

# 2017 ANNUAL REPORT

ABRIDGED VERSION



# INSIDE THE COMPANY

We are CPFL Energia, a company with 105 years of history, offering complete energy solutions in all segments of the Sector: Generation, Transmission, Distribution, Commercialization and Services.

Our mission is to provide sustainable and competitive energy solutions with excellence, while operating in close integration with the community. In 2017, we worked with this purpose and developed several actions in line with the Sustainable Development Goals (SDG).

Market leader in the **Distribution Sector**, providing energy to over 22 million people, across 679 municipalities.

Third largest private **Energy Generator** in Brazil, leader in the generation of energy from **renewable sources**, present in 11 Brazilian states.

Leader in **the Commercialization** of energy, from incentivized sources.

Excellence in **the provision of value-added services**.

**95% IN CLEAN ENERGY GENERATION**, avoiding the emission of 3.3 million tonCO<sub>2</sub>e.



**R\$ 1.5 BILLION INVESTED IN THE ELECTRICAL GRID** in actions to improve the reliability and availability of energy.



**R\$ 98.5 MILLION INVESTED IN INNOVATION AND ENERGY EFFICIENCY PROGRAMS**, resulting in excellence in service delivery, innovation for the future of the sector and energy saving.



**R\$ 21.6 MILLION INVESTED IN COMMUNITY DEVELOPMENT**, benefiting more than 100 thousand people in 96 cities.



**1.0 MILLION HOURS OF TRAINING FOR EMPLOYEES**, an average of 75.5 hours per professional.



**ENVIRONMENTAL RESPONSIBILITY** with the Arborização + Segura program, around 400 unsuitable trees were replaced by species adapted to the urban environment and we donated more than 9 thousand seedlings to the partner municipalities.



# LOOKING TO THE FUTURE

Our ambition is to consolidate our leadership in the Electrical sector, generating sustainable value for our stakeholders and, in this way, becoming an international benchmark relating to assets operation excellence and innovation in provision of energy services.

To support us in the pursuit of these goals, we rely on our 2018-2022 Sustainability Platform, a tool that guides our actions to generate sustainable value and streamlines the management of issues we consider essential to ensure our business' sustainability.

The Sustainability Platform is illustrated in a matrix that positions on one axis our main stakeholders and, on the other axis, the most important topics for our business. At the intersection of these two axes, sustainable value levers are generated, which in turn are broken down into indicators and targets, which are tangible ways to protect, optimize or create shared value with our stakeholders.



Within each lever, there are protection, optimization and value creation indicators, which allow us to measure the performance of our company:

- CREATING** We are able to create value through investments in new business, processes, training, relationships, asset management and other improvements that will enable value generation in the future;
- OPTIMIZING** We are able to optimize value by avoiding costs and obtaining additional revenues through more efficient and intelligent processes; and
- PROTECTING** We are able to protect value by improving the processes related to our business, which reduces exposure to possible risks.

# CREATING SHARED VALUE

We seek to create value for all stakeholders. To show the main mechanisms used for this purpose, we have created a virtual city. It brings together our key initiatives to enhance our customers' experience, preserve natural resources, contribute to community development, be the best place to work and deliver consistent financial results.



**INNOVATION**  
Partnership with startups and scale-ups that are developing solutions with the potential to transform the Power Sector.

**INFORMATION TECHNOLOGY SOLUTIONS**  
Provides information technology for CPFL Group companies

**ADMINISTRATIVE SERVICES**  
Operation of human resources, financial services and infrastructure for CPFL Group companies

**ELECTRICAL MOBILITY**  
• Installation of 26 electric service stations  
• Use of 16 electric vehicles in our fleet

**COMMERCIALIZATION**  
• Leader in the purchase and sale of energy from incentivized sources  
• More than a thousand customers

**CALL CENTER**  
Customer service and relationship with Distributors' customers

**PAYMENT SERVICES**  
Payment of other services through the energy bill

**INFRASTRUCTURE SERVICES**  
Complete solutions for the construction of electrical energy works

**ARBORIZAÇÃO + SEGURA ("SAFER TREE PLANTING") PROGRAM**  
• Present in 15 cities  
• Around 400 unsuitable trees replaced by species adapted to the urban environment  
• Over 9,000 seedlings donated

**2,579 SUPPLIERS**  
Partnership, transparency and encouraging good practice

**12,862 EMPLOYEES**  
Average of 75.5 hours of training per employee

**DISTRIBUTED GENERATION**  
• Solutions in solar power distributed generation for residences and small business  
• Up to 95% reduction in customers' account

**GENERATION**  
• 3<sup>rd</sup> largest private generation company  
• 95% from renewable sources  
• 3.3 GW of installed capacity

**ENERGY EFFICIENCY**  
Efficiency solutions for large customers

**TRANSMISSION**  
Focus on niche projects in areas close to major consumer centers and/or our renewable generation plants

**DISTRIBUTION**  
• Leader in the Brazilian Distribution sector  
• Over 22 million people served, across 679 municipalities  
• 99.89% power supply availability  
• 50% distributed energy monitored by smart meters

**INSTITUTO CPFL**  
• R\$ 21.6 million invested  
• Around 100 thousand people benefited  
• 96 municipalities served

**CHEGA DE CHOQUE ("NO MORE SHOCKS") CAMPAIGN**  
• R\$ 3.2 million invested  
• 623 municipalities served



Our full **2017 Annual Report**  
can be accessed at <https://goo.gl/ba3dfP>  
or via the QR Code below:



Contact for questions and/or suggestions:  
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