



a better energy, a better future, a better world

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opening message

In a year of countless challenges, EDP has once again earned its place as a leading company that is oriented towards results and efficiency, as well as sustainability and social responsibility.

And because our social responsibility begins at home and extends to the communities to which we belong, EDP believes in its people as a major competitive advantage in its role as an international organisation.

We know that strengthening the emotional bond between people and the company generates success and we want to have happy, motivated, productive people. We chart our course in the knowledge that they are our differentiating factor.

We advocate hands-on human resource management that involves valuing and developing skills and recognising merit and, counts on everyone's alignment and commitment.

Because we believe that each employee's family and personal life should be stimulated and acknowledged as an integral part of the Group's dimension, Being EDP is also being able to balance a career with the individual and family interests that the company prizes.

After certification as family-friendly companies of the Group companies in Spain (HC, Naturgas and Renováveis) by Fundación Másfamilia, we are working for Portugal to follow this example in 2012.



We are known for our unparalleled ethical conduct and best practices. We believe in diversity, we guarantee the integrity of our actions and we are true to our values, principles and commitments. This is the EDP attitude, which is clearly visible in the enthusiastic work done by a strong, committed team focusing on the company's goals and results. This feeling of belonging, which is shared by all employees in all EDP countries (as demonstrated by the excellent results of the 2011 Climate Survey), unifies strategy and fosters success.

The response to the challenges facing us has been unmistakable. We are a role model in the markets in which we operate.

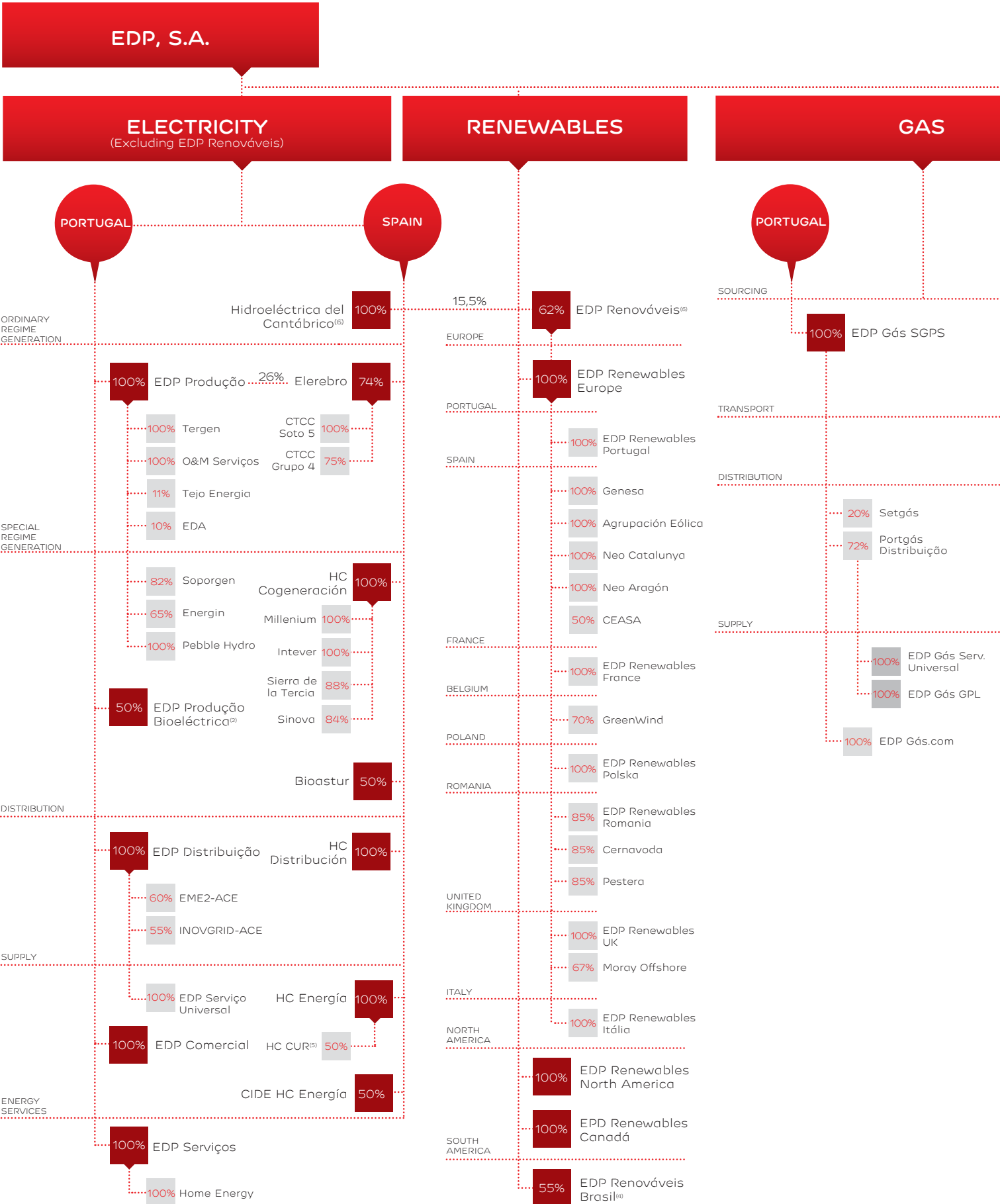
This document, which we plan to constantly enrich, describes people management at EDP, a reality that means we are held in high regard for our attitude and social dimension, as demonstrated by our classification in the Dow Jones.

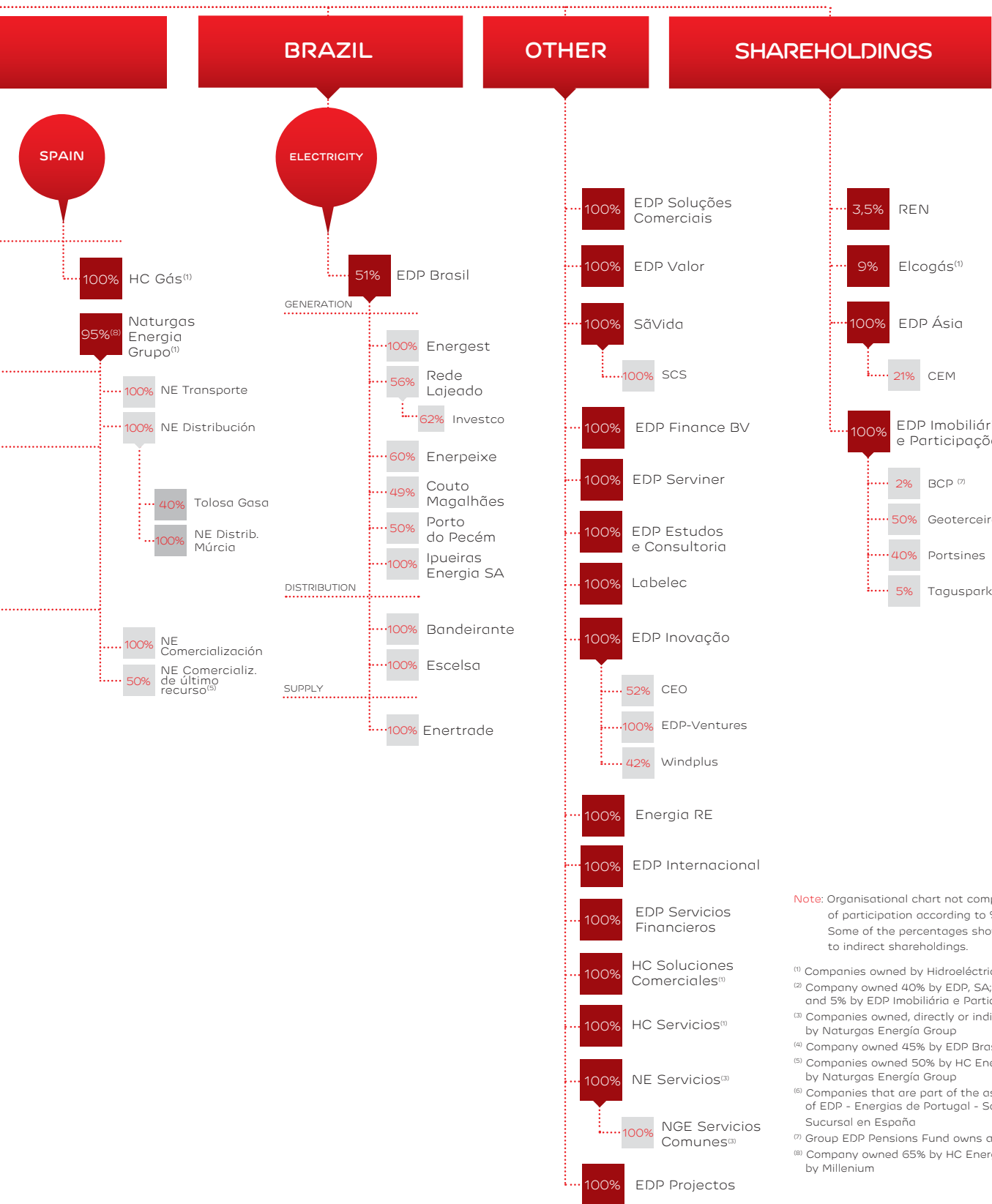
By publishing this social report, EDP is once again taking its place as a successful organisation that reflects the way in which we handle the daily management of our greatest asset: our people.

A handwritten signature in dark ink, which appears to read 'António Pita de Abreu'.

António Pita de Abreu

organisational structure





company highlights 2011

01

"Para ti Se Não Faltares"

Fundação EDP, in partnership with Fundação Benfica, sponsors "Para ti Se Não Faltares" (For You if You Don't Miss School), a project combating absenteeism and educational failure of children at risk aged 6 to 16. It promotes social inclusion and equal opportunities between genders, the development of individual and social skills and orientation towards merit. It first started in Amadora, but will be extended to the whole of Portugal, with special focus on the areas where EDP is making new hydroelectric investments.

"Ser Líder" (Being a Leader)

EDP begins training for its leaders in Portugal using learning maps. The experience will be extended to all countries.

EDP attends the World Future Energy Summit

A global conference that promotes the best in innovation and investment opportunities in the areas of the environment and renewable energy.

Representatives of the European Commission visit EDP projects

With their eyes on technological innovation applied to energy, European Commission representatives came to Portugal to see the Group's latest projects in energy generation, management and efficiency.

EDP Renováveis opens wind farm in Terra Fria, Montalegre

EDP Renováveis, the world's third largest wind power generator, opened a wind farm in Terra Fria, Montalegre, which will generate an estimated 250 GWh a year, enough energy to supply 140,000 inhabitants.

Opening of FabLab

EDP opens FabLab (Fabrication Laboratory), a digital, fast prototyping lab where anyone can make their ideas or projects a reality. The EDP FabLab is the first prototyping lab in Portugal that is open to the general public, universities, SMEs and EDP Group employees.

02

EDP donates 73 tonnes of goods to charities

73 tonnes and 340,000 beneficiaries is the sum total of the EDP 2010 Goods Collection Campaign, which involved Group companies in Portugal, Spain and Brazil.

Construction of Foz Tua Dam begins

The project will help create 4,000 jobs, 1,000 of them direct, over the next five years. Foz Tua will begin to generate energy in 2015.

WindFloat Project

The company signs a project and turnkey contract agreement with several partners to set up the first real-scale WindFloat equipped with a two-megawatt wind turbine off the Portuguese coast.

Valuing Experience second phase of the programme

Its aim is to manage the EDP Group's most experienced employees differently and encourage them to share their knowledge. The programme will be implemented in all countries.

Reputação Awards 2010

EDP won prizes in the first APECOM Reputação Awards, in 2010. António Mexia, EDP's CEO, was voted Communication Personality of the Year. The "A tua energia" (Your Energy) project won in the Energy, Environment and Ecology category and the EDP Annual Report and Accounts won in Financial Communications, Mergers and Acquisitions. The Alqueva Dam Concert received a prize in the Events category. edpON corporate television won in Corporate TV & Video and ON magazine in Corporate Publications.

Winners of the EDP Sustainable Entrepreneur Award

EDP announces winners of its 2010 Sabor Sustainable Entrepreneur Award. The initiative is designed to foster employment and boost the entrepreneurial spirit in the region of the Baixo Sabor, Bemposta and Picote dams.



03

EDP enters Talent City

Talent City is EDP's latest investment in attractiveness. It is a virtual platform that allows registered users to easily contact companies that join the project.

Comer bem é + barato! (Eating properly is cheaper!)

Fundação EDP starts a campaign on good practices at mealtimes.

Institutional Investors Awards 2011

EDP is recognised by the Institutional Investors 2011 All Europe Executive Team. Awards: 2nd place: CEO - Sell Side – Energy: António Mexia; 2nd place: CFO - Sell Side - Utilities - Nuno Alves; 3rd place: IR Professional - Buy Side - Utilities - Miguel Viana; 2nd place: IR Professional - Sell Side - Utilities - Miguel Viana; 3rd place: Best IR Company - Sell Side - Utilities – EDP – Energias de Portugal. Awards received by EDP Renováveis: 1st place: CFO - Sell Side - Renewable Energy – Rui Teixeira; 1st place: IR Professional - Sell Side - Renewable Energy – Rui Antunes; 1st place: Best IR Company - Sell Side – Renewable Energy – EDP Renováveis; 2nd place: Best IR Company - Buy Side – Renewable Energy – EDP Renováveis.

EDP is the most valuable Portuguese brand

The Brand Finance Most Valuable Portuguese Brands study indicates that the estimated value of the EDP brand is 2.755 million euros and has an AA-rating. The study analysed areas such as the banking sector, telecommunications, the media, distribution and beverages, among others.

04

New facilities in Porto

EDP opens a new head office near Casa da Música in Porto. The two blocks will house around 1,100 employees and free up 22 of the buildings previously occupied by different Group companies. The new building boasts innovative characteristics in terms of energy, working environments and openness to the exterior.

EDP is one of the best leadership schools

EDP is considered one of the best leadership schools, taking second place in the Portuguese rankings in a study conducted by the Hay Group on the Best Companies for Leadership in Portugal.

05

New support for social projects in dam areas EDP invites applications for third

EDP Solidária Barragens Programme. This programme supports local charities in the areas affected by new hydroelectric investments and has already helped 13 institutions and more than 15,000 people. The following municipalities are covered in 2011: Miranda do Douro, Alfândega da Fé, Torre de Moncorvo, Macedo de Cavaleiros, Mogadouro, Alijó, Murça, Mirandela, Vila Flor, Carrazeda de Ansiães, Amarante, Cabeceiras de Basto, Celorico de Basto, Ribeira de Pena, Mondim de Basto, Castelo Branco, Vila Velha de Ródão, Sever do Vouga, Oliveira de Frades, S. Pedro do Sul and Vale de Cambra.

EDP in Energy Efficiency Awards

EDP wins the award for the Most Efficient Company in 2010. This award goes to companies with the best energy efficiency practices.

Poetry at schools in Trás-os-Montes

EDP takes "Projecto Voz" (The Voice Project) to upper secondary schools in Trás-os-Montes in a nationwide initiative to instil a taste for Portuguese poetry in young people.

Marketeer Awards 2011

EDP wins Marketeer 2011 Awards in the Energy category.



company highlights 2011

06

InovCity in Évora voted key European project

InovGrid is selected by the European Commission and Eurelectric as a single case study from more than 260 intelligent energy grid projects Europe-wide. This international recognition of InovGrid is thanks to the way in which it was designed and implemented in Évora. The project will now be analysed and monitored by these European bodies.

EDP Solidária 2011

The EDP Solidária Programme, now in its eighth year, is one of the largest aimed at the third sector in Portugal. This year it has supported 27 solidarity projects.

EDP Excellence in Communication for the third year running

Intranet, television and a special edition, edplife, received the Award for Excellence in Communication from the APCE - Associação Portuguesa de Comunicação de Empresarial. This is the third consecutive year in which EDP's communication has won awards for internal communication, institutional communication and brand and events.

EDP Renováveis enters FTSE4Good Index Series

EDP Renováveis, world leader in the renewable energy sector and the third largest generator of wind power, has been included in FTSE4Good, a stock exchange index of companies that stand out for their sustainable practices and corporate social responsibility policies. EDP is in ninth position in the index and is the only company in the energy sector among the 22 new members of FTSE4Good.

Opening of Kakuma: the rebirth of hope

This photo exhibition portrays the social transformation in the Kakuma refugee camp in Kenya, after EDP's work there.

Campanha Parte de Nós – Hospitais

On 24 September, 12 Portuguese hospitals receive more than 1,000 volunteers for painting, gardening and small repairs. At the same time, there was a campaign encouraging people to donate blood and bone marrow.

07

EDP introduces new image

The EDP Group begins a communication campaign for the launch of its new image. EDP's new identity, which is the same for all group companies, breaks down into seven main symbols. This concept marks the innovation and dynamism of this exceptional global brand.

09

DJSI - EDP is world leader for second year running

EDP is again the world's most sustainable electricity company. The Group keeps first place in the Dow Jones Sustainability indexes, in an even stronger position than in 2010. The company scored 86 points, two more than in 2010, and is world leader in the Social Dimension.

EDP no Brasil receives ethics seal from Controladoria-Geral da União

The ethics seal, created by Controladoria-Geral da União (CGU - Office of the Comptroller General) for companies with good governance and ethical standards, is an acknowledgement of companies proven to be "committed to ethics and integrity", according to the CGU definition.

Best annual report and accounts in the non-financial sector

EDP wins in the best annual report and accounts in the non-financial sector category in the Investor Relations & Governance Awards (IRGA).

10

EDP releases free app for iPhone, iPod Touch and iPad

This application is yet another tool for activating its new corporate identity and transmitting sustainability messages.

11

EDP no Brasil voted a model company in sustainability for the fourth time

EDP no Brasil is the only electricity company to be voted one of the 20 model companies in sustainability by Guia Exame de Sustentabilidade for the fourth year running.

New social projects

Social vegetable gardens, garden maintenance, silkworm breeding, domestic repair services, loan of orthopaedic devices, refitting of facilities with solar panels and parents' schools are some of the projects sponsored by the EDP Solidária Barragens 2011 Programme. The 10 projects were selected from 92 candidates in the third programme set up by EDP to assist non-profit institutions in the regions covered by the new hydroelectric investments.

Douro Energy Concert in European Best Event Awards '11

The concert is the big winner on the night of the European Best Event Awards '11, with seven awards. The performance, which was held this year in Douro, won first prize as Best Celebration / Festivity Event, the special award for Best Integrated Event, first prize as a Musical Event, Best Event Agency - Global Challenge, second place as a Best European Award and another second place as a Best Public Event. The seventh award was for the EDP Group as the Best Event Company.

First offshore wind farm installed successfully

The real-scale WindFloat system is equipped with a two-megawatt wind turbine and is located off the coast of Aguçadoura in Portugal. It marks the beginning of a new sector in the wind industry.

Best Practice Partner for process management EDP is voted by the APQC

(American Productivity and Quality Center) world leader in benchmarking of best practices and corporate performance.

EDP wins four categories in the "As Empresas Mais" (The companies with the most)

EDP wins four of the 10 categories in the "As Empresas Mais" awards. The Group wins in the following categories: CEO of the Portuguese electricity company, António Mexia; Director of Human Resources, Maria João Martins; the company that people would most like to work for; the company with the best team spirit.

EDP's corporate television receives international recognition

edpOn, the EDP Group's corporate TV channel, wins first place in the Audiovisual Communication category in the FEIEA Grand Prix Awards 2011, a yearly European competition organised by the FEIEA (Federation of European Business Communicators Associations).

12

2011 climate survey in all countries for all employees

The overall results for 2011 in terms of participation (87.9%) and overall satisfaction (81 points) show that employees are motivated and like working for EDP.

Parte de Nós Natal

EDP volunteers take kindness to 5,000 institutionalised and hospitalised children and elderly people.

Launch of EDP Volunteer Portal

Fundação EDP launches a volunteer portal of all current volunteer initiatives. The EDP volunteer website is open to volunteers and partners and will be the place for presenting projects and sharing experiences. It will publish all volunteering opportunities and accept volunteers' enrolments

EDP and China Three Gorges form strategic partnership

China Three Gorges and Parpública sign an agreement on the purchase by the Chinese company of the state's shareholding in EDP.



performance indicators

SOCIAL INDICATORS

	2011	2010	2009	2008
EMPLOYMENT				
No. of employees ⁽¹⁾	12,119	11,989	12,009	12,166
Male employees (%)	78	79	79	80
Overall satisfaction rate	81	n.a. ⁽²⁾	81	75
Turnover rate	5.76	5.76	5.51	6.00
Employees' average age (years)	46	46	45	45
Average years of service on leaving	17	30	18	30 ⁽³⁾
Absentee rate (%)	3.35	3.52	3.61	3.44
Personnel costs (EUR 1,000)	573,643	575,408	540,036	573,674
Social benefits (EUR 1,000)	61,258	153,362	158 353	161,200
Gratuities (EUR 1,000) ⁽³⁾	34,429	33,763	39,254	34,000
TRAINING				
Total hours of training	477,091	419,737	353,205	487,111
Average amount of training per employee (h/p)	39	35	29	40
Employees with training (%)	81	96	75	82
Total costs of training (EUR 1,000)	8,026	8,940	7,225	7,232
Work productivity (€/h)	230	233	222	182
LABOUR RELATIONS				
Collective labour agreements (%)	84	87	87	88
Trade union membership (%)	53	55	58	61
Trade unions (no.)	39	37	37	33
ACCIDENT PREVENTION AND SAFETY				
OSHAS 18 001 (% installed power)	58	60	55	46
On-duty accidents (no.)	46	44	47	76
Fatal on-duty accidents (no.)	2	1	1	0
EDP frequency rate (FR)	2.17	2.08	2.26	3.43
EDP severity rate (SR)	180	117	144	176
Total days lost due to accidents (no.)	3,815	2,469	2,984	3,894
Fatal accidents of subcontractors (no.)	4	6	10	6
Subcontractors working days (no.)	6,007,837	3,738,078	3,350,285	n/a
EDP and subcontractors' frequency rate (FR_total)	4.65	4.92	5.00	6.18
COMMUNITY				
Social investment (€M) ⁽⁴⁾	21	19	17	13

(1) For the purpose of a breakdown analysis, the number of employees does not include corporate bodies, which were 100 in 2011.

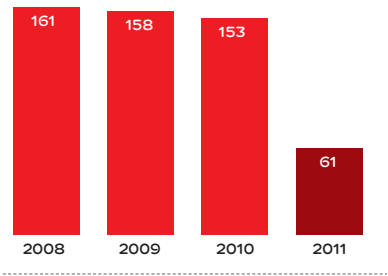
(2) The employee satisfaction survey is conducted every two years.

(3) Portugal only.

(4) According to the LBG method – London Benchmarking Group. 2011 not validated by Corporate Citizenship.

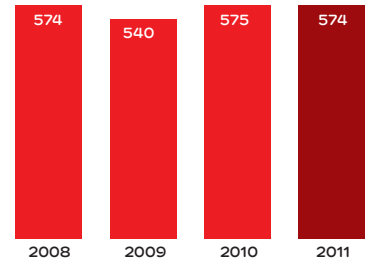
EMPLOYEE COSTS (€M)

Social benefits

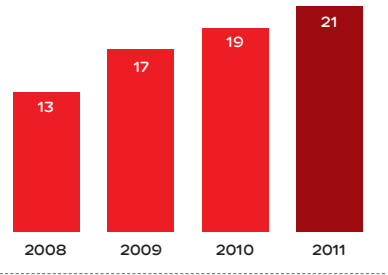


EMPLOYEE COSTS (€M)

Personnel costs



SOCIAL INVESTMENT (€M)



performance indicators

Over the years, EDP has engaged in its activity in accordance with the principles of citizenship and sustainability, thereby becoming a role model.

EDP was the world's leading company in the electricity sector of the Dow Jones Index for the second year running and achieved the maximum score in three human resource criteria: Social Reporting, Human Capital Development and Shareholder Engagement.

Leadership of the Dow Jones Sustainability Index is recognition of EDP's commitment to sustainable development, which is reflected in constant improvement in corporate governance practices, its growth strategy in renewable energy and use of more efficient generation technologies in a permanent commitment to the development of its human resources and close articulation with its stakeholders.

EDP's commitment to patronage and solidarity is evident in the work done by Fundação EDP (Portugal), Fundación Hidrocarbónico (Spain) and Instituto EDP (Brazil).

Fundação EDP, which was set up in 2004, develops the imperative of citizenship that EDP has accepted since it was founded. The work of Fundação EDP extends to the whole country, interconnects with the work of other Group foundations and is committed to the main corporate challenges. The foundation promotes many social innovation, education and cultural programmes by providing patronage and forming partnerships and also through its own initiatives. It is involved in combinations of science and education, energy and the environment, the arts and creativity, heritage and culture and solidarity and sustainability. It has been stepping up its involvement in social innovation. In 2011, this resulted in the introduction of a volunteering policy for the EDP Group in conjunction with the Corporate Centre's Human Resource Department. This policy encourages a "community" of employees who participate in volunteering programmes. It was also in 2011 that we set out a Volunteer Charter and circulated it to all our leaders.

Fundação EDP is intended to be a key partner in the third sector, an agent motivating people to deal with social challenges through innovation and partnerships and to develop tools,

create opportunities, reward volunteering and add value to disadvantaged communities.

Fundación Hidrocarbónico works in the areas of culture, teaching, training, research, sports, charitable work and other similar areas by awarding study grants, restoring and promoting valuable historical and artistic heritage, sponsoring musical and cultural events and valuing natural resources. It also provides funds for non-profit organisations working to help the disadvantaged.

The purpose of Instituto EDP in Brazil is to promote the sustainability of business by fostering activities in its three dimensions – economic, social and environmental.

EDP's activity in the area of human resources has been widely recognised. In late 2011 it was voted the company for which people would most like to work and the company with the best team spirit. This recognition was achieved at the first "As empresas mais..." (The companies with the most...) awards organised by Human Resources Portugal magazine. António Mexia was also picked as the "Chairman I would most like to have" and Maria João Martins as "The People/Human Resources Director I would most like to have".

EDP also won second place in the Best Companies for Leadership Portugal – 2010 from among 50 nominees. This acknowledgement was the result of a survey conducted by the Hay Group in partnership with Jornal de Negócios for the consecutive second year in Portugal. This is the basis for the rankings of the Best Companies for Leadership Portugal.

With their different cultures and realities, the companies making up the EDP universe work towards the same goal when it comes to their human resources. This goal is to ensure that they all enjoy good conditions and feel professionally and personally fulfilled and that there is the greatest alignment between the EDP Group's strategy and its leaders and teams.

At EDP, we believe that people who have achieved a work-life balance are happier, more creative, more energetic, more motivated and more productive. These are the characteristics that make successful employees and organisations.

priorities for 2012-2013

SOCIAL COMMITMENTS	FUTURE GOALS AND TARGETS
ECONOMIC AND SOCIAL VALUE	
Sustainability in internal management systems	<ul style="list-style-type: none"> • Maintain SAM recognition of excellence in the social sphere.
Ethics in the culture of all EDP employees	<ul style="list-style-type: none"> • Be on the Ethisphere Institute World's Most Ethical Companies list.
HUMAN CAPITAL AND DIVERSITY	
Health and safety management for the entire EDP Group	<ul style="list-style-type: none"> • Set up a multi-country corporate safety management system (CSMS), to be extended to Spain in 2012 and the remaining countries in 2013.
Safety certifications	<ul style="list-style-type: none"> • Certify the corporate safety management system in Portugal. • Maintain OHSAS 18001:2007 certifications of generation centres of EDP Produção, HC Energia and NEO. • Continue integration of the safety management system with the EDP Gás environmental management system. • Obtain OHSAS 18001:2007 certification of Soto Combined Cycle Power Station.
Automatic External Defibrillation (AED) Programme	<ul style="list-style-type: none"> • Certify AED Programme in Portugal at the 20 facilities with the highest number of occupants. • Progressively extend the programme to remaining facilities in the country.
Accident prevention and occupational health and safety	<ul style="list-style-type: none"> • Set up a corporate multi-country EDP Group prevention and safety award. • "Zero accidents, no personal injuries" - reduce frequency of occupational accidents of workers at EDP and service providers by 5% against 2011. • Review CSMS procedures in the sphere of external certification. • Start up occupational stress management programme.
Career management	<ul style="list-style-type: none"> • Implement pilot scheme for Y-shaped careers (a career structure with parallel development in management and technical areas, after a certain level, with equal pay and benefits). • Extend the integrated human resource management model (IHRMM) to the rest of management and non-management personnel. • Extend "career routes" in selected business units to foster employees' responsibility for managing their careers and indicate alternative professional development paths.
Succession management	<ul style="list-style-type: none"> • Identify key people (after pinpointing successors) aimed at different management of people whose knowledge, skills, creativity, reputation and recognition are valuable to the business.
Mobility	<ul style="list-style-type: none"> • Publish a mobility and policy manual to foster communication, inform and clear up doubts about the process. • Promote short-term internal mobility as a management tool for knowledge and motivation. • Set up a common or single point on the intranet for announcing mobility opportunities throughout the Group.
Expatriate management	<ul style="list-style-type: none"> • Review and approve a new version of the International Work Regulations.
Management of potential	<ul style="list-style-type: none"> • Extend the Value Experience Programme to all countries. • Redesign the Moment with Energy initiative with the CEED to create new dynamics in identifying and managing a multi-country talent pool. • Set up Group-wide programmes for developing skills that are strategic to its business. Expand the Energizing and Executive Development Programme to HC Energia and Naturgas Energia.

SOCIAL COMMITMENTS		FUTURE GOALS AND TARGETS	
Assessment of potential and performance		<ul style="list-style-type: none"> • Complete the extension of the APD Model to all EDP Group employees in Portugal (4,300 more than in 2011). • Extend 360° assessment to all supervisors under the integrated human resource management model. 	
Management of leaders		<ul style="list-style-type: none"> • Promote a culture of feedback between employees and supervisors. • Develop the six leadership skills. • Step up the leaders' role as people managers. • Strengthen the leaders' management role in the EDP Group. 	
Training management		<ul style="list-style-type: none"> • Update the Advanced Training Regulations in line with the different countries. • EDP University: boost training by increasing the number of courses, teachers, training hours and participants. • Reduce the gap between the number of training hours between management and non-management personnel. • Step up the use of mixed training channels: classroom and e-learning. 	
HR management support information and technology		<ul style="list-style-type: none"> • Benchmark new human resource support platforms. • Decentralise human resource processes for different countries for greater autonomy while maintaining holding company's coordination. 	
New Opportunities Programme (Portugal only)		<ul style="list-style-type: none"> • Encourage employees to join the New Opportunities Programme to certify their skills. • Improve academic qualifications of employees in Portugal as a motivational factor and for personal and professional enhancement. • Guarantee the certification of another 150 employees by the end of 2012. 	
Employee satisfaction		<ul style="list-style-type: none"> • 2013 climate survey: keep overall employee satisfaction above 80%. • Ensure that improvement plans are drafted and implemented in all Group companies based on the 2011 survey. 	
Diversity		<ul style="list-style-type: none"> • Implement EDP's diversity policy to facilitate the socio-professional integration of vulnerable population segments. 	
SOCIAL DEVELOPMENT AND CITIZENSHIP			
EDP - community relations		<ul style="list-style-type: none"> • Allocate to Fundação EDP up to 0.1% of EDP's consolidated turnover in 2012. Allot 60% of this amount to social innovation programmes, 26% to culture and 12% to science and energy. There is also a commitment of this nature in the countries where Fundación Hidrocarbónico and Instituto do Brasil are located. • Benefit around 3,000 people in Angola and 2,000 in Venezuela in solar villages in the Energy for Development Programme. • Extend the volunteer programme to the entire EDP Group, raise the number of volunteering partnerships by 30% and increase the 17,840 hours of volunteer work in 2011 by 10%. • Identify new volunteering dynamics and volunteer programmes. 	
Certification as a family-friendly company		<ul style="list-style-type: none"> • Obtain Fundación Másfamilia certification for EDP - Energias de Portugal as a family-friendly company, to reinforce the Group's leadership in the area of sustainability and social responsibility. 	

people management at edp – human resource policies

EDP regards the implementation of innovative strategies in the management of its people as a competitive advantage and considers that the investment in them is reflected by the relevant way in which the team executes the strategy and commits to the desired results. EDP believes in dedicated, hands-on human resource management involving everyone and in line with best market practices.

Our organisation model considers the different nationalities and countries in which EDP is represented and responds to the characteristics of the universe of employees making up the Group. It always takes account of the importance of EDP's values, strategy and the culture applying to one and all. In order to guarantee uniform criteria, the following are our commitments and key ideas:

- Attract and commit;
- Value and develop;
- Recognise equally;
- Reconcile work, personal and family life and citizenship;
- Prevent accidents – occupational health and safety;
- Generate opportunities;
- Guarantee diversity and respect people's value;
- Innovate, motivate, involve and manage change.

Our human resource organisation model focuses on defining strategies, policies and procedures, which are implemented in a decentralised fashion.

The responsibilities are shared by the Group's Human Resource Department, the business units' (companies') human resource departments and, in the case of smaller companies, by the interlocutors or teams in charge of managing their people.

Training and recruitment, as well as processing, are handled by departments of the Group company that provides shared services (EDP Valor). Manager development is also supported by the courses at EDP University, a corporate college set up to offer innovative development opportunities in best practices in manager training.

The Group's Human Resource Department has six competence centres that implement the human resource value chain. These are Communication and Change Management, Potential, Career and Succession Management, Training Management, Performance Management, Mobility, Selection and Integration and Compensation, Benefits and HR Indicators.

This model also includes Relationship Managers, who are responsible for articulation between the Group's Human Resource Department and its in-house clients, an HR Management Support Information and Technology Team and a process and ongoing improvement manager. The idea of having a model involving Relationship Managers is part of a hands-on strategy that we wish to implement in the everyday management of our people.

Communication of EDP's HR image is the responsibility of three entities: sou+edp and ON TOP – EDP Recruitment Program and the Conciliar (Balance) Programme, which are designed for internal and external communication, respectively. Their aim is to standardise, strengthen, clarify and communicate more effectively. There is a clear intention to encourage the different segments to attract and motivate.

It is people who make companies and it is their involvement in projects that they feel belong to everyone that EDP's internal communication wishes to deal with. More than just informing, it is important to integrate, share and stimulate the exchange of ideas and make sure that the targets and vision of a Group of different companies, several countries and many diverse people are embraced by everyone.

We draw up programmes for the entire EDP Group as a way of achieving an alignment shared by all those involved in people management.

By undertaking specific initiatives for certain target audiences, EDP aims to help improve knowledge, boost involvement and a feeling of belonging and guarantee management that is in line with the concrete needs of particular critical segments.

In its search for the strategic alignment of human resources on a global scale, EDP organises an annual meeting of HR professionals, bringing together people from all the Group's companies and countries. We also have other ways of mobilising them. One example is Routes with Energy, which take employees to get to know some of EDP's main generation and distribution facilities. The concept has been extended to Group employees' children and grandchildren in Portugal with Junior Routes – Come and Get to Know EDP. It is one of the initiatives in the Conciliar Programme (see page 38 which encourages a balance between employees' different roles: work, family and the community).

There is also "SMS" (Saiba Mais Sobre - Find out More about) and "Boca Livre" (Speak Your Mind), which consist of informal discussions of issues of interest to employees. The contents of these meetings are published and made available to anyone interested in them and can be viewed at EDP documentation centres. These programmes are part of the increase in sharing and knowledge management in the EDP Group.

"A moment with energy" is a corporate initiative that gives a number of young EDP professionals from different countries the chance to meet the Chairman of the Executive Board of Directors, share ideas and information, take part in networking meetings and visit some of the Group facilities in Portugal. The participants are organised into "virtual" teams and do work on strategic EDP issues, thereby enabling them to develop communication skills, teamwork, relationships with people from different cultures, areas and jobs, which are essential to EDP's success. The best work wins a course at a prestigious university for all the team's members.

2011 was marked by the implementation of the Integrated Human Resource Management Model (IHRMM) for all management and supervisory positions in all the Group's companies in Portugal, encompassing a total of 730 employees. At the same time as Portugal, HC and Naturgas also implemented the IHRMM for their

management and supervisory positions, covering 276 people at HC and 108 employees at Naturgas.

In the process, each employee in question was informed individually (in a letter signed by the Chairman of the Executive Board of Directors). Sessions were held to present the new model to this universe of people, who were also given a document about it. There was also a capacity-building session about the new model for the companies' HRD and an IHRMM kit (support documents for implementation of the model) was handed out. The rules were established for the grant of additional benefits, pursuant to the IHRMM. HR IT systems were adapted to support the new model.

In the second phase of implementation of the IHRMM, the structure and access criteria for the Y-shaped career will be defined. This is a career structure with parallel progress in management and technology above a certain level. It allows advancement in a technical career as an essential lever in the creation of value for the business and enables the organisation to hold on to key specialised managers who have specialised technical know-how and hold positions of a complexity, responsibility and impact similar to management and supervisory jobs.

EDP is currently extending a Career Routes programme at selected business units. It is defining a model that will guide people in reflecting about their careers. The career routes are based on paths that point to career possibilities (vertical, horizontal and diagonal) and ways of increasing in-house learning. The Career Route project has already been introduced in Brazil as an investment in the transparent management of employees' professional development.

Using different ways and principles, EDP has shown a clear strategic purpose in managing its people. It has formed and consolidated a team full of merit that seeks every day to spur itself on, develop and excel. While it boosts the energy in the world in general and in the communities for which it works in particular, this team is also a source of EDP's energy.

Proximity, simplification, dialogue, growth, alignment, sustainability and innovation are the facets of human resources used as the basis for designing the activities that have marked the last two years.

Human resources are strongly committed to fostering proximity with different areas of society and the Group's countries, to articulating existing mechanisms in order to optimise and simplify processes, and to communicating and fostering more direct, open relationships between the different Group structures. Qualitative and quantitative improvement in the dynamics of consolidation of the EDP team and people's alignment with its strategy were also considered in the human resource departments' activities.

Like the global company that it is, strong in the creation of value, innovation and sustainability, EDP wishes to continue to lead through initiative and a capacity for forethought and execution, while demanding excellence in everything that it does in the knowledge that its people are the main source of value and distinction.

It is in this spirit that new human resource proposals are born and that we recognise that 2011 was a year of achievements and that in 2012 we will strengthen our ability to excel, guided at all times by the best market practices.

Human resource policies are set out in a manual available on EDP's website, www.edp.pt > a edp > sobre a edp > human resources.

human rights management

Diversity, respect for human beings and equal opportunities are causes that EDP embraces in its practices and constantly asserts in its membership of organisations operating in this field.

By subscribing to the Declaration of Human Rights, EDP believes that everyone has the rights and freedoms set out in it with no discrimination on the basis of race, colour, sex, language, religion, political or other opinions or national or social origin. By proclaiming the Declaration of Rights of the Child, EDP aims to guarantee a happy childhood and the defence of the rights and freedoms that it lays down, for the good of the child and of society.

EDP has always operated within a framework of explicit or implicit ethical values that are strongly ingrained in its management practices and procedures. These principles and values have been enshrined in the EDP Code of Ethics since 2005 and the necessary instruments have been progressively set up and functions and responsibilities defined in this field. For example, the Ethics Committee and Ombudsman have been appointed and the Code of Ethics Regulations have been approved. Under the motto "We are what we do", the éticaedp Programme was introduced in all Group business units between 2009 and 2011 with the goals of raising employee awareness of the importance and scope of ethics issues in a business context, disseminating our Code of Ethics and spreading and strengthening trust in the EDP ethics process. A case study was conducted of the implementation of this programme in Portugal and was published in-house and externally (for more details on the subject see the 2011 Annual Report and Accounts, Performance Section, page 64, Ethics at EDP, or www.edp.pt).

Thirteen of the 33 complaints on ethics grounds resulting in the opening of a case by the Ombudsman for submission to the Ethics Committee came from employees in 2011. Two of them are pending a decision, four resulted in improvements or adjustments in procedures and the other seven triggered specific corrective measures.

EDP has a system for seeking, selecting and segmenting suppliers, the EDP Group Supplier Registration System, which allows it to act clearly, transparently and efficiently and fosters win-win partnerships. This system is supported by a database shared by all the Group's companies. Today, registration is an essential requirement for any company wishing to qualify for, be consulted about or submit a supply bid. The same computer file allows suppliers to view the EDP Code of Ethics and declare their acceptance of its values and principles. For further information, see the 2011 Annual Report and Accounts, Contribution to Sustainability Section.

EDP stimulates management of diversity in its team in search of maximum complementarity. It encourages close alignment between teams and strategy, in the certainty that people are the main source of energy and one of the critical factors of success.

According to the Code of Ethics, all labour practices, policies and procedures are designed to prevent discrimination and different treatment based on race, gender, age, sexual orientation, beliefs, marital status, physical disability, political orientation or other opinions, ethnic or social origin, place of birth or union membership. EDP guarantees its employees the right to freedom of association and collective bargaining, as set out in the labour agreements governing its conduct towards its employees.

Appreciation of diversity is a basic principle of human rights that is on the company's social responsibility agenda, which is a set of principles and practices meeting the challenge of sustainable development (Ethos, 2008).

In all the countries in which it operates, it implements the values of diversity as specific measures, such as hiring people of different nationalities and people with disabilities (the Group had 195 employees with special needs in 2011). The gradual increase in female employees also attests to the absence of gender discrimination in Group companies' hiring practices. In 2011 almost 22% of EDP's employees were women, which was 0.5% more than in 2010 and 1.1% more than in 2009. The high percentage of men that still persists is explained by historical and cultural factors related to EDP's business area.

These and other practices earned EDP top place in the Dow Jones Sustainability indices for the second year running.

Managing diversity is an ongoing project to which EDP is committed and goes much further now that these pledges have been extended to its suppliers. EDP does not have business relationships with entities that are not in line with the spirit of its Code of Ethics and undertakes to monitor its suppliers' ethical conduct and take immediate, strict measures in the event of questionable ethics.

In 2011, Brazil worked on a diversity programme in order to collect corporate sustainability and social responsibility indicators aimed at valuing diversity and fostering equality. The Sustainability and Human Resource Unit held employee awareness workshops (talks, games and presentations on practical cases and real examples of discrimination) at the end of 2011. The second stage of the programme in 2012 will consist of an action plan to promote equality.

The defence of human rights is also visible in the occupational safety training courses that it gives. In 2011, a number of courses in the area of safety management and preventive safety measures were organised and awareness campaigns were implemented, such as "Risque Os Riscos" (Eliminate the Risks), the aim of which was for all employees to show their commitment to safety every day.

Another interesting human rights initiative is the EDP Accident Prevention and Occupational Safety Awards. Every year they are presented to individuals, teams and service providers that made a significant contribution the year before with initiatives or practices for improving accident prevention and the safety culture at EDP (in Portugal and Spain).

In addition to the social support that it gives after an occupational accident, the EDP Group also uses a number of initiatives to promote health and accident prevention among its people. These include cardiovascular risk assessment, which was introduced at the Occupational Medicine Service in 2004. EDP organised cardiovascular risk campaigns with its employees in 2011. EDP also has nutrition and stop-smoking consultations, among others.

This holistic approach to personal and occupational risk, with a decisive focus on promoting health, places the company at the cutting edge in terms of social concerns and its employees' wellbeing.

EDP also encourages sport and physical fitness by awarding an annual prize to the employees who distinguished themselves with healthy lifestyles associated with amateur sports or physical fitness. EDP recently installed automatic external defibrillators (AEDs) in its most populated buildings and gave training as how to use them.

In 2011, the EDP University's Directive Development School administered a pilot course in which the participants were invited to submit ideas for the sustainability of the business model of five NGOs: Fundação Benfica, Associação Cultural da Beira Interior, the Portuguese Red Cross, Orquestra Sinfónica Juvenil and Dentistas do Bem. The Innovation Laboratory, a paradigm of creativity, social sustainability and development practices involved around 30 employees and resulted in 10 ideas and projects for use at the organisations in question. At the same time as it develops its managers, EDP also puts its employees' intellectual capital to use for the community.

The EDP Volunteering Programme and EDP employee training in this sphere is another success story and shows the Group's position in relation to society (see page 41).

The EDP Group's work can currently be seen on four continents and in 13 countries: Europe (Portugal, Spain, France, Belgium, Italy, United Kingdom, Poland and Romania), America (Brazil, United States and Canada), Africa (Angola) and Asia (China).

In Angola, China and Canada, EDP is present in business terms, although it does not yet have resident employees. The internationalisation of the EDP Group's business, especially thanks to the development of wind power, has contributed to the company's geographical expansion.

The Group's investment in internationalisation and its global dimension are therefore visible in the 29 different nationalities of its employees. EDP believes in recruiting local resources. In 2011, there were 123 employees of nationalities different from that of the country in which they were working, 28 of whom were directors, 65 senior managers, one middle manager, 10 intermediate managers, 16 highly-skilled employees and three semi-skilled.

diversity and equal opportunities

POSITIONS BY COUNTRY

Position/country	2009					2010					2011				
	Portugal	Brazil	Spain	USA	Total	Portugal	Brazil	Spain + Rest of Europe	USA	Total	Portugal	Brazil	Spain + Rest of Europe	USA	Total
CORPORATE BODIES	52	26	4	5	87	52	35	14	6	107	54	34	12	0	100
Men	47	26	4	3	80	47	35	14	5	101	49	34	12		95
Women	5	0	0	2	7	5	0	0	1	6	5				5
DIRECTORS	326	10	77	24	437	356	5	103	20	484	405	49	104	29	587
Men	277	8	69	19	373	294	3	93	14	404	326	37	96	22	481
Women	49	2	8	5	64	62	2	10	6	80	79	12	8	7	106
SENIOR MANAGERS	1,725	50	306	14	2,095	1,827	52	512	25	2,416	1,959	879	546	160	3,544
Men	1,250	39	233	10	1,532	1,318	39	375	19	1,751	1,397	589	390	114	2,490
Women	475	11	73	4	563	509	13	137	6	665	562	290	156	46	1,054
MIDDLE MANAGERS	235	96	382	91	804	228	95	223	102	648	205	0	231	0	436
Men	216	79	304	63	662	204	77	185	71	537	181		192		373
Women	19	17	78	28	142	24	18	38	31	111	24		39		63
INTERMEDIATE MANAGERS	116	71	627	16	830	109	103	670	11	893	91	0	661	5	757
Men	95	54	492	16	657	87	73	538	8	706	74		524	4	602
Women	21	17	135	0	173	22	30	132	3	187	17		137	1	155
SKILLED WORKERS	4,742	548	590	125	6,005	4,506	617	528	141	5,792	4,412	556	529	57	5,554
Men	3,975	362	464	70	4,871	3,772	383	392	84	4,631	3,680	529	376	33	4,618
Women	767	186	126	55	1,134	734	234	136	57	1,161	732	27	153	24	936
SEMI-SKILLED WORKERS	187	1,564	59	28	1,838	165	1,523	41	27	1,756	136	1,031	41	33	1,241
Men	159	1,235	28	1	1,423	141	1,238	18	1	1,398	117	770	16	3	906
Women	28	329	31	27	415	24	285	23	26	358	19	261	25	30	335
Total	7,383	2,365	2,045	303	12,096	7,243	2,430	2,091	332	12,096	7,262	2,549	2,124	284	12,219

In 2011, the largest employee group at EDP were skilled workers, with a total of 5,554 employees in all countries, accounting for 45.8% of the EDP universe (not considering corporate bodies). They are followed by senior managers with 29%. This kind of situation was common to Portugal, where 61% of the employees were skilled workers.

In Spain, the majority of the employees were intermediate managers, with around 31%.

In Brazil, the largest group were semi-skilled workers at about 41%.

The majority of the employees in the United States were senior managers, with around 56%.

According to these data, Portugal is the country with the most directors, which is justified by the fact that it is where the EDP Group's Corporate Centre is located.

This table also reflects the gender reality in the Group, as there was a larger number of men in all categories. This difference is justified by historical and socio-professional reasons in the energy business. The percentage of females has been increasing every year.

EMPLOYEES BY GENDER AND COUNTRY

Country/Gender	2009		2010		2011	
	Male	Female	Male	Female	Male	Female
Portugal	5,972	1,359	5,816	1,375	5,775	1,433
Brazil	1,590	451	1,813	582	1,594	518
Spain	1,777	562	1,601	476	1,925	590
USA	179	119	197	129	176	108
Total	9,518	2,491	9,427	2,562	9,470	2,649

There was an increase in the number of women working for the EDP Group in 2011. We went from 2,491 women in 2009 to 2,649 in 2011, a 6.3% increase and a figure that shows a growing trend in the number of women at EDP. The number of men went from 9,518 in 2009 to 9,470 in 2011.

In percentage terms, this represents 21.9% women employees. The gradual growth in females proves that there is no gender discrimination in the Group companies’ hiring practices.

NUMBER OF EMPLOYEES BY AGE GROUP AND COUNTRY*

Age group/ Geographic area	2009					2010					2011				
	Portugal	Brazil	Spain	USA	Total	Portugal	Brazil	Spain	USA	Total	Portugal	Brazil	Spain	USA	Total
Up to 29 years of age	339	447	188	88	1,062	403	517	185	89	1,194	470	599	168	69	1,306
From 30 to 49 years	2,885	1,545	1,305	153	5,888	2,554	1,486	1,294	177	5,511	2,336	1,493	1,323	170	5,322
50 years and older	4,107	347	548	57	5,059	4,234	392	598	60	5,284	4,402	423	621	45	5,491
Total	7,331	2,339	2,041	298	12,009	7,191	2,395	2,077	326	11,989	7,208	2,515	2,112	284	12,119

* This framework does not consider corporate bodies

In 2011, the 30 to 49 and over-50 age groups were more balanced, though there was a slight prevalence of the 50-plus group, which represented around 45.3% of EDP’s people (5,491).

In the other countries (Spain, Brazil and the United States), the majority of the employees were in the 30 to 49 age group, which accounts for 44% of EDP people. In Spain, there were 1,323 employees in this age group, 1,493 in Brazil and 170 in the United States.

Portugal, with 4,402 people, was the country that contributed most to this situation. This is can be explained by historical reasons. Portugal is the Group’s country of origin, where EDP first went into business and had its first employees. Then in Portugal there were the people aged 30 to 49 (2,336) while 470 were aged up to 29.

The under-29 age group represented 10.7% of employees. Brazil had 599 people in the group, Portugal 470, Spain 168 and the United States 69.

AVERAGE MONTHLY SALARIES BY GENDER AND COUNTRY (EUROS)

Country/Gender	2009		2010		2011	
	Female	Male	Female	Male	Female	Male
Portugal	2,775	2,709	2,877	2,810	2,945	2,892
Brazil	1,375	1,488	1,911	1,963	2,127	2,251
Spain	3,174	3,911	3,570	4,496	3,649	4,274
USA	4,839	6,397	5,060	6,487	4,789	5,991
Total	2,628	2,740	2,900	3,014	2,976	3,051

In general, considering all the countries in which the Group operates, EDP’s average monthly salaries for men and women are balanced. As a matter of principle, EDP does not discriminate between men and women performing the same type of job.

As in previous years and unlike in other countries, Portugal pays women slightly more than men.

Any variations are mainly due to greater specialisation in areas of activity that historically tend to be done by men, as is the case of engineering and other occupations of a more technical nature. The variation between the genders in 2011 was around 75 euros more for men.

The average salary of men in Brazil is around 124 euros higher than that of women.

The difference is greater in Spain, where men receive an average of 625 euros more than women and in the United States, where men earn an average of 1,202 euros more than women.

Over the years, the difference in salaries between the genders has tended to fall. In 2009 men earned 4% more than women, in 2010 3% more and in 2011 2% more.

management of work and labour relations

retirement

PERCENTAGE OF EMPLOYEES WHO, AS AT 31 DECEMBER, WILL BE ABLE TO RETIRE IN THE NEXT 5 OR 10 YEARS, BY COUNTRY AND JOB TYPE

Job Type/Geographic area	2011					2011				
	next 5 years					next 10 years				
	Portugal	Brazil	Spain	USA	Total	Portugal	Brazil	Spain	USA	Total
Directors	149	23	2	3	177	238	33	12	6	289
Senior managers	250	229	6	3	488	617	343	31	7	998
Middle managers	101	0	7	0	108	192	0	47	0	239
Intermediate managers	34	0	19	0	53	62	0	145	0	207
Skilled workers	1,356	147	6	4	1,513	3,153	249	57	10	3,469
Semi-skilled workers	42	289	1	0	332	86	448	7	3	544
Total	1,932	688	41	10	2,671	4,348	1,073	299	26	5,746

Skilled workers, 1,513 people, are the job type that can be expected to retire in the largest numbers in all the countries in the next five years according to estimates as at 31 December 2011. This trend is especially great in Portugal, with 1,356 retirements. The same is the case in the United States, where there are four people in this position (the United States is one of the most recent countries in which the Group has employees).

In all the countries, we can expect 488 senior managers, 332 semi-skilled workers, 177 directors, 108 middle managers and 53 intermediate managers to retire.

In Spain, intermediate managers will have the most retirements in the next five years (19). The prevalence in Brazil will be for semi-skilled workers (289).

Portugal is the country that will have the most employees retiring in the next five years, 1,932 people divided among the different job types. This is explained by the fact that 59.5% of all employees are in Portugal.

In the next 10 years, estimates also point to the retirement of many skilled workers, totalling 3,469 employees. They are followed by senior managers with 998 retirements, semi-skilled workers with 544, directors with 289, middle managers with 239 and intermediate managers with 207.

All together, 5,746 employees are expected to retire, divided among Portugal (4,348), Spain (299), Brazil (1,073) and the United States (26).

The rejuvenation of the Group is achieved with the ON TOP Programme, which focuses on attraction and mobility between the different companies.

labour relations

There are two compensation and benefits schemes at EDP. Most employees have a collective labour agreement that sets out the rights and duties common to the entire universe in question. This scheme provides for salary levels in accordance with the complexity of the job performed and career progression. Additional benefits are predefined.

The other employees have individual employment agreements, the benefits of which are supported by the Flex system in Portugal. This programme enables each person to choose the benefits that best meet their needs at any time in their life with the company. The system has a fixed and a flexible component. The fixed part is the same for all employees covered and includes a pensions fund, life, health and personal accident insurance and an electricity plan. The flexible part assumes that everyone is entitled to a credit allowing them to choose from the different benefits at their disposal.

NO. OF EMPLOYEES WHO ARE UNION MEMBERS BY COUNTRY

Country/Year	2009	2010	2011
Portugal	5,254	4,975	4,815
Brazil	1,232	1,172	1,179
Spain (excluding Naturgás)	448	441	434
USA	0	0	0
Total	6,934	6,588	6,428

The EDP Group continued to value communication with companies, employees' representatives, workers' committees and trade unions:

- The introduction, alteration or abolition of rules or regulatory procedures was always preceded by clarification and/or information-sharing meetings with the interested parties.
- Negotiations of the review and update of collective regulations proceeded normally and more than 50 meetings were held individually with trade unions and more than a dozen were attended by all the unions.
- Internal rules and regulations were guaranteed to abide by legislation.

In Portugal, the Group also had contacts with official bodies, such as the Ministry of Labour and Social Solidarity, and also coordinated support totalling €1.3m for recreational, cultural and social initiatives of workers' organisations, EDP Personnel Club, blood donors and the Retirees Association. For further information on these institutions see page 40.

It monitored labour contingencies and was proactive in managing disputes on the basis of communication and shared information between parties.

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.

In Group terms, 53% of EDP's employees are union members. This corresponds to 6,428 people represented by workers' associations and trade unions or covered by collective labour agreements, or both.

In general, these figures represented a reduction of around 2% against 2010, when around 55%, i.e. 6,588 employees, were unionised.

This reduction can be explained by the rejuvenation of the Group and the retirement of employees with the most years of service. In other words, there is less likelihood that newly recruited workers will be immediately unionised. The fact that EDP is acquiring businesses in Spain and the United States, where unionisation is traditionally low, also contributed to this reduction.

Portugal is still the country with the highest percentage of unionised workers, with 67% its employees discounting union dues from their pay. In Brazil, 46.8% people are union members and Spain has fewer unionised employees than in the previous year. No employees are unionised in the United States.

EDP has regulated employee movements by transfer, appointment or application. Transfers may be on the company's initiative, by agreement between company and employee, collective due to incompatibility between the job and the worker's or student's condition, or mandatory. Transfers on the company's initiative may result from restructuring and reorganisation of departments, abolition of the job, unsuitability for the job (after appropriate training) or due to the employee's health following an occupational medicine recommendation. EDP ensures that transfers are made to facilities in the same location or a maximum of 5 km from the previous workplace. If this is not the case, it is necessary to obtain the employee's prior written consent.

In the event of collective transfers due to a change or total or partial closure of a facility, employees and trade unions are consulted in advance. If an employee does not wish to be transferred and the company cannot offer equivalent duties in the place where s/he works, it may reassign the employee to a position at the previous level (while maintaining the level and category of his/her existing job and guaranteeing automatic progression at that level). On the other hand, if the employee prefers, the labour contract may be rescinded, in which case s/he is entitled to compensation based on the number of years' service with the company.

When there are collective transfers farther than the above-mentioned 5 km but not requiring a change of residence, the company guarantees monetary compensation for the added transport costs. If a transfer involves a change of residence, the company provides other forms of compensation to be agreed upon case by case.

EDP also assists people who leave EDP in situations of early retirement or retirement in an outplacement programme that it has with external partners. Its purpose is to help to keep them active and reinvent their everyday lives in a new business or activity.

employment and mobility

description

NO. OF EMPLOYEES PER COUNTRY*

Country/Year	2009	2010	2011
Portugal	7,331	7,191	7,208
Brazil	2,339	2,395	2,515
Spain	2,041	2,077	2,112
USA	298	326	284
Total	12,009	11,989	12,119

* This framework does not consider corporate bodies

In 2011 the total number of employees rose slightly from 11,989 in 2010 to 12,119, i.e. another 130 people in 2011. The number rises to 12,219 if the 100 corporate bodies are included.

This increase can be explained by the fact that the rejuvenation of management staff exceeded the number of employees who left for retirement or early retirement.

The number of EDP employees increased in Portugal, Spain and Brazil in 2011. Portugal has 17 more employees than in 2010, Spain has 35 and Brazil has 120. The United States is the only country with a reduction, 42 people.

EDP continues to believe in a strategy of internal efficiency of its human resource management.

AVERAGE AGE OF EMPLOYEES BY COUNTRY

Geographic Area	Average age		
	2009	2010	2011
Portugal	48	49	49
Brazil	39	40	39
Spain	43	43	43
USA	39	39	38
Overall average age	45	46	46

The average age of the EDP Group’s employees continued to be 46. Portugal is still the country with the highest average age (49), followed by Spain (43), Brazil (39) and the United States, which still has the lowest average age (38).

diversity

NUMBER OF EMPLOYEES WITH SPECIAL NEEDS BY COUNTRY

Country/Year	2009	2010	2011
Portugal	98	90	103
Brazil	92	98	80
Spain	8	11	11
USA	1	1	1
Total	199	200	195

The hiring of people with disabilities is encouraged by initiatives aimed at fostering diversity and social inclusion.

In 2011 there were 195 employees with special needs in the Group. Portugal has another 13 people with a degree of physical disability, resulting in a total of 103. Spain and the United States have the same 11 and one, respectively. Brazil was the only country that reduced the number of special-needs employees.

Internships

NO. OF VOCATIONAL, EDUCATIONAL AND SUMMER INTERNSHIPS BY COUNTRY

Country/Year	2009	2010	2011
Portugal	214	252	301
Brazil	175	172	148
Spain	179	259	260
USA	26	23	13
Total	594	706	722

As a socially responsible company, EDP encourages internships at Group companies in order to contribute to young people’s personal and professional enrichment and “win them over” for possible future admission. There are different types of internship depending on the young people’s profiles and goals:

- Summer internships;
- Educational internships;
- Internships as an introduction to working life;
- Professional internships;
- Internships under special agreements, such as with the International Association for the Exchange of Students for Technical Experience (IAESTE Portugal) and the Company Internship Programme for Young Students (PEJENE).

The Group organised 722 internships in 2011: 285 professional, 384 educational and 53 summer internships. The number of internships grew from 594 to 722 between 2009 and 2011.

In 2011, the growth trend was most notable in Portugal, where there were 49 (19.6%) more internships than in 2010. Portugal had 137 professional, 111 educational and 53 summer internships, making a total of 301. There were 260 internships in Spain, 148 in Brazil and 13 in the United States.

This tendency for the number of interns to increase at Group companies is related to EDP’s strategy of liaison with the academic community, which is one of the purposes of the ON TOP – EDP Recruitment Program. The idea is for permanent interaction with students and universities and vocational training institutions of key importance to EDP as possible candidates and future sources of recruitment.

It is important for students to consolidate their knowledge in their educational area and to fit easily into a work environment through interaction with their internship supervisor and the team to which they belong.

There are also partnerships with Portuguese and international associations and communities, such as Best – Board of European Students of Technology and the CEMS – Community of European Management Schools.

In these partnerships, some employees often become student mentors and monitor their progress. They seek to work on subjects that are of mutual interest to the organisation, the student and EDP.

NO. OF WORKING STUDENTS BY COUNTRY

Country/Year	2009	2010	2011
Portugal	24	34	29
Brazil	n.d.	n.d.	n.d.
Spain	5	n.d.	n.d.
USA	0	n.d.	n.d.
Total	29	34	29

In 2011, the EDP Group officially had 29 employees who were working students, a common practice in Portugal, where they are all located.

This figure does not necessarily reflect the reality in the Group. Currently, the company only knows that employees are students if they inform it of the fact or request working student status, meaning that they are allowed time off to revise and sit exams.

The aim is for all Group companies to encourage workers to develop and tap into their potential through education and training. EDP believes in and is committed to the development of its personnel. It works towards increasing the number of workers who believe in training and furthering their education as a factor of progress.

The company’s encouragement of employees’ training takes the form, for example, of involvement in the Novas Oportunidades (New Opportunities) Programme, a government initiative in Portugal. The company’s Programme allows people enrolled in the initiative four hours a month to use, after proving their enrolment at the Centro Novas Oportunidades da EDP (EDP New Opportunities Centre) (CNO in Seia), to write assignments or study, provided they have permission from their immediate supervisor (see page 38).

The number of employees with indefinite contracts increased against 2010. At present, 99.4% of the EDP Group’s employees have this kind of contract.

Only 0.66% of the company’s employees have fixed-term contracts. This is justified by incidental needs for specific projects, peak work periods or temporary replacements.

There are differences between the social benefits for employees with indefinite and fixed-term contracts. In addition to their agreed salary, those with fixed-term contracts are paid a meal subsidy for each business day and are covered by occupational accident insurance. These employees’ children participate in company activities, such as visits to dams and thermoelectric power stations, and support sessions for the other recreational, cultural and sporting activities that EDP promotes.

EDP has 27 part-time employees who work exclusively for Group companies in Europe. They account for 0.22% of all employees.

welcome and induction

NO. OF NEW EMPLOYEES PER COUNTRY

Country/Year	2009	2010	2011
Portugal	154	214	184
Brazil	195	282	369
Spain	126	122	125
USA	70	77	50
Total	545	695	728

The Group’s clear growth and the expansion of its different business areas in the various countries in which it operates justify a strong commitment to the development of its people and the acquisition of new talents and skills. The priority of EDP’s attraction strategy is still to bring in young people with growth potential capable of creating value, which is why it has come even closer to the school community. EDP continues to step up its image as an attractive organisation of reference in the labour market at core educational establishments.

NO. OF EMPLOYEES BY TYPE OF CONTRACT

Contract type/ country	2009					2010					2011				
	Portugal	Brazil	Spain	USA	Total	Portugal	Brazil	Spain	USA	Total	Portugal	Brazil	Spain	USA	Total
Permanent contracts	7,265	2,339	2,030	298	11,932	7,147	2,380	2,075	326	11,928	7,144	2,508	2,103	284	12,039
Fixed-term contracts	66	0	11	0	77	44	15	2		61	64	7	9		80
Total	7,331	2,339	2,041	298	12,009	7,191	2,395	2,077	326	11,989	7,208	2,515	2,112	284	12,119

It is through the ON TOP – EDP Recruitment Program that the company implements its attraction strategy. It therefore continues to promote educational initiatives at the institutions constituting its main sources of recruitment to attract young people with the right profile for the Group, share its know-how and disseminate its strategy, culture and business.

In 2011, EDP undertook initiatives aimed at promotion and dissemination (jobshops, talks and seminars), competition (Global Management Challenge, IST Management Challenge and University Challenge, Power Tradel), sharing of knowledge (Marenostrum, BEST Days on Technology and the Mentoring Programme) and skills development (field trips, summer and educational internships and internships as an introduction to working life).

Partnerships were also formed with Portuguese and international associations and communities, such as Best – Board of European Students of Technology and the CEMS – Community of European Management Schools.

As part of its rejuvenation policy, in 2011, 728 new employees joined the Group, more than in 2010, when 695 people joined and 2009, when new employees totalled 545. In other words, admissions have grown by 33.6% since 2009.

These figures show EDP’s belief in new generations of professionals and demonstrate its role as an employer of excellence. The number of new employees admitted to the Group has been growing since 2006.

The average age of new employees was 30, as in 2010.

NO. OF EMPLOYEES LEAVING BY COUNTRY

Country/Year	2009	2010	2011
Portugal	475	352	226
Brazil	182	228	250
Spain	88	63	82
USA	42	44	102
Total	787	687	660

In recent years, the number of employees leaving has tended to fall, considering all the countries in which EDP operates. In 2011, 27 people left than in 2010. The figures shown refer to employees who left voluntarily, e.g. for retirement or early retirement. They also include employees who passed away. Spain, Brazil and United States have not followed this trend.

TURNOVER BY REGION, SEX AND AGE GROUP

Country / Year	2010	2011
PORTUGAL	3.90%	2.85%
Men	3.79%	2.73%
Women	4.35%	3.31%
up to 29	22.10%	16.84%
30 to 49	1.12%	1.60%
50 and older	4.09%	2.14%
BRAZIL	10.77%	12.61%
Men	9.64%	11.66%
Women	14.34%	15.61%
29	27.28%	24.01%
30 to 49	6.43%	9.77%
50 and older	7.04%	7.36%
SPAIN	4.49%	4.94%
Men	3.95%	4.19%
Women	6.36%	7.34%
up to 29	16.35%	20.11%
30 to 49	3.69%	4.01%
50 and older	2.44%	2.54%
USA	19.39%	24.92%
Men	25.00%	26.81%
Women	10.89%	21.94%
up to 29	23.73%	21.52%
30 to 49	18.48%	23.63%
50 and older	15.38%	34.29%
Total	5.76%	5.76%

In general, the EDP Group’s turnover was the same in 2011 as in 2010, at 5.76%. This percentage is low and demonstrates a positive balance in the number of people joining and leaving the Group and its alignment with best sustainable development practices.

A consistent recruitment policy, retention of talents and motivation are key to this turnover rate and this is what EDP has been working towards.

According to 2011 data, Portugal is the country with the lowest turnover rates, followed by Spain, Brazil and the United States.

Turnover at EDP is more frequent among young employees (aged up to 29), which is also true in all the countries, with the exception of the United States, where it is more common in the 30 to 49 age group.

In terms of gender, turnover was slightly higher among women, except in the United States.

training, development and performance evaluation

value and develop

TOTAL HOURS OF TRAINING

Country/Year	2011	2010	2009
Portugal	179,715	182,814	126,212
Brazil	181,705	142,441	157,900
Spain	109,419	88,303	63,210
USA	6,252	6,179	5,882
Total	477,091	419,737	353,204

In 2011, 477,091 hours were devoted to training, which is 57,354 hours more than in 2010. This increase clearly demonstrates the importance that EDP gives to developing its employees and the enhancement of its people. Training totalled 179,715 hours in Portugal, 109,419 in Spain, 181,705 in Brazil and 6,252 in the United States.

Technical training predominated and accounted for 68.6% of the training given, followed by management and organisational and behavioural studies with 15.9%, 8.7% and 6.8% respectively.

Every year, the company draws up a training plan that is based on a diagnosis of needs revealed during evaluation of potential. It is a guiding reference in the management of training in the Group and is in line with EDP's vision, values, commitments and strategic challenges. The actual employees and their supervisors are actively involved in the diagnosis of needs. Where managers in leadership positions are concerned, a 360° assessment also allows an appropriate diagnosis of training needs (802 employees were given a 360° diagnosis in all countries in 2011).

This plan assumes close alignment with EDP's business strategy and solid articulation between different players: the Group's Human Resource Department, business units, EDP Valor (DFR – Department of Training, Recruitment and Documentation) and EDP University (Group-wide schools and functional schools).

The training plan is based on six main overall goals:

- Align training needs with the Group's strategy and business trends;
- Encourage employees to update their skills;
- Motivate employees;
- Meet the needs revealed;
- Foster the sharing of knowledge and experience;
- Develop abilities, skills, know-how and action.

AVERAGE AMOUNT OF TRAINING BY COUNTRY

Country/Year	2011	2010	2009
Portugal	24.4	25	17
Brazil	69.3	56	68
Spain	49.6	52	31
USA	20.6	19	20
Total	39.4	34	29

EDP's priorities are its employees' qualifications and support for the personal and professional enhancement of all human assets through training, as a way of enabling them to improve its productivity and competitive profile. Training is regarded as a priority in human resource policies in the EDP universe.

EDP continues to encourage acquisition of new individual knowledge and skills as a guarantee of satisfaction and professional accomplishment for its workers and, consequently, an intelligent, competitive and socially responsible organisation.

From January to December 2011, the overall average amount of training per employee totalled around 39.4 hours (against 35 in 2010 and 29 in 2009) in a total of 4,618 training courses. They involved 9,786 trainees from the Group, which is more than 80% of the total population.

Brazil was the country with the highest average amount of training (69.3 hours per participant), followed by Spain (49.6), Portugal (24.4) and the United States (20.6).

TRAINING AND DEVELOPMENT – NO. OF TRAINEES PER TRAINING SPHERE,
TRAINING AREA AND COUNTRY, 2011

TRAINING SPHERE	TRAINING AREA	TRAINEES				
		Portugal	Spain	Brazil	USA	TOTAL
BEHAVIOURAL	Customer service	17	2	51	0	70
	Leadership	2,270	100	199	23	2,592
	Other	12	36	283	33	364
	Interpersonal relationships and communication	1,669	170	312	8	2,159
BEHAVIOURAL TOTAL		3,968	308	845	64	5,185
MANAGEMENT	Commercial/sales	109	278	11	1	399
	Finance	376	236	75	9	696
	Advanced training – general management	1,986	534	6	13	2,539
	People management	175	58	24	25	282
	Project management	58	28	34	1	121
	Logistics and purchases	62	11	12	4	89
	Marketing	25	11	0	0	36
	Other	681	329	686	19	1,715
MANAGEMENT TOTAL		3,519	1,555	852	73	5,999
ORGANISATIONAL	Environment	948	135	31	2	1,116
	Sustainable development	20	6	2	0	28
	Ethics	0	1,530	59	18	1,607
	Other	998	2	353	31	1,384
	Corporate project/culture	246	188	1,297	600	2,331
	Quality	1,031	155	70	0	1,256
ORGANISATIONAL TOTAL		3,243	2,016	1,812	651	7,722
TECHNICAL	Civil	45	4	0	2	51
	Technical drawing	0	38	0	0	38
	Electrotechnics and electronics	158	120	350	0	628
	Languages	71	119	0	0	190
	System/equipment maintenance	257	3,816	595	0	4,668
	Mechanics	98	94	354	44	590
	Other	49	19	0	1	69
	Accident prevention and safety	1,206	147	0	2	1,355
	Generation	52	282	743	113	1,190
	Electricity distribution grids	2,354	2,852	1,428	143	6,777
	Gas distribution networks	627	644	100	15	1,386
	Secretariat skills	1,691	186	1,176	0	3,053
	Information systems	1	2	0	4	7
	Inspection techniques and tests	1,851	1,042	117	107	3,117
	Energy trading	64	21	0	2	87
TECHNICAL TOTAL		8,524	9,386	4,863	433	23,206
Total Training		19,254	13,265	8,372	1,221	42,112

The 4,618 training courses given in 2011 reached 42,112 trainees. Technical training predominated and accounted for 68.6% of the training given and a total of 327,049 hours, followed by management with 15.9% and 75,654 hours, organisational studies with 8.7% and 41,734 hours and behavioural studies with 6.8% and 32,654 hours.

In Portugal, 179,715 hours were devoted to training. Technical subjects covered the largest amount of training with 96,334 hours, 53.6% of the total, mainly in the areas of information systems, electricity distribution grids and accident prevention and safety. They were followed by management subjects with 41,491 hours and 23% of the total, particularly advanced training in general management and people management. In the behavioural sphere, with 20,973 hours and 11.7% of the amount of training, the areas worked most were leadership and interpersonal relationships and communication. The organisational sphere took up 20,917 hours of training, 11% of the total, with special focus on quality.

Training in Spain occupied a total of 109,419 hours. As in previous years, the technical sphere (75% of training in that country) was the one worked most, especially languages and accident prevention and safety. This was followed by management with 13.7% of training, which was devoted mainly to sales and finance. Organisational subjects took up 7% of training, especially in the areas of ethics and the environment. The behavioural sphere accounted for 4% of training, with special focus on interpersonal relationships and communication and leadership.

In Brazil 181,705 hours were devoted to training, in which 145,745 were in the technical sphere (80.2%), particularly accident prevention and safety, electrotechnics and electronics and electricity distribution grids. There were 18,426 hours of training (10% of the total) in different areas of management. Organisational subjects involved 11,520 hours (6.3%), especially in the area of projects and company culture. The behavioural sphere occupied 6,016 hours (3.3% of the total), mostly in interpersonal relationships and communication.

Training in the United States accounted for 6,252 hours. The technical sphere in a variety of areas occupied the most hours, 2,990, or 48% of the total. Projects and culture in the organisational sphere took up most of the 1,594 hours, i.e. 25.5% of the total. Behavioural subjects involved 893 hours, i.e. 14.3% of the total, mainly devoted to leadership. The management sphere occupied 776 hours or 12.4% of the total, especially in project management.

INVESTMENT IN TRAINING BY COUNTRY
(1,000 EUROS)

Country/Year	2011	2010	2009
Portugal	4.782	5.208	5.170
Brazil	1.081	1.861	598
Spain	2.062	1.793	1.353
USA	98	78	102
Total	8.026	8.940	7.223

EDP’s permanent concern for its employees’ training is clear in the investment that it has made in this field. In 2011 more than 8 million euros were invested in training. Almost 4.8 million euros were invested in Portugal, more than 2 million in Spain, over 1 million in Brazil and 98,000 in the United States.

The EDP Group’s average direct cost of training per employee in 2011 was 642.60 euros. The return on this investment is assessed in terms of the human resources’ motivation, satisfaction and productivity levels.

EDP’s commitment to the personal and professional enhancement of its assets by means of constantly training and improving the qualifications of its managers, also involves the Programa Novas Oportunidades (New Opportunities Programme), a government programme in Portugal.

The EDP Group was the first business organisation to promote and undertake the RVCC (Recognition, Validation and Certification of Competences) process by setting up Centro Novas Oportunidades (New Opportunities Centre – CNO) in Seia in 2002. The CNO fits in with the EDP Group’s goal of sustainable development, especially with regard to support for social development.

EDP therefore made a commitment to boost school and vocational certification devices and step up its response capacity in this area. The idea is to make up for gaps in adult training and recognise and certify competences acquired in life and work experiences.

This occurs in a network of social and strategic partnerships. In 2010, EDP signed a cooperation agreement with Agência Nacional para a Qualificação (the Portuguese Qualification Agency - ANQ) with a view to improving the skills of employees at Energias de Portugal.

In 2010 and 2011, the Seia CNO (a key centre in the network) had 271 employees enrolled and 155 had been certified by the end of 2011. This figure does not include people who are still going through the different stages of the RVCC process.

Also in 2011, EDP organised an awareness campaign for employees fitting the profile for the programme and sent them a personalised kit containing a motivational letter, an information leaflet and an enrolment form.

EDP university

EDP University’s aim is to be at the service of the Group’s employees to help them in their development as people and professionals by furthering their knowledge and adapting it to the needs of their work and to facilitate the appearance of new talents and the full use of their abilities.

The EDP Group wants its university to ensure that knowledge is transferred from one generation to the next, that best practices are spread to all areas of the company and that the wealth of knowledge generated is available for everyone’s use and enrichment. This perspective contributes to innovation and sustainability, thereby enabling us to achieve the distinction that we seek– excellence of customer service.

Based on this idea of sharing and cooperation, EDP University plays a leading role in designing and implementing training programmes at its schools. It is based on a global solution that considers its multi-geographic reality, overall training management global and their inclusion in the management of knowledge.

In 2011, EDP University opened its Gas, Renewables and Commercial Schools, began the consolidation and operational improvement of the other schools (Generation, Distribution, EDP and Executive Development) and started the second phase of its Online Campus – a virtual campus that supports the different forms of learning.

SUMMARY

	Participants	Courses	Training hours	Teachers
Academic year 2009/2010	686	n/k	16,636	149
Academic year 2010/2011	3,075	57	38,364	279
	↗ 348%	n/a	↗ 131%	↗ 87%

FORECAST FOR THE 2011/2012 ACADEMIC YEAR

Participants	4,817
Courses	105
Hours of training	81,914
Lecturers	468

valuing experience

Because it believes that each person’s knowledge and experience helps to enhance everyone, EDP has set up a specific programme for making this concept a practice in the Group.

Valuing Experience is an unprecedented programme designed to highlight the knowledge and experience accumulated by more senior EDP employees and share them with the rest of the Group’s human resources. Knowledge is being shared on subjects such as training, induction of new employees, communication campaigns, marketing and sustainability-related matters. This is a programme that generates consolidated knowledge from the people who have been EDP the longest.

Around 300 employees participated in the programme in 2011.

The programme is for employees who have worked for EDP for 30 years or more from different occupational groups (from technicians to senior managers) all over the country. They are people with important knowledge and experience who are good at communicating and able to find time to be put to good use. On joining the programme, the employees begin sharing their knowledge. There were 120 initiatives recorded in the programme in 2011. This number is probably higher, as not all initiatives are recorded in the system.

Valuing Experience fits in with EDP's strategy because it contributes to a culture of greater sharing, steps up execution capacity and increases the sense of belonging and the organisation's efficiency. It started up in Portugal as an innovative pilot project and will be extended to the Group companies based in other countries.

leader training and awareness

Due to their great potential for influencing their teams' behaviour, supervisors take on a huge challenge when working towards EDP's vision, values, commitments and ethical principles. They are real role models for their employees.

The top priority is to raise leaders' awareness of the importance of their role as coordinators of people. A leader must inspire and motivate, recognise and mobilise, promote and involve.

EDP has been developing a series of dynamics, instruments and support tools for the demanding task of leadership.

One example is the EDP Leader's Guide, a practical manual that sets out the main human resource issues with which leaders have to deal every day and information on the leader's profile and the main HR processes. The guide is published in digital form, as it is frequently updated, due to the dynamic nature of the processes in question.

The principles and contents of the guide are based on a method that the company has been using for 10 years, learning maps. These are knowledge discovery maps that use challenging games to enable employees to discover the messages that it wants to convey. This method involves in-house facilitators and energisers, who are co-workers prepared to ensure the strategic alignment of other employees.

In 2011, 31 Being a Leader training sessions were held in Lisbon, Porto, Coimbra and Beja. They were attended by 588 leaders. This training will be given in the other countries in 2012.

EDP believes that it is important to raise leaders' awareness of the company's social responsibility and the importance of its employees' work-life balance and openness to the community, such as in the EDP Volunteering Programme.

mentoring

EDP continues to use mentoring as a way of taking advantage of the knowledge and experience of more senior managers in identifying and developing young people capable of keeping up with business trends and growth, providing personal and professional growth, developing team leaders and managers and increasing motivation and satisfaction. The EDP Group had a pool of 112 mentors and around 150 mentees in the Mentoring Programme and Energizing Development Program (a programme at the Executive Development School at EDP University) in 2011.

generating opportunities

A capacity for creating new opportunities is one of EDP's frames of reference. Organisation opportunities and individual possibilities are boosted in the Group so that, as far as possible, each person has alternatives and choices in the career that they want in EDP's global universe.

The Group encourages its employees to reflect on their careers and personal and professional development and provides the information and tools that they need for defining a self-development plan.

It is the EDP Group's strategy to encourage job mobility in order to increase the number and diversity of career development opportunities and facilitate the sharing of experiences between the different companies.

In a Group the size of EDP that operates in several different countries, mobility promotes management of shared knowledge, challenges and professional growth and a culture of diversity.

EDP's mobility policy includes intra-company (employees can move within their own company), inter-company (they can move to another company or business area) and international (they move to another country) mobility. As international mobility involves a number of specificities, the Group has special international work regulations. Mobility may be on the Group's initiative or at the employee's request.

Mobility involved 837 employees in the EDP Group in 2011.

evaluation of potential and performance

EDP is aware that the company's success depends directly on its people and so it considers evaluation of its human assets' potential and performance to be a priority and a starting point for developing and growing employees and the organisation.

Recognising performance, identifying and rewarding merit and orienting career development and opportunities are some of the goals of evaluation. Human asset management is also aimed at promoting dialogue between supervisors and their teams and strengthening the feedback culture. It is essential to people management and is designed to stimulate the creation of value through the management of competences and performance. This assessment encourages behaviour that maximises employees' productivity, responsibility, participation and development, allocates each person a vital role in achieving overall goals and values individual contributions.

The potential and performance evaluation process fosters reflection on employees' skills and capacity to generate results. EDP values individual contributions by means of a plan with specific, measurable, realistic goals defined over time and in line with the business. All employees know what is expected of them, what their performance is like and what aspects can be improved. Evaluation of potential and performance is phased in an annual schedule and involves the employees themselves, their supervisors and, where applicable their peers.

The more sources of assessment on which it is based, the greater the capacity of evaluation of employees' potential and performance to foster their involvement and the dialogue between supervisor and employee.

The majority of employees (55%) in the EDP universe have 270° evaluations, which involves the employee, supervisor and two peers. Thirty-two employees receive 180° evaluation, which results from a weighted average of their self-assessment and that of their supervisor. The other 13% have 360° evaluation, i.e. the average of four assessments: employee, two peers, a supervisor and, for supervisors, two subordinates. This difference is due to the different levels of maturity of the process in the different countries in which we operate.

Once again, the organisation is aware of the Group's size and geographical representation and so performance management models have been developing in increasing alignment of assessment cycles in all countries. The values governing EDP's action in this field are in line with the best international practices.

succession management

EDP has been working on a succession management plan since 2009. Its purpose is to identify critical jobs in the organisation and potential successors, and to use specific programmes to develop ways of speeding up the acquisition and improvement of competences.

This process is associated with top leadership positions that have an impact on and responsibilities in the Group's strategy. The aim is to sustainably guarantee the continuity of the business by grooming and retaining potential successors.

The 2011 update of the succession plan reflects the changes in the organisation and the support information necessary for the new Executive Board of Directors (2012).

A programmes of assessments was conducted and an individual development plan, Power UP, was drawn up for people in top leadership positions in Portugal involving 83 employees (directors and BoD assistants).

The pool of potential successors identified in the succession plan has fuelled the classes of potential development programmes for specific segments (such as the Energizing and Executive Development Program).

A project to identify key people is currently under way. Its aim is to afford different management to a small group of employees in the EDP Group whose knowledge, competences, creativity, reputation and recognition are highly valuable to the business and whose departure would constitute a considerable loss to the company.

remuneration and benefits

remuneration

More than a way of remunerating employees’ time, energy, knowledge, skills and performance, the compensation and benefit system also conveys EDP’s Values and Culture.

In the wake of recognition and the way in which it is rewarded, there is the possibility of profit-sharing, merit prizes and special recognition occasions, such as events celebrating each employee’s 25 years of service. EDP has different degrees of recognition that take the form of monetary compensation and additional benefits.

There is fixed permanent remuneration (consisting of a normal regular salary paid in return for work set out in the contract), regular subsidies and contributions based on actual work done each month (e.g. meal subsidy), remuneration for special work schemes, such as flexible work schedules, shifts, rotating days off or

availability, remuneration for duties on secondment, coordination of activity groups and supervisory positions.

ANNUALISED AVERAGE MONTHLY REMUNERATION

Country / position	EBD	Managers	Remaining workers
Portugal	52,537	7,067	2,792
Brazil	n.a.	11,900	2,192
Spain	n.a.	8,157	4,084
USA	n.a.	11,581	5,480
Total	52,537	7,993	2,955

Differences in salary in the different countries are related to local labour market influences. The differences in the remaining workers category are also due to experience and years of service.

The salaries of the Executive Board of Directors (EBD) are paid in Portugal, as this is where it works.

PAY RATIO BY GENDER, PROFESSIONAL CATEGORY AND COUNTRY

Job type / country / year	2009					2010					2011				
	Portugal	Brazil	Spain	USA	Total	Portugal	Brazil	Spain	USA	Total	Portugal	Brazil	Spain	USA	Total
Salary index by gender (M/F)	0.96	1.01	1.21	1.35	1.03	0.96	1.01	1.18	1.24	1.01	0.96	1.00	1.17	1.25	1.01
Directors	1.07	1.00	1.07	1.00	1.06	1.10	1.08	1.05	1.03	1.03	1.10	0.98	0.95	0.97	1.07
Senior managers	1.09	1.05	1.24	0.93	1.11	1.10	1.12	1.18	1.03	1.12	1.10	1.26	1.07	1.04	1.13
Middle managers	0.90	0.87	1.25	1.09	1.09	0.89	0.95	1.22	1.03	0.93	0.92	–	1.25	–	1.09
Intermediate managers	1.05	1.07	1.10	0.00	1.07	1.06	1.05	1.10	0.97	1.06	1.00	–	1.09	1.13	1.08
Skilled workers	0.94	1.19	1.22	1.72	1.01	0.94	1.23	1.10	1.07	0.96	0.94	1.08	1.08	0.99	0.91
Semi-skilled workers	1.05	0.98	1.06	0.56	0.98	1.05	1.21	1.11	0.91	1.03	1.02	0.94	1.12	1.52	0.84

EDP promotes equal opportunities in terms of non-discrimination in pay between the sexes. In 2011, the male-female pay ratio was practically the same as in 2010 (1.01). This trend towards an increasing balance between the sexes has continued over the years. The pay ratio by gender was 1.17 in 2008 and 1.03 in 2009.

In Portugal, where 59.5% of the Group’s employees work, women are in the majority, with a ratio of 0.96. In 2011, women were in

higher numbers in the middle manager (0.92) and skilled worker (0.94) categories. In Spain, there are more women in the directors category (0.95). The same is the case in Brazil (0.98) along with semi-skilled workers (0.94). In the United States, women are in the majority in directors (0.97) and skilled workers (0.99).

It is clear that EDP is committed to guaranteeing remuneration based on its employees’ merit and competences.

RATIO BETWEEN LOWEST WAGE AND MINIMUM PER COUNTRY

	2009				2010				2011			
	Portugal	Spain	Brazil	USA	Portugal	Spain	Brazil	USA	Portugal	Spain	Brazil	USA
Lowest EDP wage/national minimum wage	1.56	1.88	1.30	2.22	1.54	1.88	1.37	2.44	1.39	1.88	1.44	1.66

Where compensation and benefits are concerned, EDP seeks to recognise and establish the principle of internal fairness and external competitiveness. The minimum wage paid in any of the Group's countries is higher than the local national minimum wage. In Portugal, (59.5% of the Group's employees), EDP's minimum salary is 1.39 times the national minimum wage. In Spain it is 1.88. In Brazil, the lowest wage paid by the Group companies is 1.44 times the national minimum wage. This ratio is highest in the United States (1.66).

WORK PRODUCTIVITY

	2011	2010	2009	2008
Work productivity (€/h)	230	233	222	182

The growth in work productivity, which is expressed as the gross value added per hour worked fell 1.4% from 2010 to 2011. This variation was due to a 10.4% increase in costs of sales, which was not offset by a 6.7% rise in turnover. Nonetheless, there was an annual average increase of 8% between 2008 and 2011.

benefits

EDP offers all its employees additional health protection schemes over and above public health services in each country and guarantees supplementary retirement plans and life and personal accident insurance. Employees are also entitled to special study grants for themselves and their children.

Additional mechanisms provide medical care after retirement or early retirement in some cases to complement the National Health Service.

In this context, EDP offers its employees a number of complementary benefits in which it invested more than 133 million euros in 2011.

The highest investment in all the countries (over 77 million) was in the pension fund (58% of the total).

This reality was particularly evident in Portugal, where 59.8 million was invested in the fund, and in Spain, with an investment of 11 million.

The largest part of the investment in Brazil went to health care, with 11.5 million euros, 64% of the total invested in benefits there.

In the United States, most of the investment, around three million, was made in life, health and personal accident insurance, followed by the pension fund, in which 1.2 million was invested.

Where benefits were concerned in Portugal, the employees covered by the collective labour agreement are entitled to a defined benefit pension plan. This social benefit plan is financed by a pension fund and complemented by a special provision. This pension fund includes liabilities for supplementary retirement pensions (old age, disability and survival). For the other permanent employees, the Group has a defined contribution pension plan to which it guarantees a monthly contribution of 3% of their annual remuneration (14 salaries). In order to encourage long-term saving, the company also adds another 1% to its monthly contribution if the employee also puts in 2% of his or her pay.

EDP's Social EDP Flex Plan offers a number of benefits to employees who are not covered by the collective labour agreement and have individual employment agreements on the payroll of a number of companies in the EDP Group.

This plan has a fixed and a flexible component. The fixed component entails benefits that the employees cannot change. The way in which they use the flexible benefits is based solely on their own choice.

SOCIAL BENEFITS IN 2011 (IN €)

	PORTUGAL	SPAIN and the rest of Europe	Brazil	USA – Horizon	EDP GROUP
Life, health and personal accident insurance	1,080,891.29	808,233.75	1,255,104.23	3,016,097.66	6,160,326.93
Medical assistance	27,129,500.67		11,545,239.63		38,674,740.30
Pension fund	59,894,430.77	11,959,139.00	4,557,919.62	1,288,353.00	77,699,842.39
Crèches and schools	2,662,484.46	64,182.57	206,318.50		2,932,985.53
Holiday camps	625,332.88	213,939.60	0.00		839,272.48
Death and funeral subsidy	3,392,010.02		0.00		3,392,010.02
Years of service bonuses	416,355.18		0.00		416,355.18
Retirement bonus	504,982.00		0.00		504,982.00
Subsidies for social and cultural activities	1,300,281.10		0.00		1,300,281.10
Other	647,171.06	201,628.74	486,997.64		1,335,797.44
Total	97,653,439.43	13,247,123.66	18,051,579.63	4,304,450.66	133,256,593.37

Using the annual amount of flex credits that the company offers to its employees in Portugal, to the amount of 5% of their annual remuneration, they have a wide range of immediate uses, which may include paying for their monthly transport season ticket, crèches, kindergartens, schools, higher education and health, life, personal accident and other insurance.

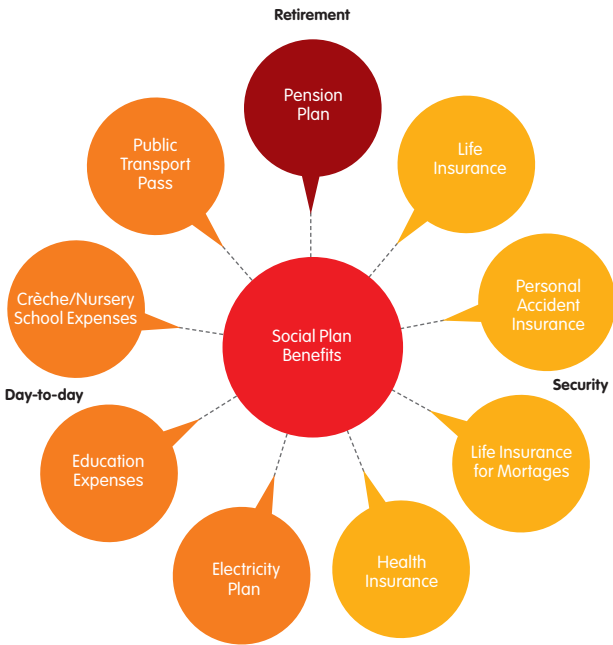
In addition to daily, short-term benefits that are of undeniable economic and social value to employees and their families, the company also has basic life insurance and personal accident insurance covering employees or their beneficiaries in the event of a claim.

These employees are covered by health insurance, as the others have their own health system (belonging to Sávda, a Group company), in Portugal.

The data on health in the table refer only to these 10% of employees covered by health insurance.

THE FLEX PLAN IS BASED ON THREE MAIN PRINCIPLES:

- Everyday life;
- Guaranteeing security in the present;
- Preparing for the future.



The differences between the amounts invested in the different countries can be explained by the different numbers of employees in each.

Where health is concerned, employees have two alternative policies that can cover their spouses and children if they wish and receive a substantial contribution from the company. Around 2,100 people (employees and their families) enjoy this benefit.

The EDP Flex Social Plan is a reference in the market today and a distinguishing feature of the company because of the different purposes that it serves, its value and the technological platform on which it is based. The platform allows employees to access the system on the intranet to view it only or build the benefit package that they consider most appropriate for themselves and their families.

There is a vast range of other benefits aimed at employees’ work-life balance (ver pág 38).

For employees who leave EDP companies in Portugal for early retirement, EDP offers an outplacement programme using a specialised company. The programme consists of:

- Facilitating searching for a new job;
- Setting up their own business;
- Active retirement programmes for a new stage in former employees’ lives, focusing on health, leisure, training, volunteer work, etc.

A significant number of the 145 people who left the company in 2010 already had an occupation for the new phase in their life. However, 23 of them took advantage of the benefits offered by EDP’s 2011 outplacement programme and another eight are scheduled to join it.

In addition to this programme, in 2011 EDP implemented new procedures for improving the leaving process, monitoring employees about to leave the company and also valuing the personal and professional role and contribution of each of these people. On their last day at the company, employees are given a gift by their direct supervisor and, after leaving, receive a book signed by the Chairman of the Executive Board of Directors.

accident prevention and occupational health and safety

Occupational health and safety are an essential element in the EDP Group’s sustainable development. The importance EDP places on this issue goes beyond compliance with legal requirements and is made explicit in EDP’s safety policy, which is geared towards the strategic objective of ‘Zero accidents, no personal injuries’.

In order to best manage this strategic goal, EDP has adopted an occupational health and safety management system based on OHSAS 18001, in line with the International Labour Organization’s guidelines in ILO-OSH 2001 and Convention 155 on workers’ health and safety.

edp’s responsibilities

EDP’s Safety Policy is committed to occupational safety management entailing ongoing improvement and a conviction that being able to work in a safe and healthy environment is a decisive factor in employee satisfaction and an asset in the success of results.

Responsibility for the prevention and control of work risks is part of the chain of command.

Where occupational health is concerned, our in-house occupational medicine services are responsible for monitoring employees’ health, by performing medical checkups, promoting health education and checking workplace conditions and first-aid equipment.

The Accident Prevention and Safety Committee, which includes senior management representatives from the Group companies associated with high-risk activities, supports EDP’s Executive Board of Directors in defining strategic objectives and managing safety.

A corporate Occupational Health and Safety structure supports the Accident Prevention and Safety Committee and the Executive Board of Directors in the coordination and management of occupational health and safety in the EDP Group. Initiatives are then implemented locally by the business units’ Accident Prevention and Safety Services.

corporate safety management system

EDP’s Corporate Safety Management System follows ILO recommendation ILO-OSH 2001 and the model provided by benchmark standard OHSAS 18001:2007, reinforcing the principle that occupational health and safety issues should be managed across the EDP Group companies according to common and standardised criteria.

Locally, each company/organisational unit adopts the corporate management system directly or uses it as a reference to develop its own specific safety management system, or one that is integrated into the areas of environment and/or quality, depending on its activity.

The implementation of EDP’s annual occupational health and safety programme was based on measures to prevent occupational accidents and diseases. They included training and drills for EDP workers and service providers, permanent assessment and monitoring of work risks and a programme of inspections and internal and external audits of EDP works and facilities.

safety management

Following an overall project (Lince) in the Group aimed at standardising its information systems, in particular application of the SAP, in 2010 we began to take stock of requirements for implementing the SAP EH&S module in order to speed up management of safety in the workplace.

In the first phase, this module will support risk management, incident management and audit management processes for all EDP Group workers and geographical locations.

training of employees and external service providers

A concern for ensuring that employees and service providers have the right conditions for sustainable development in matters of occupational safety is one of the commitments set out in EDP’s safety policy and Code of Ethics.

Its implementation in 2011 involved an extensive training programme in these matters for EDP employees:

Country	Number of courses	Employees involved	Hours of training
Portugal	761	7,746	32,335
Spain	370	3,413	11,675
Brazil	343	4,590	42,917
USA	22	344	2,348
Others	10	68	911
Total	1506	16,161	90,186

Training in occupational health and safety were given to employees and service providers to a total of 10,401 courses involving 59,424 employees and 135,274 hours. The details are shown in the table below.

Country	Number of courses	ESP employees involved	Hours of training
Portugal	7,505	27,165	6,7191
Spain	73	151	247
Brazil	897	27,221	6,4412
USA	1,926	4,887	3,424
Others	0	0	0
Total	10401	59,424	135,274

Note: The figures shown in the above tables include training recorded in the system of the Department of Training, Recruitment and Documentation at EDP Valor and local training or awareness-raising indicated by each company, which represents a substantial part in the case of service providers.

first-aid trainings

In 2011 there were 162 first-aid training courses for EDP and ESP employees:

Country	Number of courses	Hours of training
Portugal	52	364
Spain	34	322
Brazil	60	1,287
USA	15	45
Others	1	6
Total	162	2,024

intervention in society

In collaboration with fire brigades, vocational and upper secondary schools, industrial associations and trade unions, the EDP Group organised 53 information sessions on procedures for fighting fires in electrical installation, gas networks and installations or in the vicinity and proximity on care in handling electrical equipment.

In addition to these sessions, EDP’s power stations are very popular for field trips by schools and recreational associations. These visits are always preceded by an awareness-raising session on electricity generation and precautions to be taken near electrical facilities. There were 70,425 visitors all over the country in 2011.

emergency response preparation

As part of emergency management 211 (59 in Portugal, 92 in Spain, 33 in Brazil and 23 in the USA) drills were held at different industrial facilities and office buildings and at work sites throughout the EDP Group to test the effectiveness of their emergency plans. These drills involved outside bodies such as civil defence, the fire brigade and the police.

safety certifications

The total installed power in the electricity sector certified by safety management systems recognised by international standards (OHSAS 18001: 2007) is 8,922 MW in Portugal, 2,970 MW in Spain, 67 MW in France and Belgium and 1,448 MW in Brazil.

employee participation

The Occupational Health and Safety Regulations stipulate the formation of occupational health and safety committees and subcommittees within companies and larger business units.

These safety committees and subcommittees are joint, and include both company representatives and workers’ representatives for occupational health and safety issues, elected according to established legal requirements, and they meet as often as deemed necessary.

The table below shows employee representation and their activity:

Country	Number of elected representatives	% of employees represented	Number of meetings
Portugal	95	90%	76
Spain	28	96%	70
Brazil	261	100%	275
USA	16	100%	180
Others	1	27%	1

safety and accident prevention issues covered by agreements with trade unions

EDP in Portugal has agreements with trade unions on occupational health and safety that cover the following areas:

- Employees’ and companies’ obligations;
- Representation of employees for occupational health and safety;
- Accident prevention and safety services;
- Safety standards and equipment;
- Industrial hygiene;
- Training, information and awareness-raising on occupational health and safety.

safety audits

Every year, the EDP Group has a broad programme of occupational health and safety audits of the different organisational units, facilities, construction sites and operation and maintenance of EDP employees’ and service providers’ facilities.

Depending on their nature and extent, they may be technical, inspection or management system audits.

In addition to these, every year the Group undergoes a substantial number of external audits as a result of certification of its safety management systems and inspections by external bodies such as insurance companies and government authorities.

The table below shows the audits conducted in 2011.

Country	No. audits by external bodies	No. internal audits	No. internal audits of ESPs	No. of ESPs audited
Portugal	37	1041	2056	249
Spain	9	6	497	134
Brazil	17	17	77	85
USA	5	13	5	4
Others	2	6	0	0
Total	70	1083	2635	472

automatic external defibrillation (AED) programme

EDP in Portugal introduced an Automatic External Defibrillation (AED) Programme for its main facilities with the largest number of occupants in order to step up ways of assisting victims of cardiac arrest.

The main activities involved in implementing this programme were identifying the places for placing the AEDs and training personnel to use the equipment, which covered 198 EDP and ESP employees in 2011.

EDP accident prevention and occupational safety awards

To strengthen its culture of accident prevention and safety, EDP created an Annual Accident Prevention and Occupational Safety Award in 2011 to single out employees and service providers who distinguished themselves in 2010 with their contribution to consolidating EDP's accident prevention culture.

In 2011, a special mention went to the insurance company FM Global for improvements in fire prevention measures at the Ribatejo Power Station.

occupational medicine (Portugal)

The highlights of the occupational medicine programme in 2011 were as follows:

- Fulfilment of the medical exam programme;
- Promotion of health and wellness and prevention of cardiac risks;
- Continuation of nutrition and anti-smoking programmes.

SUMMARIES OF OCCUPATIONAL MEDICINE ACTIVITIES IN 2011

Summaries of occupational medicine activities in 2011	6109
Admissão	172
Periódicos	5720
Ocasionais	217
Stop-smoking consultations	112
Nutrition consultations	423
Other activities	
Cardiovascular screening	1,451
Health education initiatives	15
Participation in Safety Committees	47
Visits to facilities	38

accidents and near-misses

For EDP, the discovery, analysis and correction of near-miss situations comprises an essential tool in helping to achieve its objectives and targets in terms of reducing risks and personal injuries during Group company operations. In this regard, EDP has developed a specific procedure as part of its Corporate Safety Management System, implemented in accordance with OHSAS 18001:2007.

In 2011 548 near misses were reported at EDP Group companies.

There were 46 work accidents resulting in absences of one or more days in the EDP Group in 2011.

Regarding the main safety indicators, the consolidated frequency rate for the companies in the different countries was 2.17 accidents per million hours worked. The consolidated severity rate was 180 days lost per million hours worked.

At service providers, the frequency rate was 6.13 accidents per million hours worked, which was 11.4% fewer than in 2010. The severity rate was 304 days lost per million hours worked, around 6.5% lower than in 2010.

The frequency rate among EDP and service provider employees was 4.65, which was 24.8% lower than in 2010 and exceeded expectations in 2011.

These indicators reflect the results of initiatives during the year to further improve occupational safety conditions, particularly involving training, awareness-raising, risk assessment and control, preventive action with service providers and an increase in the number of audits and inspections.

In spite of efforts made, there were unfortunately two fatal electrical accidents involving EDP workers in Brazil. There were four fatal accidents among service providers, of which three were in Portugal, of which one was a road accident and two were electricity-related, and one in Brazil, also caused by electricity.

In the different countries, there were 21 fatal electricity-related accidents among members of the public, a substantial part of which involved theft or vandalism at electricity grid facilities.

occupational diseases

Four cases of occupational diseases, three of which resulted in disability, were recognised in Portugal in 2011, three in Spain and only one in Brazil.

Considering the number of situations with disability, the rate of occupational diseases with disability per million hours worked was 0.25 in Portugal, 0.88 in Spain, 0.19 in Brazil and 0.32 for the EDP Group as a whole.

employees' health and wellbeing

EDP offers its employees general health care and occupational medicine services.

health care

In Portugal, Sávda – Medicina Apoiada SA is the Group company providing general health care to employees covered by the collective labour agreement in compliance with the Group's health plan.

The health care provided supplements the National Health Service (NHS).

GOALS AND AREAS COVERED

AREAS
General Medicine
Specialities
Supplementary Diagnosis Methods
Nursing
Medicines and plasters
Prostheses and orthoeses
Special therapy
Hospital assistance
OBJECTIVES
Provide overall and continuous healthcare
Provide tailor-made and quality support
Facilitate contact with Official Services
Ensure more user friendly, rapid and effective use of its services

This health care is provided at consultants at 47 Sávda health centres in Portugal. It also has a network of health service providers hired under an agreement or retainer, who work at their own offices. This type of service also exists in the other countries and is provided by companies outside the EDP Group.

In Brazil, general health care is provided by Bradesco Saúde.

In Spain there is an employee health care service based on a discount on the fee. The services provided include a variety of specialised consultations.

occupational health

Occupational health in Portugal is handled by a shared service company, EDP Valor – Direcção de Segurança e Saúde. In addition to basic services such as occupational medicine exams, this also includes health and wellness programmes on nutrition, stopping smoking, prevention and control of alcohol and substance abuse and posture correction.

In the other countries, this type of care is provided by occupational risk prevention services hired from mutual occupational accident societies. This is the case at Naturgás, HC Energía and EDP Renováveis, for example.

The occupational medicine specialist physicians are all assisted by nurses specialising in public health.

Furthermore, they are familiar with the facilities and specific risks to which EDP employees are subject during their normal work.

The occupational health protocols procedure in EDP's occupational health and safety management system sets out different types of exam and their medical protocols. They are performed on the basis of the different risk factors of each employee's job. There are three types of occupational medicine exam for the following situations:

- **Admission medicals** – performed before the employee begins work or in the next 10 days, if the urgency so warrants;
- **Periodic exams** – carried out every two years for employees between 18 and 50 years of age and annually in the following cases:
 - Workers aged over 50;
 - Workers with industrial jobs and those working in shifts.
- **Occasional exams** – conducted in the following cases:
 - Following an absence of more than 30 days as the result of an occupational disease or accident;
 - Upon request of the employee;
 - Upon request of the service;
 - Due to a change in duty;
 - Due to a change in working conditions;
 - For a driving licence;
 - On the initiative of the staff physician;
 - On the initiative of the occupational medicine specialist;
 - By agreement with the Personnel Club (sports).

Considering the physical and psychological demands of the workers' activities in different positions, the occupational medicine services set out medical protocols that include the minimum batteries of tests to be conducted for situations in admission, periodic and occasional exams.

For some specific working conditions, the protocols are defined by law, such as exposure to noise, asbestos, vinyl chloride, lead, silica and work with a visor. In these cases, depending on each employee's working conditions, the protocols are followed in addition to the exams for each colour code.

The medical protocol for the employee’s work profile is indicated by a colour code in his or her risk chart, as shown in the table below.

TABLE MEDICAL PROTOCOL CODES FOR EACH ACTIVITY

Colour code	Work conditions
BLUE	<ul style="list-style-type: none">• Work in an office or facility (administrative services, including general office work)
RED	<ul style="list-style-type: none">• Work with electricity• Work at height• Work in confined spaces• Work in dusty environments or in the presence of gases• Driving and operating machinery (when requiring certification or special qualifications)
GREEN	<p>Work entailing:</p> <ul style="list-style-type: none">• Preparation of food• Contact with waste or polluted water• Contact with blood or biological or microbiological material• Handling hospital waste
YELLOW	<ul style="list-style-type: none">• Work, even when sporadic, with chemical or physical agents• Treatment of solid waste• Transport and handling of materials

As the occupational medicine specialist diagnoses occupational diseases, they are reported to the competent national authority. A list of new cases of occupational diseases reported and new cases confirmed is submitted every year.

The highlights of the occupational medicine programme in 2011 were as follows:

- Fulfilment of the medical exam programme;
- Promotion of health and wellness and prevention of cardiac risks;
- Continuation of nutrition and anti-smoking programmes.

All employees are covered by occupational medicine services.

In the other countries, this type of care is provided by occupational risk prevention services hired from mutual occupational accident societies. This is the case at Naturgás, HC Energía and EDP Renováveis, for example.

work-life balance

Each employee’s private and family life should be stimulated and recognised as a complement in the EDP Group. Being EDP is also being able to reconcile one’s career with individual and family interests, which the company values.

EDP believes that people who are balanced in their different roles (personal and occupational) are happier, more creative, more energetic, more motivated and more productive. These characteristics make successful employees and organisations. Strengthening the emotional relationship with a company and its people generates success.

The company’s actions are based on three pillars: permanent awareness of progressive cultural change in favour of an increasing global view for each employee as a source of different roles and worlds, implementation of measures aimed at a balance between professional, personal and family life at EDP and collection and inclusion of volunteering and contributions to a better world by people at EDP.

EDP’s work-life balance policy is divided into three main areas: health and wellbeing, support for the family, work and personal life and citizenship. It takes the form of a variety of agreements, initiatives and measures that are part of the Conciliar Programme, initiatives by companies, business units or departments or as part of the terms of individual and collective labour contracts. The company wishes to help improve its people’s quality of life.

In the field of health and wellbeing, there are agreements with different organisations that offer EDP employees advantageous conditions on products and services.

Support for the family is another of the essential aspects of this policy and initiatives are often specially designed for EDP employees’ children and grandchildren. Activities are geared to the different age groups and may take the form of entertainment, training or development.

EDP joins its employees in celebrating some of the important moments in their lives. For example, each birth or adoption is celebrated with a present. These are some of the examples of EDP’s attitude to assisting its employees’ families.

Where work and personal life are concerned, there is a possibility of working from home in the event of extreme need, if the job is compatible and the supervisor authorises it. Employees are also given four working hours a month to participate in the Novas Oportunidades (New Opportunities) Programme (in Portugal only).

Regarding citizenship, in 2011, the EDP Group published its volunteering policy and implemented the EDP Volunteer Programme. The programme was set up to foster citizenship among employees (see Volunteer Programme).

The company allows its employees to do volunteer work during working hours. Each leader has a pool of hours, four times the number of employees in his or her team, for volunteering initiatives in the team’s management. A series of training sessions were held to raise awareness of this segment in order to reinforce this innovation (see leader training).

What makes this programme stand out from other corporate initiatives worldwide is the combination between management of society (by Fundação EDP) and management of human resources (the responsibility of the Corporate Human Resource Department).

This year, EDP also continued the process aimed at its certification as a family-friendly company by Fundación Másfamilia. The Group companies in Spain (HC, Naturgas and Renováveis) are already certified and Portugal is expected to follow the example in 2012.

Although this balance policy has a global scope, it respects the cultural differences of the various countries in which EDP operates. It has not yet been implemented in the United States.

CONCILIAR PROGRAMME 2011 – EMPLOYEE WORK-LIFE BALANCE MEASURES BY COUNTRY ⁽¹⁾

Geographic areas/ Measures	Celebrate birth and adoption (no. children)	Support for pregnant employees (no. of employees)	Visit of children to parents' workplace (no. of children)	Support for pensioners (number of pensioners)	No. of children / young people in holiday camps (children and grandchildren of employees)	Junior Citizenship Prize (young students)
Portugal	158	16	145	496	863	85
Brazil	62	48	200	n.a.	174	41
Spain	90	16	193	n.a.	2	n.a.
Total	310	80	538	496	1039	126

(1) The Conciliar Programme has not yet been implemented in the USA.

In Portugal, EDP opened 156 bank accounts with 500 euros each for employees’ babies. This represented an investment of 78,000 euros. In 2011, 16 pregnant employees took prenatal leave beyond the period stipulated by law. Also as part of the Conciliar Programme, 145 children (up to 12 years of age) were given the opportunity to visit the company facility where their parents worked. The purpose of this measure is to heighten involvement and the feeling of belonging between EDP, its workers and their families.

Support for pensioners was given to 496 people, two more than in 2010. They received a total of 85,900 euros in the form of supermarket vouchers.

The holiday camps were attended by 863 children or grandchildren of members of the workforce.

The Junior Citizenship Prize, which goes to employees’ children with the best school marks and noteworthy civic participation, in 2011 received 85 applications from young students who had completed the 9th or 12th grade or a polytechnic or university degree.

Specifically in Portugal, EDP continued the initiatives for employees’ children and grandchildren started in 2011. The focus goes to three sessions of Life Choices Today, with two hours in Lisbon and one in Porto, involving 90 young people. The aim was to simulate their personal and professional careers and test their life choices using games and interactive, educational dynamics. They included An Evening at the Museum, in which around 70 children and young people participated, two Routes with Junior Energy – Get to Know EDP, one at the Alqueva Dam and another at EDP’s new facility in Porto. FabLab EDP Júnior is the latest Conciliar Programme measure for employees’ children and grandchildren.

EDP has offered employees children attending higher education the opportunity to do an internship at the company in summer in Portugal since 2010, provided that their study area is compatible with the company’s professional areas.

In Brazil, 64 layettes were handed out as part of the Celebrating Birth and Adoption measure. In addition, 50 pregnant employees took some prenatal days.

Throughout Brazil, 200 children aged five to 14 visited their parents’ workplace in the June school holidays. A total of 174 children and young people attended holiday camps.

In 2011, 41 applications were received for the Junior Citizenship Prize.

EDP Group employees in Brazil continue to enjoy special conditions under agreements with sports, cultural or social organisations.

In 2011, the companies boosted balance with other initiatives. This was the case with the dissemination of the Junior Citizenship Prize as a way of recognising good civic and school performance and on the part of employees’ children, the promotion of children’s visits to their parents’ workplace and the organisation of training on work-life balance and available social benefits. The Group companies in Spain signed agreements with new companies on discounts on their products and services for their employees.

The Group companies have full information about the Conciliar Programme. The way in which each company undertakes this project has to do with its reality and culture. Although there are different measures in the various countries, EDP defends a common concept of work-life balance.

EDP also gives its support to the activities of the EDP Personnel Club, blood donors and Pensioners’ Association.

EDP personnel club in Portugal

The EDP Personnel Club's main goals are cultural, social, recreational and sports activities for EDP Group and REN employees. It has 15,595 members.

In 2011, it received an annual subsidy of 425,000 euros for its cultural and sports activities:

- Art courses and exhibitions with works by members at distinguished art galleries;
- Photography exhibitions;
- Literature, art and photography competitions;
- Agreements with tour operators on tourist programmes and holiday apartment rentals;
- Operation of the Ribeira do Tomão Campsite;
- Excursions;
- Amateur radio competitions;
- Annual bikers' meeting;
- Organisation of and participation in competitions in the following sports:
 - Athletics,
 - Billiards,
 - Draughts,
 - Five-a-side football,
 - Golf,
 - Go-karting,
 - Orienteering on foot and mountain bikes,
 - Fishing,
 - Tennis and table tennis,
 - Clay pigeon shooting and target shooting,
 - Chess.

There is an annual prize for employees who distinguish themselves each year.

Every three years, the club holds cultural and sports days for all its activities. The next ones will be in 2012.

The EDP Personnel Club participates in the organisation of Christmas parties and tributes to employees completing 25 years of service and signs agreements with bodies of interest to its members, such as the Global Wellness Centres.

The club not only publishes a newsletter periodically, but also offers its members a library, a video library and a gym.

pensioners' association in Portugal

This association provides social and cultural support to retired members, pensioners, working members and their spouses in the areas of social security, health, housing and culture.

It receives an annual subsidy from EDP and REN for its activities. The subsidy from EDP in 2011 was €100,000, which allowed the association to organise the following activities:

- Excursions, recreational activities and cultural visits;

- Training courses;
- Contacts with other institutions with a view to setting up a foundation;
- Assistance for needy members through the Social Support Fund;
- Agreements with entities providing support services to members (home help, nursing homes, rest homes, health services, etc);
- Regular individual contacts with members for the provision of social and financial support.

EDP blood donor association (ADS)

It encourages and coordinates the voluntary donation of blood by EDP employees, their families and the community and takes and coordinates the necessary actions to ensure that the blood gets to the patients who need it.

The ADS receives annual working capital against submission of the previous years' accounts and undertakes the following activities:

- Blood donation drives;
- Special initiatives for National Blood Donor Day and World Blood Donor Day;
- Participation in Immuno-haemotherapy Days;
- Colloquies on the subject of blood;
- Participation meetings with health institutions;

In 2011, the ADS received 6,294 donations of units of blood and received support from EDP.

employee satisfaction

EDP distributes satisfaction questionnaires to learn everyone's opinion and pinpoint room for improvement, which it considers a challenge so that its strategy and people are in line.

In the understanding of the importance of managing employee satisfaction throughout their careers, EDP periodically conducts climate surveys in order to develop action plans ensuring ongoing improvements. These surveys record opinions and motivations to serve as a basis for initiatives aimed at keeping psychological contracts active.

Until 2009, the Group's employee satisfaction survey was conducted annually. Considering the need to collect information, process data, analyse results, draw up and implement action and improvement plans, it was decided to distribute the questionnaire every two years. This was the only way to really use the results of this type of survey for the ongoing improvement of employees.

In 2011, the survey was conducted in all countries and covered all employees. The overall results achieved in 2011 in terms of the participation rate (87.9%) and overall satisfaction (81 points) showed that EDP's employees were motivated and liked working for EDP.

EDP has been monitoring the satisfaction of its employees in the Group since 2006 and achieved the best results ever in 2011. All comparable indicators were higher than in the previous years. Job security and the work environment are the most important aspects of satisfaction with the company. Where motivation is concerned, the important feature was the work environment.

When analysing and interpreting the results, it is important to remember that the largest percentage of the Group’s employees are in Portugal and therefore have considerable influence on them. Portugal achieved the best ever results in the employee satisfaction rate in 2011. The participation rate was 92.5% (eight percentage points more than in 2009) and the overall satisfaction rate was 84 points (against 81 in 2009).

Employees’ image of EDP is of a trustworthy, innovative Group that fosters energy efficiency and cares about the environment. These results reflect the improvements made in management of human potential and also the way each employee lives and feels the company.

voluntary contributions to the community

Relationships with society and its different players is of growing importance, due to the recognised interdependence between parties. EDP’s strategy for communicating with the community takes different forms and involves different approaches within the Group. It is generally the responsibility of the following foundations:

- Fundação EDP in Portugal;
- Fundación Hidrocarbántabrico in Spain;
- Instituto EDP in Brazil.

More detailed information on the different partnerships in the areas of the environment, citizenship and culture is available in the companies’ reports on www.edp.pt > [sustainability](#).

It is not enough to be familiar with EDP’s contributions to voluntary community support projects; it is important to understand the results and impacts of initiatives, i.e. its actual contribution to changing behaviour, improving social wellbeing and social return on investment.

This change of focus was the reason for EDP adopting the LBG (London Benchmarking Group) Model in 2007.

This model, with its different levels of complexity and requirements is used predominantly for the different foundations’ projects.

In 2011, the EDP Group’s contributions totalled around 20 million euros. About 91% of EDP’s contributions are monetary and 6.4% are in kind.

For further information on the range of institutions and projects receiving EDP Group support in the different countries in 2011, please go to EDP’s website on www.edp.pt > [sustainability](#) > [society](#) > [other support](#).

CONTRIBUTIONS ^(a) TO THE COMMUNITY (€) ^(b)

		2011	2010	2009
CATEGORY	Non-strategic investment	1,677,376	2,263,399	1,625,551
	Strategic investment	14,220,185	13,942,765	12,393,356
	Commercial initiative	4,493,958	3,456,009	3,088,798
	Not applicable	5,720		
NATURE	Education	3,335,096	3,104,213	2,623,431
	Health	723,878	465,709	353,650
	Economic development	2,909,176	895,514	329,332
	Environment	1,877,078	2,435,853	982,160
	Art and culture	5,526,203	5,288,359	6,489,601
	Social wellbeing	1,602,737	1,806,032	2,236,195
	Emergency responses	65,300	215,054	
	Others	4,357,773	5,451,440	4,093,337
MONETARY CONTRIBUTIONS	Value	18,889,685	18,152,182	15,226,586
VOLUNTEER STAFF	Employees volunteering during working hours (no.)	984	379	248
	Volunteer work in working hours (hours)	7,423	10,886	5,817
	Value of volunteer time	177,239	442,172	149,762
CONTRIBUTIONS IN KIND	Value of contributions in kind	1,330,315	1,067,820	1,731,357
MANAGEMENT COSTS		306.851	121,064	50,538
TOTAL CONTRIBUTIONS (INCLUDING MANAGEMENT COSTS)		20,704,090	19,783,237	17,158,242

(a) 2011 figures not yet validated by Corporate Citizenship
(b) Excluding management costs

volunteer work

In line with the EDP Group's strategic goals, of which sustainability is one of its central pillars, and as part of the European Year of Volunteering, in 2011 Fundação EDP and DRH-CC introduced the EDP Volunteering Programme in Portugal and Brazil and at Naturgás Energia and HC Energia.

The EDP Volunteer Charter and the pool of hours for volunteering were approved by the EBD and the Volunteering Manual was drawn up for the different countries.

Training on the volunteer programme was given to 790 supervisors in the above countries to a total of 1,580 hours and 118 volunteers received training in Lisbon, Porto, Oviedo and Bilbao. The final touches are being given to e-learning modules.

The EDP Volunteer Portal was developed in a pro bono partnership between Microsoft and Accenture and was launched in Portugal on 5 December 2011. In addition to this planning and structuring work, action was taking by the different countries.

Two corporate campaigns organised by EDP in 2011 motivated employees, organisations and the community for volunteering. The first, Parte de Nós Hospitais, was a workshop for the restoration and humanisation of hospitals from north to south of Portugal held on 24 September 2011. Forty-eight companies were EDP partners in this initiative and 1,305 volunteers helped 12 hospitals that treat almost a million people a year.

The second was a worldwide corporate campaign called "Parte de Nós Natal". It was held from December 2011 to January 2012 and its aim was to promote a more human Christmas with volunteer campaigns involving children and the elderly. 107 volunteer activities were undertaken by a group of 422 volunteers, and the campaign helped 78 institutions and 8,265 children and elderly people. In addition, 4,072 toys were collected by EDP Portugal, EDP in Brasil, HC Energia and EDP Renováveis for donation to charity; 1,531 toiletry items by EDP Portugal and 513 kg of food by HC Energia. EDP Renováveis employees donated a total of 20,594 euros for UNICEF.

At the end of the campaign, a satisfaction survey was distributed to volunteers and partner organisations. Overall satisfaction with the campaign was considered excellent or good by 86% of the volunteers and by 100% of the beneficiary organisations. Ninety-five percent of the volunteers and 100% of the beneficiary organisations considered that the work was important to the beneficiaries. The most important positive points identified by the two groups were the positive reaction from the beneficiaries, the scope or structure and organisation of the campaign and the volunteers' involvement and dedication.

The volunteer work done in 2011 also included:

- Aprender a Empreender/Júnior Achievement programmes, in which 102 EDP volunteers stimulated the development of entrepreneurship at Portuguese schools in 1,530 hours of volunteering;
- REPARAR, promoted by Santa Casa da Misericórdia de Lisboa in July and a partnership between Fundação EDP and EDP Valor in Portugal to repair four elderly people's houses, involving around 50 volunteers;
- the restoration by EDP Gás of Casa dos Rapazes, a private charity that takes in children at risk, involving 81 volunteers;

- the Llorca campaign by Naturgás Energia, involving 30 volunteers, following an earthquake in the Spanish city of Llorca, in which bouncy castles were set up in the summer of 2011 to humanise the area, which was visited by 2,000 children;
- Desafio do Bem by EDP Brasil, which made possible eight projects managed and implemented by teams of EDP volunteers;
- at EDPR América, volunteer work clearing beaches and forests and donations to food banks;
- at HC Energia, the organisation of teams of EDP volunteers for medium and long-term projects with six partner organisations in the programme.

The EDP Portugal Volunteer Awards were introduced in November 2011, in order to acknowledge individual volunteers and teams and partner organisations.

We plan to step up the EDP Renováveis programme in 2012.

parte de nós hospitais campaign

We challenged our suppliers to take part in a national hospital humanisation day from north to south of Portugal on 24 September 2011. Forty-eight business partners joined in and carried out the technical work of painting, gardening and small repairs in the six weeks prior to the day.

Twelve hospitals benefited from the work of 1,305 volunteers, who improved places visited by almost one million people a year.

National drive – Volunteering – Parte de Nós Hospitais – 971,626 euros

parte de nós natal campaign

The Christmas campaign was launched in coordination with all the countries to promote a more human Christmas focusing on children and the elderly, from 12 December 2011 to 7 January 2012.

In Portugal, the campaign benefited 54 institutions, involving 2,193 elderly people and 1,550 children in 82 drives with 292 volunteers. The campaign took up a total of 4,221 hours. Around 1,000 toys and 1,531 toiletry products worth about €5,585 were distributed.

National drive – Volunteering – Parte de Nós Natal – 105,000 euros

REPARAR – repair drive

EDP's Fundação EDP participated in repairs to four elderly people's homes in the Santa Casa da Misericórdia de Lisboa REPARAR programme from 14 June to 14 July. Around 50 volunteers took part.

Volunteer repair drive - REPARAR - 19,781 euros

associação aprender a empreender

Aprender a Empreender undertakes programmes to stimulate entrepreneurship and 102 EDP volunteers participated in JA programmes in 2011, contributing a total of 1,530 hours. The students in question participated in four programmes in primary and secondary school: A Família (The Family) (1st grade), A Comunidade (The Community) (2nd grade), Economia para o Sucesso (Economics for Success) (9th grade) and Right Arm (10th, 11th and 12th grade).

Junior Achievement Agreement (national agreement) – 20.000 euros

do something

Following a study of the opportunity of repeating the Do Something volunteer platform in Portugal, which was undertaken by Fundação EDP in 2009 in partnership with TESE, and the implementation of the project with Fundação EDP as the main patron, support was maintained in 2011.

There were 39 clubs in 2011 (18 in 2010). The first Boot Camp was held in Portugal, a meeting for training and for young activists and specialists to share ideas and experiences that will help them implement their plans and ideas in different areas. The first Do Something Awards were also given in Portugal.

There are 2,466 young people registered on the DS website and around 33,500 took part in club and DS activities.

TESE - Associação para o Desenvolvimento - 53,500 euros

member of grace

Recognising the importance of corporate volunteer work, Fundação EDP joined GRACE. GRACE was formed in 2000 by a group of companies interested in stepping up the business sector's role in social development. It was a pioneer as a Portuguese non-profit organisation in the area of corporate social responsibility, especially in corporate volunteer programmes.

GRACE – Grupo de Reflexão e Apoio à Cidadania Empresarial (annual membership fee) – 2,400 euros

sabores das barragens

Another campaign was undertaken at Christmas time in Portugal. "Sabores das barragens" was part of the Dam Project and its aim was to help Baixo Sabor producers to market their products by selling baskets of regional products to EDP employees and the general public. A total of 2,730 baskets were sold. – 77,500 euros

GRI table

The contents of the EDP 2011 Social Report have been drawn up in accordance with the Global Reporting Initiative guidelines. The table below summarises the indicators as set out in the

Electricity Utility Sector Supplement and identifies the available information abiding by the 10 Global Compact principles, thereby demonstrating EDP’s commitment to the initiative.

GRI INDICATOR		PAGE OF REPORT	GLOBAL COMPACT PRINCIPLES
1.	Strategy and organisation		
	Strategy and analysis	Pages 4 and 5	
	Organisation profile	Pages 6 and 7	
	Report scope and boundary	Page 46	
	Social dimension management model (labour practices, human rights)	Page 16	
	Goals	Pages 14 and 15	
	Results	Page 12	
	Responsibility	Page 16	
	Policy	Page 16	
2.	Labour practice indicators		
EU14	Programmes and processes to ensure the availability of a skilled workforce	Pages 24 to 26	
EU15	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	Page 21	
EU16	Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors	Page 34	
3.	Employment		
LA 1	Total workforce by employment type, employment contract, and region	Page 24	
LA 2	Total number and rate of employee turnover by age group, gender, and region	Page 12	6
EU17	Days worked by contractor and subcontractor employees involved in construction, operation and maintenance activities	Page 12	
EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	Page 34	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Page 32	6
LA15	Return to work and retention rates after parental leave	Page 38	
4.	Labour / management relations		
LA 4	Percentage of employees covered by collective bargaining agreements	Page 12	1
LA 5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	Page 22	3
LA 6	Percentage of total workforce represented in formal joint management–worker health and safety committees	Page 35	1
LA 7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region (including contractors and subcontractors)	Page 12	1
LA 8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Pages 36 and 37	1
LA 9	Health and safety topics covered in formal agreements with trade unions	Page 35	1

GRI INDICATOR		PAGE OF REPORT	GLOBAL COMPACT PRINCIPLES
5.	Training and development		
LA 10	Average hours of training per year per employee by employee category	Page 26	6
LA 11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Page 27	
LA 12	Percentage of employees receiving regular performance and career development reviews	Page 30	
6.	Diversity and equal opportunity		
LA 13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	Page 19	2; 6
LA 14	Ratio of basic salary of men to women by employee category	Page 20	2; 6
7.	Human rights		
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	100% in EDP Group's general purchase conditions	1
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Page 27	1
HR4	Total number of incidents of discrimination and actions taken	Page 17	1; 6
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	Page 17	1; 3
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	Page 17	1; 4; 5
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour	Page 17	1; 4; 5
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	n/a	1
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	Page 17	1
8.	Economic performance		
EC 3	Coverage of the organisation's defined benefit plan obligations	Page 32	
9.	Market presence		
EC 7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	Page 18	6
10.	Indirect economic impacts		
EC 9	Understanding and describing significant indirect economic impacts, including the extent of impacts	Page 41	

responsibility for social performance reporting

contents of report

This report provides social performance information from 1 January to 31 December 2011 and describes the main events of the year.

In addition to this annual report, EDP

- publishes its 2011 Annual Report and Accounts;
- reports its quarterly results to the market and posts its most important sustainability indicators online;
- publishes the annual reports of HC, Energias do Brasil and EDP Renováveis, which may complement the information on their social performance;
- makes available the annual report of Fundação EDP, which gives further details of EDP's involvement with the community.
- For more detailed information see www.edp.pt > Sobre a EDP > Recursos Humanos, www.edp.pt > Sustentabilidade and www.edp.pt > Investidores > Publicações.

corporate consolidation criteria

The consolidation criteria for the social information reported are available in Annex I, page 247, of the Financial Information section in the 2011 Annual Report and Accounts. This note refers to the subsidiaries and associate companies included in the consolidation perimeter.

glossary

An online glossary is available to improve the report's transparency. It includes definitions of methods and quantitative indicators used: www.edp.pt/pt/Pages/Glossario.aspx.

