To the board of Directors of
REN - Redes Energéticas Nacionais, SGPS, S.A.

Independent verification of sustainability information included in the Annual Report 2015 of REN - Redes Energéticas Nacionais, SGPS, SA

(Free translation from the original in Portuguese)

Introduction

In accordance with the request of the board of Directors of REN - Redes Energéticas Nacionais, SGPS, S.A. (REN), we performed an independent verification of sustainability information included in the Annual Report 2015 (Report), in particular the chapter "05 Sustainability at REN" and respective "GRI Correspondence table". Independent limit assurance was performed according to instructions and criteria established by REN, as referred in the Report, and according to the principles and extent described in the Scope below.

Responsibility

REN’s Board of Directors is responsible for all the information presented in the Report, as well as for the assessment criteria and for the systems and processes supporting information collection, consolidation, validation and reporting. Our responsibility is to conclude on the adequacy of the information, based upon our independent verification standards and agreed reference terms. We do not assume any responsibility over any purpose, people or organization.

Scope

Our procedures were planned and executed using the International Standard on Assurance Engagements 3000 (ISAE 3000) and having the Global Reporting Initiative, version 4.0 (G4) and AA1000APS Accountability Principles Standard 2008 as reference, in order to obtain a moderate level of assurance on both the performance information reported and the underlying processes and systems. The extent of our procedures, consisting of inquiries, analytical tests and some substantive work, was less significant than in a full audit. Therefore, the level of assurance provided is also lower.

The scope of our verification consisted on information regarding Portugal, for the G4 indicators presented in the Report.

For the G4 and AA1000APS standard, our work consisted on the verification of the management’s self declaration on the application level of the G4 and level of adherence to the AA1000APS principles.

The following procedures were performed:

(i) Inquiries to management and senior officials responsible for areas under analysis, with the purpose of understanding how the information system is structured and their awareness of issues included in the Report;
(ii) Identify the existence of internal management procedures leading to the implementation of economical, environmental and social policies;

(iii) Testing the efficiency of process and systems in place for collection, consolidation, validation and reporting of the performance information previously mentioned;

(iv) Confirming, through visits to sites, that operational units follow the instructions on collection, consolidation, validation and reporting of performance indicators;

(v) Executing substantive procedures, on a sampling basis, in order to collect sufficient evidence to validate reported information;

(vi) Comparing financial and economical data with the audited by the external financial auditor to assess on the external validation of the information reported;

(vii) Assess the level of adherence to the principles of inclusivity, materiality and responsiveness set by AA1000APS 2008, by analyzing the contents of the report and the internal stakeholder engagement plan in accordance with AA1000APS; and

(viii) Verify the existence of data and information required to comply with the G4 version, option ‘In accordance’ – Comprehensive, taking into account the supplement to the electricity sector.

**Confidentiality and Independence**

Internally, PwC SROC is governed by ethical and deontological rules of confidentiality and independence quite rigid. Thus, in all aspects of our collaboration, the Firm and its employees maintain strict confidentiality of information obtained in the performance of their duties and complete independence regarding the interests of the companies of REN Group.

Additionally, we develop our work in line with standard ISAE 3000 independence requirements, including compliance with PwC’s independence policies and code of ethics of the International Ethics Standards Board of Accountants (IESBA).

**Conclusions**

Based on our work described in this report, nothing has come to our attention that causes us to believe that internal control related to the collection, consolidation, validation and reporting of the performance information referred above is not effective, in all material respects.

Based on the assumptions described on the scope, we conclude that the Report includes the data and information required for option ‘In Accordance’ – Comprehensive, according to G4.

**Comments/Remarks**

During the verification process, we identified areas and opportunities for improvement, which will be included in a report to management. Notwithstanding the above findings, we believe that the REN should consider the following comments, which aim to improve the sustainability reporting of REN:

- It should be mentioned that the Sustainability Information System, implemented in 2012 by REN, for collecting, monitoring and reporting the sustainability information, was adapted to the GRI G4 guidelines. It is recommended to ensure the collection and reporting of sustainability information with the periodicity established in the system, as well as the maintenance of evidence that supports the data reported, in order to allow regular and systematic monitoring of REN in this matter.
• REN revised the sustainability strategy in order to align it with the material issues identified according to the new GRI G4 guidelines, considering the stakeholder consultation carried out in 2013.
• Principle of inclusivity: REN revised in 2013/14 the stakeholder mapping and conducted a consultation process in terms of sustainability, which results were considered in the review of the strategic sustainability priorities. Additionally, REN has several periodic or continuous communication/engagement mechanisms with its stakeholders, thus ensuring regular interaction with them.
• Principle of materiality: REN periodically reviews the relevant sustainability issues in which focus its management and communication, using objective criteria and processes for the purpose. REN conducted in 2013/14 a new stakeholder consultation, whose results should be disclosed to all stakeholders in the next sustainability reporting and in REN’s corporate website.
• Principle of responsiveness: REN seeks to address the information needs and concerns of their stakeholders and define sufficient mechanisms for this purpose. The adoption of international standards and guidelines of reference in its management and reporting of information ensures the comprehensiveness and relevance of sustainability information managed and communicated. It is recommended a greater alignment of sustainability reporting with the issues identified as relevant in this matter.

Lisbon, March 31th, 2016

PricewaterhouseCoopers & Associados SROC, Lda.

Represented by:

António Joaquim Brochado Correia, ROC