

WATER RELATED INDICATORS

DEFINITIONS

Freshwater - Water of a quality generally acceptable, or requiring minimal treatment to be acceptable for EDP's activities (domestic and industrial uses) with at least $\leq 10,000$ mg/L of total dissolved solids. Water with concentration of total dissolved solids $\leq 1,000$ mg/L is considered as a high-quality freshwater (potable standard).

Reference: CDP Water Security 2019 Reporting Guidance, ISO 14046:2014
– Environmental management water footprint: principles, requirements and guidelines.

Brackish water - Water in which the concentration of salts is high and far exceeds normally acceptable standards for municipal, domestic or irrigation use (at least $>10,000$ mg/L of total dissolved solids).

Reference: CDP Water Security 2019 Reporting Guidance.

Seawater - Seawater has a typical concentration above 35,000 mg/L of total dissolved solids.

Reference: CDP Water Security 2019 Reporting Guidance.

Water withdrawal - Water withdrawn from surface, ground, sea, a third-party (municipality or a private entity) sources or rainwater collected, all to be used in any of EDP's activities. It includes fresh, brackish and salt water. Main uses are for the refrigeration circuits and processed water in thermal power plants, electricity generation in hydro power plants, and human consumption.

Reference: GRI 303 Standard (2018), CDP Water Security 2019 Reporting Guidance, The CEO Water Mandate Glossary (<https://ceowatermandate.org/disclosure/resources/glossary/>, July 2019).

Water discharge – Effluents (treated or untreated wastewater) or used water (e.g. cooling water) released to surface, sea or a third-party (municipality or a private entity) destinations. It includes fresh, brackish and salt water. It does not include the discharge of rainwater that fell over the plant's area, without being used.

Reference: GRI 303 Standard (2018), The CEO Water Mandate Glossary (<https://ceowatermandate.org/disclosure/resources/glossary/>, July 2019).

Water consumption – It is obtained by: withdrawals minus discharges to the same water body within, at least, the quality parameters of the licensing permits. For example, freshwater discharged into the sea is considered consumption since it is not directly available for further use. In hydro power plants, water use is considered a non-consumptive use.

Reference: ISO 14046:2014 – Environmental management water footprint: principles, requirements and guidelines, The CEO Water Mandate Glossary (<https://ceowatermandate.org/disclosure/resources/glossary/>, July 2019), SAM Corporate Sustainability Assessment 2019.

Water reuse – water and wastewater (treated or untreated) used more than once in a different process within the organization's facilities (the same or another facility), before being discharged from the organization's boundary so that water demand, treatment, disposal costs and risks may be reduced.

Reference: CDP Water Security 2019 Reporting Guidance.

Water recycling – water and wastewater (treated or untreated) used more than once in a same process of an organization’s facility, before being discharged from the organization’s boundary so that water demand, treatment, disposal costs and risks may be reduced. The indicator includes pumped-storage operations in hydro power plants.

Reference: CDP Water Security 2019 Reporting Guidance.

Water risk – A potential water-related event that may affect the company (e.g., flooding, competitive advantage from desalinization process) or the environment due to company’s operations, products and services, and suppliers (e.g., spills, improved river water quality due to the discharge of treated effluents).

Reference: The CEO Water Mandate Glossary (<https://ceowatermandate.org/disclosure/resources/glossary/>, July 2019).

Water scarcity – The physical abundance, or lack thereof, of freshwater resources; It is a function of the volume of human water consumption relative to the volume of water resources in a given area.

Reference: The CEO Water Mandate Glossary (<https://ceowatermandate.org/disclosure/resources/glossary/>, July 2019).

Water stress – The ability, or lack thereof, to meet human and ecological demand for freshwater; It is a function of the availability, quality and accessibility.

The Baseline Water Stress (BWS; WRI Aqueduct) indicator is used for a high-level exposure assessment. At a watershed level, water stress is considered when BWS is over 20% (medium-high risk).

Also, a downscaling analysis at local level is then done, using information gathered from National Governmental Agencies (location specific water availability indicators) and company’s operational teams (asset water dependency, constraints from local competitive uses).

Reference: The CEO Water Mandate Glossary (<https://ceowatermandate.org/disclosure/resources/glossary/>, July 2019), Aqueduct Water Risk Atlas (World Resources Institute).

Water-related incident – a water-related event (physical, regulatory, reputational or technological) with a negative and substantial impact on the organization’s operation.

An operation is negative and substantially impacted if:

- There is an interruption of an asset’s normal operation;
- And the revenue loss and/or costs exceed \$10,000 USD, including the present and future cost of response;
- Or, the plant closure occurs.

Reference: SAM Corporate Sustainability Assessment 2019, CDP Water Security 2019 Reporting Guidance, The National Renewable Energy Laboratory (U.S. Department of Energy).