



2018 Annual Report



We are one of the **largest private groups** in the power sector, with **106 years of history**

3.3 GW of installed capacity, 95.6% of this came from **renewable sources**

Platform of integrated solutions with CPFL Soluções and ENVO

4 distributors, 687 municipalities and **22 million** people served

13,000 employees

R\$ 2.1 billion in investments in 2018



+ SECURITY

658 municipalities included in the Safety Campaign with the Population



+ INNOVATION

12 companies selected to participate in CPFL Inova, an open innovation and acceleration program inovação aberta



+ SOCIAL DEVELOPMENT

R\$ 32 million invested



+ QUALITY

Best rates in supply quality index (SAIDI¹ and SAIFI²) in Brazil

¹ Measures the duration of supply interruptions.
² Measures the frequency of supply interruptions.



+ TRAINING

10 years of CPFL University, with the launch of a new brand and portfolio of courses



+ OPERATIONAL EFFICIENCY

R\$ 47 million will be invested in the implementation of the ADMS, a new paradigm in operation and management of energy supply



* Data from 2018.

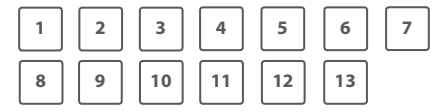
SUSTAINABILITY INTEGRATED INTO BUSINESS

Sustainability management is integrated into our businesses and adds value to the company providing a long-term vision and identifying new products and opportunities for growth and continuity of operations.

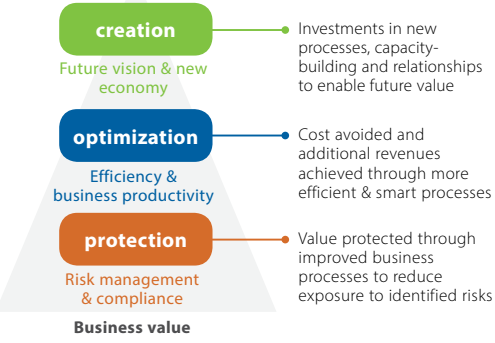
Our Sustainability Platform consolidates this systemic vision, with a matrix that correlates key themes for sustainability management with stakeholder expectations. It is formed by 13 levers for sustainable value, which are divided into 58 indicators (economic, environmental and social) that protect, optimize and create value through short- and medium-term goals.



13 BUSINESS SUSTAINABILITY LEVERS



For each one of the 13 business sustainability levers, there are indicators (58 in total) that measure the protection, optimization and value creation of the company



and set goals for the 5 year cycle to improve our performance in sustainability

TARGETS AND RESULTS See some of the targets we have assumed in the Sustainability Platform

Safe & Efficient Operations

Performance of critical suppliers

2018 Target: 82%
Result: 94%

Refurbished equipment

2018 Target: 8,400
Result: 8,672

Investment in community safety campaigns

2018 Target: R\$ 3.3 million
Result: R\$ 3.7 million

Corporate Development, Growth & Innovation

Average hours of management and leadership training

2018 Target: 18.0
Result: 22.7

Costs avoided due to School of Electricians

2018 Target: R\$ 1.0 million
Result: R\$ 1.4 million

GHG avoided

2018 Target: 2.1 million tCO₂e
Result: 2.0 million tCO₂e
The higher the number, the better.

Reputation & Responsibility

Customer service through digital attendance

2018 Target: 75%
Result: 78%

Cities covered by CPFL Institute programs

2018 Target: 249
Result: 249

Investment in the community by CPFL Institute*

2018 Target: R\$ 26.3 million
Result: R\$ 28.2 million

*Includes tax incentives, volunteer programs, and management of social projects.

SHARED VALUE

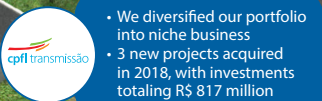
Learn about our brands and key investments to improve the customer experience, preserve natural resources, contribute to community development, value our employees and achieve consistent financial results. This is how CPFL Energia generates value for all its stakeholders and promotes a sustainable business model.



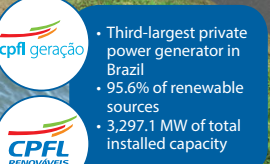
- 12 scale-ups accelerated by the innovation program in 2018
- Growth of 48% in total revenues of these companies



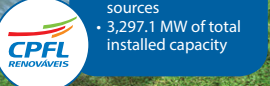
- New brand to celebrate 10 years of CPFL University
- 624,000 hours of training



- We diversified our portfolio into niche business
- 3 new projects acquired in 2018, with investments totaling R\$ 817 million



- Third-largest private power generator in Brazil
- 95.6% of renewable sources
- 3,297.1 MW of total installed capacity

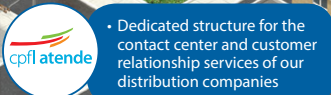



- 2nd largest company in the energy distribution segment in Brazil, with 9.6 million customers in 687 municipalities
- 8% reduction in SAIDI and 18% reduction in SAIFI
- 14 blitz of the Safety Campaign with the Population
- R\$ 1.5 billion invested in the network, prioritizing the maintenance and improvement of systems
- 29 municipalities assisted by Arborização + Segura ("Safer Tree Planting"), an initiative of CPFL Energia to adapt vegetation to the urban environment recognized by the UN

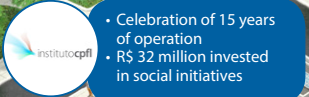




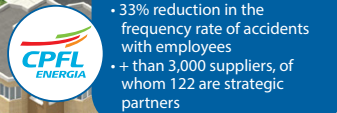

- Distributed generation solutions for homes, commerce and small businesses
- Up to 95% reduction in customers' energy bills



- Dedicated structure for the contact center and customer relationship services of our distribution companies



- Celebration of 15 years of operation
- R\$ 32 million invested in social initiatives



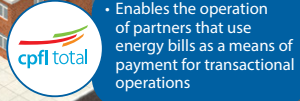
- About 13,000 employees
- 33% reduction in the frequency rate of accidents with employees
- + than 3,000 suppliers, of whom 122 are strategic partners



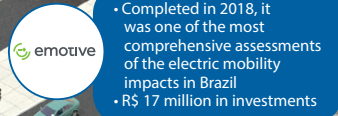
- Company responsible for providing back-office services
- Around 8,000 third parties were monitored with document verification and labor records



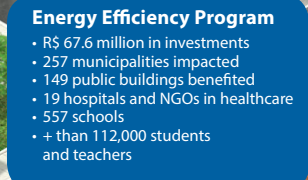
- Provides services related to information technology (IT) management for CPFL Energia



- Enables the operation of partners that use energy bills as a means of payment for transactional operations



- Completed in 2018, it was one of the most comprehensive assessments of the electric mobility impacts in Brazil
- R\$ 17 million in investments



- R\$ 67.6 million in investments
- 257 municipalities impacted
- 149 public buildings benefited
- 19 hospitals and NGOs in healthcare
- 557 schools
- + than 112,000 students and teachers



- Consulting, management and commercialization of energy, energy efficiency, distributed generation, infrastructure and energy services
- + than 1,600 clients at the end of 2018

Our business **generates sustainable value** for all our stakeholders. Access our **Annual Report** and get to know our highlights.



 sustentabilidade@cpfl.com.br

CPFL Energia S.A

Rodovia Engenheiro Miguel Noel
Nascentes Burnier, 1755 – Parque
São Quirino
Campinas – SP | Zip code: 13088-900

 www.cpfl.com.br  [linkedin.com/company/cpfl](https://www.linkedin.com/company/cpfl)

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