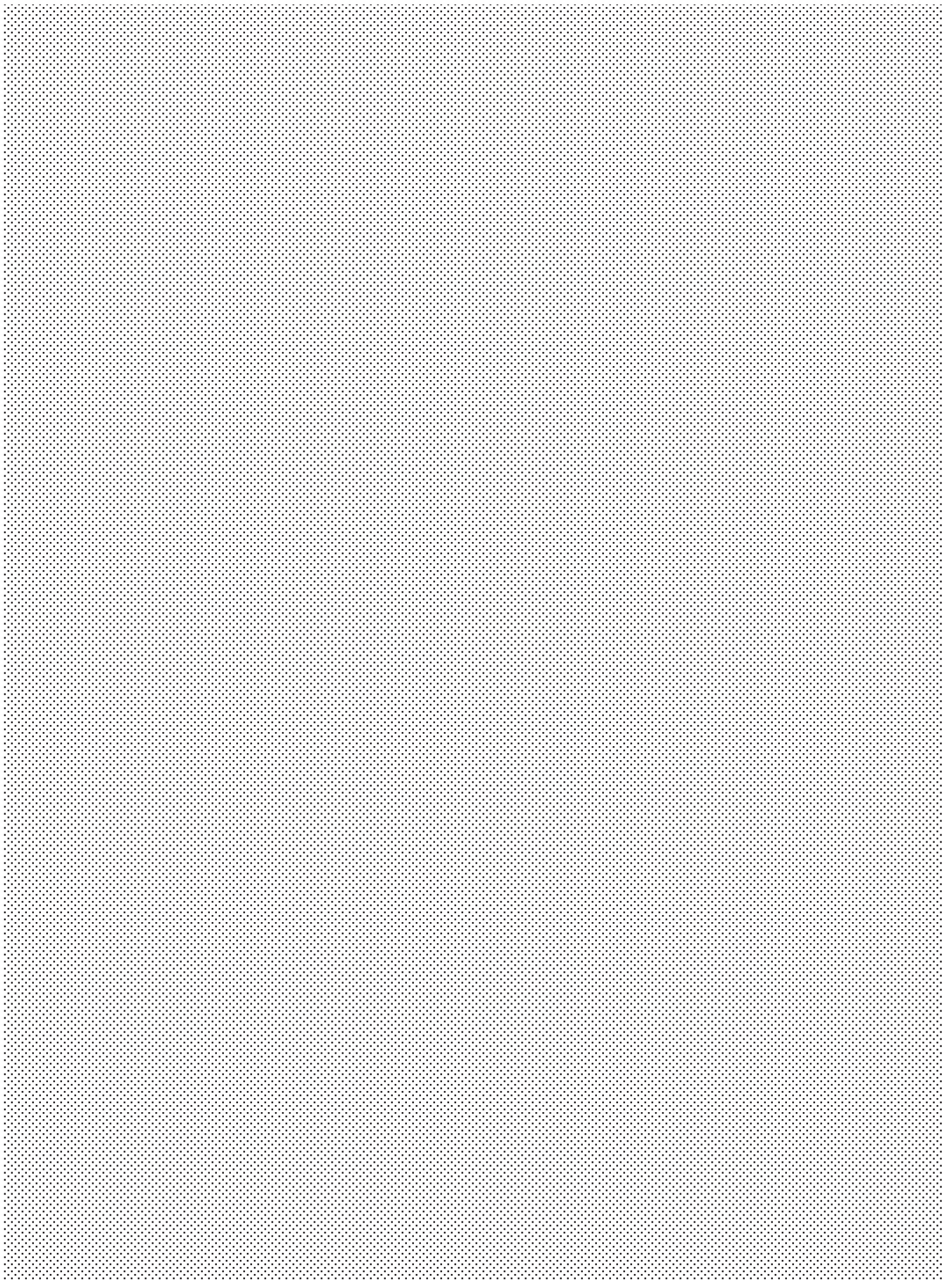
Join us on this tour through the universe of a global company that never stops seeking intelligent energy in any form.



The publication of the Social Report follows the principles of definition expressed by the *Global Reporting Initiative guidelines G4*. It considers, therefore, the most important social facts of the year, always providing the reader a comparative analysis of the company's social performance. This is a transparent report that is available on EDP's website ([www.edp.pt](http://www.edp.pt)), based on the accuracy of the reported information. The quantitative information reported here is also present in EDP's 2015 Annual Report, which was subjected to an internal and external verification process carried out by KPMG & Associados - the Auditor, S.A.

The presented information has been consolidated in accordance with the accounting standards *International Accounting Standard Board* (Note 5 *Consolidation Perimeter* of the financial statement, p. 315 EDP's 2015 Annual Report).

EDP's Corporate Human Resources Department was responsible for the coordination of this report's preparation, while the review of the contents was ensured by the Corporate Sustainability Department.



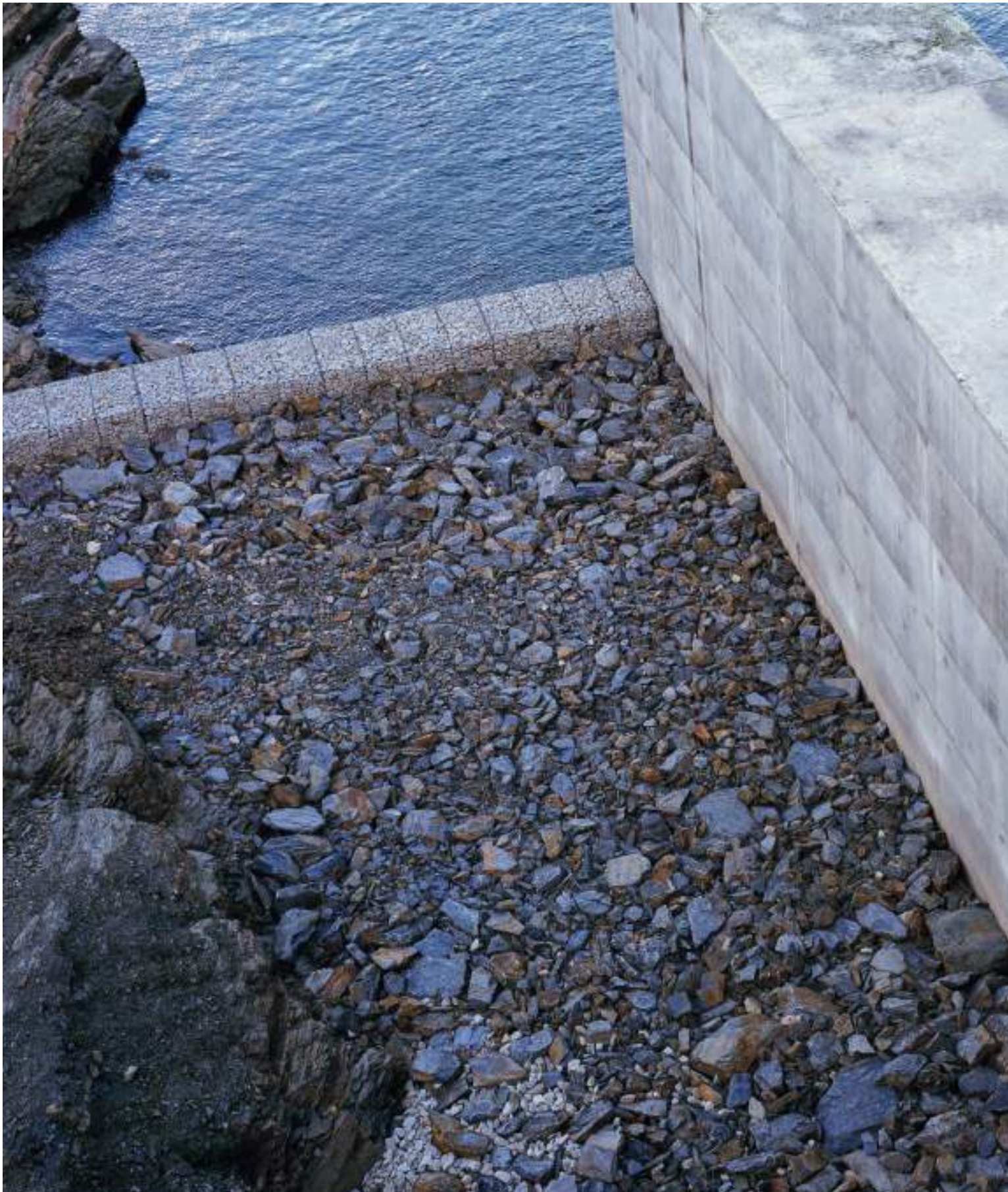


# ENERGY WITH INTELLIGENCE

SOCIAL  
REPORT  
2015

## index

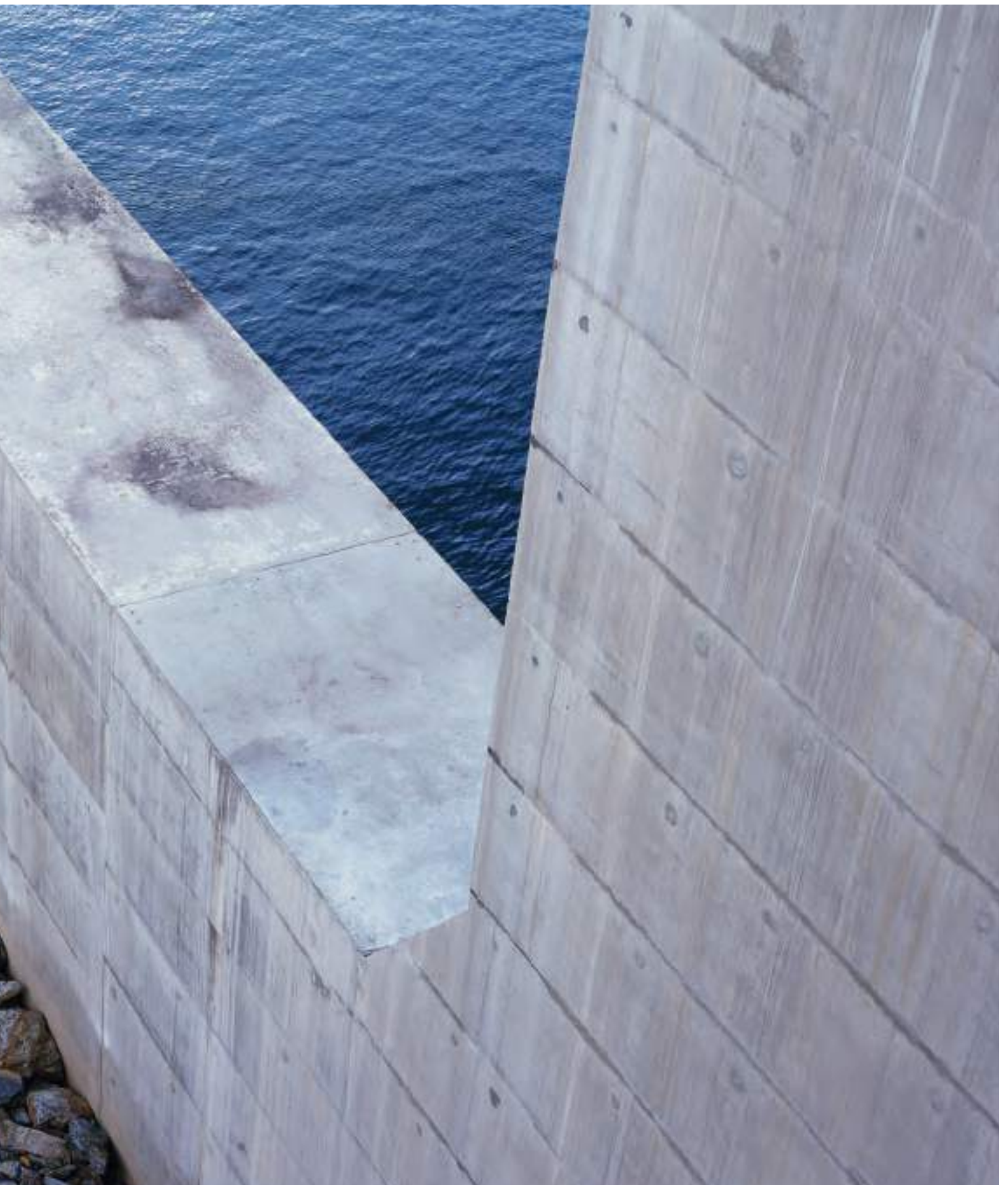
11	01. MESSAGE FROM THE PRESIDENT
19	02. SOCIAL AGENTS AND ORGANISATIONAL STRUCTURE
29	03. SOCIAL INDICATORS, PRIORITIES AND COMMITMENTS
35	04. ETHICS
47	05. PEOPLE AT EDP
89	06. COMMUNITY
107	07. APPENDIX



# ENERGY WITH INTELLIGENCE

SOCIAL  
REPORT  
2015





**Reflecting ingenuity**

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**ANTÓNIO MEXIA**  
President of the Executive  
Board of Directors

## MESSAGE FROM ANTÓNIO MEXIA

EDP Group creates social value, generates productivity and prosperity for organizations, and communities in 14 countries on 4 continents. As a global organization, we have an immense responsibility.

We embrace responsibility for the duty of continuing to act as a beacon of excellence in the service we provide, with a focus on customers, humbleness, determination, and investing in human and professional skills, as we know that is the people that make a difference.

In 2015, we accomplished important goals in the social domain. EDP was recognized for the fourth consecutive year as one of the world's most ethical companies, making it on the list of the World Most Ethical Companies. This accomplishment is honorable in a time where many companies' ethics are being brought to light.

Our intervention in training and development was recognized in Portugal, with a certification associated to 16 educational and training areas. This certification distinguishes our philosophy of valuing people, their knowledge and the skills that enables them to create, innovate, differentiate, and help us remain as one of the leading global companies in the energy industry.



The company culture that we have built aims to be global to all the companies in each country where EDP is present.

The new skills model that we introduced in 2015 – Amplify –, symbolizes our global vision of joining together an international team of 12,084 employees composed of 32 nationalities. A team that shares EDP's principles and values, proximity, transparency, and a strong sense of commitment to a harmonious collaboration towards the fulfillment of the Group's business goals, something we believe to be crucial for society's social and economic development.

In 2015, our focus on finding better methods of working in collaboration, bringing together the various national teams and business units was marked by the new Headquarters based in Lisbon. This new beginning brought more than 700 employees together to continue the movement that was initiated a few years ago that aims to make our workplace dynamic and transparent.

I want to highlight an important contribution regarding the inclusion and respect for diversity. The creation of Diversity and Inclusion unit in the corporate human resource team, promotes respect for others and the integration of people of different generations, gender, disabilities, and nationalities.

Regarding the health and well-being of our employees, EDP's strong commitment to promoting initiatives to increase prevention, particularly in the areas of training and awareness, risk assessment and control, and the increase of audits and inspections, resulted in a 14% reduction in the number of work accidents. However, we must always continue to improve.

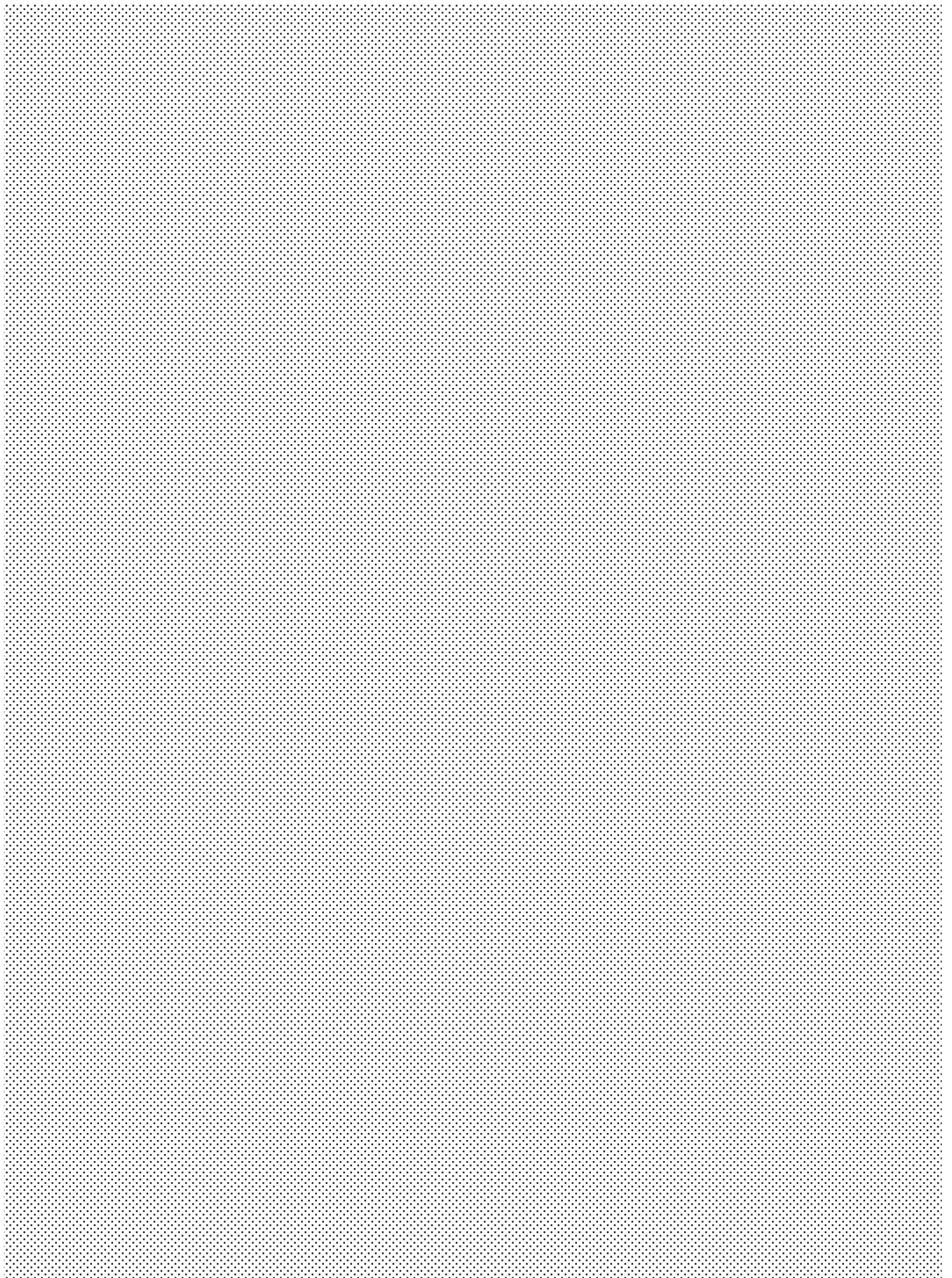
In terms of our impact on the community, in 2015 EDP continued its commitment to social investment, through its Corporate Citizenship Policy, by promoting the quality of life of various communities, supporting initiatives of sustainability development, and strengthening the company's social reputation. In addition to our investment in local communities, volunteering and education, EDP is increasingly focused on culture. In 2016 we will open MAAT – Museum for Art, Architecture and Technology, in the EDP Foundation.

I would like to finish by reinforcing the message of sustainability, as it guarantees a better future, on a continuous path of promoting energy with a positive influence on the economy, environment, and society in all the countries in which we operate, and on the personal and professional well-being of all our stakeholders.



**António Mexia**  
Chairman of the Executive  
Board of Directors





edp

## in the world

### PORTUGAL

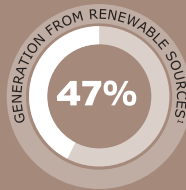
6,683 employees

**5,443,510** electricity customers

**567,907** gas customers

10,045 MW  
installed capacity

23,505 MW  
net generation



42,227 GWh  
electricity  
distributed

6,907 MW  
gas  
distributed

1,161 MW capacity under construction

### SPAIN

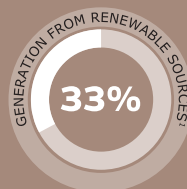
1,863 employees

**1,011,941** electricity customers

**836,668** gas customers

5,962 MW  
installed capacity

17,024 MW  
net generation



9,168 GWh  
electricity  
distributed

27,093 MW  
gas  
distributed

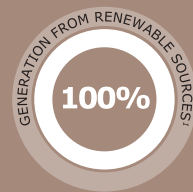
191 MW installed capacity equity<sup>2</sup>

### FRANCE

48 employees

364 MW  
installed  
capacity

785 GWh  
net  
generation



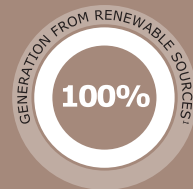
24 MW  
capacity under construction

### BELGIUM

2 employees

71 MW  
installed  
capacity

152 GWh  
net  
generation

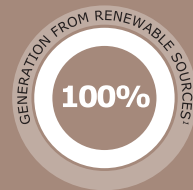


### ITALY

22 employees

100 MW  
installed  
capacity

210 GWh  
net  
generation



## POLAND

40 employees

468 MW  
installed  
capacity

951 GWh  
net  
generation

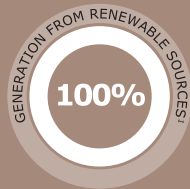


## ROMANIA

33 employees

521 MW  
installed  
capacity

1,127 GWh  
net  
generation



## UNITED KINGDOM

37 employees

CHINA  
AND ANGOLA  
offices

## MEXICO

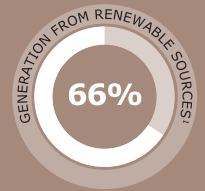
05 employees

200 MW  
capacity under construction

## BRAZIL

2,972 employees

3,256,829  
electricity customers



2,601 MW  
installed  
capacity

8,849 MW  
net generation

120 MW  
capacity under  
construction

25,713 GWh  
electricity  
distributed

187 MW  
installed  
capacity  
equity<sup>2</sup>

341MW  
capacity under  
construction equity<sup>2</sup>

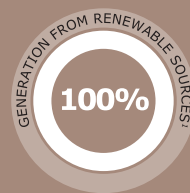
## USA

373 employees

4,203 MW  
installed  
capacity

11,031 GWh  
net  
generation

179 MW  
installed capacity equity<sup>2</sup>

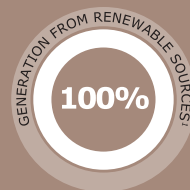


## CANADA

05 employees

30 MW  
installed  
capacity

72 GWh  
net generation



<sup>1</sup> Includes hydro, wind and solar

<sup>2</sup> Accounted according to the Equity Method

## RECOGNITION

### **EDP IS A CONSTITUENT OF ECPI INDICES**

ECPI is an analyst and financial service provider that monitors companies based on public information to constitute Environmental, Social and Governance (ESG) indicators.

### **EDP IS PART OF THE DOW JONES WORLD SUSTAINABILITY INDEX**

EDP is again part of the Dow Jones World Sustainability Index, produced by RobecoSAM in cooperation with S&P Dow Jones, one of the most prestigious and well-known sustainability indices. EDP has been a part of this group and global index since 2008 without fail.

### **EDP LISTED ON THE EURONEXT VIGEO – WORLD 120, EUROPE 120, EUROZONE 120 SUSTAINABILITY INDICES**

EDP is acknowledged as one of the world's best companies in terms of sustainability. Each of these indices distinguishes 120 listed companies for their social, environmental and corporate governance performance.

### **EDP RANKED TOP IN 2014 WORKPLACE EXCELLENCE AWARD IN PORTUGAL**

The Heidrick & Struggles initiative in partnership with Diário Económico and INDEG-IUL has given the award to EDP in the category "Corporations - with more than one 1,000 employees", which also prevailed in the Industry and Energy sector.

### **EDP RECOGNISED BY THE CARBON DISCLOSURE PROJECT FOR COMBATING CLIMATE CHANGE**

EDP obtained the maximum score of 100 A, and is now part of the "A Listers", which consists of 113 companies, 5% of the group of companies assessed.

### **EDP IN THE 2015 ETHISPHERE INSTITUTE RANKING**

For the fourth consecutive year, EDP is part of the international ranking of "The World's Most Ethical Companies – WME" compiled by Ethisphere Institute, a global leader in the promotion of ethical commercial practices and standards. EDP is therefore considered a standard setter in "Energy and Electric Utilities", on a par with four other companies on a global level.

### **EDP IS A CONSTITUENT OF ETHIBEL**

Investment Register company status by demonstrating superior performance to the average of its sector in terms of Corporate Social Responsibility (CSR). EDP is included in the Ethibel Index Excellence Europe.

### **EDP IS A CONSTITUENT OF THE FTSE4GOOD GLOBAL INDEX**

The companies were evaluated based on a set of about 350 indicators grouped in 14 subjects divided into three pillars (environmental, social and governance).

### **THE CASTEJÓN COMBINED CYCLE THERMAL POWER STATION GIVEN AWARD BY FM GLOBAL**

The international insurance company FM Global distinguished the power station with the award HPR ("Highly Protected Risk"). This award acknowledges the best performance in risk prevention.



### **EDP IN SPAIN ACKNOWLEDGED FOR RESPONSIBILITY IN EMPLOYING YOUNG PEOPLE**

This recognition is part of the Spanish social responsibility strategy, which recognises all public and private organisations signing up to the strategy and carrying out concrete initiatives to achieve its objectives.



### **ABRINO ACKNOWLEDGES EDP COMPANIES IN BRAZIL AS "CHILD FRIENDLY"**

EDP's distribution companies in the states of São Paulo and Espírito Santo have been recognised as Child Friendly by Abrinq Foundation for the 11th consecutive year. Production company Enerpeixe has also been recognised for the fifth consecutive year. The maintenance of this award testifies to their contribution to building a better future for young people in the areas the companies operate in.

### **EDP HYDROELECTRIC POWER STATION RECEIVES GOLD SEAL FOR SUSTAINABLE ENERGY**

The Peixe Angical hydroelectric power station has received the Gold Seal for sustainable energy awarded by Instituto Acende Brasil. This instrument evaluates the social and environmental performance of electricity distribution, transmission and generation companies in Brazil.



### **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. Of the 97 companies competing, 56 passed the evaluation stage and 19 were recognised.

### **MERIDIAN WAY WIND FARM RECEIVES EMPLOYER ENGAGEMENT INITIATIVE CHAMPION LEVEL AWARD**

The Meridian Way wind farm was recognised by Cloud County Community College (CCCC) and Kansas Board of Regents (KBOR) for its substantial contribution to the programme "College's Wind Energy Technology" (WET) and the development of wind energy students, to whom EDP provides remunerated apprenticeships.

### **EDP RENOVÁVEIS NORTH AMERICA (NA) CROWNED CLEAN AIR CHAMPION FOR THE 4 TH CONSECUTIVE YEAR**

EDPR NA received the award from Houston-Galveston Area Council, recognising the company's efforts to promote the use of alternative employee transportation methods.

### **EDP BRASIL REMAINS IN THE CORPORATE SUSTAINABILITY INDEX (ISE)**

For the tenth consecutive year, EDP is a part of the ISE portfolio compiled by BM&F Bovespa, and is one of the companies standing out for their commitment to sustainable development, equity, transparency and accountability.

### **ANTÓNIO MEXIA ELECTED BEST UTILITIES CEO IN EUROPE**

A team of Buy Side analysts have elected António Mexia the best Utilities CEO in Europe, in an annual survey conducted by the magazine "Institutional Investor". EDP Group's Chief Financial Officer, Nuno Alves, and Investor Relations Officer Miguel Viana were also acknowledged. In the global assessment of listed European companies in all sectors, EDP rose 71 places over the previous year, now ranked 20<sup>th</sup>.

### **EDP RENOVÁVEIS IS ONE OF THE 10 BEST LARGEST COMPANIES TO WORK FOR IN SPAIN**

For the fourth consecutive year EDP Renováveis has consolidated its position as one of the best companies to work for, and is still the only energy company to make the list. EDPR was ranked eighth in the category companies with between 250 to 500 employees

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## **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 toward the development of the regions in which we are operating.
- . 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 clients and answer in a simple and clear manner.
- . We surprise our clients by anticipating their needs.

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SOCIAL  
REPORT  
2015

## **02. social agents and organisational structure**



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REPORT  
2015**





**Driving new ideas**

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REPORT  
2015**

## 02. SOCIAL AGENTS AND ORGANISATIONAL STRUCTURE

[G4-3 A G4-9]

EDP- Energias de Portugal, S.A is a company whose shares are publicly traded on the regulated NYSE Euronext Lisbon Stock Exchange (called Eurolist by NYSE Euronext Lisbon). EDP was incorporated in Portugal in accordance with Portuguese law and is registered in Commercial Registry Office of Lisbon under number 500,697,256. The registered office is located at Avenida 24 de Julho, n.º 12, 1249-300 Lisbon, Portugal.

EDP is a vertically integrated utility. It is a major producer, distributor and supplier of electricity in Portugal and is the third largest electricity producer on the Iberian Peninsula, as well as one of the largest gas distributors on the Iberian Peninsula.

EDP is also one of the world's largest wind energy producers, with wind farms on the Iberian Peninsula as well as in the United States of America, Canada, Brazil, France, Belgium, Italy, Poland and Romania, with capacity under construction in Mexico and wind projects under development in the United Kingdom. Additionally, EDP produces photovoltaic solar power in Portugal, Romania and the United States of America. In Brazil, EDP is the fifth largest private operator in electricity production, operating two electricity distribution concessions and is the third largest private supplier in the liberalised market.

EDP currently has a significant presence on the global energy landscape, with a presence in 14 countries and approximately 9,7 million electricity customers and 1,4 million gas customers, along with about 12,000 employees worldwide, representing 32 nationalities from around the world. On 31 December 2015, EDP had installed capacity of 24 GW, producing 64TWh in 2015, nearly 58% of which is derived from renewable energy sources.



As the largest Portuguese industrial group, the largest investor in Portugal and the largest Portuguese investor abroad, EDP is fully aware of its role in society and its relation with its employees and stakeholders.

## EDP CORPORATE GOVERNANCE

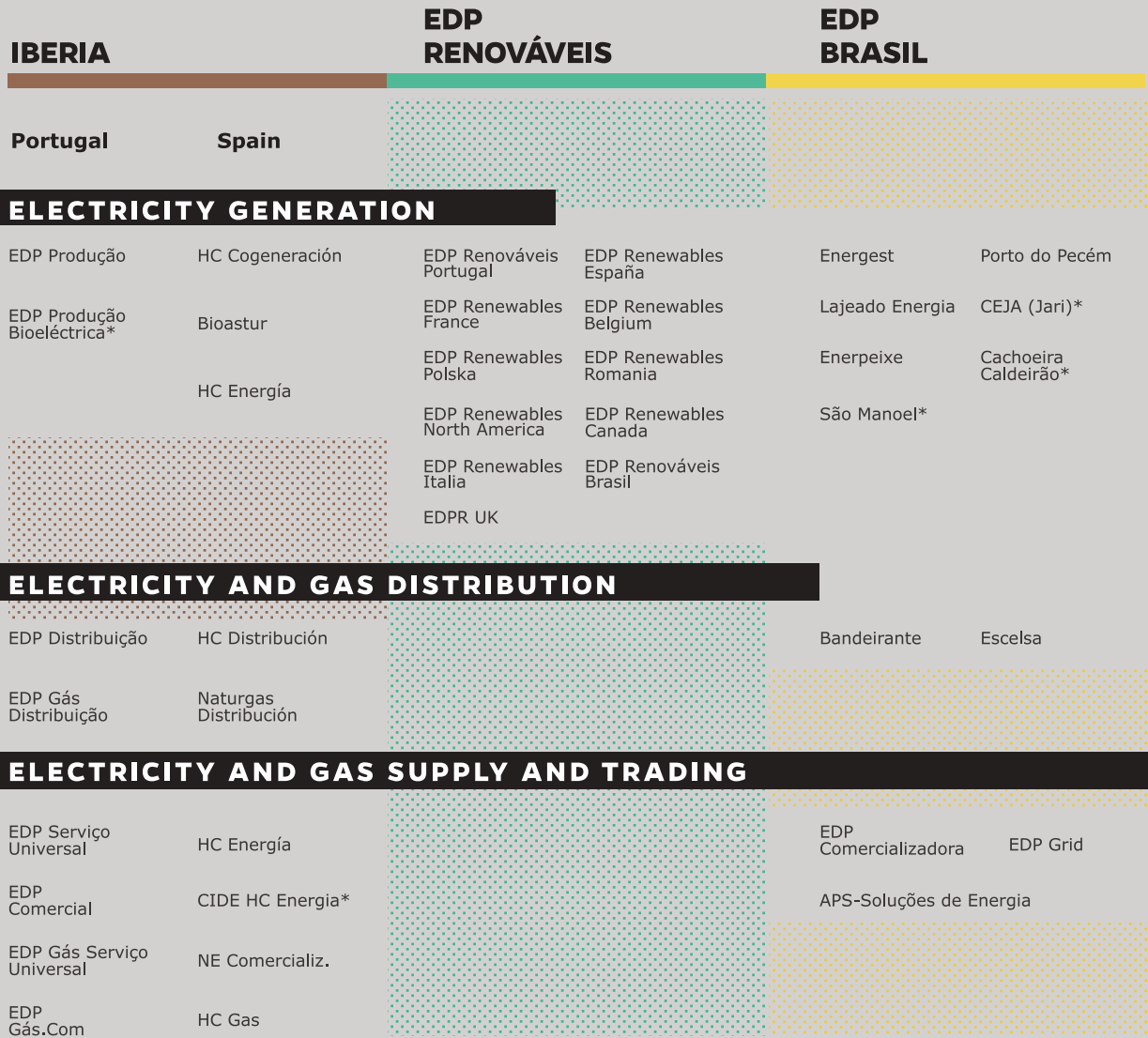
[ G4-34 ]

Based on the two-tier model, the EDP governance structure is composed of a General Meeting, Executive Board of Directors, General and Supervisory Board and Statutory Auditor. The separation of management and supervisory functions is reflected by the existence of an Executive Board of Directors, which is responsible for management of corporate affairs, as well as a General and Supervisory Board, the highest body responsible for the latter function. The two-tier corporate governance model in place at EDP has enabled effective separation of the exercise of supervision and the management function within the Company, in the pursuit of the company's own objectives and interests, as well as those of its shareholders, employees and other contributors, thereby contributing to achieving the level of trust and transparency necessary for its adequate functioning and optimisation. Moreover, the adopted model has proven to be adequate for the company's shareholder structuring, permitting supervision by key shareholders through their involvement on the General and Supervisory Board.

In the Annual General Meeting conducted on 21 April 2015, shareholders elected members of the General and Supervisory Board and the Executive Board of Directors for the 2015-2017 three-year term. The Statutory Auditor and respective alternate, as well as members of other corporate bodies, particularly the General Meeting, the Environment and Sustainability Committee, the Remuneration Committee of the General Meeting and the Environment and Sustainability Committee, were also elected for the 2015-2017 three-year term. The structural organisation of the Holding Company was planned and designed according to the company's objectives and strategy, and, as such, reflects its commitment to the best practices of the relationship with shareholders and investors and all parties interested in the business. With one aspect of its activities corresponding to social and environmental responsibility, there is a clear focus on renewable energies as drivers of a future that is more sustainable and healthy for everyone.



# business structure



\* Equity Consolidated Method

## GOVERNANCE MODEL, LABOUR PRACTICES AND HUMAN RIGHTS

[G4-34 A G4- 36]

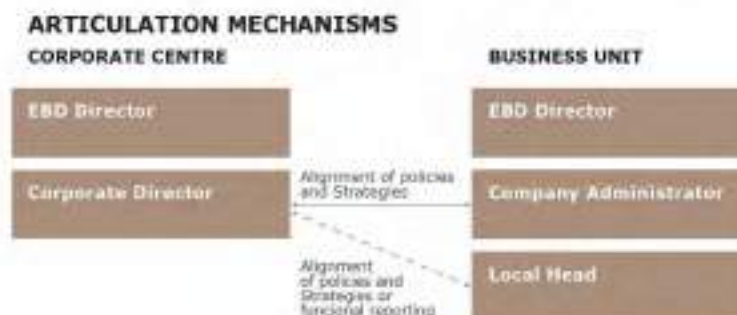
The governance model, which aims to apply the Human Resources (HR) Strategy defined to respond to the emerging business needs, is based on a common and cross-functional platform in the context of the main HR processes and policies of different companies in different geographies. In alignment with what was defined for all corporate areas, the Corporate Centre plays a structural role in defining and controlling the execution of strategies, policies and objectives. In order to fulfil this function, coordination mechanisms based on three principles were defined.

- Departments and corporate offices lead their respective specialised activities according to the defined mission and responsibilities.
- Through respective Boards of Directors and local organisational units (where available) with corporate functions, companies liaise with the Corporate Centre in order to align local policies and strategies with EDP Group.
- The liaison between the Corporate Centre and regulated companies - EDP Distribuição, EDP Serviço Universal, EDP Gás (Portgas) and the regulated areas of EDP Spain, EDP Renováveis and EDP Brazil – is implemented in strict compliance with the specific rules pertaining to energy sectors and competition, respectively, which impose 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.

In this context, there are three corporate areas that assure the definition of HR strategies, policies and procedures in a coordinated and aligned fashion, with the implementation thereof decentralised according to operating areas of the business units (companies), and, in the case of smaller companies, by teams geared towards this area.

Corporate Centre Directorate of Human Resources	Propose the Human Resources strategy and oversee the transversal people management policies and processes across the EDP Group, with the aim of promoting the development and continuous growth of all employees, aligning with corporate values and culture and contributing to business sustainability. Manage issues related to labour relations and coordinate labour regulation studies in Portugal, in order to reach negotiated solutions in line with business objectives and to ensure compliance of internal regulations with labour law.
EDP University	Ensure the availability, retention and sharing of knowledge within the Group, in order to reinforce a common culture, promote the professional development of employees and facilitate the emergence of new talent and the full use of their abilities.

The process of coordination of various players is defined by the functional reporting model, which establishes the interactions and performance levels according to structures.





The Health and Safety Directorate, corresponding to the Group’s shared services company, operates its relationship model as follows:

Health and Safety Directorate Ensure strategic activities and coordination of management of Health and Safety at Work for the EDP Group and the operating activities within the realm of provision of occupational medicine, prevention and safety services, respectively, ensuring compliance with legal obligations in these realms.



Through its corporate governance model, EDP provides a set of labour practices compliant with the Universal Declaration of Human Rights, the Conventions of the International Labour Organization, the United Nations Global Compact (Global Compact) and the Guiding Principles on Business - Ruggie Principles.

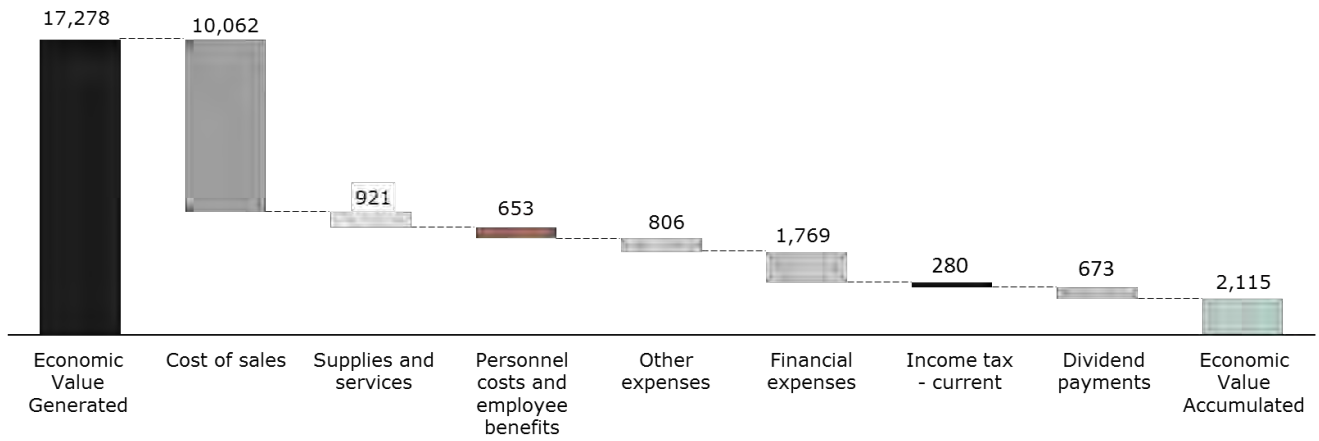
In order to reduce the risk of occurrence of improper labour practices and ensure respect for and promotion of Human Rights, EDP maintains an ethical process management system, which, on the basis of its corporate and functional structures, such as the Ethics Committee, the Ethics Ombudsman and the Corporate Governance and Sustainability Committee of the General Supervisory Board, guarantee impartiality and objectivity in the registration and treatment of ethical complaints, naturally including Human Rights matters. Additionally, EDP maintains a Human Rights and Labour Practices Monitoring Programme in its Business Units and facilities, in new projects and acquisitions, and, finally, in its supply chain. More detail on chapter 4 (related to Ethics, Human Rights).

## OUR RELATIONSHIPS

### [G4-EC1]

EDP created direct and indirect benefits for a group of stakeholders with whom the Group is related and which include, among others, benefits to active and inactive employees and their families, support to the community, payments to suppliers and service providers.

On the following pages we examine in depth the topics related to the relationship with these segments of stakeholders. For more detail on the involvement with other stakeholders please consult the document regarding the 2015 Annual Report for the EDP Group at [www.edp.pt](http://www.edp.pt).

**Economic Value Accumulated in 2015 (k€)**



# ENERGY WITH INTELLIGENCE

SOCIAL  
REPORT  
2015

## **03. social indicators, priorities and commitments**

33 3.1. KEY PERFORMANCE INDICATORS

34 3.2. PRIORITIES AND COMMITMENTS



# ENERGY WITH INTELLIGENCE

SOCIAL  
REPORT  
2015





**Lines that open up new horizons**



# ENERGY WITH INTELLIGENCE

SOCIAL  
REPORT  
2015

## 03.

SOCIAL INDICATORS,  
PRIORITIES AND  
COMMITMENTS

## 3.1. KEY SOCIAL INDICATORS

	UN	2015	2014	2013	2012
<b>EMPLOYMENT</b>					
Employees	#	12,084	11,798	12,171	12,275
Female employees	%	23	23	23	22
Employee Engagement Index	%	75	n.a.	n.a.	n.a.
Enablement perception Index	%	70	n.a.	n.a.	n.a.
Turnover rate <sup>(1)</sup>	%	6.32	6.12	6.16	5.57
Employees' average age	years	45	46	46	46
Average years of services of leavers	years	21	24	23	20
<b>TRAINING AND DEVELOPMENT</b>					
Total training hours	hours	443,105	516,659	410,734	503,272
Average amount of training per employee	h/p	37	44	34	41
Employees with training	%	96	95	86	88
Total training costs <sup>(2)</sup>	k€	9,102	9,687	7,930	10,354
HC Investment Factor <sup>(3)</sup>	€	753	821	652	844
<b>PRODUCTIVITY</b>					
Absentee rate <sup>(4)</sup>	%	3.45	3.46	3.26	3.16
Productivity <sup>(5)</sup>	€/h	242	236	220	221
Gross Value Added per employee	€	408,544	411,817	368,993	374,417
<b>ECONOMIC PERFORMANCE</b>					
Personnel costs	k€	575,665	581,512	583,231	582,197
Social benefits	k€	77,313	54,512	55,285	77,314
Average Salary	€	3,042	3,083	3,056	3,033
Gross Value Added	k€	2,114,932	2,298,892	1,955,785	2,124,882
HC ROI	€	22.4	24.3	24.3	22.9
<b>LABOUR RELATIONS</b>					
Collective labour agreements	%	92	92	82	83
Trade union membership	%	47	48	38	51
Trade unions	#	30	29	37	36
<b>PREVENTION AND SAFETY</b>					
OSHAS 18 001 (installed capacity)	%	88	97	73	72
On-duty accidents	#	49	33	42	38
Fatal on-duty accidents	#	1	0	4	5
EDP frequency rate	%	2.27	1.57	1.98	1.82
EDP severity rate	%	106	119	128	109
Total days lost due to accidents	#	2,292	2,496	2,725	109
Fatal accidents with ESPs	#	4	8	8	13
Days of work ESPs	#	4,675,629	4,841,880	5,632,310	5,230,811
EDP and ESP frequency rate	%	3.34	3.71	4.01	4.17
Electric fatal accidents with the public <sup>(6)</sup>	#	16	9	7	8
<b>COMMUNITY</b>					
Social investment <sup>(7)</sup>	M€	27,4	26,3	27,0	17,5

<sup>(1)</sup> Turnover Formula = (Entrants+Leavers in year N) / 2 / (Headcount year N-1+Headcount year N) / 2

<sup>(2)</sup> It includes costs related to the structure

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

<sup>(4)</sup> For EDP Brasil 2014's value corresponds to the last available value (2013)

<sup>(5)</sup> Gross Value Added for hours actually worked

<sup>(6)</sup> Accidents involving people outside EDP's activity

<sup>(7)</sup> Determined according to the LBG method. It includes management costs

## 3.2.PRIORITIES AND COMMITMENTS

[G4-2]

Scope	DESCRIPTION	METRICS
<b>Safety</b>	Ensuring high conditions of workplace safety for employees and service providers	<ul style="list-style-type: none"> <li>- Reduce the frequency of workplace accidents involving EDP employees and service providers by 5%, compared with 2013, in the period 2013-2015</li> <li>- Maintaining OHSAS certification of the corporate management system and maintaining or expanding the certification percentage of its own systems</li> <li>- Obtaining 100% of OHSAS 18001: 2007 certification in the activities critical to the Group in 2020</li> </ul>
<b>Well-being and Personal Fulfilment</b>	Contributing to improving the well-being and personal fulfilment of its employees, stimulating the balance among the various life plans of each employee	<ul style="list-style-type: none"> <li>- Indicator of Commitment of people with the Company <math>\geq 75\%</math></li> <li>- Indicator or perception of organisational support <math>\geq 70\%</math></li> </ul>
<b>Development</b>	Investing in the development of core skills in the different Group activities	<ul style="list-style-type: none"> <li>- Broadening the activities of EDP University to all segments and geographical areas of the Group by 2017</li> <li>- Ensuring the minimum reference of 35 hours of training per employee</li> </ul>
<b>Diversity</b>	Guaranteeing the continued increase in Diversity in the Group	<ul style="list-style-type: none"> <li>- Attaining by 2020 of a diversity mix where women represent 27% of the universe of employees</li> <li>- Promoting all means necessary to obtain 30% female representation in the executive bodies of the company by 2018</li> <li>- Increasing the % of women in management positions</li> <li>- Achieving 2% of incorporation of employees with disabilities on the staff of the Group</li> <li>- Reviewing the Diversity Policy</li> <li>- Implementing the Plan of 15 diversity initiatives between 2016 and 2018</li> </ul>
<b>Retention and Productivity</b>	Ensuring, through the implementation of processes and policies directed at employees, high levels of retention and productivity	<ul style="list-style-type: none"> <li>- Rotation and Turnover Index &lt; average for the market</li> <li>- Productivity Index &gt; average for the sector</li> </ul>
<b>Performance assessment</b>	Aligning employees with the Group's strategy of creating value	<ul style="list-style-type: none"> <li>- Defining the Sustainability KPIs for all employees of the Group in 2016</li> </ul>
<b>Integrity and good governance</b>	Strengthening Ethics as a basic pillar of the culture of the Group and the behaviour of employees	<ul style="list-style-type: none"> <li>- Maintaining the recognition of EDP as one of the most ethical companies in the world by the Ethisphere Institute in 2017</li> <li>- Surpassing 80 points on the Ethicis Corporate Index in 2020</li> </ul>
<b>Social development and citizenship</b>	Developing the integration of EDP in society, through the promotion of the quality of life of the communities	<ul style="list-style-type: none"> <li>- 20 thousand hours of work annually for volunteer programmes and activities by 2020</li> <li>- 20% of employees taking part in at least one volunteer activity per year by 2020</li> <li>- 3 new programmes based on volunteering skills by 2020</li> <li>- 20% of volunteer investment in the community aimed at initiatives or businesses that promote sustainable lifestyles, including training and education measures by 2020</li> <li>- 20% of volunteer investment aimed at local communities by 2020</li> <li>- Guaranteeing the allocation of a budget for the EDP Foundation of up to 0.1% of the turnover of the EDP Group by 2020</li> <li>- The opening of the new MAAT – Museum of Art, Architecture and Technology, by 2020</li> </ul>



# ENERGY WITH INTELLIGENCE

SOCIAL  
REPORT  
2015

## 04. ethics

- 39 4.1. MANAGEMENT OF ETHICS COMPLAINTS
- 41 4.2. REINFORCEMENT OF THE ETHICS CULTURE
- 41 4.3. ANTI-CORRUPTION
- 42 4.4. HUMAN RIGHTS
- 45 4.5. ASSESSMENT OF ETHICAL PERFORMANCE



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**SOCIAL  
REPORT  
2015**





**A breath of fresh energy**

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2015**

## 04. ETHICS

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

In the EDP Group ethics are inseparable from the management of our business. They are part of our organisational culture, underpinned by a commitment to truth, integrity, transparency, fairness and loyalty to our stakeholders. It is conscience in action and ethical behaviour that promotes and reinforces relationships of trust, minimises risks, maintains the stability and reputation of the EDP Group, and enables sustainable growth, with a real impact in social, economic and environmental terms.

Our management practices in the field of ethics are consistent from year to year, and are put into practice through complaint recording and handling processes including the evaluation of ethical performance results, the development of skills and communication, awareness raising and training in ethics, combating corruption and protection of human rights

### ANNUAL REPORT OF THE ETHICS OMBUDSMAN

The various initiatives, results and commitments in connection with the management of EDP's ethical performance are described in detail in the Annual Report of the Ethics Ombudsman, which can be consulted at [www.edp.pt](http://www.edp.pt) > a edp > governo societário > ética > provedor de ética.

## 4.1. MANAGEMENT OF ETHICS COMPLAINTS

[G4 DMA; G4-57, G4-58; G4-LA16; G4- S05; G4- S07; G4-SO11]

317 complaints were recorded in 2015, 54 of which submitted to the Ethics Committee. The remainder were promptly resolved by the business units where the facts giving rise to them occurred.

In the year there was a 14% reduction in the total number of new complaints submitted to the Ethics Committee compared with the previous year in all subject areas except "use of information and assets", in which there was a 50% increase.

Complaints that are received are classified by origin and by theme of the Code of Ethics, as shown in the table below:

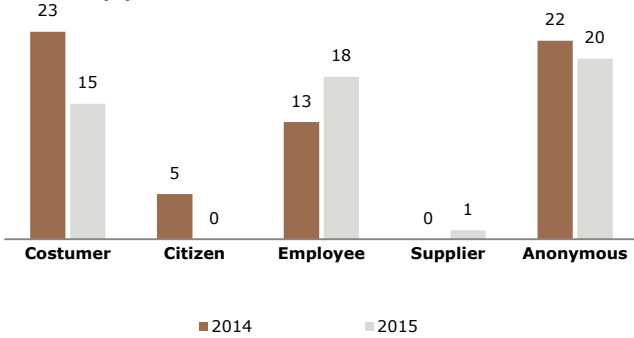
### Correspondence between the classification of complaints and paragraphs of the ethics code

Fraud, corruption and bribery	2.2. Financial matters 2.2. Corruption and bribery
Environment and responsibility towards society	2.5. Corporate social responsibility 3. Commitment to stakeholders
Use of information and assets	2.2. Use of information 3. Commitment to stakeholders
Transparency	2.4. Transparency 3. Commitment to stakeholders
Fairness of solutions	2.2 Conflicts of interest 3. Commitment to stakeholders
Negligence and disregard of law	2.1. Legislation 2.3. Human and labour rights 3. Commitment to stakeholders

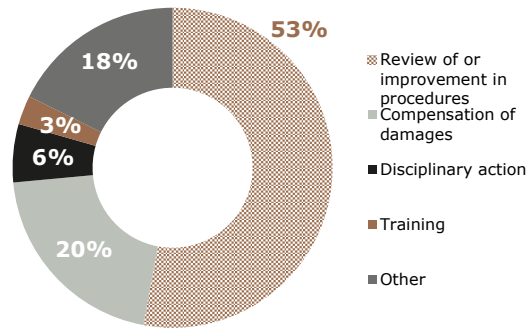
Examining complaints by their origin, compared with 2014 there was an increase in the number of complaints by employees, and fewer complaints by customers.

We believe that these results are an outcome of our employees' training and greater awareness, both in attention to recording unethical conduct with a view to modifying internal behaviour, and in the way customer service and support is performed.

**CLAIMS BEFORE THE ETHICS COMMITTEE, BY SOURCE (#)**



**ACTIONS DETERMINED BY THE ETHICS COMMITTEE (%)**



Of complaints submitted to the Ethics Committee, 47 were closed during the year, of which 43% were upheld, and in more than twenty cases appropriate follow-up action was decided.

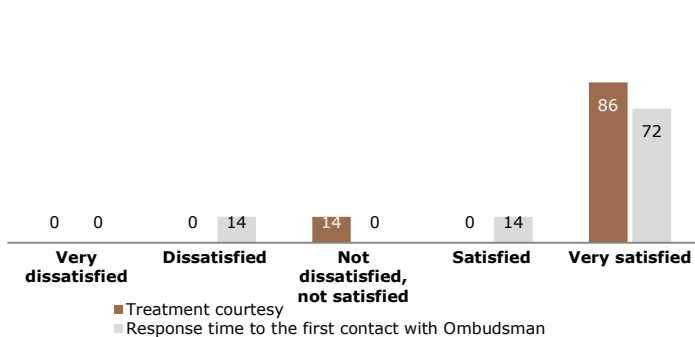
As in 2014, the action taken by the Ethics Committee was mostly concerned with the review and improvement of procedures aimed at improving management and control systems so as to prevent the recurrence of poor ethical practices. Actions classified as "others" include in particular performance monitoring of processes, evaluation of the effectiveness of initiatives and the reporting of occurrences to the criminal investigation authorities.

### COMPLAINANTS' SATISFACTION

For complaints submitted to the Ethics Committee, an evaluation is made of the complainants' satisfaction as part of the process of monitoring the management of ethics complaints. This evaluation is carried out annually on aspects such as courtesy in resolving the problem and the response time to contacts.

The evaluation results continue to be significantly positive. However, there was a reduction in the response rate to the survey (39%).

**COMPLAINANTS' SATISFACTION (%)**



«Once again I deplore what happened, but due to the fairness, speed and promptness with which this case was resolved, I consider myself "satisfied" with the outcome of the "complaint made".»  
(Comments by a complainant)

## 4.2. REINFORCEMENT OF THE ETHICS CULTURE

[G4-S04]

2015 was marked by the adoption of a new competencies analysis and development model, called *Amplify*. In this model, “openness and transparency” are considered cross-competencies applying to all roles and seniority levels.

Promoting an environment of respect, trust and openness now forms part of the competencies analysis of line managers and employees, which represents an important advance in the promotion of ethics in the organisation’s day-to-day operation.

### ETHICS AWARENESS AND TRAINING

- **Tone at the Top** is the title of an initiative involving directors of EDP Portugal and EDP Espanha, with the aims of reinforcing the alignment of employees with the ethics themes, reflecting on circumstances that facilitate poor ethical practices in EDP and identifying concrete measures to prevent them. This initiative arose in the context of an ethical risk analysis project in EDP and resulted in a series of six workshops with a participation rate above 92% and a highly positive evaluation by the participants.
- The **Training Programme on Ethics**, made available in an e-learning format in Portugal in 2014, was implemented in EDP Espanha in 2015 with a participation rate of 83%, covering more than 1,400 employees. The majority of participants evaluated the course positively, considering it very useful for their day-to-day work, on both a personal and a professional level.
- Complementing the e-learning course, **classroom-based induction training** on ethics covered 84% of new employees of EDP Portugal in 2015.

## 4.3. ANTI-CORRUPTION

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

With the aim of reducing the risks of legal non-compliance, in particular instances of corruption and bribery, a number of specific training programmes on the Internal Control and Financial Reporting System (SCIRF) were held in the business units based in Portugal.

In EDP Brasil the training of employees most exposed to this risk was completed. These included employees with personal relationships with representatives of public authorities; who cooperate directly or indirectly with them; who handle confidential information; who are responsible for carrying out any kind of financial transaction in contracting third parties or negotiating contracts of any kind.

Following the approval of the Anticorruption Policy\* in late 2014, EDP Renováveis held a specific training course on the subject covering all employees in Europe and the USA.

Although some of the legal regimes in countries where the EDP Group operates permit it, none of the Group companies made monetary or in-kind contributions to any political parties. The absence of such contributions by Group companies is consistent with the internal values enshrined in the EDP Group’s Code of Ethics, under which “employees undertake not to make, on behalf of the company, monetary or other contributions to political parties”. For its part, “EDP undertakes, where this is permitted by law, to allow the creation of properly regulated mechanisms for employee participation in political processes, which may include monetary contributions on a voluntary and personal basis”.

With regard to suppliers, agents, intermediaries and distributors, EDP includes explicit rules in their contracts regarding ethical conduct and specific provisions of the relevant laws on corruption and bribery.

In 2015 the EDP Group’s Sustainable Supply Chain Management Plan was approved and launched, which includes procedures for the prevention of corruption risks.

\* The EDP Anti-Corruption Policy is available at [www.edpr.com](http://www.edpr.com) > investidores > governo corporativo > política de anticorrupção



## 4.4. HUMAN RIGHTS

[G4-DMA; G4-56; G4-HR1 A HR12; G4- S05; G4- S07; G4- S09; G4-S010; G4-S011]

Respect, and encouraging respect, for Human Rights and non-complicity in Human Rights violations are fundamental principles and commitments of EDP's practices that extend to all business units and all geographical regions, and are underpinned by a series of voluntary policies and monitoring measures. EDP deploys considerable resources to ensure that Human Rights are respected in its sphere of influence.

- ❑ **Code of Ethics:** the Code of Ethics sets out EDP's legal and voluntary obligations on Human Rights and Labour Practices with regard to its employees and other stakeholders: communities, customers and suppliers. EDP's ethics system incorporates, in addition to rules, the Ethics Committee, the Corporate Governance and Sustainability Committee, the General Supervisory Board and the Ethics Ombudsman, as well as confidential whistle-blowing and complaint channels.
- ❑ **Global Compact:** EDP subscribes to the Global Compact and demonstrates its compliance, in this case with the principles relating to Human Rights: principle 1 and principle 2.
- ❑ **Principles of Sustainable Development:** the Principles of Sustainable Development of the EDP Group define the strategic link between Human Rights and the strategic vision of the EDP business and affirm the commitments to include social aspects in planning and decisions, to respect and promote respect for Human Rights in its sphere of influence, to reject unfair and discriminatory practices, and to ensure equal opportunities.
- ❑ **Safety Policy:** EDP has established a Safety, Hygiene and Health at Work Policy, which is an integral aspect of the business of EDP Group companies, and which applies in all decisions: in design, construction, operation, personnel management, procurement, customer relations, relationships with suppliers and towards the general public. EDP has a maxim that no situation or service emergency can justify endangering someone's life.
- ❑ **Diversity Policy:** EDP actively implements a diversity policy which includes the promotion of gender diversity – recruitment and selection, training and knowledge sharing in EDP, remuneration and company benefits, career management – and diversity of ages and nationalities, as well as inclusion of the disabled and disadvantaged socioeconomic groups in the labour market.
- ❑ **Compliance:** EDP monitors its legal compliance practices and voluntary commitments through the reporting obligations and internal audits carried out by specialised departments.
- ❑ **SCRIF:** internal financial reporting control system which covers all EDP Group companies and includes specific monitoring procedures in terms of Labour Practices (control and prevention of bribery and corruption).
- ❑ **Reprisk:** EDP continuously monitors its performance on Human Rights through the Reprisk international platform. Via this platform, which compiles news items published in the media and on the internet, EDP obtains an independent view about possible impacts on Human Rights arising from its business.
- ❑ **Supplier audits:** EDP uses the Achilles platform to track and audit its suppliers' legal and ethical performance. During the performance of contracts, EDP carries out audits on major suppliers which include monitoring of health and safety conditions and inspections of illegal and child labour and rest periods. EDP also participates in the Bettercoal association which promotes sustainability and, in particular, respect for the Human Rights of communities and workers in the coal supply chain.

## UN Guiding Principles on Business and Human Rights – RUGGIE Framework

In the context of the promotion and protection of Human Rights, EDP has also adopted the methodology set out in the United Nations Human Rights Council’s Guiding Principles on Business and Human Rights – the Ruggie Framework – which it incorporated in the revision of the Code of Ethics in 2013. This methodology systematises the obligations incumbent on States and identifies the obligations on companies to establish a continuous monitoring process of principles 1 and 2 of the Global Compact, with the scope of monitoring extending throughout the value chain. EDP Group accordingly initiated a Human Rights and Labour Practices Monitoring Programme aimed at systematically monitoring and evaluating its internal and external practices, identifying requirements for “due diligence” and preparing action plans.

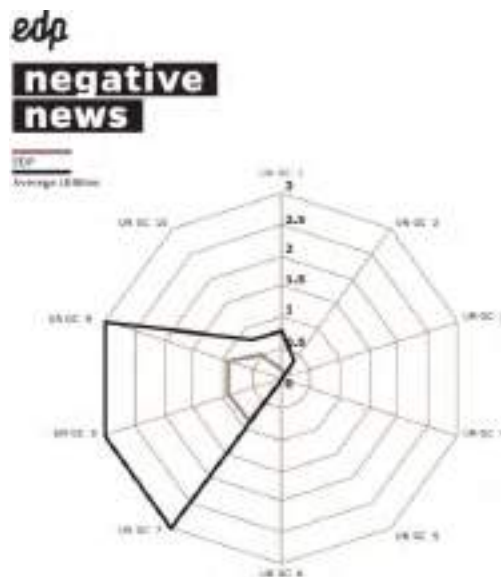
In 2015, the EDP Human Rights Monitoring Programme included the carrying out of an internal self-diagnosis by the Business Units in Portugal, Spain, Brazil and the United States, including companies, facilities, new projects, mergers and acquisitions, and operations with potential impacts on Human Rights or materially significant turnover. In this, no significant risks of adverse impacts on Human Rights were identified. The Programme provides for the supervision of monitoring within the Compliance function, and sets out plans for deepening and widening its scope and extending it to the supply chain, particularly to organisations acting in EDP’s name.

EDP publishes on its website a series of relevant rules and procedures of the Monitoring Programme: Summary of Commitments published by the EDP Group on protection of Human Rights; List of the UN Guiding Principles for Business; Monitoring Guide; and Self-Diagnosis Sheet ([www.edp.pt> sustentabilidade> abordagem à sustentabilidade> Princípios Ruggie](http://www.edp.pt/sustentabilidade/abordagem_a_sustentabilidade/PrincipiosRuggie)).

### REPRISK

[G4-SO11]

In 2015, the Reprisk platform featured two news items about possible Human Rights breaches directly associated with EDP’s business. In the first case, Tupinikim and Guarani communities in Aracruz municipality in Brazil are claiming compensation, 40 years after the event, for the occupation and use of lands by several companies, including EDP-Escelsa. EDP considers that the South American indigenous people’s claim should be addressed to the Brazilian government. The second case relates to the safety of employees of the contractors responsible for the construction of the Foz Tua dam in Portugal. The construction of large hydro projects, both because of their impact on communities and because of the various risks associated with the works, is identified by the EDP as the activity with the greatest risk of Human Rights breaches, risks that are mitigated by an active policy of evaluation, consultation and planning of major projects.



The following graph shows EDP’s position in relation to the utilities sector as regards the 10 Global Compact principles. This graph is based on all occurrences between 2007 and 31 December 2015.

### SUPPLIERS

[G4-12; G4-EC9; G4- LA14; G4- LA15; G4- SO9; G4-SO10]

In overall terms in 2015, EDP made purchases worth 4,197 million euros from 18,710 direct suppliers, with an average purchase of 224,319 euros per supplier.

However, 80% of its purchases are sourced from fewer than 190 suppliers and 90% of purchases are sourced from around 550 suppliers. The remaining 10% of purchases are sourced from 17,970 suppliers with an average purchase of 23,356 euros per supplier.

In 2015, EDP monitored 723 suppliers via the Achilles system, who demonstrated their commitment to Human Rights and presented their quality, health and safety and environment certifications and endorsed the EDP Code of Ethics.

In particular, all suppliers with continuing contracts to provide services who act on behalf of EDP or in its facilities and works were also the subject of training, inspections and audits which evaluated, in addition to the technical aspects of the contracts, legal and contractual compliance with labour and social standards.

Also in 2015, with the aim of deepening understanding of the social impacts generated by the business of its supply chain, EDP carried out an extensive study of the make-up of its purchases, enabling it to improve the definition of its sustainability management priorities and, in particular, its Human Rights priorities. The study, based on detailed data of purchases made by EDP in 2014, was prepared by PWC following the ESCHER methodology and covered around 18,000 direct EDP suppliers and also the indirect supply chain.

<b>EXPOSURE TO SOCIAL RISKS</b>			
<b>RELATED TO DIRECT AND INDIRECT PURCHASES FROM SUPPLIERS</b>			
		<b>Direct</b>	<b>Indirect</b>
Exposure to risks related to political rights and democracy	%	0.0	12.5
Exposure to risks related to Political instability and Violence/terrorism	%	7.1	17.9
Exposure to risks related to regulatory quality	%	0.0	11.0
Exposure to risks related to the quality and independence of public services	%	7.3	15.7
Exposure to risks related to the inefficiency of the justice system	%	7.1	16.3
Exposure to risks related to Corruption	%	10.3	19.8
Exposure to risks related to Child Labour	%	0.0	0.5
Exposure to risks related to Forced Labour	%	0.0	0.4
Exposure to risks related to Health and Safety at work	%	0.0	7.9
Exposure to risks related to Excessive Working Hours	%	0.0	1.4
Exposure to risks related to Low Wages	%	0.3	13.4
Exposure to risks related to Gender Inequality	%	18.3	25.7

Through its direct suppliers, EDP is exposed to relatively low social risks. From the labour point of view there is a low probability of the occurrence of child labour, forced labour or occupational health and safety risks. In this area, priority should be given to controlling the risk of low wages in 0.27% of the volume of direct purchases. The biggest risk factor that EDP is exposed to relates to gender inequality in 18.34% of the volume of purchases.

In terms of "country" risks, approximately 7% of EDP purchases are exposed to risks related to political instability, inefficiency of the justice system and weakness of public services. In this context, corruption risk is the most significant, affecting about 10.3% of purchases from direct suppliers.

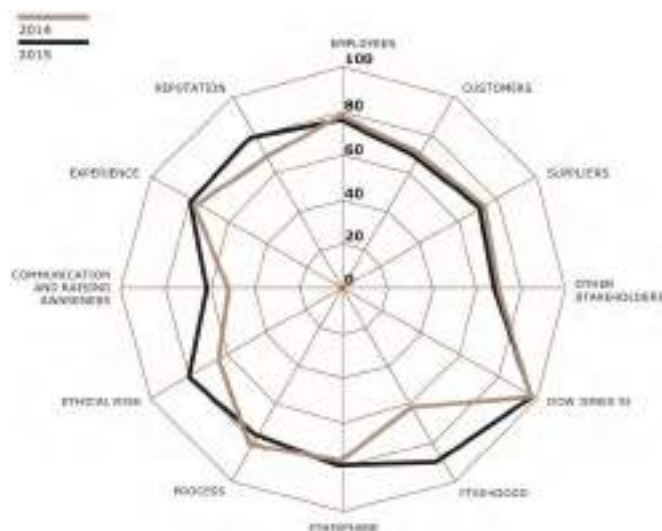
However, the picture concerning indirect suppliers contrasts sharply with that of direct suppliers. The table below shows a dramatic intensification of exposure to risk, with values ranging from 0.54% for child labour and 0.39% for forced labour, rising to 7.9%, 1.4% and 13.4%, respectively, for health and safety, excessive working hours and low wages. Here also, gender inequality scores 25.7%. This increase is also observed in the dimensions of quality of justice, efficacy of the public system and corruption.

Consequently, management of the sustainability of EDP's supply chain will involve the development of processes to ensure the commitment of direct suppliers to improving the working and social conditions of its supply chain.

## 4.5. ASSESSMENT OF ETHICAL PERFORMANCE

[G4-S03]

Since 2013 EDP has monitored its ethical performance by means of the Ethicis Index, which is divided into four major areas.



These four areas are in turn divided into twelve key axes.

The most significant variations are observed in the axes "FTSE4Good" in the dimensions *Countering bribery* and *Corporate governance / Code of conduct*, and "Reputation". Performance on the remaining axes was stable.

In 2015 the Ethicis Index had a consolidated value of 75.5, representing a variation of 2.3 points compared with the value in the previous year. This variation is mainly due to the change in the evaluation methodology for *FTSE4Good*. There would be no variation if the evaluation methodology had remained unchanged.

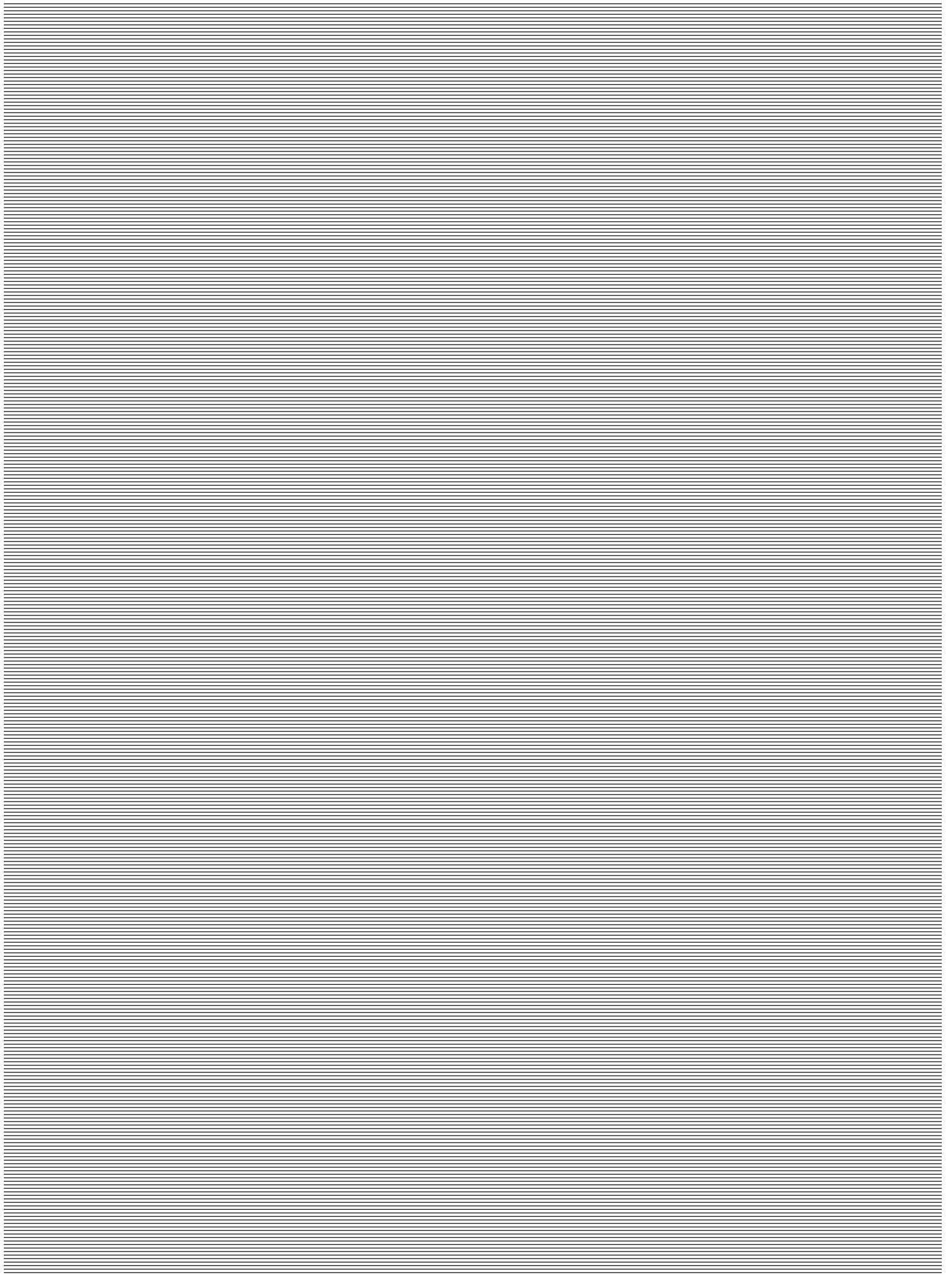
The *Dow Jones SI* Index maintained its 2014 assessment in the dimension *Code of Conduct / Compliance, Corruption & Bribery*.

### EXTERNAL ASSESSMENTS

For the fourth consecutive year EDP was included in the list of the *World's Most Ethical Companies* (WMEC 2015) evaluated by the *Ethisphere Institute* (USA). Its overall *Corporate Ethics Quotient* value improved by 2.1 points and the distance from the average of the values obtained by companies included the list this year widened to 5.5 points. It is worth noting that this result was achieved in a context in which the level of demand and detail of the information required in each of the five analysis dimensions increased significantly.

Also in the *Brand-score* 2015 study in relation to ethical performance in the sector (in Portugal), EDP once again saw a slight decrease of 0.7 points (-1%) – the same level as in the previous year.

In turn, EDP Brasil was recognised with the *Pró-Ética Seal* 2015 promoted by the Office of the Comptroller General. *Pró-Ética* is an initiative that gives public recognition to companies committed to preventing and combating corruption and that work to promote a principled, ethical and transparent business environment. This recognition has been achieved by EDP Brasil for the second consecutive time. The company was one of the first four Brazilian companies to obtain this recognition.





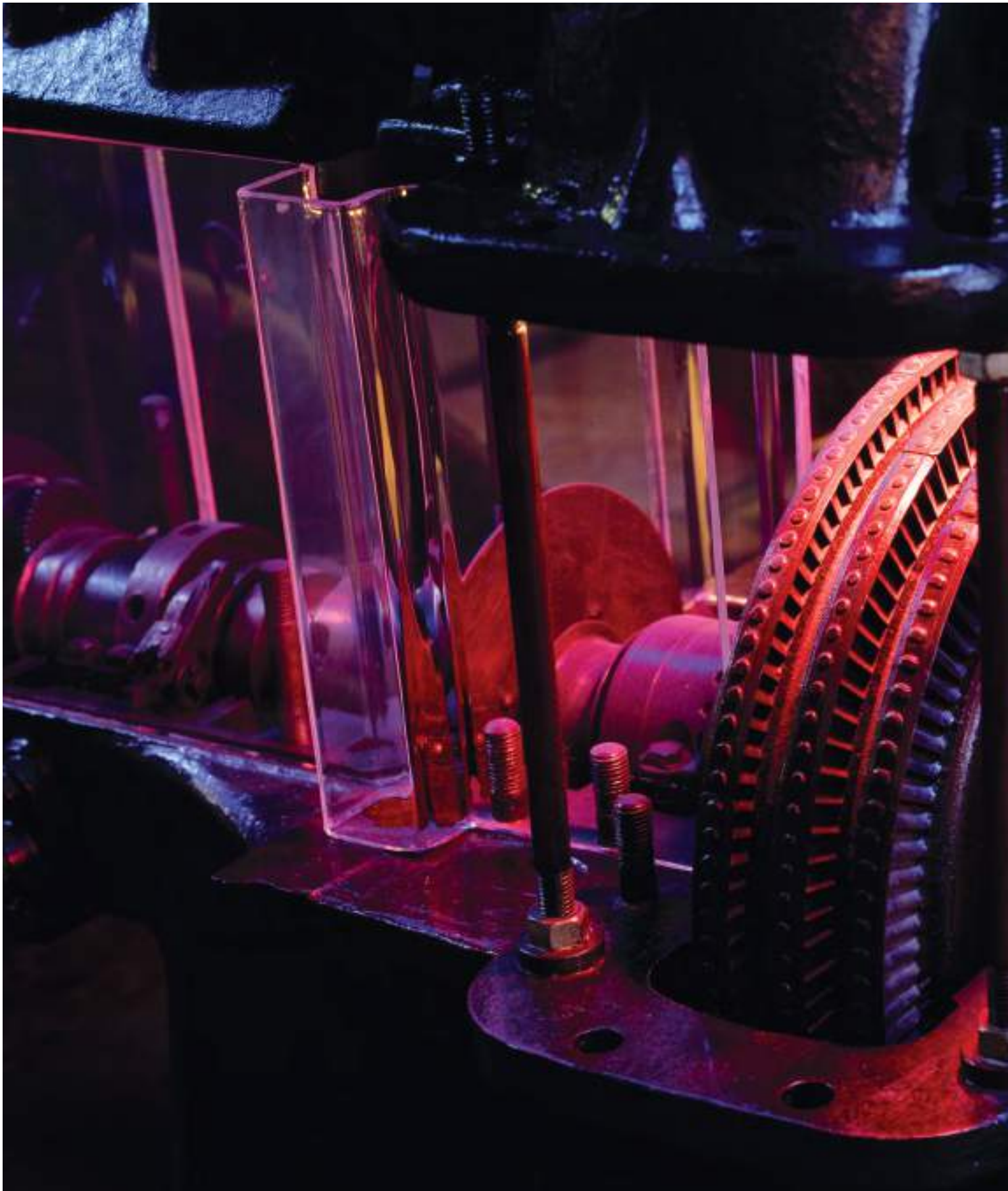
# ENERGY WITH INTELLIGENCE

**SOCIAL  
REPORT  
2015**

## **05. people at edp**

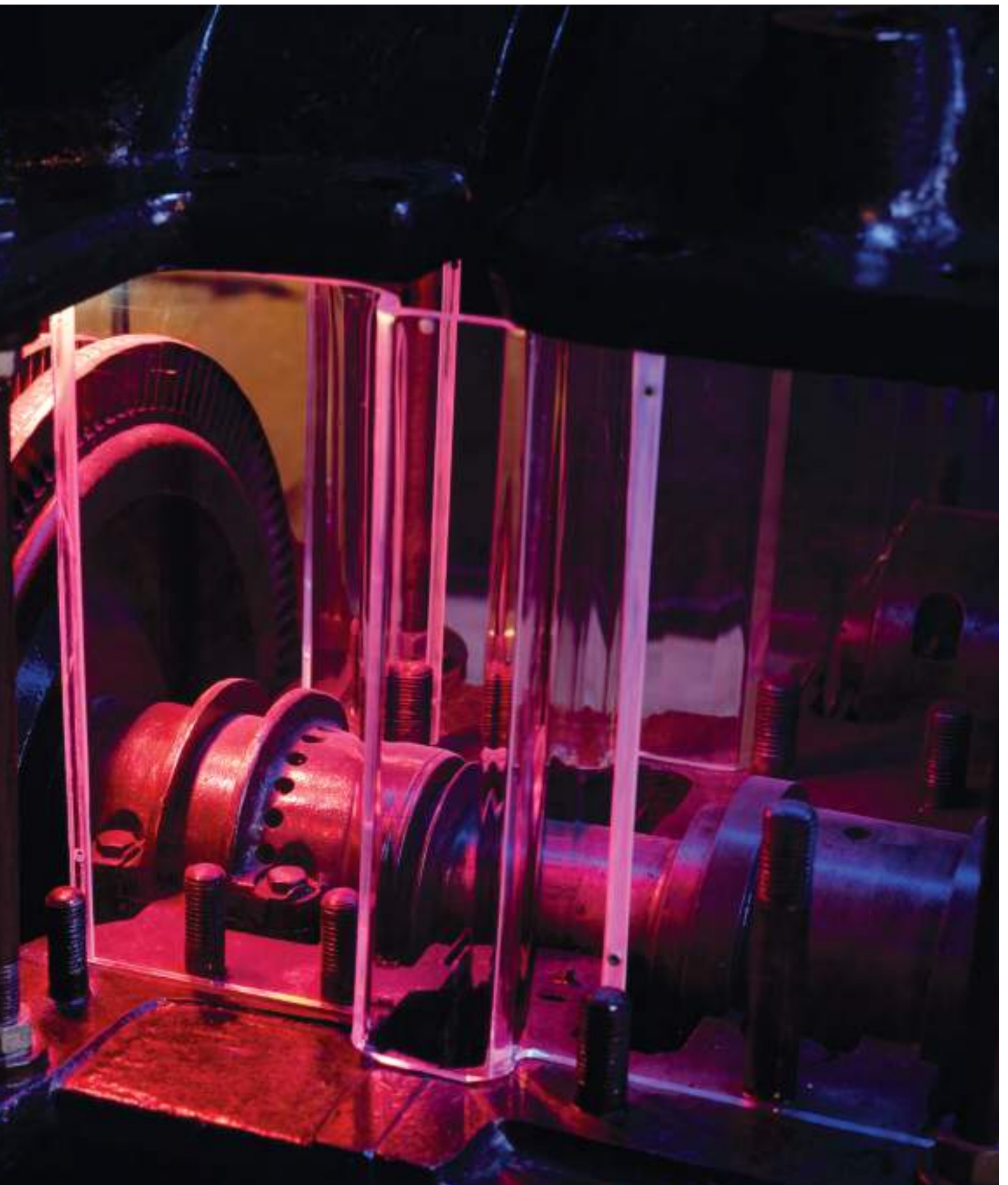
- 53 5.1. ATTRACT AND RECRUIT**
- 56 5.2. DEVELOP**
- 60 5.3. MANAGE TO RECOGNISE AND REWARD**
- 65 5.4. SAFETY, HEALTH AND WELLBEING**
- 73 5.5. LABOUR RELATIONS**
- 74 5.6. DIVERSITY**
- 78 5.7. INVOLVEMENT AND RETENTION**
- 81 5.8. ADDITIONAL TABLES**





# ENERGY WITH INTELLIGENCE

SOCIAL  
REPORT  
2015



**The past projected into the future**

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## 05. PEOPLE AT EDP

In the EDP Group, we have an outstanding culture when it comes to people. An institutional culture that attracts and harnesses talent, promotes personal and professional development, values qualities, recognises and rewards excellence and merit. It is our philosophy to promote well-being and create a positive environment of productivity, as well as to share with all of the employees the principles and values of the EDP Group, involving people in our objectives, the creation of value, innovation and sustainability. This is our path to success.

### CORPORATE PEOPLE PLAN 2014-2016

[G4-2]

The aim of the strategy of Human Resources of the EDP Group is to promote the development and enhancement of its employees and their alignment with corporate values and with the creation of sustained value for the business. This is implemented through the culture, through senior level management, through the professionals in the relevant position and through the employees. The Strategic Plan for Human Resources – Corporate People Plan – was built in alignment with the Business Plan and defines the courses of action for the triennium 2014-2016.

The global context in which EDP finds itself today is changing. The energy sector went from being stable, with long business cycles, to a more competitive reality, in which unpredictability and speed are constant. However, it is not only the external context that is changing. EDP is a global company, present in 14 geographical locations, with 32 nationalities as part of its DNA. To add to this diversity, a process of generational renewal is under way, so that 10 years from now, almost half of the full time staff of the Group will be different from what it is today.

The great challenge to which the Corporate People Plan 2014-2016 seeks to respond has to do with the need to make EDP a company that is increasingly global, with a culture that is unique in all geographical areas, with processes that are uniform and consistent and Human Resources professionals who are clearly strategic partners of the Business.



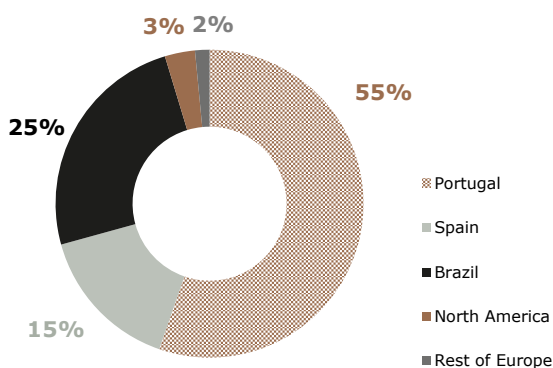
## HUMAN RESOURCES AT THE EDP GROUP IN 2015

[G4-10;G4-11; G4-LA1;G4- LA11; G4-EU15]

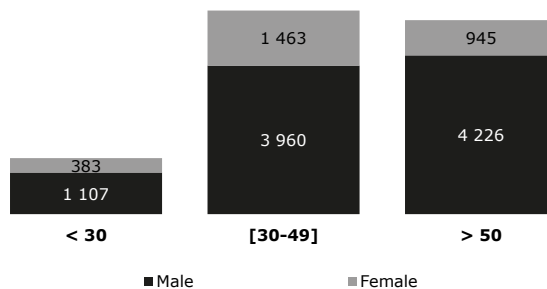
In 2015, the global balance in the number of employees in the EDP Group was 12,084, reflecting an increase of 2% compared with 2014 (11,798). This growth reflects the entry of 281 employees through the acquisition of the company Porto do Pecém Geração de Energia S.A. by EDP Brasil, from the business growth of EDP Renováveis with the internalisation of technical services of the parks, contributing with another 99 employees, especially in the United States of America. Portugal maintains its decreasing trend, although less accentuated, going from 6,733 to 6,683 employees. Also, in Spain, the sale of Gás Energía Distribución Murcia released 32 employees. Out of a total of 12,084 employees of the Group, 11,925 are permanent employees and 54 executive bodies.

In 2015, the EDP workforce consisted of employees from 32 nationalities, with an average age of 45.3 years, distributed geographically and by age as follows:

**EMPLOYEES DISTRIBUTION BY GEOGRAPHY (#12,084)**



**EMPLOYEES DISTRIBUTION BY AGE GROUP (#)**

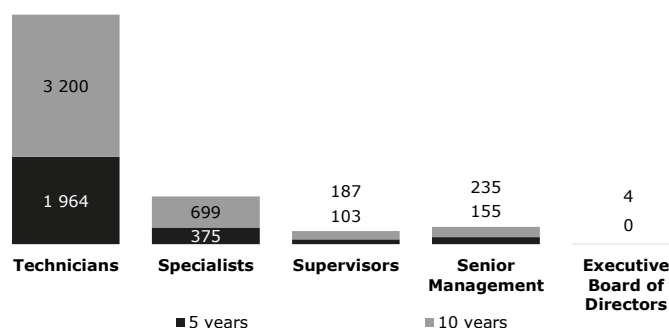


Despite the positive variation in the number of employees, 2015 continued to mark the movement of departures due to retirement/early retirement. 285 employees retired (89 of which were early retirement), a number that represents a decrease of 36% compared with 2014 (449), explained in part by changes in Portuguese legislation, namely regarding pre-retirement and early retirement.

### PLANNING YOUR RETIREMENT PROGRAMME

The objective is to help the employees of EDP prepare the transition to the retirement period and define personal and professional projects for this new stage of life. The programme is set up in three phases: seminar, group sessions and follow-up. In the seminar of the first edition, held in Portugal, over 40 employees took part.

**EMPLOYEES ELIGIBLE FOR RETIREMENT (#)**



At the end of the year, 23% of all employees were women and 77% were men, a number which kept pace with the previous year.

## 5.1. ATTRACT AND RECRUIT

[G4-43; G4-EC6; G4-LA1]

We continually look for people with the best human and professional qualities, who identify with our vision. Finding new talent to contribute to the rejuvenation and diversity of EDP is for us a key success factor, so in 2015 we focused on consolidating and activating our brand as an employer of first choice, evolving a number of initiatives to attract young people with potential.

PROMOTION	PARTNERSHIPS AND NETWORKING	COMPETITION	DEVELOPMENT
Disclosure of initiatives and opportunities that exist in the EDP Group; Presence in 18 <i>jobshops</i> and 50% of hiring for permanent staff via LinkedIn.	Dissemination and sharing of experience and knowledge with the academic community; 54 university partners of the EDP Group.	Encouraging the technical-professional university population to develop projects related to the energy sector; 1,054 students involved in university competitions.	Bringing candidates to the job market closer by attributing internships; 944 internships attributed; Continuation of the 2 <sup>nd</sup> edition of the EDP Trainee Program.

In 2015, there were many initiatives that mobilised the intention of EDP to be a benchmark employer, ensuring a closer relationship with the universe of potential talent to be recruited. Notable among these are:

### INTERNSHIPS IN THE EDP GROUP

The Group's growth and the evolution of the business have led EDP to invest in attracting young people with potential who are able to contribute to the creation of value. In this sense, and in order to position itself in the workplace as an employer of first choice, EDP has been strengthening its relationship with the academic community (widely known national and international institutions) through the interaction and sharing of knowledge.

In 2015 a total of 944 Internships were promoted in the EDP Group - 381 Professional Internships; 518 Curricular Internships; and 45 Summer Internships.

In 2015, the 2<sup>nd</sup> edition of the EDP Trainee Program continued, with the participation of 25 trainees, young recent graduates with high potential who started their professional career at the EDP Group through a structured programme, lasting 20 months, aimed, besides developing skills, at obtaining a cross-cutting view of the EDP Group.

### COMPETITIONS

In the scope of attractiveness, in 2015 there was an increase of 14% in the number of applicants (new and updated) in the EDP database, passing from 19,783 in 2014 to 22,505 in 2015, of 66 nationalities, coming mainly from advertising and LinkedIn. There was also an 8% increase in the number of female applicants compared with 2014, representing in 2015 a weight of 43% of the total of applicants.

In 2015, we were present at 18 *jobshops* and collaborated in another 12 events with the university segment, we held 9 Open Days at EDP, and also developed competitions at the international level, such as the Power Trade University Competition and the University Challenge, which involved over 1,000 participants.



**EDP POWERTRADE UNIVERSITY COMPETITION**

Iberian competition directed at graduates in the areas of management and engineering, with a first phase of simulation (Powertrade Simulator) and a second phase of developing "Business Cases" in the different companies of the Group. The main objectives are to raise awareness of the energy sector and promote a greater closeness between the academic sector and EDP. The winners are awarded a professional internship at EDP.

**EDP UNIVERSITY CHALLENGE**

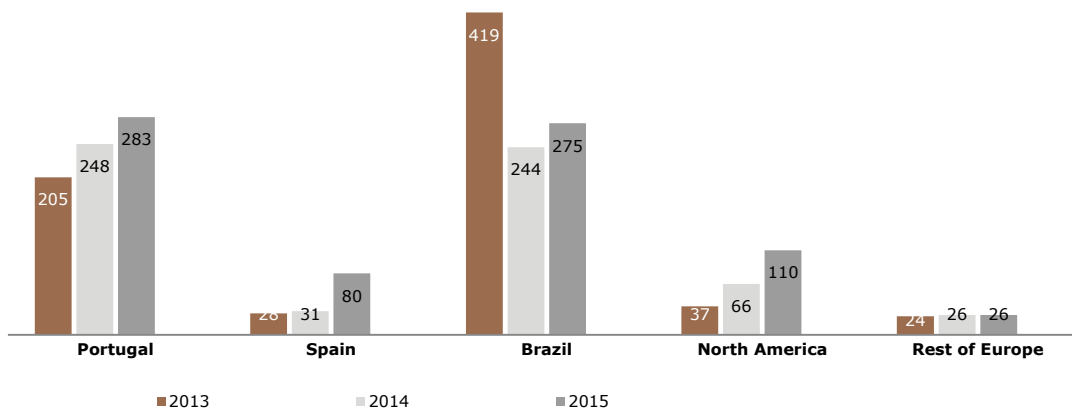
EDP University Challenge is an initiative developed in Portugal, Spain and Brazil, aimed at stimulating academic research, contributing to bringing EDP and university students closer together. The challenge lies in developing a marketing and communications plan, with the best works receiving a monetary award. Students who are part of the winning team will also be able to do an internship at the EDP Group.

**NEW INCOMING EMPLOYEES**

[G4- LA1]

The strategy of attractiveness of the Group has allowed the capturing of new talent for the Company, answering the growth of the business and contributing to the replacement of outgoing employees, mostly due to retirement. In 2015, EDP hired 774 new employees, 26% more than the previous year, divided over the various geographical areas of the business:

- **Portugal:** With 14% more (+ 35) new hires than 2014, to compensate for number of outgoing employees, mostly due to retirement.
- **Spain:** With 158% more (+ 49), recruitments, these also address part of the departures.
- **Brazil:** With 13% more (+31) new incoming employees, due mostly to the entry of 281 employees through acquisition of the company Porto do Pecém Geração de Energia S.A.
- **North America:** With 67% more (+44) new incoming employees compared with 2014, to keep up with the growth of the business.

**NEW INCOMING EMPLOYEES BY GEOGRAPHICAL AREA (#)**

Most of the new incoming employees throughout the year were for the permanent staff of the Company. In 2015, 98.7% of the employees belonged to permanent staff, and only 0.9% were fixed-term contracts due to activities of a temporary nature at the level of some projects, mainly in Portugal. The Executive Bodies represented only 0.4% of the EDP population.

### Number of full-time staff hires (#)

	2015	2014	2013
<b>EDP Group<sup>1</sup></b>	<b>824</b>	<b>502</b>	<b>614</b>
Portugal	371	153	117
Spain	72	27	21
Brazil	249	235	416
North America	110	66	35
Rest of Europe	22	21	25

<sup>1</sup> The number of hirings for the permanent staff includes direct hiring to the permanent staff and passages from fixed-term contracts to permanent staff

### Number of employees by type of contract (#)

2015	EDP Group	Portugal	Spain	Brazil	North America	Rest of Europe
<b>EXECUTIVE BODIES</b>	<b>54</b>	<b>33</b>	<b>1</b>	<b>20</b>	<b>0</b>	<b>0</b>
Male	51	31	1	19	0	0
Female	3	2	0	1	0	0
<b>PERMANENT STAFF</b>	<b>11,925</b>	<b>6,560</b>	<b>1,858</b>	<b>2,950</b>	<b>383</b>	<b>174</b>
Male	9,117	5,143	1,358	2,303	258	115
Female	2,748	1,417	500	647	125	59
<b>FIXED-TERM CONTRACTS</b>	<b>105</b>	<b>90</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>9</b>
Male	65	55	4	1	0	5
Female	40	35	0	1	0	4

2014	EDP Group	Portugal	Spain	Brazil	North America	Rest of Europe
<b>EXECUTIVE BODIES</b>	<b>52</b>	<b>32</b>	<b>1</b>	<b>19</b>	<b>0</b>	<b>0</b>
Male	51	31	1	19	0	0
Female	1	1	0	0	0	0
<b>PERMANENT STAFF</b>	<b>11,524</b>	<b>6,493</b>	<b>1,891</b>	<b>2,654</b>	<b>316</b>	<b>170</b>
Male	8,855	5,095	1,408	2,026	214	112
Female	2,669	1,398	483	628	102	58
<b>FIXED-TERM CONTRACTS</b>	<b>222</b>	<b>208</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>7</b>
Male	196	185	6	1	0	4
Female	26	23	0	0	0	3

## 5.2. DEVELOP

[G4- LA9; G4-LA10]

For EDP, the development of the employees is understood as an integrated cycle, which starts on the first day of work at the Company and is promoted over time, leveraged by a transparent and constructive model of evaluation. In this context, notable in 2015 were initiatives of training and qualification, and knowledge management, the implementation of a new model of global skills and the project of internal mobility of the Group.

### AMPLIFY: NEW EDP SKILLS MODEL

In 2015, EDP implemented "Amplify" – a new model of competences aimed at aligning the development of employees with the strategic challenges of the Group, in order to contribute to creating a global culture and enabling the Company with the competences that will allow it to obtain results in a great competitive global environment.

In this model, about 10,750 employees were involved in the various companies and geographical areas where EDP is present. Recognising that leadership plays an important role in this cycle, a large part of the management effort was directed to this segment, including holding a seminar for Upper Management, with the international speaker Rob Goffee and training all of the leaders in the new model. Briefing sessions were also held for employees. In all of these activities, 5,105 employees took part, in a total of 15,100 hours of training.

Both the analysis of competences, and the Individual Development Plan were supported on a new inter-geographic global platform for managing human resources – *about.me*.

### SWITCH – MOBILITY AS A DEVELOPMENT PROCESS

Mobility is one of the main instruments to develop on-job skills, enabling the growth of EDP employees in the different geographical areas, companies and positions.

SWITCH is the Corporate Internal Mobility Programme of the EDP Group, which encompasses short-term and long-term mobility. These two types may vary in terms of scope, and may be intra-company or inter-company, national or international. This programme aims to promote the synergy and exchange of experiences among the different areas, responding to the different levels of maturity of each business, and providing employees with new professional development opportunities.

In 2015, 1,103 employees of EDP Group (25% female and 75% male) diversified functions and faced new challenges, embracing opportunities for long-term mobility, representing a percentage 9% higher than for 2014 (6.8%).

In 2015, there were 1,103 long-term movements (25% female and 75% male), representing a change of position/activity for 9% of the employees. These movements were divided into:

- 289 inter-company Movements (162 in Portugal; 53 at EDP in Spain; 44 at EDP Brasil and 30 at EDP Renováveis).
- 814 intra-company Movements (539 in Portugal; 43 at EDP in Spain; 205 at EDP Brasil and 27 at EDP Renováveis).

In addition, there were also short-term movements – 3 to 6 months (15 in Portugal; 2 in Spain; and 2 in Brazil).

### TRAINING AND QUALIFICATION

EDP considers the pursuit of a permanent culture of learning, individual and collective, that invests in personal and professional qualification and valuation of employees, as a means to achieve the strategy of Human Resources. As such, the Company seeks, through its corporate university, (Universidade EDP – UEDP), consisting of 7 schools, to develop the skills of employees, facilitate capturing and sharing knowledge created within the Group and ensure the evolution of skills that ensure the sustainability of its business.

It consists of 7 schools, 2 of which are of a cross-cutting nature and 5 are geared to each business segment (production, distribution, gas, renewables and commercial), and there is also an area dedicated to training designed to fill individual needs.

The Training Plan, prepared annually, includes different types of training solutions, translating the diversity of work contexts and the needs for development, including advanced training programmes, those of a cross-sectional nature, specific business initiatives and activities designed to meet individual development needs, identified during the process of Evaluation of Potential and Performance.

In 2015, EDP, through UEDP, was certified by the Directorate-General for Employment and Labour Relations (DGERT) in 16 areas of education and training. This external recognition shows its ability to develop and give training, in terms of resources and technical and organisational abilities, since it is the subject of regular audits and official recognition.

In 2015, the volume of training in the EDP Group was about 443 thousand hours, in over 4 thousand training actions. This amount reflects a reduction compared with the volume of training in 2014, an exceptional year due to the concentration of cross-cutting training e-learning programmes, but still greater than seen in 2013 (+ ~ 8%). Consecutively, we also saw a decrease in the average volume of training per employee, which stood in 2015 at 37 hours per employee (- ~ 16%).

#### Training Indicators per geography

2015	Un.	Portugal	Spain	Brazil	North America	Rest of Europe	Group
Volume of Training	hrs.	210,368	65,012	148,169	12,335	7,221	443,105
Training Actions	#	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

2014	Un.	Portugal	Spain	Brazil	North America	Rest of Europe	Group
Volume of Training	hrs.	255,865	74,936	169,233	6,635	9,991	516,660
Training Actions	#	1,896	1,266	717	251	113	4,243
Direct Investment	€	4,062,841	1,051,601	731,069	188,144	455,452	6,489,107

#### Training Indicators per employee segment

2015	Training Volume (h)	Training Volume per employee (h/p)	Employees with Training (#)
<b>Total</b>	<b>443,105</b>	<b>37.0</b>	<b>11,659</b>
Senior Management	27,062	40.6	645
Supervisors	39,738	48.8	771
Specialists	173,012	43.4	3,893
Technicians	203,292	29.8	6,350

2014	Training Volume (h)	Training Volume per employee (h/p)	Employees with Training (#)
<b>Total</b>	<b>516,660</b>	<b>44.0</b>	<b>11,157</b>
Senior Management	25,842	37.0	647
Supervisors	46,474	65.0	823
Specialists	155,979	41.7	3,211
Technicians	288,365	42.8	6,476

We saw in 2015 an increase in the population covered by training actions, with 96% of employees trained (11,659). Regarding the domains and training areas, we found a predominance of training in the Technical domain (~ 58%), followed by the domains of Management (~ 23%), Organisational (~ 10%) and Behavioural (~ 9%).

Domain/Training Area	Training Volume (h)	Attendances (#)
<b>TOTAL TRAINING</b>	<b>443,105</b>	<b>4,793</b>
<b>BEHAVIOURAL</b>	<b>41,111</b>	<b>511</b>
Customer service	752	7
Leadership	17,632	214
Interpersonal relations and communication	17,346	237
Other	5,382	53
<b>MANAGEMENT</b>	<b>99,676</b>	<b>965</b>
Commercial/Sales	12,656	138
Finances	6,677	63
Project Management	13,633	123
Management of Human Resources	5,590	131
Innovation	6,855	78
Logistics and Purchasing	347	4
Marketing	1,074	14
Energy Business	23,129	190
Planning, Control and Management Systems	1,868	22
Other	27,847	202
<b>ORGANISATIONAL</b>	<b>44,117</b>	<b>521</b>
Environment	4,617	151
Sustainable development	2,559	47
Ethics	3,556	28
Project/Corporate Culture	25,940	165
Quality	2,172	37
Other	5,273	93
<b>TECHNICAL</b>	<b>258,201</b>	<b>2,796</b>
Civil	257	13
Technical Drawing	955	2
Electrotechnical and Electronics	15,990	94
Gas	1,505	25
Languages	24,661	212
Maintenance of systems/equipment	5,733	90
Mechanics	594	4
Prevention and safety	60,315	971
Production	15,272	146
Electrical energy distribution networks	42,161	264
Secretariat	77	2
Information Systems	51,874	773
Inspection and Testing Techniques	906	26
Other	37,902	174

## MAIN INITIATIVES AT THE LEVEL OF UEDP SCHOOLS

SCHOOLS	NOTEWORTHY PROJECTS
<b>LEADERSHIP DEVELOPMENT SCHOOL</b>	"Global Leadership Program", designed to develop middle managers for the EDP Group, was promoted in partnership with an internationally known business school. Participants had the opportunity to broaden their knowledge and skills regarding business finance, strategy and leadership, as well as personnel management.
<b>PRODUCTION SCHOOL</b>	Specialisation Plan in Operation and Maintenance of Power Plants for technical staff, consisting of five structured courses: "Introduction to Electrical Production" and "Regulation, Markets and Plant Operations in the Marketplace" have a more cross-cutting aspect, while the remaining three, "Electrical and Mechanical Systems (I/II)", "Structures, Safety, Environment and Chemistry" and "Policies and Strategies for Operation and Maintenance (I/II)" are more specialised; Pilot training of a cross-cutting nature in Sustainability, Regulation and Markets for senior staff.
<b>DISTRIBUTION SCHOOL</b>	Training offering structured for the "technical staff", segment, consisting of three programmes: Programme of Introduction to Technical Awareness of Distribution (Juniors), Programme of Network Operation and Programme of Sustainability and Safety in Distribution (Seniors); First course fully using the case method ("InovGrid").
<b>RENEWABLES SCHOOL</b>	Course on Introduction to Offshore Projects; <i>Workshops</i> on relevant aspects related to renewable energies, e.g., "Workshop on Climate Change".
<b>GAS SCHOOL</b>	Innovation Course on "Natural Gas" and course on "Environment and Safety in Management of the Gas Business".
<b>COMMERCIAL SCHOOL</b>	"EDP Talks", new format to disclose best practices of interaction with the client, modelled on the new trend in seminars, TED; Course on "Business Intelligence", has a target audience users of information management systems of commercial platforms, and aims to respond to the needs of "Advanced Analytics" of EDP; Training Marketing Routes destined for senior staff and consisting of the course "Introduction to Marketing", "Seminar on Digital Marketing" and "Marketing Simulator"; Extension of Cross-Reference Training of Client 365 to EDP in Spain.
<b>EDP SCHOOL</b>	In a format of "Sustainability Talk", John Elkington, one of the foremost specialists in the world, was the main speaker in a training directed at Senior Management and Senior Staff in the area of sustainability of the entire EDP Group, on the topic "Preparing EDP for The Breakthrough Challenge: a new economic paradigm is arising worldwide. What are the risks and opportunities for EDP?".

Besides the training promoted by the Schools, EDP University also ensures training in individual development and support for corporate or specific activities of the business units, as well as a set of cross-sectional activities, such as planning and control, training concepts, managing contents, pedagogic support and managing Campus Online (training management platform).

Throughout 2015, there was an effort to develop distance training modalities, to allow a more flexible and autonomous access to training, and a learning adapted to individual rhythms and availabilities, promoting an increase in the volume of training and a reduction in respective costs.

## KNOWLEDGE MANAGEMENT

In 2015, EDP invested in initiatives aimed at valuing and recognising the awareness and experience of its most experienced employees, providing mechanisms of transmission of critical knowledge. In this context, the Company promoted the programme Valuing Experience, in Portugal and Brazil, to identify and disseminate awareness and *know-how* of employees with over 30 years of seniority. About 100 people took part in this programme in 2015 in Portugal. In Brazil, 88 have already taken part in this programme since 2012.

Additionally, EDP continues its investment in the core tools of managing knowledge and internal communication. In this context, we highlight the Online Library, whose repository of documentation contained, in 2015, over 100,000 references and allowed employees to access a wide array of database contents from around the world.



## 5.3. MANAGE TO RECOGNISE AND REWARD

[ G4-44; G4-54; G4-55; G4-EC3; G4-EC5; G4-LA2; G4-LA3; G4-LA13 ]

We believe that our recognition and reward policies play an important 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, but respecting local specificities and challenges, to ensure that we position ourselves on the platform of best practices in the markets where we operate, and set ourselves apart as a competitive player.

### RETRIBUTION POLICY

The EDP Group feels that remuneration for work does not arise from a mere algorithm, but is rather a way of recognising the drive, know-how, skills, performance and energy of employees. Thus, the compensation and benefits system reflects EDP's culture and values, seeking continuous improvement, while respecting agreements established at all levels in relation to 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 variable from individual contribution/reward, not losing sight of maintaining a benchmark position in the market in terms of remuneration policy aligned with best practices.



Simply put, our remunerations policy consists of three macro elements:

- /// **Fixed Permanent Remuneration**, consisting of 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 external secondments, coordination of activity groups and functional managerial positions. All employees are positioned on a certain salary level, with rules of progression and promotion in the professional career known to all, and part of the Collective Labour Agreement/Arrangements, when applicable.
- /// **Variable Remuneration**, which includes profit sharing and extraordinary or occasional bonuses for individual or group performance. EDP values its employees' initiative, merit, effort and going that extra mile to achieve goals, and recognised variable remuneration as a means to reward individual and collective drive.
- /// **Benefits**, which we try to maintain in line with the needs associated with the life cycle of employees and their families.

## EXECUTIVE BOARD OF DIRECTORS

The Remuneration Committee appointed by the General and Supervisory Board (the company body charged with overseeing the management of the Executive Board of Directors) is specifically responsible for the annual evaluation of the EBD (Executive Board of Directors), taking into account, among other factors, the accomplishment of the strategy and objectives previously set, planned and budgeted, for the purpose of considering and determining the variable remuneration of the Chairman of the EBD and of the Directors. It also evaluates the performance of each individual member of the EBD, and includes in this evaluation the contribution of each member to the way the body functions and the relationship between the various bodies of the company.

This Committee defines the remuneration to be attributed to these directors, with the aim of reflecting the performance of each of the members of the Executive Board of Directors in each year of their mandate (variable annual remuneration), as well as their performance the mandate through setting a variable component that is consistent with maximizing the long term performance of EDP (multiannual variable remuneration).

The statement on the remuneration policy, approved by the shareholders, envisages that the variable component may attain, overall, double that of the fixed component during the mandate, thereby making a maximum of two thirds of the remuneration dependent on fulfilling strict objectives in terms of the company's performance.

The variable remuneration depends on the executive management achieving a level of performance of 90% of the business plan, and only by attaining 110% will the maximum amounts permitted under the company's remuneration policy be paid.

The variable remuneration is subdivided into the annual variable, which may only reach 80% of the fixed remuneration, and the multiyear variable that may attain 120% of the fixed remuneration.

The variable multiyear remuneration is only due if the previously defined objectives have been achieved and is paid with a three year delay with respect to the financial year in question.

If the objectives of the remuneration were attained in full during the period of the mandate, the directors will have 60% of their variable remuneration deferred for a period of not less than 3 years.

For a better understanding of the functioning of EDP with regard to corporate governance see the EDP site ([www.edp.pt/pt/aedp/governosocietario/estatutoserequamentos/Pages/Estatutos.aspx](http://www.edp.pt/pt/aedp/governosocietario/estatutoserequamentos/Pages/Estatutos.aspx)).

By valuing the initiative, merit, performance and going that extra mile to achieve goals of its employees, focusing on recognition and the way this is rewarded, the compensation policy of the EDP Group is intrinsically associated with the process of managing potential and performance.

The objective of managing potential and performance in the EDP Group is to align employees with the strategy of creating value for the Group. The process of evaluating potential and performance is applied to all employees in the countries where the company has a presence.

## FIXED REMUNERATION

In 2015 there was a slight reduction in the global remuneration of the EDP Group (- ~ 1.3%), resulting from the departure of employees at the end of their career for retirement and the entry, when replacement was needed, of workers at the start of their careers (rejuvenation of the work force). The increase in the salary table negotiated with the unions, when applicable, was 1.0% in Portugal and Spain, 7.0% in Brazil and 3.0% in the United States. The variations shown in the following charts also include the effects of career evolutions through merit promotions and management rotations.

## POTENTIAL AND PERFORMANCE APPRAISAL IN 2015

- **Performance Appraisal** dedicated to determining income achieved in 2015 – degree of achievement of defined goals (KPIs):

11,692 (96.7%) employees evaluated in 2015 (2,730 females e 8,949 males)

- **Potential Appraisal** set up in 2015 according to the new EDP Group skills model - *Amplify*

All eligible employees participated in the performance appraisal process in 2015 - 55% were assessed in 180°, 34% in 270° and 11% in 360°.

**Average fixed monthly compensation (euros):**

		2015			2014			% Variation 2015-2014			
		Un.	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Group</b>			<b>3,026</b>	<b>3,098</b>	<b>3,042</b>	<b>3,088</b>	<b>3,068</b>	<b>3,083</b>	<b>-2%</b>	<b>1%</b>	<b>-1.3%</b>
Portugal	€		3,085	3,271	3,126	3,076	3,216	3,105	0.3%	1.7%	0.7%
Spain	€		4,471	3,773	4,284	4,465	3,850	4,309	0.1%	-2.0%	-0.6%
Brazil	€		1,480	1,529	1,491	1,735	1,764	1,742	-14.7%	-13.3%	-14.4%
North America	€		7,465	6,351	7,101	6,505	5,285	6,111	14.8%	20.2%	16.2%
Rest of Europe	€		4,331	3,433	4,022	4,353	3,123	3,929	-2.0%	9.9%	2.4%

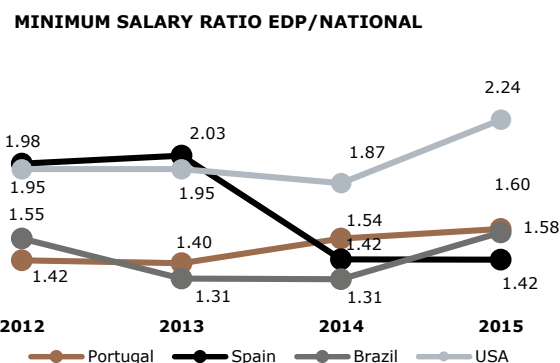
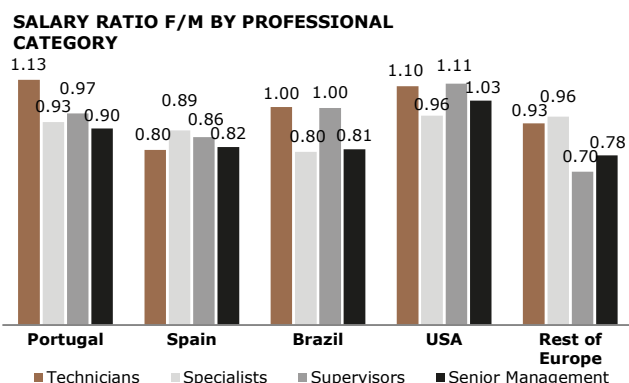
In absolute and geographical terms, North America continued to see a higher average remuneration in all professional categories, while in Brazil we see the reverse situation, due to the specific characteristics of the labour markets and local economies. Also in Brazil, the reduction in remuneration in euros was due to the devaluation of the Real by 10% compared with 2014. It should be noted that, overall, there was a greater increase in remunerations among women, translated in the reversal of the salary ratio between genders (Male/Female) from 0.99 in 2014 to 1.02 in 2015.

**Ratio Salaries M/F:**

2015	Portugal	Spain	Brazil	North America	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 Management	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
Support, Operational and Administrative Technicians	1.13	0.8	1.0	1.1	0.93	1.12

2014	Portugal	Spain	Brazil	North America	Rest of Europe	Group
<b>TOTAL</b>	<b>1.05</b>	<b>0.86</b>	<b>1.02</b>	<b>0.81</b>	<b>0.72</b>	<b>0.99</b>
Senior Management	0.89	0.83	0.86	1.04	0.79	0.88
Managers	0.99	0.87	0.97	1.05	0.66	0.94
Specialists	0.92	0.91	0.81	1.02	0.86	0.87
Support, Operational and Administrative Technicians	1.11	0.84	1.03	1.03	0.94	1.08

Regarding the ratio between the minimum wage paid by EDP in each geographical area compared with the respective national minimum wage, in 2015 we witnessed a slight increase in Portugal, caused by a revision of the wage scale, maintenance of the national minimum wage and maintenance of the ratio in Spain. Regarding Brazil and the United States, the ratio increased since the minimum remunerations practiced in these geographical areas varied above the updating of minimum wages.



In terms of proportion between the fixed remuneration of the most highly paid employee in each geographical area and the annual average fixed remuneration of all employees (excluding the most highly paid one) of that geographical area, the greatest difference is seen in Brazil, while the least is in the United States. This situation is justified by the specific characteristics of the labour markets and local economies. Excluded from this analysis are members of the CAE – Executive Board of Directors, since they have a fixed remuneration approved by the Wage Committee, which is universal in the context of their activities.

**Relationship between the fixed remuneration of the most highly paid employee in each geographical area and the average fixed remuneration of all employees (excluding the most highly paid one) of that geographical area**

Fixed annual remuneration in the currency of the country	Un.	2015				2014			
		Portugal	Spain	Brazil	North America	Portugal	Spain	Brazil	North America
Most highly paid employee (a)	€, R\$, USD	243,418	284,250	899,775	366,891	238,000	284,250	899,775	366,898
Remaining employees (b)	€, R\$, USD	37,477	51,278	65,888	93,869	37,233	51,585	64,945	96,582
Ratio between both	a/b	6.5	5.5	13.7	3.9	6.4	5.5	13.9	3.8

Regarding the proportion of the percentage remuneration increases between both we found that only in Brazil, the remuneration of the most highly paid employee increased in 2015. Consequently, the ratio in the other geographical areas is 0, which means there was a salary approximation in 2015.

**Relationship between the percentage increase of the fixed remuneration of the most highly paid employee in each geographical area and the percentage increase average fixed remuneration of all employees (excluding the most highly paid one) of that geographical area**

Percentage increase of fixed annual remuneration	Un.	Portugal	Spain	Brazil	North America
Most highly paid employee (a)	%	2.3	0	0	0
Remaining employees (b)	%	0.7	-0.6	1.5	-2.8
Ratio between both	a/b	3.5	0	0	0

## BENEFITS

All EDP Group employees in all countries have guaranteed systems of protection and complementary health care and access to the Public Health Services in each country, regardless of their means. The EDP Group believes that its employees should have access to equipment which enables the prevention, diagnosis and treatment of illness that not only ensures better health but also a superior quality of life. In this sense, the study continues and the application of more flexible benefits, aligned with the life cycle of employees, giving them the option of choosing according to their needs and those of their families.

Within this scope, EDP provides complementary pension, personal accident insurance and health and life insurance, among other benefits. In some cases, medical care is also provided during retirement and early retirement. In Portugal, as a result of the signing of the new ACT (Collective Labour Agreement), in 2014, which covers practically all Permanent Staff workers, two types of benefits continued to exist: Employees already covered by the Collective Agreement previously signed in 2000 (74%), with a defined benefits plan, financed through closed pensions and complemented through a specific provision, and employees who were incorporated into the current ACT and continue to benefit from a defined benefits plan (26%).

In addition to the costs incurred with the active developers, EDP in Portugal assumes the payment of benefits for early retirement of 3,499 employees who triggered a right conferred by ACT 2000 (early retirement according to an old binomial / antiquity) or agreed to take pre-retirement during restructuring. Liabilities for the pre-retirement benefits are covered by a specific provision.

For more details refer to note 9 of EDP Annual Report in 2015.

## Parental leave

Parental leave is more than just a benefit; it is a right and as such, is respected and encouraged in EDP. In 2015, similarly to the previous year, almost all the employees covered by this right, enjoyed parental leave. The sole situation of not taking parental leave in 2015 was recorded in Portugal, concerning a worker who was already on paid leave when he became a father. With respect to Brazil, there is no record of taking or not taking parental leave in the case of workers who were fathers. The retention rate of employees who took parental leave increased from 98% in 2014, to 100% in 2015. This rate is measured by the proportion of workers who left the Group in 2015 and who had enjoyed parental leave in the last two years.

### Indicadores de Parentalidade

	2015						EDP Group
	Un.	Portugal	Spain	Brazil	North America	Resto of Europe	
<b>Number of employees entitled to parental leave</b>	#	135	100	128	29	17	409
Male	#	91	48	99	25	9	272
Female	#	44	52	29	4	8	137
<b>Number of employees who took parental leave</b>	#	134	100	29	29	17	309
Male	#	90	48	n.a.	25	9	172
Female	#	44	52	29	4	8	137
<b>Number of employees who were dismissed in the period reported who took parental leave in the last two years</b>	#	0	0	2	0	0	2
Male	#	0	0	n.a.	0	0	0
Female	#	0	0	2	0	0	2
<b>Retention rate of employees who took parental leave</b>	%	100%	100%	98%	100%	100%	100%
Male	%	100%	100%	n.a.	100%	100%	100%
Female	%	100%	100%	93%	100%	100%	99%



	2014						
	Un.	Portugal	Spain	Brazil	North America	Resto of Europe	EDP Group
<b>Number of employees entitled to parental leave</b>	#	143	82	69	18	18	330
Male	#	104	51	49	13	11	228
Female	#	39	31	20	5	7	102
<b>Number of employees who took parental leave</b>	#	141	82	20	18	18	279
Male	#	102	51	n.a.	13	11	177
Female	#	39	31	20	5	7	102
<b>Number of employees who were dismissed in the period reported who took parental leave in the last two years</b>	#	0	1	3	4	0	8
Male	#	0	1	n.a.	2	0	3
Female	#	0	0	3	2	0	5
<b>Retention rate of employees who took parental leave</b>	%	100%	99%	96%	78%	100%	98%
Male	%	100%	98%	n.a.	85%	100%	99%
Female	%	100%	100%	85%	60%	100%	95%

## 5.4. SAFETY, HEALTH AND WELLBEING

Safety at work is a priority for the EDP Group stated, particularly in the company's Code of Ethics. The risk factors associated with our activities, regardless of geography, require our full commitment and attention in order to eliminate or minimise risks through our Health and Safety at Work Policy, guided by the strategic objective of "zero accidents, no personal injury".

In parallel, at the EDP Group we know that health and wellbeing represent the foundations towards the balance of personal and professional life. This is a key success factor, so the quality of life of our employees is fostered through suggestions and initiatives that promote a culture of harmony between health, work, family and leisure. This integrated view of life is critical to the success of our staff and EDP alike.

### HEALTH AND SAFETY AT WORK POLICY

[G4 DMA: G4- LA5]

Through our Health and Safety at Work Policy, we pursue and consolidate a culture of active safety with the participation and involvement of all employees, service providers and suppliers, promoting the dissemination of such policy within communities and all potentially affected by our normal activities.

Strategic coordination actions are assured by a corporate structure that supports the Executive Board of Directors and the Prevention and Safety Committee in defining strategic objectives and assessing results. In turn, the Prevention and Safety Services of each Business Unit locally implement proposed and defined initiatives.

EDP Group companies have safety joint committees and sub-committees (CSS) in their safety management systems that are comprised of company and employee representatives, respectively, in the realm of health and safety at work, elected in accordance with with the legislation of each country. In 2015, 520 meetings were conducted and 70% of EDP employees were represented on these committees. In matters of occupational health, internal occupational medical services are responsible for checking on the health of employees through medical exams, promoting health education and checking conditions at work places and first aid equipment.

To better manage the strategic objectives of the Health and Safety at Work Policy, EDP adopted a Corporate Safety Management System (CSMS) that follows recommendation ILO-OSH 2001 of the International Labour Organisation and reference standard model OHSAS 18001:2007, reinforcing the principle that issues

corresponding to Health and Safety at Work are managed at EDP Group companies according to common and cross-functional criteria.

EDP has several mechanisms to continuously monitor and regularly assess impacts on health and safety, namely: safety audits of employees and service providers, certification systems, management indicators and safety audits on employees and service providers.

### 5.4.1 SAFETY AT WORK

The safety of employees, service providers and other suppliers is one of EDP's commitments as set forth in its Code of Ethics and its Safety Policy. Accordingly, EDP employees and service providers acting on behalf of EDP undertake to understand, comply with and enforce rules related to safety at work, as well as to report any verified non-conformities. EDP is also committed to promote with its suppliers the compliance with safety standards and practices and labour laws.

As such, EDP implements a set of initiatives that continuously promote safety at work, including regular training and awareness activities aimed at employees and service providers that are appropriate to the safe performance of their tasks.

Additionally, service providers are obliged to respect the conditions established in the contract description regarding occupational health and safety as to training and qualifying their employees, also potentially involving complementary activities concerning safe behaviour and the prevention of specific risks corresponding to certain activities or facilities.

## TRAINING AND AWARENESS

In 2015, a total of 5.552 training sessions were conducted, corresponding to 126.407 hours and involving 23.790 employees and service providers.

### SAFETY WALK

EDP Brazil launched a programme to promote the exchange of experiences among managers of corporate areas and operational employees.

The Safety Walk consists of observations of safety practices corresponding to activities performed in the field.

### Safety training summary (employees)

Geography	Number of Sessions <sup>1</sup>	Employees Involved	Hours of Training	Hours of Training / Employees
<b>EDP Group</b>	<b>964</b>	<b>8,970</b>	<b>59,915</b>	<b>6.68</b>
Portugal	210	2,125	13,606	6.4
Spain	359	2,818	8,718	3.1
Brazil	97	1,884	31,369	16.7
North America	247	1,967	4,891	2.5
Rest of Europe	51	176	1,331	7.6

With respect to training and awareness campaigns directed at employees of service providers in matters of occupational health and safety, there were 4,588 courses involving 14,820 employees during 66,492 hours, details of which are shown in the table below.

#### Safety training summary (service providers)

Geography	Number of Sessions <sup>1</sup>	Employees Involved	Hours of Training	Hours of Training / Employees
<b>EDP Group</b>	<b>4,588</b>	<b>14,820</b>	<b>66,493</b>	<b>4.5</b>
Portugal	2,628	10,796	8,225	0.8
Spain	81	401	563	1.4
Brazil	832	1,822	46,585	25.6
North America	897	1,173	10,709	9.1
Rest of Europe	150	628	411	0.7

Aware of the importance of road safety in the safety of its employees while travelling on the job or commuting, the company continues to invest in initiatives that promote road safety, including training sessions on defensive driving and off-road driving, along with the distribution of internal communications materials.

## CERTIFICATION

The EDP Group has a total of 3,211 certified employees, representing an increase as compared to 2014 due to the higher percentage of certification at EDP Renováveis, reflected in the table by the following breakdown:

#### Employee certification activity summary

Geography	Employees Covered	% Employees Covered
<b>EDP Group</b>	<b>3.211</b>	<b>27%</b>
Portugal	874	13%
Spain	1.756	94%
Brazil	311	10%
North America	102	30%
Rest of Europe	168	100%

The certification covers 88% of net installed power in production activities, 29% of installed power in electricity distribution activities and 100% for activities performed in the gas sector.

## SAFETY INDICATORS

[G4- LA6]

In 2015, 187 accidents at work occurred among all EDP employees and service providers, a decline of 14% relative to the previous year, generating a reduction of 8% and 22% in frequency and severity indices, respectively.

These indicators reflect the results of campaigns and initiatives undertaken throughout the year, towards reinforcing the preventive actions and with the participation of service providers, namely in training, awareness, risk evaluation and control domains and reinforcing the audits and inspections programme.

Of the 187 accidents corresponding to external employees and service providers, 49 were accidents at work involving employees with one or more days of absence, including one fatality in Brazil (due to electrocution).

## TAKING PREVENTIVE ACTION

Fulfilling the commitment to continuous improvement assumed by EDP, sessions were conducted with the aim of prompting employees and service providers to reflect upon accidents and near-miss accident situations.

In 2015, for example, EDP Produção published a guide with the analysis of accidents that occurred and recommended good practices that was distributed to employees as a learning tool.

### Accidents involving employees

2015	Un.	Group	Portugal	Spain	Brazil	North America	Resto of Europe
<b>Accidents <sup>1</sup></b>		<b>49</b>	<b>38</b>	<b>4</b>	<b>7</b>	<b>0</b>	<b>0</b>
Men	#	42	31	4	7	0	0
Women	#	7	7	0	0	0	0
<b>Lost Days</b>		<b>2,292</b>	<b>1,604</b>	<b>112</b>	<b>576</b>	<b>0</b>	<b>0</b>
Men	#	2,015	1,327	112	576	0	0
Women	#	277	277	0	0	0	0
<b>Fatal accidents</b>		<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
Men	#	1	0	0	1	0	0
W	#	0	0	0	0	0	0

<sup>1</sup> Fatal accidents and accidents with one or more days of absence

### Accidents involving service providers

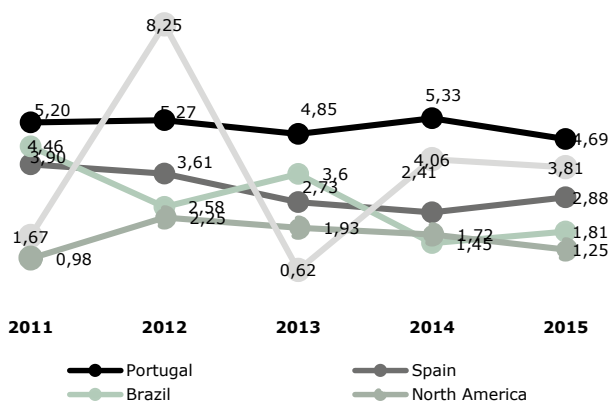
2015	Un.	Group	Portugal	Spain	Brazil	North America	Rest of Europe
Accidents <sup>1</sup>	#	139	88	18	26	3	4
Days Lost	#	8,386	6,391	732	832	57	374
Fatal Accidents	#	4	2	0	2	0	0

<sup>1</sup> Fatal accidents and accidents with one or more days of absence

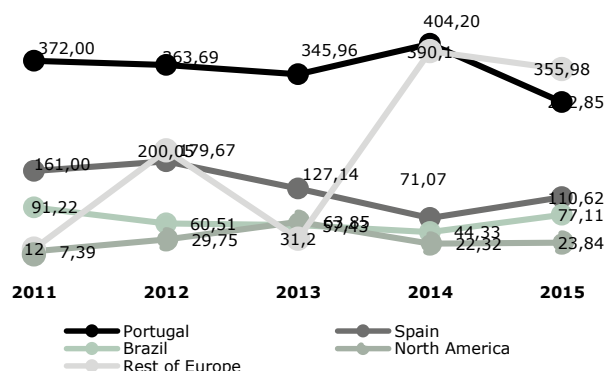
Four fatal accidents involving service providers occurred, including two in Portugal (falls from height) and two in Brazil (a road accident and an employee crushed to death by a falling tree).

Proactive safety management at EDP includes the analysis of near-miss accident situations in order to learn and improve accident prevention in similar circumstances. In 2015, 254 near-miss accident situations were recorded (32 in Portugal, 54 in Brazil, 95 in the United States and 19 in other geographies).

ATTENDANCE INDEX (%)



SEVERITY INDEX (%)



## 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 in 2015

Geography	Number Audits Conducted - External	Number Audits Conducted - Internal	Number Internal PSE Audits	Number PSE Audits
<b>EDP Group</b>	<b>112</b>	<b>205</b>	<b>4,626</b>	<b>427</b>
Portugal	68	111	3,671	222
Spain	7	7	733	139
Brazil	14	58	135	39
North America	18	9	3	3
Rest of Europe	5	20	84	24

## CITIZEN SAFETY [G4 DMA; G4 EU25]

Citizen safety is important for EDP as a matter that directly impacts people's lives.

In the field of safety management systems implemented in sites, as well with respect to both assets in use and decommissioned assets, such safety risks to society are identified and its significance is analysed subsequently. These risks are also considered within the scope of prevention and emergency response plans, respectively, for EDP stores serving the general public. The main risks to customers and society that have been identified are related to deficient use of equipment or electrical tools, which may be in poor operating conditions, deficiencies in electrical installations or the performance of work or activity near high-voltage power lines.

The theme of EM field is emphasised at this level, representing a very relevant issue to local Communities. EDP systematically monitors all scientific developments in this realm and follows recommendations issued by global bodies recognised by the scientific community. As such, we regularly analyse the position of the World Health



Organisation (WHO) and opinions of the Scientific Committee on Emerging and Newly Identified Health Risks (SCEIHR) of the European Commission. We have promoted implementation of the measures involving the following on the basis of such monitoring:

- Public outreach sessions to provide explanations to communities as well as the submission of written clarifications to parties submitting complaints, with indication of the website where several scientific positions can be consulted, including those at odds with the WHO;
- The systematic calculation of EM field values corresponding to planned infrastructures and the surveying of EM field values from facilities in use, by type settings;
- Specific EM field measurements, whenever requested by interested parties;
- Research funding and specialised conferences to increase qualified communication on this matter;
- Support of the production of national legislation and regulations relevant to balanced precautionary measures that the country deems appropriate to adopt; and
- Regular participation (more than 10 years) in European (EURELECTRIC) and global (CIGRE) working groups on the subject.

In 2015, 16 electricity-related fatal accidents involving third parties (not involved in EDP activity) at facilities or with EDP Group equipment were recorded, with three occurring in Portugal and 13 in Brazil. Most of these accidents occurred in construction and the transportation of goods (contact between machinery/equipment and live power lines) and in unauthorised access to electrical facilities.

## 5.4.2. HEALTH AND WELLBEING AT WORK

The recognition of the EDP mission to promote employee health and wellbeing is reflected by various national and international forms of recognition, including EDP's certification in Portugal as a "Family Responsible Company", while EDP Renováveis is considered in Spain as one of the ten best companies to work for by younger members of the workforce.

Such recognition stems from several initiatives conducted by EDP that go beyond accident prevention (summarised in item 4.1 above) and cover the families of workers, in alignment with EDP's commitment to give priority to employee safety, health and wellbeing.

Therefore, our focus on and investment in the realm of safety and wellbeing at work, involves various phases during the lifetime of employees and members of their respective households:

- **Descendants and direct relatives:** set of benefits geared towards the children of employees and immediate family members.
- **Employees of active age:** occupational medicine and health activities, active monitoring of occupational diseases, promotion of stress management measures related to the work environment (see the employees chapter for further details) and stress management measures not related to the work environment and the assurance of a healthy work environment for employees.
- **Employees nearing retirement or already retired:** set of benefits targeted to employees nearing retirement or already retired.

## OCCUPATIONAL MEDICINE AND OCCUPATIONAL HEALTH ACTIVITIES

Through certain EDP Group companies, the EDP Group offers a health plan to all of its employees and direct relatives, both through its own services and through the provision of health insurance. In Portugal, EDP Sãvida provides health services. Medical service for EDP companies in Brazil is defined according to co-payment of eligible medical and health expenses and is guaranteed by an established external network.

Apart from providing the health plan, the company seeks to ensure the ongoing promotion of health and wellbeing for active EDP Group employees, conducting various information campaigns over the course of the year aimed at raising employee awareness concerning various issues related to health promotion and disease prevention.

This outreach activity is supplemented by specific campaigns and screening activities in collaboration with external entities, including, most notably, partnerships with the Portuguese Cardiology Foundation in promoting Heart Day and with the Portuguese Diabetics Association. EDP is also committed to programmes that promote health and wellbeing through programmes that help smokers quit smoking, nutrition and healthy diet, the prevention of alcohol consumption, drug dependency and body posture correction.

EDP is also committed to programmes that promote health and wellbeing through programmes that help smokers quit smoking, nutrition and healthy diet, the prevention of alcohol consumption, drug dependency and body posture correction.

During 2015, 520 consultations were conducted with employees undergoing nutrition programmes, with 93 initial anti-smoking consultations. Also in the realm of health promotion, Occupational Medicine conducts regular cardiac risk screening and prevention, which covered 2.006 employees in 2015.

### EDP SÁVIDA

The Sãvida-Backed Medical SA is the company responsible in Portugal for the provision of health care provided in EDP's health plan, which covers about 42,000 users, including active, retired, pensioners and their aggregates. Its activity is developed in 43 medical centers, where they performed 160,000 GP consultations.

The company has a cooperation agreement with the Ministry of Health, through which ultimately reduces the wait of the general practitioner consultations and consultations of medical and surgical specialty health centers of the NHS and surgeries.

## OCCUPATIONAL ILLNESS/DISEASES

[G4- LA7]

EDP Group monitors and tracks the occurrence of occupational illness/diseases. In 2015, 4 cases of occupational illness were recognised in Portugal, of which only 2 weren't the result of undervaluing and 2 corresponded to 4.5% disability. Given the number of situations of undervaluing, the rate of professional illness as a result of undervaluing per million working hours stands at 0.14 for the entire EDP Group and 0.18 in Portugal.

## STRESS MANAGEMENT MEASURES

We recognise that the promotion of health and wellbeing at work must rely upon solid measures that contribute to the effective management of occupational stress. For that reason, EDP defines and implements a series of measurements that directly or indirectly aim to prevent disruptive occupational stress. The following are noteworthy measures:

Healthy working environment	EDP has tools that regularly ensure the control of workplace conditions at its facilities with respect to the following aspects: lighting, work space, noise, particles, CO2 and CO, ventilation rate, airspeed, ozone, formaldehyde, VOCs, temperature, relative humidity, bacteria and fungi. Awareness-building campaigns are conducted and pamphlets are distributed at industrial facilities with respect to safe handling of hazardous substances. These campaigns include themes such as correct identification and labelling of packaging, safe storage, as well as the disclosure of data sheets on product safety, usage procedures and waste disposal.
Conciliar Program Measures	EDP provides 17 measures that are aimed at contributing to implementation of the EDP Group Diversity and Inclusion strategy, covering several segments and generations of employees, and encouraging the active participation of employees in the development and use thereof (more information in point 5.6).

Psychosocial support provided by the team of social workers	Analysis and support of employees in situations of psychological and social need
Gymnastics at Work	On-site workplace gymnastics classes for employees, with the objective of helping employees to learn simple stretching and posture exercises.
Protocols with special conditions for the purchase of goods and services	Negotiation and dissemination of protocols that offer favourable terms to EDP employees and their respective family members.
Flexible schedule	Applicable if the employee's interests are compatible with the activity performed. Workday starting and ending time and flexible lunch, allowing employees to adjust their schedules to their needs provided that employees fulfil attendance requirements and work the defined number of hours. 66% of EDP Group employees had a flexible schedule in 2015 (#7,945).
Staff club initiatives	The "EDP Staff Club", a non-profit organisation dedicated to cultural, social, recreational and sporting promotion within EDP Group companies, has sports facilities across the country that promote sports among EDP employees. Accordingly, an annual prize recognises outstanding employees each year in this context: EDP Sporting and Physical Fitness Prize. This award recognises employees who have stood out during the previous year based on their healthy practices related to amateur sport or physical fitness.
Voluntary service	With the strategy of developing volunteer service skills, in tandem with awareness-building and mobilisation activities, Conciliar programme allows all employees to spend four working hours per month participating in volunteer activities. See further details in chapter 6.

## LIFETIME HEALTH AND WELLBEING

From our perspective, the promotion of healthy lifestyles, care and balance focuses not only on active employees but also applies throughout the lives of employees and members of their respective families. In this context, EDP implements a set of initiatives and benefits aimed at engaging and providing greater balance throughout life, with special attention devoted to employees with children as well as those approaching retirement age.

EDP provides supplementary health care benefits to **employees nearing retirement or already retired**, in some of its regions. Once employees are close to retirement age, the company reduces working hours so such employees can gradually prepare for this transition.

In 2015, the "Plan to Retire" programme was offered with the aim of providing support and guidance to employees nearing retirement age that wish to enrol. This initiative is based on the determination that approximately 40% of employees will be eligible to retire in the next 10 years.

In 2015, EDP launched a new benefit in its flexible benefits programme – Ticket Care – which serves as a supplement for health expenses and provides financial assistance for retirement homes or nursing homes.

It is also worth noting AREP's work - Associação de Solidariedade Social dos Trabalhadores e Reformados da EDP e da REN, a private institution of social solidarity (nonprofit organization) which depends exclusively from the voluntary work of its members (5,725 members). Some of its social support initiatives relate to comfort calls to ease loneliness situations (841 calls made); continued financial support to 38 members - home support services and hospitalization in nursing homes (59,200 €); distribution of purchasing cards for goods and services to 67 members with financial needs (33 000 €); free allocation of Portuguese's Red Cross telecare devices to 47 members (€ 14,400); and medical support to isolation for 35 elderly members who have with financial or mobility difficulties.

In aspects related to **childhood care**, EDP continued to implement *Conciliar* Programme in 2015, which includes a set of measures in this realm.

- One of the measures/benefits aims to subsidise activities / summer camps for children and grandchildren of employees. In 2015, approximately 800 children participated in EDP summer camps.
- Another example is also the celebration of births or adoptions with the granting of a lump sum corresponding to 125 children this year.
- *Conciliar* Programme also involved pedagogical initiatives geared towards children and grandchildren of employees, allowing them to learn and have more contact with the company's activity. A total of about 400 children participated in these activities.
- Finally, in further support of youth, a voucher is given to children of employees at Christmas.

## 5.5. LABOUR RELATIONS

[G4-DMA; G4-LA4]

EDP maintains a constructive and collaborative relationship with the workers' official and representative entities - employee committees and trade unions. This almost daily relationship is put into operation in each geographical region by local teams, which ensure contact and proximity with the various entities.

At the end of 2015, 47% of the EDP Group's employees were unionized, where the highest percentage was in Portugal (geographical region with the largest number of employees in the total).

### Trade Union representation – number of unionized employees per geographical region

Geography/Year	2013	2014	2015
<b>Total</b>	<b>4,687</b>	<b>5,651</b>	<b>5,632</b>
Portugal	4,284	3,973	3,827
Spain	403	346	321
Brazil	n.a.	1,332	1,484
North America	0	0	0
Rest of Europe	0	0	0

In Portugal, 2015 began with the activities arising from the need for implementation of the Collective Work Agreement (ACT) in 23 companies of the EDP Group, which made it necessary to hold meetings with the companies granting the ACT and the workers' representatives, in order to ensure uniform implementation of the ACT, and the corresponding internal changes.

In order to promote greater clarification on the matters that were the subject of the amendments to the ACT, three training sessions were also conducted for employees in the human resources and processing departments (14 hours each session) and 11 sessions for hierarchies in charge of work teams (4 hours per session), involving a total of around 200 workers in all the companies. This training will be continued in 2016.

This year was also a particularly intense year with respect to **legislative changes**, particularly those concerning the conditions of access to old age retirement, amendments to the Labour Code and amendments arising from the State Budget with an impact on the labour area.

This set of materials meant that, during the year, more than 60 meetings were held with official bodies, workers committees and unions for the introduction, modification or termination of standards or regulatory procedures arising from the legal framework, and in the context of the revision and updating of the collective regulations

Within the competence of labour relations, support was maintained for workers' organizations with recreational, cultural and social purposes, namely, the EDP Staff Club, Association of Retirees and Pensioners and the Association of Blood Donors, to which, in 2015, a new vehicle was donated in support of the meritorious work carried out by this association.

In Spain during 2015 the main activity that stood out was the continuation of the negotiation of the collective labor agreement in Naturgas, which will affect 287 employees. This collective labor agreement negotiation is aimed at developing a single legal framework for 1,204 employees in EDP Spain. In 2015's labour relations matters it is also important to note the restructuring in the area of Generation, as well as the outsourcing of some commercial services, that did not stand out as traumatic situations in terms of terminations, being minimized by the efforts made in terms of functional relocation.

In Brazil, despite the political and economic instability of the country, the company has developed negotiation process with eight different unions, involving an average of ten monthly meetings: annual Collective Labor Agreements, participation in profits and results and other claims involving capital ratio x work. EDP Brazil was active in various labor issues, from daily elaborations of consultations and legal labor advice to internal clients to an effective relation with the public agencies.

The collective regulatory instruments existing in the countries where EDP operates do not include specific deadlines for communication to employees of the company's operational changes, however, in 2015, taking into account the process for a decrease in permanent staff, which in Portugal led to the early retirement of 64 employees and in Brazil of 70 employees, and the sale of Gás Energía Distribución Murcia in Spain that released 32 employees, various meetings were held with the representative entities.

EDP communicates the organizational changes with that impact on employees (which in some countries goes beyond the provisions of national labour law). In Portugal, these are communicated to the workers' unions and committees and employees no less than 30 days in advance. In Brazil, the communication of organizational changes is initially made by the unions, followed by communication by EDP of changes for each stage of the negotiations, where a time frame for clarifying and explaining doubts and questions is established. In other countries, the minimum period is defined by the national laws.

## 5.6. DIVERSITY

[G4- LA2; G4- LA12]

The year 2015 marked the creation of the Department of Diversity and Inclusion within the Corporate HR team with the aim of ensuring the promotion and incorporation of a culture of diversity and inclusion based on respect for human beings, which is present in the identity of the EDP Group and in the management of its employees and serves as a reference for the organization's internal and external activities.

Also during the year 2015 profound benchmarking was conducted on initiatives for Diversity and Inclusion present in leading companies, as well as an extensive analysis on the main internal indicators to be taken into consideration for the preparation of measures applicable to our reality.

This study resulted in a plan of 15 initiatives for Diversity and Inclusion focused on the four dimensions of intervention – Gender, Disabilities, Generations and Nationalities. This plan was presented in a Human Resources and Diversity Committee, and its implementation is forecast over the next 3 years.

The commitment was also assumed jointly with the Portuguese Government, to promote all the necessary measures to obtain 30% female representation in the company's governing bodies not later than 2018 (6% in 2015).

For the year 2016 we forecast changing the Diversity Policy to ensure its implementation at the global level and alignment with the Portuguese Charter of Diversity, which will be signed this year at the national level.

Overall, the female presence (23%) was maintained in 2015, substantially lower than the male presence (77%). The female presence in management positions evolved from 21% to 23%, compared with the previous year.

**Professional segmentation by geography and gender (#)**

2015						
Professional Categories / Geography	Portugal	Spain	Brazil	North America	Rest of Europe	Group
<b>CAE - Executive Board of Directors</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>
Men	8	0	0	0	0	8
Women	0	0	0	0	0	0
<b>Senior Management</b>	<b>390</b>	<b>159</b>	<b>72</b>	<b>57</b>	<b>23</b>	<b>701</b>
Men	310	121	59	47	19	556
Women	80	38	13	10	4	145
<b>Supervisors</b>	<b>354</b>	<b>238</b>	<b>121</b>	<b>48</b>	<b>21</b>	<b>782</b>
Men	270	172	100	34	11	587
Women	84	66	21	14	10	195
<b>Specialists</b>	<b>1,922</b>	<b>713</b>	<b>921</b>	<b>209</b>	<b>131</b>	<b>3,896</b>
Men	1,294	504	580	145	88	2,611
Women	628	209	341	64	43	1,285
<b>Technicians</b>	<b>4,009</b>	<b>754</b>	<b>1,858</b>	<b>69</b>	<b>8</b>	<b>6,698</b>
Men	3,347	567	1,584	32	2	5,532
Women	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>

2014						
Professional Categories / Geography	Portugal	Spain	Brazil	North America	Rest of Europe	Group
<b>CAE - Executive Board of Directors</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>
Men	7	0	0	0	0	7
Women	0	0	0	0	0	0
<b>Senior Management</b>	<b>398</b>	<b>158</b>	<b>74</b>	<b>54</b>	<b>22</b>	<b>706</b>
Men	321	124	62	45	19	571
Women	77	34	12	9	3	135
<b>Supervisors</b>	<b>344</b>	<b>227</b>	<b>86</b>	<b>42</b>	<b>15</b>	<b>714</b>
Men	269	168	70	31	7	545
Women	75	59	16	11	8	169
<b>Specialists</b>	<b>1,831</b>	<b>710</b>	<b>855</b>	<b>184</b>	<b>131</b>	<b>3,711</b>
Men	1,254	505	532	136	89	2,516
Women	577	205	323	48	42	1,195
<b>Technicians</b>	<b>4,153</b>	<b>803</b>	<b>1,659</b>	<b>36</b>	<b>9</b>	<b>6,660</b>
Men	3,460	618	1,382	2	1	5,463
Women	693	185	277	34	8	1,197
<b>Total</b>	<b>6,733</b>	<b>1,898</b>	<b>2,674</b>	<b>316</b>	<b>177</b>	<b>11,798</b>



In the context of the integration of persons with disabilities, in the table below we can see that in 2015 EDP increased the percentage of employees with disabilities.

#### Number of disabled employees by geography

Geography/Year	2013	2014	2015
<b>Group</b>	<b>197</b>	<b>189</b>	<b>199</b>
Portugal	120	107	113
Spain	17	24	25
Brazil	60	58	56
North America	0	0	0
Rest of Europe	0	0	5

## CONCILIAR PROGRAMME

Conciliar is a multi-geography programme (Portugal, Spain and Brazil) within the strategy of Diversity and Inclusion, with the aim of contributing towards the well-being of the employees of EDP. Its specific objectives include: creating a better work-personal life balance, ensuring equal opportunities and generating proximity with the organization. These objectives are materialized through a set of measures ranging from family support to professional development activities. In 2015 the Conciliar programme:

- Conducted initiatives for more than 400 descendants (children and grandchildren) of employees in Portugal, putting them in contact with the organization's business and activities;
- Expanded the extent of work gymnastics to the 12 largest buildings in Lisbon, Porto and Coimbra (Portugal), positively impacting more than 3,000 employees;
- Supported more than 150 new mothers and fathers in birth and adoption in Portugal;
- Released 4 hours each month for voluntary work in Portugal, Spain and Brazil;
- Enabled the use of football fields for sporting activities in all the companies of EDP Brasil;
- Helped boost the sporting activity, with more than 400 participants in the jogging club "EDP Runners" in Portugal and extended the "Jogging Club" to all the regions of EDP Brasil;
- Created the communication channel "EFR: Commitment to People" in Spain, in order to gather suggestions from employees with respect to measures for conciliation.

In Portugal and Spain this programme is one of the reasons, among various types of evidence and measures that the company presented, for which EDP is certified, since 2013, as a family responsible company by Fundación Másfamilia. In 2015, EDP assured the rise in the results achieved in the certification to the next level of excellence, which is recognition of the effort to incorporate the different suggestions and improvements of the conciliation measures.

#### EDP'S VOLUNTEER PROGRAMME:

In the context of the Conciliar programme, and through the EDP Volunteer Programme, EDP provides 4 remunerated hours per month to all employees and aims to develop volunteer work based on individual skills complemented with initiatives of mobilisation and awareness.

In 2015, this programme mobilised 2,404 people, corresponding to 19.9% of the total 12,084 employees of the Group. This is a benchmark that positions EDP at the international level as one of the leading companies in volunteering. On average, each volunteer used 7.2 hours of his work year out of the total of hours attributed.

EDP CORPORATE VOLUNTEERING	Un.	2015	2014
EDP Volunteering	#	2,404	2,248
EDP Work Hours used in volunteering	hrs.	17,426	17,946
Entities benefited	#	332	242

Volunteering is a basic pillar of the relationship of the Group with communities, but also with its employees, being, at the same time, a way to qualify and motivate them. The strategy defined for volunteering rests on a Charter of Principles ([www.edp.pt/pt/aedp/sobreaedp/principiosepoliticas/Pages/PoliticaVoluntariado.aspx](http://www.edp.pt/pt/aedp/sobreaedp/principiosepoliticas/Pages/PoliticaVoluntariado.aspx)), which recognises the importance of volunteering to strengthen the corporate culture of EDP, for managing its human capital and to broaden the relationship of proximity of the company with the community of which it is a part.

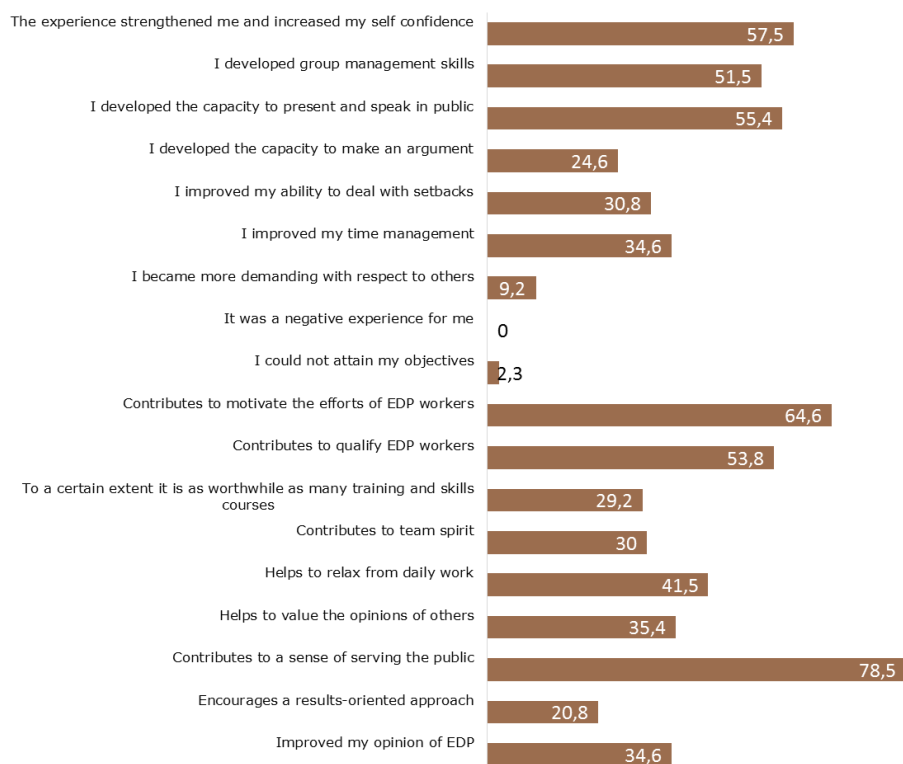
EDP promotes two action models for volunteering: Generic Volunteering and Volunteering Skills.

In the first model, EDP brings together employees and their families, suppliers and other interested parties, in short activities with at-risk groups, or in activities of an environmental nature (e.g., the programme It Starts with Us organises collective activities in special periods and campaigns: It Starts with Us - Christmas and It Starts with Us - Environment).

Differently, Skills Volunteering puts the professional and personal skills of each employee at the service of the community, making this volunteering that is specialised, continuous and structured in programmes. In the next chapter, "Communities", are details of the volunteer programmes from the standpoint of benefit to the communities and to the business.

In the context of the increasing importance of Skills Volunteering in the volunteering structure of the Group, we highlight in 2015 the Learning to Endeavour Programme. The Learning to Endeavour Programme, of which EDP is the co-founding company and which has been developed continuously over the last 8 years, has already mobilised 349 EDP employees who performed 627 activities with 12,764 young people and dozens of schools. This programme has been developed over various sessions and has an average per capita cost of 460 euros. The 130 persons surveyed mainly valued the development of the sense of public service (78.5%), motivation (64.6%), and also over 50% valued an increase in self-confidence, the recognition of the programme as qualification, especially the skills of managing groups and the ability to lecture and speak in public. About 30% have no doubt that the programme is worth as much as other work training and that it certainly helps with the opinion of others and provides relaxation from daily work.

### What impact did the programme have on you? (in %)



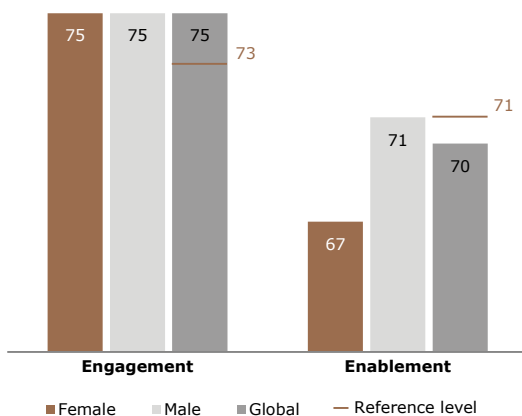
## 5.7. INVOLVEMENT AND RETENTION

[G4-LA1; G4- EU15]

Having a virtuous organizational climate in the company is for us an important success factor to ensure the continued retention of our employees. Employee satisfaction is therefore one of our top priorities in the Group and an important indicator to assess and promote better working conditions, which elevates the retention of people who work with us. Therefore, we strongly take into account the perspective of our employees, so that we can create new policies and initiatives to improve their personal and professional well-being, in order to enhance performance and productivity.

### ORGANISATIONAL CLIMATE

SATISFACTION STUDY RESULT (%)



Working conditions are a materially relevant topic. The process of listening to the employees to gauge expectations associated with the company's organizational climate is a key instrument for supporting the decision. In 2015, the model adopted diversified the spectrum of organizational measures and dimensions and improved their alignment with the best practices available on the market.

EDP now measures the level of involvement of its employees with the company (*engagement*) and their perception of organizational support (*enablement*) through global metrics of organizational climate and satisfaction. In 2015, 91% of the EDP Group's employees participated in the study and it showed that 75% feel involved with the company and 70% have a perception of high organizational support. In comparison with the market reference standard, the results obtained by the EDP Group, in the two dimensions, are aligned (*enablement*) or even above (*engagement*) with the results of high-performance companies. These results reflect the effectiveness of organizational climate management measures developed and implemented in the different businesses throughout 2014 and 2015.

#### CONFERENCES ON THE BUSINESS IN SPAIN

Holding of conferences for presentation of the business results and communication of strategic priorities to employees of all the directorates of EDP Espanha. In total, 27 sessions were held, in which 858 employees took part.

#### CULTURE PROJECT BRAZIL

A project based on 12 principles focused on improving the quality of the work environment, motivating employees, optimising human capital and producing value for clients and other stakeholders. 90% of the employees participated in initiatives for promoting the project.

#### TOWN HALL PROJECT IN PORTUGAL

Informal meetings that aim at facilitating and making communication more frequent and transparent between top management and employees of the commercial area, in Portugal, boosting the debate and exchange of ideas on the commercial business and its challenges. In total, 2 sessions were held, in which 49 employees took part.

### PRODUCTIVITY AT EDP

Productivity in the EDP Group is seen in an integrated manner, and there are various indicators that contribute to this. Ranging from hours worked, through absenteeism, the return from investments in human resources, to income per employee, all the analyses function as indicators that permit one to perceive in what way it is making the investment profitable and optimizing the work of the persons.

The positive evolution of the VAB indicator per employee in comparison with 2012 (+ 9.1%) is emphasized, despite verifying a slight decrease compared to the value for 2014(-0.8%), partly explained by the increase in the number of employees in 2015(+2.4%) which was not accompanied by a proportional increase in the VAB (1.6%).

With respect to the absenteeism indicator, there was a decrease of 0.3%, from 3.46% to 3.45% in 2015.

## TURNOVER AND RETENTION

To ensure the enduring permanence of its employees is one of the main priorities of the EDP Group. This concern is reflected continually in the policies and initiatives from the Department of Human Resources, many of which are designed to enhance the retention of employees.

In 2015 the company's turnover was 6.1%, showing an 8.5% decrease compared to 2014. This percentage includes all the employees who left the Group, including the employees that retired for time of service and/or who retired early. The number of employees who left entirely on their own initiative was 1.1% (1.2% in 2014).

The impact of employees leaving for retirement and/or early retirement will continue to be reflected in the company's turnover, since in the next 10 years it is estimated that around 36% of the employees will be eligible for retirement.

### Turnover of employees leaving<sup>1</sup> (%)

Geographies/Year	2014 <sup>2</sup>	2015
<b>Group</b>	<b>7,2%</b>	<b>6,1%</b>
Portugal	7,3%	5,0%
Spain	3,0%	4,4%
Brazil	9,0%	8,6%
North America	15,8%	12,3%
Rest of Europe	10,2%	11,5%

<sup>1</sup> Formula for turnover of total employees leaving = total employees leaving year N/Headcount year N

<sup>2</sup> Values in 2014 adjusted in 2015

The voluntary turnover in the Group is verified with a greater incidence among employees up to 50 years old and it will decrease in subsequent years. The geographies with greater turnover in this age group are Brazil, the United States of America and also in the European countries (with the exception of Portugal and Spain), which is directly related to the dynamics of the market, itself. In order to tackle this phenomenon, beyond the study of Organizational Climate, the Group conducted during 2015 a diagnosis for more than 1,200 employees of three different generations (the Baby Boomer Generation, Generation X and Generation Y) in order to identify their expectations and needs, as well as the factors of greater dissatisfaction and concern with respect to the Human Resources policies.

### Employees who as of 31 December of each year may be retiring within the next 5 years by geography and professional category (#)

Professional Category/Geography	2015					EDP Group
	Portugal	Spain	Brazil	North America	Rest of Europe	
<b>Total</b>	<b>2,405</b>	<b>109</b>	<b>57</b>	<b>24</b>	<b>3</b>	<b>2,598</b>
Senior Management	137	7	3	8	1	156
Supervisors	81	14	1	7	0	103
Specialists	304	33	29	7	2	375
Technicians	1,883	55	24	2	0	1,964
Professional Category/Geography	2014					EDP Group
	Portugal	Spain	Brazil	North America	Rest of Europe	
<b>Total</b>	<b>2,298</b>	<b>92</b>	<b>52</b>	<b>17</b>	<b>1</b>	<b>2,460</b>
Senior Management	143	5	4	3	0	155
Supervisors	82	8	0	4	0	94
Specialists	295	17	20	6	1	339
Technicians	1,778	62	28	4	0	1,872

## 2013

Professional Category/Geography	Portugal	Spain	Brazil	North America	Rest of Europe	EDP Group
<b>Total</b>	<b>2,515</b>	<b>76</b>	<b>54</b>	<b>17</b>	<b>0</b>	<b>2,662</b>
Senior Management	168	5	4	4	0	181
Supervisors	83	10	0	2	0	95
Specialists	295	21	17	8	0	341
Technicians	1,969	40	33	3	0	2,045

**Employees who as of 31 December of each year may be retiring within the next 10 years by geography and professional category (#)**

## 2015

Professional Category/Geography	Portugal	Spain	Brazil	North America	Rest of Europe	EDP Group
<b>Total</b>	<b>3,689</b>	<b>362</b>	<b>226</b>	<b>39</b>	<b>5</b>	<b>4,321</b>
Senior Management	185	25	14	10	1	235
Supervisors	130	43	7	7	0	187
Specialists	484	98	101	12	4	699
Technicians	2,890	196	104	10	0	3,200

## 2014

Professional Category/Geography	Portugal	Spain	Brazil	North America	Rest of Europe	EDP Group
<b>Total</b>	<b>3,908</b>	<b>364</b>	<b>197</b>	<b>27</b>	<b>2</b>	<b>4,498</b>
Senior Management	208	23	14	9	1	255
Supervisors	139	45	7	6	0	197
Specialists	523	80	81	8	1	693
Technicians	3,038	216	95	4	0	3,353

## 2013

Professional Category/Geography	Portugal	Spain	Brazil	North America	Rest of Europe	EDP Group
<b>Total</b>	<b>4,281</b>	<b>361</b>	<b>186</b>	<b>24</b>	<b>0</b>	<b>4,852</b>
Senior Management	241	23	10	6	0	280
Supervisors	149	63	10	4	0	226
Specialists	527	73	83	11	0	694
Technicians	3,364	202	83	3	0	3,652

## 5.8. ADDITIONAL TABLES

### MATCHING NOMENCLATURE RELATING TO PROFESSIONAL CATEGORIES

External Segmentation	Internal Segmentation
Senior Management	Executive Management Top Management Senior Management
Supervisors	Management
Specialists	Senior Management without team Associates & Senior Specialists Specialists
Technicians	Support, Operational & Administrative Technicians

### AVERAGE AGE OF EMPLOYEES BY GEOGRAPHY AND GENDER (#) [G4- LA1]

	2013	2014	2015
<b>EDP Group</b>	<b>46</b>	<b>46</b>	<b>45</b>
<b>Portugal</b>	<b>49</b>	<b>49</b>	<b>49</b>
Men	50	50	49
Women	47	47	47
<b>Spain</b>	<b>45</b>	<b>46</b>	<b>46</b>
Men	47	47	48
Women	41	42	41
<b>Brazil</b>	<b>38</b>	<b>38</b>	<b>38</b>
Men	39	39	39
Women	37	37	37
<b>North America</b>	<b>39</b>	<b>39</b>	<b>39</b>
Men	38	38	38
Women	40	41	41
<b>Rest of Europe</b>	<b>35</b>	<b>35</b>	<b>35</b>
Men	36	36	36
Women	33	33	34



**AVERAGE SENIORITY BY GEOGRAPHY AND GENDER (#)**  
**[G4- LA1]**

	2013	2014	2015
<b>EDP Group</b>	<b>19</b>	<b>19</b>	<b>19</b>
<b>Portugal</b>	<b>25</b>	<b>24</b>	<b>24</b>
Men	25	25	25
Women	22	22	21
<b>Spain</b>	<b>16</b>	<b>17</b>	<b>17</b>
Men	18	18	19
Women	11	12	12
<b>Brazil</b>	<b>11</b>	<b>11</b>	<b>11</b>
Men	11	12	11
Women	10	10	10
<b>North America</b>	<b>4</b>	<b>4</b>	<b>4</b>
Men	4	4	4
Women	5	5	5
<b>Rest of Europe</b>	<b>3</b>	<b>4</b>	<b>4</b>
Men	3	4	4
Women	3	3	4

**TYPE OF ENTRIES BY GENDER AND GEOGRAPHY (#)**  
**[G4- LA1]**

2015						
	Portugal	Spain	Brazil	North America	Resto f Europe	EDP Group
<b>Direct admissions to permanent workforce</b>	<b>187</b>	<b>70</b>	<b>249</b>	<b>110</b>	<b>20</b>	<b>636</b>
Men	141	36	194	78	12	461
Women	46	34	55	32	8	175
<b>Admissions with fixed-term contracts</b>	<b>78</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>6</b>	<b>89</b>
Men	48	2	1	0	2	53
Women	30	1	1	0	4	36
<b>Other admissions</b>	<b>18</b>	<b>7</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>49</b>
Men	12	4	23	0	0	39
Women	6	3	1	0	0	10
<b>Total</b>	<b>283</b>	<b>80</b>	<b>275</b>	<b>110</b>	<b>26</b>	<b>774</b>

2014						
	Portugal	Spain	Brazil	North America	Rest of Europe	EDP Group
<b>Direct admissions to permanent workforce</b>	<b>107</b>	<b>24</b>	<b>235</b>	<b>66</b>	<b>19</b>	<b>451</b>
Men	72	13	165	47	14	311
Women	35	11	70	19	5	140
<b>Admissions with fixed-term contracts</b>	<b>128</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>7</b>	<b>140</b>
Men	115	4	1	0	4	124
Women	13	0	0	0	3	16
<b>Other admissions</b>	<b>13</b>	<b>3</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>24</b>
Men	11	1	7	0	0	19
Women	2	2	1	0	0	5
<b>Total</b>	<b>248</b>	<b>31</b>	<b>244</b>	<b>66</b>	<b>26</b>	<b>615</b>

## EMPLOYEES BY GEOGRAPHY, AGE AND GENDER (#)

[G4- LA12]

2015	Aged up to 29	30 to 49	50 and older	Total
<b>EDP GROUP</b>	<b>1,490</b>	<b>5,423</b>	<b>5,172</b>	<b>12,084</b>
Men	1,107	3,960	4,226	9,293
Women	383	1,463	946	2,791
<b>Portugal</b>	<b>627</b>	<b>2,132</b>	<b>3,924</b>	<b>6,683</b>
Men	492	1,568	3,169	5,229
Women	135	564	755	1,454
<b>Spain</b>	<b>59</b>	<b>1,109</b>	<b>696</b>	<b>1,863</b>
Men	33	706	624	1,363
Women	26	403	72	500
<b>Brazil</b>	<b>679</b>	<b>1,818</b>	<b>475</b>	<b>2,972</b>
Men	497	1,437	389	2,323
Women	182	381	86	649
<b>North America</b>	<b>82</b>	<b>233</b>	<b>68</b>	<b>383</b>
Men	60	162	36	258
Women	22	71	32	125
<b>Rest of Europe</b>	<b>43</b>	<b>131</b>	<b>9</b>	<b>183</b>
Men	25	87	8	120
Women	18	44	1	63

2014	Aged up to 29	30 to 49	50 and older	Total
<b>EDP GROUP</b>	<b>1,381</b>	<b>5,150</b>	<b>5,267</b>	<b>11,798</b>
Men	1,012	3,759	4,331	9,102
Women	369	1,391	937	2,696
<b>Portugal</b>	<b>569</b>	<b>2,105</b>	<b>4,059</b>	<b>6,733</b>
Men	450	1,554	3,307	5,311
Women	119	551	752	1,422
<b>Spain</b>	<b>58</b>	<b>1,139</b>	<b>701</b>	<b>1,898</b>
Men	36	749	630	1,415
Women	22	390	72	483
<b>Brazil</b>	<b>648</b>	<b>1,585</b>	<b>441</b>	<b>2,674</b>
Men	459	1,233	354	2,046
Women	189	352	87	628
<b>North America</b>	<b>61</b>	<b>197</b>	<b>58</b>	<b>316</b>
Men	40	142	32	214
Women	21	55	26	102
<b>Rest of Europe</b>	<b>45</b>	<b>124</b>	<b>8</b>	<b>177</b>
Men	27	81	8	116
Women	18	43	0	61

2013	Aged up to 29	30 to 49	50 and older	Total
<b>EDP GROUP</b>	<b>1,429</b>	<b>5,224</b>	<b>5,518</b>	<b>12,171</b>
Men	1,008	3,835	4,573	9,416
Women	421	1,389	946	2,755
<b>Portugal</b>	<b>530</b>	<b>2,113</b>	<b>4,340</b>	<b>6,983</b>
Men	388	1,567	3,568	5,523
Women	142	546	772	1,460
<b>Spain</b>	<b>82</b>	<b>1,165</b>	<b>680</b>	<b>1,927</b>
Men	48	788	611	1,447
Women	34	377	70	480
<b>Brazil</b>	<b>723</b>	<b>1,637</b>	<b>436</b>	<b>2,796</b>
Men	515	1,264	357	2,136
Women	208	373	79	660
<b>North America</b>	<b>52</b>	<b>194</b>	<b>54</b>	<b>300</b>
Men	31	140	29	200
Women	21	54	25	100
<b>Rest of Europe</b>	<b>42</b>	<b>115</b>	<b>8</b>	<b>165</b>
Men	26	76	8	110
Women	16	39	0	55

**AVERAGE AGE BY GEOGRAPHY AND GENDER (#)  
[G4- LA1]**

	2013	2014	2015
<b>Portugal</b>	<b>29</b>	<b>28</b>	<b>29</b>
Men	29	28	29
Women	29	31	30
<b>Spain</b>	<b>33</b>	<b>32</b>	<b>31</b>
Men	33	32	31
Women	34	32	31
<b>Brazil</b>	<b>31</b>	<b>31</b>	<b>31</b>
Men	28	32	31
Women	31	30	29
<b>North America</b>	<b>34</b>	<b>34</b>	<b>34</b>
Men	33	33	33
Women	35	36	37
<b>Rest of Europe</b>	<b>32</b>	<b>31</b>	<b>32</b>
Men	28	32	34
Women	34	28	30
<b>Total</b>	<b>30</b>	<b>30</b>	<b>31</b>
Men	29	30	31
Women	31	31	31

**PERCENTAGE OF EMPLOYEES HIRED LOCALLY (%)**  
[G4- EC6]

2015	Portugal	Spain	Brazil	North America	Rest of Europe	EDP Group
<b>Total</b>	<b>100.0%</b>	<b>99.7%</b>	<b>99.9%</b>	<b>99.0%</b>	<b>94.0%</b>	<b>99.8%</b>
Senior Management	100.0%	98.7%	97.2%	94.7%	78.3%	98.3%
Supervisors	100.0%	99.6%	100.0%	100.0%	95.2%	99.7%
Specialists	99.9%	99.7%	99.9%	99.5%	96.2%	99.7%
Technicians	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

2014	Portugal	Spain	Brazil	North America	Rest of Europe	EDP Group
<b>Total</b>	<b>100.0%</b>	<b>99.8%</b>	<b>99.7%</b>	<b>98.0%</b>	<b>93.8%</b>	<b>99.7%</b>
Senior Management	100.0%	98.7%	94.6%	92.6%	86.4%	98.2%
Supervisors	100.0%	100.0%	100.0%	100.0%	93.3%	99.9%
Specialists	99.9%	99.7%	99.6%	98.4%	94.7%	99.6%
Technicians	100.0%	100.0%	100.0%	100.0%	100.0%	99.8%

**TOTAL TURNOVER (%) [G4- LA1]**

	2013	2014	2015
Portugal	6.0%	7.3%	5.0%
Spain	2.5%	3.0%	4.4%
Brazil	10.3%	9.0%	8.6%
North America	10.3%	15.8%	12.3%
Resto f Europe	6.1%	10.2%	11.5%
<b>Total</b>	<b>6.5%</b>	<b>7.2%</b>	<b>6.1%</b>

NOTE: Total Turnover Formula= Total leavers in year N / Headcount in year N

**NUMBER OF LEAVERS BY GEOGRAPHY AND GENDER (#)**

[ G4- LA1 ]

	2013	2014	2015
<b>Portugal</b>	<b>417</b>	<b>489</b>	<b>332</b>
Men	380	405	279
Women	37	84	53
<b>Spain</b>	<b>49</b>	<b>56</b>	<b>82</b>
Men	39	47	66
Women	10	9	16
<b>Brazil</b>	<b>288</b>	<b>240</b>	<b>255</b>
Men	222	166	183
Women	66	74	72
<b>North America</b>	<b>31</b>	<b>50</b>	<b>47</b>
Men	12	32	37
Women	19	18	10
<b>Resto f Europe</b>	<b>10</b>	<b>18</b>	<b>21</b>
Men	5	16	11
Women	5	2	10
<b>Total</b>	<b>795</b>	<b>853</b>	<b>737</b>
Men	658	666	576
Women	137	187	161

**BREAKDOWN OF AVERAGE YEARS OF SERVICE OF LEAVERS BY GENDER AND AGE GROUP (#) [G4- LA1]**

	2014	2015
<b>Portugal</b>	<b>33</b>	<b>32</b>
Men	34	33
Women	30	26
Aged up to 29	1	2
30-49	8	7
50 and older	36	36
<b>Spain</b>	<b>25</b>	<b>26</b>
Men	26	27
Women	17	23
Aged up to 29	2	1
30-49	9	11
50 and older	33	35
<b>Brazil</b>	<b>10</b>	<b>10</b>
Men	11	10
Women	8	10
Aged up to 29	2	2
30-49	7	5
50 and older	22	27

**TURNOVER BY REGION, GENDER AND AGE GROUP (#) [G4- LA1]**

	2013	2014	2015
<b>Portugal</b>	<b>4.39%</b>	<b>5.37%</b>	<b>4.58%</b>
Men	4.88%	5.57%	4.55%
Women	2.50%	4.65%	4.69%
Aged up to 29	17.06%	18.11% <sup>1</sup>	16.64%
30-49	1.56%	2.06%	2.93%
50 and older	4.31%	5.37% <sup>1</sup>	3.55%
<b>Spain</b>	<b>1.95%</b>	<b>2.26%</b>	<b>4.29%</b>
Men	1.80%	2.27%	3.87%
Women	2.38%	2.23%	5.49%
Aged up to 29	8.33%	13.62%	38.46%
30-49	1.26%	1.28%	2.76%
50 and older	2.24%	2.75%	3.90%
<b>Brazil</b>	<b>13.16%</b>	<b>8.85%</b>	<b>9.39%</b>
Men	12.35%	8.13% <sup>1</sup>	9.18%
Women	14.90%	11.18% <sup>1</sup>	10.10%
Aged up to 29	22.48%	12.55%	15.07%
30-49	8.78%	7.32%	7.76%
50 and older	13.05%	8.67%	7.21%



<b>North America</b>	<b>4</b>	<b>4</b>
Men	3	5
Women	5	3
Aged up to 29	3	6
30-49	4	4
50 and older	3	4
<b>Rest of Europe</b>	<b>3</b>	<b>3</b>
Men	3	3
Women	4	3
Aged up to 29	1	2
30-49	3	3
50 and older	1	5
<b>Total</b>	<b>24</b>	<b>21</b>
Men	25	23
Women	18	16
Aged up to 29	2	2
30-49	7	6
50 and older	34	34

000

<b>North America</b>	<b>11,51%</b>	<b>18,83%</b>	<b>22,32%</b>
Men	9,30%	19,32% <sup>1</sup>	24.15%
Women	15,69%	17,82% <sup>1</sup>	18.50%
Aged up to 29	27,78%	30,09%	36.36%
30-49	7,69%	17,65%	18.60%
50 and older	8,49%	11,61%	19.05%
<b>Rest of Europe</b>	<b>10,86%</b>	<b>12,87%</b>	<b>13,06%</b>
Men	9,62%	15,04%	10.59%
Women	13,33%	8,62%	17.74%
Aged up to 29	18,60%	17,24%	19.32%
30-49	7,91%	11,30%	10.98%
50 and older	8,33%	12,50%	11.76%
<b>Total</b>	<b>6,16%</b>	<b>6,12%</b>	<b>6,32%</b>

NOTE: Turnover Formula = (Entrants+Leavers in year N) / 2 / (Headcount year N-1+ Headcount year N) / 2

<sup>1</sup> 2014 values were adjusted in 2015



# ENERGY WITH INTELLIGENCE

SOCIAL  
REPORT  
2015

## **06. community**

- 94 6.1. 1ST GOAL: LOCAL COMMUNITIES
- 97 6.2. 2ND GOAL: SUSTAINABLE SOCIETIES
- 99 6.3. 3RD GOAL: BRAND REPUTATION



**ENERGY  
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**SOCIAL  
REPORT  
2015**



Harnessing inexhaustible energy

**ENERGY  
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**SOCIAL  
REPORT  
2015**

## 06. COMMUNITY

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

In 2005 EDP adopted a Guide to Corporate Citizenship with the main goal of fostering the integration of EDP into the surrounding environment, by improving community quality of life and supporting initiatives that enhance sustainability, thus ensuring the Company's reputation and the right to operate. The Guide has led to a deep transformation in the way that the EDP Group develops its social responsibility and citizenship actions, by increasing the contribution to the community, extending the action to all the countries in which it operates, guiding decisions towards closer alignment with the business and creating value through a major opening of the company to society.

### STRATEGIC OBJECTIVES

The EDP Group's Citizenship Policy has the following strategic objectives:

- To enhance the Group's involvement in its surroundings in order to promote better quality of life for the respective communities;
- To support initiatives that help to strengthen each of the dimensions of sustainable development: environmental, economic and cultural/social;
- To contribute to the recognition and prestige of the Group and to the reputation and added value of its brand.

This group-wide strategy provides guidance to EDP's corporate citizenship activities in order to ensure the alignment between citizenship priorities and business drivers. Projects and programs that contribute to the defined strategic objectives will be prioritized, taking account of the following:

- To enhance their alignment with the Ethical Code and sustainability principles of the EDP Group;
- The credibility of the applicant organizations and their contribution to at least one of the dimensions of sustainable development;
- The value and relevance of the projects for communities;
- Economic, institutional or social relations with the EDP Group

The Citizenship Policy sets the governance structure for managing the community investment as well the control process and the communication approach:

- The community investment is managed by EDP's foundations and business units – sustainability and communication departments – under an umbrella group policy;
- EDP voluntarily promotes citizenship and specifies the results it intends to achieve, evaluating projects it is involved in using the LBG methodology. All of the Group's foundations and business units use the same methodology;
- Through this model EDP is fostering the structured reporting of its decisions, which permits stakeholders to reflect on the results and benefits for communities. Community projects can be submitted other through permanent internet applications or by specific programs;
- Sustainability and communication departments of each EDP business unit are engaged to develop the community programs and committed to its goals. Moreover, EDP's Volunteering program is called to develop actions related to the strategic objectives.



## 6.1. 1<sup>ST</sup> GOAL: LOCAL COMMUNITIES

- To enhance the Group's involvement in its surroundings in order to promote better quality of life for the respective communities

EDP Group develops specific programmes in communities impacted by the construction and activity of power plants and other large energy facilities. These contributions are of two types:

- Mandatory contributions, compensation measures under the law and contracts
- Voluntary contributions, freely chosen by EDP

EDP's activities have an impact on the local communities where it operates. The company seeks to manage this impact by encouraging the active and transparent involvement with its local stakeholders aimed at establishing partnerships and to strengthen continual and long term relationships. The involvement between the Company and the Local Communities aims to promote transparency, trust and proximity, and thus avoid and prevent impasses and conflicts arising from lack of knowledge of EDPs projects.

EDP Group believes that mandatory contributions do not cover several fundamental aspects of its relationship with communities. In this regard, EDP surveys and voluntarily promotes programmes in the local communities affected by its activities, in an effort to establish and strengthen continuous and lasting relationships based on dialogue and mutual benefit. This involvement seeks primarily to build relationships of trust and ensure recognition of the "right to operate", thereby promoting positive social impact and ensuring appropriate mitigation of environmental impacts.

The projects that the EDP Group supports and develops prioritize stimuli for entrepreneurship, harnessing the potential of local products and businesses, combating social exclusion, talent training and development, a focus on cultural training and the development of environmental and energy awareness.

Within the ambit of construction and operation of production and distribution projects, during 2015 various programs were developed to involve the community, aimed at minimizing the environmental and socio-economic impacts. These programs are not limited to compulsory obligations, but extend to voluntary investments, with priority given to actions that favor local development.

In Portugal, in the production business, several initiatives were developed supported by a Social Investment Policy ([http://www.a-nossa-energia.edp.pt/responsabilidade\\_social\\_ambiente/responsabilidade\\_social.php](http://www.a-nossa-energia.edp.pt/responsabilidade_social_ambiente/responsabilidade_social.php)), developed in order to consolidate and align the company's presence in the Community, introducing new procedures to the decision making process and making viable the support to be granted, with priority given to partners that help achieve these objectives. In 2015 various programs were implemented together with the community, some related to the geographical areas in which EDP has operational assets, and others as part of the compensatory measures related to new enterprises.

Within the initiatives developed in EDP projects in operation, it is highlighted the EDP Shares Energy program

### edp shares energy

This is an educational program that values students' self-knowledge and knowledge of their region, to enable them to share the potentials of their regions with others. The students have to develop programs for their peers, and for such they have to identify potentials, resources, prepare budgets and identify partners to implement the project. The first program **resulted in 230 people benefiting directly** and 270 indirectly, including students, teachers and the community in general.

The areas selected, Constância, Sines, Tomar and Vila Nova de Santo André, are located where EDP has recognized production centres, which increases the proximity between the company and the community.

Within the sphere of the projects to construct hydroelectric centres, in 2015 the following initiatives to involve the local communities are worth noting:

## PORTUGAL

PROJECTS	INITIATIVES
Baixo Sabor	According to the DIA (Environmental Impact Declaration), EDP has made annual contributions to the Baixo Sabor Fund, of EUR 375,000. In addition, the Centre for Environmental Interpretation and Animal Recovery (CIARA) is to be developed as part of the compensations. The activities plan for this project will be undertaken by Universidade de Trás-os-Montes e Alto Douro, Bragança Polytechnic Institute and Municipalities Association of Baixo Sabor. To maintain this area, EDP will make annual contributions of EUR 100 thousand.
Foz Tua	In 2015, EDP made a contribution of EUR 471 thousand to the Nature and Biodiversity Conservation Fund, with 50% of this amount allocated to the Regional Vale do Tua Nature Park (approx. 25,000 ha) to continue with the proposal to create this Park, as a nature conservation area and valuing the natural and cultural heritage of the land and encouraging the sustainable social and economic development of the local communities. In addition, the architecture and execution Project was developed for the Vale do Tua Interpretative Centre, which aims to establish a link between the valley area and the mouth of the Tua, with the population, fauna and flora, the railway path and the dam that defined it.

In Brazil it is worth noting the measures taken to manage the impacts that involve not only the initiatives for local development, but also the indemnities and reallocation of families and communities affected by these projects.

## BRAZIL

PROJECTS	INITIATIVES
Jari <sup>1</sup>	Within the ambit of the construction of the Jari Hydroelectric plant, and continuity of the reconstruction and improvement of Vila de Iratapuru, which was partially affected by the enterprise, in 2015 there were new requests from the community related to the on-going social-environmental measures. The company has an open and permanent communication channel, such that it replies to doubts and analyses suggestions from local stakeholders. In the third quarter of 2015, the 7th Social Forum was held, aimed at providing the population with updated information on the position of the social environmental programs to be implemented.
Cachoeira Caldeirão <sup>1</sup>	The construction of the Cachoeira Caldeirão Hydroelectric plant caused the flooding of approximately 2,600 ha, which included approximately 10 ha of urban area in the municipality of Porto Grande. The construction of the reservoir at this hydroelectric plant involves the resettlement of 753 families. In order to control the impacts, 57 social-environmental programs will be developed, which involve creating bi-lateral communication channels with the population, and also programs focusing on education, housing, agricultural development, social assistance and valuing property.
São Manoel <sup>1</sup>	The São Manoel Hydroelectric plant is being constructed on the river Teles, between the states of Mato Grosso and Pará, which is surrounded by the indigenous communities Munduruky, Layabi and Apiaká from Pontal. During the stage of the project that involved the construction of the dam, several locations were assessed, and to avoid part of the Kayabi land being flooded, it was decided to build the centre above the mouth of the river Apiacás. In order to manage, compensate and minimize the impacts caused to these communities, a Basic Environmental Plan with Indigenous Components has been developed for each of the three communities, consisting of various specific programs. The programs developed cover a variety of areas, including communication, education, support for productive activities and valuing indigenous culture. It is also worth noting that one of the objectives is to guarantee a bilateral communication channel with the indigenous communities, through an attendance, consultation and complaints system (radio, internet and telephone).
Mogi-Suzano	The construction of the Mogi-Suzano Air Distribution Line, forecast to begin in 2016, will affect private areas (mainly rural properties), and will have an impact on the activities of the local agricultural owners. To minimize these impacts, EDP has developed a communication plan with the local population. The compensation to be paid was also negotiated.
Within the state of Espírito Santo	The construction of distribution lines in rural properties located within the state of Espírito Santo has an impact on local property owners. In order to minimize this, assessments were made of the areas affected, taking into consideration the characteristics of the property, the use of the land and the types of culture, and the respective compensations were made: <ul style="list-style-type: none"> <li>■ <b>Line Jaquaré São Matheus 138 KV:</b> This line extends along a stretch of 35 km and is 30 m wide. 70 properties were affected, and a total of 56 families and 3 companies were compensated. The remaining properties were located in areas for public use;</li> <li>■ <b>Branch line Jurong:</b> the works began in 2014 and finished in 2015, and 3 industries received compensation in 2014;</li> <li>■ <b>Furnas Linhares Substation and EDP Linhares Substation:</b> the area affected extended over 4 km, with a width of 50 metres, and a total of 4 families received compensation (four property owners).</li> </ul> <p>At the same time, a claim was filed by the Tupinikim and Guarani indigenous people from the Aracruz village located around the lines under construction. In response to these demands from the communities, EDP investigated the needs and expectations of this population, and prepared the appropriate replies.</p>

<sup>1</sup> The described power stations are accounted under equity method.

There has been an increase in the recognition of the impacts of EDP's Renewables business on the local communities, particularly those surrounding the wind and solar power parks. In addition, international financial institutions have followed the trend to include in their requirements plans that involve the local communities, which have to be attached to the projects to be financed.

EDP Renewables has experienced this, in the construction of parks where the continual involvement of neighbouring communities is required and these activities are periodically reported. Examples of such include the Margonin and Golancz wind power parks in Poland; the Cernavoda and Pestera wind power parks in Romania; and the Cujmir, Vanju Mare, Dabuleni, Grojdibodu, Bailesti and Burila Mica solar power parks, also in Romania. Stakeholder Engagement Plans were developed for these parks, in accordance with the funding requirements, and the 2015 review included disclosing the current position for the initiatives undertaken, and a report on the complaints (made through the permanent line created as part of the funding requirements) and the replies given by EDP.

One example of the involvement initiatives developed by EDP Renewables, in 2015, is the crowdfunding project developed in France, as part of the construction of the Escardes Wind Power Park.

## crowdfunding project

### escardes wind power, France

As a result of the growing interest in greater financial participation by the authorities and local community, a crowdfunding initiative was launched for this wind park of 12 MW, which is under construction and forecast to be concluded during the first semester of 2016. The objective was that part of the debt be assumed by members of the local community.

This type of investment by the local community is seen as a way to increase public support, minimize litigation, reduce the attitude of *Not In My Backyard*, and align interests to develop renewable energy projects.

**180 individuals supported this initiative with an investment of more than EUR 85,000.**

The local authorities have special relevance in EDP Group's stakeholders strategy, given the diversity of the relationships with the Group companies. On the one hand, they have a dual role as both client and concession agent, on the other hand, they are legitimate representatives of the communities in which EDP operates.

The contact that EDP has with this group demonstrates that closeness and trust is key to an effective relationship with this segment of stakeholders. In order to meet the expectations of the municipalities, in 2015, the EDP Group's business units directed its efforts to establish partnerships with this segment of stakeholders in key areas, such as promoting energy efficiency and creating initiatives that contribute to regional development. At the same time, Corporate Management for Relationships with Stakeholders developed a consultative process in approximately 50 municipalities on relationship with the EDP Group.

Presented below are some of the main initiatives undertaken in 2015 with local authorities.

## PORTUGAL

COMPANY	INITIATIVES
Generation	<p>Protocols were established with Vieira do Minho and Montalegre, for the financial contributions by EDP Production in projects aimed at regional development;</p> <p>Protocol with the National Association of Portuguese Municipals, in which EDP Production, in 2015, contributed with EUR 5 millions, which could result in a total of 151 projects benefiting 1,4 million people; EDP Renewables, in partnership with the local authorities, offers study grants to citizens.</p>
Distribution	<p>Expand the project for implementing Inovcity smart grids, examples of which are in the municipalities of Alcochete and Freguesia do Parque das Nações, in Lisbon;</p> <p>Protocols to encourage energy efficiency, involving initiatives such as introducing LED lighting fixtures in street lighting;</p> <p>Install new technology and make available new ways for managing consumption.</p>
Supply	<p>Seminar presented to the government, with the central theme being "energy management as a competitive tool" presenting the advantages of EDP energy services and best practices in their hiring.</p>

## BRAZIL

COMPANY	INITIATIVES
Generation	Support to improve local infrastructure for Health, Safety, Education and Transport in Brazilian municipals; Partnerships for training and contracting local labour.
Distribution	Expand the project for Inovcity smart networks; Install LED lighting fixtures in street lighting; Install new technology and make available new ways for managing consumption.

## 6.2. 2<sup>ND</sup> GOAL: SUSTAINABLE SOCIETIES

- To support initiatives that help to strengthen each of the dimensions of sustainable development: environmental, economic and cultural/social

The development of a sustainability culture, in all its aspects, promotes choices among consumers and decision-makers for more sustainable lifestyles and favours the EDP Group's value creation strategy, whose strategic drivers are the internationalization of its businesses and an increase in energy production from renewable sources.

In this sense, it is not sufficient for the EDP Group to develop a sustainable business. EDP also has to contribute to public awareness of sustainability in all the countries and regions in which it operates.

The ability of the EDP Group successfully to expand its investments into new areas, including emerging countries, is also highly dependent on the strength of its environmental, social and employment reputation. This reputation is rooted in the development of an internal and external culture that promotes best sustainability practices. This reputation is crucial to guaranteeing the "right to operate" in regions with production facilities and to ensuring the loyalty of a growing number of consumers through the offer of an expanding range of energy supply services based on energy efficiency and renewable sources.

Volunteer Programmes, talent attraction programmes, the agreement of medium-term partnerships with non-profit organizations and others related to education and science, in particular through the creation of structured programmes with well-defined objectives, evaluated by independent juries and subject to assessment of results and impacts.

The main initiatives of the investment in the community in 2015 are highlighted in the following table:

PROJECT	RESULTS	COUNTRY
Solidarity in Schools	The Solidarity in Schools programme of the Fundação EDP encourages primary and high school students to actively contribute to the resolution of social issues affecting their community. In 2014/15, the programme involved 314 schools in Portugal and 19,143 students and teachers. Since 2010, 700 projects have been carried out by schools under this program to the benefit of the community.	Portugal
EDP Solidarity Program	In 2015, the EDP Portugal Solidarity Program sponsored 25 projects in Social Inclusion, 12 in healthcare and 2 organisations in education, contributing EUR 2,1 million. Between 2004 and 2014, the EDP Solidarity Program sponsored more than 260 projects.	Portugal
Local and Regional Traditions Program	This year EDP Produção launched the 1 <sup>st</sup> edition of the Local and Regional Traditions Program, under its Social Investment Policy. This program aims to recover ancestral practices that are dying out, and to stimulate the self-esteem of benefited populations by valuing the local identity. Identified as a theme of importance for stakeholders in the communities where EDP Produção has a presence, the 1 <sup>st</sup> edition resulted in 122 applications in 50 municipalities, where awards were given to 14 projects in the central, northern and Alentejo regions.	Portugal
Solidarity Run	Solidarity Run organised by ACAMBI (Bilbao Breast Cancer Association) in order to raise funds for investment in breast cancer was supported by EDP. The solidarity run took place on October 25, starting and ending at the Guggenheim Museum, with more than 10,000 participants. EUR 50 thousand was raised and donated entirely to research.	Spain

EDP Solidarity Program	In 2015, Fundación EDP launched the first edition of the EDP Solidarity in Spain, receiving 37 submissions and selecting 11 projects for a total investment of EUR 344 thousand. This program, as in Portugal, promotes the improvement of the quality of life of socially disadvantaged people, the integration of communities at risk of social exclusion and social entrepreneurship.	Spain
Flying Kites	Directly related to managing risks in the electric grid, the Flying Kites project aims to raise awareness amongst school goers and teachers about the risks of flying kites and the importance of playing safely when in the proximity of the electricity grid. 6.5 thousand school goers at 14 schools were embraced by the joint initiatives of the Flying Kites, projects, with an 8% reduction witnessed in the number of incidents involving the electricity grid and kites.	Brazil
EDP Program in schools	Present in 22 schools benefiting more than 3 thousand students, this program improves the quality of student life at the elementary level of public schools, with support of partners and volunteer employees from EDP Group in Brazil. With activities that offer tools for student learning, they promote the integration of art and energy, encourage community participation in schools, foster student health and mobilize partnerships for educational causes.	Brazil
The Houston Area Women's Centre	The Houston Area Women's Centre provides support services to survivors of domestic and sexual violence. It provides shelter, counselling and support services to help each survivor rebuild their life free from the effects of violence. They pursue social change to end domestic and sexual violence by raising awareness and educating the community. 15 volunteers from EDP Renewables gave their time to this organisation. More than 13 thousand women who were victims of domestic violence received support in 2015.	USA

EDP Volunteer Program underpins the Group's relations with communities in addition to attracting and motivating EDP employees (see chapter 5, point 5.6).

PROJECT	VOLUNTEERING INITIATIVES	COUNTRY
<i>Aprender a Empreender</i>	111 EDP volunteers gave 1,119 working hours to 2,009 students from 65 escolas. Based on its professional experience and using the programs of "JAP - Associação Aprender a Empreender", EDP volunteers are training students in management, economics and entrepreneurialism, developing skills in teamwork, problem-solving, project creation, leadership and how to be successful.	Portugal
Electrician Pole	29 volunteer electricians fixes damage, carry out safety checks and enhance systems in social economy organisations.	Portugal
Energy Efficiency Verifier Pole	The Energy Efficiency Verifier Pole consists of EDP electricians that help social institutions to use energy more efficiently, thereby lowering their energy bills.	Portugal
LEAN	Through LEAN volunteering, EDP employees provide LEAN training and monitoring (a methodology used to identify means of increasing the efficiency of processes by cutting consumption and waste). Initiated by the Ribatejo Plant by grouping schools in Abrigada, the programme generated more than 1,200 LEAN ideas and saved EUR 6 thousand in its first year alone. The methodology migrated to school goer homes and neighbouring institutions such as the Santa Casa da Misericórdia and Alenquer Town Hall (which has saved more than EUR 40 thousand). This complements 9 initiatives being implemented.	Portugal
<i>Desafio do Bem</i>	The Desafio do Bem programme enjoyed further success in Brazil, and is now in its 5th edition. With 549 initiatives and 742 volunteers, this program fosters the initiative of volunteers organised into teams. Each team has a leader who receives a budget of R\$ 1.7 thousand (one thousand seven hundred Brazilian Reais) from EDP Institute to plan and carry out initiatives at the organisation or school. The Total Energy Team and Rescue Team are examples of the creativity with which this program is implemented.	Brazil
<i>Cidadãos Pró-Mundo</i>	The Cidadãos Pró-Mundo programme is based on volunteering skills, by which 16 volunteers give English classes in the Coliseu shantytown located near EDP's facilities and the digital inclusion cycle, by which 16 volunteers give IT classes in the shantytown, on two afternoons a week.	Brazil
<i>Environment Parte de Nós</i>	In 2015, the EDP environmental program was focused on biodiversity. 77 tons of invasive species in 12 different spots had been removed by 1.312 EDP's volunteers.	Portugal
<i>Christmas Parte de Nós</i>	This volunteering program mobilized 1.122 EDP's volunteers and 210 external volunteers to develop 123 actions witch beneficiated 108 organisations, covering children and youth at risk, refugees, ethnic minorities, elderly, patients and people with disabilities.	Portugal

## 6.3. 3<sup>RD</sup> GOAL: BRAND REPUTATION

- ❑ To contribute to the recognition and prestige of the Group and to the reputation and added value of its brand

In a competitive energy market, in which price and quality are tightly regulated, energy sector companies compete mainly through differentiation in supply, by creating new services to attract consumers and enhance their reputation.

Investment in the community is thus a key element for business, especially in terms of consumer loyalty, understanding and anticipating their needs and promoting institutional relations. Nevertheless, it is also essential for employees and suppliers to recognize that the company feels and experiences their problems and interests. This is the only way to guarantee high levels of motivation and commitment to the success of the EDP Group

To this end, the following tools have been developed to ensure that this priority is implemented:

- ❑ Through Fundação EDP in Portugal, Fundacion EDP in Spain and Instituto EDP in Brazil, the Group is involving itself with and promoting major social and cultural projects. With a particular focus on entrepreneurship, exploiting the potential of local products and businesses, combating social exclusion, talent training and development, focus on cultural training and the development of environmental and energy awareness.
- ❑ The EDP Volunteering Programme, covering all the countries where the group operates and bringing together partners, including suppliers, to make EDP's human capital available to society, during working hours, on projects associated with choices made by the Group.
- ❑ The Group investment on communities' initiatives with a strong brand impact increased in 2015. A total of 5,569,886.59 euros have been applied mostly of it, or 4,065,280.27 euros, in marathons, musical concerts and big popular events or municipalities summer fests, which got a total of 1,861,955 people.

### EDP Foundation's brand

241,000

People visited the Museu da Eletricidade

316,000

Visitors to the web site

70,682

Facebook followers

€ 5.5 M

Advertising Value Equivalency

## THE LBG REPORT

### EDP'S VOLUNTARY INVESTMENT

In 2008, EDP joined the LBG international network (formerly the London Benchmarking Group, in United Kingdom), having reported its voluntary contributions using this methodology for the first time in 2009 (<http://www.lbg-online.net/membership/current-members.aspx>).

In 2014, the LBG impact framework methodology has been refreshed to enable a deeper assessment and understanding of the degree of change that the programmes are achieving. The EDP Group started reporting all its community contributions based on the new refreshed framework as early as 2014. ([http://www.lbg-online.net/media/33642/lbg\\_annual\\_review\\_2014.pdf](http://www.lbg-online.net/media/33642/lbg_annual_review_2014.pdf)).

Within a strategic vision that encompasses monitoring of the projects supported, the EDP Group uses the LBG methodology to report its social investment every quarter and requests information from its partners on a regular basis. A cooperation protocol is often agreed with the supported entities. The protocol defines the rights and obligations of each party, including the conditions required for the implementation of the support to be provided - e.g. when it will be provided and the obligations to which the beneficiary will be subject. The protocol identifies the objectives to be achieved through the project and the indicators to be used to monitor its results / impacts. There is, therefore, closer monitoring of the organizations - thus, in addition to financial support, they are assisted in bringing greater rigour to the process as a whole.

### EDP joins Steering Group

LBG is governed by a representative Steering Group of members, who work to evolve the framework and its application by setting LBG's agenda.

In 2015, EDP has been elected member of the Steering Group for a three years term of office.



## INPUTS OVERVIEW

The EDP Group's voluntary total investment amounted to EUR 27,4 million (see table below) roughly the same value of contributions as the previous year. One must notice that this amount doesn't cover the total investment in communities as mandatory contributions are excluded and brand positioning is also excluded.

Around 85% of the entire voluntary investment, under the restricted definition of the LBG methodology, was in the form of direct monetary contribution, 10% resulted from donations in kind and people contributing their time, which includes volunteering activities performed during working hours under EDP's programme. The costs of development and management of the projects was 5% of the total investment, confirming a systemic concern to reduce this figure.

EDP's overall investment contributed to 728 projects, 212 more than the previous year, which denotes an increase in the dispersal of contributions which diminished from an average of EUR 46,392 to EUR 35,549 per project. While this increase in the number of projects represents an intensification of relations with communities, as shown by number of beneficiaries rising to 5,197,128 individuals and 1,957 organisations, this dispersal should, however, be considered in light of the results and impacts generated.

An overall assessment is planned for 2016 of the current methodology for deciding sponsorship for projects in order to give greater emphasis to those with the potential to generate greater social impacts. However, we emphasise that results were measured for 582 of the 728 projects sponsored, i.e. 80% (45% in 2014). This project assessment coverage resulted from a huge additional effort and performance of the management teams.

The distribution of the investment by nature remained relatively unchanged on previous years, with most of the contributions going into social programs, namely EUR 11.8 million in healthcare, education, social welfare, economic development and emergency situations. Art and Culture, which includes science and technology dissemination and promotion projects, received EUR 7.2 million. The environment received EUR 2.3 million.

An increase was also witnessed in projects not classified in the previous categories, enhancing the previous trend of seeking alignment with social causes related to musical, sporting and popular events.

The distribution of the investment by business area remained unchanged on 2014, i.e. Portugal 78%, Spain 10%, Brazil 8% and EDP Renováveis 4%.

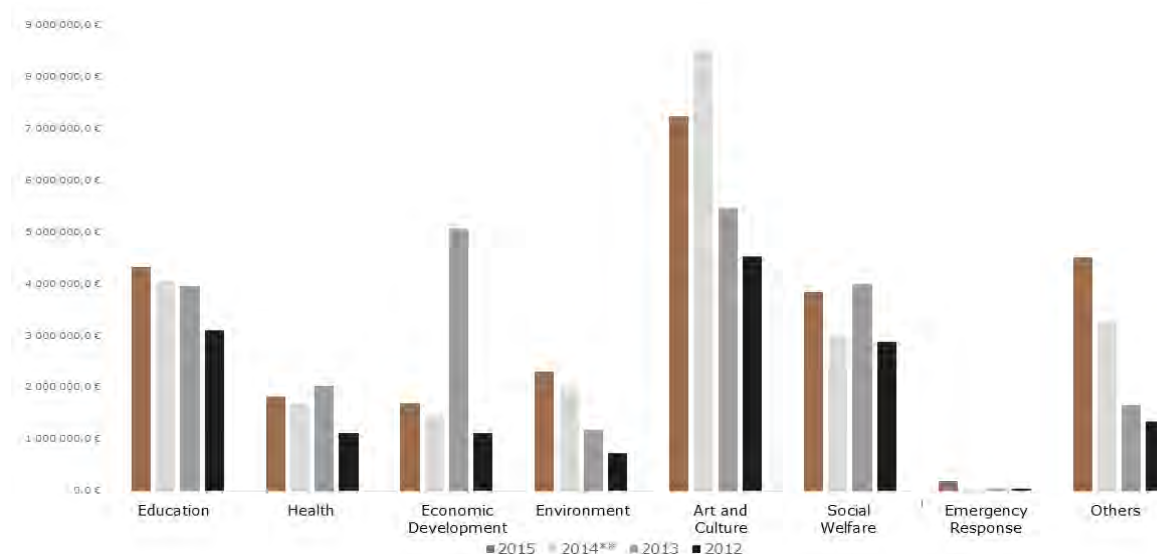
In addition to the direct contributions, the EDP initiative helped direct resources from other entities and individuals to the sponsored projects. EUR 392 thousand was raised in 2015, part of it contributed by EDP employees.

<b>VOLUNTARY INVESTMENT IN THE COMMUNITY (€)</b>	<b>2012</b>	<b>2013</b>	<b>2014<sup>1</sup></b>	<b>2015<sup>2</sup></b>
<b>CATEGORY</b>	<b>14,831,512</b>	<b>23,349,361</b>	<b>23,938,444</b>	<b>25,879,425</b>
Nonstrategic investment	2,641,330	1,424,720	450,758	209,398
Strategic investment	10,626,216	19,485,248	22,474,228	23,556,186
Commercial initiative	1,563,966	2,439,393	1,013,458	2,113,841
<b>NATURE</b>	<b>14,831,512</b>	<b>23,349,361</b>	<b>22,577,548</b>	<b>25,879,425</b>
Education	3,099,908	3,956,229	4,039,760	4,316,280
Health	1,118,569	1,836,327	1,689,097	1,814,003
Economic development	1,116,830	5,070,549	1,438,385	1,692,293
Environment	728,911	1,163,368	2,003,958	2,296,117
Art and culture	4,527,648	5,459,532	8,486,509	7,234,190
Social welfare	2,870,075	3,989,792	2,997,119	3,839,037
Emergency response	32,344	32,673	7,640	183,150
Others	1,337,228	1,840,891	3,275,977	4,504,356
<b>TYPE</b>	<b>14,831,512</b>	<b>23,349,361</b>	<b>23,938,444</b>	<b>25,879,425</b>
Cash contributions	14,535,732	22,807,123	21,443,096	23,288,861
Kind contributions	23,559	238,101	813,399	71,334
Working time contributions	272,220	304,137	1,681,949	2,519,230
<b>MANAGEMENT COSTS</b>	<b>2,652,758</b>	<b>3,625,300</b>	<b>2,315,382</b>	<b>1,532,303</b>
<b>TOTAL VALUE OF CONTRIBUTIONS (INCLUDING MANAGEMENT COSTS)</b>	<b>17,484,270</b>	<b>26,974,661</b>	<b>26,253,826</b>	<b>27,411,728</b>

<sup>1</sup> Determined according to the LBG methodology. Not yet validated by Corporate Citizenship.

<sup>2</sup> The 2014 figures were rectified after LBG audit. Some projects were valued and some management costs reduced.

### Evolution of Social Investment in the Community



### OUTPUTS OVERVIEW

IN 2015 EDP identified results on 706 of the 728 projects that were supported, covering 98,5% of the total investment. A depth measurement, covering a broad spectrum of LBG indicators, was performed to 80% of the projects. In this context it is particularly important to highlight the total number of participants or beneficiaries of the initiatives, that reached 5.2 million in all EDP Geographies. This number reflects a generic measurement since it doesn't distinguish single participants or beneficiaries that may have benefit from more than one initiative or different depth of benefits. LBG refers to impact measurement, the differentiation of the depth of the effects on the beneficiaries.

The 2185 beneficiaries' institutions or EDP partners, from which 1957 are unique entities, were one of the most significant results of the investment made by EDP on the community. This coverage reveals a high degree of relationship with society which contributes to EDP Positioning, reputation and to an image as a social responsible company that is actively involved with communities. Significantly, 75% of beneficiaries institutions were supported in projects related to education and social wellbeing.

Comparing the per capita investment according to the nature of supported projects, it appears that the response to emergency situations deserved the major contributions, 557 euros per capita, and health and educational projects we other projects also more valued, with 53 and 57 euros of investment respectively. Art, Culture and Sport Activities catch 3 euros each.

COMMUNITY OUTPUTS	Direct beneficiaries #	Beneficiary organisations # <sup>1</sup>
Education	160,493	731
Health	34,023	50
Economic development	287,523	44
Environment	441,454	233
Art and culture	2,233,966	194
Social welfare	373,371	742
Emergency response	329	4
Others	1,665,969	187
<b>Total</b>	<b>5,197,128</b>	<b>1,957</b>

<sup>1</sup> Total number = 2,185 but 228 organisations shared more than one nature

INVESTMENT	€/capita
Education	27
Health	53
Economic development	6
Environment	5
Art and culture	3
Social welfare	10
Emergency response	557
Others	3

The beneficiaries of EDP contributions are distributed in all age groups and belong to no differentiated audiences. This result is influenced by donations with impact on urban communities, as are investments in equipment's to

populations or marathons supports. However, looking to programs that aim a specific group – like school field visits to EDP Museum, “Aprender a Empreender” Voluntary Program, tree planting campaigns, “Escolas Solidárias program” – it is possible to estimate that the main target group of contributions is Students / Young people, followed by people with health issues or with some degree of social support needs.

The following table shows the allocation of 1.4 million euros to 37,480 studied people, by beneficiary groups. Support to Refugees and minorities represents the higher individual financial effort.

BENEFICIARY GROUP	€	#	€/capita
Unemployed	61,989.2	2,134	29
Children and youth at risk	379,792.2	5,828	65
Refugees	135,150.0	329	411
Ethnic minorities	11,151.5	58	192
Elderly	269,397.1	12,327	22
Patients (rare and chronic diseases / other)	230,579.1	13,117	18
People with special needs (physical disabilities)	59,754.2	1,242	48
People with special needs (mental disabilities)	223,791.0	2,445	92
<b>Total</b>	<b>1,371,604.24</b>	<b>37,480</b>	<b>37</b>

Regarding the results to EDP Group, it is shown on the next table, that covers a diverse number of projects and activities where it was found a clear identification between the business and voluntary contributions to society. On one hand, the expressive number of employees that took part on the 378 voluntary actions, representing 19,9% of the total number of employees. On the other, taking into consideration all 81 initiatives that had both commercial and philanthropically purpose, it is recorded that 280 thousand clients were involved in the activities. It is also worth mentioning the growing number of stakeholders involved, in particularly suppliers and local authorities, in a total of 119 actions.

The media recovery, measured by AVE – Advertising Value Equivalency – it is other result to enhance because it represents an effective measurement of a potential return to EDP.

RESULTS FOR THE GROUP <sup>1</sup>				
Employees participants during working hours	#	2,404	# activities	378
Customers/consumers aware of the activity <sup>2</sup>	#	279,711	# activities	81
Suppliers/distributors aware of the activity	#	90	# activities	36
Other influential stakeholders aware of the activity	#	133	# activities	83
Value of any media coverage generated	€	9,703,294	# projects	27

<sup>1</sup> Projects/activities often have different type of outputs

<sup>2</sup> Scope restricted to commercial initiatives

Still, from results point of view and following LBG methodology, it is important to highlight the direct leverage of third parties contribution that was induced by EDP volunteering activities. Immediately, employees that by direct donations from their salary or other added 23 thousand euros and 5800 in volunteering hours. Client mobilization to social responsibility projects promoted by EDP is an area that can be developed in the future.

EDP Spain promoted with big success a campaign that aimed the Exchange of the printed invoice for a tree planting, showing the possibilities that strengthen relations with clients may create.

<b>LEVERAGE</b>		
<b>Any additional cash amounts contributed by</b>	<b>€</b>	<b>392 427,23</b>
Employees - payroll giving	€	11,876.41
Employees - other contributions	€	11,622.00
Customers	€	-
Other external partners	€	336,317.82
Other sources	€	32,611.00
<b>Time volunteered in own time</b>		
Number of employees involved in the activity in their own time	#	1,508
Hours contributed by employees in own time	h	5,823

## OUTCOMES OVERVIEW

Due to the involved costs, the impact assessment, which is the most demanding and enlightening part of LBG, is not calculated by EDP for all of the supported projects. The EDP Group takes account of the relationship between the cost of carrying out the social impact assessment and the added value that it can bring. There is a conscious choice, depending on the project's strategy for the company, the value of the investment, the project growth phase (if, for example, it is a pilot project prior to the EDP Group advancing to a more robust intervention, it may review the pilot to determine whether or not it has an impact on society and if it should be replicated), as well the project's return for the business.

Complementarily, not always the investment needed to calculate project effects in accordance to LBG methodology generates the necessary amount of information to support decision making. The subject of impact assessment is actually under a living controversy and international debate being well known that it is necessary to use other methodologies to appreciate projects impacts when aiming specific goals not considered by LBG.

For this reason, during 2014, the EDP Group carried out various impact assessments, mostly based on SROI, including the following:

- Summer Camps pilot project (Campos de Férias)
- Dentist for Good (Dentista do Bem) programme in Portugal
- Evaluation of 10 years of the EDP Solidarity (EDP Solidária) Programme
- It Starts with Us (Parte de Nós), Christmas 2014 - Corporate Volunteering Programme
- Impact assessment of entrepreneurship programmes implemented in regions where EDP has hydroelectric plants.

The objectives of impact assessments of entrepreneurship programmes in regions where EDP has hydroelectric plants, included the following:

- Ensure the involvement of stakeholders and encourage their support for EDP's projects;
- Comply with specific obligations and report results;
- Understand the degree of success of the programmes, their weaknesses and key strengths;
- Support the definition of the operational and redesign strategies of the programme for the coming years.

In 2015, using LBG impact assessments, EDP developed tree major outcomes analysis, two of them related with volunteering programs and the other covering the programs in Spain.

Parte de Nós Ambiente program, show on the next table was evaluated with LBG methodology in its 3 dimensions: contributions, results and effects and impacts. In 2015 the program cost 27,319 euros or 21 euros per capita, having mobilized 1,312 employees who helped in beach and forest cleaning activities, pulling out 77 tons of invading species.

This program has particularly interest due to its relevance for biodiversity topic, providing the evaluation of its awareness effect and the elaboration of an analysis on the effectiveness of species removing work that resulted on 60 kg per volunteer on an average rhythm of 9 kg per hour, having attention that the work implied the removal of living species. Naturally the impact on biodiversity was evaluated as being short-term due to the species regenerative capacity but most significantly, both partners and volunteers recognized an high increase on their awareness rate by 90% of participants. Beyond that, also 90% of the participants recognize having change their attitude towards biodiversity issues.

**ENVIRONMENTAL IMPACT - Project:****Parte de Nós**

Number of actions	12
EDP Volunteers	102
Other volunteers	1,170
Partners Organisations	27
Working hours	8,831

**Did the project deliver any environmental benefits?**

Kg of removed invasive species	77,040
Impact level	short term

**Did the activity change people's environmental behaviour?**

<b>Volunteers</b>	<b># Respondents</b>	<b>Yes</b>	<b>No</b>	<b>n.d</b>
Impact on biodiversity conscientiousness	144	90%	7%	3%
Change on people's environmental behaviour	144	90%	1%	9%
<b>Organisations</b>	<b># Respondents</b>	<b>Yes</b>	<b>No</b>	<b>n.d</b>
Impact on biodiversity conscientiousness	11	91%	0%	9%

The three most Voluntary programs of 2015 were also target of a wide evaluation. Altogether, 548 of the 2404 voluntaries responded to EDP surveys regarding the evaluation of the voluntary actions where they took part. Among all, 13% considered that their competencies with impact on their work had been developed, 82% recognize that their self-esteem and their satisfaction with EDP had increase and 71% revealed that, depending on the projects where they were involved originated a change on their attitude and behaviors.

These are also the effects that represent an added value for the company and a measure of the importance of volunteer to Human Resources Management.

**BUSINESS IMPACTS - Volunteering**

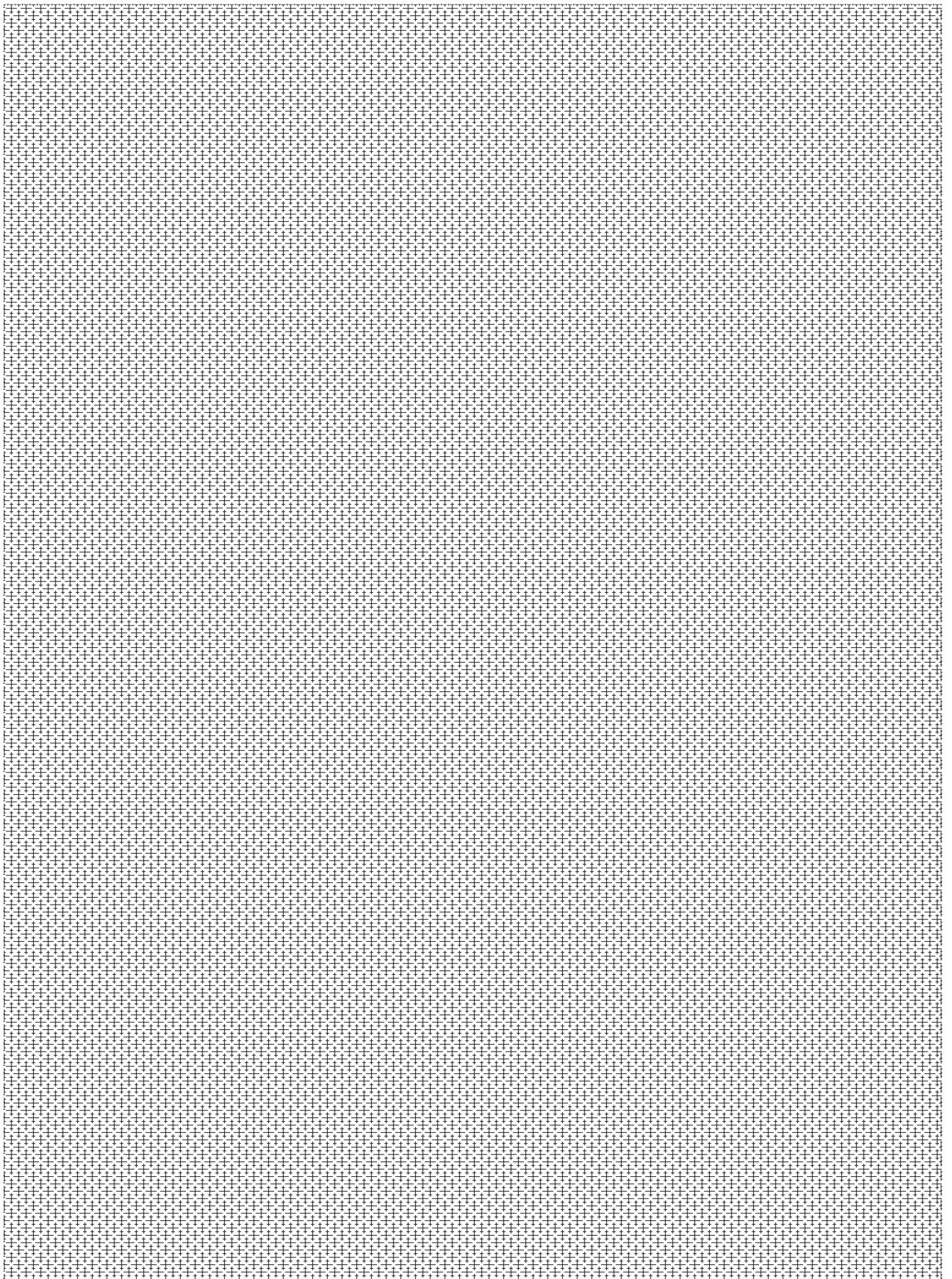
Total numbers of employees involved in the activity (in company time and own time)	2,404
For how many of the employees involved have you measured impact?	548
Improved their job-related skills through volunteering	13%
Increased their personal impact (e.g. self-confidence, job satisfaction)	82%
Made a positive change in behaviour / attitude	71%

Finally, EDP Spain evaluated several programs of its volunteer investment on communities that involve 267 partners or beneficiaries institutions, 132 thousand direct beneficiaries on a total amount of 1.6 million euros. In general, it is possible to recognize that contributions served fundamentally to increase the organizations capacity to develop their projects and contributed to EDP Brand enhancement.

**IMPACTS ON BENEFICIARY ORGANISATIONS**

Number of beneficiary organisations where results were measured	#	267
Number of direct beneficiaries	#	131,975
EDP's contributions (money + time)	€	1,637,512

<b>COMMUNITY IMPACTS What benefit(s) has the beneficiary organisation(s) been able to report?</b>	No difference	A little	Some difference	A lot
Were able to improve existing or provide new services / products		222	45	
Improved their management systems (e.g. IT, HR, finance)	222		44	1
Increased their profile	222		44	1
<b>BUSINESS IMPACTS. Wider business impacts. To what degree has the activity</b>	No difference	A little	Some difference	A lot
Improved stakeholder relations/perceptions		267		
Generated an uplift in brand awareness	228		38	1
Any other outputs and/or impacts achieved	228		39	







# ENERGY WITH INTELLIGENCE

SOCIAL  
REPORT  
2015

## **07. appendix**

**111 7.1. GRI TABLE**

**116 7.2. CONTACTS**



# ENERGY WITH INTELLIGENCE

SOCIAL  
REPORT  
2015



Energy moving the world

# ENERGY WITH INTELLIGENCE

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REPORT  
2015

## 07. APPENDIX

## 7.1. GRI TABLE

The following table lists the GRI-G4 indicators in accordance with the option "Comprehensive", and those specific to the Electric Sector. At the same time, the table identifies the information reported in accordance with the 10 principles of the Global Compact.

As part of the process of external verification of sustainability information carried out by KPMG on the information contained in the 2015 EDP Annual Report, some of the indicators are presented in the following table: Economic (G4-EC1, G4-EC5, G4-EC9, G4-EU15), Labour Practices (G4 10, G4-LA1, G4-LA6, G4-LA9, G4-LA12), Fines and penalties (G4-S07, G4-S08), rate of absenteeism were the subject of a "reasonable" audit. The remaining sustainability information in the 2015 EDP Annual Report and Accounts (also shown in the table below) was verified by KPMG in a "limited" way. For further details, please visit [www.edp.pt](http://www.edp.pt).

## GRI TABLE - COMPREHENSIVE OPTION

GENERAL STANDARD DISCLOSURES	PAGE NUMBERS	REPORT	OMISSIONS/ADDITIONAL INFORMATION	GLOBAL COMPACT
<b>STRATEGY AND ANALYSIS</b>				
G4-1	Message from the CEO	11		
G4-2	Overview of risks and opportunities and strategic impacts	33, 51		
<b>ORGANIZATIONAL PROFILE</b>				
G4-3	Name of the organization	23		
G4-4	Products	23		
G4-5	Location	23		
G4-6	# countries	23		
G4-7	Legal form	23		
G4-8	Geographical distribution	23		
G4-9	Main indicators	23		
G4-10*	# employees, geography and diversity	52		The number of individual <i>contractors</i> is not material <sup>1</sup>
G4-11*	% employees represented by syndicates	52		The number of individual <i>contractors</i> is not material <sup>1</sup>
G4-12	Description of company's supply chain	25		
G4-13	Significant changes in the reporting period	<a href="http://www.edp.pt">www.edp.pt</a>		<a href="http://www.edp.pt/en/Investidores/publicacoes/relatoriocontas/Pages/RelatorioContas.aspx">www.edp.pt/en/Investidores/publicacoes/relatoriocontas/Pages/RelatorioContas.aspx</a>
G4-14	Precautionary approach	Code of Ethics		<a href="http://www.edp.pt/en/aedp/governosocietario/etica/codigodeetica/Pages/CodeofEthics.aspx">www.edp.pt/en/aedp/governosocietario/etica/codigodeetica/Pages/CodeofEthics.aspx</a>
G4-15	Affiliations	<a href="http://www.edp.pt">www.edp.pt</a>		<a href="http://www.edp.pt/en/sustentabilidade/abordagemasustentabilidade/principios/Pages/PDS.aspx">www.edp.pt/en/sustentabilidade/abordagemasustentabilidade/principios/Pages/PDS.aspx</a>
G4-16	Affiliations to industry associations	<a href="http://www.edp.pt">www.edp.pt</a>		<a href="http://www.edp.pt/en/sustentabilidade/abordagemasustentabilidade/participacoes/Pages/Participa%C3%A7%C3%B5es.aspx">www.edp.pt/en/sustentabilidade/abordagemasustentabilidade/participacoes/Pages/Participa%C3%A7%C3%B5es.aspx</a>
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>				
G4-17	Consolidation boundaries	Financial statements note 5		
<b>REPORT PROFILE</b>				
G4-28	Reporting period	3		
G4-29	Most recent previous report	3		

GENERAL STANDARD DISCLOSURES		PAGE NUMBERS	REPORT	OMISSIONS/ADDITIONAL INFORMATION	GLOBAL COMPACT
G4-30	Reporting cycle	3			
G4-31		Last Page - contacts			
<b>GOVERNANCE</b>					
G4-34	Governance structure	23-27			
G4-35	Delegation principles	www.edp.pt			
G4-36	Responsibilities for economic, environmental and social matters	26-27			
G4-37	Stakeholder consultation process	www.edp.pt		<a href="http://www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx">www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx</a>	
G4-38	Governing structure and committees	www.edp.pt		<a href="http://www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx">www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx</a>	
G4-39	Governance model	www.edp.pt		<a href="http://www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx">www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx</a>	
G4-40	Board nomination and selection	www.edp.pt			
G4-41	Conflicts on interest	www.edp.pt		<a href="http://www.edp.pt/en/aedp/governosocietario/Independenciaeincompatibilidade/Pages/DeclaracaoC3%A7%C3%A3odeIndepend%C3%AanciaIncompatibilidades.aspx">www.edp.pt/en/aedp/governosocietario/Independenciaeincompatibilidade/Pages/DeclaracaoC3%A7%C3%A3odeIndepend%C3%AanciaIncompatibilidades.aspx</a>	
G4-42	Role of governing bodies in the definition of mission, values and policies	www.edp.pt		<a href="http://www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx">www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx</a>	
G4-43	Board skills development	52			
G4-44	Board assessment process	60-64			
G4-45	Responsibilities for risk the assessment and due diligence	www.edp.pt		<a href="http://www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx">www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx</a>	
G4-46	Responsibilities for the assessment of the risk management process	www.edp.pt		<a href="http://www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx">www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx</a>	
G4-47	Frequency of revision of risks and opportunities	www.edp.pt		<a href="http://www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx">www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx</a>	
G4-48	Responsibilities for the approval of sustainability report	www.edp.pt		<a href="http://www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx">www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx</a>	
G4-49	Means to communicate with the Board	www.edp.pt		<a href="http://www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx">www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx</a>	
G4-50	Ethics	39			
G4-51	Board remuneration policy	www.edp.pt		<a href="http://www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx">www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx</a>	
G4-52	Remuneratin definition process	www.edp.pt		<a href="http://www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx">www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx</a>	
G4-53	Involvement with Stakeholders	www.edp.pt		<a href="http://www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx">www.edp.pt/en/Investidores/publicacoes/relatorioecontas/Pages/RelatorioeContas.aspx</a>	
G4-54	Ratio between the highest remuneration and the average	60-64		The inndicator EDP presents in calculated using average compensation values and not median compensation values	
G4-55	Ratio between the gorwth rate of the highest remuneration and the median	60-64		The inndicator EDP presents in calculated using average compensation values and not median compensation values	
<b>ETHICS AND INTEGRITY</b>					
G4-56	Codes of conduct	Code of Ethics		<a href="http://www.edp.pt/pt/aedp/governosocietario/etica/codigodeetica/Pages/CodeofEthics.aspx">www.edp.pt/pt/aedp/governosocietario/etica/codigodeetica/Pages/CodeofEthics.aspx</a>	
G4-57	Couseling in ethics	39-45; Sustainability Management Approach Report		<a href="http://www.edp.pt/pt/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx">www.edp.pt/pt/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx</a>	
G4-58	Report of breaches	39; Sustainability Management Approach Report		<a href="http://www.edp.pt/pt/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx">www.edp.pt/pt/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx</a>	
<b>ECONOMIC PERFORMANCE</b>					
G4-DMA	Materiality	Sustainability Management Approach Report		<a href="http://www.edp.pt/pt/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx">www.edp.pt/pt/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx</a>	
G4-EC1	Economic value generated and distributed	28			
G4-EC3	Employee benefits	60-64			
<b>MARKET PRESENCE</b>					
G4-DMA	Materiality	Sustainability Management Approach Report		<a href="http://www.edp.pt/pt/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx">www.edp.pt/pt/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx</a>	
G4-EC5	Remuneration policy	60-64			



GENERAL STANDARD DISCLOSURES		PAGE NUMBERS	REPORT	OMISSIONS/ADDITIONAL INFORMATION	GLOBAL COMPACT
G4-EC6	% senior management contracted locally	52, 85			
<b>INDIRECT ECONOMIC IMPACTS</b>					
G4-DMA	Materiality	Sustainability Management Approach Report		www.edp.pt/pt/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a.spx	
G4-EC7	Impacts on Community	93-105			
G4-EC8	Suppliers	93-105			
<b>PROCUREMENT PRACTICES</b>					
G4-DMA	Materiality	Sustainability Management Approach Report		www.edp.pt/pt/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a.spx	
G4-EC9	Weight of local suppliers				
<b>LABOR PRACTICES AND DECENT WORK</b>					
<b>EMPL OYME NT</b>					<b>6</b>
G4-DMA*	Materiality	Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a.spx	
G4-LA1*	Employees, admissions and turnover	51-87			
EU15*	Protection of employees close to retirement	51, 77			
EU17*	# days worked by employees from service providers			The number of individual EDP contractors is not material <sup>1</sup>	
EU18*	% suppliers' employees that received H6S training			The number of individual EDP contractors is not material <sup>1</sup>	
G4-LA2	Benefits for full-time employees	51-87; Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a.spx	
G4-LA3	Parentality	51-87			
<b>LABOR/MANAGEMENT RELATIONS</b>					
G4-DMA	Materiality	Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a.spx	
G4-LA4	Communication of organizational changes	51-87; Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a.spx	
<b>OCCUPATIONAL HEALTH AND SAFETY</b>					
G4-DMA	Materiality	Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a.spx	
G4-LA5	# employees represented in H&S committees	51-87		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a.spx	
G4-LA6*	Accidents, occupational diseases, absenteeism and fatalities	51-87			
G4-LA7	# employees in positions with high occupational health risk	51-87; Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a.spx	
G4-LA8	Inclusion of H&S matters in collective agreements	Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a.spx	
<b>TRAINING AND EDUCATION</b>					
G4-DMA	Materiality	Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a.spx	
G4-LA9	Training	51-87			
G4-LA10	Skills management, continuous training and retirement preparation	51-87			
G4-LA11	Performance assessment	60			
<b>DIVERSITY AND EQUAL OPPORTUNITIES</b>					
G4-DMA	MATERIALITY	Sustainability Management Approach Report		www.edp.pt/pt/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a.spx	



GENERAL STANDARD DISCLOSURES		PAGE NUMBERS	REPORT	OMISSIONS/ADDITIONAL INFORMATION	GLOBAL COMPACT
G4-LA12	Diversity in the management bodies and employees	73-75			
<b>EQUAL REMUNERATION FOR WOMEN AND MEN</b>					
G4-DMA	Materiality	Sustainability Management Approach Report			
G4-LA13	Wage ratio women/man	51-87			
<b>SUPPLIER ASSESSMENT FOR LABOR PRACTICES</b>					
G4-DMA	Materiality	Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx	
G4-LA14	Supplier assessment on labour issues	42-43			
G4-LA15		42-43			
<b>LABOR PRACTICES GRIEVANCE MECHANISMS</b>					
G4-DMA	Materiality	Sustainability Management Approach Report; Código de Ética		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx	
G4-LA16	Supply chain risks	39			
<b>HUMAN RIGHTS</b>					<b>1</b>
<b>INVESTMENT</b>					
G4-DMA	Materiality	Sustainability Management Approach Report; Código de Ética		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx	1
G4-HR1	# contracts with Human Rights clauses	41-42			
G4-HR2	Human Rights training	41-42		Included in ethics training.	
<b>NON-DISCRIMINATION</b>					<b>1; 6</b>
G4-DMA	Materiality	Sustainability Management Approach Report; Código de Ética		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx	
G4-HR3	# breaches of non-discrimination principles	41-42			
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>					<b>1; 3</b>
G4-DMA*	Materiality	Sustainability Management Approach Report; Código de Ética		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx	
G4-HR4	# of suppliers and operations with risks of labour rights violations	41-42			
<b>CHILD LABOR</b>					<b>5</b>
G4-DMA	Materiality	Sustainability Management Approach Report; Código de Ética		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx	
G4-HR5	# of suppliers and operations with risks of child labour principles violations	41-42			
<b>FORCED OR COMPULSORY LABOR</b>					<b>4</b>
G4-DMA	Materiality	Sustainability Management Approach Report; Código de Ética		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx	
G4-HR6	# of suppliers and operations with risks of forced labour principles violations	41-42			
<b>SECURITY PRACTICES</b>					<b>2</b>
G4-DMA	Materiality			Not material	
G4-HR7	Security personnel training on Human Rights	41-42		Not material	
<b>INDIGENOUS RIGHTS</b>					<b>1; 2</b>
G4-DMA	Materiality	Sustainability Management Approach Report; Código de Ética		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx	
G4-HR8	# violations to indigenous populations' rights	41-42			
<b>ASSESSMENT</b>					
G4-DMA	Materiality	Sustainability Management Approach Report; Código de Ética		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx	

GENERAL STANDARD DISCLOSURES		PAGE NUMBERS	REPORT	OMISSIONS/ADDITIONAL INFORMATION	GLOBAL COMPACT
G4-HR9	# Human Rights due diligences	41-42			
<b>SUPPLIER HUMAN RIGHTS ASSESSMENT</b>					
G4-DMA	Materiality	Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a spx	
G4-HR10	Suppliers' assessment on Human Rights issues	41-42			
G4-HR11	Supply Chain risks related to Human Rights	41-42			
<b>HUMAN RESOURCES COMPLAINTS</b>					
G4-DMA	Materiality	Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a spx	
G4-HR12	# complaints on Human Rights violations	41-42			
<b>SOCIETY</b>					<b>1</b>
<b>LOCAL COMMUNITIES</b>					
G4-DMA*	Materiality	Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a spx	
G4-SO1	Collaboration with local communities	93-105			
G4-SO2	Risks related with local communities	93-105			
EU22*	Dispalced populations	93-105			
<b>ANTI-CORRUPTION</b>					
G4-DMA	Materiality	Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a spx	
G4-SO3	Due diligence related to corruption issues	44			
G4-SO4	Communication and training on anti-corruption procedures			Included in ethics training.	
G4-SO5	Violations of anti-corruption principles	39-44			
<b>PUBLIC POLICY</b>					
G4-DMA	Materiality	Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a spx	
G4-SO6	Contributions to political parties	40			
<b>ANTI-COMPETITIVE BEHAVIOR</b>					<b>6</b>
G4-DMA	Materiality	Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a spx	
G4-SO7	Legal actions related to anti-competition issues	39-44		Not material	
<b>COMPLIANCE</b>					
G4-DMA	Materiality	Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a spx	
G4-SO8	Fines and penalties	Annual Report 2015 – www.edp.pt			
<b>SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY</b>					
G4-DMA	Materiality	Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a spx	
G4-SO9	Supplier assessment relating to impacts on the community	40-44			
G4-SO10	Supply chain risks	40-44			
<b>GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY</b>					
G4-DMA	Materiality	Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a spx	
G4-SO11	Incidents related to impacts on the community	39-44			
<b>CUSTOMER HEALTH AND SAFETY</b>					
G4-DMA*	Materiality	Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.a spx	

GENERAL STANDARD DISCLOSURES		PAGE NUMBERS	REPORT	OMISSIONS/ADDITIONAL INFORMATION	GLOBAL COMPACT
G4-PR1	Assessment of products and services in relation to impacts health and safety	Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx	
G4-PR2	# incidents related with the impact of products and services on health and safety			Not material	
EU25*	Accidents and fatalities of citizens related with the company's assets	68			
PROVISION OF INFORMATION					
DMA*	Materiality	Sustainability Management Approach Report		www.edp.pt/en/sustentabilidade/PublicacoesRelatorios/Pages/default_new.aspx	

<sup>1</sup> There was a clarification of the concept "contractor", until 2015 understood as "supplier". EDP reports the hours of training in health and safety related with service providers.

||||||| Fully reported  
 ||||| Partially reported  
 ||||| Not reported

\* Specific indicator for this sector

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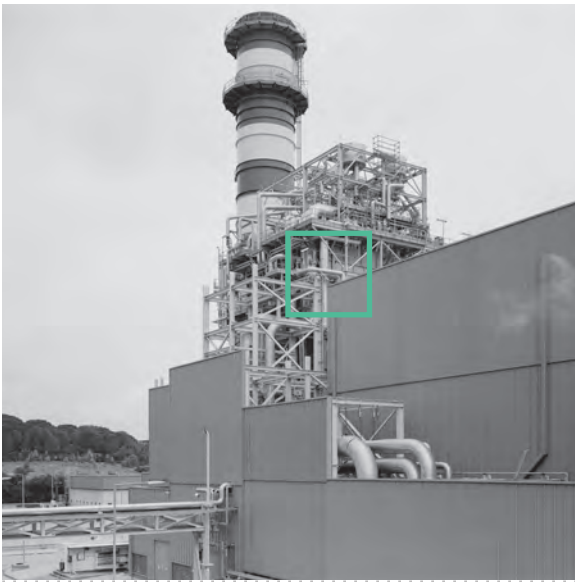


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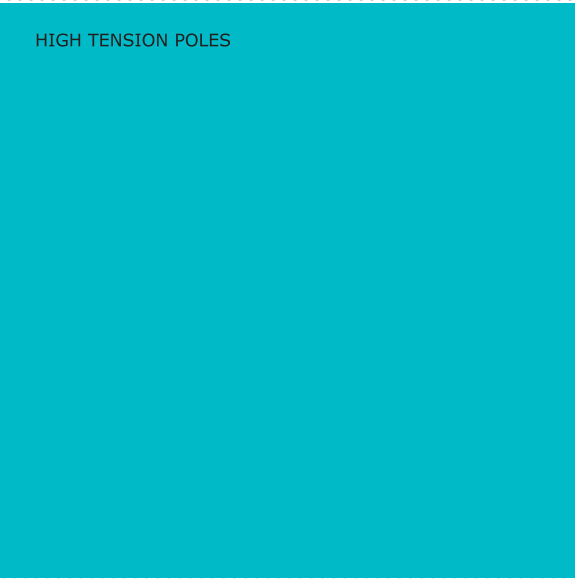
**Energy with inherent intelligence.**

**Energy that goes beyond.**

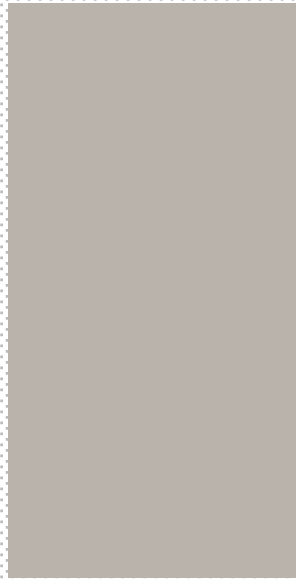




THERMOELECTRIC POWER PLANT,  
LARES, FIGUEIRA DA FOZ

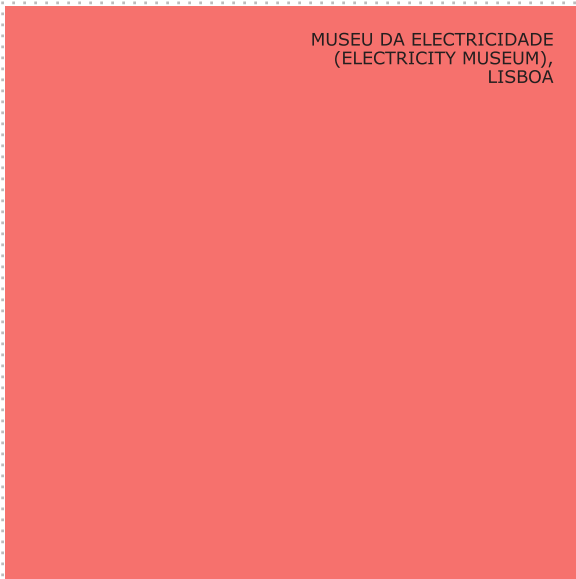


HIGH TENSION POLES

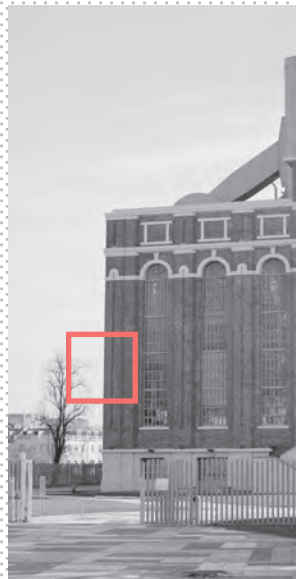


# ENERGY WITH INTELLIGENCE

**SOCIAL  
REPORT  
2015**

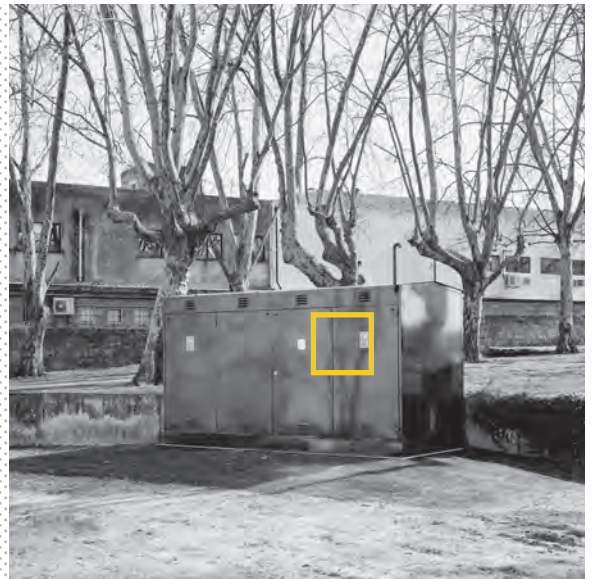
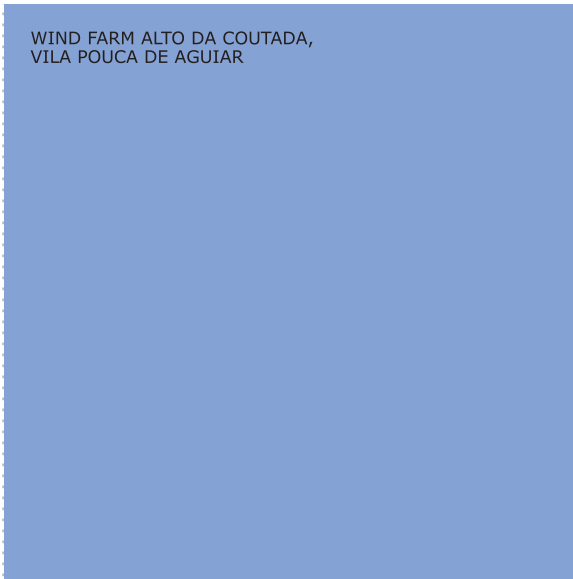


MUSEU DA ELECTRICIDADE  
(ELECTRICITY MUSEUM),  
LISBOA

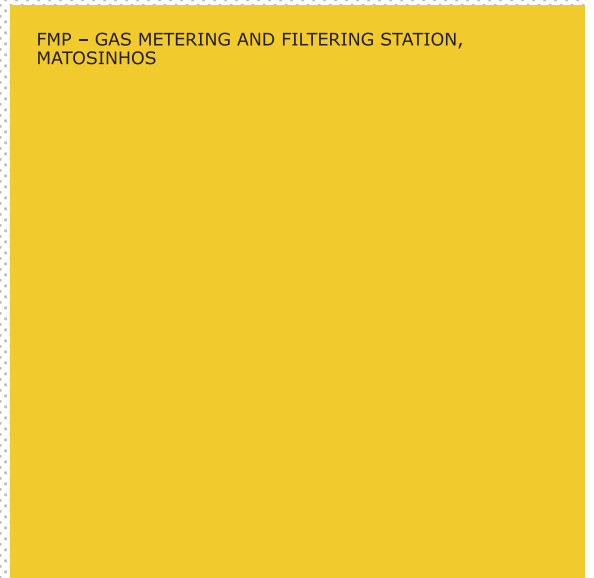




WIND FARM ALTO DA COUTADA,  
VILA POUCA DE AGUIAR



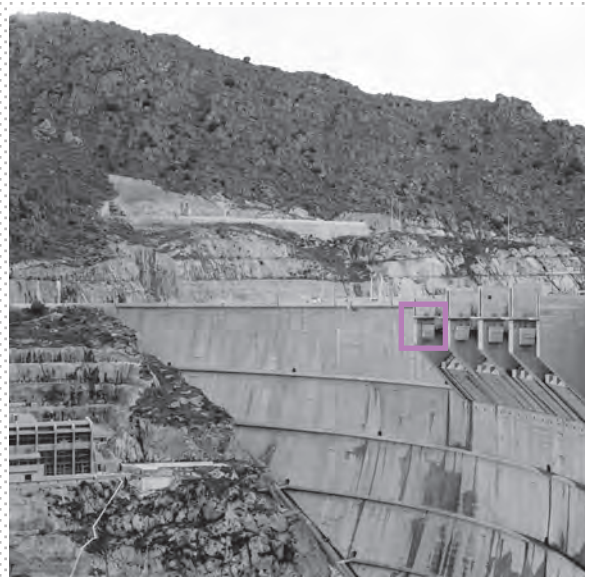
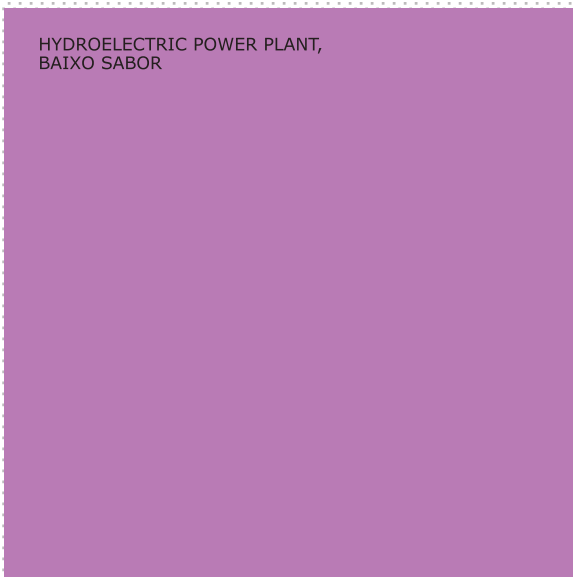
SOLAR FARM,  
ESTARREJA



FMP – GAS METERING AND FILTERING STATION,  
MATOSINHOS



HYDROELECTRIC POWER PLANT,  
BAIXO SABOR



# ENERGY WITH INTELLIGENCE

SOCIAL  
REPORT  
2015

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