





index

4	OPENING MESSAGE
6	ORGANISATIONAL STRUCTURE
8	MAIN DEVELOPMENTS
10	PERFORMANCE INDICATORS
11	HUMAN RIGHTS MANAGEMENT
11	PRIORITIES FOR 2011
12	Human Resources Governance Model
13	Diversity and Equal Opportunities
16	INDUSTRIAL RELATIONS MANAGEMENT
16	Retirement
16	Labour Relations
17	EMPLOYMENT AND MOBILITY
17	Characterisation
18	Diversity
18	Internships
19	Reception and Integration
19	Workers' contracts
20	Attract and Commit
21	TRAINING, DEVELOPMENT AND PERFORMANCE ASSESSMENT
21	Enhance and Develop
24	POTENTIAL AND PERFORMANCE ASSESSMENT
24	Characterisation
25	EDP University
25	Training and Raising Awareness of Leaders
26	Succession Plan
26	REMUNERATION AND BENEFITS
26	Remuneration
27	Benefits
28	ACCIDENT PREVENTION AND OCCUPATIONAL HEALTH AND SAFETY
28	EDP Responsibilities
29	Occupational Health and Safety
31	Communication in Prevention of Accidents and Safety Matters
32	WORKER HEALTH AND WELL-BEING
32	Health Care Assistance
33	Occupational Health
34	Balance between Personal and Professional Life
37	Worker Satisfaction
37	Voluntary Community Investment
42	GRI TABLE
43	RESPONSIBILITY FOR THE SOCIAL RESPONSIBILITY REPORT
43	Report Contents
43	Corporate Consolidation Criteria
43	Glossary





OPENING MESSAGE

"In a scenario marked by major challenges, our employees define paths and demonstrate excellent capacity for getting things done every day in the life of EDP and in every geographic area in which we operate, combining diversity with a strong sense of Being EDP."

This outlook is visible in the implementation of the Group's values defined and is reflected in the attitudes and behaviour of its workers, no matter where they are.

While the history of the EDP Group is made up of professionals who built on their successes and achievements over time, the future is planned on the basis of a strong and ambitious vision that inspires us every day.

EDP favours human resource management that is dedicated, involved and on a par with the best practices and believes that this management should benefit from everyone's involvement, dedication and commitment.

That is why EDP is a unique space for multiple personal and professional achievements.

EDP's workers are responsible, committed, flexible, and innovative and have a sense of belonging as well as a social, economic and environmental awareness. They are proud to be part of the largest Portuguese investor worldwide, the largest Portuguese multinational.

EDP combines ethical behaviour and professional integrity with enthusiasm and initiative, while also valuing teamwork.

It furthers the development of skills and acknowledges merit and believes that work-life balance is fundamental for success. EDP shoulders the social and environmental responsibilities that result from its operations and contributes to the development of the regions in which it is present. The Group's commitment to sustainability also includes the promotion of energy efficiency.

The Group's social dimension is evident, quantifiable and measurable.

The EDP Corporate Social Responsibility Report is a collection of evidence; it is an x-ray of the workforce that reflects the way in which it is managed on a daily basis. Published for the first time in 2008, the document has grown in terms of size and wealth of content.

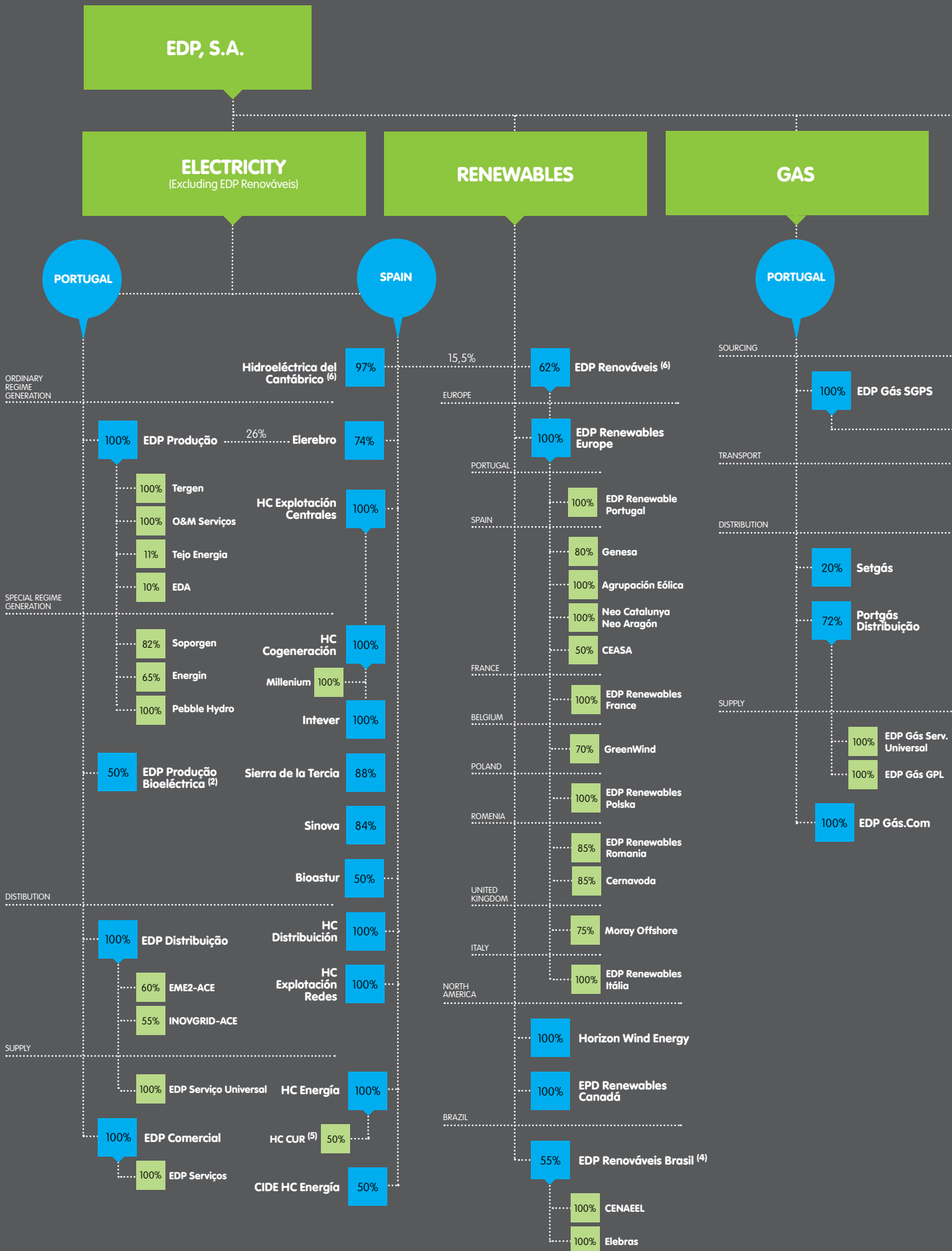
As an organisation with a strong vocation for communication and change management, EDP regards this document as containing the foundations of the Group's workforce management and social principles and practices, which we aim to constantly improve.

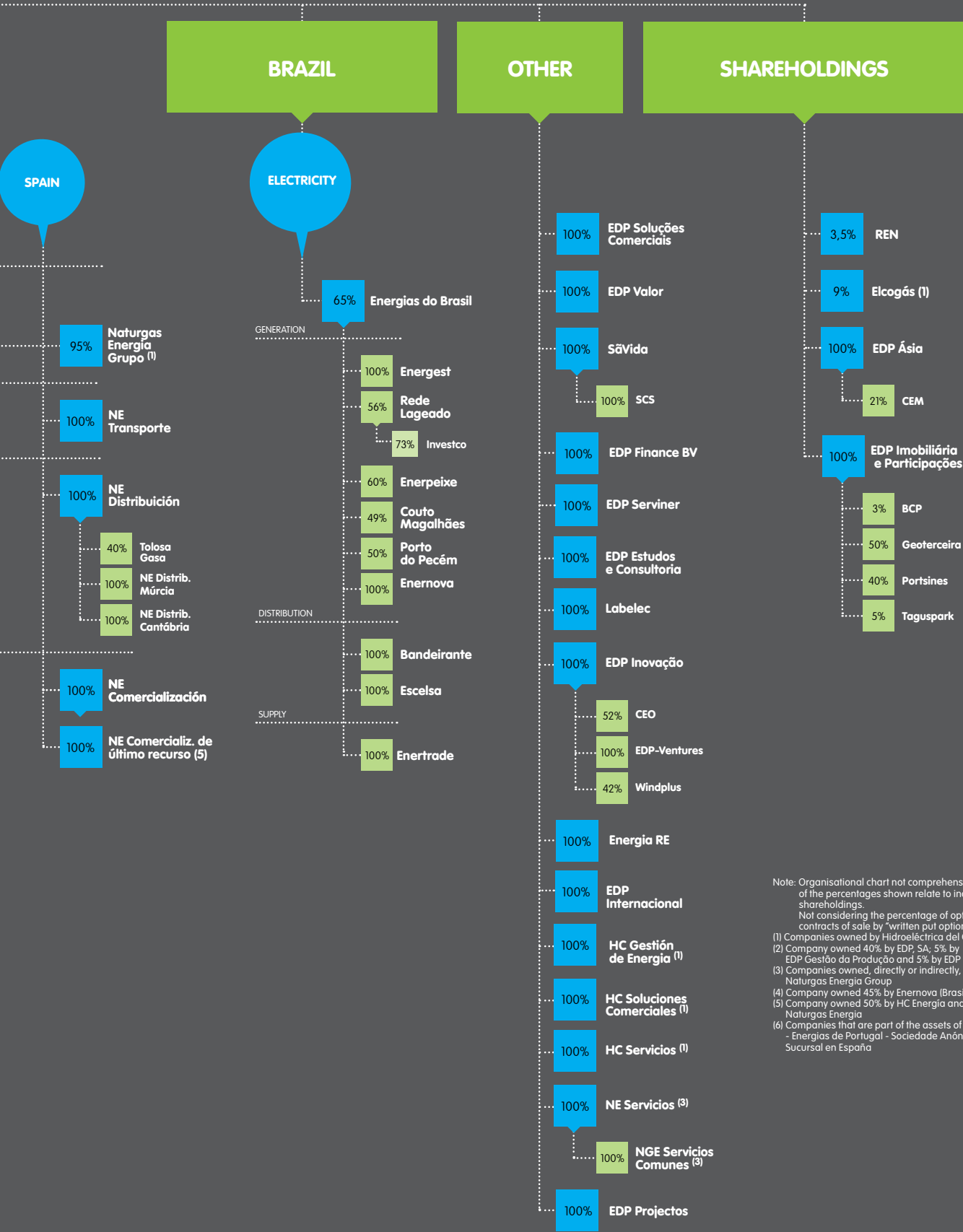
António Pita de Abreu





ORGANISATIONAL STRUCTURE





Note: Organisational chart not comprehensive. Some of the percentages shown relate to indirect shareholdings. Not considering the percentage of option contracts of sale by "written put option".

⁽¹⁾ Companies owned by Hidroeléctrica del Cantábrico

⁽²⁾ Company owned 40% by EDP SA, 5% by EDP Gestão de Produção and 5% by EDP Imobiliária

⁽³⁾ Companies owned, directly or indirectly, by Naturgas Energia Group

⁽⁴⁾ Company owned 45% by Enernova (Brasil)

⁽⁵⁾ Company owned 50% by HC Energia and 50% by Naturgas Energia

⁽⁶⁾ Companies that are part of the assets of EDP - Energias de Portugal - Sociedade Anónima, Sucursal en España



MAIN DEVELOPMENTS

EDP Solidária Barragens – In the first edition of the EDP Solidária Barragens (EDP Solidarity/Dams) Programme a total of EUR 100,000 was distributed amongst 4 projects: CERCIMAC (Cooperative for the Education and Rehabilitation of Maladapted Citizens/Graphic Arts Workshop); the Portuguese Red Cross (Aljô Branch/Smile “Children and Youths Support Project”); Cerejais Parochial Centre/Mobility and Health (“Aid for the Elderly”); and Picote Parish Council/Youth House (“EDP Workers and Suppliers Volunteering Project”).

Aid for Victims of the Haiti Earthquake – EDP launched a fundraising campaign amongst its workforce in Portugal, Spain and Brazil, with the workers contributing through the Social Values Exchange. The EDP Foundation matched the sum of all donations and the total amount collected was donated to Portuguese Red Cross (the Red Cross coordinates the humanitarian aid for Haiti worldwide). At the same time, in partnership with the Benfica Foundation and the United Nations Development Programme, EDP joined the international solidarity movement through its support for the Play Against Poverty initiative. The funds raised were channelled towards helping the population of Haiti.

EDP nas Escolas 2010 Programme – Launch of the EDP nas Escolas (EDP in the Schools) 2010 Programme in Brazil. The aim of the programme is to help improve the quality of life of municipal state school pupils between the ages of 6 and 10. Almost 9,000 pupils benefit from the programme. The launch was marked by the distribution of school kits to the children.

Letras de Luz Programme – A total of 25 municipalities in Brazil were chosen for the Letras de Luz (Letters in Lights) Programme, which aims to encourage children to read and covers literature, theatre and the donation of book collections. In 2010 some 688 knowledge multipliers were trained in 70 workshops, more than 35,000 spectators attended 170 theatre performances and 7,072 books were handed over to dedicated reading spaces.

EDP in Brazil – Launch of the EDP Volunteering Portal, which encourages company workers to become involved in solidarity initiatives: www.voluntariadoedp.com.br.

EDP Bandeirante highlighted in Inter-American Development Bank (IADB) Report – The social and environmental initiatives of EDP Bandeirante were singled out for praise in the IADB’s Sustainability Report 2009. The company was acknowledged as an example to be followed in the field of sustainability practices.

Letras de Luz Programme highlighted by Prodfor – The EDP Institute project featured prominently in a report in the official magazine of the Integrated Programme for Development and Qualification of Suppliers (Prodfor), focusing on the expansion of the project and its importance in terms of the EDP Group social responsibility with its aims of promoting citizenship, education, the arts and reading.

EDP supports new Eco-Museum in Trás-os-Montes – The Terra Mater Eco-Museum is located in the village of Picote, municipality of Miranda do Douro in the heart of the Douro International Nature Reserve. The museum provides information on the territory and heritage of the surrounding plains, showcasing traditional practices that have survived in the region. This project, run by the local Frauga Association, received financial support from EDP, which has three dams in the region – Miranda, Bemposta and Picote – and currently has an investment plan in course to increase the power capacity of the latter two.

Working conditions at Sabor Dam are benchmark for the sector – In the week of the World Occupational Safety Day, the trade union leader, Albano Ribeiro, and the Secretary of State for Public Works, Paulo Campos, wished to highlight good examples in the construction sector and paid a visit to the Sabor Dam construction site. There are currently 727 workers employed at Sabor. There has only been one occupational accident, meaning that the frequency index is 0.65 and the incidence index is 2.25, which is in stark contrast to the incidence indices of 82.9 (2007) and 76.7 (2008) for the construction sector in general in Portugal.



EDP in Brazil – The EDP Institute launched the 7th edition of its Arte com Energia (Art with Energy) competition. Pupils from the 27 schools in the EDP nas Escolas Programme were eligible to take part in the competition, the aim of which was to produce a journal/magazine on the theme of “Biodiversity. Such Variety of Life!” The aim of the competition is to foster writing, drawing and painting.

Special Social Support Fund – In the context of its Corporate Social Responsibility, EDP set up a Special Social Support Fund (FEAS) aimed at providing support to EDP Group workers, retirees and pensioners experiencing social, economic or financial hardship or situations of serious illness that are not covered by the respective health plans.

EDP in Brazil – EDP held the “1 Diálogos EDP Solidária” (1st EDP Solidarity Dialogues), promoting debate of the topics of Education and Energy and divulging its sponsorship of 15 projects in the context of the EDP Solidarity Programme.

Relaunch of the + Conciliar Programme – The programme was relaunched in Portugal under the new name + Conciliar. New measures were announced that allow company workers to better balance their private and professional lives. Launched in January 2008 in Portugal and Spain, the programme was also set up in Brazil in June 2010. This EDP Group corporate initiative is based on a model of integrated vision for the group personnel, focusing on areas such as health and well-being, support for the family, personal life and professional life, and citizenship.

EDP Foundation - EDP Solidária 2010 – In the context of the 7th edition of the EDP Solidária Programme in Portugal, 19 projects were presented that will receive financial support which will ultimately directly benefit 176,630 persons (disadvantaged children, youths and senior citizens and persons with special needs) in the areas of Soure, Lisbon, Grândola, Coimbra, Ferreira do Zêzere, Faro, Braga, Santa Maria da Feira, Évora and Santarém.

Training in Ethics at EDP, “We Are What We Do”

– Between November 2009 and March 2010 a total of 778 EDP Group managerial staff members took part in training courses on ethics. Between May and June 2010 some 7,000 workers received the same training from their respective managers. In small groups and based on open and dynamic dialogue between the workers and their supervisors, in-depth knowledge of the EDP Code of Ethics and the ethical process at EDP was transmitted.

Portugal – Turma do Bem – OSCIP (Civil Society Organisation of Public Interest) – Social Innovation

Implementation of the Brazilian “Dentists For Good” project in Portugal. This is a project supported by the EDP Foundation in which dentists volunteer to give free odontological treatment to children and adolescents aged 11 to 17 from low-income environments, i.e. up until their eighteenth birthday. The patients are selected through a triage process in public schools and associations and institutions around the country.

Prémio Empresário Amigo do Esporte (Friend of Sports Award)

– EDP in Brazil received an accolade from the Brazilian Ministry of Sport as the company that most contributed to sports projects, in line with the Law on Sports Incentives, in the state of Tocantins. EDP was also one of the three largest investors in sports in the state of Espírito Santo.

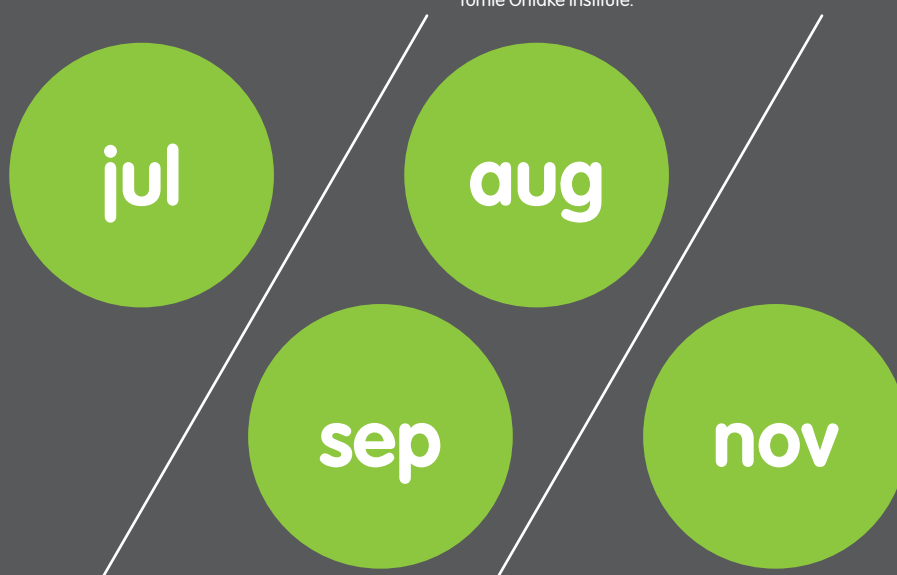
EDP in Brazil – Combating Slave Labour

– In São Paulo and the State of Espírito Santo, EDP conducted a training action for suppliers highlighting the issue of slave labour. EDP has more than 2,000 registered suppliers and it monitors their activities through a tool provided by the NGO Repórter Brasil, which names companies that make use of slave labour. EDP is committed to severing its contractual relations with suppliers that are found to be on this list. All actions in this area are aligned with the EDP corporate policy “against child and slave labour”.

EDP in Brazil – Training in Ethics

– The e-learning platform, “On Ethics. Do Your Training” was launched with the aim of encouraging ethical practices, improving credibility and strengthening the behaviour of EDP as a corporate citizen.

EDP in Brazil – Publication of results and presentation of the young winners of the EDP nas Artes (EDP in the Arts) Prizes. A total of 267 Brazilian artists registered for the competition, 18 of which were selected for an exhibition at the Tomie Ohtake Institute.



Kakuma Project – EDP and the United Nations High Commission for Refugees (UNHCR) – António Guterres (UN High Commissioner for Refugees) and António Mexia (EDP CEO) visited the (10) pilot projects EDP is operating in partnership with the UNHCR at “Kakuma Camp” in Kenya.

KAKUMA is an official partner of the Sustainable Energy Europe Campaign – The pilot project being operated by EDP and the UNHCR at the Kakuma refugee camp in Kenya was recognised as an Official Partner of the Sustainable Europe Campaign, a European initiative launched in 2005 as part of the European Intelligent Energy Programme.

DJSI – EDP is world leader in the electricity sector 2010/2011 – For the third year running EDP was included in the DJSI World and DJSI Europe indices and for the first time it was rated world leader in the electricity sector in the SAM sustainability ratings. EDP was also included for the first time in the DJSI Enlarged index created by SAM in 2010.

DJSI – EDP is best in class in the electricity sector in the Social Dimension 2010/2011 – For the first time EDP was considered best in class in the Social Dimension. Based on assessment in 22 criteria it achieved top scores in 10, 4 of which are in the Social Dimension. In relative terms, EDP was also the clear winner in the “Social Reporting” criterion.

Sodexo Vida Profissional Prize – In the context of the Conciliar Programme, EDP Brazil was awarded the Sodexo Vida Profissional (Professional Life) Prize in the Quality of Life category. The prize focuses on research on and dissemination of best business practices in human resources management.

IEL-ES Award for Good Internship Practices – For the second year running the EDP Escelsa internship programme was recognised by the Eivaldo Lodi Institute of the Industrial Federation of Espírito Santo state in Brazil. The initiative awards prizes to students and pays homage to companies and educational institutions.

HPR (Highly Protected Risk) Prize – This prize was awarded by the FM Global insurance company to a number of EDP power plants in Portugal (Alto Rabagão, Caniçada, Régua, Caldeirão, Desterro, Vila Cova and Central do Ribatejo).



PERFORMANCE INDICATORS

Social Indicators	2010	2009	2008
Employment			
No. of employees ⁽¹⁾	11,989	12,009	12,166
Male employees (%)	79	79	80
Overall satisfaction indicator	n.a. ⁽²⁾	81	75
Turnover (%)	5.76	5.51	6.00
Average age of workforce (years)	46	45	45
Average years of service on leaving (years)	30	18	30 ⁽³⁾
Absenteeism (%)	3.52	3.61	3.44
Personnel costs (EUR thousand)	575,408	540,036	573,674
Social Benefits (EUR thousand)	153,362	158,353	161,200
Bonuses (EUR thousand) ⁽³⁾	33,763	39,254	34,000
Training			
Total hours of training	419,737	353,205	487,111
Average hours of training per employee (h/p) ⁽⁴⁾	35.0	29.4	40.0
Employees received training (%)	96	75	82
Total training costs (EUR thousand)	8,940	7,225	7,232
Labour Productivity (€/hour)	233	222	182
Labour Relations			
Collective labour agreements (%)	87	87	88
Union-affiliated workers (%)	55	58	61
Trade union structures (no.)	37	37	33
Prevention and safety			
OSHAS 18 001 (% installed capacity)	60	55	46
On-duty accidents (no.)	44	47	76
Fatal on-duty accidents (no.)	1	1	0
EDP Frequency rate (Tf)	2.08	2.26	3.43
EDP Severity index (Tg)	117	144	176
Total days lost due to accidents (no.)	2,469	2,984	3,894
Fatal accidents involving non-workers (no.)	24	10	6
EDP and subcontractor frequency rate (Tf_total)	4.92	5.00	6.18
Community			
Social Investment (EUR million) ⁽⁵⁾	21	17	13

(1) The number of workers does not include officers of the corporate bodies, for the purposes of the detailed breakdown of data.

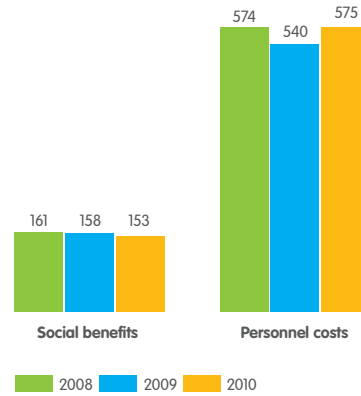
(2) The survey of worker satisfaction is now performed every two years.

(3) Solely refers to Portugal.

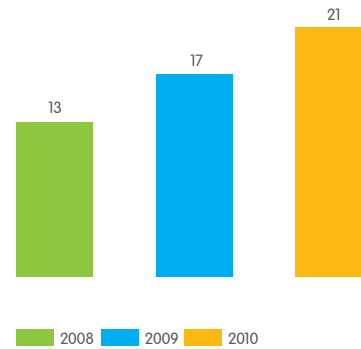
(4) Average value (Training hours divided by the number of employees)

(5) According to the LBG methodology - London Benchmarking Group

Employee costs (EUR million)



Social investment (EUR million)



PRIORITIES FOR 2011

SOCIAL COMMITMENTS	Status	Future objectives/targets
Corporate initiatives		
Improve social performance	100%	Keep the same level of recognition in forthcoming years as regards Social Areas.
ÉticaEDP Programme applied to all employees of the EDP Group	80%	As the raising of awareness in Portugal and Brazil is concluded, this programme will be extended to other regions during 2011.
Start-up of Online Campus for pilot group and subsequent roll-out to entire Group	New	
Operational implementation of Gas, Renewables and Retail Schools of the EDP University	New	
Join "Global Network of Business Schools and Companies – EFMD" and certification of the University	New	
"Routes with Energy" pilot project	100%	Increase the number of visits to distribution and energy generation facilities in Portugal and study their implementation in the other geographical areas.
Human Capital Management		
Design of a range of integrated courses connected to career management, the evaluation of potential and to training credits, in partnership with Universities and Business Schools and consultant companies	New	
Strengthen the growth of the number of qualified employees through the New Opportunities Centre	New	The registration of 200 new employees is expected.
Extended OHSAS 18001:2007 certification to Soto Combined-Cycle Power Station, to the operation and maintenance of distribution in Asturias and to 14 wind farms in Spain	New	
Ensure the continued certification of the Power Generation Centres of EDP Produção, HC and NEO according to the OHSAS 18001: 2007 standard	New	
Continue with the integration of the Safety Management System and the Environmental Management System in EDP Gás	New	
Hold conference days on occupational safety and prevention measures, with Service Providers also participating	New	
Conclusion of the "Connected to the Future" programme - training and coaching in safe behaviour, in EDP Distribuição	New	
Reduce occupational accidents involving the workers of EDP and service providers by 10%	New	
Develop an e-learning platform for the initial occupational health and safety training of workers during their induction period	New	
Implement a multi-regional Corporate Safety Management System (Portugal and Spain)	New	
Implementation of the SAP EH&S module in Portugal and Spain	New	
Review of operational control procedures for electrical work	New	
Training of workers in the correct use of fire-resistant and anti-static work apparel to protect against electric arc burns	New	
Social Responsibility		
Launch of Cultural Investment Policy by EDP Brasil	New	
Conclusion of the application of the "Social Return on Investment" (SROI) technique to the activity developed by Clown Doctors	60%	Conclusion of the pilot project expected in 2011.
Extend the EDP Volunteering Programme to all Group companies, which is equivalent to a potential total volunteering time of 500,000 hours	New	
Development of an energy solutions model to support developing countries	New	

HUMAN RIGHTS MANAGEMENT

Diversity, respect for our fellow human beings and equal opportunities are values EDP holds dearly and asserts in its involvement with organisations working in these areas.

By subscribing to the Universal Declaration of Human Rights, EDP believes that all should enjoy the rights and liberties established in this document without discrimination based on race, colour, gender, language, religion or political opinion, national or social origins or any other form of discrimination.

In proclaiming the Declaration of the Rights of the Child, EDP seeks to guarantee a happy childhood for children and to protect children's rights and liberties both for the good of children and society.

At EDP, these ideals translate into concrete actions through specific measures, examples of which are the hiring of people from different nationalities and persons with disabilities. It goes without saying that EDP does not tolerate the use of child labour.

**COMBATING SLAVE LABOUR**

In 2009 EDP in Brazil joined the National Pact for the Eradication of Slave Labour in Brazil, the aim of which is to implement tools so that the business sector and general society in Brazil do not buy and sell products from suppliers that use slave labour. EDP carried out training for suppliers in São Paulo and Espírito Santo focusing on the issue of slave labour. With its more than 2,000 registered suppliers, EDP monitors their activities using a tool provided by the Repórter Brasil NGO, which publishes a list of companies that make use of slave labour. EDP has undertaken to sever contractual relations with any supplier found to be on that list. All actions are in line with the EDP corporate policy "against child and slave labour".

One should point out that EDP Group activity in this field is currently visible in 13 countries on 4 continents: Europe (Portugal, Spain, France, Belgium, Italy, United Kingdom, Poland and Romania); America (Brazil, United States and Canada – where the group will soon have workers); Africa (Angola); and Asia (China).

In the cases of Angola, China and Canada, EDP has a presence in terms of business operations although it does not yet have workers based there. The internationalisation of the EDP Group business operations, above all thanks to the development of wind energy, has contributed to the company's expansion in geographic terms.

Our commitment to international expansion and the global dimension of the Group is visible in the 28 different nationalities represented in the Group workforce. EDP is committed to recruiting local human resources, and the Group currently has only 183 workers of a nationality other than that of the country in which they work. Some 96% of the managerial staff is from the region in which they are based; the same goes for 84% of the members of the company's corporate bodies.

Social inclusion also takes the form of the recruitment of persons with special needs: in 2010 there were 200 such workers employed by the Group. For more information on this matter, see the section of this document on employment and mobility.

EDP has always carried out its activity in a framework of ethical values that are explicit or implicit in its business agenda, professional relationships and obligations vis-à-vis all its stakeholders. These values are also reflected in the company's Vision, Commitments and Culture and in the Sustainable Development Principles defined by the Executive Board of Directors.

Following the approval of the EDP Group's Code of Ethics, a specialised Committee was set up to work in cooperation with the Corporate Governance and Sustainability Committee of the General and Supervisory Board. For more information on the Ethical Process, please see the Corporate Governance section of the 2010 Annual Report and Accounts and visit www.edp.pt. See also page 22 of this report.

EDP has a research, selection and segmentation system in place for its suppliers – the EDP Supplier Registration System (SRF) – enabling it to act clearly, efficiently and transparently, thus potentiating win-win partnerships for both sides.

The system is supported by a database shared by all Group companies. Registration is necessary for any company wishing to be qualified or consulted or to present supply bids. On the same support platform prospective suppliers can also learn about the EDP Code of Ethics and declare that they accept the values and principles contained in this document. For more information on this matter, please see the Contribution to Sustainability section of the 2010 Annual Report.

HUMAN RESOURCES GOVERNANCE MODEL

The EDP Group has implemented an organisational model that responds to the characteristics of the worker universe, while always bearing in mind the importance of the transversality of the EDP values, strategy and culture. In order to ensure standardisation of criteria, the following commitments have been defined:

- Attract and recruit;
- Value and develop;
- Recognise with fairness;
- Prevent;
- Balance work and personal life;
- Innovate and manage change;
- Create opportunities;
- Guarantee diversity and respect the value of the human being;
- Motivate and involve.

The responsibilities in this area are shared by the Group's Human Resources Department, the Human Resources Departments within the Group companies and, in the case of smaller-sized companies, the interlocutors/teams dedicated to human resource management.

The Training/Recruitment and Processing areas are operationalised by the Departments of the Group company that provides shared services (EDP Valor).

The Group's Human Resources Department is operated by eight centres of competence that put the Human Resources chain of value into practice, namely: Communication and Management of Change; Potential Management; Career, Mobility and Succession Management; Training Management; Performance Management; Selection and Integration; Compensation and Benefits; Human Resource Management Support Information and Technology.

The model also includes the figure of the Relationship Manager, who is responsible for the coordination between the Group Human Resources Department and its internal clients, namely the Departments or Interlocutors/teams within the Group companies that have their own structures.

Communication of human resources matters is supported by two entities: “sou+edp” and “ON TOP – EDP Recruitment Programme”, designed for internal and external communication respectively; their objective is to standardise, strengthen and clarify communication and thus communicate more effectively.

By carrying out specific initiatives for the internal target public, the aim is to contribute to increasing knowledge and pride in being EDP. One such case is “Rotas com Energia” (Tours with Energy), a pilot project launched in 2010 involving some 500 workers and aimed at giving Group workers in Portugal the opportunity to get to know some of EDP’s main generation and distribution facilities. The project has been launched in Portugal only.

The idea this project is based on was also expanded to the children and grandchildren of Group company workers in Portugal through the “Rotas Júnior – Vem Conhecer a EDP” (Junior Tours – Come Find Out About EDP) project, an initiative that is part of the +Conciliar Programme. For more on this programme please see page 36 of this document.

One can also highlight the Saiba Mais Sobre (Find Out More About) Programme, which consists of informal conversations in which diverse core topics of interest to the workers are discussed. Ten such sessions were held in Portugal and 2 in Brazil in 2010. The contents of the discussions are published in dedicated notes that are available to all who are interested in them. They can also be consulted in the EDP documentation centres.

“A moment with Energy” is a corporate initiative through which a group of workers are given the opportunity to meet the Chief Executive Officer and, together with a group of co-workers from other countries, exchange ideas and knowledge, participate in networking meetings and visit some of the Group companies in Portugal.

Organised into “virtual” teams, the participants do work on EDP strategic matters, through which they develop skills such as: communication, teamwork and relations with persons from different cultures, areas and/or functions. Such skills are considered essential for the success of EDP in the global context in which it operates. The best work produced each year receives the prize of a course for all group members at a prestigious university.

The year 2010 was also marked by the establishment of a single “Integrated Human Resources Management Model” for the Group companies in Portugal. The Executive Board of Directors (EBD) decided to begin implementation of the model at the Department Heads and Management levels, with the programme later to be expanded to the whole workforce.

In adopting this philosophy and model the aim is to apply transversal rules to the EDP Group (adapted to the specific reality of each company), boost mobility, value merit as the basic criterion for the professional development of the workforce and reinforce equity in remuneration practices.

DIVERSITY AND EQUAL OPPORTUNITIES

The skilled workers are the largest group of workers in the EDP Group, with a total of 5,792 workers in all geographic areas and representing approximately 48% of the EDP universe (not counting the corporate bodies). They are followed by the senior managers, which account for some 20% of the workforce.

This picture is specifically true for Portugal, where more than 62% of the workforce are skilled workers, and the United States, where skilled workers make up 42% of the total.

In Spain, intermediate managers make up the largest worker group, with approximately 32% of the total workers belonging to this category.

In Brazil, the majority group are the semi-skilled workers, accounting for 63% of the workforce.

The data shows that there are more managerial staff members based in Portugal, which is justified by the fact that the EDP Group’s Corporate Centre is located in the country.

The table next page also reflects the reality in terms of worker gender within the Group; it shows the prevalence of men in all job categories. The difference can be explained by the historical and socio-professional specificities of the energy business. However, the number of female workers in the Group has been increasing every year.



CHARACTERISATION OF THE WORKFORCE BY GEOGRAPHIC AREA

Position/ Geographic area	2010					2009					2008				
	Group	Portugal	Spain	Brazil	USA	Group	Portugal	Spain	Brazil	USA	Group	Portugal	Spain	Brazil	USA
Corporate Bodies	107	52	14	35	6	87	52	4	26	5	79	50	4	20	5
Men	101	47	14	35	5	80	47	4	26	3	73	46	4	20	3
Women	6	5	0	0	1	7	5	0	0	2	6	4	0	0	2
Managers	484	356	103	5	20	437	326	77	10	24	432	324	75	5	28
Men	404	294	93	3	14	373	277	69	8	19	367	275	68	4	20
Women	80	62	10	2	6	64	49	8	2	5	65	49	7	1	8
Senior managers	2,416	1,827	512	52	25	2,095	1,725	306	50	14	2,013	1,644	309	44	16
Men	1,751	1,318	375	39	19	1,532	1,250	233	39	10	1,496	1,211	236	38	11
Women	665	509	137	13	6	563	475	73	11	4	517	433	73	6	5
Middle managers	648	228	223	95	102	804	235	382	96	91	758	248	344	85	81
Men	537	204	185	77	71	662	216	304	79	63	629	223	281	67	58
Women	111	24	38	18	31	142	19	78	17	28	129	25	63	18	23
Inter-mediate managers	893	109	670	103	11	830	116	627	71	16	836	123	586	118	9
Men	706	87	538	73	8	657	95	492	54	16	684	103	469	104	8
Women	187	22	132	30	3	173	21	135	17	0	152	20	117	14	1
Skilled workers	5,792	4,506	528	617	141	6,005	4,742	590	548	125	6,220	5,071	541	506	102
Men	4,631	3,772	392	383	84	4,871	3,975	464	362	70	5,078	4,263	422	340	53
Women	1,161	734	136	234	57	1,134	767	126	186	55	1,142	808	119	166	49
Semi-skilled workers	1,756	165	41	1,523	27	1,838	187	59	1,564	28	1,907	242	67	1,564	34
Men	1,398	141	18	1,238	1	1,423	159	28	1,235	1	1,492	210	43	1,235	4
Women	358	24	23	285	26	415	28	31	329	27	415	32	24	329	30
Total	12,096	7,243	2,091	2,430	332	12,096	7,383	2,045	2,365	303	12,245	7,702	1,926	2,342	275

In 2010 there was a slight increase in the number of women working in the EDP Group, the reverse of the trend for men. Curiously enough, although there were variations in the number of workers in the different geographic areas, companies and genders, the total number of workers – including the corporate body members – was the same as that for 2009: 12,096.

We have gone from 2,420 female workers in 2008 to 2,562 in 2010, which is an increase of 5.87%. This figure reflects the on-going trend for growth in the number of women working at EDP. The figures for men went from 9,746 in 2008 to 9,427 in 2010.

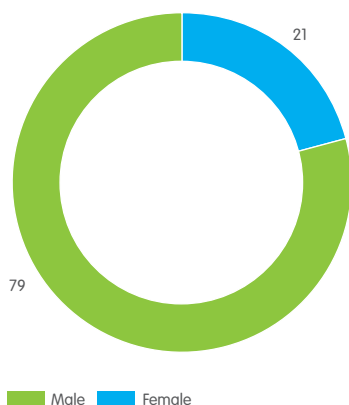
In percentage terms, female workers make up 21.18% of the total workforce, which is 1.8% more than in 2008. The gradual growth in the female workforce confirms the non-discrimination policy in recruitment applied by the Group companies.

WORKERS BY GENDER AND GEOGRAPHIC AREA ⁽¹⁾

	2010		2009		2008	
	Male	Female	Male	Female	Male	Female
Portugal	5,816	1,375	5,972	1,359	6,285	1,367
Brazil	1,813	582	1,590	451	1,788	534
Spain	1,601	476	1,777	562	1,519	403
USA	197	129	179	119	154	116
Total	9,427	2,562	9,518	2,491	9,746	2,420

(1) For the purposes of disaggregated analysis the number of workers does not include corporate bodies.

Workers by gender 2010 (%)



In 2010 approximately 46% of the Group workers (5,511 persons) were between 30 and 49 years of age. This reality is reflected

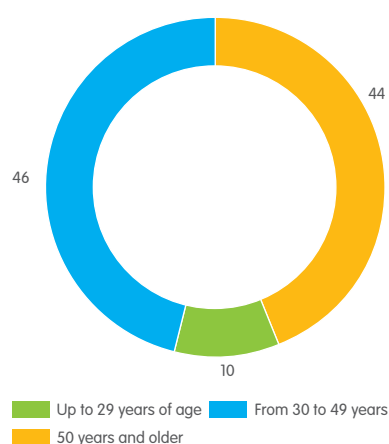
in Spain (with 1,294 persons), Brazil (with 1,486) and the United States (with 177).

This group is followed by the 50 years and above group, which accounts for 55% of the total (5,284 workers).

The age group up to 29 makes up roughly 10% of the Group workforce, with 1,194 persons. In comparison to 2009, young worker representation grew by 2%, going from 1,062 persons to 1,194 persons.

In Portugal the 50 and older age group makes up the largest worker group, with a total of 4,234 workers. It is followed by the 30 to 49 age group with 2,554 workers.

Age and Geographic Area Group - Workers 2010 (%)



Generally speaking, in all geographic areas as a whole, there is considerable balance in the average monthly salaries paid to men and women. EDP has in place a policy of non-discrimination in payment to men and women performing equivalent functions.

Existing discrepancies can, in almost all cases, be explained by a higher degree of specialisation in areas that have traditionally been the reserve of male workers, such as engineering and other more technical areas. In 2010 the difference in payment between genders was around 100 euros.

NO. OF WORKERS BY AGE GROUP AND GEOGRAPHIC AREA ⁽¹⁾

Age group/ Geographic area	2010					2009					2008				
	Group	Portugal	Spain	Brazil	USA	Group	Portugal	Spain	Brazil	USA	Group	Portugal	Spain	Brazil	USA
Up to 29 years of age	1,194	403	185	517	89	1,062	339	188	447	88	1,010	363	177	398	72
From 30 to 49 years	5,511	2,554	1,294	1,486	177	5,888	2,885	1,305	1,545	153	6,256	3,291	1,236	1,588	141
50 years and older	5,284	4,234	598	392	60	5,059	4,107	548	347	57	4,900	3,998	509	336	57
Total	11,989	7,191	2,077	2,395	326	12,009	7,331	2,041	2,339	298	12,166	7,652	1,922	2,322	270

(1) For the purposes of disaggregated analysis the number of workers does not include corporate bodies.



As in the preceding year, and contradicting the trend in other countries, in Portugal women are paid slightly more (67 euros) than men. This difference can be explained by the fact that, in Portugal, women remain in education longer than men.

In Brazil, the average monthly wage for men is approximately 52 euros higher than that for women.

The difference is much greater in Spain, where men are paid an average of 926 euros more than women, and in the USA, where, on average, men earn 1,427 euros more than women.

These figures show a positive, albeit slight, improvement over the preceding year, given that the trend is towards lessening the differences in salary between genders. In 2009 male EDP workers received 4% more than their female counterparts; in 2010 the difference was reduced to 3.78%.

AVERAGE MONTHLY SALARIES BY GENDER AND GEOGRAPHIC AREA

Geographic area/ Gender	2010		2009	
	Male	Female	Male	Female
Portugal	2,810	2,877	2,709	2,775
Brazil	1,963	1,911	1,488	1,375
Spain	4,496	3,570	3,911	3,174
USA	6,487	5,060	6,397	4,839
Total	3,014	2,900	2,740	2,628

INDUSTRIAL RELATIONS MANAGEMENT

RETIREMENT

The “skilled workers” are the job type group that are likely to retire in the largest numbers within the next five years, according to the estimate data with reference date 31 December 2010. This trend is particularly expressive in Portugal, where 1,068 such cases are to be expected.

The remaining job types show more balanced figures in terms of workers leaving the group (to go into retirement). In all geographic areas as a whole within the next five years one can expect 96 “managers”, 213 “senior managers”, 96 “middle managers”, 95 “intermediate managers”, 1,155 “skilled workers” and 144 “semi-skilled workers” to leave the Group.

Portugal is the geographic area that will have the most employees going into retirement in the next five years (1,501 persons from the various job types). This is explained once more by the fact that 60% of Group employees are based in Portugal.

The forecasts indicate that there will also be a significant number of “skilled workers”, a total of 3,236, going into retirement within the next ten years. This group is followed by “senior managers” with 649 retirements; “semi-skilled workers” with 459 retirements; “middle managers” with 265 retirements; “managers” with 235 retirements; and “intermediate managers” with 225 retirements.

Overall, a total of 5,070 employees can be expected to retire. The figure can be broken down thus: Portugal (4,211), Brazil (561), Spain (277) and the USA (21).

No. of workers who, with reference dates 31 December 2009 and 31 December 2010, may retire within the next 5 and 10 years, by geographic area and job type

ELIGIBLE FOR RETIREMENT IN THE NEXT 5 YEARS

Job Type/ Geographic area	Group	2010			
		Portugal	Spain	Brazil	USA
Managers	96	94	2	0	0
Senior managers	213	190	12	7	4
Middle managers	96	72	10	9	5
Intermediate managers	95	32	55	8	0
Skilled workers	1,155	1,068	8	71	8
Semi-skilled workers	144	45	1	98	0
Total	1,799	1,501	88	193	17

ELIGIBLE FOR RETIREMENT IN THE NEXT 10 YEARS

Job Type/ Geographic area	Group	2010			
		Portugal	Spain	Brazil	USA
Managers	236	219	12	0	5
Senior managers	649	605	29	15	0
Middle managers	265	197	39	18	11
Intermediate managers	225	66	139	20	0
Skilled workers	3,236	3,012	51	169	4
Semi-skilled workers	459	112	7	339	1
Total	5,070	4,211	277	561	21

LABOUR RELATIONS

The EDP Group continues to value communication with the group companies and worker representatives, workers’ committees and trade unions.

- The introduction, alteration or termination of rules or regulatory procedures has always been preceded by meetings with the stakeholders for clarification and/or information purposes;
- The negotiation procedures for the revision and adjustment of collective regulations were conducted in normal conditions, with 95 meetings held with individual trade unions and around 10 meetings with all trade unions present;
- Adjustment of internal rules and regulations to the applicable legislation was ensured.

EDP also had regular contact with official bodies, namely the Ministry of Labour and Social Solidarity, and also coordinated support for workers’ recreational, cultural and

social organisations, the EDP Personnel Club, Blood Donors and Retirees' and Pensioners' Association, with said support amounting to 1.2 million euros.

For more information on the work of these organisations, see page 46.

EDP monitored labour-related problems and took a proactive role in managing disputes based on communication and exchange of information between the parties.

One should also highlight the fact that, depending on their degree of complexity, operational changes within the Group that have an impact on the workers are communicated to the trade unions, workers' committees and the workforce at least 30 days in advance.

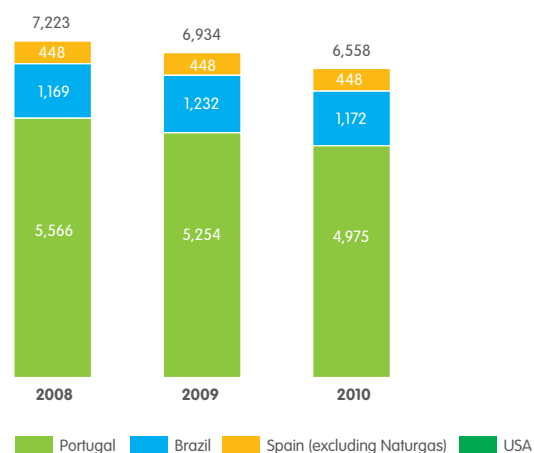
In 2010 almost 55% of the EDP Group workforce was unionised, meaning that some 6,588 workers were represented by labour or trade unions and/or are covered by collective work agreements/conventions.

In overall terms, these figures represent a drop of 2.79% in relation to 2009, when 58% of the workforce (6,934 workers) were unionised.

This percentage drop can be explained by the rejuvenation in course in the Group and older workers leaving the Group companies. In other words, there is less likelihood that newly recruited workers will be immediately unionised. Additionally, the fact that EDP is currently acquiring business in Spain and the USA, where unionisation levels are traditionally lower, has also contributed to this decrease.

Portugal remains the geographic area with the highest percentage of unionised workers; 69% of the Portuguese workforce pays union membership fees out of their salary (with representation by 25 different unions). In Brazil 49% of the workers are unionised (a reduction of 60 persons, with representation by 5 union structures), while in Spain the figure remained the same as in 2009 (with representation by 7 different unions). There are no unionised workers in the Group companies in the USA.

No. of unionised workers by geographic area



EMPLOYMENT AND MOBILITY

CHARACTERISATION

Confirming the trend of previous years, there was no significant change in the number of workers from 2009 to 2010, the total going from 12,009 to 11,989. In other words, there were 20 fewer workers in 2010. The total number increases to 12,096 if we include the 107 corporate body members.

This very slight reduction can be explained by the fact that the rejuvenation of the workforce more or less matched the number of workers leaving the company to go into retirement, pre-retirement and anticipated retirement.

The number of EDP workers increased in Spain, Brazil and the United States in 2010. Spain now has 36 more workers than in 2009 and Brazil increased its workforce by 56 persons, continuing the trend registered in the previous year. The United States also reported a very positive development, with an increase of 28 workers, confirming the trend towards growth in the size of the workforce since EDP began business operations there. Portugal was the only geographic area to register a decrease in the number of workers, with a difference of 140 in relation to 2009. The main factors contributing to this reduction were:

- the departure of 41 workers due to the decommissioning of the Barreiro and Carregado power stations;
- 99 cases of anticipated retirement applied for under the Collective Labour Agreement;
- 145 pre-retirement agreements included in the company's simplification process (which focuses essentially on making procedures more flexible and the constant upgrading of support technologies).

For more information please see page 29 of this document.

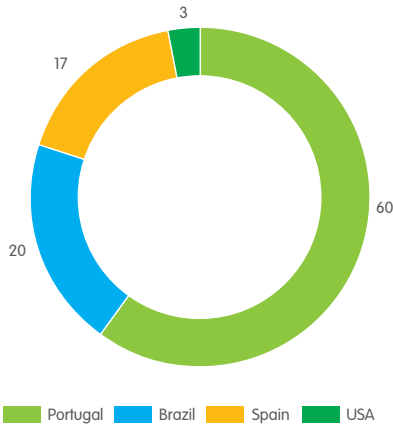
Eligible for this plan were workers whose work tasks can now be carried out with fewer resources and for which replacement in functional or geographic terms was not a viable option.

The recent trend towards a slight decrease in the number of workers in the EDP Group can be explained by the internal efficiency strategy for resource management.

NO. OF WORKERS BY GEOGRAPHIC AREA			
Geographic Area/Year	2010	2009	2008
Portugal	7,191	7,331	7,652
Brazil	2,395	2,339	2,322
Spain	2,077	2,041	1,922
USA	326	298	270
Total	11,989	12,009	12,166



Workers by geographic area 2010 (%)



The average age of the EDP Group workforce in 2010 was 46 years.

Portugal remains the geographic area with the highest average age (49), followed by Spain (43), Brazil (40) and the United States, which has the youngest average worker age (39).

AVERAGE AGE OF WORKFORCE BY GEOGRAPHIC AREA

Geographic Area/Year	2010	2009	2008
Portugal	49	48	48
Brazil	40	39	40
Spain	43	43	43
USA	39	39	39
Overall average age	46	45	45

DIVERSITY

The recruitment of persons with disabilities is encouraged by specific training and selection programmes aimed at promoting diversity and social inclusion.

In 2010 there were 200 workers with special needs employed in the EDP Group. This is a slight increase over the figures for previous years.

Brazil registered an increase of six persons with a degree of physical disability, whilst in Spain the figure was three. In the United States there is one worker with special needs.

In Portugal there was a reduction from 98 (in 2009) to 90 (in 2010) workers with disabilities. The number of workers in this category decreased to 90 in 2010 (they were 98 in 2009) as a consequence of pre-retirement, early retirement, disability retirement and age retirement.

NO. OF WORKERS WITH SPECIAL NEEDS BY GEOGRAPHIC AREA

Geographic Area/Year	2010	2009	2008
Portugal	90	98	100
Brazil	98	92	84
Spain	11	8	12
USA	1	1	1
Total	200	199	197

INTERNSHIPS

EDP continued its policy of awarding internships in Group companies with the aim of contributing to the personal and professional improvement of young workers and encouraging them to consider future recruitment by the Group.

There are various types of internships, depending on the profile of the young worker and the desired goals: summer internships, student or curricular internships, working life experience internships, vocational internships and internships as part of specific protocols. Some examples: in Portugal we work with the "International Association for the Exchange of Students for Technical Experience" (IAESTE Portugal); in the USA with the "EDPR Summer Internship Program"; in Spain with the "Ingeniero Interno Residente" programme; and in Brazil with the "On Top" corporate programme.

In 2010 the Group companies had a total of 706 internships, 413 of which were vocational and 293 were curricular. From 2008 to 2010 there was an increase of 39% in the number of internships granted.

This growing trend is particularly expressive in Spain, where there was an almost 45% increase from 2009 to 2010, and Portugal, which saw an increase of almost 18%. In Portugal EDP began in its first "Intern Engineer" programme in 2010, in which, over a two-year period, a number of young, highly promising engineers will execute a learning programme in the various company departments and in different countries. The aim is to produce engineers with detailed knowledge of the company, its culture and its processes who will be able to work where the company needs them.

This propensity to increase the number of persons performing internships in the Group companies is associated, above all, with the EDP strategy for closer relationships with the academic community, which is one of the goals of the ON TOP - EDP Recruitment Programme. The aim is to maintain permanent interaction with students and benchmark vocational training and higher education institutions as possible future employees and recruitment sources.

It is important that the students consolidate their knowledge in their specific field and learn to adapt to the work environment

through the interpersonal relationship with the internship orientation counsellor and the whole team of which they are a part.

One should also highlight the partnerships established with domestic and international associations and communities, such as the Best – Board of European Students of Technology and the CEMS – Community of European Management Schools.

NO. OF CURRICULAR AND VOCATIONAL INTERNSHIPS BY GEOGRAPHIC AREA

Geographic Area/Year	2010	2009	2008
Portugal	252	214	178
Brazil	172	175	114
Spain	259	179	183
USA	23	26	18
Total	706	594	493

RECEPTION AND INTEGRATION

EDP places great importance on the reception and integration of its workers, giving them the best conditions so that they can fit in rapidly and feel they are a part of the organisation, thus boosting proactive behaviour and strong commitment.

The “Employee Handbook” and “Integration Meetings” are examples of instruments developed to further this adaptation process.

WORKERS' CONTRACTS

In 2010 EDP reduced the number of its workers with fixed-term contracts. The reasons for this situation are that persons who had fixed-term contracts were given permanent contracts and the majority of new recruitments in 2010 were made on a permanent contract basis.

NO. OF WORKERS BY CONTRACT TYPE

Type of contract/ Geographic area ⁽¹⁾	2010					2009					2008				
	Group	Portugal	Spain	Brazil	USA	Group	Portugal	Spain	Brazil	USA	Group	Portugal	Spain	Brazil	USA
Permanent contracts	11,928	7,147	2,075	2,380	326	11,932	7,265	2,030	2,339	298	12,011	7,508	1,911	2,322	270
Fixed-term contracts	61	44	2	15		77	66	11	0	0	155	144	11	0	0
Total	11,989	7,191	2,077	2,395	326	12,009	7,331	2,041	2,339	298	12,166	7,652	1,922	2,322	270

⁽¹⁾ Not including corporate bodies

In 2010 some 34% of EDP workers had fixed working hours, 45% had flexible working hours and 12% were exempt from defined working hours. One should also note that only 11 workers had part-time contracts in 2010 (4 in Portugal, 6 in Spain and 1 in the USA).

NO. OF WORKERS BY TYPE OF WORKING HOURS

Type of working hours/ Geographic area ⁽¹⁾	2010					2009				
	Group	Portugal	Spain	Brazil	USA	Group	Portugal	Spain	Brazil	USA
Fixed working hours	4,098	1,960	0	2,138	0	3,348	2,040	0	1,308	0
Flexible working hours	5,488	3,272	1,633	257	326	5,961	3,274	1,563	826	298
Shift work	846	580	266	0	0	1,056	646	289	121	0
Working hours with rotating days off	111	30	81	0	0	141	55	86	0	0
No defined working hours	1,446	1,349	97		0	1,503	1,316	103	84	0
Total	11,989	7,191	2,077	2,395	326	12,009	7,331	2,041	2,339	298

⁽¹⁾ Not including corporate bodies



ATTRACT AND COMMIT

The number of new recruitments – 695 new workers – by EDP Group companies in 2010 was higher than that for the two previous years.

In Portugal, Brazil and the United States new admissions were up over 2009 by 60, 87 and 7 employees respectively.

Only Spain saw a decrease (of four) in new recruits in relation to 2009 (126 to 122 new employees).

The development in the number of recruitments is illustrative of the will to rejuvenate the Group and is the result, above all, of a recruitment policy aimed at attracting young people with potential, who bring more talent, more skills and, ultimately, more value to the company. This is an international initiative that invests in closer links between EDP and the academic community (domestic and international universities and technical/vocational schools), with the ultimate aim of positioning EDP as a “first choice employer”.

The MBA recruitment programme is one example of how EDP is establishing closer links with students and schools and universities. In 2010, as part of this programme, EDP Renováveis selected eight graduates from universities such as IESE, LBS, INSEAD, IE and the Lisbon MBA in Europe and, in the USA, from Columbia, New York and Northwestern (Texas) universities.

These new recruits will later take on real jobs in the company, such as project manager, taking the leadership in development or operational initiatives. Each of these new recruits has a company manager as a mentor who can give him/her unique insight into and understanding of the Group. For more information on this, please see page 32 of this document.

One should note that the average age of new recruits in 2010 was 30, one year younger than in 2009.

This overall trend towards increases in new recruitments to the Group companies has been registered since 2006 (the first year of the Strategic Plan currently in place). It represents an increase of roughly 105% in new recruitments up to and including 2009.

NO. OF NEW RECRUITS (ADMISSIONS TO THE WORKFORCE) BY GEOGRAPHIC AREA - REJUVENATION

Geographic Area/Year	2010	2009	2008
Portugal	214	154	100
Brazil	282	195	184
Spain	122	126	156
USA	77	70	116
Total	695	545	556

In recent years we have witnessed a drop in the numbers of employees leaving the Group companies. The figures presented refer to workers who voluntarily left EDP companies, for example cases of retirement and pre-retirement. They also include deaths of workers. Brazil and the USA are the only geographic areas that do not follow this trend.

NO. OF WORKERS LEAVING GROUP COMPANIES BY GEOGRAPHIC AREA

Geographic Area/Year	2010	2009	2008
Portugal	352	475	496
Brazil	228	182	161
Spain	63	88	117
USA	44	42	37
Total	687	787	811

In general terms, the EDP Group has a worker turnover index of 5.76. This is a low turnover index showing a positive balance in terms of the number of workers entering and leaving the Group companies. It is also in line with the best Sustainable Development practices.

A consistent recruitment policy, retaining talents and motivation are the key factors that contribute to this low turnover index and EDP has been working towards these goals.

The figures for 2010 show that Portugal is the geographic area with the lowest turnover, followed by Spain, Brazil and, finally, the USA.

Worker turnover in the EDP companies is highest amongst the youngest workers (up to 29 years of age) in all geographic areas. The 50 and older age group registered the second highest turnover index in Portugal and Brazil. Turnover in the 30 to 49 age group is more visible in Spain and the USA.

When one looks at the figures broken down by gender, there are no major differences between men and women, although there are slight differences in Brazil and the USA.

WORKER TURNOVER BY REGION, GENDER AND AGE GROUP

Geographic Area/Year	2010	2009
Portugal	3.90%	4.20%
Men	3.79%	4.20%
Women	4.35%	4.18%
Up to 29 years of age	22.10%	16.95%
From 30 to 49 years	1.12%	1.34%
50 years and older	4.09%	5.27%
Spain	4.49%	5.40%
Men	3.95%	5.50%
Women	6.36%	5.04%
Up to 29 years of age	16.35%	13.97%
From 30 to 49 years	3.69%	4.01%
50 years and older	2.44%	5.77%
Brazil	10.77%	8.09%
Men	9.64%	7.91%
Women	14.34%	8.67%
Up to 29 years of age	27.28%	18.46%
From 30 to 49 years	6.43%	4.69%
50 years and older	7.04%	10.83%
USA	19.39%	19.72%
Men	25.00%	18.32%
Women	10.89%	21.70%
Up to 29 years of age	23.73%	17.50%
From 30 to 49 years	18.48%	20.41%
50 years and older	15.38%	21.05%
Total	5.76%	5.51%

TRAINING, DEVELOPMENT AND PERFORMANCE ASSESSMENT

ENHANCE AND DEVELOP

Worker qualification and support for their personal and professional improvement are a priority for the EDP Group.

Accordingly, the Group's Training Plan is a guiding framework for the management of training within the Group and is aligned with the EDP Vision, Values, Commitments and strategic challenges.

The plan is structured on the basis of five major overall objectives:

- to align the training needs with the Group strategy and business trends;
- to incentivate professional improvement and stimulate motivation amongst the workers;
- to address manifested needs;
- to promote the sharing of knowledge and experiences;
- to develop capacities, skills, knowledge and forms of action.

In 2010 a total of 419,737 hours were dedicated to training, which is a 19% increase on the preceding year. Particular emphasis was placed on technical training, which accounted for 58% of the total training, or 244,770 hours, with a special focus on less-skilled workers.

In Portugal a total of 182,814 training hours were carried out, while in Brazil the figure was 142,441 hours, in Spain 88,303 hours and in the USA 6,179 hours.

TOTAL NO. OF TRAINING HOURS BY GEOGRAPHIC AREA

Geographic Area/Year	2010	2009	2008	2007	2006
Portugal	182,814	126,212	204,428	215,503	296,511
Brazil	142,441	157,900	209,295	186,118	n.d.
Spain	88,303	63,210	68,836	63,185	36,260
USA	6,179	5,882	4,552	n.d.	n.a.
Total	419,737	353,205	487,111	464,806	332,771

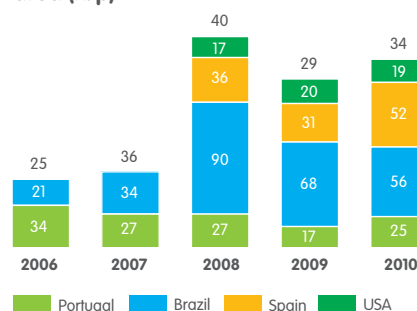
One of the EDP objectives is the personal and professional improvement of its workforce through training, as a way of creating the conditions for improving its productivity indexes and competitive profile. Training is seen as a priority in the human resources policies in the EDP universe.

EDP continues to encourage the acquisition of new knowledge and individual skills as a means of guaranteeing the professional satisfaction and fulfilment of its workers and, in doing so, guaranteeing an intelligent, competitive and socially responsible organisation.

From January to December 2010 the training activity in overall terms corresponds to an average training of some 34 hours per worker (in 2009 that figure was 29 hours) and a total of 6,126 training actions. The training involved 11,478 Group workers, which is almost 96% of the total workforce. That constitutes a significant increase (of around 20%) over the previous year.

Brazil was once again the geographic area that had the highest training volume (56.1 h/p), followed by Spain (51.8 h/p), Portugal (24.6 h/p) and the USA (18.6 h/p).

Average hours of training by geographic area (h/p)



In the year under review there was a prevalence of training courses in the Technical sphere (58.3%), amounting to 244,770 hours of training.

In terms of training volume, this is followed by Organisational training with 16.3% of the total (68,580 hours); Management



training with 14% of the total (58,706 hours); and finally Behavioural training, which accounted for 11.4% of the total volume (47,681 hours).

In Portugal a total of 182,814 hours were devoted to training, corresponding to an average training volume of some 25 hours per worker. Organisational training was one of the spheres that received the greatest hours of training (25% of the total), above all in the areas of Corporate Project/Culture and Ethics (approximately 11% of the total training volume in 2010).

As part of the EDP Ethics Programme an extensive training and awareness plan was carried out involving the whole workforce in Portugal and respective hierarchies and amounting to a total training volume of 19,052 hours.

In the Technical sphere (39% of the training volume), particular emphasis was placed on the areas of Accident Prevention and Safety and Information Systems. In the Management training (18% of the training volume), People Management was the area that involved the greater part of workers. In the Behavioural sphere (17% of training volume) the focus was placed on

Interpersonal Relations and Communication, as well as on Leadership.

In Spain a total of 88,303 hours of training were administered. As in the previous year, Technical training (72% of the training volume) was the most important sphere (above all, Languages and Accident Prevention and Safety). This was followed by Organisational training (focusing on the areas of Corporate Project/Culture), with 12% of the training volume. Management training amounted to 9,065 hours, with a particular focus on the area of People Management. As far as Behavioural training is concerned, Leadership was a particular focus (3% of the training volume).

In Brazil a total of 142,441 hours were devoted to training. In the Behavioural training sphere, emphasis was placed on Leadership (4% of the training volume). Technical training remains the sphere with the highest training volume (74%).

In the USA a total of 6,179 hours were devoted to training, with efforts focusing on Organisational training in general and the Corporate Project/Culture in particular.

EDP ETHICS PROGRAMME

The EDP Ethics Programme was carried out between 2009 and 2010 with the following objectives: to acquaint the workers with the EDP Code of Ethics; to create awareness in the workforce of the importance and reach of ethical matters; and to disseminate and strengthen trust in the EDP ethical process.

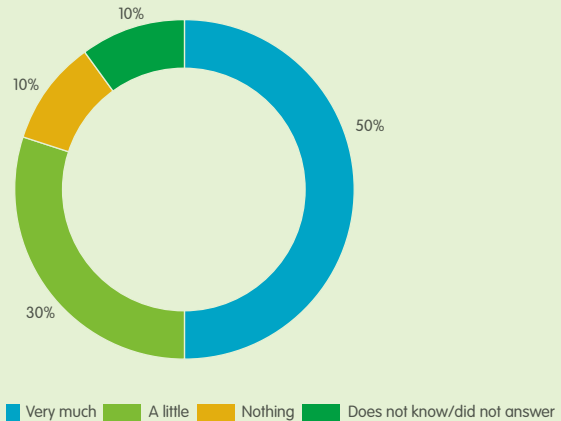
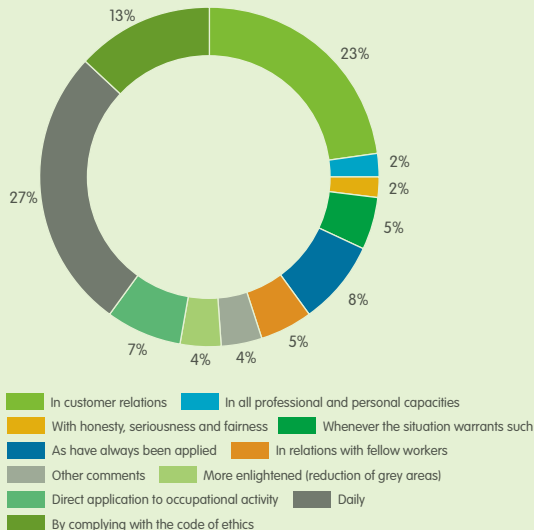
The programme was carried out in four phases, initially in Portugal only: diagnostics and reflection, with a survey being conducted amongst the workers on the ethical climate within the organisation and the drawing up of an Interpretation Guide for the Code of Ethics; training for 778 managers; multiplication sessions involving around 6,000 workers; and final evaluation.

Analysis of the evaluation revealed very satisfactory levels of satisfaction and reaction of trainees to the learning programmes.

The skills acquired were considered useful both in the professional work and the personal lives of the trainees surveyed.

How do you think you will apply the skills acquired in the training course?

Perception of the importance of ethics for EDP was also assessed.



“EDP Ethics is not something static, it is not a question of a clear conscience but one of fostering your conscience. It is what separates winning companies from those that don’t. (...) The key word in all of this is consistency.”

Antônio Mexia
Chairman of the Executive Board of EDP

The Programme was also implemented in EDP no Brasil based on an e-learning product. It will be extended to the remaining geographic areas in the first half of 2011.

TRAINING AND DEVELOPMENT – NO. OF TRAINEES BY TRAINING SPHERE AND AREA AND GEOGRAPHIC AREA

TRAINING SPHERE	TRAINING AREA	TRAINEES				
		Group	Portugal	Spain	Brazil	USA
BEHAVIOURAL	CUSTOMER SERVICE	28	26	0	2	0
	LEADERSHIP	1,713	1,273	215	225	0
	OTHER	146	0	39	107	0
	INTERPERSONAL RELATIONSHIPS AND COMMUNICATION	1,858	1,535	126	197	0
Total BEHAVIOURAL		3,745	2,834	380	531	0
MANAGEMENT	COMMERCIAL/SALES	225	17	55	153	0
	FINANCE	399	180	129	89	1
	ADVANCED TRAINING - GENERAL MANAGEMENT	72	52	20	0	0
	PEOPLE MANAGEMENT	2,813	1,981	478	198	156
	PROJECT MANAGEMENT	341	61	18	262	0
	LOGISTICS AND PURCHASES	72	9	49	14	0
	MARKETING	26	15	7	4	0
	OTHER	890	439	88	363	0
Total MANAGEMENT		4,957	2,834	857	1,109	157
ORGANISATIONAL	ENVIRONMENT	563	164	396	3	0
	SUSTAINABLE DEVELOPMENT	8	6	1	1	0
	ETHICS	6,087	6,086	1	0	0
	OTHER	374	2	24	348	0
	CORPORATE PROJECT/CULTURE	10,161	6,534	1,971	291	1,335
Total ORGANISATIONAL		17,793	13,291	2,502	665	1,335
TECHNICAL	CIVIL	81	81	0	0	0
	TECHNICAL DRAWING	61	6	55	0	0
	ELECTROTECHNICS AND ELECTRONICS	889	102	67	720	0
	LANGUAGES	2,988	62	2,816	110	0
	SYSTEM/EQUIPMENT MAINTENANCE	226	31	72	71	52
	MECHANICS	102	55	47	0	0
	OTHER	1,530	78	266	1,029	157
	ACCIDENT PREVENTION AND SAFETY	4,957	1,948	2,189	789	31
	GENERATION	882	378	503	1	0
	ELECTRICITY TRANSMISSION GRIDS	2,198	1,094	269	834	1
	GAS DISTRIBUTION NETWORKS	82	15	67	0	0
	SECRETARIAT SKILLS	53	24	7	1	21
	INFORMATION SYSTEMS	3,279	1,860	1,088	270	61
	INSPECTION TECHNIQUES AND TESTS	69	46	23	0	0
	ENERGY TRADING	385	269	64	45	7
Total TECHNICAL		17,782	6,049	7,533	3,870	330
TOTAL TRAINING		44,277	25,008	11,272	6,175	1,822

EDP's constant concern with the training of its workforce is appropriately reflected in the amounts invested in this area. In 2010, almost nine million euros were spent in the area of training, which is a year-on-year increase of 23.7% and 29% higher than the figures for 2006. These figures reflect the growing importance attached to training in the EDP universe.

In Portugal investments amounted to 5.2 million euros. In Brazil the investment amount was 1.86 million euros (an increase of more than 1.2 million euros over 2009); in Spain 1.79 million euros was invested; and in the USA, 78,000 euros.



The average cost of training per worker in 2010 was €721.82. The return on the investment is assessed in terms of worker motivation, satisfaction and productivity indicators.

**INVESTMENT IN TRAINING BY GEOGRAPHIC AREA
(IN THOUSANDS OF EUROS)**

Geographic Area/Year	2010	2009	2008	2007	2006
Portugal	5,208	5,170	5,227	5,015	5,999
Brazil	1,861	598	289	1,511	1,443
Spain	1,793	1,354	1,600	1,461	926
USA	78	102	117	n.d.	n.a.
Total	8,940	7,225	7,232	7,988	6,925

The official number of student workers in the EDP Group rose in 2010, confirming the trend of recent years. This is a practice that is particularly visible in Portugal, where 10 more cases were registered than in the previous year.

Nevertheless, the total of 34 confirmed student workers does not necessarily reflect the reality in the Group. One should note that Group companies are only aware that workers are also students if the latter inform them of that fact or, in the case of certain geographic areas, if they apply for student worker status, meaning they qualify for leave from work to study for and/or sit examinations.

The aim is that all Group companies encourage workers to develop and tap into their potential through education/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 improve their education level as a progress factor.

NO. OF STUDENT WORKERS BY GEOGRAPHIC AREA

Geographic Area/Year	2010	2009	2008
Portugal	34	24	21
Brazil	n.d.	n.d.	n.d.
Spain	n.d.	5	1
USA	n.d.	0	0
Total	34	29	22

In the case of Portugal, the incentives for qualification and ongoing training of human resources have intensified, namely through association with the government's New Opportunities Programme. In 2010 a total of 153 workers enrolled in the New Opportunities Centre and 32 workers gained certification by the end of the year. The remaining workers enrolled in the programme are currently in diverse phases of the skills recognition, validation and certification process.

Significant growth in use of the programme is expected for 2011. According to the goals the New Opportunities Centre has set for itself, one can expect approximately 150 workers to gain certification in the 2010-2011 period. Some 200 new enrolments are also expected.

POTENTIAL AND PERFORMANCE ASSESSMENT

CHARACTERISATION

At EDP we objectively identify the merit and skills of each worker in a process in which the worker him/herself is always fully involved. On the basis of that assessment, areas for improvement are identified and the respective training actions and methods are defined. This strategy is essential for managing the potential of each worker, promoting merit and rewarding results. Above all, EDP wants its workers to feel motivated and fulfilled and wanting to bring more value to the Group.

Conscious of the fact that the company's success depends directly on its people, worker potential and performance assessment is seen both as a priority and a starting point. The people management is guided by the following objectives:

- recognising performance;
- identifying and rewarding merit;
- orienting development and career opportunities;
- encouraging dialogue between management and work team;
- encouraging a culture of feedback.

This fundamental tool for personnel management is aimed at stimulating creation of value through management of skills and performance. The assessment is aimed at stimulating behaviour that maximises productivity, responsibility, participation and development in workers, attributing to each person an indispensable role in achieving the overall objects and thus valuing individual contribution.

The potential and performance assessment process promotes reflection on workers' skills and their capacity to generate results. It values the individual contribution through a plan based on specific, measurable and realistic goals defined over time and aligned with the business. Each worker is informed of what is expected of him/her, what his/her performance is like and what aspects can be improved.

Potential and performance assessment is carried out in phases in accordance with an annual calendar and involves the worker him/herself, the hierarchy and, where applicable, peers.

Worker potential and performance assessment is all the richer the greater the variety of assessment sources, the dynamising capacity of co-worker involvement and the hierarchy-worker dialogue. To this end, EDP includes the involvement by various participants in the assessment process. In the EDP universe, most workers (61%) have a 180° assessment, i.e. the final assessment results from the weighted average of their self-assessment and the assessment of superiors. More than 33% of workers have a 270° assessment, which involves the worker, the superiors and the worker's peers. The remaining 5% of workers have a 360° assessment, where the final assessment

is the average of four separate assessments: by the worker, the superiors, two of the worker's peers and, in the case of a superior, two subordinates.

All workers in Brazil received the 360° assessment.

As implementation of the new potential and performance assessment model/system is being phased, execution of the 360° assessment will depend on how the model evolves in the companies in the various geographic areas. We are working towards that.

Portugal still has two coexisting assessment models (APD and A2D), although we are moving towards convergence of the two and the future integration of all workers under one system.

Once again the organisation is taking the dimension and geographic representation of the Group into consideration, so that performance management models are evolving towards ever-increasing alignment of the assessment cycles in all geographic areas.

EDP UNIVERSITY

Recognising that the asset that is the knowledge existing within the Group is one of its major competitive advantages, the EDP University was born out of the need to effectively and appropriately manage that resource, with a view to better developing the knowledge and talent of the workers. The university carries out its activity through five Functional Schools (business schools) and two Transversal Schools for the transmission of transversal knowledge and the development of management skills. As a whole, the schools coordinate training, career development, knowledge management and change management in line with the present and future needs of the Group.

The launch of the Generation School in 2009 was followed in 2010 by the launch of the Distribution School (functional school) and the EDP Schools and the Leadership Development School (transversal schools), as well as the preparatory work for the launch of 3 more functional schools (Gas, Retail and Renewables).

In addition to these, the design for the "Online Campus – Virtual Campus" was conceived, which is to be a support for the various learning and training management types. The first phase is scheduled for completion in 2011.

The main data on the evolution of the EDP University's activity are as follows:

	Participants	Training Hours	Teachers	No. Training Days
Academic Year 2009-2010	686	16,636	149	116
Academic Year 2010-2011	2,390	49,097	212	317
Variation (%)	248	195	42	173

The "Mentoring" Programme was another initiative launched in 2010 as part of the training and potential management programme. Included in the "Energising Development Programme" of the Leadership Development School/EDP University, this pilot programme provides for a mentor and mentee scheme. The aim is to boost and accelerate the development of the participants, with the mentor acting as a facilitator of the mentee's development, making a significant contribution to improving the latter's skills. The role of the mentor is to help, guide and orient the professional development of the mentee. In 2010 the programme involved more than 220 people: some 80 mentors and 140 mentees.

The "Energising Development Programme" is designed for young workers up to the age of 35 with growth potential. The Leadership Development School also runs the "Executive Development Programme" for workers with a managerial profile identified as having leadership, communication and strategy capacities.

TRAINING AND RAISING AWARENESS OF LEADERS

EDP has been developing a number of dynamics, instruments and tools to support the exercise of leadership.

The "EDP Leader Guide" is a practical handbook that compiles the Human Resources-related issues a leader has to deal with in the daily routine and gathers information on the profile of the leader and the most important HR processes.

In 2010 the training course "Being an EDP Leader" was launched. It is aimed at all Group hierarchies and is based on the "Leader Guide". Applying a learning map methodology (learning maps have been used by the company for more than 10 years), the aim of the course is to train and inform hierarchies and make them acquainted with the best practices and attitudes EDP expects from its leaders, namely with respect to human resources management, social responsibility, balance between personal and professional life and opening up to the community, in particular the Volunteering Programme.

VALUING EXPERIENCE

The "Valuing Experience" programme was devised to highlight the experience and knowledge gathered by older EDP workers and share it with the other human resources in the Group.

The programme is aimed at EDP workers who have been with the company at least 30 years and may belong to diverse job categories (from technical specialists to senior management). "Valuing Experience" has been integrated into EDP strategy because it helps bring about desired cultural change, given that it strengthens execution capacities and improves efficiency in the organisation.



SUCCESSION PLAN

Since 2009 EDP has been working on a Succession Management Plan, the aim of which is to identify critical job positions in the organisation and potential successors for those positions, as well as to carry out specific rapid skills acquisition and perfecting programmes with the candidates.

This process is devised for top leadership positions that have an impact and responsibilities in terms of the Group's strategy. The aim is to guarantee, in a sustainable way, continuity of the business through the development and retention of potential successors.

The last update of the Succession Plan in 2010 reflects the organisational changes that have taken place, increasing the number of management positions and advancing the multi-company and multi-geographic area approach to identifying successors, thus furthering mobility within the Group.

REMUNERATION AND BENEFITS

REMUNERATION

An analysis of all job positions shows that, in general terms, EDP salaries increased in 2010. The differences in salaries for the various geographic areas have to do with local influences of the labour markets. In the "remaining workers" category the differences reflect not only local labour market realities but also factors such as experience and years of service.

With respect to the "directors" category, the data shows greater balance between all the geographic areas in comparison to the previous year. In this category Portugal reports the highest salaries given that the EDP Group's Executive Board of Directors is based there.

SALARIES BY OFFICE/POSITION (EUROS) AND BY GEOGRAPHIC AREA

Geographic Area/Position	2010			2009			2008		
	Directors	Managers	Remaining workers	Directors	Managers	Remaining workers	Directors	Managers	Remaining workers
Portugal	21,014	8,761	2,636	20,494	8,799	2,546	19,567	8,920	2,415
Brazil	16,239	5,761	1,611	15,125	4,626	1,164	10,453	4,605	956
Spain	15,570	8,788	3,922	14,072	8,013	3,400	6,319	7,976	3,231
USA	15,642	11,797	5,321	16,311	11,412	5,089	17,094	11,013	4,911
Total	17,985	7,942	2,726	17,270	7,207	2,478	13,793	7,386	2,333

EDP does not discriminate between the genders in terms of salaries. Indeed, the Group promotes equality in this area. An analysis of the salary index by gender (male/female) for 2010 shows that it is only slightly in men's favour (1.01). This trend towards ever greater balance between the genders has been registered over the years. In 2008 the salary index by gender was 1.17, while in 2009 it was 1.03.

In the specific case of Portugal (the geographic area that concentrates 60% of Group workers) the index is more

favourable to female workers (0.96). In 2010 women had the advantage in the Middle Management (0.89) and Skilled Worker (0.94) categories.

In Brazil women are at an advantage in the Middle Management category (0.95).

In the case of the USA, women are at an advantage in the Intermediate Management (0.97) and Semi-skilled Worker (0.91) categories.

SALARY INDEX BY GENDER (M/F), JOB TYPE AND GEOGRAPHIC AREA

Job Type/ Geographic area	2010					2009					2008				
	Group	Portugal	Spain	Brazil	USA	Group	Portugal	Spain	Brazil	USA	Group	Portugal	Spain	Brazil	USA
Salary index by gender (M/F)	1.01	0.96	1.18	1.01	1.24	1.03	0.96	1.21	1.01	1.35	1.17	0.96	1.54	1.56	1.37
Managers	1.03	1.10	1.05	1.08	1.03	1.06	1.07	1.07	1.00	1.00	1.12	1.12	1.09	1.92	1.03
Senior managers	1.12	1.10	1.18	1.12	1.03	1.11	1.09	1.24	1.05	0.93	1.28	1.08	2.24	1.96	0.96
Middle managers	0.93	0.89	1.22	0.95	1.03	1.09	0.90	1.25	0.87	1.09	1.24	0.89	1.43	1.58	1.18
Intermediate managers	1.06	1.06	1.10	1.05	0.97	1.07	1.05	1.10	1.07	0.00	1.28	1.02	1.31	1.39	0.96
Skilled workers	0.96	0.94	1.10	1.23	1.07	1.01	0.94	1.22	1.19	1.72	1.09	0.94	2.15	1.41	1.11
Semi-skilled workers	1.03	1.05	1.11	1.21	0.91	0.98	1.05	1.06	0.98	0.56	0.84	1.00	0.96	0.82	0.57

An analysis of the data in the table above shows that the minimum wages paid in the EDP Group geographic areas are considerably higher than the national minimum wages in the respective countries.

In the case of Portugal (which has 60% of the Group workforce), the EDP minimum salary is 1.5 times the national minimum wage.

In Spain the difference between the minimum wage paid in the Group companies and the national minimum wage is even higher, at 1.8 times.

RELATIONSHIP BETWEEN LOWEST WAGE PAID AND THE NATIONAL MINIMUM WAGE BY GEOGRAPHIC AREA

	Lowest EDP Wage/National Minimum Wage				
	Group	Portugal	Spain	Brazil	USA
2010	n.a.	1.54	1.88	1.37	2.44
2009	n.a.	1.56	1.88	1.30	2.22
2008	n.a.	1.50	2.07	1.59	n.d.

In 2010 the GAV (Gross Added Value) per worker was 394,000 euros. This represents growth of 5% over the preceding year, or an increase in value of EUR 19,000.

The difference in the GAV between 2008 and 2010 has been more than 18%, corresponding to an increase of more than 62,000 euros from 332,000 euros to 394,000 euros over that period, reflecting a continued growth trend.

This positive development is in line with the Group's management policies aimed at upgrading the human capital, developing skills and recognising merit. The EDP corporate policy is based on an integrated model for its personnel through commitment to the development and professional and personal balance of its workers.

LABOUR PRODUCTIVITY (THOUSANDS OF EUROS)

Geographic Area/Year	2010	2009	2008
Labour productivity (*)	394	375	332

*The labour productivity indicator was calculated as the ratio of gross added value to number of employees.

BENEFITS

EDP guarantees all its workers sickness protection systems that are complementary to the public health services available in each country, also guaranteeing complementary retirement, invalidity and survival plans and early retirement pensions, in addition to personal accident insurance. Workers also have the right to specific study subsidies for themselves and their descendants, in addition to the measures available through the +Conciliar Programme (see page 36 for more information). In certain cases medical care is provided during retirement and anticipated retirement through mechanisms that are complementary to the National Health System.

In Brazil the lowest wage paid by the Group is 1.3 times the national minimum wage; this is the geographic area where the difference between the two wages is at its lowest.

The USA is the geographic area in which this ratio is highest (2.4).

	2010				
	Group	Portugal	Spain	Brazil	USA
Life and personal accident insurance	1,352,642	309,225	495,188	346,593	201,635
Health insurance	3,278,550	638,068	307,852	0	2,332,629
Medical assistance	44,975,626	36,876,973	179,536	7,919,117	0
Pension fund	74,432,311	59,397,341	10,983,027	2,453,695	1,598,248
Kindergarten and schools	3,290,331	2,875,836	83,269	331,226	0
Holiday camps	861,101	652,858	208,244	0	0
Death and funeral subsidy	2,951,825	2,951,825	0	0	0
Bonus for years of service	719,844	719,844	0	0	0
Retirement premium	809,708	809,708	0	0	0
Other	1,897,502	546,421	459,354	891,727	0
Total	134,569,439	105,778,098	12,716,470	11,942,358	4,132,513

In this context EDP offers its workers a number of complementary benefits, in which it invested a total of 134 million euros in 2010.

In all the geographic areas together the greater part of that investment (more than 73 million euros) was made in the Pension Fund (55% of the total). This reality is visible in Portugal, where 59.4 million euros were invested in the fund, and in Spain, where investment in the Pension Fund amounted to 11 million euros.

In Portugal, the Pension Fund is followed by Medical Assistance as the second largest area of investment (35%). In Brazil this is the area that receives the largest slice of investment (66%), followed by the Pension Fund (21%).

With respect to benefits, in Portugal and Brazil those workers covered by the Collective Labour Agreement (i.e., 87%) benefit from the Defined Benefits Plan. In Portugal this social benefits plan is financed through the Pension Fund and stocked up by means of a specific provision. The Pension Fund includes responsibilities related supplements to retirement pensions (old age, invalidity and survival). In Brazil, Escelsa also has a special complementary plan for retirement pensions for military veterans.

For the remaining workers (around 10%) EDP set up a Defined Contribution Pension Fund, which guarantees a monthly contribution rate of 3% of the worker's annual salary (14 monthly salaries). On top of this, in an effort to encourage long-term savings, the company adds 1% to a worker's monthly contribution if the worker also contributes a further 2% of his/her salary.



Through its EDP Flex social plan, EDP also offers a range of social benefits to workers not covered by the Collective Labour Agreement. It currently covers more than 900 workers employed by EDP Group companies with individual work contracts.

The plan is implemented using two very distinct components. The fixed component offers benefits that cannot be influenced by the workers, while use of the flexible benefits depends exclusively on the choices and desires of the workers.

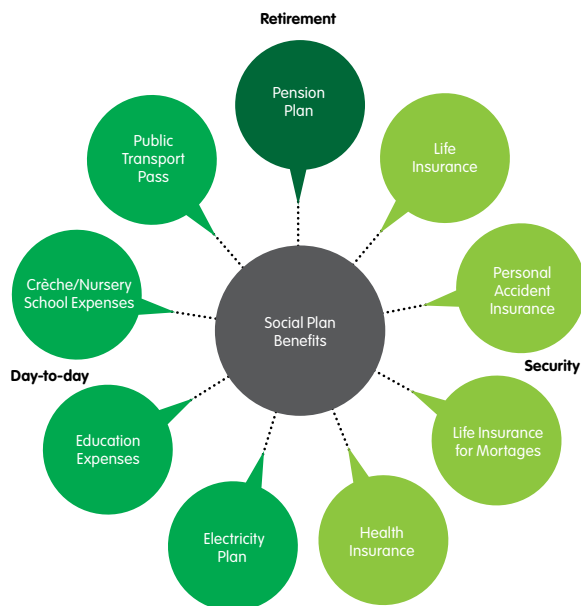
With recourse to the annual amount of Flex credits the company makes available to each of its workers, equivalent to 5% of their respective annual payment, the workers have access to a wide range of immediate applications that may include payment of public transport passes, kindergarten, nursery schools, schools, higher education and health, life and personal accident insurance policies, and more.

In addition to the daily and short-term benefits, which are of unquestionable value to the economic and social life of the worker and his/her family, EDP has also contracted basic life assurance and personal accident insurance policies that cover responsibilities for the worker him/herself and beneficiaries in the event of accident.

These workers are covered by health insurance, given that the remaining workers benefit from the company's own health scheme (guaranteed by a Group company, Savida). For more information please see page 33.

THE FLEX PLAN IS STRUCTURED ACCORDING TO THREE MAIN PRINCIPLES:

- living life to the full,
- preventing risk and guaranteeing security in the present;
- preparing for the future.



The figures in the preceding table pertaining to health relate to this group of 10% of the workforce covered by the health insurance policies. In the USA, the largest slice of investment is taken up by Health Insurance (56%), followed by the Pension Fund (39%).

The differences in the amounts invested in each geographic area can be explained by the differing numbers of workers in each area.

Further in the field of health, one should point out that the EDP worker has two alternative insurance coverage that can be extended to the spouse and children, if the worker so wishes; the company pays a considerable contribution to each coverage. Some 2,000 people (workers and their family members) already make use of this benefit.

The EDP Flex social plan is a benchmark system in the market today and an element that distinguishes the company due to its variable purposes, its value and the technological platform on which it is based, which allows the workers to access the system online for a simple consultation or to put together the benefits packet they consider best suited to them and their families in each moment.

The EDP Group responsibilities with retirement pensions and respective coverage, as at 31 December 2010, amounted to 1,961,442 euros.

The Group's responsibilities with the Medical Care Plan and other benefits, as at 31 December 2010, were 770,357 euros. For more information please see page 33 of this report.

For the 145 workers who left the company in Portugal on the basis of pre-retirement agreement, EDP has provided an outplacement programme, employing the services of a specialised firm. The programme essentially consists of:

- facilitating the search for new employment;
- assistance in setting up own business;
- active retirement programmes focusing on the various aspects of the new phase in the life of the ex-workers: health, leisure, training, volunteer work, etc.

ACCIDENT PREVENTION AND OCCUPATIONAL HEALTH AND SAFETY

EDP RESPONSIBILITIES

The EDP Safety Policy reflects the Group's commitment to Occupational Safety Management, with an approach based on ongoing improvement and the conviction that working in a safe and healthy environment is a decisive factor for worker satisfaction and a value added for business success.

At corporate level, and as a support instrument for the strategic management of occupational health and safety, an Accident Prevention and Safety Committee was set up in 2005. Its main tasks are:

- to support the Executive Board of Directors in drawing up proposals for defining the strategic goals of the EDP Group in matters of accident prevention and occupational safety, to assess their degree of implementation and effectiveness and report on progress;
- to critically analyse the Annual Business Report and issue an opinion on the Annual EDP Accident Prevention and Safety Activities Plan;
- to monitor the trends in the main occupational safety indicators and propose improvement measures;
- to assess and approve regulatory documents for the safety management system that apply to the EDP generally or transversally to different sectors and activities.

The committee is made up of the EDP Corporate structure for Occupational Health and Safety matters and representatives of the main Group companies/business areas. It meets once every four months.

Actions resulting from committee proposals are implemented locally and carried out by the Accident Prevention and Safety departments of each business unit. The organisational structure for occupational safety management can be consulted at www.edp.pt> Sustainability.

WORKER PARTICIPATION

The EDP Occupational Health and Safety Regulations provide for the setting up of occupational health and safety committees and subcommittees in the Group companies and larger business units.

These committees and sub-committees are paritary and include worker representatives in matters of occupational health and safety, who are elected in accordance with the legal requirements, as well as representatives of the companies. They meet with a regularity defined by themselves.

The committees have the following main responsibilities:

- to evaluate and provide information on internal regulation instructions and projects for the maintenance or improvement of working conditions;
- to issue opinions on the occupational health and safety activity reports;
- to propose actions aimed at giving workers training and specific assistance in matters of occupational health and safety;
- to appraise occupational accident statistics and the circumstances in which accidents occur and recommend the appropriate measures to prevent reoccurrence;
- to submit recommendations as to the purchase of individual and collective occupational safety equipment;
- to request, evaluate and follow up worker suggestions on occupational health and safety-related matters;

- to analyse inquiry process for work accidents;
- to conduct regular inspections of the work premises under their remit;
- to propose the study of the working conditions for job positions that they deem worthy of specific treatment.

In Portugal 95 workers have been formally elected to represent some 95% of the EDP workforce. In 2010 there were 69 meetings of health and safety committees and subcommittees.

In Spain, the USA and Brazil similar worker representation structures in health and safety matters have also been set up, guaranteeing significant representation: 69%, 100% and 100% respectively.

In terms of activity, 80 meetings were held in Spain, 21 in the USA and 204 in Brazil.

WORKER REPRESENTATION ON ACCIDENT PREVENTION AND SAFETY COMMITTEES BY GEOGRAPHIC AREA

Geographic Area/Year	2010	2009	2008	2007
Portugal	6,946	6,860	5,984	5,566
Brazil	2,379	2,298	2,139	1,169
Spain	1,369	1339*	495*	488*
USA	321	288	0	0
Total	11,015	9,446	8,123	6,735

*Not including Naturgas

OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety is an essential value in the Sustainable Development of the EDP Group. The importance attached to this area goes well beyond compliance with legal requirements and is reflected in the Safety Policy, which has as its strategic objective: "Zero accidents, no personal injury".

With a view to managing this strategic objective, EDP has adopted an Occupational Health and Safety Management System that is based on the OHSAS 18001 standard and also follows the guidelines of the International Labour Organisation as outlined in the ILO-OSH 2001 document and Convention 155 on Worker Health and Safety. This system is applied to all EDP geographic areas and processes.

As far as the identification and assessment of occupational risks are concerned, EDP works on the assumption that risk is inherent in all work processes and activities carried out (on a routine or occasional basis) by its workers or other personnel with access to the work place (including service providers and visitors) and in all work-related premises, whether they belong to EDP or other entities.

These practices are implemented in accordance with the procedures of the Corporate Safety Management System, which establishes the following general lines of action:

- identifying and characterising the activities carried out in performing the work tasks;



- identifying the risks inherent in the activities identified;
- analysing the risks through combination of the likelihood of occurrence of an accident with the seriousness of the respective associated injury or illness;
- determining the acceptance level for the risk and implementing complementary risk control measures should the residual risk level determined and the existing controls not be acceptable.

The result of the risk assessment and control is summarised in risk cards that are organised by job profile and type of activities.

The risk cards are individual and include:

- identification of the activities carried out;
- the conditions in which the work is carried out;
- the physical and chemical agents the worker may be exposed to that represent a health risk;
- the individual protection equipment required;
- description of the risks, including potential damage and vulnerable body parts.

Communication of risks to the workers is the responsibility of the respective hierarchical structure, either on an individual basis or through training actions in which the respective risk cards are distributed and explained to the worker. Non-EDP personnel using the company premises are also informed of the risks associated with the work they perform in local training actions and through the distribution and explanation of the risk cards for the activities they carry out.

The risk assessment process is reviewed every year in the context of the Corporate Safety Management System or whenever any the following situations are given:

- the alteration of activities and procedures or introduction of new ones;
- the remodelling of facilities/installations or introduction of new ones;
- the occurrence of accidents or incidents;
- non-compliance or dangerous situations and implementation of corrective/preventive actions.

The documentation associated with the risk management process is available for consultation on the internal EDP Group portal under "Prevention and Safety".

Please see also page 33 of this report.

TRAINING OF WORKERS AND EXTERNAL SERVICE PROVIDERS

Training in matters of Occupational Health and Safety is carried out in accordance with the Corporate Safety Management System procedures.

The "Identification of training needs" step is carried out on the occasion of the worker performance assessment and monitoring process. The identification is carried out by means of agreement between the hierarchy and the worker and takes into account prevention of risks that may derive from:

- carrying out the activity;
- functional changes of the workers;
- new workplaces;
- new work equipment and/or alterations to the equipment;
- the use of new technologies, materials and/or products.

EDP CATALOGUE OF WORK APPAREL AND PROTECTIVE EQUIPMENT

As part of the SharEdp Project, in collaboration with the gas and electricity areas in Spain and Portugal, EDP developed a catalogue that standardised the specifications for work apparel and protective equipment.

With a view to reinforcing improvement of the conditions of occupational safety, in particular for job tasks with greater exposure to electric and explosion risks, a decision was taken to use work flameproof apparel to protect against electric arc and static.

In 2010, competitions were held for the standardised purchase of work apparel with the above characteristics for all EDP Group geographic areas.

When a new worker is hired, his/her supervisors ensure that he/she is informed and has awareness of the following:

- the EDP Group Safety Policy and its application in the workplace;
- the risks involved in his/her activity and the existing operational control means, including means for individual and collective protection;
- his/her risk cards;
- the Corporate Safety Management System, including the operational control documents applicable to his/her activity;
- the Emergency/Evacuation Plan for the specific workplace;
- the training actions required for performing the job.

Execution of the programme in 2010 included an extensive programme of training for workers and service providers in the EDP Safety Policy and Code of Ethics. A total of 1,212 training courses for EDP workers were carried out, resulting in 67,077 total training hours (11 trainees/course). For the employees of service providers there were 4,326 training actions, accounting for a total of 20,047 training hours (4 trainees/course).

OCCUPATIONAL ACCIDENTS BY GEOGRAPHIC AREA

	2010					2009					2008				
	Group	Portugal	Spain	Brazil	USA	Group	Portugal	Spain	Brazil	USA	Group	Portugal	Spain	Brazil	USA
EDP Group															
No. of workers	11,989	7,305	1,985	2,378	321	11,897	7,438	1,873	2,298	288	12,556	7,764	1,868	2,666	258
Hours worked	21,106,098	12,233,152	3,455,393	4,741,665	675,888	20,767,482	12,315,995	3,249,528	4,593,719	608,240	22,148,771	12,877,394	3,272,365	5,453,412	545,600
Occupational accidents resulting in sick leave	44	26	10	8	0	47	32	7	8	0	76	40	18	18	0
Fatal occupational accidents	1	1	0	0	0	1	0	1	0	0	0	0	0	0	0
Occupational accidents without sick leave	33	33	n.d.	n.d.	n.d.	26	26	n.d.	n.d.	n.d.	43	43	n.d.	n.d.	n.d.
Days lost (occupational accidents)	2,469	2,020	381	68	0	2,984	2,150	730	104	0	3,894	2,224	477	1,193	0
Frequency index	2.08	2.13	2.89	1.69	0	2.26	2.60	2.15	1.74	0.00	3.43	3.11	5.50	3.30	0.00
Severity index	117	165	110	14	0	144	175	225	23	0	176	173	146	219	0
Incidence index	7	4	5.04	3.36	0	4	4	4	3	0	6	5	10	7	0
Commuting accidents resulting in sick leave	14	9	3	2	0	29	13	8	8	0	38	22	5	11	0
Fatal commuting accidents	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Commuting accidents without sick leave	4	4	n.d.	n.d.	n.d.	2	2	n.d.	n.d.	n.d.	5	5	n.d.	n.d.	n.d.
Days lost (commuting accidents)	567	503	19	45	0	1,967	1,249	327	391	0	1,420	1,251	139	30	0
Service Providers (SEP)															
Fatal accidents	6	4	0	2	0	10	6	0	4	0	6	2	1	3	0
Frequency index	6.92	7.78	8.78	4.98	3.25	7.13	7.30	13.34	5.48	2.72	9.33	6.96	24.57	10.59	8.28
EDP+SEP															
Frequency index	4.92	5.36	6.08	3.72	2.00	5.00	5.10	7.66	4.06	2.13	6.18	4.89	8.99	7.64	6.26

SAFETY MANAGEMENT

Following implementation of a global project (Lynx Project) in the EDP Group aimed at standardising the information systems used, applying in particular the SAP software, and also with the objective of facilitating occupational safety management, the year 2010 saw the launch of a survey of requirements for implementation of SAP's EH&S module. In an initial phase the module will support Risk Management, Incident Management and Audit Management processes for all EDP Group workers and geographic areas.

COMMUNICATION IN PREVENTION OF ACCIDENTS AND SAFETY MATTERS

The EDP Group internal portal provides, for all Group workers, a space for the internal dissemination of the main news items and events on diverse subject matters of relevance to the company.

There is a dedicated space for occupational safety-related information, which, in addition to the Corporate Safety Management System (policies, operational control practices, practical guides, forms, etc.) provides other relevant information such as the dates of congresses/conventions on the theme of safety, safety campaigns, etc.



Posters on safety-related policies, accolades for safety measures, specific awareness campaigns are also affixed and brochures distributed in the companies/business units.

The corporate website, www.edp.pt, reserves a space for the publication of safety-related information for clients and service providers, particularly with reference to the more rational and safer use of electricity and safe behaviour in performing work tasks.

In 2010 a total of 42,527 visits were made to electrical energy generation sites; the visits were preceded by awareness and information sessions on electricity generation and the cautions to be taken in the close vicinity of electrical infrastructures.

EMERGENCY RESPONSE PREPARATION

The "Accident Prevention and Capacity of Response to Emergencies" procedure in the Corporate Safety Management System defines the planning for emergency situations.

All EDP facilities/business units have plans and procedures in place for the response to incidents and emergency situations that can occur, so as to prevent or minimise accidents and the resulting damage.

The operational capacity of these plans is tested through regular drills/evacuation exercises that include risk scenarios prepared for each situation.

In the context of response management, some 172 simulation tests were held in the EDP Group (103 in Portugal, 34 in Spain, 21 in Brazil and 14 in the USA) in response to accident scenarios in a range of industrial and administrative facilities. The purpose of the simulation was to test the effectiveness of the respective internal emergency plans and they involved external bodies such as civil protection, fire brigades and police and public security authorities.

Some 74 information sessions were held in the EDP Group in cooperation with fire brigade stations, vocational and secondary schools, business associations and trade unions on the procedures to be followed in situations of fire in electrical installation and gas networks and installations or in places close to these, as well as on the cautions to be taken when handling electrical equipment.

CONTINGENCY PLAN FOR PANDEMIC FLU

The EDP Contingency Plan for Swine Flu Pandemic was activated in late 2009 and remained operational until June 2010 in response to the pandemic declaration issued by international and domestic health authorities.

Execution of the plan included an increase of information and awareness sessions, reinforcement of regular cleaning and disinfection measures for work premises and the concretisation of the vaccination plan provided for in order to ensure continuity of the essential services to the community and the business.

EDP's Contingency Plan was implemented with the participation and inclusion of service providers' employees.

For the purpose of informing the community, the EDP Contingency Plan was made available for consultation at www.edp.pt> Sustainability.

WORKER HEALTH AND WELL-BEING

EDP provides its workers with health care assistance and occupational health care services.

HEALTH CARE ASSISTANCE

As far as health care assistance is concerned, "Sávida – Medicina Apoiada SA" is the Group company that provides health care services to the workers covered by the Collective Labour Agreement under the Group Health Plan.

The medical assistance provided is complementary to the Portuguese National Health System.

AREAS COVERED BY AND OBJECTIVES OF MEDICAL ASSISTANCE

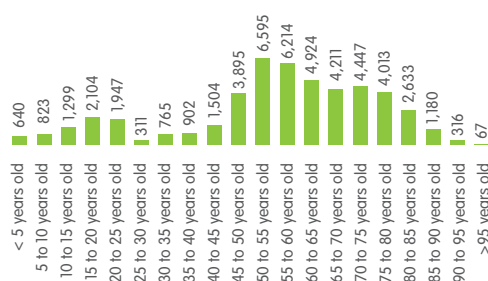
Areas
General Medicine
Specialities
Supplementary Diagnosis Methods
Nursing
Medicines and plasters
Prostheses and orthooses
Special therapy
Hospital assistance
Objectives
Provide overall and continuous healthcare
Provide tailor-made and quality support
Facilitate contact with Official Services
Ensure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

These health care services are provided in Portugal in company medical centers, where consultations are held. There is also a network of external health care service providers hired on a convention or price agreement basis, which provide their services in their own practices.

No. of users of health care assistance in December 2010



Ages of Sávica users in 2010



Similar types of services are also available in the other geographic areas, where they are provided by non-EDP Group companies.

In Brazil, health care assistance is provided by Bradesco Saúde. It covers medical and dental services. For consultations with a doctor and simple exams the worker contributes 20% to the cost. The same is valid for dental services, with the exception of prophylaxis services, such as dental cleaning and hygiene.

Spain also has a health support service for workers based on a discount on health expenditure. The services provided include free medical assistance and discounts on sports medicine, psychology, specific diseases, homeopathic medicine, physiotherapy, preventive medicine and others. The services are based on an agreement between EDP Renováveis and Mas Vida Real for company workers; they also extend to workers' family members.

In some work centres, the Naturgas and HC Energia workers are also covered by these types of agreement, as is the case for the Naturgas location in the Basque Country. In this specific case, the Occupational Accident Mutual offers Naturgas workers and their family members discounts on the medical services provided.

OCCUPATIONAL HEALTH

In Portugal, the occupational health care services are provided by an EDP Group shared services company – EDP Valor – Direção de Segurança e Saúde. Here one should highlight, in addition to the basic services such as occupational health examinations, the health and well-being programmes available to workers on giving up smoking, nutrition, prevention and control of alcohol consumption, drug addiction and postural correction.

In the remaining geographic areas, these services are provided by the occupational risk prevention services via contracts with the Occupational Accident Mutuals. Examples of this practice are HC Energia and EDP Renováveis.

The occupational medicine doctors are all specialists in occupational medicine and assisted by nurses specialised in public health.

Furthermore, they are acquainted with the specific workplaces and risks the EDP workers are exposed to in performing their work tasks.

The "Occupational Health Protocols" procedure of the Occupational Health and Safety Management System establishes the different types of exams and respective medical protocols, which are carried out whilst taking into consideration the different risk factors associated with each worker's specific job tasks. There are thus 3 types of occupational medical exams to be carried out in the following situations:

- **Admission exams** – which are carried out before the worker commences work, or in the 10 days following commencement when justified by a situation of urgency;
- **Periodical exams** – carried out every two years for workers between 18 and 50 years of age and annually in the following cases:
 - * workers over 50 years of age;
 - * industrial workers and shift workers.
- **Occasional exams** – carried out in the following cases:
 - * following an absence of more than 30 days as the result of an occupational disease or accident;
 - * upon request by the employee;
 - * upon request by the service;
 - * due to a change in job position;
 - * due to a change in work conditions;
 - * for the issue of a driving licence;
 - * on the initiative of the staff physician;
 - * on the initiative of the attending physician;
 - * occasional exams by agreement with the Staff Club (Sports).

Taking into consideration the physical and psychological demands of the work tasks carried out by the different types of EDP workers, the occupational health services have defined the medical protocols that include the minimum list of medical exams to be carried out in cases of admission, periodical and occasional examinations.



For some specific work conditions the protocols are defined by the legislation, such as exposure to noise, asbestos, vinyl chloride, lead, silica and working with eye protection. In these cases, depending on each worker's working conditions, these protocols are applied in addition to the exams provided for in accordance with the colour code scheme below.

The medical protocol for each specific worker type profile is included in the information on each worker's risk cards with a code colour in accordance with the following table.

MEDICAL PROTOCOL CODES FOR EACH JOB TYPE	
Colour Code	Working Conditions
BLUE	<ul style="list-style-type: none"> Work essentially carried out in an office or equivalent environment (Administrative Services, including general office roles)
RED	<ul style="list-style-type: none"> Work with electricity Work at height Work in confined spaces Work in dusty or gas environments Driving and operating machinery (when specific certification or qualification is required)
GREEN	Work involving: <ul style="list-style-type: none"> The preparation of food Contact with polluted or waste water Contact with blood and/or biological or microbiological material Handling of hospital waste
YELLOW	<ul style="list-style-type: none"> Work with chemical and physical agents, even when such is only potential in nature Processing solid waste Transport and handling of material

When occupational diseases are diagnosed by the staff physicians a corresponding report is made to the competent national authority. A report on new cases of occupational diseases reported and new confirmed cases is produced each year.

In 2010 there were 5 cases of occupational disease recognised in Portugal, of which only 3 led to inability to work.

The occupational disease index (the number of occupational diseases with inability to work per million of hours worked) is 0.25 in Portugal and 0.14 in the whole EDP Group.

For 2010 one should also highlight the following as the most important aspects of the occupational medicine activity:

- compliance with the medical examinations plan;
- health and well-being campaigns carried out in the buildings with the largest worker numbers, particularly on cardiac disease prevention;
- continuation of nutrition and giving up smoking programmes;
- educational actions for the prevention of Swine Flu carried out in the workplaces, covering more than 3,000 workers.

SUMMARY OF OCCUPATIONAL MEDICINE ACTIVITY

Occupational medicine activity	2010			
	Portugal	Espanha ⁽¹⁾	Brasil	EDP R
Medical examinations				
Admission	263	15	n.d.	272
Periodic	5,900	308		
Occasional	387	1		
Giving up smoking consultations	86	0	n.d.	n.d.
Nutrition Consultations	789	0	n.d.	n.d.
Other activities	1,873	4	n.d.	n.d.
Cardiovascular Examination	1,818	0	n.d.	n.d.
Health education initiatives	22	0	n.d.	n.d.
Participation in Safety Committees	33	4	n.d.	n.d.

⁽¹⁾ Excluding HC Energia (data still not available)

All workers are covered by the Occupational Medicine services.

BALANCE BETWEEN PERSONAL AND PROFESSIONAL LIFE

Balancing private and professional life encompasses a wide range of worker benefits provided under the +Conciliar Programme. The programme is implemented through a number of initiatives aimed at improving the quality of life of workers and their families and improving awareness of this matter at the level of the organisation itself. This is a project that is common to all geographic areas.

With the overall goals in mind, agreements with a number of entities (sports, cultural and hospitality) were established that offer benefits for the workers in the form of discounts and special conditions.

In Portugal 140 bank accounts were opened with deposits of 500 euros for the new-born children of workers. In 2010, 16 pregnant workers benefited from pre-birth leave beyond the period stipulated by law. Also as part of the +Conciliar Programme, 66 children (up to the age of 12) were able to visit their parents' workplaces in the company. The purpose of this measure is to heighten involvement and the feeling of belonging between EDP, its workers and their families.

+ CONCILIAR PROGRAMME 2010 – MEASURES FOR BALANCING WORKERS’ PERSONAL AND PROFESSIONAL LIFE BY GEOGRAPHIC AREA ⁽¹⁾

2010						
Geographic Areas/ Measures	Celebration of births and adoptions (no. children)	Pregnancy support (no. workers)	Children's visits to parents' workplace (no. children)	Support for pensioners (euros)	No. of children/ youths attending holiday camps (workers' children and grandchildren)	Junior Citizenship Prize (young students)
Portugal	140	16	132	96,127	938	107
Brazil	66	24	170	n.a.	564	20
Spain	94	6	242	n.a.	51	n.a.
Total	300	46	544	96,127	1,553	127

⁽¹⁾ The Conciliar Programme was not implemented in the USA (it has still to be rolled out in this geographic area)

The “support for pensioners” this year benefited 494 people, who received a total of 96,127 euros in the form of supermarket vouchers. This figure is down from the previous year, given that the number of pensioners with pensions lower than the national minimum salary is also lower (exclusively due to deaths).

The holiday camps were attended by 938 children/grandchildren of members of the workforce.

The Junior Citizenship Prize, awarded by EDP to the children of workers who achieve the best results in school and show participation in civic life worthy of distinction received 107 candidacies in 2010 from young students who completed the 9th school year, 12th year or the first cycle of university or polytechnic education.

In 2010 the relaunch of the + Conciliar Programme also saw the launch of new measures in Portugal, such as the “Night at the Museum” and “Night at the Dam” programmes, which offer groups of children the opportunity to spend a night in the Electricity Museum in Lisbon and the Lindoso Dam. The “Junior Tours”, an initiative that enables the children and grandchildren of workers to visit and get to know some of the company’s main generation and distribution facilities, were also launched this year. Taken together, these three, some 200 young people were involved in these initiatives in 2010.

Another initiative launched was the “Life Choices Today” project, which provides information sessions for workers’ children and grandchildren who are completing secondary education, with working life simulation games. One should bear in mind that, in Portugal, EDP also began providing the children of workers who go on to higher education the possibility of doing summer internships in the company in 2010.

In addition to being able to use 44 working hours a year for volunteering work, as of 2010 EDP workers enrolled in the New Opportunities Programme also benefit from four hours per

month exemption from work as a form of encouraging them to invest in training and qualification.

In Brazil, 66 baskets containing baby care products were distributed to workers as part of the “celebration of births and adoptions” measure. In addition to this, 24 pregnant workers benefited from pre-birth leave and 23 pregnant workers and workers’ spouses were exempted from payment of their contribution to medical services used during the whole pre-natal period.

In this geographic area on the whole, a total of 170 children aged between 5 and 14 visited their parents’ workplaces during the school holidays in June. A total of 564 children and youths were enrolled in the company holiday camps.

In 2010, a total of 20 candidacies for the Junior Citizenship Prize were received. The top three children/youths received prizes of a bicycle, a note book and an iPod. EDP Group employees in Brazil continue to enjoy special conditions through agreements established with various external entities in the sports, cultural and social fields.

In Spain, gifts of 500 euros were given to 94 new-born children of workers in 2010. One should also point out that the EDP Group provided assistance for the payment of kindergarten/schools for 92 children (of EDP workers).

Throughout the year under review, group companies furthered of the balance between personal and professional life through other initiatives. Examples of such initiatives are the promotion of the Junior Citizenship Prize as a way of valuing the good performance of workers’ children in school and civic life, promoting and encouraging visits by children to their parents’ work places and the organisation of training actions on balancing personal and professional life and social benefits available. Continuing the work they have been carrying out in the context of agreements with other companies for discounts



on products and services to their workers, the Group companies in Spain have signed protocols with four new entities.

The EDP Group companies have made all information on the +Conciliar Programme available on the corporate intranet. The way in which each company implements and develops the project has very much to do with its own reality and culture. Although different measures apply in different geographic areas, EDP advocates a common concept when speaking of balance between personal and professional life.

EDP also provides support to the EDP Staff Club activities, Blood Donor groups and Association of Retirees.

EDP STAFF CLUB IN PORTUGAL

The main objectives of the EDP Staff Club is to promote cultural, social, recreational and sports activities amongst the EDP and REN workforce. The club has 17,000 members.

In 2010 it received a subsidy for the year of 425,000 euros, which helped it finance cultural and recreational projects such as:

- art exhibitions (sculpture and painting) in prestigious museums and art galleries featuring works by its members;
- photography exhibitions;
- the organisation of literary, fine art and photography competitions;
- the signing of agreements with travel/tourist companies for travel and apartment rental programmes;
- operation of the Ribeira do Tomão camping site;
- organisation of walks/hikes;
- amateur radio competitions;
- organisation of annual motorcyclist meets;
- organisation of and participation in competitions for the following sports/games:
 - * athletics
 - * billiards
 - * checkers
 - * 5-a-side football
 - * golf
 - * go-karting
 - * orienteering for walkers and BTT bikers
 - * fishing

- * lawn and table tennis
- * clay pigeon shooting and target shooting
- * chess.

There is also an annual prize awarded to the workers who distinguish themselves in this field.

The EDP Staff Club is also involved in organising the Christmas Parties and events to pay homage to workers who complete 25 years of service to the company. It also has protocols with entities of interest to its members, the most recent one being with "Global Wellness Centres".

ACTIVITIES OF THE ASSOCIATION OF RETIREES IN PORTUGAL (AREP)

The main objectives of the Association of Retirees is to provide assistance to its retired, pensioned and working members and their spouses in the areas of social security, health, housing and culture.

Both EDP and REN support their work through an annual subsidy. In 2010 that subsidy amounted to 100,000 euros, enabling the association to carry out the following activities:

- organised walks, leisure activities and cultural visits;
- training actions;
- liaisons with other institutions with a view to participation in the establishment of a foundation;
- support for the most needy members through the Social Assistance Fund;
- signing of protocols with entities specialising in the provision of support services to members (home help, care and retirement homes, healthcare, etc.);
- regular individual contact with members with a view to providing social and financial assistance.

EDP BLOOD DONOR ASSOCIATION

The Blood Donor Association promotes and coordinates free blood donation in the EDP workforce, their family members and the general community and also takes part in actions ensuring that the donors' blood reaches people who need it.

The association receives annual funding from EDP based on the accounts submitted for the previous year. It carries out the following specific activities:

- blood donation sessions;
- promotion of high-profile initiatives such as "National Blood Donor Day" and "World Blood Donor Day";

- participation in immuno-haemotherapy meetings/congresses;
- organisation of colloquiums on blood;
- participation in meetings with health institutions.

In 2010 the association collected 6,196 effective blood donations with the support of EDP.

WORKER SATISFACTION

The worker satisfaction survey for the EDP Group is now conducted every two years so as to allow for better assessment of the action plans implemented on the basis of their results (improvements cannot always be assessed on a yearly basis). The last global satisfaction survey was in 2009, producing very satisfactory results, both in terms of the participation rate (86.4) and the global satisfaction index (81 points). This shows that EDP workers are motivated and like working for their company. The next survey will be conducted in 2011.

VOLUNTARY COMMUNITY INVESTMENT

The relationship between the company and society and its diverse agents is becoming an increasingly important one, given the now recognised interdependence between the two. The strategy for communication with the community adopts differing forms and approaches within the Group and is predominantly carried out by the respective foundations:

- the EDP Foundation in Portugal;
- the Hidrocantábrico Foundation in Spain;
- and the EDP Institute in Brazil.

For more detailed information on the various partnerships established in the fields of the environment, citizenship and culture see the group company reports at www.edp.pt > Sustainability.

Simply knowing the contributions it makes to voluntary community support projects is today considered to be insufficient by EDP. It is important to understand the results and impacts of the initiatives; in other words, the effective contribution to changing behaviours, improving social well-being and the social return on investment.

This shift in focus was at the root of EDP's decision to adopt the LBG (London Benchmarking Group) results measurement model.

With its different levels of complexity and demands, it is now applied to the projects that are predominantly carried out by the various foundations.

In 2010 the total value of EDP Group contributions was roughly 20 million euros, the equivalent of 1.03% of the EBIT (see Community investment in 2009 and 2010 table). Some 93% of the EDP contributions were monetary, with 2.5 million euros having been used as leverage. Volunteer work accounted for

2% of the contributions, or the equivalent of 10,000 work hours invested in goods collection actions in all geographic areas, entrepreneurship classes in several schools in Portugal and Brazil and assistance to social institutions.

These projects are grouped in the area of education, economic development, social welfare and emergency situations. The additional resources were sourced from suppliers, clients, workers and other institutions.



COMMUNITY INVESTMENT ⁽¹⁾ IN 2009 AND 2010

Total value of investment (EUR) ⁽²⁾		2010	2009
Category	Non-strategic investment	2,263,399	1,625,551
	Strategic investment	15,501,914	12,393,356
	Commercial initiative	3,456,009	3,088,798
	Not applicable		
Nature	Education	3,104,213	2,623,431
	Health	465,709	353,650
	Economic development	895,514	329,332
	Environment	2,435,853	982,160
	Art and culture	5,288,359	6,489,601
	Social well-being	1,806,032	2,236,195
	Response to emergency situations	215,054	
	Other	7,010,589	4,093,337
	Monetary contributions	Value	19,711,331
Volunteer "Staff"	No. workers involved in volunteer work during working hours	379	248
	No. hours of volunteer work during working hours	10,886	5,817
	Value of volunteering time	442,172	149,762
Contributions in kind	Value of contributions in kind	1,067,820	1,731,357
Management costs		121,064	50,538
Total value of investments (including management costs)		21,342,386	17,158,242

(1) 2010 values: not yet validated by Corporate Citizenship
 (2) Excluding management costs

The EDP Group's commitment to furthering development and supporting social, cultural, scientific, technological, educational and environmental initiatives took the following concrete forms in 2010:

SOCIAL INNOVATION

Reflecting its commitment to its relationship with society in general, EDP carried out a number of initiatives, boosting the management of welfare organisations, creating opportunities and boosting results through partnerships.

● **Kakuma (Refugee Camp):**



Thanks to its innovative, structuring contribution, one can highlight, for 2010, the environmental sustainability and solar energy supply project, with priority for schools and hospitals, at the Kakuma Refugee Camp in Kenya. It constituted Portuguese presence in the UNHCR and the Clinton Initiative.

The energy and environmental sustainability solutions developed at Kakuma benefited more than 77,000 refugees, 11 institutional buildings, 15 schools and two hospitals.

In all, 50,000 litres/year of diesel were saved and the emission of 700 tonnes of CO₂ avoided.

● **EDP Solidarity 2010 Programme**

In Portugal 19 organisations received assistance, directly benefiting 176,630 underprivileged people in various geographic regions. The EDP Solidarity Madeira Programme was launched in October as an isolated assistance programme for the victims of the flooding disaster of 20 February 2010.

● **"Expo Shanghai" Action**

The EDP Foundation signed a protocol of cooperation with the municipalities and wine-making and olive oil producers and associations of the Tua Region. The protocol, which is part of the Sustainable Regional Development policy the EDP Group is implementing in regions where it has new dam projects, aims to contribute to the socio-economic development of the region and support the international promotion and dissemination of local products. This promotion campaign included participation in the "Cheers", 2010 Shanghai World EXPO International Wine Exposition, which was held at the EXPO Shanghai Theme Pavilion. A total of 30 wine and olive oil brands were in the exposition, representing more than 10 producers.

SCIENCE AND EDUCATION PROJECTS

- **Science Month**

In 2010 the 1st Solar Rally was held in Portugal involving 267 projects, 1,268 participants, 139 schools, 17 districts and the 2 autonomous regions.

- **Physics Olympics 2010**

The Physics Olympics is a competition organised by the Portuguese Physics Society and the EDP Foundation that challenges primary and secondary school pupils in Portugal to demonstrate their knowledge of physics through theoretical and practical projects.

- **EDP in the Schools Programme**



With a view to making a contribution to improvement the quality of life for pupils aged 6 to 10 in public schools, various actions were carried out in all EDP locations in Brazil, benefiting more than 8,500 students in 28 schools. The actions included the distribution of school and oral hygiene kits, theatre projects, the promotion of reading, teacher training, improvements to the school environment, the Art with Energy Competition and Cine Natal, amongst others, with support from volunteer workers, suppliers and clients.

- **“Learning Entrepreneurship” – Junior Achievement Portugal**

In Portugal, in the context of the “A Empresa” educational project for entrepreneurship, 18 mini-companies were set up by 153 pupils in 9 classes. The project received assistance from the EDP Foundation.

VOLUNTEER WORK

EDP encourages volunteering during working hours in all Group companies. Each worker is allowed to devote 44 work hours per year to volunteer work.



The goods collection campaign launched in all EDP geographic areas resulted in the collection of 73 tonnes of items that were distributed to 339,446 people. A total of 197 workers in Portugal participated in the campaign, collecting some 34 tonnes for 101 institutions and 342,142 beneficiaries. In Spain, 2 tonnes were collected, which were donated to 8 institutions, benefiting 887 persons. In Brazil, 42 workers participated, with 37 tonnes being donated to 8 institutions and 887 beneficiaries.

One can highlight, for Brazil, the launch of the Volunteering Portal (www.voluntariadoedp.com.br) in 2010. The portal contains information on the various projects of the EDP Institute and a space for inclusion of the results of the work carried out in the hour monthly hours permitted by the company. Approximately 140 workers took part in the programme in 2010.

Another encouraging action was the Volunteer Challenge EDP 2010, which identified the volunteer most involved in social actions. The prize for the winner was a trip/visit to the EDP Foundation in Portugal.



● **Learning Entrepreneurship Association – Junior Achievement Portugal**

The EDP Foundation contributed to the promotion of entrepreneurship amongst students through volunteer programmes carried out by workers in the associated companies. In the 2009/2010 school year the programme extended to 387 schools (1,345 classes), covering 27,914 pupils. It had the participation of 1,276 volunteers.

CULTURE

● **Theatre On Board**

This project, run by EDP in Brazil, produces theatre and musical shows, storytelling and cinema sessions in municipalities that lack the appropriate spaces for cultural events. Using a container that has been converted to function as a mobile theatre, this initiative involved 407 artists in 33 days of shows and productions in 22 cities. The performances were seen by 45,180 spectators.

● **EDP in the Arts**

The second edition of the EDP in the Arts Prize was held in Brazil in collaboration with the Tomie Ohtake Institute. The aim of the prize is to acknowledge young artists and help them to find their way in the contemporary art market. In all, 267 registrations were received, which were whittled down to 18 final works, featured in an exhibition attracting more than 3,000 visitors. In Vitória (São Paulo State) and Palmas (Tocantins), activities involved training for local artists in creating a portfolio and university lectures for dissemination of the prize.

ENERGY AND THE ENVIRONMENT

● **Art with Energy Competition**

As part of the programme, the Art with Energy Competition got more than 1,600 children involved in art projects on the subject of "Biodiversity, Such Variety of Life!". A total of 130 art works were produced, 53 of which featured in a travelling exhibition and 15 of which were awarded prizes. As 2010 was the International Year of Biodiversity, emphasis was placed on producing journals based on knowledge of biodiversity, the Brazilian biomes and fauna and flora of the world.



● **Point of Light**

EDP in Brazil promoted a range of activities surrounding the organic kitchen garden, medicinal garden and the environment with the aim of raising awareness for the environment, changing attitudes and improving quality of life. Some 150 persons from the Franco Rossetti Community Centre were involved in this project.

● **EDP Fund for Biodiversity**

With a view to consolidating scientific knowledge on diverse aspects of biodiversity, optimisation of conservation and improvement in the dynamics of eco-systems, EDP has been providing support to projects in Portugal through this fund since 2007. In 2010 the four winning projects, which will share a total of 500,000 euros, dealt with: the habits of migratory birds (SPEA), underwater (seabed) forests (Centro de Ciência do Mar Algarve), riverside trees (Instituto Superior de Agronomia – UTL) and uses and knowledge associated with the species in the Douro International Natural Park (Frauga).

● **Friends of the Nalón Fishing Association**

In 2010 the Hidrocantábrico Foundation in Spain was involved in action to improve the fish production environment in the Rio Nalón. Together with a group of students it was also involved in releasing alevins into the river.

● **Oso Foundation**

The Hidrocantábrico Foundation collaborated with the Oso Foundation in promoting and developing actions for the conservation of the Cantabrian brown bear and its habitat.

● **TerraSystemics**

The EDP Foundation supported the decentralised programme of education in energy and environmental matters in dam regions (Tua). In a total of 137 guided tours for groups of pupils from 25 schools, some 2,534 pupils and 719 individual visitors from 5 municipalities in the Tua region received training on the rational use of energy. The Energy Bus travelled 772 km and was open to the public on 25 days (250 hours). Some 2,000 information brochures were distributed.

HERITAGE

● **Patriarchate of Lisbon Cultural Centre**

The EDP Foundation provided sponsorship assistance for the publication of the book on the São Vicente de Fora monastery entitled "The São Vicente de Fora Monastery – Art and History". The initiative was part of a number of activities the Patriarchate of Lisbon organised to mark the re-opening of São Vicente de Fora Church. The book had an edition of 1,500 copies.

● **Lisbon Architecture Triennale**

The 2nd edition of the triennale was held in 2010 with the Electricity Museum as one of the exhibition centres.

In January 2 competitions were launched with the aim of attracting exhibition content - "A House in Luanda: Patio and Pavilion" and the "Cova da Moura" competition for universities. A total of 599 projects were submitted to the competition for resolution of housing problems in Luanda and 77 projects from groups of students from Architecture and Landscape Architecture schools dealing with the living conditions for residents in the Cova da Moura neighbourhood. The project had an impact on the training of architecture students and the involvement of the local population and associations was also guaranteed. The exhibition of the competing projects was held in the Electricity Museum in October. Further in the context of the Triennale, the following exhibitions were also organised: "When Art Speaks Architecture: Building, Unbuilding, Inhabit" (7,776 visitors) at the Museu do Chiado; and "Let's Talk About Houses: Between North and South" which had 26,024 visitors up until the end of November.

- **Contemporary Urban Culture Centre**

Sponsorship of the international conference "Once Upon a Place - Haunted Houses and Imaginary Cities" on architecture and fiction.

HEALTH

- **Dentists for Good "More Smiles" Programme**

The programme was launched in Portugal in July. It has the voluntary support of dentists who provide free treatment to underprivileged children and adolescents. Following 818 screening sessions held in schools, 82 children have already been treated, and 150 more are now awaiting treatment. A total of 115 dentists have signed up for the programme.

This project has already existed in Brazil since 2008. Some 12,000 children were treated there in 2010, all of them pupils from year 5 to year 9 in public schools all over Brazil. Preference of treatment is given to children with serious dental problems from low income families. Parallel to the programme, some of the children treated are also given dental assistance training if they are about to enter the labour market.



- **Operation Red Nose**

Interventions were organised in some 16 hospitals in Portugal with the support of the "Clown Doctors" and the Music in the Hospitals project. More than 32,000 hospitalised children received visits.

Do "Something.pt" is a volunteering platform in Portugal, the aim of which is to motivate young citizens for civic participation and volunteer work. A number of actions were carried out involving more than 1,200 young people in 500 hours of volunteer work.



GRI TABLE

The content of the EDP Corporate Social Responsibility Report was compiled on the basis of the “Global Reporting Initiative” guidelines. The following table summarises the indicators in

accordance with the Electricity Sector Protocol. It also identifies the available information that responds to the 10 Global Compact principles, demonstrating EDP’s commitment to this initiative.

GRI Indicator	Global Compact Principles	Report page
Strategy and analysis	1 to 10	4
Organisational Profile		6
Period and scope		57
Management model of social performance (labour practices, human rights)	1,2,3,4,5,6	14
Objectives	1 to 10	14
Results		
Responsibilities		
Policy		
Labour practice indicators		
EU14 Programs and processes to ensure the availability of a skilled workforce		23, 25
EU15 Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region		17
EU16 Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors		11, 37, 38
Employment		
LA1 Total workforce by employment type, employment contract, and region		22
LA2 Total number and rate of employee turnover by age group, gender and region	6	24
EU17 Days worked by contractor and subcontractor employees involved in construction, operation and maintenance activities		39
EU18 Percentage of contractor and subcontractor employees that have undergone relevant health and safety training		39
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	1,6	34, 41
Labour relations management		
LA4 Percentage of employees covered by collective bargaining agreements	1,3	11, 20
LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	3	20
LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	1	38
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region	1	11, 39, 40
LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	1	41
LA9 Health and safety topics covered in formal agreements with trade unions	1	11, 37
Training and Education		
LA10 Average hours of training per year per employee by employee category	6	11, 25
LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings		25
LA12 Percentage of employees receiving regular performance and career development reviews		31

GRI Indicator	Global Compact Principles	Report page
Diversity and Equal Opportunity		
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	1,6	15, 16
LA14 Ratio of basic salary of men to women by employee category	1,6	17, 34
Human rights performance indicators		
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	1 to 6	13
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	1 to 6	13
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	1 to 6	26
HR4 Total number of incidents of discrimination and corrective actions taken	1,2,6	13
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	1,2,3	13, 19
HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	1,2,5	13
HR7 Operations identified as having significant risk of incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor	1,2,4	13
HR8 Percentage of security personnel trained in the organization’s policy or procedures concerning aspects of human rights that are relevant to operations	1,2	40
HR9 Total number of incidents of violations involving rights of indigenous people and actions taken	1,2	13
Economic performance		
EC3 Coverage of the organisation’s defined benefit plan obligations		33, 41
Market presence		
EC7 Procedures for local hiring and proportion of senior management hired from the local community in significant locations of operation	6	13
Indirect economic impacts		
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts		49

RESPONSIBILITY FOR THE SOCIAL RESPONSIBILITY REPORT

REPORT CONTENTS

This report presents information on social responsibility performance of EDP for the period between 1 January and 31 December 2010. A list of the main events that took place during the year was added.

In addition to this annual report, EDP also

- makes available its 2010 Annual Report and Accounts, which is divided into 5 sections: EDP; Business; Contribution to Sustainability; Corporate Governance Report; and Financial Information;
- informs the market of its quarterly results and makes available online the sustainability indicators considered the most important;
- publishes the annual reports of its companies, HC Energía, Energias do Brasil and EDP Renováveis, the contents of which may complement the information on the social responsibility performance of these companies;
- publishes the annual report on the activities of the EDP Foundation, consultation of which will provide greater insight into EDP's involvement with the community.

For more detailed information go to www.edp.pt > About EDP > Human Resources; www.edp.pt > Sustainability; and www.edp.pt > Investors > Publications.

CORPORATE CONSOLIDATION CRITERIA

The criteria for consolidation of the social responsibility information of this document can be consulted in the 2010 Annual Report and Accounts, under Financial Information, note 52. The note references the subsidiaries and associate companies included in the consolidation.

GLOSSARY

With the view to improving the transparency of the report, an online glossary has been made available that includes definitions of the quantitative indicators and methods used and referred to in this document:

www.edp.pt/pt/Pages/Glossario.aspx.

