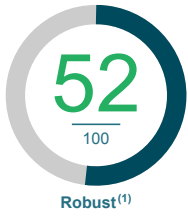


Company and Sector Performance

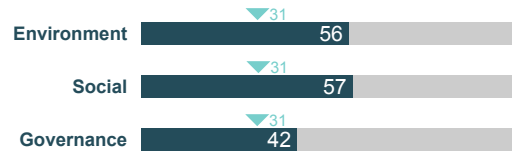
ESG OVERALL SCORE



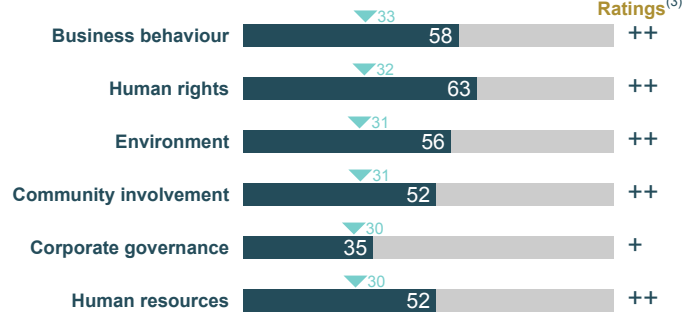
Information rate	91%
sector average	62%
Cooperation level ⁽²⁾	Responsive
High severity controversies	No
Rank in Sector	1/60
Rank in Region	8/890
Rank in Universe	199/4453



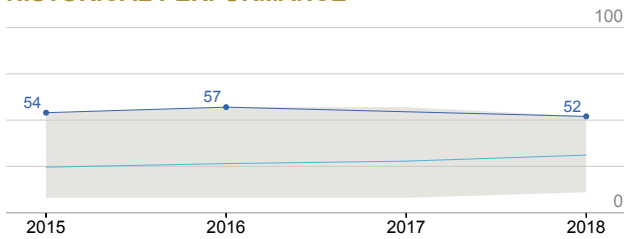
ESG PERFORMANCE (/100)



6 DOMAINS PERFORMANCE (/100)



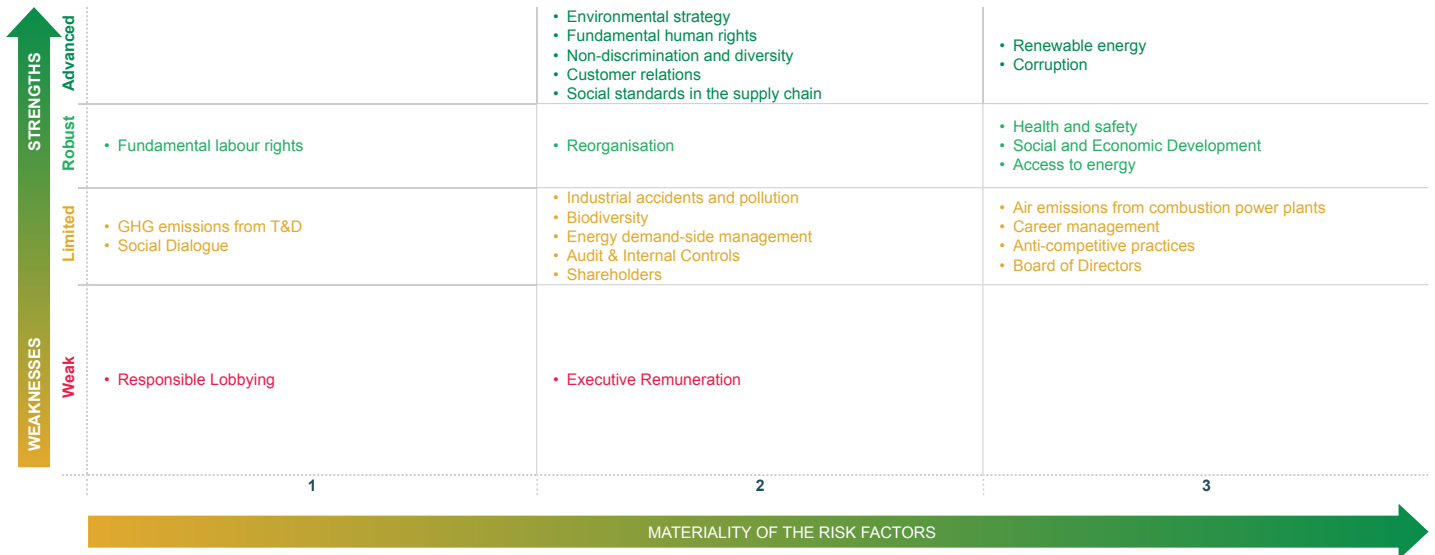
HISTORICAL PERFORMANCE



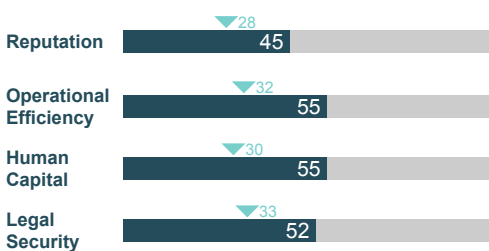
Company inclusion in Vigeo Eiris indices⁽⁴⁾: No

Management of risks and opportunities

MATERIALITY & PERFORMANCE MATRIX



RISK MITIGATION INDEX (/100)



ANALYST FOCUS

TOPIC	COMMENT	TREND
Health and Safety	The Company's management of health and safety issues is robust thanks to significant improvements in the majority of its health and safety key performance indicators.	↗
Responsible customer relations	Although significant measures and targets are in place to ensure responsible customer relations, customer satisfaction rates and service continuity have deteriorated for one of the Company's subsidiaries over the 2014-2016 period. Besides, the number of the Company's customers benefiting from social tariffs decreased by 36% during the same period.	→
Climate change	The share of renewable energy is high at 74% of the total installed capacity. Although the Company achieved sizeable reductions in NOx and SO2 emissions, its global and thermal carbon factors stand above the sector average. The Company does not appear to have implemented comprehensive measures to minimise its GHG emissions.	↗
Anti-competitive practices	Little evidence has been disclosed of measures on controls or training dedicated to prevent to anti-competitive practices. Moreover, the data on antitrust incidents reported internally is undisclosed.	↘

Carbon Footprint and Energy Transition*

"The Carbon Footprint & Energy Transition research provides an assessment of a company's carbon footprint combined with the strategy to manage risks and opportunities related to the transition to a low carbon economy. NI (No Info) is used to indicate that the information is not available."

CARBON FOOTPRINT



SCALE	EMISSIONS (T CO2 EQ)	CATEGORIES
A	<100 000	Moderate
B	>= 100 000 and <1 000 000	Significant
C	>= 1 000 000 and <10 000 000	High
D	>= 10 000 000	Intense

ENERGY TRANSITION SCORE



ENERGY TRANSITION SCORE	CATEGORIES
60-100	Advanced
50-59	Robust
30-49	Limited
0-29	Weak

Goods and services contributing to sustainable development*

"Sustainable Goods & Services research provides a positive screening on companies to identify business activities devoted to sustainable solutions."



INVOLVEMENT	CATEGORIES
>=50%	Major
20-49%	Significant
0-19%	Minor
0%	None

Involvement in controversial activities*

"The Controversial Activities research provides screening on companies to identify involvement in business activities that are subject to philosophical or moral beliefs."

Involvement in controversial activities: Not available in this version

Screened Areas:

- Alcohol
- Animal welfare
- Chemicals of concern
- Civilian firearms
- Fossil fuels
- Gambling
- Genetic engineering
- High interest rate lending
- Military
- Nuclear power
- Pornography
- Reproductive medicine
- Tobacco

For more information please contact us at customer.service@vigeo-eiris.com

(1) Performance level: weak (0-29/100), limited (30-49/100), robust (50-59/100), advanced (60-100/100)
 (2) Cooperation level on a 4-level scale: proactive, responsive, partially responsive, not responsive
 (3) Ratings outline companies' benchmarked domain performance within a sector, on a 5-level scale: "-", "=", "+", "++", "+++" (4) Indices: based on the most recent indices at the date of publication. More details on vigeo-eiris.com.

Company performance in all the Sustainability Drivers

		Weight	Overall score 52/100		Trend	Score	Leadership	Implementation	Results
			Environment		→	56	57	62	37
E	ENV1.3	3	Renewable energy		↗	84	65	86	100
E	ENV2.4	3	Air emissions from combustion power plants		↗	40	65	26	30
E	ENV1.1	2	Environmental strategy		↗	84	93	75	N/A
E	ENV1.2	2	Industrial accidents and pollution		↘	44	30	65	37
E	ENV1.4	2	Biodiversity		↘	47	30	76	35
E	ENV3.1	2	Energy demand-side management		↗	35	65	41	0
E	ENV2.2	1	GHG emissions from T&D		↘	41	30	79	15
			Human Resources		→	52	49	59	47
S	HRS2.4	3	Career management		↘	46	62	58	18
S	HRS3.2	3	Health and safety		→	57	65	65	40
S	HRS2.3	2	Reorganisation		↗	59	12	83	81
S	HRS1.1	1	Social Dialogue		↗	42	37	0	88
			Human Rights		→	63	68	66	55
S	HRT1.1	2	Fundamental human rights		→	60	65	51	65
S	HRT2.4	2	Non-discrimination and diversity		→	67	79	83	39
S	HRT2.1	1	Fundamental labour rights		↗	59	51	62	65
			Community Involvement		↘	52	53	65	37
S	CIN1.1	3	Social and Economic Development		↘	51	51	65	38
S	CIN2.1	3	Access to energy		→	52	55	65	35
			Business Behaviour (C&S)		↘	58	63	60	50
G	C&S3.1	3	Corruption		↘	66	65	55	77
G	C&S3.2	3	Anti-competitive practices		↘	45	51	41	43
S	C&S1.3	2	Customer relations		→	75	90	100	36
S	C&S2.4	2	Social standards in the supply chain		→	62	65	77	43
G	C&S3.3	1	Responsible Lobbying			28	30	20	35
			Corporate Governance		↘	35	42	21	42
G	CGV1.1	3	Board of Directors		↘	34	39	14	50
G	CGV2.1	2	Audit & Internal Controls		↘	46	43	30	65
G	CGV3.1	2	Shareholders		↘	45	67	39	28
G	CGV4.1	2	Executive Remuneration		↘	16	20	6	22

■ Weak (0-29/100)
 ■ Limited (30-49/100)
 ■ Robust (50-59/100)
 ■ Advanced (60-100/100)



Involvement in allegations



Involvement in allegations with evidence of corrective measures

Benchmark Position versus sector peers

Position versus sector peers		Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance	Overall Score
BRENBRACNOR2	EDP-Energias do Brasil	++	++	++	++	++	+	52
CL0002266774	Enel Chile	++	+	++	+	++	+	49
BRTBLEACNOR2	Engie Brasil Energia	++	+	++	+	++	=	49
BRCMIGACNOR6	Cia Energetica de Minas Gerais	++	++	+	++	+	=	47
CLP371861061	Enel Americas	+	++	++	+	++	+	47
CLP3710M1090	Enel Generacion Chile	++	++	+	+	+	=	45
MA0000011439	Lydec	+	++	+	+	+	=	44
BRELPLDBS0S2	AES Brasil	++	=	+	++	=	-	42
PEP700511004	Enel Generacion Peru	+	++	+	+	+	-	42
BRGNANACNOR8	Neoenergia	=	+	+	=	++	+	42
PEP701011004	Enel Distribucion Peru	+	+	+	+	+	=	39
TH0834010R10	Glow Energy	=	+	+	++	+	=	39
PHY2292T1026	Energy Development Corporation	++	=	=	+	=	=	38
COE15PA00026	Interconexion Electrica SA ESP	+	+	+	=	+	=	36
RU000A0JPKH7	RusHydro	+	+	=	=	=	+	36
CL0001880955	AES Gener	+	+	+	=	+	=	35
BRTIETCDAM15	AES Tiete	+	+	=	=	=	=	34
CLP3615W1037	Colbun	=	+	=	=	=	+	34
KR7015760002	Kepco	=	+	+	=	=	=	34
BRTRPLACNOR4	CTEEP	=	=	+	=	=	=	33
VIGEIRIS0387	Enel Brasil	=	=	+	+	+	-	33
PLENERG00022	Energia	+	+	=	=	=	=	33
KR7036460004	Korea Gas	=	+	+	+	=	-	33
INE245A01021	Tata Power	=	=	+	=	+	+	33
RU000A0JPNM1	INTER RAO EES	=	=	=	+	=	++	32
BRCPLEACNOR8	Companhia Paranaense de Energia-COPEL	=	=	=	=	=	+	31
INE129A01019	Gail India	=	+	+	=	=	=	31
CL0001583070	Engie Energia Chile	=	+	+	=	=	-	30
BRELETACNOR6	Eletrobras	=	=	+	=	+	=	30
ID1000111602	Perusahaan Gas Negara	=	=	=	=	=	=	30
MYL5347OO009	Tenaga Nasional	=	=	-	+	=	++	30
PHY0001Z1040	Aboitiz Equity Ventures	=	=	-	=	=	+	29

Position versus sector peers		Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance	Overall Score
HK0836012952	China Resources Power Holdings	=	=	=	=	=	+	29
PLPGER000010	Polska Grupa Energetyczna	=	=	=	-	+	+	29
MA0000012205	Taqa Morocco	=	=	=	=	=	=	29
PLTAURN00011	Tauron Polska Energia	=	=	=	+	=	+	29
KYG8972T1067	Towngas China	=	=	-	=	+	=	29
MYL4677OO000	YTL Corp	=	=	+	=	=	=	29
PHY0005M1090	Aboitiz Power	=	=	=	=	=	+	28
CNE100000HD4	China Longyuan Power Group	+	=	-	=	-	+	28
CNE100000WS1	Huaneng Renewables	+	=	-	=	=	=	28
BRTAEECDAM10	Transmissora Alianca de Energia Eletrica	=	=	+	=	=	-	28
MYL6742OO000	YTL Power International	=	=	+	=	=	=	28
HK2380027329	China Power International Development	=	=	-	=	=	+	27
INE733E01010	NTPC	=	=	=	=	=	=	27
BRALUPCDAM15	Alupar Investimento	=	-	=	=	=	-	26
CNE100001T80	CGN Power	=	=	-	=	-	=	25
BMG2109G1033	CHINA GAS HOLDINGS	-	=	=	=	=	=	25
PEP702521001	Luz Del Sur	=	-	=	=	=	-	25
CND000000BC2	State Grid Corporation of China	=	=	=	=	=	--	24
CNE1000006Z4	Huaneng Power International	-	=	-	=	-	=	23
XS1117296894	China Three Gorges	=	-	--	=	=	-	22
KYG3066L1014	ENN Energy Holdings	-	=	-	=	=	=	22
HK0392044647	Beijing Enterprises Holdings	-	=	-	=	=	=	21
BMG2113B1081	China Resources Gas Group	-	=	-	=	=	=	21
XS0953958641	Slovensky Plynarensky Priemysel	-	=	-	=	=	-	19
QA0006929812	Qatar Electricity & Water	-	-	-	=	-	=	16
BREQTLACNOR0	Equatorial Energia	-	-	-	-	-	-	14
XS0989152573	Bulgarian Energy Holding	-	-	-	-	-	-	11
BRSTGDDBS000	StateGrid Brazil Holding	-	--	-	-	-	--	11

General information

EDP-Energias do Brasil (EDP Brasil) is engaged in the generation, transmission, distribution, and sales of electric power to households, as well as commercial and industrial

customers. EDP Brasil operates hydroelectric power plants and thermal power plants. EDP Brasil is a subsidiary of EDP - Energias de Portugal.

Selected financial data

Key data	Revenues	EBIT	Employees
2016	BRL 9,365m	BRL 1,642m	3,175
2015	BRL 10,260m	BRL 2,388m	3,104
2014	BRL 8,899m	BRL 1,574m	2,798
2013	BRL 7,097m	BRL 1,253m	2,772
2012	BRL 6,455m	BRL 1,083m	2,641

Main shareholders	2016
EDP - Energias de Portugal SA	51%
T. Rowe Price International Ltd.	5.8%

Geographical Breakdown	Turnover 2016	Employees
Brazil	100%	100%

Main economic segment	Turnover 2016
Distribution	58.1%
Generating	23.4%
Sales	18.1%

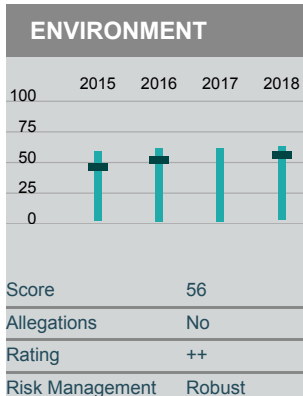
Main economic segment	Turnover 2016
Other	0.3%
Holding Company	0.1%

Selected ESG Indicators

	2017	2016
Non-executive Board member(s) responsible for CSR issues	Yes	Yes
Executive remuneration linked to CSR performance	Yes	No
Percentage of independent Board members	0	33
Percentage of women on Board	0	0
Percentage of women in Executive team	N/A	34
Percentage of women in workforce	N/A	22
Transparency on lobbying budget	No	No
Percentage of employees covered by collective agreements on working conditions	N/A	99
3 year trend for safety at work	↘	N/A
Involvement in armament	No	No
Management of social risks in supply chain	Advanced	Robust
Carbon factor (3-year trend)	N/A	↗

CSR performance per domain

■ Sector performance
■ Company performance
Rating : min- / max ++



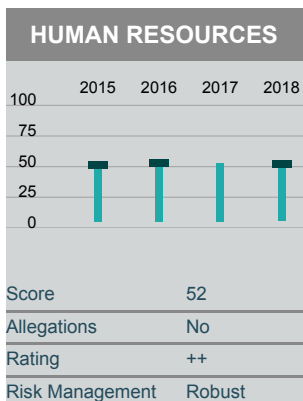
Key issues

The Electric & Gas Utilities sector has a major role to play with regard to climate change and energy efficiency through the promotion of renewable energy sources and a reduction in greenhouse gas emissions of power plants. Companies are expected to set ambitious climate change strategies, backed by relevant targets and widespread environmental management systems.

Company performance

- The Company's performance in the Environment domain is robust in absolute terms, which is consistent with the previous review.

- Hydro-power represents 74% of the Company's total installed capacity and it commits to exceeding 75% of overall generating capacity from renewable energy sources by 2020. Nonetheless, the Company's thermal and global carbon factors are still very high. The Company achieved significant reductions in emissions of NOx and SO2 and managed to reduce energy losses along its electricity T&D network. The Company is yet to disclose key performance indicators in the areas of protection of biodiversity, pollution management and energy demand-side management.



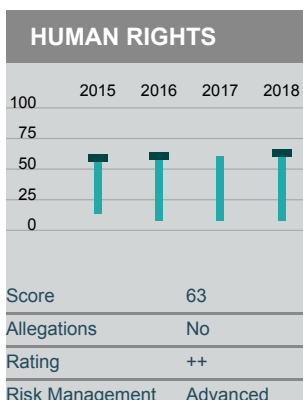
Key issues

Safeguarding the safety and health of employees and contractors remains a key risk factor in the sector. Similarly, anticipating the ageing workforce and retirement of highly skilled workers through the development of career management and promotion of employability represents a major sector challenge. Anticipating and managing reorganisations represent a key challenge, notably following phase-out and optimisation operations after the Fukushima incident. Implementing and maintaining sound systems to guarantee social dialogue is important to the Electric & Gas Utilities sector, that traditionally benefits from strong well-established industrial relations.

Company performance

- The Company's performance in the Human Resources domain remains robust in absolute terms which is consistent with the previous review.

- The Company has dedicated extensive resources towards limiting the impact of organisations including re-training, internal mobility programme and outplacement services. Moreover its workforce has increased since 2014. To ensure health and safety, the Company conducts regular risk assessments, internal audits, training and competitions. The majority of health safety key performance indicators have improved during the period under review. Measures to promote employee development include annual performance assessments and training but the proportion of employees trained is undisclosed. In addition, the number of training hours per employee decreased.



Key issues

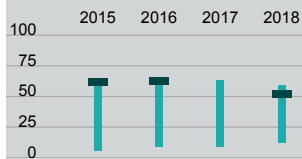
Companies with operations in weak governance zones and which are involved in large-hydro projects, mining activities, or gas exploration, tend to be more exposed than others to violations of stakeholders' fundamental human rights. Electric & Gas Utilities are expected to also have policies and management systems in place, e.g. information, training, risk-mapping, to deal with labour rights issues in their countries of operation and guarantee freedom of association and the right to collective bargaining. Finally, the industry remaining largely male dominated, discrimination need to be banned and diversity promoted if companies want to increase their competitiveness as well as attract and retain talents.

Company performance

- The Company's performance in the Human rights domain is advanced in absolute terms, which is consistent with the previous review.

- The Company has a comprehensive commitment to respect and promote human rights in society backed by a permanent system to ensure its implementation. In addition, it has issued a separate policy on non-discrimination and has set up significant measures to manage this issue. However, the share of women in management positions and disabled employees in its workforce has not improved during the period under review.

COMMUNITY INVOLVEMENT



Score	52
Allegations	Yes
Rating	++
Risk Management	Robust

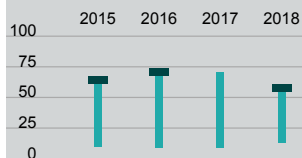
Key issues

Power generation companies' main responsibility in terms of Community Involvement is promoting access to energy in developing countries through collaborative projects with relevant stakeholders, capacity building. In their regions of operations, the companies are expected to address the disruptive impacts of their operations through their evaluation and monitoring, and promote the local social and economic development through social programmes and the reinforcement of the local content of operations. Finally, it is fundamental that companies implement relevant measures to avoid disconnections for poor households through initiatives that include raising awareness on energy consumption and energy efficiency among their customers.

Company performance

- The Company's performance in the Community Involvement is robust in absolute terms representing a slight deterioration compared to the previous review.
- The Company has allocated significant measures to address social and economic development and address the issue of fuel poverty. It trains Distribution Grid Electricians in the community and makes investments to ensure low income families the right to decent housing through the access to credit and technical support to reform their houses. In addition the Company offers its vulnerable customers the opportunity of negotiating their debts in up to 50 interest-free instalments, paid through their electric bill. However, the number of customers benefiting from this social tariff has decreased.
- The Company faces protests related to the construction of Sao Manoel hydro-power plant. The Company has entered the process of negotiation to find a solution to the conflict.

BUSINESS BEHAVIOUR (C&S)



Score	58
Allegations	No
Rating	++
Risk Management	Robust

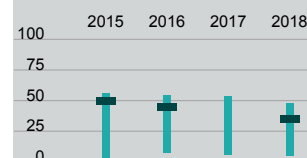
Key issues

Electric & Gas Utilities and Transmission companies operate in regulated markets where risks and opportunities are shaped by fiscal and regulatory frameworks and reforms. Thus, they are frequently involved in the political processes and government relations, highlighting the importance of prevention of corruption and of conflicts of interest. With the increasing competition, companies may be tempted to violate competition rules. Companies with end-use customers need to maintain transparent and responsible customer relations to improve customer satisfaction and their attractiveness in the market. Finally, as sector companies rely extensively on suppliers for coal, natural gas and uranium, social and human rights factors in the supply chain are of major importance.

Company performance

- The Company's performance in the Business Behaviour domain is robust in absolute terms, representing a deterioration compared to the previous review.
- The Company has a comprehensive policy for combating corruption and set up several preventative and detective controls including due diligence to mitigate the risk of involvement through suppliers. There were no corruption incidents during the period under review. Although significant measures are in place to ensure responsible customer relations, customer satisfaction rates decreased. The system to prevent anti-competitive practices appears to be limited and the data on antitrust incidents reported internally is undisclosed.

CORPORATE GOVERNANCE



Score	35
Allegations	No
Rating	+
Risk Management	Limited

Key issues


Sound corporate governance is required to oversee a company's strategic direction, including the CSR strategy. Vigeo Eiris' framework has been adapted to capture the level of integration of CSR topics at Board-level, supplementing traditional signals on efficient governance practices. Directors are notably evaluated on their level of diversity and experience with operational, financial, and CSR topics. The audit and internal controls system is examined regarding the efficiency and reach of its risk management. Shareholders are expected to have fair voting rights and access to all relevant information on emerging ESG risks. Executive remuneration is assessed for transparency and alignment with balanced stakeholder interests.

Company performance

- The Company's performance in the Corporate Governance domain is limited in absolute terms, representing a deterioration compared to the previous review.
- None of the Board members are considered independent and there is no specific committee in charge of director nomination. There is a Board level CSR Committee but CSR issues do not appear to be reviewed at Board level. Corruption and health and safety are covered by the internal controls but the Audit Committee appears to have a limited role in overseeing internal and external controls. There are major restrictions to convene an EGM and not all major items are put to a shareholder vote. Lastly, there still is a lack of disclosure on executive remuneration.

CSR performance per criterion

Detailed Analysis

Environment	13
ENV1.1 Environmental strategy	13
ENV1.2 Pollution prevention and control (soil, accident, industrial safety, nuclear)	15
ENV1.3 Development of renewable energy	17
ENV1.4 Protection of biodiversity	18
ENV2.2 Management of energy consumption and GHG from Transmission & Distribution activities	20
ENV2.4 Management of energy consumption and air emissions from fossil-based Generation activities	21
ENV3.1 Energy demand-side management	23
Human resources	25
HRS1.1 Promotion of labour relations	25
HRS2.3 Responsible management of reorganisations	27
HRS2.4 Career management and promotion of employability	29
HRS3.2 Improvement of health and safety conditions	31
Human rights	34
HRT1.1 Respect for human rights standards and prevention of violations	34
HRT2.1 Respect for freedom of association and the right to collective bargaining	36
HRT2.4 Non-discrimination	38
Community involvement	40
 CIN1.1 Promotion of the local social and economic development	40
CIN2.1 Promotion of access to energy and prevention of fuel poverty	43
Business behaviour (C&S)	46
C&S1.3 Responsible Customer Relations	46
C&S2.4 Integration of social factors in the supply chain	49
C&S3.1 Prevention of corruption	51
C&S3.2 Prevention of anti-competitive practices	53
C&S3.3 Transparency and integrity of influence strategies and practices	55
Corporate governance	57

CGV1.1	Board of Directors	57
CGV2.1	Audit & Internal Controls	59
CGV3.1	Shareholders	61
CGV4.1	Executive Remuneration	63

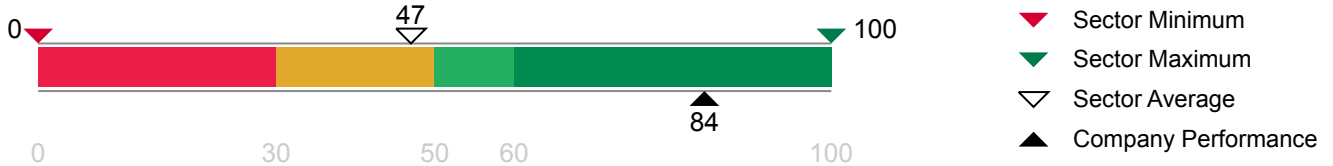
 Involvement in allegations  Involvement in allegations with evidence of corrective measures

Environment

Score: 56

ENV1.1 Environmental strategy

(score: 84, weight: 2)



Visibility of commitment to environmental issues

The Company has issued a formalised commitment to environmental protection in its Code of Ethics as well as in its Environmental Policy. In addition, its parent, EDP Energias de Portugal committed to reduce its GHG emissions from electricity production. Also, it aims to increase the proportion of smart meters installed in the Iberian Peninsula by 2030. The Company is a signatory of the Global Compact and communicates on this principle.

Relevance of environmental strategy

The Company commits to all its responsibilities in terms of environmental protection:
 - Pollution prevention and control (soil, accident)
 - Protection of biodiversity

Relevance of climate change strategy

The company commits to all its responsibilities in terms of climate change:
 - Development of renewable energy
 - Management of greenhouse gas emissions from Generation activities
 - Management of energy consumption and GHG emissions from Transmission & Distribution activities
 - Energy demand-side management and promotion of customers' energy savings

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, there is a dedicated structure responsible for this issue.
 Board level Sustainability Committee is responsible of overseeing the implementation of the Code of Ethics. In addition the Company has an environment network comprised of representatives from the environment and sustainability departments.

Means allocated to environmental management

The company has allocated comprehensive resources to environmental management.

- Environmental manual specifying procedures and responsibilities
- Internal audits that assess the effectiveness of the EMS
- Management review of the EMS (at Executive Level)
- Environmental performance measured against targets
- External verification of reporting on environmental performance

The Company communicated to Vigeo Eiris that 87.2% of its sites are EMAS certified. Environmental performance has been externally verified by KPGM.

Coverage of certified environmental management systems

More than 75% of the company's sites/offices have a certified environmental

management system.

Carbon factor

The company's carbon factor stands above the sector average

The Company's carbon factor stood at 568 kg CO₂ / MWh.

Leadership	93
Visibility	100
Relevance	100
Ownership	65

Implementation	75
Means & resources	55
Coverage	100

ENV1.2 Pollution prevention and control (soil, accident, industrial safety, nuclear)

(score: 44, weight: 2)



Relevance of commitments on pollution prevention and control

The company's commitments take into account accidental pollution prevention during its operations.

Means allocated to pollution prevention and control

Comprehensive resources are allocated to pollution prevention and control:

- risk assessment/ identification studies
- training (including contractors)
- pollution control audits
- implementation of risk prevention procedures (emergency plans, simulation exercises)

- implementation of risk prevention procedures (emergency plans, simulation exercises): all EDP's facilities have emergency plans where they identify the risks that can occur, how to act; and the human and material resources available on site, ensuring that employees or service providers are aware of these practices. The facilities test their emergency plans through periodic drills.
 - risks assessment: within the framework of their emergency plans, facilities identify the possible risks that may occur. The Company maintains, since 2006, a Risk Portal where the main risks and their sheets are registered.
 - training: all employees and service providers are made aware of the instruments designed to prevent emergencies, and they are regularly trained on them.
 - pollution control audits: the Company has reported the conduct of regular audits.

In addition, the Company has ISO14001 certified sites.

Coverage

The company has allocated resources to pollution prevention and control at a majority of the company's sites.

Risk prevention procedures, risks assessment and training are conducted at all the Company's sites. It is unclear whether pollution control audits are conducted at a majority of the Company's sites. The Company communicated to Vigeo Eiris that 46.7% of the Company's sites are ISO 14001-certified.

Existence of accidental pollution

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

Rehabilitation of polluted soil

Information obtained from company and public sources regarding the rehabilitation of polluted soil is insufficient.

Of note, the Company states that there were no significant spills in 2016.

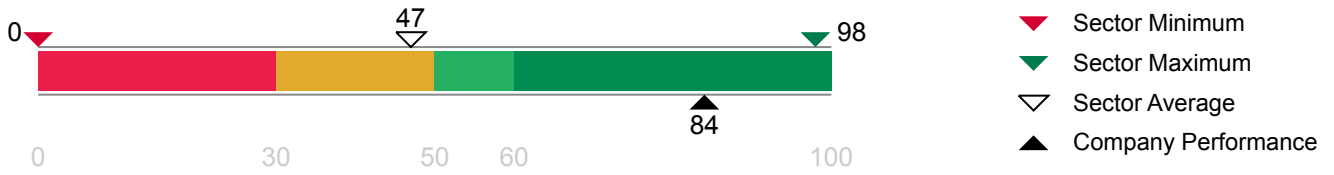
EDP-Energias do Brasil

ISIN CODE: BRENBRACNOR2 Electric & Gas Utilities Emerging Market

Leadership	30	Implementation	65	Results	37
Relevance	30	Means & resources	65	Trends	37
		Coverage	65		

ENV1.3 Development of renewable energy

(score: 84, weight: 3)



Relevance of the company's commitment in terms of renewable energy.

The company has set quantified targets in terms of developing renewable energy.

The Company has committed to contribute to the increase of electricity generation from renewable energy sources exceeding 75% of EDP Group's overall installed capacity by 2020. This target covers all group units of EDP Brasil.

Installed capacity in renewable energy sources

The Company's installed capacity in renewable sources represented 2,041 MW in 2016 which corresponds to 74% of the Company's total installed capacity.

Scope of development of renewable energy sources

Resources allocated cover only some technologies:

- Hydro
- Wind
- Solar
- Biomass
- Geothermal
- R&D on emerging technologies (wave, tidal, etc)

The integrated capacity of hydropower represented 2,041 MW in 2016 which corresponded to 74% of the Company's total installed capacity.

Performance

Energy generation from renewable sources stood at 54% in 2016.

Leadership	65	Implementation	86	Results	100
Relevance	65	Means & resources	100	Performance	100
		Scope	30		

ENV1.4 Protection of biodiversity

(score: 47, weight: 2)



Relevance of the commitment

The company's commitment towards biodiversity protection is general.

- Loss and fragmentation of ecosystem and habitats on operation sites due to exploration and extraction work (digging, drilling..)
- Effects on population's dynamic (breeding, feeding and reproduction behaviour), due to noise, habitats degradation or fragmentation
- Effects on sensitive or migratory species (due to noise, habitat degradation)
- Soil erosion (due to draining, use of pesticide, cut of trees)
- Loss of vegetal species due to use of chemicals
- Effects on aquatic's flora dynamic
- Effect on sediments transfer
- Effect of habitat fragmentation and ecosystems

Managerial tools allocated to integrate biodiversity in the management of operations

The company has implemented all relevant measures to identify the impacts of its operations on biodiversity, including:

- Environmental impact assessments
- Training relevant managers or employees on biodiversity
- Relevant biodiversity management guidelines
- Monitoring of biodiversity indicators

- *Environmental impact assessment: the Company stated that environmental impact assessments had been conducted for a hydro project. For each of the project's steps, EDP Brasil specifies the direct and indirect impacts as well as the way they will be managed.*

- *Training relevant managers: the Company reported that the construction phase of its wind farms is supervised by managers who received environmental training to minimise environmental impacts.*

- *Relevant biodiversity management guidelines: the Company has disclosed the Technical-Scientific Consultancy Agreement that contains a set of requirements that aim to improve the effectiveness of the biodiversity conservation measures. Also, during the plant construction process, whenever possible, the suppression is avoided, so the impact is reduced. Other measures, such as forest replacement, germoplasme conservation programmes, biomass utilisation and Plan for the Restoration of a Degraded Area (PRDA) are applied, aiming impact mitigation in forest areas.*

- *Monitoring of biodiversity indicators: the water quality and ichthyofauna are monitored. There are other monitoring points, involving fish and mollusk groups and water quality added to the environmental monitoring of the recovered reforested areas, and the protection units.*

Local measures taken to protect biodiversity on operation sites

The company has implemented some measures to limit the impacts of its operations on biodiversity such as:

- bird protection programmes (feeding stations, nest boxes, bird diverters on flight paths, etc)

- vegetation management programmes (decreased use of pesticides/herbicides)
- biotope management plans
- fish protection programmes (fish ladders, fishstock monitoring, fish restocking campaigns, improvement of fish habitats, etc)
- diversion dams and/or flood management and/or minimal flow rates
- land remediation/restoration
- pollutant monitoring during mining activities
- digging mining sites underground
- water heating/withdrawal management/monitoring

- *biotope management plans: the Company has programmes to rescue fauna and collect germplasm for forest recomposition through planting native species seedlings in an area of about 0.05km².*

- *fish protection programme: the Company rescues fish, which can get trapped in the ponds formed by cofferdams*

- *water withdrawal monitoring: EDP Brasil monitors water quality during construction phase of new plants and in operating power plants*

Coverage of local measures allocated to protect biodiversity on operation sites

All the company's relevant sites or operations are covered by these measures.

All operating sites are covered by specific measures to protect biodiversity.

Results with regard to biodiversity protection

Information obtained from the company and public sources regarding biodiversity indicators on its sites of operations is insufficient

Of note, the Company states in its 2016 Annual report that in the area of HPP Sao Manoel and HPP Cachoeira Caldeirao, there are species listed by IUCN, 26 of them in vulnerable situation and 4 of them endangered. It does not provide comparable company-wide trend data for a period of at least 3 years.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Leadership	30
Relevance	30

Implementation	76
Means & resources	65
Coverage	100

Results	35
Performance	65
Trends	0

ENV2.2

Management of energy consumption and GHG from Transmission & Distribution activities

(score: 41, weight: 1)



Relevance of the company's commitment in terms of improving its network energy efficiency

The company's commitment to improve its network energy efficiency is general.

Relevance of the company's commitment on GHG emissions related to Transmission & Distribution activities

The company's commitment to reduce its Greenhouse Gas (GHG) emissions related to Transmission & Distribution activities is general.

Means allocated to improve energy efficiency and reduce GHG emissions from Transmission and Distribution activities

The company has implemented significant means to improve its network energy efficiency and reduce related GHG emissions.

- Monitoring of energy consumption and/or GHG emissions (direct and indirect)
- Assets replacement programme
- Energy efficiency programme
- Fugitive GHG emissions reduction programme
- Other

- *Monitoring of energy consumption and GHG emissions: the Company monitors its energy consumption by type as well as its GHG emissions*
 - *Assets replacement programme: the mother company, EDP Portugal reported that all electrical transformers are being replaced by sealed for life ones*
 - *Energy efficiency programme: EDP Brasil's distributors invest of their net operational income in Energy Efficiency Programmes. The Company has also made investments in new substations, new feeder lines, and more distribution lines with the aim to reduce power losses.*

Coverage

The company's measures cover its entire network.

Greenhouse Gas emissions linked to electric T&D activities

The Company's GHG emissions related to the its electricity T&D activities, normalised to capacity transported, have increased significantly from 32.7 tCO2/GWh in 2014 to 93.2 tCO2/GWh in 2016.

Energy losses along the company's electricity network

The Company's energy losses along its electricity T&D network, normalised to capacity transported, have decreased but not continuously by 3% from 211.3 (GWh/GWh) in 2014 to 204.6 (GWh/GWh) in 2016.

Leadership	30	Implementation	79	Results	15
Relevance	30	Means & resources	65	Performance	15
		Coverage	100		

ENV2.4

Management of energy consumption and air emissions from fossil-based Generation activities

(score: 40, weight: 3)



Relevance of the company's commitment on improving thermal power plants efficiency and reducing related air emissions

The company has set relevant quantitative targets on the reduction of its GHG emissions from generation activities.

EDP Energias de Portugal committed to reduce its scope 1 and 2 GHG emissions from electricity production by 55% per TWh by 2030, from 2015 levels.

Means allocated to improve thermal power plants' efficiency (e.g. CCGT, CHP)

Information obtained from the company and public sources regarding means allocated to improve the company's power plants' efficiency is insufficient.

EDP Brasil has no involvement in CCGT or CHP.

Means and technologies allocated to reduce SOx, NOx, PM and Mercury emissions

The company has a minor involvement in technologies developed to reduce air emissions (SOx, NOx, Particulates, Mercury):

- Sourcing of low sulphur fuels (eg: natural gas)
- Low NOx combustion technologies
- Flue gas cleaning systems (NOx and SO2)
- Mercury emissions capture technologies
- Particulate Matter capture technologies
- Other

The Company uses filters to collect particulate matter.

Share of the company's thermal plants covered by means and technologies to reduce SOx, NOx, PM and Mercury emissions

The company has taken such measures in all its thermal power plants.

Only the TPP Pecém I plant is concerned as the rest of the plants are either hydro or wind based.

Measures to develop innovative technologies such as carbon capture and storage and associated new combustion techniques

The company does not appear to be involved in the development of carbon capture and storage.

Carbon Factor of thermal facilities (fossil-based power generation, excluding nuclear)

The Company's thermic carbon factor increased by 25% between 2014 and 2016 to reach 1,176 kg CO2 / MWh.

Emissions of substances responsible for acid rain (SO2, NOx)

The Company's emissions of SO2, normalised to production, decreased by 43%

between 2014 and 2016 to stand at 2.48 g SO₂/kWh in 2016.
The Company's emissions of NO_x, normalised to production, decreased by 50% between 2014 and 2016 to stand at 1.29 g NO_x/kWh in 2016.

The company only publishes indicators over the past two years, and other emissions normalised to production, have decreased.

Other emissions: Particulates, Mercury emissions

The Company's emissions of particulates, normalised to production decreased from 0.0004 gP/kWh in 2015 to 0.0001 gP/kWh in 2016. Data for 2014 is not available.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Leadership	65
Relevance	65

Implementation	26
Means & resources	0
Scope	30
Coverage	100

Results	30
Performance	30

ENV3.1 Energy demand-side management

(score: 35, weight: 2)



Relevance of commitment related to Energy demand-side management

The company has issued quantitative targets with regard to Energy demand-side management.

The Company's parent, EDP Energias de Portugal aims to reach the proportion of smart meters installed of 90% in the Iberian Peninsula by 2030. Also, it aims to provide energy efficiency products and services to reduce consumption of 100 GWh of energy at customer by 2020, compared to 2014.

Means dedicated to Energy demand-side management programmes

The company has allocated limited means to address Energy demand-side management:

- awareness raising activities on energy efficiency (campaigns, leaflets, energy tips)
- promotion of energy-efficient appliances (boilers, heating systems, heat pumps, insulation, compact fluorescent light bulbs)
- consumption monitoring (diagnostics of energy installations, load curve advice, energy counselling/audit)
- tailor-made rates according to consumption patterns (day/night)
- energy service contracts (the energy supplier commits to reduce its customer's energy consumption)
- training of sales staff
- smart metering
- new tariffs and better billing
- promotion of renewable energy

- promotion of energy-efficient appliances (boilers, heating systems, heat pumps, insulation, compact fluorescent light bulbs): the Company reported on projects that target low purchasing power customers and include guidance on proper and safe use of electricity and replacement of ineffective equipment. The projects included distribution of fluorescent lamps, refrigerators and showers with voltage control system.
- smart metering

Scope of means dedicated to Energy demand-side management

Energy demand-side management programmes cover only some types of customers:

- Households
- Local authorities / municipalities
- Industrial clients
- Small businesses

Coverage of measures allocated to Energy demand-side management

It is unclear whether the Company has taken reported measures in places that represent a major share of its concerned operations.

Outcomes of Energy demand-side management measures

The company does not disclose data on energy saved by customers and/or on the number of Energy demand-side management measures.

Leadership	65
Relevance	65

Implementation	41
Means & resources	30
Scope	30
Coverage	65

Results	0
Trends	0

Human resources

Score: 52

HRS1.1 Promotion of labour relations

(score: 42, weight: 1)



Visibility of commitment on the promotion of labour relations

The company has issued a formalised commitment to promote labour relations in its:

Code of Ethics and Corporate policies on Union Relations.

Relevance of commitment on the promotion of labour relations

The company commits to informing its employees through the employee representatives.

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Coverage of employee representative bodies

Information obtained from the company and public sources regarding the percentage of sites where employee representation structures are in place is insufficient.

Subjects covered by collective bargaining

Information obtained from the company and public sources regarding the subjects covered in collective bargaining is insufficient.

- health & safety
- CSR issues
- remuneration
- working hours
- training
- career development
- work time flexibility
- employability/life long learning
- stress management
- equal opportunities

Employee representative bodies in countries with restrictive legislation

Information obtained from the company and public sources regarding how the company promotes employee representation in countries with restrictive legislations is insufficient.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Coverage of collective agreements on working conditions

Collective agreements on working conditions cover more than 75% of its employees.

Collective agreements on working conditions covered 99% of its employees in 2016.

Leadership	37
Visibility	65
Relevance	30
Ownership	30

Implementation	0
Means & resources	0
Scope	0
Coverage	0

Results	88
Performance	88

HRS2.3 Responsible management of reorganisations

(score: 59, weight: 2)



Relevance of commitment to manage reorganisations responsibly

The company does not disclose any commitment to manage reorganisations responsibly.

Relevance of commitment to involve employee representatives in the process

The company commits to informing and consulting employee representatives on reorganisations. However, no commitment to negotiate with employee representatives on reorganisation is visible.

Trade unions, workers' committees and employees are informed of operational changes in the Company that impact on employees at least 30 days in advance, depending on their complexity.

Means allocated to prevent and manage reorganisations

The Company's parent, Energias de Portugal has allocated extensive measures to limit the impacts of reorganisations:

- early retirement: the process for a decrease in permanent EDP staff, lead to the early retirement of 64 employees in Portugal as well as 70 employees in Brazil

- internal mobility programme: EDP has minimised the number of terminations through functional relocation

- outplacement services: EDP has allocated outplacement services for employees affected by the re-organisations

- individualised follow-up of employees: all employees that chose internal mobility receive individualised follow-up

- re-training: all employees that chose internal mobility receive re-training to update their skills.

Coverage

These means are allocated for all the company's employees affected by the reorganisations.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Result of the company's commitment to manage reorganisations responsibly

The company has been able to avoid layoffs or dismissals and has set up a system to monitor the situation of employees affected by the reorganisations.

The Company has implemented measures to limit the impacts of reorganisations conducted recently. Moreover, its workforce has increased since 2014.

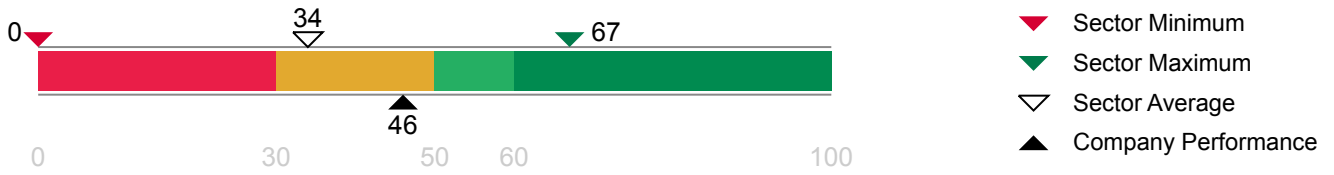
EDP-Energias do Brasil

ISIN CODE: BRENBRACNOR2 Electric & Gas Utilities Emerging Market

Leadership	12	Implementation	83	Results	81
Relevance	0	Means & resources	100	Performance	81
Ownership	30	Coverage	65		

HRS2.4 Career management and promotion of employability

(score: 46, weight: 3)



Visibility of commitment

The company has issued a largely publicised, formal commitment to promote career management and training which is publicly available in its:

Human Development Policy and its Code of Ethics.

Relevance of commitment

The company's commitment to promoting career management and training addresses its main responsibilities:

- Anticipate short and long-term employment needs and skill requirements
- Adapt employees' skill sets to their career paths
- Enable the progressive improvement in employees' qualification levels
- Put in place a concerted career management framework, which is transparent and individualized

Ownership of commitment

The Head of HR is not part of the Company's Board. However line managers are evaluated on their performance in terms of HR management.

Career management systems

The Company has set up an internal job opportunity marketplace. Moreover employees have regular performance assessment and career counselling interviews. Four target combinations are evaluated: group targets, business targets, targets for the department and individual targets. Each combination is weighted according to the hierarchical level. The process of Performance Assessment, and the assessment process occurs in two fields: assessment of competencies (qualitative); and assessment of goals (quantitative).

The assessment of the competencies follows the 360° model, composed of self-assessment, assessment by the manager, peers and subordinated, divided into two sections: Strategic and Technical Competencies.

The Company has also developed career management schemes geared towards seniors in the name of the EDP Culture Project that is based on two key elements: consultancy and development (enrolling all managers in the APG Senior programme).

EDP Brasil has put in place the succession planning through which successors are identified for strategic positions in the business and for critical positions and functions.

Coverage of career management systems

These career management systems cover all of the company's employees.

The Company disclosed percentage of employees who had a performance review and career development in 2016:

- Operational: 94% (women); 95% (men)
- Administrative 93% (women); 86% (men)

- Specialists: 92% (women); 95% (men)
- Managers: 100% (women); 98% (men)
- Directors: 100% (women); 88% (men)

The training programmes are aimed at adapting employees' skills to the requirements of their current position and also enable them to develop additional skills.

Types of training provided to non-managers

The Energizing Programme, targeted at young associates, is a two-year cycle programme that offers a final certificate. The Programme purpose is to maximise the behaviours of leadership, analytical thinking, ease to generate new ideas, commitment and ability to adapt to changes.

Means allocated to training for all employees

Number of training hours per employee decreased by 42% from 59 hours in 2014 to 34 hours 2016.

Mobility / turnover

The Company's employee turnover rate has increased over the past three years by 3 percentage points from 10% in 2014 to 13% in 2016.

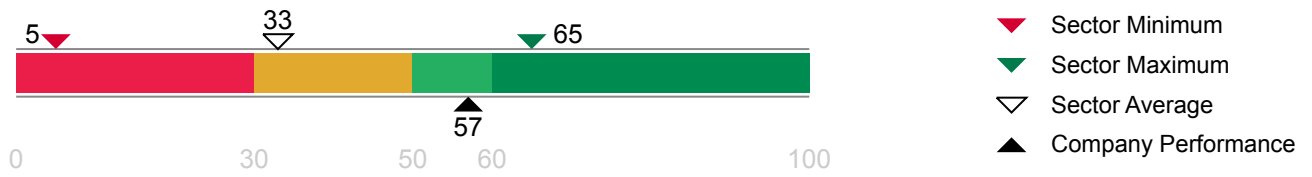
Training delivered during the year under review

At least a minority of the Company's employees received training during the year under review. The exact percentage of employees who received training in 2016 has not been disclosed.

Leadership	62	Implementation	58	Results	18
Visibility	100	Means & resources	32	Performance	18
Relevance	65	Scope	65		
Ownership	30	Coverage	100		

HRS3.2 Improvement of health and safety conditions

(score: 57, weight: 3)



Visibility of health & safety commitments

The company has made a formalised commitment to health and safety issues, which covers both its own employees and sub-contracted workforce, in its:

Occupational Safety and Health Policy and Code of Ethics.

Relevance of commitment on the improvement of health and safety conditions

The company's commitment addresses its main responsibilities:

- ensure awareness about health and safety issues
- reduce the number of work accidents and their severity
- reduce the number of driving accidents
- reduce stress/promote well-being
- prevent occupational disease

Ownership of commitment

The commitment applies throughout the Company, supported by senior management. In addition, responsibility for commitments is allocated to a dedicated structure: the Strategic Committees and Operational Committees of Health and Safety.

Means allocated to health and safety

The company has allocated means to address these issues, including a certified health and safety system:

- training/awareness raising programmes
- internal monitoring
- risk assessments
- internal H&S audits
- H&S competitions
- remuneration based on H&S performance
- OHSAS 18001 certifications

- training/awareness raising programmes: EDP Brasil offers mandatory training and courses on guidelines, rules and procedures on health and safety. In addition to on-site training, the Company provides online training on the EDP University website, a digital tool that enabled the associate interaction with the Safety operational guidelines.

- internal monitoring: the Company monitors rates of injury, occupational disease, missed days at work, absenteeism and death related to work

- internal H&S audits: the Company confirmed that there are specific internal audits related to health and safety.

- risk assessments: the risk assessment is continuously carried out through the Safety Walk programme, continued in 2016, which includes field visits of corporate department leaders to identify potential remaining risks. The programme also

makes possible for other associates to identify risks in daily activities.

- H&S competitions: the Company organises the Electricians Rodeo, a constructive competition used to underscore health and safety concepts.

- OHSAS 18001 certifications: distribution business EDP Sao Paulo has 47 substations certified with OHSAS 18001 certification; and 7 generation units (power plants) have OHSAS 18001 certification.

Coverage of health and safety system

The health and safety measures cover the majority of the company's employees, as well as the company's contractors and sub-contractors.

The Company confirmed in its communication to Vigeo Eiris that the vast majority of its operations are covered by health and safety measures. EDP's employees, as well as the Company's contractors and sub-contractors are included in those programmes. Service providers benefit from guidance directives through the Safety Programme for Service Providers (PSP). Subcontractors and their employees must meet the safety standards applicable to EDP, which are emphasised at regular safety meetings in the various areas, attended by managers from EDP and the subcontractors.

Means allocated to reduce stress at work

The company has allocated significant means to address stress at work, including:

- monitoring of absenteeism/rate of occupational disease
- job redesign (work organisation)
- assessment of stress through analysis of internal H&S data
- monitoring of stress through opinion surveys
- awareness raising for employees
- identification of stress sources
- stress support instruments (hotline, counselling service, employee assistance programme, etc)
- training on stress for employees
- training on stress for managers
- measures to improve ergonomics/ ergonomic design of workplaces

- monitoring of absenteeism/rate of occupational disease
- monitoring of stress through opinion surveys: the Company has disclosed the Occupational Stress Management Programme, a study conducted for the purpose of equipping employees with the tools for balanced stress management
- stress support instruments: EDP Brasil has implemented the Integrated System of Labour Safety and Health Management that includes the management of Occupational Medicine information seeking to improve workers' life quality.

Coverage of means allocated to reduce stress at work *The percentage of employees covered by these measures is not clear.*

Accident frequency rate

Injury frequency rate decreased, but not continuously, by 50% between 2014 and 2016 to stand at 0.12 injuries per 200,000 hours worked in 2016.

Accident severity rate

Accident severity rate decreased, but not continuously, by 66% between 2014 and 2016 to stand at 5.36 in 2016.

Occupational diseases

The Company's rates of absenteeism has increased over the past three years, up

to 2.04 in 2016.
The Company's rates of occupational diseases stood at 0 for both 2014 and 2016.

Accident frequency rate at contractors'

Injury frequency rate at contractors increased by 15% between 2014 and 2016 to stand at 0.46 injuries in 2016.

Accident severity rate at contractors'

Accident severity rate decreased significantly, but not continuously, between 2014 and 2016 to stand at 19.9 in 2016.

Absenteeism and/or Occupational diseases at contractors'

Occupational disease rate at contractors has remained at zero over 2014 and 2016.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

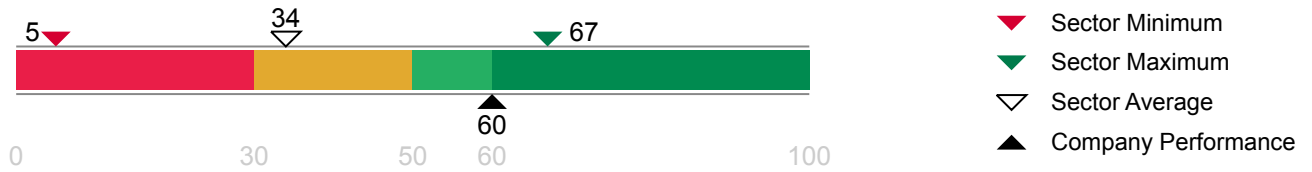
Leadership	65	Implementation	65	Results	40
Visibility	65	Means & resources	65	Performance	40
Relevance	65	Coverage	65		
Ownership	65				

Human rights

Score: 63

HRT1.1 Respect for human rights standards and prevention of violations

(score: 60, weight: 2)



Visibility of commitment on the respect for human rights standards and the prevention of violations

The Company has issued a formalised commitment to respect and promote human rights in society in its Code of Ethics. Besides, EDP Brasil has policies dedicated to different topics (Trade Union Relations; Combating Abuse and Sexual Exploitation of Children and Adolescents; Against Discrimination and Harassment (Sexual and Moral); Against Child and Slave Labor (Forced or Compulsory). In addition, the Company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment on the respect for human rights standards and the prevention of violations

The company's commitment to respect and promote human rights in society addresses its main responsibilities:

- respect the right to privacy
- respect the right to personal security
- respect property rights
- prevent cruel, inhuman, or degrading treatment
- respect freedom of expression
- prevent complicity in human rights violations

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

The Company's Ethics Committee oversees this issue.

Means allocated to the commitment on the respect for human rights standards and the prevention of violations

The company has set up a permanent system to ensure the respect and promotion of human rights in society that includes:

- awareness-raising programmes for employees
- external investigation of allegations
- resources dedicated to relocating population
- training programmes for employees
- grievance mechanisms
- human rights impact assessments
- internal audits
- consult local independent and representative stakeholders
- facilitate free, prior and informed consent (FPIC)
- human rights capacity building for local communities
- external audits/verification

- awareness-raising programmes for employees: the Code of Ethics includes clauses related to human rights and is distributed among the employees
 - training programmes for employees: Ethics training includes all main topics related to Ethical Attitude, including child labour, slavery or forced labour

- grievance mechanisms: Ethics Channel to receive reports, anonymous or identified, about conducts that violate the Code of Ethics principles, internal policies and local legislation
 - internal audits: the Company states it conducts periodic audits to identify and inhibit irregularities regarding suitable and safe work conditions, child or forced labour, payment of salaries and benefits according to the collective labour agreement.
 - resources dedicated to relocating population: the last relocating programme occurred due to the construction of the Cachoeira Caldeirão Hydroelectric reservoir. The plant has developed several programmes focused on social and environmental improvements to comply with the requirements for the Installation License.

Coverage

57% of the Company's employees received training on human rights in 2016. The Company's internal audit mechanism and financial report internal control (SCIRF) ensures that all employees are registered in accordance with Brazilian labour laws or else is not possible to receive payments. These controls are also audited by a third party.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Leadership	65
Visibility	65
Relevance	65
Ownership	65

Implementation	51
Means & resources	65
Coverage	30

Results	65
Performance	65

HRT2.1 Respect for freedom of association and the right to collective bargaining

(score: 59, weight: 1)



Visibility of commitment

The Company has issued a formalised commitment to freedom of association and the right to collective bargaining in its Code of Ethics as well as its Trade Union Relations Policy. In addition, the Company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment

The company's commitment generally addresses freedom of association and the right to collective bargaining.

- protection of freedom of association and the right to organise
- respect of the right to collective bargaining
- respect and protection of workers' representatives
- explicit support for ILO Conventions C87, C98, C135 ,or similar international texts on union rights
- prevent employee representative discrimination
- guarantee the effective exercise of the trade unions rights in the workplace

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

The Ethics Committee is responsible of overseeing the implementation of the Code of Ethics.

Monitoring

The company has implemented limited measures to monitor the respect of freedom of association within its operations:

- occasional risk mapping
- occasional internal audits
- on-going monitoring of labour rights risks
- regular internal audits
- external audits/verification
- external investigation of allegations
- cooperation with unions: joint audits, joint grievance procedures etc.

The Company states it conducts periodic audits to identify and inhibit irregularities regarding suitable and safe work conditions, child or forced labour, payment of salaries and benefits according to the collective labour agreement.

Promotion of collective bargaining

The Company confirmed that it had provided resources to ensure that employees receive information on trade union rights through a dedicated intranet to publish decisions and other relevant information.

Coverage

The company has set up such systems/programmes throughout the company.

The Company's internal audit mechanism and financial report internal control (SCIRF) ensures that all employees are registered in accordance with Brazilian labour laws or else is not possible to receive payments. These controls are also audited by a third party.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

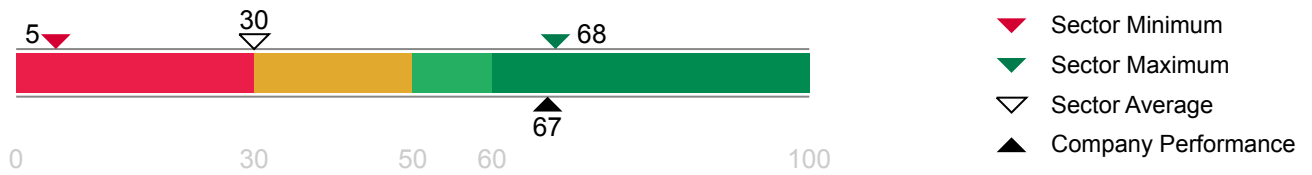
Leadership	51
Visibility	65
Relevance	30
Ownership	65

Implementation	62
Means & resources	45
Coverage	100

Results	65
Performance	65

HRT2.4 Non-discrimination

(score: 67, weight: 2)



Visibility of commitment on non-discrimination

The Company has issued a formalised commitment to non-discrimination in its policy 'Appreciation of diversity' and in its Code of Ethics. In addition, the Company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment on non-discrimination

The company's commitment to non-discrimination explicitly defines most of the categories and the management processes to which these apply:

- gender
- sensitive medical conditions
- trade union membership or activities
- discrimination in employment decisions (hiring / promoting / redundancies)
- discrimination in working conditions (working hours / training / remuneration / social security)
- race / ethnicity / nationality
- social background
- religion
- sexual orientation
- family responsibilities (including pregnancy)
- disabilities
- political opinion
- age

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

The Ethics Committee is responsible of overseeing the implementation of the Code of Ethics.

Means allocated to non-discrimination

The company has set up significant measures to prevent discrimination and promote diversity:

- awareness raising
- maternity pay (greater than the statutory requirement)
- paternity pay (greater than the statutory requirement)
- job sharing initiatives
- monitoring of salary disparities
- training
- monitoring
- confidential reporting system / grievance procedures
- disciplinary procedures / corrective measures
- affirmative action programmes

- flexitime initiatives
- child care facilities/child care subsidies
- career break opportunities

- awareness raising: the Code of Ethics is distributed among the employees
 - confidential reporting system: the Company has stated that employees can report violations anonymously to the EDP Ethics Ombudsman
 - training: the Company has stated that an induction training is provided to employees on the Code of Ethics
 - monitoring: the Company monitors the number of disabled persons and females in the workforce. The Company also monitors diversity by age, ethnicity and minority groups.
 - disciplinary procedures / corrective measures: the Company states that employees who do not abide by the Code of Ethics are subject to disciplinary action in accordance with the regulations applicable to the infractions committed
 - monitoring of salary disparities: the Company monitors and reports variation between the lowest salary and minimum wage and Proportional variation between the largest and the lowest salary.

Coverage

The company has set up programmes to promote diversity (eg: training, awareness-raising, etc.) throughout the company.

Results in terms of gender distribution

The share of women in management positions has decreased over the past three years by 1 percentage point and stood at 34% in 2016.

Results in terms of employment of disabled persons

The share of disabled employees in the total workforce has remained stable at 2% between 2014 and 2016.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

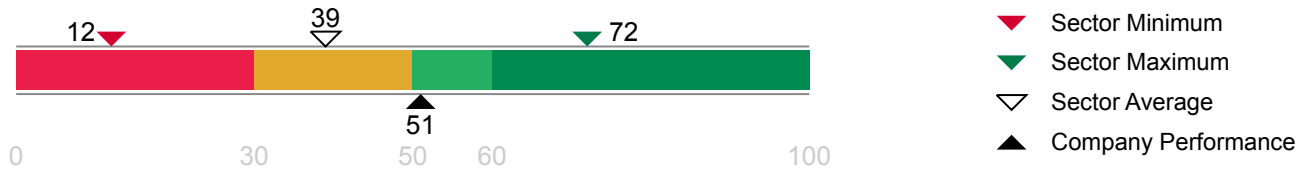
Leadership	79	Implementation	83	Results	39
Visibility	65	Means & resources	65	Performance	65
Relevance	100	Coverage	100	Trends	30
Ownership	65				

Community involvement

Score: 52

CIN1.1 Promotion of the local social and economic development

(score: 51, weight: 3)



Visibility of the policy

The company has issued a formalized and accessible commitment to promote local social and economic development in its:

Policy on Social Investment and Code of Ethics.

Relevance of commitment

The company's commitment to promote local social and economic development addresses only part of its responsibilities:

- Optimise the impact of operations on the local economy
- Promote the creation and development of local businesses
- Promote the transfer of technology and skills to developing countries
- Promote the employment and training of local personnel
- Reduce the social impacts related to site closures, openings, and restructuring
- Implement a responsible tax strategy

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

The Sustainability Committee along with the EDP Institute are responsible for the efficient structuring of investments and social initiatives, giving preference to those linked with EDP's businesses, with a focus on education, income generation, social entrepreneurialism and volunteer work. The EDP Institute (IEDP) works as a collaborative platform with initiatives targeted at education, local development, environment and social innovation, encouraging entrepreneurship and volunteer work, in favour of the communities and the business.

Means allocated

The company has allocated significant means to address social and economic development, including:

- Social development programmes
- Capacity building programmes
- Infrastructure development programmes
- Social impact assessments
- Grievance mechanisms

- Social development programmes: the Company invests in social programmes through EDP Institute. EDP's Solidarity programme finances socio-environmental projects with a focus on education, community development and environmental conservation; the Sub-Programme, EDP in Schools, focuses on education, improving the students' quality of life in public schools in the surrounding communities. The Programme encompasses, among other actions, the distribution of scholar kits, the improvement of the schools infrastructure as well as the promotion of cultural initiatives.

- Infrastructure development programmes: the Company reports on the initiative 'Community Banks and Decent Housing', implemented by EDP Brasil in Espírito Santo. Investments were made to ensure low income families the right to decent housing through the access to credit and to knowledge and technical support to reform their houses.

- Social impact assessments: the Company performs researches and local studies, meetings with community leadership networks, public hearings, meetings with NGOs representatives, visitations to facilities, press office and communication channels. The community engagement enables the exchange of experiences and information, which will be the basis for the assessment and selection of fundamental activities of the Company's social programmes.

- Grievance mechanisms: EDP Brasil has an Ombudsman and a specific channel to keep communications open and transparent with the indigenous people, the Fale Conosco Indígena (Indigenous Contact Us), which encompasses an amateur radio station, "contact us" phone number, dedicated e-mail address and the service offices in the cities of Paranaíta and Alta Floresta.

- Capacity building programmes: the Company's External Training Programme trains Distribution Grid Electricians in the community and aims at meeting the needs of training and making available to the market people with the technical skills required to be a Distribution Grid Electrician.

Geographical coverage

These means are allocated in the majority of company sites.

EDP's Solidarity programme financed 28 socio-environmental projects in the states of São Paulo, Espírito Santo, Mato Grosso do Sul, Rio Grande do Sul and Tocantins reaching all states where EDP Brazil has operations. Same applies to Grievance mechanisms and social impact assessments. 'Community Banks and Decent Housing' programme is implemented by EDP Brasil in Espírito Santo.

Performance trend

The company's normalised indicators on social and economic development have shown improvement but not continuously over the past three years.

EDP Brasil has invested in local development projects the equivalent of 0.9% of its EBIT in 2016 compared to 0.2% in 2014.

Transparency of tax reporting

The Company reports significantly on taxes paid. Reporting covers:

- taxes paid in some countries of operations
- taxes paid in some regions of operations
- taxes paid in key regions of operations
- taxes paid in key countries of operations
- sales per zone
- operating profit per zone
- number of employees per zone
- ratio between tax paid and headline corporate tax rate per zone
- explanation for significant differences between tax rate actually paid and expected tax rate

The Company operates only in Brazil and reports taxes at Federal, State and Municipal levels.

Presence in IMF 'offshore financial centers' and/ or in jurisdictions considered by the OECD as not compliant enough with tax transparency rules

The Company confirmed in its communication to Vigeo Eiris that it does not operate in any location considered by the IMF as 'offshore financial centres' and/ or in jurisdictions considered by the OECD as not compliant enough on tax transparency rules.

A review of stakeholders' sources revealed that the Company is involved in isolated or occasional controversies of minor or significant severity

As of 02/2018, EDP-Energias do Brasil was involved in 1 controversy

Stakeholders' feedback

- Case 1 (17/07/2017): São Manoel hydropower plant construction paralysed by indigenous protesters in Brazil

A complete analysis of the severity of each case mentioned is available in Vigeo Controversy Product.

Company's responsiveness

Overall, the company is non-communicative

For each of the above mentioned cases, EDP-Energias do Brasil's response is considered:

- case 1: The company is non communicative: the company denies the facts without further explanations OR only provides vague and general statements on the case

The analysis of EDP-Energias do Brasil management of each case is available in Vigeo's controversy profile.

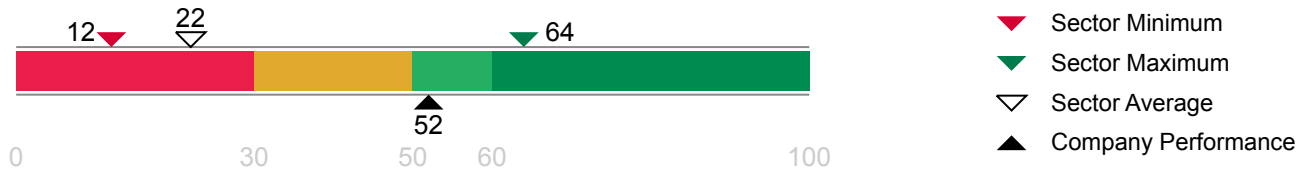
Leadership	51
Visibility	65
Relevance	30
Ownership	65

Implementation	65
Means & resources	65
Coverage	65

Results	38
Performance	40
Trends	30

CIN2.1 Promotion of access to energy and prevention of fuel poverty

(score: 52, weight: 3)



Visibility of the commitment on the promotion of access to energy

The Company has issued a formalised and accessible commitment to address the access to energy in developing countries in its Corporate policies and Principles of Sustainable Development.
The Company has set an objective to increase the current energy availability index to 95% until 2020 (baseline 2013).

Relevance of the company's commitment on the promotion of access to energy

The company's commitment to address the access to electricity in developing countries is general

- Establish collaborative projects (with governments, UN agencies, NGOs, businesses)
- Foster transfer of technology/capacity building (educational support, promotion of devices, building of dedicated infrastructure)
- Support renewable energy projects (renewable energy, LPG...)

Visibility of the commitment on the prevention of fuel poverty

The company has issued a formalised and accessible commitment to address fuel poverty in its Principles of Sustainable Development.

Relevance of the commitment on the prevention of fuel poverty

The company's commitment/policy to address fuel poverty is general

- Vulnerable customer assistance
- Financial support
- Energy demand-side management

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other stakeholders are involved.

- EDP has created a business unit dedicated to the development of renewable cost-effective energy supply in less favoured regions: the A2E. Its objective is to promote the access to energy through the supply of solar portable light, solar ovens, water purifiers, and solar home systems, among others.
- EDP is a member of the Alliance for Rural Electrification, which focuses on the promotion and development of off-grid renewable energy solutions in developing countries and emerging markets.
- EDP is a member of the association of experts which represents a platform for debate between European energy utilities that promote access to energy outside Europe
- EDP has signed a Memorandum of Understanding with the Mozambican energy agency with the aim of promoting access to energy for the development of Mozambique, poverty reduction and improvement of the population's living conditions.

Measures implemented to promote the access to energy

The company has allocated some measures to address the access to energy in developing countries.

- Rural electrification projects/Extending electricity grids – direct operational involvement
- Provide access to electricity/gas through off-grid solutions (micro/mini grid) - direct operational involvement
- Provide capacity building/technology transfer
- Provide financial support to promote access to energy (renewable energy, LPG networks and cooking gas devices funding through micro-credits)
- Innovative partnerships with stakeholders

- *Provide capacity building: EDP has stated in its response to Vigeo Eiris that all Access to Energy projects include local capacity building to promote ownership by the community*

- *Rural electrification projects/Extending electricity grids: in its Energy Efficiency Programme, EDP implemented the Ilha Escura Project ("Dark Island"), providing access to electricity to a community on an island located in an area not contemplated by the Federal Government's Light for All Programme, aimed at bringing light to 2 million rural residences in Brazil. The initiative consists of distributed micro-generation projects coupled with installation of solar panels for the generation of electricity and solar water heating panels.*

Coverage of the measures implemented to address access to energy

These measures have been allocated in a significant number of locations.

Currently EDP Brasil Distribution business unit has distributors in the states of São Paulo (SP) and Espírito Santo (ES). In both states, 100% of the rural and urban clients have access to energy via electric grid.

Measures implemented to reduce fuel poverty

The company has allocated significant measures to address the fuel poverty issue:

- *Energy demand-side management (energy efficiency) for vulnerable customers: the Company has reported the donation of efficient equipment to low income populations. EDP launched the Good energy in the Community and Agents for Good Energy project that consisted in regularisation of low income clients and donation of efficient light bulbs and refrigerators.*
- *Financial support: social tariff for vulnerable customers is applied by the Company and clients choosing the social tariff have the opportunity of negotiating their debts in up to 50 interest-free instalments, paid through their electric bill.*

Coverage of the measures implemented to address fuel poverty

These measures are allocated in a majority of regions where it operates as a distributor.

- *Social tariff is applied in Brazil.*
- *Good energy in the Community and Agents for Good Energy programme benefited over 27,330 clients.*

Performance trend - Access to energy

Information obtained from the company and public sources regarding the quantitative outcomes of the company's projects related to "access to energy" is insufficient to determine a trend.

Of note, investment in energy efficiency for low income clients and public services amounted to BRL 25.7 m in 2014, which translated into energy savings of 30,631 MWh - corresponding to reduction of 13,345 kW in peak load demand. In 2016, the Company invested BRL 8.5 m in a project to provide electricity to 85 properties in Gleba São Benedito, South area of Jacareacanga, where the São Manoel hydro plant is being built.

Performance trend - Fuel poverty

The number of customers benefiting from social tariffs has decreased from 224,550 in 2014 to 143,502 in 2016.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

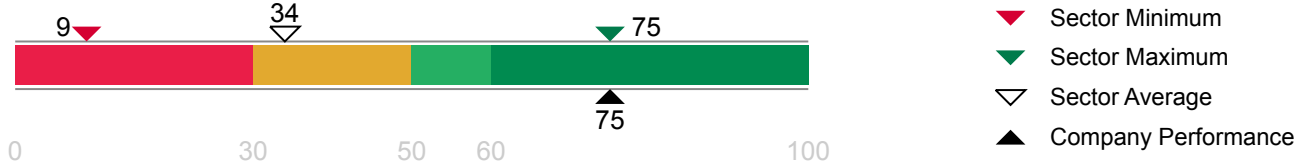
Leadership	55	Implementation	65	Results	35
Visibility	82	Means & resources	48	Performance	46
Relevance	30	Coverage	82	Trends	0
Ownership	100				

Business behaviour (C&S)

Score: 58

C&S1.3 Responsible Customer Relations

(score: 75, weight: 2)



Visibility of commitment on responsible customer relations

The Company has issued a formalised commitment on responsible contractual agreements in its Principles of Sustainable Development of the EDP Group as well as its Communication Policy. In addition, it aims to reach over 80% of customer satisfaction by 2020 and sets annual targets for Equivalent Duration of Continuity and Equivalent Frequency of Continuity.

Relevance of commitment on responsible customer relations

The company commits to the large majority of its responsibilities in terms of responsible contractual agreements:

- fair treatment of customers
- procedure for handling complaints
- transparent price/billing policy
- timely/complete communication with customers
- flexible and easy termination
- service continuity

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

In Distribution, the Company created the executive management of Excellence to the Customer, which reports directly to the vice-president of the unit and has the mission to "ensure excellence to the customer in a fair, empathetic and human way". Also, EDP stated that in the evaluation of employee performance there are objectives related to customers satisfaction.

Means allocated to ensure responsible customer relations and respect contractual agreements

The company has implemented significant measures:

- Training of sales staff
- Sales evaluation based on client satisfaction indicators
- Information on customer rights (and company duties towards customers)
- Compliance with a relevant industry code (e.g. Code of Practice for the Face to Face Marketing and Selling of Energy)
- Monitoring of service quality indicators (customer satisfaction, service continuity, complaints, etc.)
- Service interruptions prevention measures (and contingency plans)

- Training of sales staff: the Company's parent, EDP Portugal, organises behavioural, management, organisational and technical training sessions for sales staff. The training of sales is integrated in "Management Formative Area" and includes specific courses on different aspects such as negotiation, relationship with customers. In addition to conventional training, supervisors were invited to visit operations and participate in a three-day training event. Also, EDP Brasil

implemented the lean Project in face-to-face customer service centres.

- Information on customer rights (and company duties towards customers): the Company has stated that some particular aspects of customer rights and the Company's duties towards customers are reflected in the contract such as privacy of consumer information. EDP Brasil also proceeded to the extension of self-service channels - totems, SMS, mobile - and to the institution of the new customer service channel via social networks.

- Compliance with a relevant industry code: EDP has signed the Commitment Letter from APAN (Portuguese Association of Advertisers) on responsible marketing communication. In addition, the Company is associated to the APPM (Portuguese Association of Marketing Professionals) that has a Code of Conduct for Marketing Professionals.

- Monitoring of service quality indicators: the Company monitors customers' satisfaction level and service quality via indicators Interruption Equivalent Duration per Consumer Unit (DEC) and Interruption Equivalent Frequency per Consumer Unit (FEC). The quality indicators of service provision of EDP distributors continued within the standards established by the regulatory agency.

- Service interruptions prevention measures: EDP's "Crisis Management and Business Continuity" procedures covers all the facilities. The Company also has a November-to-April Summer Plan - for the period with the highest incidence of rainfall which focuses on operational reliability and information for customers. Besides, EDP has installed automated circuit reclosers, which use "self-healing" technology for automatic load transfer, enabling electric power to be maintained even when grid interruptions occur. Such automation enables the system to be brought back on-line quickly, and depending on the particular occurrence, the power interruption may even be imperceptible to consumers.

Coverage of the means allocated to ensure responsible customer relations and respect contractual agreements

The Company's measures have been implemented at both distribution companies (EDP ES and EDP SP).

Complaints management system

There is a formalised and accessible system to handle complaints, with detailed disclosure on procedures and fair treatment coordinated by a third party.

The Company has reported that an external Customer Ombudsman is in charge of dealing with customers' complaints.

Customer satisfaction

Customer satisfaction rate for EDP Espírito Santo has decreased by 1 percentage point between 2014 and 2016 to stand at 80.8% in 2016.

Customer satisfaction rate for EDP São Paulo has decreased by 6.7 percentage points between 2014 and 2016 to stand at 76.3% in 2016.

Results on service continuity on electricity networks

The Equivalent Duration of Interruption by Consumer has increased for EDP São Paulo from 7.62 hours in 2014 to 8.49 hours in 2016.

The Equivalent Duration of Interruption by Consumer has decreased for EDP Espírito Santo from 10.37 in 2014 to 8.86 in 2016.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

EDP-Energias do Brasil

ISIN CODE: BRENBRACNOR2 Electric & Gas Utilities Emerging Market

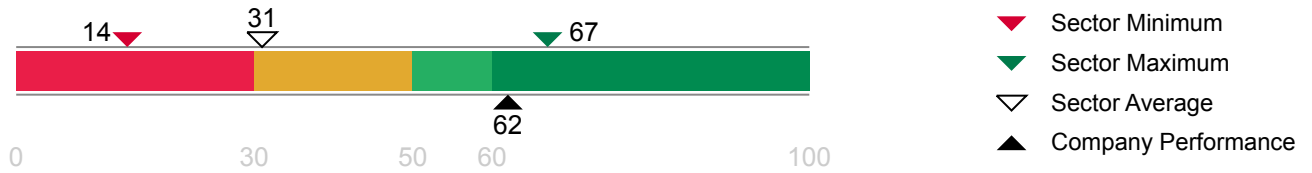
Leadership	90
Visibility	100
Relevance	100
Ownership	65

Implementation	100
Means & resources	100
Coverage	100

Results	36
Performance	36

C&S2.4 Integration of social factors in the supply chain

(score: 62, weight: 2)



Visibility of commitment

The company has issued a formalised commitment to including social factors in supply chain management in its:

Code of Ethics. Other corporate policies of EDP Brasil apply to suppliers as well, namely:

- Policy for Combating the Abuse and Sexual Exploitation of Children and Adolescents
- Policy against Discrimination and Harassment (Sexual and Moral)
- Policy against Child and Slave Labor (Forced or Compulsory)
- Integrated Environmental, Health and Occupational Safety Policy
- Trade Union Relations Policy
- Diversity Appreciation Policy

Relevance of commitment

The company's social requirements for suppliers address the main relevant issues in the sector:

- Freedom of association and right to collective bargaining
- Abolition of child labour
- Abolition of forced labour
- Non-discrimination
- Health and Safety
- Decent wages
- Working hours
- Other rights (e.g. prevention of cruel, degrading and inhuman behaviour, etc.)

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

The Logistics department along with the Compliance department are responsible of overseeing the integration of social factors in the supply chain.

Means allocated

The company has set up at least three measures to include social factors in supply chain management:

- integration of social issues into contractual clauses
- supplier questionnaires
- supplier support (training, technical assistance, etc.)
- training/awareness raising of employees in charge of purchasing
- non-compliance procedures for suppliers (re-auditing, re-training, eventual ending of contracts)
- risk assessments for suppliers

- integration of social issues into contractual clauses: 100% of suppliers

agreements have labour, human rights and social clauses

- supplier support: attached to the agreements signed by all suppliers and service providers, a printed copy of the Code of Ethics is also given to newly-hired associates, who undergo a special training on its content during the Integration process.
- supplier questionnaires: IDF - Supplier Performance Index: comprised of assessments on legal and contract requirements, service quality, delivery terms, social and environmental responsibility, certifications, management and innovation, the index scores suppliers from 0 to 100. The results are presented to the suppliers in quarterly meetings with EDP Brasil.
- non-compliance procedures for suppliers (re-auditing, re-training, eventual ending of contracts): suppliers that present non-conformities after audits have to present to EDP an "improvement plan" with deadlines to address the non-conformities. Penalties in case non-conformities are not addressed includes: notifications, limitations in rehiring and eventual ending of contracts.
- risk assessments for suppliers: the application forms of registered suppliers are pre-evaluated by the company Achilles, which takes into account criteria such as tax, environmental and social compliance with federal, state and city agencies.

Audits of suppliers/contractors

Specific on-site social audits are carried out by internal auditors.

EDP Brasil monitors suppliers' ethical conduct to assure its alignment with the corporate policies. Suppliers of materials and services considered as critical are audited, through the application of the corporate process of monitoring of critical suppliers in relation to socio-environmental aspects.

Coverage of the means allocated

The Company confirmed that 100% of suppliers agreements have labour, human rights and social clauses. Monitoring of socio-environmental performance through IDF, audits and training covers all suppliers segmented as allied and partners that represent 75% of overall expenditures with suppliers.

Coverage of the social audits

Suppliers worth 75% of total volume of purchases were audited.

Transparency on social compliance in the supply chain

Information disclosed on the share of social non-compliance in the supply chain is insufficient.

The Company reports the number of non-conformities but does not specify the types of non-conformities

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

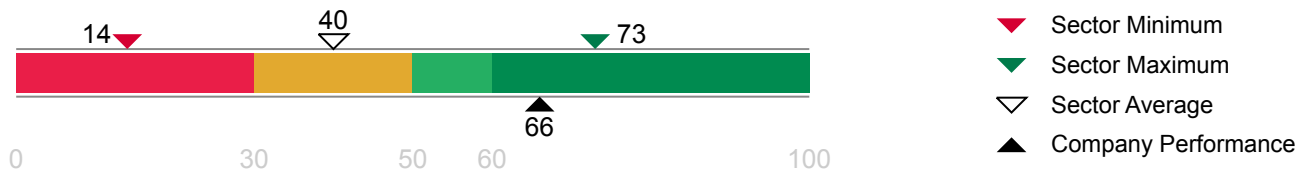
Leadership	65
Visibility	65
Relevance	65
Ownership	65

Implementation	77
Means & resources	82
Coverage	65

Results	43
Performance	43

C&S3.1 Prevention of corruption

(score: 66, weight: 3)



Visibility of commitment on the prevention of corruption

The Company has issued a formalised commitment to preventing corruption in its Code of Ethics. EDP Brasil has specific policies for prevention of corruption: Policy for Combating Corruption, Subornment and Bribery. In addition, the Company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment on the prevention of corruption

The company's commitment to preventing corruption addresses its main responsibilities:

- giving / receiving bribes
- restriction of facilitation payments
- gifts and invitations
- extortion
- fraud
- embezzlement
- money laundering
- conflicts of interest
- illegal financing of political parties
- prohibition of facilitation payments

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

The Ethics Committee is responsible of overseeing the implementation of the Code of Ethics. Also, EDP created a Compliance Department responsible for ensuring compliance within the entire organisation.

Involvement of employees in the prevention of corruption

The company has instituted formal training programmes for relevant employees and contractors on corruption prevention.

The Company has put in place classroom and online training to prevent corruption. EDP also conducted workshops to disseminate EDP's Code of Ethics.

Means allocated to the prevention of corruption

The company has set up internal controls to prevent corruption that include:

- approval procedures for gifts, etc. by an independent department
- external audits (by an independent, external specialised organisation)
- the possibility to contact internal audit, legal or compliance departments directly & confidentially
- a dedicated confidential hotline or email address
- internal audits (internal verification of compliance with the company's code of conduct etc.)

risk assessment of company vulnerability

- the possibility to contact internal audit, legal or compliance departments directly & confidentially: Audit committee treats communication received through EDP Brasil Ethics Channel. In the management of these channels, EDP guarantees confidentiality as to the identity of the person who uses them.
- a dedicated confidential hotline or email address: employees can report violations anonymously via the Ethics Channel
- internal audits: the Company has set up a Compliance Board assessing the Company's compliance risks; reviewing policies, standards, procedures and controls to identify necessary improvements to be carried out, gaps to be filled, and training to be conducted; as well as overseeing the implementation of additional controls or procedures, monitoring developments and carrying out follow-up inspections and audits.
- due diligence in evaluating contracts/suppliers - the issue of corruption is considered when conducting due diligence

Coverage of the means allocated to the prevention of corruption

The measures implemented cover all significant parts of the company.

However, there is no evidence that measures implemented cover the Company's sales agents.

Transparency on corruption suspicions raised through the employee reporting system

The company explicitly states that there were no corruption incidents reported internally during the period under review.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

Leadership	65
Visibility	65
Relevance	65
Ownership	65

Implementation	55
Means & resources	65
Coverage	30

Results	77
Performance	77

C&S3.2 Prevention of anti-competitive practices

(score: 45, weight: 3)



Visibility of commitment on the prevention of anti-competitive practices

The company has issued a formalised commitment to prevent anti-competitive practices in its:

Code of Ethics.

Relevance of commitment on the prevention of anti-competitive practices

The company's commitment to preventing anti-competitive practices addresses part of its responsibilities:

- Abuse of dominant position
- Price-fixing
- Transparency on the market
- Industrial espionage

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

The Ethics Committee is responsible of overseeing the implementation of the Code of Ethics. Also, EDP created a Compliance Department responsible for ensuring compliance within the entire organisation.

Involvement of employees in the prevention of anti-competitive practices

The company has instituted awareness-raising programmes for relevant employees on the prevention of anti-competitive practices.

The Company confirmed that an induction training is provided to employees on the Code of Ethics.

Means allocated to the prevention of anti-competitive practices

The company has set up reporting systems to prevent anti-competitive practices that include:

- approval procedures for contract prices etc. by an independent department
- the possibility to contact internal audit, legal or compliance departments directly & confidentially
- a dedicated confidential hotline or email address
- risk assessment of vulnerability areas within the company
- internal audits (internal verification of compliance with the company's code of conduct etc.)
- external audits (by an independent, external specialised organisation)

- a dedicated confidential reporting system: employees can report violations anonymously to the EDP Ethics Ombudsman.

Coverage of the means allocated to the prevention of anti-competitive practices

The measures implemented cover all significant parts of the company as well as sales agents and business partners.

The Code of Ethics provides details of confidential Ethics Channel. The Company's employees are made aware of EDP Ethics channel during training sessions on the Code of Ethics. The suppliers and service providers also receive the Code attached to the signed agreements.

Reporting

The company does not disclose any quantitative data on the number or nature of antitrust incidents reported internally.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

Leadership	51
Visibility	65
Relevance	30
Ownership	65

Implementation	41
Means & resources	15
Coverage	100

Results	43
Performance	43

C&S3.3 Transparency and integrity of influence strategies and practices

(score: 28, weight: 1)



Visibility of the commitment on transparency and integrity of influence strategies and practices

The company has issued a formalised commitment to ensuring transparency and integrity of lobbying practices but its accessibility is limited.

Relevance of the commitment on transparency and integrity of influence strategies and practices

The company's commitment only addresses part of its responsibilities towards ensuring transparency and integrity of lobbying practices:

- to prevent any contrast with public international conventions (UN, ILO, OECD)
- not obtain or try to obtain information, or any decision, dishonestly
- not to misrepresent themselves to mislead third parties and/or staff of public authorities
- openly declare the company's business interests
- ensure that information provided is up-to-date, complete and not misleading
- not induce staff of PA to contravene rules of behaviour applicable to them
- if the company employs former staff of PA, to respect their obligation of confidentiality
- to be transparent on the amounts of donations to political parties/organisations

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Involvement of employees

Information regarding the involvement of employees in ensuring transparency and integrity of lobbying practices is insufficient.

Measures allocated towards transparency and integrity of influence strategies and practices

The company appears to allocate some measures to ensure transparency and integrity of lobbying practices:

- publication of detailed information on lobbying activities
- approval procedures for gifts, travel or other privilege by an independent department
- a dedicated confidential hotline or email address
- internal monitoring for lobbying budget
- internal audits for lobbying activities
- independent party for monitoring lobbying budget/external audit
- disclosure of the positions in the period of preparation of a debate and during the debate

- a dedicated confidential hotline or email address: employees can report violations anonymously to the EDP Ethics Ombudsman.

- internal monitoring for lobbying budget: the Company disclosed the amounts it

paid to five institutions. The largest amount was paid to the Spanish Electricity Industry association.

Coverage of the measures allocated towards transparency and integrity of influence strategies and practices

The measures implemented cover a minority of operations.

The Company's employees are made aware of EDP Ethics channel during training sessions on the Code of Ethics. The suppliers and service providers also receive the Code attached to the signed agreements. It is unclear whether the Company disclosed fully the amount allocated to lobbying.

Reporting

The company does not disclose direct and indirect expenses dedicated to lobbying practices.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

Leadership	30
Visibility	30
Relevance	30
Ownership	30

Implementation	20
Means & resources	15
Coverage	30

Results	35
Performance	35

Corporate governance

Score: 35

CGV1.1 Board of Directors

(score: 34, weight: 3)



[LISTED COMPANIES] Existence and independence of Nomination Committee No specific committee is in charge of director nomination, which might raise concerns.

Independence of the Board Chairman

The roles of Chairman and CEO are separated, but the chairman is not considered independent.

Responsibility allocated over CSR issues

There is a CSR committee that is part of the Board.
There is a Board level Sustainability committee headed by the CEO.

Share of independent shareholder-elected Board members

Information obtained from company and public sources regarding detailed biographical information for all members of the Board of Directors is insufficient.
None of the seven-member Board are considered independent.

Diversity of the skills and backgrounds of the Board

The Board of Directors diversity appears to be partial:

- At least 30% of directors are women
- At least 40% of directors are women
- Employee representative(s) sitting on the Board
- Board members with demonstrated professional experience in the company's sector of activities
- Board members with demonstrated expertise on CSR issues

Training and expertise provided to board members

The parent company, EDP Portugal, states that Board members are provided training and participate in conferences and seminars, but it is unclear if this applies to the directors of EDP Brasil as well.

Regular election of Board members

Board members are eligible for re-election following 1-year terms.

Evaluation of Board's functioning and performance

Performance is evaluated regularly, but with no disclosure on the results.
Performance is evaluated by the Corporate Governance committee.

Information obtained from the company and public sources regarding the review of CSR issues at board meetings is insufficient.

Review of CSR issues at Board meeting

- Health & safety
- Climate change
- Pollution prevention
- Anti-competitive practices
- Corruption
- Community relations

Regularity of and attendance at Board meetings

Regular meetings are held, and attendance rates are above 90%

16 Board meetings were held in 2016. The attendance rate stood at 95.6% in 2016.

Name of Board member	Role	Executive	Non executive	Employee representative	Nomination	Audit	Remuneration	Former executive	> 9 years on Board	Stock options	Paid > 1/2 executive salary	Represent > 3% company's shares	Other	Independency
António Luís Guerra	Chairman of the Board of Directors, Chairman of the Compensation Committee		X				X							
Miguel Nuno Simões N	Chief Executive Officer, Vice Chairman of the Board	X												
Nuno Maria Pestana			X			X	X		X					
João Manuel Veríssim			X											
Pedro Sampaio Malan			X				X		X					
Francisco Carlos Cou			X			X			X					
Modesto Souza Barros	Chairman of the Audit Committee		X			X			X					

CGV2.1 Audit & Internal Controls

(score: 46, weight: 2)



[LISTED COMPANIES] Existence and independence of Audit Committee *None of the three-member Audit Committee are considered independent.*

Skills and backgrounds of Audit Committee members Members appear to have financial and/or audit experience, but lack relevant operational experience in the sector.

Operational and CSR risks covered by the company's internal controls system The internal control system covers the standard issues related to financial, operational, and legal risks. In addition, the system covers some of the CSR risks inherent to the company's business operations.

- Health & safety
- Climate change
- Pollution prevention
- Anti-competitive practices
- Corruption
- Community relations

- Health & safety: the Company confirmed that there are specific internal audits related to health and safety. An example of internal audit report related to health and safety was provided to Vigeo Eiris.
- Corruption: the Company states that in compliance with the Sabarcanes-Oxley law, through internal audit mechanisms and financial report internal control system the corruption risks and impacts and vulnerabilities of each business in the group are mapped and monitored periodically.

Role of the Audit Committee in overseeing internal and external controls The Audit Committee has a limited role that includes:

- Oversee internal audit and internal controls
- Review accounting policies and be responsible for updates
- Nominate the statutory auditor
- Oversee the work of the external auditor
- Approve the type of audit and non-audit services provided and fees paid to the external auditor

Management of the CSR risks Although the company has set up some measures, it has not gone beyond that to integrate CSR risks in its overall strategy.

- Balanced scorecard
- Risk-related training
- Monitoring of key risk indicators
- Reporting system to the Board
- Risk mapping/materiality assessment

A Board Risk Committee with no executive part of it

- Risk mapping/materiality assessment: there is a risk map that is updated annually, with approximately 150 risks identified, divided into 60 categories that quantify likelihood of occurrence and impacts. These categories cover environmental, ethical risks as well as risks related to technical losses and energy efficiency.

Independence of the firm's external auditors

The audit firm receives non-audit fees, but these represent only 25% or less of total fees.

Non-audit fees represented 15.8% of total fees paid to PricewaterhouseCoopers in 2016.

Inclusion of CSR issues in the company's reporting

The Company publishes significant CSR reporting on key material issues, with an independent third party assessment of the reliability of key performance indicators, with limited level of the assurance against ISAE 3000 standard.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

CGV3.1 Shareholders

(score: 45, weight: 2)



Nonexistence of voting rights restrictions

The company respects the "one share - one vote" principle.

Safeguards on transactions with major shareholder(s)

No safeguards appear to be in place, which might raise concerns with regard to the fairness of any such transaction.

Ability to add items to the agenda of the AGM and to convene an EGM

Major restrictions have been identified to convene an EGM.

5% share ownership is required to convene EGM. On the other hand, the share ownership required to submit a resolution for the AGM agenda is unclear.

Access to voting at General Meetings

There are no major restrictions on shareholders' ability to vote, and it is possible to vote using online services.

Ability to vote on relevant issues in separate resolutions at AGM

Not all major items are put to a shareholder vote.

The following items are not put to a vote at the AGM:

- Board fees
- Selection of external auditors
- Executive remuneration
- Election of board members (a separate resolution for each member)

Presentation of CSR strategy to shareholders and investors

The company has presented to shareholders and investors its CSR strategy but this covers a limited part of the most relevant CSR issues.

- Climate change
- Pollution prevention
- Corruption
- Health & safety
- Community relations
- Anti-competitive practices

The Company presented on its decentralised photovoltaic project which is in the final phase of installation.

Board's attitude towards CSR-related shareholder resolutions

Information obtained from the company and public sources, regarding the Board's attitude toward legitimate CSR related shareholder resolutions is insufficient.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

CGV4.1 Executive Remuneration

(score: 16, weight: 2)



[LISTED COMPANIES] Existence and independence of Remuneration Committee

None of the three-member Compensation Committee is considered independent.

Disclosure of senior executives' individual remuneration

Executive remuneration is disclosed, but on a collective rather than on an individual basis.

Link between Short Term Incentive Plans and the performance of the company

Bonuses are linked to predetermined and disclosed economic and/or operational performance indicators. However the actual quantified targets are not disclosed.

Annual performance indicators are linked to total shareholder return vs. Eurostoxx utilities and PSI20, ROIC/WACC, growth in gross profit, growth in net profit, performance of EBITDA, performance do free cash-flow, Price ENBR vs Ibovespa IEE, and Corporate Sustainability Index.

Link between the main Long Term Incentive Plan and the performance of the company

Long-term incentives are linked to performance conditions, but quantified targets are not disclosed.

Multi-annual performance indicators are linked to total shareholder return vs. Eurostoxx utilities and PSI20, ROIC/WACC, performance of EBITDA, performance do free cash-flow and sustainability performance indicator.

Link between variable remuneration and CSR performance of the company

Variable remuneration is said to be linked to CSR performance objectives, but these are not disclosed.

- Health & Safety
- Climate Change
- Pollution Prevention
- Customer Satisfaction
- Other

Severance pay for senior executives

Information obtained from the company and public sources regarding severance pay for senior executives is insufficient.

Evolution of CEO-to-employee compensation ratio

Information obtained from the company and public sources regarding the compensation of CEO and the average employee salary is insufficient.

The Company does not disclose CEO's compensation. Average salary for operational employees increased by 8.6%.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

Detailed Scores and Ratings

CURRENT AND PREVIOUS RATINGS

Period	Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance
2018/06	++	++	++	++	++	+
2018/03	++	++	++	++	++	+
2016/03	++	++	++	++	++	+

SCORES PER DOMAIN

Domain	Average Score	Leadership	Implementation	Results
Environment	56	57	62	37
Human resources	52	49	59	47
Human rights	63	68	66	55
Community involvement	52	53	65	37
Business behaviour (C&S)	58	63	60	50
Corporate governance	35	42	21	42

SCORES PER CRITERIA

Sub-domain	Criterion	Score
Environment 1	1	84
	2	44
	3	84
	4	47

Environment 2	2	41
	4	40
Environment 3	1	35

Sub-domain	Criterion	Score
Human resources 1	1	42
Human resources 2	3	59
	4	46
Human resources 3	2	57

Sub-domain	Criterion	Score
Human rights 1	1	60
Human rights 2	1	59
	4	67

Sub-domain	Criterion	Score
Community involvement 1	1	51
	1	52

Sub-domain	Criterion	Score
Business behaviour (C&S) 1	3	75
	4	62
Business behaviour (C&S) 2	1	66
	2	45
	3	28

Sub-domain	Criterion	Score
Corporate governance 1	1	34
Corporate governance 2	1	46
Corporate governance 3	1	45
Corporate governance 4	1	16

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Overview of the latest updates

Date of the latest update	Information updated
2018/07	Carbon & Energy Transition
2018/06	ESG Update
2018/03	Controversial Activities Screening
2018/03	Full ESG profile