

ENVIRONMENTAL REGISTRY

edp

CHANGING
TOMORROW
NOW

SUSTAINABILITY REPORT 2020

This report

EDP - Energias de Portugal, S.A. (hereinafter referred to as EDP), with head office in Lisbon, Avenida 24 de Julho 12 and with its shares listed on the Euronext Lisbon stock exchange, results from the transformation of Electricidade de Portugal, E.P., incorporated in 1976 following the nationalization and consequent merger of the main companies in the electricity sector in Portugal. During 1994, as established by Decree-laws 7/91 and 131/94, the EDP group (EDP group or group) was set up following the split of EDP, which led to a number of directly or indirectly wholly owned subsidiaries of EDP.

The group's businesses are currently focused on the generation, transmission, distribution and supply of electricity and supply of gas. Although complementary, the group also operates in related areas such as engineering, laboratory tests, professional training, energy services and property management.

EDP group operates essentially in the European and American energy sectors.

The Sustainability Report of EDP group was prepared in accordance with the standards of the Global Reporting Initiative (GRI Standards) and with the Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, that is, disclosure under article 66-B and approval by the general meeting under article 65, both of the Commercial Companies Code, as regards disclosure of group sustainability performance in 2017, with focus in material issues.

Some of the sustainability information presented in this report follows other voluntary regulatory reporting frameworks, namely the Task Force on Climate-related

Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB) and the Portuguese Securities Market Commission (CMVM).

This Report has been structured in three major blocks and covers the calendar year 2020:

Presentation and strategic approach

Focused in Sustainability within the group's strategy. Includes our commitments, with goals and targets and their relationship with the United Nations 2030 Sustainable Development Goals.

Performance

Organized around the four sustainability strategic pillars, reports on the year's material issues. Includes management approach, 2020 main events and 2021 challenges, as well as a set of illustrative cases on how EDP operated in the context of the Covid-19 pandemic: Our practice.

Indicators

Organized by material theme. It also includes indicators disaggregated by geography, in the past four years. Together we aim to respond to the Global Reporting Initiative standards.

Additionally, EDP makes available a set of reports at www.edp.com:

- Annual Report

- Annual Report of the General and Supervisory Board
- Annual sectoral reports, in particular: Ethics Ombudsperson's Report, Report of assessment on potential impacts and respect for Human and Labour Rights (only available in English), Health and Safety Report and Stakeholders' Report
- Annual and sustainability reports of the societies EDP Espanha, EDP – Energias do Brasil and EDP Renováveis
- Management Approach on Sustainability, which endorses the issues set by GRI methodology and explains the relation between organizational processes and material issues for the society.

English version

This Sustainability Report is a free translation of the Sustainability Report originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.

ENERGY



CHANGING TOMORROW NOW

At EDP, we are in the business of innovating. Our 4 decade long track record has turned us into better energy providers and pioneers of the green evolution. Change has been our driver as we deliver an agile network with more efficient, smart and sustainable solutions. As leaders in the energy transition, we see investment in renewables as an active way to engage with future generations, promoting decarbonisation in energy production and consumption. We are playing our part for a more balanced and sustainable world; one that is inclusive, diverse and humane.

We're changing tomorrow now.

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TRANSITION

FROM A JUST TRANSITION
TO SUSTAINABLE COMMUNITIES

Changing tomorrow now.



01

EDP

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MESSAGE FROM THE CHAIRMAN

OF THE EXECUTIVE BOARD OF DIRECTORS

Miguel Stilwell de Andrade

“Our ability to adapt and grow through this difficult period is no accident. It is testament to the strength of the business that has been built over many years, transforming EDP from a Portuguese utility company into a global leader in the Energy Transition.”

Dear Shareholder,

There is no question that 2020 has been an extraordinary year for the world and we have all had to adapt to living our lives very differently. Thus, I would like to begin by thanking EDP's stakeholders, starting with our teams and suppliers, who have risen to meet the challenges posed by the pandemic and continued to deliver on EDP's promises. Also, a word to our customers and partners for their trust in EDP and to our shareholders for their continued support. Our ability to adapt and grow through this difficult period is no accident. It is testament

to the strength of the business that has been built over many years, transforming EDP from a Portuguese utility company into a global leader in the Energy Transition.

A Green Recovery

While the pandemic brought much of the world to a halt, it also accelerated some of the changes that were already underway. Commitments from countries, sectors and companies to net zero continued at pace over the course of 2020. From the

European Union, to China, Japan and Canada, more countries signed up to net zero pledges, committing to decarbonising their economies in the coming decades. 2021 was set in motion with the United States re-joining the Paris Climate Agreement – it promises to be a decisive year on climate, culminating in governments, organizations and civil society coming together at COP26 in November.

Action on emissions reduction has also been tied to the recovery of the global economy as it emerges from COVID. The EU, with a commitment to climate neutrality by 2050, has launched the European Green Deal Investment Plan (EGDIP). This will see the mobilization of € 1 trillion to finance the transition to a low carbon economy between 2021-30. On a global basis, if we want to limit the temperature increase to 1.5°C, we will collectively need to be adding more than 500 GW of renewables per year between now and 2030. That presents a considerable opportunity for EDP. The expertise, operational capabilities, and competitive cost base that we have developed in more than a decade of leadership in renewables means we are well placed to play a leading role in helping the different countries where we are present meet their climate goals.

As the world has raised the bar on Climate Change, so too has EDP.

An ambitious strategic plan

Our 2021-25 strategic plan is underpinned by three axes: Accelerated and Sustainable Growth; a Future-Proof Organization, powered by increased investment in innovation and digital transformation; and ESG Excellence and Attractive Returns.

Accelerated and Sustainable Growth

Our bold and ambitious plan further reinforces our position as a leader in the energy transition, with an unprecedented investment of € 24 billion. We will accelerate our renewables growth, namely

in Europe and North America, seeking to double our installed capacity in wind and solar in the next 5 years, adding 4 GW per year. We will continue to grow and create value in our low-risk networks portfolio in Portugal, Spain and Brazil – a critical enabler of the energy transition – investing more than € 3 billion to maximize value through grid modernization and operational excellence in distribution, and superior execution of projects in transmission in Brazil. Finally, we will be investing € 0.9 billion in Client Solutions, with a clear focus on efficiency and end-to-end digital transformation, coupled with ambitious targets in exciting new growth avenues, namely, our commitment to growing our decentralized solar contracted capacity tenfold by 2025.

A future-proof organization

In 2020, we were recognized as Top Employer and as a Family Responsible Company (EFR). We were also privileged to be included for the first time in Bloomberg's Gender-Equality Index, acknowledging our investment in our people and our inclusive culture. We will continue to foster a global and flexible organization, supported by agile and resilient teams. We will make significant investments in innovation and the digital transformation of the business, totaling € 2 billion. Our ability to adapt to a sector in profound transformation will be strengthened by our commitment to keep empowering and connecting our team around the world, while promoting talent and diversity.

**“Action on emissions reduction
has also been tied to the recovery
of the global economy as it
emerges from COVID.”**

ESG Excellence and Attractive Returns

We have increased our efforts to reduce emissions and decarbonise our portfolio and now expect to be totally coal-free by 2025 and all green by 2030, anticipating our carbon neutral targets by 20 years. This superior green positioning will enable EDP to continue to lead the energy transition and create superior value for our shareholders.

The decarbonisation of our portfolio is well underway. In 2020, EDP announced the closure of most of its coal-fired power plants in Iberia and in September we joined the Powering Past Coal Alliance, the first global alliance to accelerate the end of coal power generation. We are also part of the Race to Zero, a global coalition set up by UN Global Compact, the Science Based Targets initiative, and We Mean Business, to support a zero-carbon recovery that prevents future threats, creates decent jobs, and unlocks inclusive, sustainable growth.

Lastly, it goes without saying that sustainable development has been one of the main axes of our strategy. Through EDP's investments and a thorough social responsibility approach, we have continued to contribute to 9 out of the 17 Sustainable Development Goals of the United Nations Agenda for 2030. We have also demonstrated a clear commitment to the 10 principles of the United Nations Global Compact, in line with best practices in areas such as human rights, labor and the environment.

A strong track record in execution

Our 2019-22 Strategic Update outlined a set of divestment projects aimed at deleveraging, de-risking and value crystallization, with the overarching goal of enabling growth in renewables and increasing our alignment with the energy transition.

The plan included an ambitious deal framework for the execution of over € 2 billion of disposals to promote the reshuffling and optimization of the Iberian portfolio. The successful implementation of the sale of six hydro power plants, in Portugal, and a portfolio of 2 CCGTs and B2C clients, in Spain, allowed EDP to also pursue growth in Iberian grids. EDP acquired Viesgo, in combination with a rights issue of € 1 billion at EDP level, more than doubling our presence in electricity distribution in Spain, reinforcing our low risk profile, as well as increasing our renewables portfolio with 0.5 GW capacity in Iberia.

Our balance sheet was further supported by the continuation of our asset rotation program, which allows EDP to recycle capital and improve project returns by developing and then selling down interests in projects. In 2020, we sold an 80% stake in a 563 MW wind and solar portfolio in the United States and a majority interest in a 242 MW operating onshore wind portfolio in Spain.

Despite the challenges presented by the pandemic, EDP's recurring net profit increased by 6%, to € 901 million, supported by our global presence, the growth in renewable energy generation and a low-risk profile. On top of this, the hard work of our teams enabled us to achieve most of the 2022 targets in 2020, leading to a 43% increase in EDP's share price performance, 30 percentage points above our European peers. This effort was done while maintaining high levels of employee engagement and I am proud to say that in 2020 EDP was recognized as a best-in-class company for people & organizational practices worldwide.

A year of innovation and expansion

We recognize that to remain at the forefront of the sector, we must continue to evaluate and test new energy generation alternatives, investing in potential clean technologies. We believe in the long-term potential of hydrogen in the decarbonisation of power and recently created a new business unit, H2BU, to reinforce the integration of green hydrogen in our portfolio. In this context, we joined the Choose Renewable Hydrogen initiative last May, which seeks to promote and defend Europe's commitment to green hydrogen, generated from renewable powered electrolysis rather than fossil fuels. In parallel, EDP launched a new unit to lead and promote storage projects, which aims to reach 1 GW capacity by 2026.

In 2020 the company delivered the first power to the Portuguese grid from WindFloat Atlantic. WindFloat Atlantic hosts the world's largest floating wind project, with three 8.4 MW turbines – enough to power 60,000 homes. The project opens the way for the cost-effective deployment of floating wind farms located in deep water at scale, demonstrating how our culture of continuous innovation supports our growth targets.

We have continued to expand around the world through 2020, whether directly or via our new joint venture for offshore wind between EDPR and Engie, Ocean Winds. Formed in March, Ocean Winds incorporated the marine wind pipelines of both companies with 1.5 GW under construction and a further 5 GW under development. Benefitting from the experience and resource of both parent companies, Ocean Winds is targeting between 5 to 7 GW in operation or under construction plus 5 to 10 GW at an advanced stage of development by 2025.

Through our supply business we also took some important steps to promote the adoption of electric mobility at both national and European levels. Besides providing more and better charging options to its customers, EDP is now the exclusive energy partner of the "Electric Vehicle Users Association" in Portugal. The company has also joined Charge Up Europe in efforts to foster the development of the European charging network. Both initiatives are part of our efforts to enable the energy transition to which we, as a company, are deeply committed.

“We have increased our efforts to reduce emissions and decarbonise our portfolio and now expect to be totally coal-free by 2025 and all green by 2030, anticipating our carbon neutral targets by 20 years.”

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“As a company, we are taking steps to protect the future of humanity and believe we not only have a responsibility to demonstrate real action ourselves, but more importantly an opportunity to set the bar for industry to meet.”

A team for the future

In January this year, our shareholders elected a new Executive Board. As we start this new cycle, I would like to extend my thanks to all the members of the previous Executive Board, their contribution has been fundamental to EDP's growth and positioning. This renewed Board, which presents a wealth of diverse experience and expertise, will most certainly continue to build on their legacy. We are committed to deliver on our 2021-2025 strategy, securing EDP's growth and ensuring value creation for all our stakeholders.

A special word of thanks to the General and Supervisory Board and their collaboration throughout a very demanding year for EDP. The institutional respect and governance mechanisms enabled the company to pursue its purpose and deliver on our commitments. In this context, I would also like to reinforce the fundamental role assumed by our shareholders and the confidence they placed in EDP, namely in the capital increase that took place in August 2020.

As a company, we are taking steps to protect the future of humanity and believe we not only have a responsibility to demonstrate real action ourselves, but more importantly an opportunity to set the bar for industry to meet.

I want to conclude by thanking EDP's team, namely the 12,180 employees who are working tirelessly to realize our bold and aspirational ambitions. In a year where our communities have been tested and stretched, they have shown profound dedication, professionalism and resilience. I have been privileged to play a role in EDP's evolution over the past 20 years and I am honored to be leading this team in this next cycle.





MESSAGE FROM THE ADMINISTRATOR

Miguel Setas

Ambition 2030 Challenges and choices

2020 is a year defined by a pandemic that plunged us into an unprecedented crisis and that led world leaders, and society as a whole, to restructure the way we live and question the current models of economic and social development. The Sustainable Development Goals, which make up the United Nations 2030 Agenda, are used today as a guiding compass for the priorities we should have in the coming years. At this point it is very clear that it is not enough to just announce ambitions and objectives, as a country, a company or an individual. It is essential that we make effective commitments, design implementation plans and have the determination and responsibility to fulfil them. This is the EDP group positioning, with very clear priorities in energy transition and active contribution to more balanced and sustainable societies.

In the recently announced Business Plan, we highlight a new transformational commitment for EDP: by 2030 we aim to achieve carbon neutrality, ceasing to use coal as early as 2025. This is a demanding path that requires us to work in depth, reducing carbon dioxide emissions and in their much-needed offsetting. With these new targets, our recognition by the Science Based Target initiative will be reviewed, after our level of ambition for decarbonisation was recognised, in 2020, as being in line with the requirements of climate science to contain the global average temperature increase to 1.5°C. Our membership within the global Race to Zero campaign, where we stand alongside more than 2,500 entities, including **cities, regions, companies, investors and universities**, is also proof of this proactive stance that will be empowered at COP 26 in 2021.

“We highlight a new transformational commitment for EDP: by 2030 we aim to achieve carbon neutrality, ceasing to use coal as early as 2025.”

It is also worth noting our membership in the Powering Past Coal Alliance, the first and only global alliance of governments and private sector organisations to promote the transition from coal-fired power generation to clean energy. Aligned with this commitment, we had the early closure, after three decades of activity, of the Sines Thermal Power Station, a historic milestone for the EDP group, to be followed by the closure of the Soto de Ribera coal-fired power station and of group 1 of the Aboño power station.

Our responsibility towards society and the world has been recognised by our stakeholders and our investors. In recent years we have seen a growing interest in EDP by socially responsible investors. A good example is the growth in the percentage of shares held by these investors in the company's capital, which more than doubled in 2020, reaching 18%. A decisive factor for this increase is the recognition by ESG analysts which resulted in the inclusion of the Company in various sustainability indexes. In a record year regarding companies' participation from all over the world, EDP stood out in two evaluations: once again it was recognised as one of the most sustainable companies by being included, for the 13th consecutive year, in the Dow Jones Sustainability World Index World and, **for the 11th time, in the Dow Jones Sustainability Index Europe. It also achieved the highest level of performance - "Leadership" - in the CDP evaluation, as well as the maximum classification of A in the**

two main categories, **climate change** and **water management**. It was the first time in nine years that it achieved the top mark in these two categories. On the other side of the Atlantic, EDP Brazil was one of the 30 companies in the 16th edition of the Corporate Sustainability Index, for the 15th consecutive time, and for the first time achieved the Leadership (A-) classification in the Climate Change CDP. At EDP Renováveis, the company was **included in the Global Challenges index (GCX) as one of the biggest promoters of sustainable development, globally**, as a result of its products and services. On an ethical level, since 2012 we have been included in the Ethisphere Institute's ranking as one of the world's most ethical companies, every year without exception. An important note on gender equality, a topic which is, fortunately, increasingly present in day-to-day business life. EDP was one of the companies chosen to be part of the Bloomberg Gender Equality Index, in the first year it applied, which shows the importance we give to the development of policies of equality, representation and transparency. These recognitions show how EDP values the currently denominated "ESG Agenda".

The pandemic was an unexpected challenge that tested everyone's ability to react and be resilient. **In a context never experienced, there was a collective effort** to ensure results and the best working conditions with maximum safety. **A special thanks to all employees who worked and continue to work in this**

atypical situation, in particular to the teams on the ground. The pandemic also brought an opportunity to rethink work models that have become a hybrid between face-to-face work and remote working, with digitalisation playing a central role in the success of this new reality. In this context of uncertainty we were concerned with our partners' stability: payment was brought forward to more than a thousand suppliers, mainly small and medium-sized companies in Portugal and Spain, and our Volunteering Programme did not waver in the face of adversity, with many initiatives being carried out through digital channels.

This crisis has shown that one of the aspects that need to be developed is the resilience of cities and their infrastructures. The new urban normal needs to be more inclusive and sustainable, and the energy sector has, and will have, a crucial role in this. EDP has already started to work in this direction, and one of the main strategies, alongside the reinforcement of the offer of energy efficiency products and services, is to continue investing in electric mobility, for which our commitment is to completely electrify our light vehicle fleet by 2030. Renewable energy communities will be one of 2021's trends as an energy efficiency solution and the EDP group will be committed to promoting them. This is one of the paths that will lead us, not only to energy transition, but also to its solutions; through it, we will act as an agent of change.

“This crisis has shown that one of the aspects that need to be developed is the resilience of cities and their infrastructures.”

Finally, in a year ravaged by Covid-19, it is unavoidable to mention the ever more pressing importance of preserving Biodiversity. 2021 marks the start of the Decade of Ecosystem Restoration and our commitments will be in line with major trends. We want to achieve the target of eliminating 100% of single-use plastics across the EDP group by 2022, as well as ensuring that all new projects with significant environmental implications have neutral biodiversity impacts by 2030. Investing in Hydrogen penetration is also a way of preserving biodiversity in the next decade, when it is produced from renewable electricity. This is a solution that could complement the electrification of the economy and contribute to achieving the global decarbonisation targets.

As professionals, but above all as citizens, we are aware that this is the time to act. We have a limited window of time to contain the effects of this climate emergency and its repercussions on our way of life. This is why we argue that a new life ethic focused is needed. EDP wants to be at the forefront of a responsible, fair and inclusive energy transition process, contributing effectively to the transformation society requires. It is in this context that we have made ambitious commitments for carbon neutrality by 2030 and we will do everything to accelerate the transition process, securing the sustainability of life as we know it.



1.2.

VISION

A global energy company,
leading the energy transition
to create superior value.

VALUES

INNOVATION

With the aim of creating value in the many areas in which we operate.

SUSTAINABILITY

Aiming to improve the quality of life of current and future generations.

SUSTAINABILITY

We assume the social and environmental responsibilities that result from our performance thus contributing towards the development of the regions in which we operate.

We avoid specific greenhouse gas emissions with the energy we produce.

We ensure the participatory, competent and honest governance of our business.

CLIENTS

We place ourselves in our clients' shoes whenever a decision has to be made.

We listen to our clients and answer in a simple and clear manner.

We surprise our clients by anticipating their needs.

HUMANIZATION

Building genuine and trusting relationships with our employees, customers, partners and communities.

PEOPLE

We join conduct and professional rigour to enthusiasm and initiative, emphasizing team work.

We promote the development of skills and merit.

We believe that the balance between private and professional life is fundamental in order to be successful.

RESULTS

We fulfil the commitments that we embraced in the presence of our shareholders.

We are leaders due to our capacity of anticipating and implementing.

We demand excellence in everything that we do.

COMMITMENTS

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1.3.

RECOGNITION

EDP distinguished as one of the most sustainable utilities in the world

in the Dow Jones World Sustainability Index for the 13th consecutive year and in the Dow Jones Europe Sustainability Index for 11 years

EDP integrates, since 2015, the Global ESG Leaders indexes

15th among 199 electrical utilities

EDP distinguished as one of the most ethical companies in the world

by the Ethisphere Institute for the 9th consecutive year

EDP is present, since 2012, in the Euronext Europe 120 and Euronext Eurozone 120

with an average score of 63 points. In 2020 obtained 71 points and is top 3 among utilities

EDP is present, since 2012, in the MSCI ESG Indexes family

having achieved, in 2020, top 7% among utilities with a score of 8.2 points

EDP is present, since 2010, in the FTSE4Good Indexes Series

with a score of 4.7, is in the top 3% utilities

EDP is #1 in the Public Disclosure Infrastructure Asset category of GRESB

having achieved 92 points among 234 companies

EDP with Prime status by ISS OEKOM, since 2009**EDP integrates, for the first time, the Bloomberg Gender-Equality Index**

recognized as one of the most committed companies in gender equality at global level

EDP Group's CO₂ emission reduction target for 2030 approved by SBTi

as being aligned with a decarbonization path of 1.5°C

EDP Brasil sees its CO₂ reduction target approved by SBTi

becoming the first energy company in Latin America to achieve this recognition

EDP is Leadership A in the CDP Climate and CDP Water Security**EDP Brasil with the best historical performance in the Corporate Sustainability Index of B3**

with 91 points

EDP Renováveis included in the GCX - Global Challenges Index

as one of the 50 global companies most committed to sustainability

EDP Renováveis in Spain and EDP in Portugal distinguished with level of excellence as a family-responsible company












































by Fundación Másfamilia

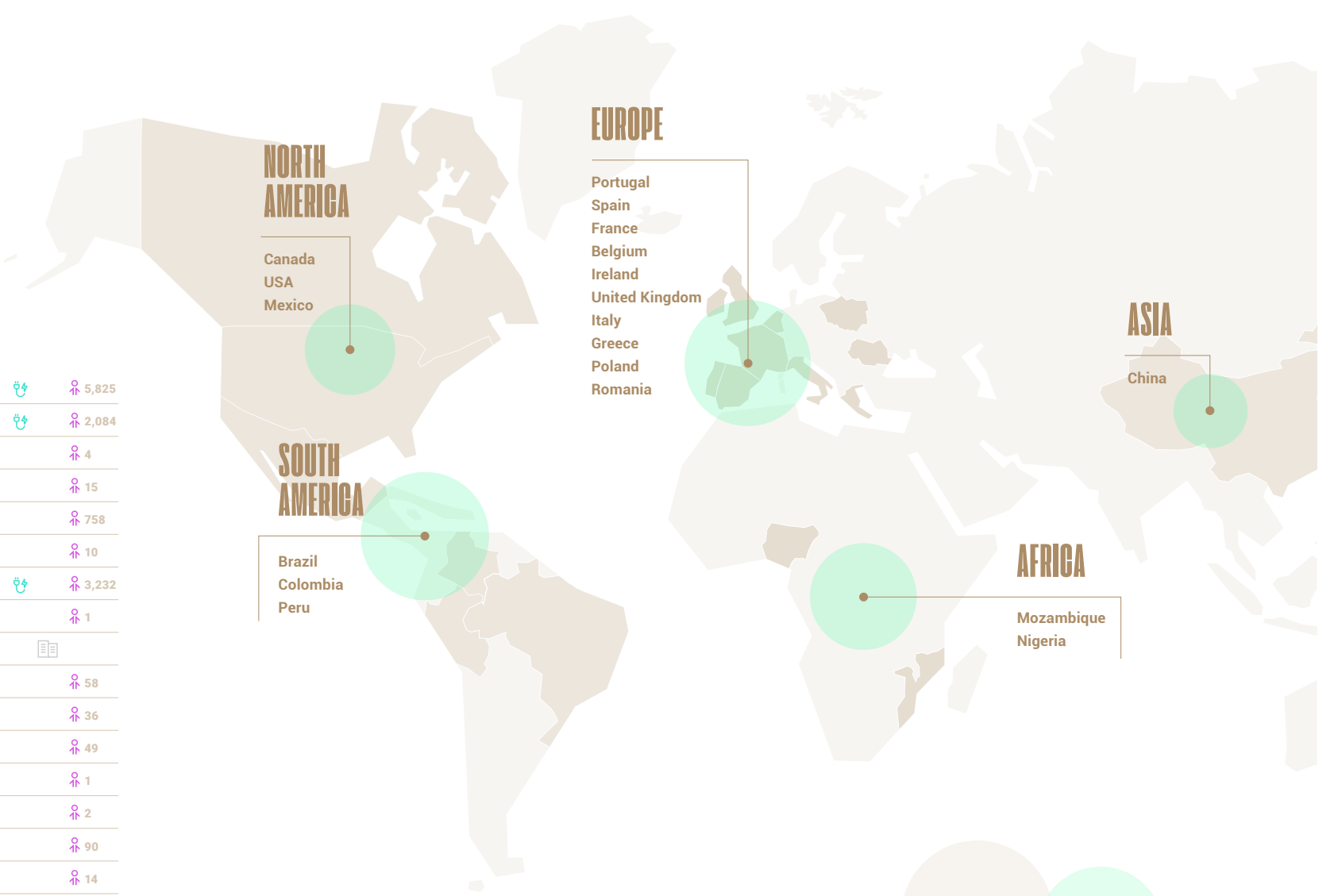









1.4.

WHERE WE ARE

EDP is present in 19 countries and 4 continents counting with 12,180 employees.

Portugal	   	 5,825
Spain	   	 2,084
Canada		 4
Colombia		 15
USA		 758
Mexico		 10
Brazil	   	 3,232
Peru		 1
China		
Poland		 58
Romania		 36
Italy		 49
United Kingdom		 1
Belgium		 2
France		 90
Greece		 14
Ireland		
Mozambique		
Nigeria		



 Conventional generation  Renewable generation  Transport  Distribution
 Offices  Employees  Supply

Employees
12,180

19 Countries we are in

1.5.

EDP IN THE WORLD

PORTUGAL



Generation from renewable sources¹ **67%**

Employees 5,825

Electricity customers 4,993,935

Gas customers 685,814

Installed capacity 8,353 MW

Net generation 22,818 GWh

Overhead grid extension 179,181 km

Underground grid extension 49,168 km

Electricity distributed 44,143 GWh

Capacity secured onshore 278 MW

Capacity secured offshore 25 MW

10 MW net for EDP

SPAIN



Generation from renewable sources¹ **39%**

Employees 2,084

Electricity customers 21,635

Gas customers 5,556

Installed capacity 4,873 MW

Net generation 12,803 GWh

Overhead grid extension 39,670 km

Underground grid extension 12,822 km

Electricity distributed 7,559 GWh

Capacity secured onshore 279 MW

BRAZIL



Generation from renewable sources¹ **100%**

Employees 3,232

Electricity customers 3,599,874

Installed capacity 2,755 MW

Net generation 8,222 GWh

Transport grid extension 316 km

Overhead grid extension 93,582 km

Underground grid extension 268 km

Transport grid under construction 1,125 km

Capacity secured onshore 1,102 MW

FRANCE



Generation from renewable sources¹ **100%**

Employees 90

Installed capacity 126 MW

Net generation 212 GWh

Capacity secured onshore 103 MW

Capacity secured offshore 1,022 GW

312 MW net for EDP

BELGIUM



Generation from renewable sources¹ **100%**

Employees 2

Installed capacity 10 MW

Net generation 2 GWh

Capacity secured offshore 487 MW

43 MW net for EDP

USA



Generation from renewable sources¹ **100%**

Employees 758

Installed capacity 5,828 MW

Net generation 16,633 GWh

Capacity secured onshore 1,843 MW

Capacity secured offshore 804 MW

201 MW net for EDP

ROMANIA



Generation from renewable sources¹ **100%**

Employees 36

Installed capacity 521 MW

Net generation 1,186 GWh

¹ includes hydro, wind and solar.

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1.5.

EDP IN THE WORLD

ITALY



Generation from renewable sources ¹	100%
Employees	49
Installed capacity	271 MW
Net generation	595 GWh
Capacity secured onshore	200 MW

POLAND



Generation from renewable sources ¹	100%
Employees	58
Installed capacity	476 MW
Net generation	1.059 GWh
Capacity secured onshore	567 MW

CANADA



Generation from renewable sources ¹	100%
Employees	4
Installed capacity	68 MW
Net generation	78 GWh
Capacity secured onshore	62 MW

MEXICO



Generation from renewable sources ¹	100%
Employees	10
Installed capacity	400 MW
Net generation	710 GWh
Capacity secured onshore	96 MW

UNITED KINGDOM



Employees	1
Capacity secured onshore	950 MW
269 MW net for EDP	

GREECE



Employees	14
Capacity secured onshore	155 MW

COLOMBIA



Employees	15
Capacity secured onshore	490 MW

CHINA

Offices

PERU

Employees	1
-----------	---

IRELAND

Investment in GridBeyond

MOZAMBIQUE

Investment in A2E² in SolarWorks!

NIGERIA

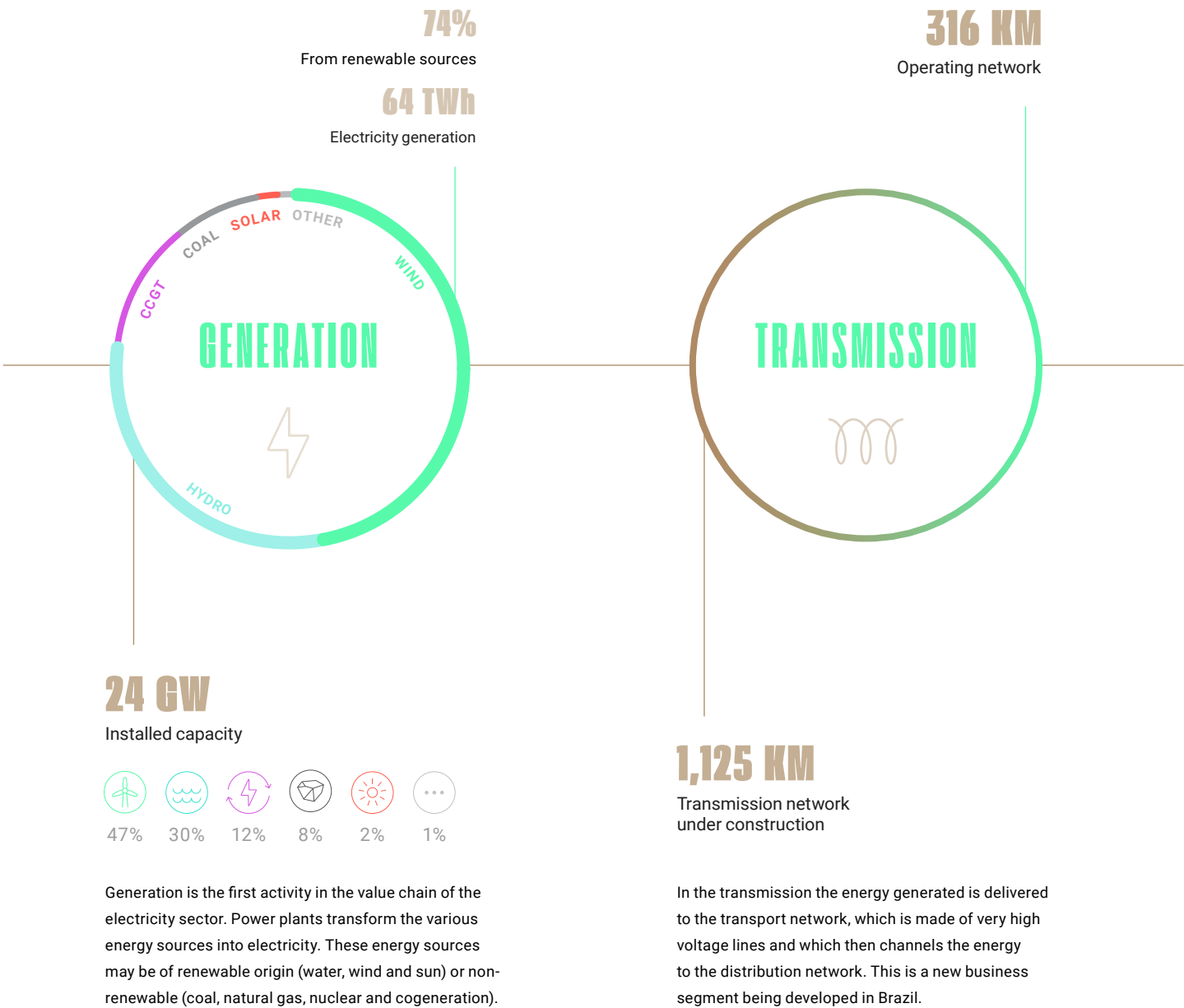
Investment in A2E² in Rensource

¹ includes hydro, wind and solar. ² Access to energy.

1.6.

WHO WE ARE

EDP is a multinational utility vertically integrated and present throughout the whole value chain of electricity and in the activity of gas supply. Over its more than 40 years of history, EDP has been cementing a relevant presence in the world energy panorama. Highlighting its renewable energy portfolio, it is well positioned for the challenges of the energy transition.



01
EDP

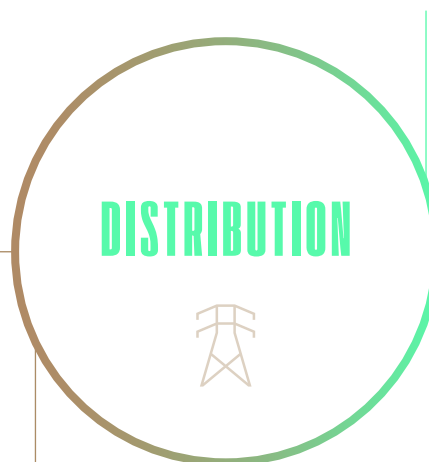
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76 TWh
Electricity distributed



374,691 KM
Network

312,433 KM
Distribution
overhead lines

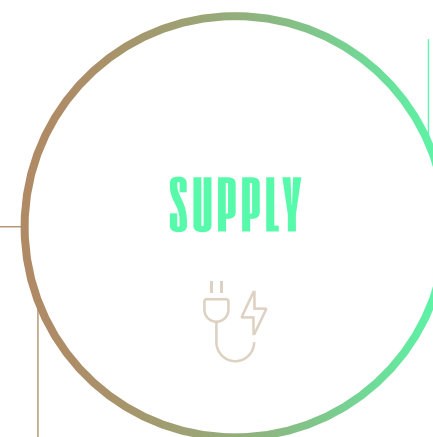
62,258 KM
Distribution
underground lines

In the distribution activity the transported energy is channeled to the distribution grid. The distribution network allows the flow of energy to the supply points. Electricity distribution networks are composed of high, medium and low voltage lines and cables. Substations, processing stations and public lighting installations as well as the necessary connections to consumer installations and power stations are also an integral part of the distribution networks.

691,370
Gas customers

656,952
Customers
in liberalized market

34,418
Customers
in last resort



8,615,444
Electricity customers

4,050,442
Customers
in liberalized market

4,565,002
Customers
in last resort

In the supply activity distributed energy arrives at the supply point and is sold by the supplier. Throughout the electricity and gas value chain, supply is the closest activity to the customer and responsible for the relationship with final consumers.

01
EDP

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Strategic
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1.7.

BUSINESS MODEL

INPUTS

Natural resources

- Renewable resources
- Non-renewable resources

Physical resources

- Assets
- Shop network
- Property
- Other facilities

Financial resources

- Third party capital
- Income
- Financing
- Stocks

Intellectual resources

- Brand
- Patents
- Innovation
- Partnerships

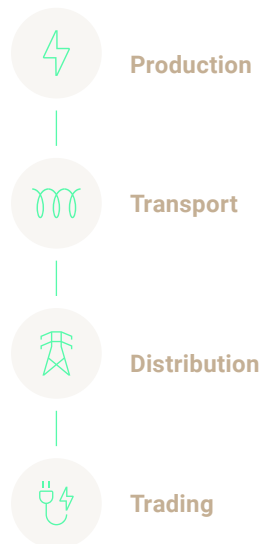
Social resources

- Qualified competences of employees and suppliers
- Business partners

Human resources

- Employees
- Suppliers

VALUE CHAIN



RESULTS

Natural value

Air pollutant emissions
Waste and effluent management
Water management
Habitats and protected species
Environmental incidents
Energy consumption

Human value

Diverse workforce
Volume of Training
Injuries and ill health
Employee salaries
Employee satisfaction
Social benefits for employees

Social value

Energy production and distribution externalities
Brand reputation
Social investment
Customer satisfaction
Contractual relationship with suppliers

Financial value

Profit
Returns on third party capital / dividends
Debt management

Intellectual value

Innovative products and services
Knowledge generated

Infrastructure value

Quality and efficiency of energy supply
Energy Produced and Distributed
Incidents with third parties

IMPACTS

Reduction of CO₂ emissions through promotion of renewable energy
Reduction of air pollutant emissions
Reduction of consumption of Natural Resources
Ensuring water quality
Preservation of biodiversity
Reduction of energy consumption through energy efficiency measures

Promotion of diversity and equal opportunity
Promotion of employee skills development
Promotion of occupational health and safety
Promotion of employee satisfaction

Reputation and recognition
Promotion of social investment
Promotion of customer satisfaction / customer experience
Promotion of an ethical culture
Supplier development

Minimizing financial risks
Debt reduction

Promotion of innovation and research
Promotion of the adoption of sustainable consumption behaviours
Leveraging generated knowledge

Ensuring the quality and efficiency of energy supply
Promotion of safety of facilities and equipment

MARKET FORCES

KEY TRENDS

STAKEHOLDERS

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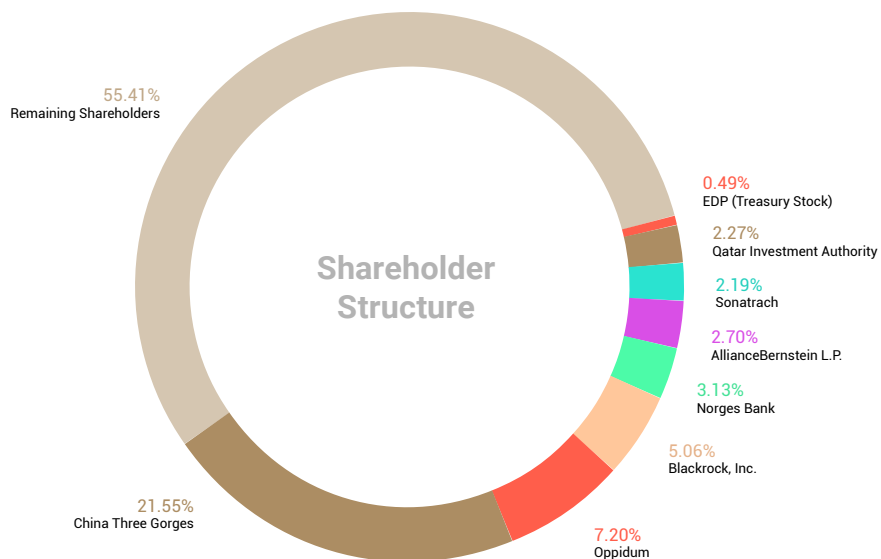
1.8.

SHAREHOLDER STRUCTURE

Capital structure

The share capital is 3,965,681,012 euros and is fully paid up, as provided for in article 4 of the Company Statutes, being represented by 3,965,681,012 shares with a nominal value of 1 euro each.

The breakdown by EDP shareholder, on 31 December 2020, was as follows:

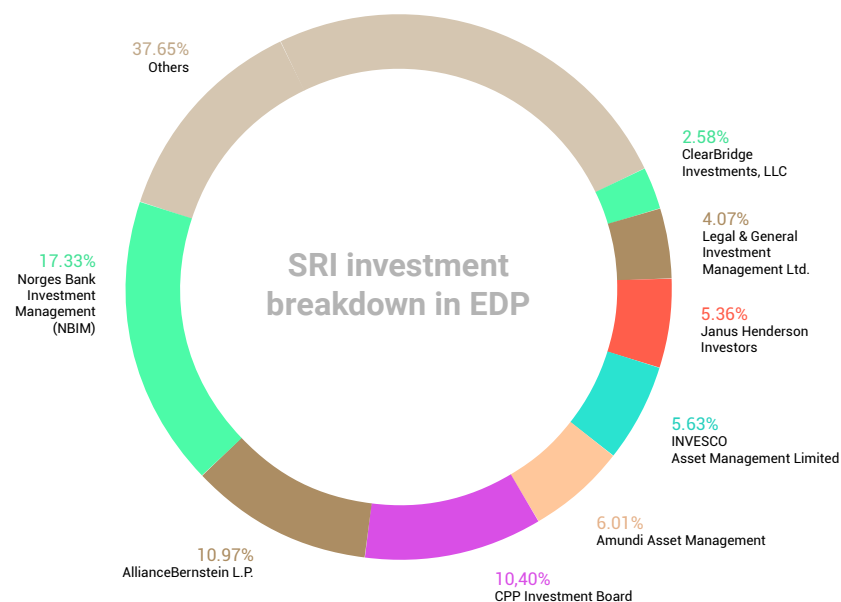


For more details go to [Annual Report 2020](#).

SRI Investors

According to the results of the analysis prepared by Nasdaq, EDP had 109 SRI investors (67 more compared to 2019). Following an approach supported exclusively on the analysis of environmental, social and governance factors, these investors manage more than 600 responsible investment funds and hold 719,384,225 shares. This volume of shares represents 18.1% of EDP's share capital (up 9 percentage points compared to 2019) and 36.4% of institutional investors' holdings (up 17.6 percentage points compared to 2019).

The breakdown of the socially responsible investment per EDP shareholder was, on 31 December 2020, as follows:



For more details go to page ##.

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1.9. Governance of the company

EDP's governance structure is a dual model one and consists of the General Meeting, Executive Board of Directors, General and Supervisory Board and the Statutory Auditor.

The separation of management and supervision roles is embodied in an Executive Board of Directors, which is responsible for the management of the Company's business, and a General and Supervisory Board, the highest supervisory body.

The division of competences, inherent to such model, between the Executive Board of Directors and the General and Supervisory Board, has been assuring an effective management of the Company, benefitted by a constant and attentive supervision. The dual model of corporate governance in place at EDP since July 2006 has allowed for an effective separation of the Company's supervision and management in pursuit of the goals and interests of EDP and its shareholders, employees and other stakeholders, thereby contributing to achieving the degree of trust and transparency necessary for its adequate functioning and optimization.

It is also important to note that this governance model has proven to be adequate to the size and shareholder structure of the Company, allowing for constant supervision both by the reference shareholders and by the independent members, through the respective intervention in the General and Supervisory Board. Considering the transversal competences of the General and Supervisory Board and the specificities of the activities of the five Specialized Committees, the integration of members of the General and Supervisory Board and of the Executive Board of Directors of EDP should,

according to the [Selection Procedure of the members of the General and Supervisory Board and of the Executive Board of Directors](#), ensure diverse skills, professional experiences, diversity of knowledge, gender and cultures, taking into account the specificities of the Company's business. Along with the concern for the individual adequacy of each member, it is also sought that the composition of the governing bodies and corporate bodies demonstrate a collective adequacy, bringing together the professional and personal skills necessary for the proper performance of the functions of each body of EDP. Likewise, in determining the respective number of members, the size of the Company, the complexity of its activity and its geographical dispersion are considered, in addition to the costs and the desirable speed of operation of the administration.

The following pages briefly describe the specifics of the current model of corporate governance as well as its practices. More detailed information on the topic is reflected in the [Corporate Governance Report](#).

Specificities of the current corporate governance model

Corporate entities

General and Supervisory Board

In the exercise of its duties – see Article 441 of the Companies Code and Article 22 of EDP's Articles of Association - the main mission of the General and Supervisory Board is to constantly advise, monitor and supervise the management activities of EDP, cooperating with the Executive Board of Directors and the various other corporate bodies in pursuit of the Company's interests, pursuant to the Companies Code and the company's Articles

of Association. It is elected by the shareholders at the General Meeting.

Pursuant to Article 21 (1) of the Articles of Association, the General and Supervisory Board consists of no fewer than nine effective members, but always more than the number of members of the Executive Board of Directors. The majority of the elected members of the General and Supervisory Board must be independent, pursuant to Article 21 (4) of the Articles of Association.

For more information, see items 17 and 21 of Chapter 4 of the [EDP's 2020 Annual Report](#).

Executive Board of Directors

The Executive Board of Directors is responsible for managing the Company's activities and representing the Company, pursuant to Article 431 of the Companies Code and Article 17 of the Articles of Association and was elected by the shareholders at a General Meeting.

Pursuant to Article 16 (2) of the Articles of Association of EDP, the Executive Board of Directors must have a minimum of five and a maximum of nine members.

The members of the Executive Board of Directors may not exercise executive functions in more than two companies not integrating EDP group, and the exercise of the referred functions shall be subject to prior appraisal by the Executive Board of Directors, according to Article 6 of the Internal Regulation of such body.

The Executive Board of Directors is responsible for defining the EDP group's organisational model and splitting competences among the different Business Units, the Shared Services companies (EDP Global Solutions - Gestão Integrada de Serviços, S.A. and EDP Real Estate Global Solutions – Imobiliária e Gestão de participações, S.A.) and the central structure. This structure consists of a Corporate Centre that provides assistance to the Executive Board of Directors in defining and monitoring the execution of strategies, policies and goals.

Apart from the Corporate Centre, EDP has Business Units, allowing for optimisation and greater efficiency of the organisational structure.

The Executive Board of Directors is also assisted by specialised committees, which ensure more effective monitoring of matters and contribute to the decision-making process.

For more information, see items 17 and 21 of Chapter 4 of the [EDP's 2020 Annual Report](#).

Statutory auditor

The Statutory Auditor is the company body responsible for the examination of the accounting documents. It is elected by the General Meeting for a three-year term, pursuant to Article 25 of EDP's Articles of Association and Article 446 of the Portuguese Company Code.

Since the General Shareholders' Meeting held on 5 April 2018, date of its respective election, is PriceWaterhouseCoopers was appointed External Auditor, being João Rui Fernandes Ramos the partner in charge of overseeing and performing audits of the EDP group's accounts, being

PriceWaterhouseCoopers registered before the CMVM with the number 20161485.

For more information, see items 17 and 21 of Chapter 4 of the [EDP's 2020 Annual Report](#).

Corporate bodies

Remuneration Committee of the General Meeting

The remuneration of the corporate bodies, with the exception of the members of the Executive Board of Directors, is defined by the Remuneration Committee elected by the General Meeting (Article 11 (2) (d) of EDP's Articles of Association).

Pursuant to the Articles of Association, the majority of the members of the Remuneration Committee of the General Meeting must be independent.

Environmental and Sustainability Board

As a corporate body, the Environment and Sustainability Board has powers to advise the Executive Board of Directors on environment and sustainability matters. In particular, it provides advice and support in defining the Company's environmental and sustainability strategy and drafting opinions and recommendations on the environmental impact of projects planned by the EDP group (Article 28 (1) of EDP's Articles of Association).

Financial Matters Committee/Audit Committee

In accordance with the law, the Articles of Association and the Internal Regulation of the Financial Matters Committee/Audit Committee, this Committee is mainly responsible for permanently monitor and supervise the following:

- financial matters and accounting practices
- internal audit practices and procedures
- internal mechanisms and procedures of the Internal Control System for Financial Reporting (ICSFR)
- matters relating to risk management and control system
- the activities and mechanisms of the compliance management system
- the activity and independence of the Statutory Auditor (SA) / Statutory Auditor Company of EDP.

Other Statutory Bodies

Remuneration Committee of the General and Supervisory Board

The Remuneration Committee appointed by the General and Supervisory Board, pursuant to Article 27 of EDP's Articles of Association, defines the remuneration of the Executive Board of Directors as well as any supplements.

Corporate Governance and Sustainability Committee

The Corporate Governance and Sustainability Committee is a specialized committee of the General and Supervisory Board. Its purpose is to permanently monitor and supervise all matters related with the following:

- corporate governance
- strategic sustainability
- internal codes of ethics and conduct
- systems for assessing and resolving conflicts of interests, in particular pertaining to relations between EDP and its shareholders
- internal proceedings and relationship between the Company and Subsidiary or group companies and their employees, clients, providers and remaining stakeholders.

Strategy and Performance Committee

The Strategy and Performance Committee supervises the following matters:

- the short-, medium- and long-term scenarios and strategies
- the strategic implementation, business planning and the respective budgets

- the investments and divestments
- debt and funding
- strategic alliances
- market and competitiveness evolution
- regulation
- analysis of the performance of the group and the Business Units
- the benchmarking of the Company group performance compared with the companies at the top of the sector
- the assessment of the competitiveness of the EDP business portfolio.

United States of America Business Affairs Monitoring Committee

The mission of the United States of America Business Affairs Monitoring Committee is to monitor and assess the activity undertaken by companies wholly or majority held by and/or subsidiary of EDP group in the United States of America, namely regarding:

- the strategic/business plans, assessing the different developing scenarios in which they rest and their implementation

- the annual budget
- the investment, divestment, merger, acquisition and restructuring projects of significant value businesses
- financing transactions
- alliances /strategic partnerships entered into and the specific actions deriving therefrom.
- equests for prior opinion or waiver of prior opinion presented by the EBD
- the compliance of the assumed commitments regarding public safety.

The Committee is also responsible for defining compliance procedures on the obligations assumed by EDP regarding the development of the business of companies wholly or majority held by and/or subsidiary of EDP group in the United States of America with respect to the General and Supervisory Board activity.

Corporate Governance practices

Under the current legal framework, EDP publishes an annual report on its governance practices, which includes the respective position regarding the adoption of the principles and recommendations of the Corporate Governance Code of the Portuguese Institute of Corporate Governance of 2018, and revised in 2020, specifying, in particular, the recommendations in relation to which the respective acceptance is not verified and the associated reasons.

In the exercise of best practices in the area of corporate governance, EDP has, in several aspects, gone beyond legal and regulatory requirements, thus strengthening the confidence of EDP shareholders and other stakeholders. In this context, and without prejudice to this information being detailed in Chapter 4 of the Corporate Governance Report, it is important to highlight the following topics and the way EDP addresses them. At www.edp.com one finds a skills matrix, a valuable tool for assessing the skills and experience of the members of the General and Supervisory Board.

Transactions with related parties

The General and Supervisory Board approved in 2009 objective, transparent rules on the identification, prevention and resolution of relevant corporative conflicts of interest called Framework on Handling of Conflicts of Interest.

Following a resolution made by the General and Supervisory Board, on 17 May 2010 the Executive Board of Directors approved the rules on identification, in-house reporting and procedure in the event of conflicts of interest applicable to all EDP group employees who play a decisive role in transactions with related parties. As part of its improvement of governance practices, on 29 July 2010, the General and Supervisory Board approved EDP's Regulation on Conflict of Interest and Transactions between Related Parties, which was reviewed in 2015 and a new version was approved on 29 October 2015.

However, considering the changes introduced by Law No. 50/2020, of 25 August, as well as the constant adoption of best practices by the Company, between late 2020 and early 2021, a revision process of the current internal rules related to this matter is being conducted. The currently in force version is available for consultation at www.edp.com.

The Corporate Governance and Sustainability Committee is responsible for supervising enforcement of the aforementioned rules and [reports on its work to the General and Supervisory Board](#).

Functioning of the Corporate Bodies, based on the Corporate Governance pillars of separation of skills, independence and diversity

EDP's Articles of Association (Article 9 (1), Article 10 (1), Article 11 (2) (d), Article 21 (4), Article 22 (1) (a), Article 23 and Article 27) and the Internal Regulation of the General and Supervisory Board (Article 8), both available on its website (www.edp.com), lay down the rules on independence and incompatibilities for members of any of the Company's corporate bodies.

The criteria of independence, set out in Article 9 (1) of EDP's Articles of Association, are in line with those laid down in 414 (5) of the Companies Code and determine that independence means an absence of direct or indirect relations with the Company or one of its bodies and an absence of any circumstances that might affect impartiality of analyses or decisions, e.g. because the people in question own or are acting on behalf of owners of a qualifying shareholding of 2% (two percent) or more of the share capital of EDP or have been re-elected for more than two terms of office continuously or intermittently.

In view of the need to clarify the aforementioned Article 414 (5) of the Company Code, as there are diverging legal opinions, Associação de Emitentes de Valores Cotados em Mercado ("AEM") requested an opinion from the CMVM, whose opinion was that the capacity as independent is only lost if, "on the basis of the criterion of number of terms of

office, in a situation likely to affect his/her impartiality in analyses or decisions if the members of the supervisory bodies of public limited companies, having been elected for a first term of office and re-elected continuously or intermittently for a second and third term, are re-elected (for the third time, therefore) for a fourth term of office."

Pursuant to its Internal Regulation, the General and Supervisory Board has in place a specific procedure regarding compliance with a large number of rules on incompatibilities and independence applicable to positions on this board (Articles 7 and 8 of the General and Supervisory Board Internal Regulation). This procedure includes the following aspects:

- acceptance of a position as member of the General and Supervisory Board is subject to a written statement setting out specifically (i) the inexistence of any incompatibility under the law or Articles of Association; (ii) compliance with the independence requirements set out in its Internal Regulation, if the person has been elected as an independent member; (iii) the members' obligation to report to the Chairman of the General and Supervisory Board or, for the Chairman, directly to the board any subsequent event that might generate incompatibility or loss of independence
- every year, the members of the General and Supervisory Board must renew their statements as to the inexistence of incompatibility and, if applicable, the compliance with the independence requirements.

Also every year, the General and Supervisory Board conducts a general assessment of compliance with the rules of incompatibility and independence by its members.

At the same time, the Internal Regulation of the General and Supervisory Board has broadened the independence criteria applicable to its members, going beyond the provisions of Article 414 (5) of the Companies Code and Article 9 of EDP's Articles of Association, and so people who directly or through their spouse or relative or similar in a straight line and to the collateral third degree, inclusive, are in one of the following situations cannot have independent status:

- being holder, director, having contractual ties or acting on behalf or on the account of owners of a qualifying shareholding of 2% (two percent) or more of the share capital or voting rights in EDP or the same percentage in a company of which it is a subsidiary
- being a holder, director, having contractual ties or acting on behalf or on the account of owners of a qualifying shareholding of 2% (two percent) or more of the share capital or voting rights in a company that is a competitor of EDP
- having been re-elected for more than two consecutive or non-consecutive terms of office
- having exercised for twelve years, on a consecutive or non-consecutive basis, functions in any corporate body of the Company exception made to, from the end of its functions in any body and its new appointment, at least a three-year period has elapsed
- having, in the last three years, provided services or had a significant commercial relation with the Company or one of its Subsidiaries, and
- being a remuneration beneficiary paid by the Company or one of its Subsidiaries other than the remuneration

deriving from the execution of its functions as a member of the General and Supervisory Board.

The rules of independence covering members of the General and Supervisory Board are particularly important regarding the following requirements:

- the board must consist of a majority of independent members (Article 434 (4) and Article 414 (5) and (6) of the Companies Code and Article 21 (4) of EDP's Articles of Association)
- the Financial Matters Committee/Audit Committee is entirely composed of independent members of the General and Supervisory Board (Article 23 (2) of EDP Articles of Association and Article 3 (1) of the Financial Matters Committee/Audit Committee's Internal Regulation)
- the Remuneration Committee of the General and Supervisory Board must comprise a majority of independent members (Article 27 (1) and Article 28 of the Articles of Association (1) (b) of the General and Supervisory Board's Internal Regulation)
- the United States of America (USA) Business Affairs Monitoring Committee must be composed mainly of independent members (Article 3 (1) of the Internal Regulation of the Business Monitoring Committee in the United States of America).

In compliance with the above procedure, at the start of their terms of office, the members of the General and Supervisory Board stated that they were not in any of the situations of incompatibility set out in the Companies Code (Article 414-A (1) (a) to (e), (g) and (h) (ex vi Article 434 (4)) and Article 437

(1)) and under Article 9 (1), Article 10 (1), article 11 (2) (d) and Article 21 (4) of the Articles of Association and, where applicable, that they complied with the independence requirements of the Internal Regulation of the General and Supervisory Board. Of the incompatibility situations for the exercise of the role of member of the General and Supervisory Board, pursuant to the Article 414-A of the Companies' Code, it is considered the exercise of functions of administration or supervisory in five companies. Therefore, one may not be elected or designated a member of the General and Supervisory Board if holds office of administrator or supervisor in five companies.

At the end of 2020, the members of the outgoing General and Supervisory Board renewed their statements on incompatibilities and independence.

The above statements are available to the public on EDP's website, at www.edp.com.

The respect for diversity within the governing bodies and in the appointment procedures constitutes one of the structuring elements of EDP's corporate purpose. The Internal Regulations of the corporate bodies, corporate entities and Specialized Committees which form part of EDP's structure set forth several provisions related to reputation, independence and incompatibilities applicable to the members of those bodies.

In particular, regarding gender diversity, it is convened by compliance with Law 62/2017, of 1 August, related to the balanced representation between men and women in governing and supervisory bodies in public sector entities and listed companies. Furthermore, EDP has a diversity policy according to which it undertakes to (i) promote mutual respect and equal opportunity, (ii) acknowledge the

differences as a source of strengthening human potential and valuing diversity in organizing, managing and in the strategy, and (iii) adopt positive discrimination and awareness measures, not only internally but also towards the community in order to have an effective and efficient implementation of the diversity policy.

Remunerations structure

The Remuneration policy for the members of the managing body have been fixed by the Remuneration Committee appointed by the General and Supervisory Board. This committee defined the remuneration of the directors, intending for it to reflect the performance of each member of the Executive Board of Directors in each year of their term of office (annual variable remuneration) and their performance during the total period of the term by fixing a variable component that is consistent with maximisation of EDP's long-term performance (variable multi-annual remuneration).

The remuneration policy statement, as approved by the shareholders, lays down that the total variable component can reach twice the fixed component during a term of office, thereby placing a maximum limit of two-thirds of the remuneration depending on fulfilment of strict Company performance goals. The variable remuneration depends on the management's compliance with a performance level of 90% of the business plan, and the maximum values permitted by the Company's remuneration policy will only be earned if a level of compliance of 110% is reached.

Variable remuneration is divided into annual, which may only reach 80% of fixed remuneration, and multi-annual, which may reach 120% of the fixed remuneration. The multi-annual remuneration, although calculated annually, it only becomes effective if, at the end of the term, in average, at least 90% of

the fixed goals have been achieved, assessed by the performance of the Company, by its comparison with strategic benchmarks of reference and by the individual contribution of each member of the EDB for that aim.

If the remuneration goals are fully met in a term of office, 60% of the directors' variable remuneration is deferred for no less than three years.

For more information, see items 66 and following of [EDP's 2020 Annual Report](#).

Activity assessment

On the initiative of the General and Supervisory Board, EDP has voluntarily established a formal, impartial process to assess the activity of this board and of the Executive Board of Directors. Experience of recent years has allowed the General and Supervisory Board to make some changes in the process to make it more effective and efficient. During the 2020 financial year, the method used comprises the following stages:

- carry out the collective evaluation process of the General and Supervisory Board, its Specialized Committees and the Executive Board of Directors to an external entity, in order to have individual questionnaires to the General and Supervisory Board members support in completing and validating the treatment of information to support the evaluation process
- in the beginning of 2021, each member of the General and Supervisory Board have answered a questionnaire prepared by specialized consultants, answering to quantitative and qualitative matters, in particular on matters related to the composition, organization and

functioning, activity performance of the General and Supervisory Board, relationship between the General and Supervisory Board and the Specialized Committees and other EDP corporate bodies as well as to proceed with the analysis of matters related with the composition, organization of the Executive Board of Directors, its activity performance and the relationship between the Executive Board of Directors and the General and Supervisory Board including to other interlocutors

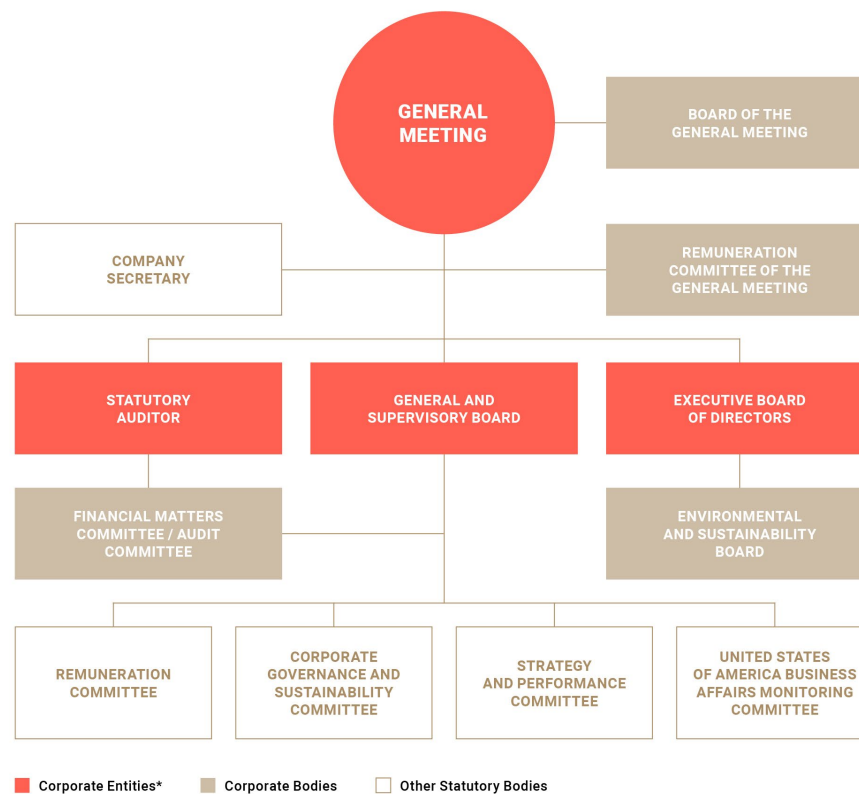
- reports were produced on the General and Supervisory Board evaluation, on its Specialized Committees and on the Executive Board of Directors, which were available for assessment in the General and Supervisory Board meeting
- in its meeting, the General and Supervisory Board issues its assessment opinions and they are included in this board's annual report
- at the General Meeting, the Chairman of the General and Supervisory Board presents the board's opinion in the item of the agenda for assessment of the Executive Board of Directors.

Worth also noting that the General and Supervisory Board annually performs:

- a self-assessment of its activity and performance and those of its committees, the conclusions of which are set out in its annual report (see Article 12 of the General and Supervisory Board Internal Regulation)
- an independent assessment of the activity and performance of the Executive Board of Directors, the conclusions of which are submitted to the General Meeting and are presented in an annex to the annual report of the General and Supervisory Board.

The results of the assessment procedure of the General and Supervisory Board, of the respective Specialized Committees and of the Executive Board of Directors are available at the Annual Report of the General and Supervisory Board.

Organisation chart, delegation and division of powers



*Corporate Entities are also Corporate Bodies, pursuing the article 8 of EDP's articles association.



DECLARATION*

INTERNAL EVALUATION PROCESS OF EDP'S EXECUTIVE BOARD OF DIRECTORS

In light of the best practices of corporate governance, and aiming the continuous improvement of the internal evaluation process applied voluntarily in EDP to its Executive Board of Directors (EBD) by the General and Supervisory Board (GSB), Mercer prepared and proceeded to analyze the current evaluation process.

At the beginning of 2021, each GSB member was invited to complete an evaluation questionnaire, in order to assess their personal perception of EBD's performance. The questionnaire covers the evaluation of a diverse set of analysis dimensions (as shown in the table below), on a quantitative scale of 1 (Below expectations) to 5 (Excellent).

Detail on the dimensions analyzed

QUESTIONNAIRE	ANALYSIS DIMENSIONS
EBD's Evaluation	<ol style="list-style-type: none"> 1. Composition and organization 2. Performance of its activity 3. Relationship with the GSB 4. Relationship with other interlocutors

From the analysis of EBD's evaluation questionnaires filled by GSB members, all evaluated sub-dimensions obtained an average evaluation between "Opportunity for improvement" and "Excellent". It should also be noted that the average of the EBD's evaluations in the analysis dimensions in the table above was "Above expectations".

Mercer considers that the GSB's evaluation process on EBD performance adopted by EDP, is a good practice of corporate governance principles.

18th of February 2021

Mercer (Portugal), Lda.

represented by:

Digitally Signed By: RUI JOAQUIM DA COSTA GUERRA
Signing Date: 2021/02/23 18:57:21 GMT +00:00

Reason: I am approving this document

Rui Guerra
Manager
[Manager, in this quality and by power delegation]

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Mercer (Portugal) Lda.
Soc. Comercial por Quotas - Matricula na Cons. Reg. Com. de Lisboa e NIPC 501 192 115
Capital Social: 107.050,00€



DECLARATION*

INTERNAL EVALUATION PROCESS OF EDP'S GENERAL AND SUPERVISORY BOARD (GSB) AND SPECIALISED COMMITTEES

In light of the best practices of corporate governance, and aiming the continuous improvement of the internal evaluation process applied voluntarily by EDP to its General and Supervisory Board (GSB) and the different Specialized Committees, Mercer prepared and proceeded to analyze the current evaluation process.

At the beginning of 2021, each member of EDP's GSB was invited to complete an evaluation questionnaire, in order to assess their personal perception of the GSB / Committees performance. The questionnaire covers the evaluation of a diverse set of analysis dimensions (as shown in the table below), on a quantitative scale of 1 (Below expectations) to 5 (Excellent).

Detail on the dimensions analyzed in each questionnaire

QUESTIONNAIRE	ANALYSIS DIMENSIONS
GSB Evaluation	<ol style="list-style-type: none"> 1. Composition, organization and operation 2. Performance of its activity 3. Relationship with the Specialized Committees 4. Relationship with other EDP governing bodies 5. Individual self-evaluation
REMC Evaluation	
SPC Evaluation	
CGSC Evaluation	
FMC Evaluation	
BMC Evaluation	

GSB: General and Supervisory Board | REMC: Remuneration Committee | SPC: Strategy and Performance Committee | CGSC: Corporate Governance and Sustainability Committee | FMC: Financial Matters Committee/Audit Committee | BMC: United States Business Affairs Monitoring Committee

From the analysis of the questionnaires results, and with regards specifically to the evaluation of the GSB and each of the Specialized Committees, all sub-dimensions evaluated obtained an average evaluation between "Opportunity for improvement" and "Excellent".

It is also worth mentioning that the average of the GSB, SPC, CGSC and BMC evaluations in the dimensions analysis was "Above expectations" overall. Furthermore, the average rating of the REMC and FMC was "Excellent".

Mercer considers that the evaluation process of the GSB and each Specialized Committee adopted by EDP is a good practice of corporate governance principles.

18th of February 2021

Mercer (Portugal), Lda.

represented by:

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Reason: I am approving this document

Rui Guerra
Manager
[Manager, in this quality and by power delegation]

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Capital Social: 107.050,00€



1.10. Sustainability Organization

The EDP group recognises the importance of sustainability in its value chain, integrating ESG (Environmental, Social and Governance) risks and opportunities into its business strategy, particularly those that will be created by the energy transition. To pursue this path, EDP recognises that it is a pre-requisite of good management to guarantee the effective linking of the competencies and decisions of the respective corporate bodies.

Climate
was on the agenda of the
General and Supervisory
Board and the Corporate
Committees several times
during the year

I. Governing bodies

Sustainability issues, in particular climate issues in alignment with the recommendations of the Task Force on Climate-

Related Financial Disclosures (TCFD) are accompanied by a set of governing bodies, with clearly established roles and responsibilities. Additionally, our approach to implementing the TCFD recommendations in terms of strategy, risk management and climate reporting is analysed throughout the pages of this report, particularly in the chapter on [strategic approach, the year 2020, climate change](#), and the [annexes](#).

General and Supervisory Board – the corporate body responsible for advising, monitoring and supervising the management of EDP. At least once a year, the General and Supervisory Board discusses the strategy, policies, long-term plans and risks related to the business of the Company and its subsidiaries, in particular the respective strategic plan, in line with climate change. Given the nature and duties assigned to it, and in accordance with the law and EDP's Articles of Association, the General and Supervisory Board set up a specialised committee to deal with issues of particular importance in the area of sustainability: the Corporate Governance and Sustainability Committee. In addition to the activities of this Committee, due to the trends in the sector and markets in which EDP operates, sustainability issues, in particular those relating to climate change, climate risks, energy transition and EDP's involvement in the various energy forums were addressed at the meetings of the Financial Matters Committee and the Strategy and Performance Committee.

The following table presents the main themes related to the various dimensions of sustainability which have been reviewed by the General and Supervisory Board and its specialised committees. More details, including regular meetings, can be found in the [General and Supervisory Board Report](#).

EDP'S INVOLVEMENT IN SPECIFIC INTERNATIONAL CLIMATE FORUMS	ENERGY TRANSITION	CLIMATE CHANGE
February Corporate Governance and Sustainability Committee	February Strategy and Performance Committee	February Corporate Governance and Sustainability Committee
STRATEGIC AND CLIMATE RISKS	ALIGNMENT OF STRATEGIES WITH CLIMATE CHANGE	PERFORMANCE REPORT
May Strategy and Performance Committee	November General and Supervisory Board	December Corporate Governance and Sustainability Committee
June and December Financial Matters Committee		

Executive Board of Directors – the corporate body responsible for managing the company's activities and representing the company. Within the scope of Sustainability, it defines policies and objectives, following a proposal from the Sustainability Department. The Executive Board of Directors is ultimately responsible for the decision, supervision and control of risk management, and is responsible for approving the respective exposure limits by risk category and the allocation of resources, in accordance with the risk profile. With reference to the field of

sustainability, two central themes imply a proactive management of risks as they constitute a factor of uncertainty and volatility for the business, namely the global energy model and climate. Finally, the risk appetite is demonstrated through the adoption of comprehensive, specific and cross-cutting measures and KPIs and through the performance recognised by independent international reference entities. It should be noted that the member of the Executive Board of Directors responsible for sustainability issues is also responsible for risk management.

Environment and Sustainability Council – corporate body with consultative powers offering support to the Executive Board of Directors in defining strategy, including the formulation of opinions and recommendations regarding the environmental impact of projects. This Council is made up of five individuals of recognised competence in the area of defence of the environment and sustainability, who were elected at the General Meeting of 5 April 2018 for the 2018-2020 three-year period. It is chaired by the Chairperson of the Executive Board of Directors and by the member of the Executive Board of Directors responsible for sustainability issues. This corporate body is periodically consulted to provide advice and support for the corporate sustainability strategy, and climate is a topic frequently addressed. The Environment and Sustainability Council met twice in 2020.

Main sustainability issues addressed, in 2020, by the Executive Board of Directors by the Environment and Sustainability Council:

- EDP's strategy
- decarbonisation
- decentralisation

- digitization
- ESG factors
- electric mobility
- hydrogen.

II. Corporate Centre

In the Corporate Centre, the sustainability themes are accompanied with natural attention by the Sustainability Department, always in conjunction with the other departments, and by those responsible for sustainability in the business units. Of note in the process of linking with other departments is the Investor Relations Department, to which it provides appropriate sustainability information whenever requested, and the Corporate Risk Management Department, with which it liaises, among other aspects, to comply with the implementation of the TCFD's recommendations.

The Sustainability Department is responsible for supporting the Executive Board of Directors in defining and implementing the group's sustainability and safety policy and strategy, proposing corporate objectives and targets, fostering their implementation and ongoing improvement in processes involving the business units and reporting consolidated non-financial information to stakeholders. As part of this, the Executive Board of Directors is periodically provided information by the Sustainability Department, and whenever necessary in conjunction with the Risk Management Department and the heads of the Business Units concerning sustainability issues. Included in this periodic reporting are:

- material issues, in particular climate change

- regular quarterly updates on the implementation of Climate related policies, actions and targets. Of note are the strategic KPIs relating to CO₂/kWh performance overall and per business unit; performance of energy savings associated with sales of energy services launched and implemented by business units
- presentation and updating of the risks and opportunities emerging with the climate and contextualised within the TCFD recommendations, aimed at improving its management process and business continuity; and enabling business units with climate change adaptation plans
- contributions to the analysis of investments and deviations in electricity generation due to low hydric levels, with an impact on business plans and annual budgets. Among some of the factors that stand out are changes in CO₂ prices
- proposals for new climate policies, actions and targets, aligned with EDP's corporate sustainability strategy.

III. Business units

The business units implement the sustainability policies and objectives approved by the Executive Board of Directors, through their own projects and targets. Additionally, they collaborate in the quantification of climate risks and in the quarterly monitoring of sustainability metrics.

IV. Committees

The EDP organizational model provides for management committees that contribute in two ways to the Company's decision-making process:

- they input information to assist the Executive Board of Directors in its decision-making reflecting opinions and information from the areas in the organisation most affected by the proposal in question
- they are used by an organisational unit (belonging to the Corporate Centre, a Business Unit or shared service unit to assist in gathering information, alignment, decisions and implementation of policies and practices with an impact on a number of areas in the organization.

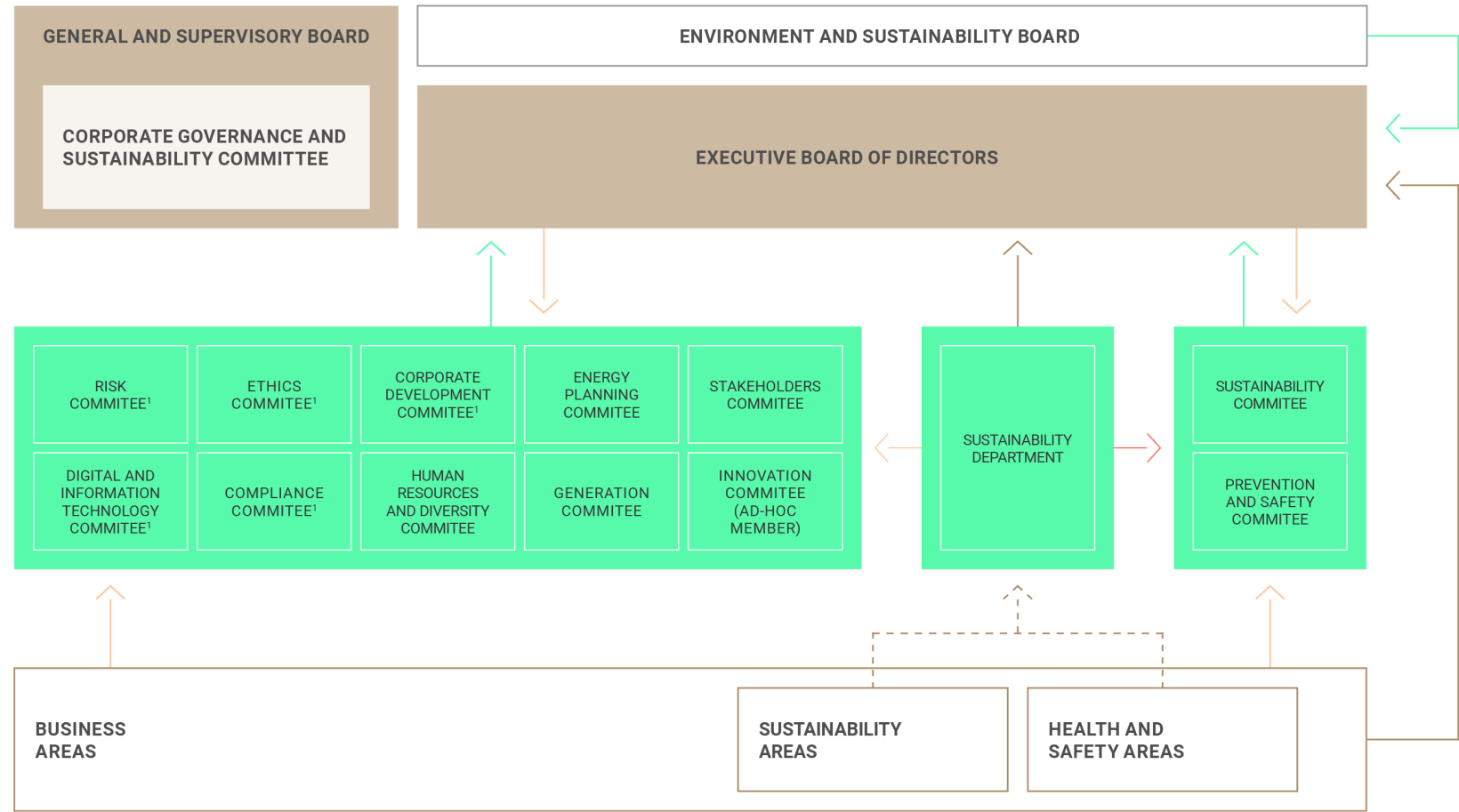
Sustainability themes are addressed with particular attention in two of these Committees:

- **Sustainability Committee** – this Committee is chaired by the Chairperson of the Executive Board of Directors and its secretary is the Director of the Sustainability Department. It supports management in sustainability issues. Its permanent members are the head of the corporate sustainability area on the Executive Board of Directors, directors of the Corporate Centre and representatives of business units. Its object is to support the Sustainability Department in the process of developing corporate policies or developing positions on certain sustainability issues of corporate interest, such as the debate on the evolution of the group's environmental performance and the Sustainability and Environment Operational Plan, ensuring alignment and coordination between the parties. In addition to the Sustainability Department, the following Departments are also present: Risk Management, Energy Planning, Investor Relations, Human Resources, EDP University, Coordination of Brand Management, Marketing and Communication, Institutional and Stakeholder Relations. This committee meets at least once a year. The Sustainability Committee held one meeting in 2020

- **Prevention and Safety Committee** – this Committee is chaired by the Director of the Executive Board of Directors with responsibility for the area of sustainability and its secretary is a representative of the Sustainability Department. Its mission is to issue opinions on proposals for the definition of objectives, the activity plan and policy documents on prevention and safety at work. It evaluates the development of the main indicators and proposes improvement actions. In addition to the Sustainability Department, the Prevention and Safety Committee also includes the EDP University and business unit representatives. The Prevention and Safety Committee held two meetings in 2020.

Other committees also form part of the Central Structure and include the Director of the Executive Board of Directors responsible for sustainability or the Director of the Sustainability Department, as shown in the image on the following page.

Sustainability organization



- Corporate body
- Corporate entity
- Other statutory bodies
- Corporate centre and committees
- Business units
- Functional reporting/policies and strategies alignment
- Hierarchic reporting
- Participates
- Supports
- Provides secretarial duties

¹ Indirect participation through the ebd member.



Talking with the Professor José Manuel Viegas

Listening to the different stakeholders is an important practice at EDP. [The Environment and Sustainability Council \(ESC\)](#) is one of the voices that is brought in to debate trends in the sector, recommend improvements and identify the main challenges to be faced. The president of this consultative body, José Manuel Viegas (JMV), deconstructs in this interview the backstage of this corporate entity, vital for the internal and external evolution of the company in the current context of risk.

1. What are the main topics discussed in the ESC in the last three year period?

JMV: The ESC meets twice a year for 2 to 3 hours at each meeting. The need to reach a certain depth in the discussion of topics naturally imposes a limitation on the number of topics that can be discussed.

This three-year period (2018-2020) has seen a clear increase in sustainability concerns in energy sector policies and practices:

while at the beginning there was talk of electrification and the gradual switch from fossil sources to renewable energies, in the middle the emphasis was already on accelerated decarbonisation, and by the end completely different vectors and solutions for decarbonised energy were being addressed. It was during this period that the commitments to carbon neutrality emerged in Portugal and other countries, and as early as 2020 the European Climate Pact made bold commitments and mobilised the corresponding funds.

The ESC meetings dealt successively with EDP's strategy, the technical, regulatory and tariff challenges of the electrification process across all sectors of activity, the 3D's that most impact the electricity sector (Decarbonisation, Decentralisation and Digitalisation) and how they radically change the business, the growing importance of ESG (Environment, Social and Governance) components in the evaluation of companies by investors, electric mobility and the positioning EDP intends to have in that market, and the role of hydrogen as an energy vector in several sectors of activity, with the strategic evaluation of the interest of EDP and Portugal already being involved on a significant scale on that front.

2. What areas has EDP become a leader?

JMV: In addition to being the Portuguese market leader in the electric power sector, EDP is recognised as one of the world's leading companies in the sector of electricity generation with renewable sources, with significant activity in different geographical markets and in various technological aspects. But in addition, EDP is one of the highest ranked companies in the Dow Jones Sustainability Index in the world, in 2019 it ranked first among integrated utilities and second among utilities.

These top positions have been held for 12 years, and reflect not only the extent of their presence in renewable energy, but also the full range of activities and practices within the group, with this leading position playing an important role in generating interest on the part of investors, who are increasingly giving more importance to ESG issues in their capital allocation decisions.

3. What are the main challenges EDP faces?

JMV: The undeniable speed of technological evolution (in parallel with the 3D's previously mentioned) and the need to accompany it (even being a main player in some of these steps) is certainly a very relevant challenge for a company like EDP, because the loss of focus can quickly lead to less competitive situations.

But, contrary to what it may seem, this is not the main challenge. EDP has a very competent technical structure and has a very healthy relationship with start-ups, both on the technological front and in business models and relationships with consumers, and should therefore feel confident in meeting this challenge.

“The composition of the ESC, with members who are experts in different fields relevant to energy production or use, but not energy technologies, helps to create a discussion environment enriched by multiple perspectives.”

A very real problem stems from the fact that, as was said one of the ESC meetings on the energy transition said, “technology is moving faster than business and business is moving faster than regulation, which is still very much dependent on politics”.

It is normal that policy frameworks in sectors of major importance that cut across society and the productive economy must always consider multiple aspects and interests. And it is inevitable that a large number of regulators, even if formally independent of governments, will take account of this multiplicity of important views for governments in the laws defining tariffs and the terms of competition in the markets. But the slowness of these reactions, and with some frequency the very low predictability of emerging rules, are a benchmark that is very difficult to navigate by capital-intensive companies such as those in the energy sector.

And it must be understood that, thanks to the migration to renewable sources and the much greater efficiency of the electrical vector over declining energy sources, all this

transformation will take place within a framework of reducing total energy consumption and switching to sources which, in a significant part of production, have (almost) zero marginal production costs. In other words, it is not only about rapid technological transformation and slow and sometimes hesitant regulatory change, there is also an inevitable and profound change in the business model.

4. What is the ESC’ role in meeting these challenges?

JMV: The role of the ESC is above all that of an attentive and encouraging mediator, sometimes questioning some of the options EDP has taken, sometimes raising questions - mostly on related topics or in the broader context of the subject under discussion - that could affect EDP’s decisions.

The subject to be discussed at each meeting is decided in advance by agreement between the Chairperson of the ESC and

EDP’s Executive Board, beginning the meeting usually with a presentation by EDP’s staff on how the company is approaching this subject.

The composition of the ESC, with members who are experts in different fields relevant to energy production or use, but not energy technologies, helps to create a discussion environment enriched by multiple perspectives.

Our expectation is that the discussions within the ESC - whose sessions are often attended by several members of EDP’s Executive Board of Directors - may provide a set of avenues for reflection that in some cases lead to adjustments in the company’s vision or decisions, in order to take into account aspects raised there and not contemplated before in internal discussions.

1.11.

STAKEHOLDERS MANAGEMENT

In the context of extraordinary challenges worldwide, the need to maintain a dialogue with a broad range of stakeholders to face shared challenges has gained even more strategic relevance.

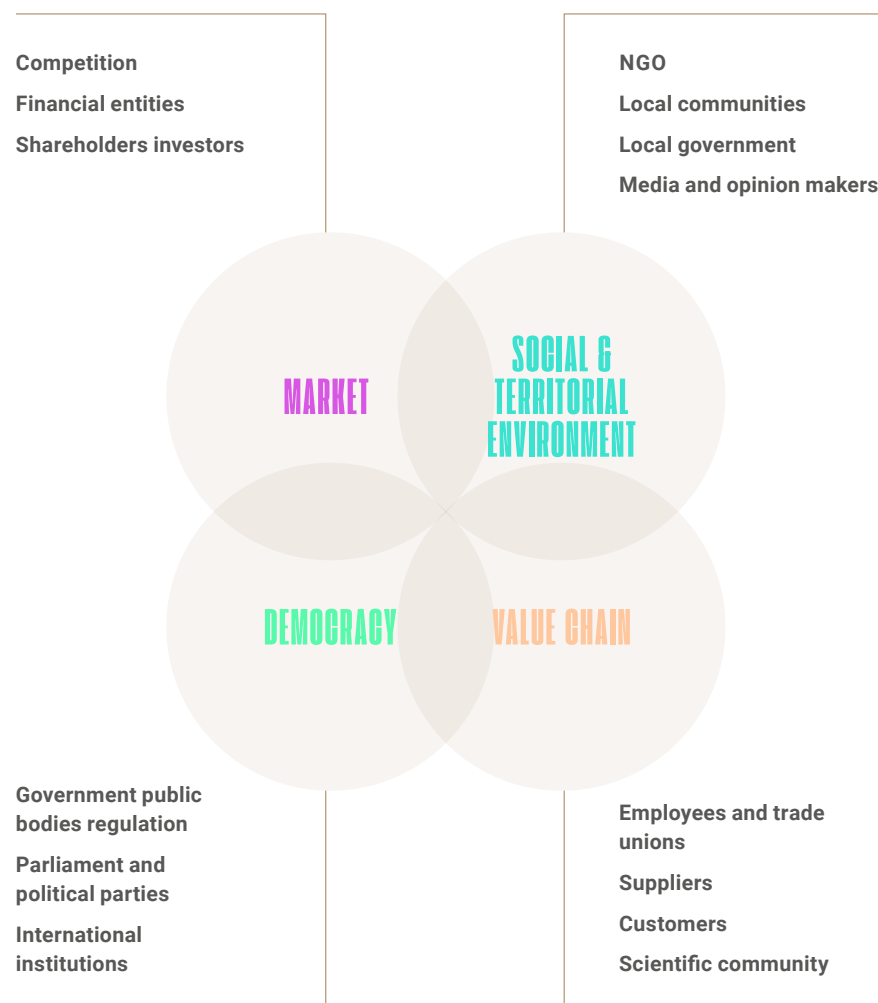
The importance of this activity is increasingly central to the global business landscape. However, EDP's commitment to this subject is not new and was even a pioneer. Almost a decade ago, EDP set up the Institutional Relations and Stakeholders Department, whose purpose is to contribute to the execution of its business plan, improve its reputation among priority stakeholders and continue to achieve international excellence in this area. Incorporating this vision as a necessary and essential condition for the business itself, allows the EDP Group to ensure the strength and sustainability of its results.

Given the great capillarity of this activity, both at a strategic and operational level, employees from different business areas are counterparts for the stakeholders. It is, therefore, essential to ensure that they have access to awareness-raising actions. A good example is the one

carried out in 2020, through the provision of e-learning on Stakeholder Management, which had the participation of more than half of the employees in Portugal.

Efficient stakeholder management implies that the views of interested parties are heard, considered, and incorporated into the company's activity. In this sense, EDP frequently conducts consultations with a wide range of stakeholders, hearing several segments in Spain, Brazil, and the United States of America in 2020.

In Portugal, investors and suppliers were enquired either through online surveys or through individual interviews. Finally, we are pleased with the international recognition that the commitment and permanent deepening of the EDP Group's relationship with its stakeholders has received. Namely by the fact that EDP was considered Best in Class, for the fourth consecutive year, in the Stakeholder Engagement and Policy Influence criteria of the Dow Jones Sustainability Index.



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STRATEGIC APPROACH

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02

Strategic approach

2.1. Sector trends

Possible trajectory with current policies

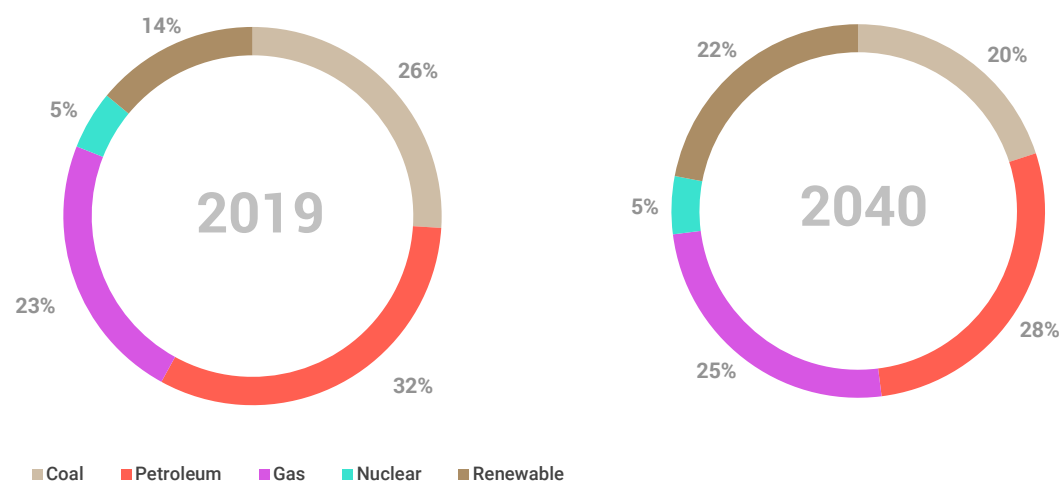
Carbon emissions from the energy sector in 2019 remained constant compared to 2018, and are estimated to have dropped significantly in 2020 due to the Covid-19 pandemic. The International Energy Agency (IEA) estimates in its current policy scenario (Stated Policies Scenario) of the World Energy Outlook 2020 (WEO20) that between 2019 and 2040 carbon emissions will remain stable, which represents a downward

revision of expected emissions. Even so, this development in emissions is well above what is necessary to limit the global temperature increase to 1.5°C compared with the pre-industrial values as defined in the Paris Agreement.

This stagnation of emissions is expected to occur despite the expected increase in primary energy consumption by 19% by 2040, essentially due to the reduction in coal consumption and the increase in the use of renewable energy. In this scenario, it is estimated that in 2040, fossil fuels will still represent 73% of primary energy consumption, with renewable energy sources accounting for 22% and nuclear energy the remaining 5%.

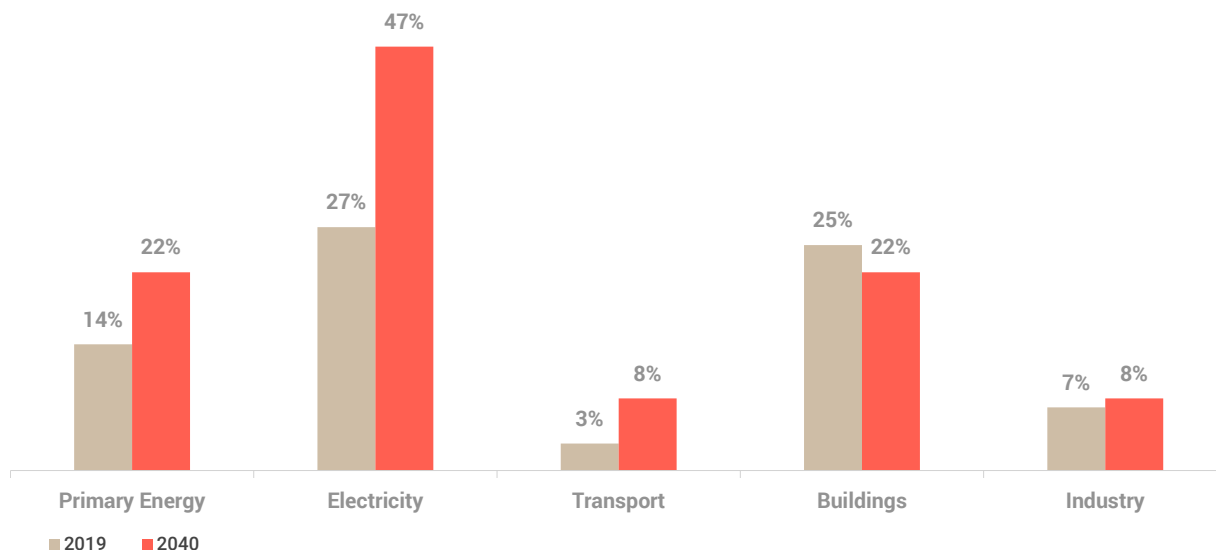
Despite the low contribution of renewable energy sources in terms of primary energy, this is not the case in the electricity sector. Indeed, renewable energy sources are expected to grow from 27% in 2019 to 47% in 2040 in the electricity breakdown, with special emphasis on investments in wind energy and photovoltaic solar energy. The increasing use of renewable energy sources and the reduction in the use of coal are expected to lead to a 9% reduction in carbon emissions in the electricity sector between 2019 and 2040. This reduction in emissions combined with the increasing electrification of consumption offers a clear contribution to the effort to decarbonize the global energy sector.

Primary energy sources in the world¹



¹ Source: International Energy Agency, World Energy Outlook 2020, Stated Policies Scenario

Use of renewables worldwide¹



Another factor that contributes to stabilizing carbon emissions is the clear decoupling between economic growth and increased demand for energy, which has resulted in a significant reduction (2.1% per year) in energy intensity at the global level. This, in turn, reflects the introduction of more energy efficient equipment as economies develop. At the same time, the global carbon intensity (the ratio that measures the amount of CO₂ emissions per energy consumed) in the energy sector is expected to decrease 2.9% per year.

The signs of a global effort

The global commitment to fight climate change increased during 2020, and it is estimated that almost 75% of the world's Gross Domestic Product (GDP) is produced in countries, regions or cities that have already established or are setting a goal of achieving carbon neutrality. Some of the regions that have already set targets for achieving carbon neutrality by 2050 include the European Union, Canada, Japan, South Africa, South Korea and, more recently, the United States, with China and Brazil having defined a carbon neutrality target by 2060. It is worth to highlight that, for the United States, the new President Joe Biden has fulfilled his

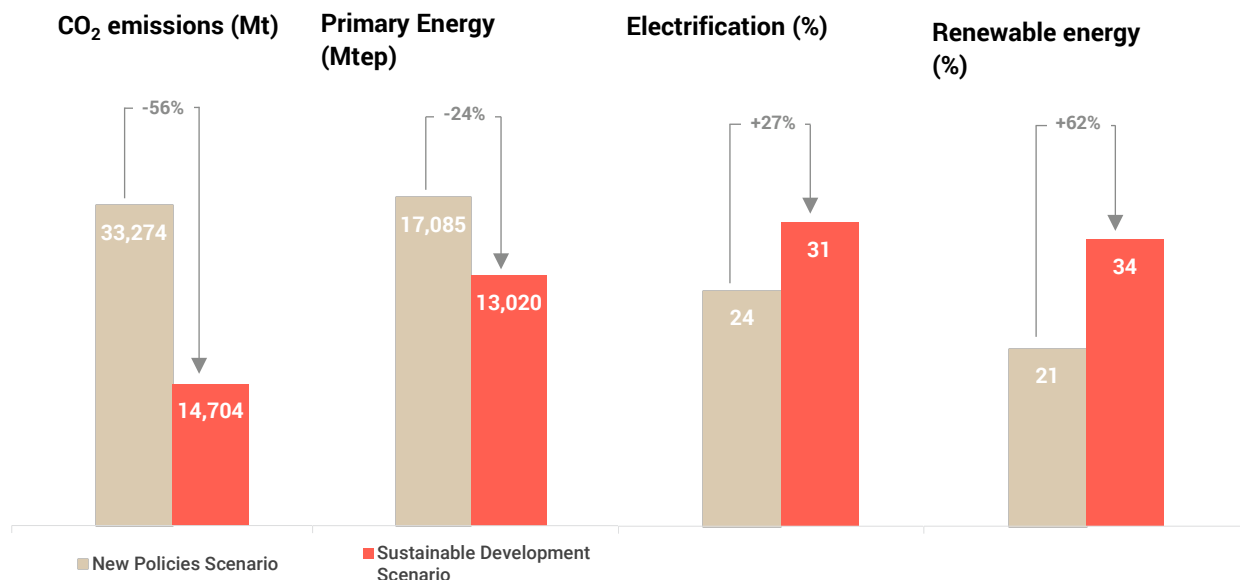
promise of re-signing the Paris Agreement on his first day as president. Despite all the positive signs, there are still several world regions, such as India and Russia, that have not established carbon neutrality as an objective to be achieved. The need to accelerate decarbonization worldwide and align with the trajectory defined by the Paris Agreement was reinforced in December 2020 by António Guterres, Secretary-General of the United Nations, who asked all world leaders to declare a state of climate emergency.

According to the IEA, achieving the main United Nations Sustainable Development Goals related to energy requires a transformation of the global energy system leading to a reduction of about 56% of CO₂ emissions in 2040 compared to the current policy scenario. The scenario of sustainable development proposed by the IEA in WEO20 is based on three main pillars compared to the current policy scenario: increasing energy efficiency by 24%, increasing electrification of the economy by 27% and increasing the share of energy consumed from renewable energy sources by 62%.

Energy efficiency is considered one of the key components for achieving sustainability, producing environmental benefits, reductions in energy costs and reductions in external energy dependence. According to the IEA's sustainable development scenario, it will be necessary to increase energy efficiency in order to stabilize primary energy consumption at current levels and accelerate the electrification of the economy, which translates into an increase in the volume of electricity in energy consumption from the current 21% to 31% in 2040.

¹International Energy Agency, World Energy Outlook 2020, Stated Policies Scenario

Objectives to meet the Paris Agreement in the world by 2040



Indeed, electrification has two major benefits: reduced energy consumption and greater penetration of renewable energies.

On the one hand, electric technologies, such as electric vehicles and heat pumps, are more efficient than conventional alternatives, which translates into a reduction in total energy consumption. The transport sector has been identified as one of the key sectors in achieving decarbonization targets. Starting from a very low electrification base (1% in 2019), the IEA identifies the need to achieve an electrification rate of 13% and a reduction in final energy consumption of 14% by 2040. Another very important sector is the building sector, which despite already having an electrification rate of 33%, should reach 52% by 2040, while also reducing its final consumption by 14%.

Furthermore, in line with what has historically been verified, the electricity sector will continue to be the main area responsible for the use of renewable energies. According to the sustainable development scenario, it will be necessary to increase its use in this sector from the current 27% to 72% by 2040, which represents a very significant additional effort in terms of installed capacity and technological development to make better use of available resources. This increase in capacity will happen along with a paradigm shift in the electricity sector, with the transition to an increasingly decentralized system and with consumers playing an increasingly active role.

Decarbonisation as an economic engine

2020 was marked by the global development of the Covid-19 pandemic. Several countries have implemented containment measures to try to control the contagion, including lockdowns, limitations on mobility and reduced opening hours for commerce and services. These measures had significant economic impacts, and it is estimated that world GDP will fall by more than 4% in 2020 and that the recovery in some regions may not occur before 2025, and also social impacts, with an increase in unemployment and the widening of inequalities.

In order to support the economic recovery, stimulus packages for economic development have been implemented all over the world. In particular, investment in renewable energy sources, energy efficient and low carbon technologies and digitalization have been identified as one of the main vectors in the allocation of funds, in order to promote a new model of economic growth and a more resilient society. Batteries and hydrogen have also been identified as technologies to be promoted as part of economic recovery, given their potential to transform energy systems and the opportunity for industrial development. In fact, it should be noted that environmental sustainability and economic growth are no longer seen as a trade-off but rather as complementary aspects of an integrated model for prosperity.

Additionally, the fight against energy poverty should be an aspect to be considered in stimulus packages, through the creation of specific funding lines for vulnerable consumers, with a special focus on the application of energy efficiency measures. Funding building renovation and purchasing efficient equipment, supported by the development of education measures for the population, will enable

consumers to reduce their energy needs, free the family budget and improve thermal comfort. If necessary, the implementation of social tariffs should be based on a welfare logic, financed by the State Budget or by the remaining consumers.

In July 2020, the European Council approved the creation of the “Next Generation” economic recovery fund, allocating it 750 billion euros, and the restructuring of the European Union’s multi-annual financial budget for 2021-2027, of around 1,100 billion euros. Of the total of 1,800 billion euros, at least 30% should be allocated to investments that contribute to reducing climate change. The agreement was finally settled on 11 December 2020.

However, it is also essential to create effective regulatory frameworks that give clear price signals and make the necessary investments feasible, particularly when it comes to assets with long working lives and which benefit from the long-term visibility of their revenues. In the case of the electricity sector, the introduction of renewable energy pushes down the wholesale market, characterized as marginal, due to its low (or even zero) variable costs. This reduction has a direct impact on the income from generation assets, jeopardizing their economic viability. This effect particularly impacts renewable energy, even though they are now cheaper than fossil fuels in several markets, and impacts backup technologies as well.

Long-term remuneration mechanisms, such as competitive auctions or corporate energy procurement contracts, are an effective solution to this problem. Competitive auctions have been adopted by more and more countries as a mechanism to ensure that the necessary investments in renewable technologies occur at the lowest possible price. The auctioning mechanism introduces the necessary competition

between agents, reduces the risk to investors by ensuring long-term visibility of quantities and prices, and allows for a better allocation of investments to the best-suited locations. In particular, the remuneration model based on contracts for difference shows benefits over other possible mechanisms, since it provides predictability for both investors and the electricity system.

Corporate energy acquisition contracts, on the other hand, have reflected the growing willingness of companies to meet their environmental objectives and reduce uncertainty over their energy costs. These types of contracts have been growing year by year, and are expected to also have increased in 2020, despite the pandemic.

The rapid growth of renewable-based installed capacity has affected the economic viability of several existing generation assets needed to provide strong capacity and ancillary services to complement the natural variability and intermittence of renewable resources. In this context and recognizing the inadequacy of the marginal market, several countries (such as Germany, France, the United Kingdom, Italy, several US markets, etc.) have chosen to implement capacity remuneration mechanisms that guarantee the necessary available power for the proper functioning of the electrical system.

The allocation of costs resulting from these types of support mechanisms for renewable energies and backup technologies should include a comprehensive perspective that includes economic and social aspects in order to reduce disparities. A clear example of inefficient cost allocation is the financing of investment in renewable energy sources is currently supported mainly by electricity consumers. This effect penalizes the electricity sector, which has contributed most to decarbonization efforts, and distorts competition

among the various energy carriers, jeopardizing electrification/decarbonization targets and penalizing consumers who are most dependent on this energy carrier.

The internalization in the energy markets of the environmental and social costs of carbon emissions, for example through a price associated with these emissions, enables us to provide the price signal needed to encourage investment in energy efficiency and low carbon technologies. This strategy has already been implemented in some countries, notably European ones, although its implementation is sometimes complex. In order to ensure that the carbon price does not distort energy markets by reducing its effectiveness, it should be designed with the widest possible geographical scope and cut across economic and energy sectors, taking into account the emissions associated with each energy source on the polluter-pays principle. The potential negative impact in economic and distributional terms should be minimized or even reversed by efficient recycling of tax revenues, through the creation of funding lines for low carbon technologies and the reduction of other taxes (such as income taxes). The possible loss of competitiveness of industries facing international competition must be tackled through trade-offs or the taxation of imported products on the basis of their associated emissions.

European energy and environmental policy

In order to reaffirm global leadership in combating climate change and becoming the first continent to have a neutral climate impact by 2050, the new European Commission that took office in November 2019 presented an ambitious

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European Green Deal on 11 December 2019. Among other actions, the plan includes:

A. Signing the European Union's commitment to greater climate ambition

The European Climate Law, proposed in March 2020 by the European Commission, aims to establish in law the European Union's commitment to achieving carbon neutrality by 2050. In order to demonstrate its commitment, the European Council agreed in December 2020 to revise the 2030 emission reduction target to 55% of greenhouse gas emissions compared to 1990, including carbon sinks. However, this agreement has yet to be approved by the European Parliament, which has already advocated for a revision to a 60% reduction.

Following the approval of the Clean Energy for all Europeans legislative package in 2018, European Union Member States submitted their National Energy and Climate Plans for assessment by the European Commission. The plans together, prepared while considering the previous 40% emission reduction target, point to a 41% reduction by 2030. Thus, it will be essential that these plans are revised to ensure fulfilment with the new objectives that will be signed.

B. Establish an appropriate regulatory framework

Increasing climate ambition requires an appropriate regulatory framework that promotes investment in renewable and efficient technologies. Thus, the European Commission has proposed the revision of various items of legislation, such as the Energy Efficiency Directive, the Renewable Energy Directive, the Energy Taxation Directive, and the emissions

trading scheme, among others. At the end of 2020, the European Commission launched various public consultations to collect the contributions of the various social stakeholders, and it is expected that the various review processes will take place during 2021.

According to the European Commission's impact assessment of the review of the emission reduction target by 2030, the target related to the share of renewable energy in final energy consumption should increase from the current 32% to 38-40% and the target for energy efficiency should increase from 32.5% to 36-37% in the case of final energy and 39-41% in the case of primary energy. These objectives will have to be taken into account by Member States during their review of the National Energy and Climate Plans, which is due to take place in 2023. The revisions of the Energy Taxation Directive and the emissions trading scheme should support compliance with these targets, promoting the polluter-pays principle and internalizing the costs derived from the impacts of the use of fossil fuels.

C. Develop strategies for new sustainable industrial clusters

Achieving the proposed targets requires the development and integration of new technologies, which provide an opportunity to ensure that economic development is not compromised by decarbonization efforts. As part of this, the European Commission has proposed a set of strategies, such as the Hydrogen Strategy and the Marine Renewable Energy Strategy, which aim to promote the research and development of these new technologies, prepare for their integration at scale and develop European industry.

The Hydrogen Strategy aims to promote the use of hydrogen, particularly if produced from renewable energy, as an

essential element for the decarbonization of energy uses in which electrification is not possible or is not the most cost-effective solution. This strategy sets a target of reaching 6 GW of electrolyzers by 2024 and 40 GW of electrolyzers by 2030 to produce renewable hydrogen.

The Marine Renewable Energy Strategy aims to support the use of marine renewable resources as a way to complement investment in land renewable energy. Currently, the European Union is already an industrial leader in marine technologies, with 12 GW of marine wind energy already installed, and has the target of reaching 60 GW of marine wind energy and 1 GW of ocean energy by 2030 (300 GW and 40 GW by 2050, respectively).

D. Ensuring fair energy transition

Recognizing that climate transition is a plan for the whole of society, but that there are disparities between regions and Member States, the European Commission will create a Fair Transition Mechanism, which will provide at least 100 billion euros during the 2021-2027 period. This mechanism will support regions with high carbon intensity, as well as citizens more vulnerable to climate change, creating programmes to develop new skills and employment opportunities in new economic sectors. In December 2020, the European Parliament and the European Council reached an agreement on the Fair Transition Fund, one of the instruments of the Fair Transition Mechanism which will have an allocation of 17.5 billion euros and will finance investments in renewable energy, energy storage, energy efficiency, urban heat networks based on renewable energy and smart and sustainable mobility.

Combating energy poverty is another of the European Commission's priorities. Given that energy poverty results

from the combination of low incomes, high costs and energy inefficiency, several initiatives are planned to minimize its effects. The renovation of buildings is a central initiative for the European Commission, given its potential to create jobs and boost the economy, improve energy efficiency and consequently reduce energy costs, and improve the population's quality of life.

E. Create financing mechanisms based on sustainable finance

The European Green Deal will stimulate and reaffirm public and private investment priorities in achieving the carbon neutral commitment in 2050, as shown through the mobilization of at least one billion euros in sustainable investments over the next decade. In December 2020, the European Parliament and the European Council reached an agreement that states that the Fair Transition Fund may not finance fossil fuel projects and that the European Regional Development Fund will be able to finance natural gas projects in coal-dependent regions until 2025, provided they comply with the sustainability criteria established in the European taxonomy: activities that carry out the environmental objective of adapting to climate change, provided that this activity gives rise to emissions below 270 g CO₂/kWh. This agreement is in line with that defined by the European Investment Bank (EIB), which will only consider projects as eligible for financing which emit less than 250 g CO₂/kWh.

To put sustainable finance at the heart of the financial system, the European Union has developed the European Commission Action Plan on Sustainable Finance (APSF), with ten actions, one of which is its Sustainability Taxonomy. The Taxonomy, approved and signed by the various Member States of the European Union in December 2019, is an agreement between all Member States for the existence of a

common classification system for sustainable investments that contributes to climate change mitigation and adaptation and also the exclusion of coal from sustainable financial products. The Sustainability Taxonomy is the foundation for the development of other objectives of the European Union, such as the European Standard for green bonds and changes in the monetary policies of central banks.

2.2. Risk management

Key risks

EDP group seeks to have a comprehensive perspective over the key risks it is exposed to, at strategic, business, financial and operational level, establishing processes to assure follow-ups and proactive management.

The year of 2020 was pinpointed by the Covid-19 pandemic, which led to relevant economic and social impacts. Risk management reinforced its importance, with an essential role in the pandemic management.

	ILLUSTRATION OF TOPICS (NOT EXHAUSTIVE)		RECENT EVOLUTION / EXPECTED IN THE SHORT-TERM	MITIGATION ACTIONS (NOT EXHAUSTIVE)
SURROUNDING CONTEXT	<ul style="list-style-type: none"> • Geopolitical instability • Social and economic crisis • Technological disruption • Change of competitive paradigm • Climate change. 	↑	<ul style="list-style-type: none"> • Strong instability of the global geopolitical context, GDP growth forecasts decreased and anticipation of world economic crisis • Continuous rise of the global investment in renewable technologies, with impact in geographies where EDP group is present. 	<ul style="list-style-type: none"> • Rigorous analyses and prospective investments, allowing the business model to foresee and adapt to possible market development trends (e.g., digitalization, decarbonisation).
INTERNAL STRATEGY	<ul style="list-style-type: none"> • Investment strategy • Relationship with stakeholders • Corporate planning. 	=	<ul style="list-style-type: none"> • Continuing strategy of asset rotation • Attribution of the position of Global Leader within integrated utilities by the Dow Jones Sustainability Index • Execution of the sale of hydro assets accounting for 1.7GW in Douro river, in Portugal • Acquisition of Viesgo, that will be part of EDP Renováveis and of the grids business in Spain; • Sale of part of the commercial portfolio in Spain to Total. 	<ul style="list-style-type: none"> • Investment subject to a process at group level with pre-set criteria for the analysis, decision-making and monitoring of projects • Advise on investments by specific committee.

	ILLUSTRATION OF TOPICS (NOT EXHAUSTIVE)		RECENT EVOLUTION / EXPECTED IN THE SHORT-TERM	MITIGATION ACTIONS (NOT EXHAUSTIVE)
ENERGY MARKETS	<ul style="list-style-type: none">• Fluctuations of pool price, commodities and CO₂• Volatility of the generation volume of renewable energies (i.e., hydro, wind and solar)• Volatility of energy consumption• Changes in sales margins.	↑	<ul style="list-style-type: none">• Rise of wind and solar renewable capacity• Hydro volumes in Brazil in line with historical average• Low hydro profiles in Portugal and in Brazil, resulting from the sale of small hydro and rising investment in wind and solar energy• Decrease of pool price as result of Covid-19 pandemic• Continuous postponement of necessary market design reforms (given the misalignment of marginal market).	<ul style="list-style-type: none">• Portfolio diversified by hydro/thermal/wind/solar (partially) reducing the exposure to renewable volumes and following the climate change trend of focus on renewable technologies• Preferably long-term contracts• Optimization of the production margin exposed to market accompanied by dedicated area, acting according with established risk policy• Hedging of the main sources of exposure (e.g. fuel prices).
REGULATION	<ul style="list-style-type: none">• Changes in taxes and sectorial charges• Changes in tariff regimes of regulated activities;• Legislatives amendments• Changes in regulations (e.g., environmental / climatic).	=	<ul style="list-style-type: none">• Regulatory impacts in Portugal with materialization in the results of the group• Preparation for the new regulatory period in 2021, for the distribution business in Portugal.	<ul style="list-style-type: none">• Follow-up and careful preparation of the various regulatory dossiers, including envisioning of potential regulatory risks (e.g. climate change risks)• Geographical diversification.
FINANCIAL MARKETS	<ul style="list-style-type: none">• Fluctuation of interest rate• Fluctuation of exchange rate• Inflation• Fluctuation of the value of financial assets held by the group.	↑	<ul style="list-style-type: none">• Pandemic situation led to the maintenance of a continuous decreasing trend of interest rates in USA and historically low in the euro area• Expansionary monetary policies intensified for USD and EUR• Key exposures to exchange rates of BRL and USD• Depreciation of USD by monetary policy relatively more expansionist when comparing with euro area and expressive depreciation of BRL, resulting from capital flight from emerging countries during the pandemic.	<ul style="list-style-type: none">• Monitoring of interest rates in accordance with procedures and instruments established by the group's policies and with regular reports• Foreign exchange exposure diversified by the presence in multiple geographies, with net position (assets – liabilities) broadly balanced through the use of financing sources in local currencies and/ or hedging instruments• Contracts with components indexed to inflation• Reduced weight of strategic financial assets and cash investments mainly in bank deposits.
CREDIT AND COUNTERPARTIES (ENERGY AND FINANCIAL)	<ul style="list-style-type: none">• Default of financial counterparties• Default of energy counterparties (contracts to buy and sell energy)• Default of clients (B2B and B2C).	↑	<ul style="list-style-type: none">• Pandemic situation reverted the positive trend of credit cycle• State support to the economy allowed the lighten the immediate rise of defaults after an abrupt decline of economic activity• Pace of economic upturn will be crucial to the level of doubtful loans in 2021.	<ul style="list-style-type: none">• Careful selection of reference counterparties and regular monitoring• Diversification through multiple counterparties• Low complexity, liquidity and non-speculative financial instruments• Mix of B2B and B2C customers, credit insurance and bank guarantees (when applicable).
LIQUIDITY	<ul style="list-style-type: none">• One-off insufficiencies of treasury• Downgrade of financial rating (and consequent rise of financing costs and limitation of access to financing).	=	<ul style="list-style-type: none">• Abundant liquidity and reduced cost of capital, particularly in Europe and United States of America• EDP group's financial liquidity enough to cover refinancing need beyond 2022• Consolidation of rating investment grade (business profile improved after portfolio reshuffling).	<ul style="list-style-type: none">• Cash pooling for all geographies (excluding Brazil)• Liquidity levels based on detailed forecast of treasury needs (enough to cover 2 years)• Diversification of sources of financing, debt type profiles and debt maturity.

ILLUSTRATION OF TOPICS (NOT EXHAUSTIVE)		RECENT EVOLUTION / EXPECTED IN THE SHORT-TERM		MITIGATION ACTIONS (NOT EXHAUSTIVE)
SOCIAL LIABILITIES	<ul style="list-style-type: none"> • Capitalization of the Pension Fund of Defined Benefit • Additional costs with current and anticipated retirements • Costs with medical expenses. 	=	<ul style="list-style-type: none"> • First effect of decreasing value of assets during the pandemic cancelled in the following months, resulting in a slightly superior deficit. 	<ul style="list-style-type: none"> • Regular monitoring of the Pension Fund of Defined Benefit and the value of its assets and liabilities by specific committee (including financial and risk area).
DEVELOPMENT/ CONSTRUCTION OF PHYSICAL ASSETS	<ul style="list-style-type: none"> • Delay in commissioning date of assets (COD) and inherent loss of profit • Deviations in the cost of investment (CAPEX). 	↓ =	<ul style="list-style-type: none"> • Continuous investment in transmission in Brazil (until now developed according with the plan) and development of solar and wind capacity through EDP Renewables. 	<ul style="list-style-type: none"> • Regular preventive maintenance and inspection • Crisis management and business continuity plans for catastrophic events (e.g. environmental/ climatic, structural damage, breakdowns)
OPERATION OF PHYSICAL ASSETS	<ul style="list-style-type: none"> • Damages in physical assets and third parties • Malfunctions by component or installation defect • Unavailability due to external events (e.g., atmospheric events) • Technical and non-technical losses of distribution grid. 	=	<ul style="list-style-type: none"> • Maintenance of the risk of increased impact and severity of extreme events in Iberia, with significant damage of assets of distribution and generation of energy. 	<ul style="list-style-type: none"> • Comprehensive insurance policies (essentially for property damage and loss of profits, civil and environmental liability) • Fraud prevention programs (for non-technical losses) • Internal tool to support the recording of incidents and analysis of operational risks in adoption by some Business Units in Portugal.
PROCESSES	<ul style="list-style-type: none"> • Irregularities in the processes' execution (regarding commercial activities, suppliers' selection and management, billing, etc.). 	=	-	<ul style="list-style-type: none"> • Dissemination of the Internal Financial Reporting Control System (SCIRF) • Documentation / formalization of the various existing processes by dedicated area.
HUMAN RESOURCES	<ul style="list-style-type: none"> • Work accidents • Unethical conduct • People management • Relationship with unions and other stakeholders. 	↓ =	<ul style="list-style-type: none"> • Trend of decreasing index of frequency of accidents in EDP group. 	<ul style="list-style-type: none"> • Documentation, analysis and reporting of incidents • Monitoring of ethical risk by the Office of the Ethics Ombudsman • Collection, analysis and evaluation in the Ethics Committee of all allegations of unethical behaviour • Periodic safety risk assessments and implementation of safety measures (e.g., regular training, safety equipment).

ILLUSTRATION OF TOPICS (NOT EXHAUSTIVE)			RECENT EVOLUTION / EXPECTED IN THE SHORT-TERM	MITIGATION ACTIONS (NOT EXHAUSTIVE)
INFORMATION SYSTEMS	<ul style="list-style-type: none"> • Unavailability of information and communication systems • Integrity and security of information. 	=	<ul style="list-style-type: none"> • Occurrence of cyber-attack and reinforcement of security measures • Maintenance of level of exposure (e.g., large-scale cyber-attacks, data protection directives) partially compensated by a continuous reinforcement of mitigation measures (cyber range, SOC, cyber risk insurance, training sessions). 	<ul style="list-style-type: none"> • Establishment of criticalities and maximum down times for the main applications • Implementation of redundant disaster recovery systems • Establishment of a dedicated Security Operations Center (SOC) for continuous monitoring of the security of the group's OT / IT infrastructure • In-house cyber-range for simulation and testing of employees' reactions to cyber-attacks • Online training and awareness raising on information security principles • Continuous improvement of computer systems security. • Cyber risk insurance.
LEGAL	<ul style="list-style-type: none"> • Losses arising from lawsuits related with tax, labour, administrative, civil, or others (penalties, compensation and agreements). 	=	-	<ul style="list-style-type: none"> • Regular monitoring of legal exposure (individually detailed for high-value litigation) • Constitution of provisions designed to cover all estimated probable losses of ongoing litigation.

A more detailed description of each risk is available in the Corporate Governance Chapter, part I, section 53 in [EDP's Annual Report](#).

Emerging risks

Besides closely monitoring key risks inherent to its activity, the group maps key trends, at global and sectorial level, that may be translated into threats and opportunities, and

proactively develops adequate mitigation strategies. Due to their impact throughout the last years, one should highlight (1) the challenge of adjustment of the wholesale market design to current market conditions, (2) the changing

paradigm of decentralized resources, (3) the industrial revolution and digitalization of the electric sector, (4) the growing threat of cyber risks and (5) the (possible) increasing frequency and severity of extreme climatic events.

	DESCRIPTION	IMPACT	MITIGATION MEASURES
WHOLESALE MARKET DESIGN (IN EUROPE)	<p>Uncertainty around the evolution of the wholesale market design, given the current challenges:</p> <ul style="list-style-type: none"> • Marginal remuneration system not adjusted to the current context of growing penetration of fixed cost technologies (renewables, backup, storage) • Growing penetration of technologies with 0 marginal cost (reducing prices and increasing prices' volatility). 	<ul style="list-style-type: none"> • Uncertainty around the returns of the conventional generation, in particular as backup capacity (relevant in a perspective of ensuring security of supply). • Volatile context, not suitable for long-term investments necessary to the modernization, decarbonization and security of supply. 	<p>Active and constructive participation in several forums, at European and national level, for the adoption of adequate and equilibrated market design solutions for various stakeholders, in particular:</p> <ul style="list-style-type: none"> • Adoption of energy auctions for long-term contracts to promote renewables • Recognition of the need for capacity remuneration mechanisms. • Support to price signals of CO₂ at European level • Reinforcement of focus on long-term contracts (renewable and conventional generation), to reduce risk and increase competitiveness in the supply offer to final clients.
DISTRIBUTED RESOURCES	<p>Growing proliferation of distributed resources, including:</p> <ul style="list-style-type: none"> • Decentralized production (in particular, solar PV) for self-consumption • Electric vehicles • Active demand side management • Storage. 	<p>Threat relative to:</p> <ul style="list-style-type: none"> • (Possible) reduction of margins for traditional generation due to a reduction of the volume of energy generated centrally • Reduction of the contribution of consumers in self-consumption for the costs of the system (grids and others) and consequent need for tariff increases • Changing dynamics of energy flows in the grid. <p>Opportunity for the sale of new products and services.</p>	<p>Proactive role in the commercialization of innovative products and solutions, with benefit in margin and client retention:</p> <ul style="list-style-type: none"> • Sale of solar panels for self-consumption (and batteries) • Commercialization of solutions associated with electric mobility (e.g., green electric mobility) • Solutions of energy efficiency (e.g., Re:dy with application to the electric car, solar decentralized generation, heating, control of outdoor spaces) <p>Active regulatory management, in particular related with tariff structure, enabling the existence of efficient price signals and incentives.</p>

	DESCRIPTION	IMPACT	MITIGATION MEASURES
4TH INDUSTRIAL REVOLUTION (AND DIGITALIZATION)	<p>Proliferation of new technologies with disruptive potential for the electric sector, including (among others):</p> <ul style="list-style-type: none"> • Blockchain • IoT • AI/ machine learning • Virtual/ augmented reality • Robotic Process Automation. 	<p>New market entrants such as aggregators, services of design science research (DSR) or solutions for clients.</p> <p>Opportunities for operational and business optimization, e.g.:</p> <ul style="list-style-type: none"> • Operation and maintenance of assets (generation and grids) • Pricing and segmentation • Innovation of product and client services • Optimization of back-office and shared services. 	<p>Follow-up on best practices and developments at digital level applicable to the energy sector.</p> <p>Release of dedicated department to EDP group digitalization (Digital Global Unit – DGU), as result of EDPX project, developed with the collaboration between internal and external specialists to accelerate ideas and test digital solutions:</p> <ul style="list-style-type: none"> • Assets/ operations (e.g., predictive maintenance, asset management, task force digitalization, energy/ trading management) • Client (innovation of products and services, namely electrification) • Group (agile/ project-based solutions, optimization/ automation of internal processes).
CYBER-RISKS	<p>Exposure to several cyber risks, due to a growing sophistication and integration of technologies.</p>	<p>Financial, operational and reputational loss, due to (among others):</p> <ul style="list-style-type: none"> • Loss/ interruption of operations (e.g., dispatch/ plants, billing, client service) • Damage/ destruction of assets (grids, plants, other systems) • Violation/ destruction of data (personal and others). 	<ul style="list-style-type: none"> • Continuous improvement of the security of internal systems. • Security Operations Center (SOC) dedicated to continuously monitor the security of OT/ IT infrastructure of the group. • Internal cyber range to simulate and test the reaction of employees to cyber-attacks. • Security courses and awareness programs on key principles of information security. • Cyber insurance.
EXTREME CLIMATE EVENTS	<p>Structural climate changes¹ (in particular, temperature and precipitation), with impact in the frequency and severity of extreme climatic phenomena (floods, droughts, storms, wildfires).</p>	<ul style="list-style-type: none"> • Damage to physical assets and loss of profit. • Impact on quality of service (distribution grid). • (Possible) structural changes in hydro generation (average and volatility). 	<ul style="list-style-type: none"> • Geographic and technological diversification. • Active role fighting against climate change (namely promoting decarbonization and energy efficiency). • Adoption of TCFD² recommendations, and mapping of the main climate risks for EDP according to transition and physical risks categorization. • Existence of dedicated areas and plans for Crisis Management and Business Continuity (at corporate level and for key Business Units).

¹ More detail on the TCFD framework of climate risks available in the following section

² Task Force on Climate-related Financial Disclosures

Climate risks according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

The TCFD includes four categories of recommendations involving:

- **governance** – In the exercise of its powers, the General Supervisory Board monitors and supervises climate risks and opportunities, supporting the definition of the EDP group's strategy. In turn, the Executive Board of Directors is responsible for its management. For a detailed description of the said competences in the climate field see chapter [organisation of sustainability](#)
- **strategy** – The identification of climate-related risks and opportunities, in the short, medium and long term and their respective impact on business, is essential for defining the organisation's strategy and financial planning. The resilience of the organisation's strategy considers different climate scenarios, including a 2°C or lower scenario. For more detail on the climate strategy see chapters [strategy, goals and targets](#), [climate change](#), [renewable energies](#) and [decarbonisation solutions](#)
- **risk management** – The management of climate risks is included in the EDP group corporate risk management process, and there are specific processes that (periodically) carry out the identification and evaluation of the main climate risks, namely the Energy Outlook developed by the Corporate Centres' Energy Planning Department, the Budget and Business Plan for the financial years, and the annual risk maps (among others). There is also a specific risk taxonomy for climate risks

which are aligned with EDP's corporate taxonomy of risks – in short, physical risks are present mainly in risks to physical assets (damage to assets, losses in efficiency/performance) and business risks involving variability in renewable resources, while transition risks mainly involve business risks (energy markets and regulation) and strategic risks involving technological disruption and changes in the competitive paradigm

- **metrics and targets** – Metrics used by the organisation to assess climate-related risks and opportunities in line with its risk management strategy and process. Greenhouse gas (GHG) emissions (including scopes 1, 2 and 3). Targets used to manage risks and opportunities and performance against those targets.

Risk management

EDP recently carried out a first alignment exercise using TCFD recommendations, in particular identifying and assessing emerging climate risks and opportunities according to the taxonomy proposed by the TCFD. To this end, EDP used four RCP (Representative Concentration Pathway) scenarios from the Intergovernmental Panel on Climate Change (IPCC) to analyse the physical risks - 8.5 (business-as-usual), 6.0, 4.5 and 2.6 (the most aggressive in terms of mitigation and compatible with the 2°C trajectory) - and two scenarios from the International Energy Agency (IEA), IEA 450 and 2DS, to analyse the transition risks:

- **physical risks** - which may have financial implications for organizations, such as direct damage to assets or disruption to the supply chain

- **transition risks** - these may imply profound changes in businesses to respond to the need for climate change mitigation and adaptation, with potential financial and reputational impact for organizations

- **opportunities** - possible gains from the mitigation strategy.

Currently, the EDP group is developing a project based on TCFD recommendations, aimed at:

- deepening the work already undertaken to improve the quality of the public information reported, in line with the TCFD recommendations
- identify internal management improvements to EDP's climate strategy and external disclosure, through a benchmarking analysis with peer companies, ongoing regulatory developments and expectations of the SRI investor community
- assess and quantify climate risks (at individual and aggregate level) by business unit and geographical area, according to the relevant energy transition and physical climate scenarios, revisiting the work already developed internally.

The following tables describe the risks and opportunities, and potential financial impacts identified.

RISK	TYPES OF RISK	TIME HORIZON	BU'S / TARGETED GEOGRAPHICAL AREAS	MAIN IMPACT AND MITIGATION
PHYSICAL RISKS	<ul style="list-style-type: none"> • Acute, with an impact on the increase in frequency and severity of extreme events, such as heat waves, droughts, floods, storms, forest fires. 	<ul style="list-style-type: none"> • Medium / Long term 	<ul style="list-style-type: none"> • E-Redes • EDP in Spain • EDP Renováveis • EDP in Brazil • EDP Produção 	<ul style="list-style-type: none"> • The increase in the frequency and severity of extreme events, according to the IPCC scenarios, could disrupt production and distribution activities, as well as increase the operational and capital cost of recovering from damage to distribution and generation network assets. As mitigation strategies, EDP has a comprehensive insurance plan and has been reinforcing business continuity and crisis management plans, thereby minimizing impact to business and third parties.
	<ul style="list-style-type: none"> • Chronic, related to long-term changes in climate patterns, for example, an increase in mean temperature and average level of the oceans, and changes in precipitation patterns. 	<ul style="list-style-type: none"> • Long term 	<ul style="list-style-type: none"> • EDP Produção • EDP Renováveis • EDP in Brazil 	<ul style="list-style-type: none"> • A structural decrease in precipitation, compounded by a potential increase in competitive uses of water, will affect hydroelectric production. The IPCC 8.5 scenario is particularly worrying for Iberian Peninsula business, and may represent a decrease of 10% in average annual precipitation levels, directly impacting hydro productivity. To mitigate this risk, EDP has a strategy of diversification in technology, geographical area and business area. Years such as 2017, representative of a very dry year (HPI = 0.47), the hydrological risk impact on the Iberian Peninsula of which was around 300 million euros, may become more common with the structural reduction of precipitation levels.
TRANSITION RISKS	<ul style="list-style-type: none"> • Regulatory, regarding concerted government actions for the adoption of climate mitigation and adaptation strategies, e.g. changes in schemes supporting renewable energies. 	<ul style="list-style-type: none"> • Short/ Medium term 	<ul style="list-style-type: none"> • EDP group 	<ul style="list-style-type: none"> • One of the potential climate regulatory risks identified is related to the change in the regulatory framework regarding generation from renewable sources, with a potential financial impact for EDP. Risk is mitigated through an active strategy of diversification across various technologies and geographical areas (see opportunities), asset maturity, as well as through rigorous monitoring of governmental policy and regulation.
	<ul style="list-style-type: none"> • Technological, regarding the adoption of new technologies requiring greater investment by organizations. 	<ul style="list-style-type: none"> • Medium term 	<ul style="list-style-type: none"> • EDP group 	<ul style="list-style-type: none"> • In a fast-changing sector, where the current system will be disrupted, the emergence of new, more efficient technologies will require higher levels of investment. The risk of failure to monitor or delay the adoption of new technologies may jeopardize the future. EDP monitors market trends, the study of technologies still maturing along the value chain and has a clear Innovation Policy focused on the main trends in the sector (for more detail see page 40 onwards).

RISK	TYPES OF RISK	TIME HORIZON	BU'S / TARGETED GEOGRAPHICAL AREAS	MAIN IMPACT AND MITIGATION
TRANSITION RISKS	<ul style="list-style-type: none"> • Market, resulting from changes in market dynamics, due to the influence, for example, of changes in customer behaviour and changes in market fundamentals. 	<ul style="list-style-type: none"> • Medium term 	<ul style="list-style-type: none"> • EDP group 	<ul style="list-style-type: none"> • Demand is expected to reduce due to improved energy efficiency. This is driven by a change in consumption patterns (via regulation or change in behaviour), with a potential negative impact on supplier revenues. The medium-term risk in the compliance scenario for the European Energy Efficiency Directive may lead to a 1.5% annual reduction in consumption in the Iberian Peninsula. This risk is positively offset by the current recognition of electrification as a key solution to the decarbonization of the economy, accelerating the reinforcement of the supply of energy services, as described in the opportunities table.
	<ul style="list-style-type: none"> • Reputational, referring to the increase in stakeholder concern and the influence of public opinion. 	<ul style="list-style-type: none"> • Short/ Medium term 	<ul style="list-style-type: none"> • EDP group 	<ul style="list-style-type: none"> • The electricity sector has traditionally been seen as a net contributor to climate change. In a paradigm shift, the group is strengthening its renewable portfolio, and is committed to attaining 100% renewable capacity by 2030. At the same time, it is recognized for its excellent performance in the various sustainability indexes of which it forms part, demonstrating its sustainable character and providing evidence of adopted measures and strategies.

	TYPES OF OPPORTUNITIES	POSITIVE FINANCIAL IMPACT
OPPORTUNITIES	<ul style="list-style-type: none"> • Energy source, resulting from making use of incentive policies for renewable generation, leveraging the existing generation portfolio. 	<ul style="list-style-type: none"> • Opportunity to invest in new clean generation capacity in existing or new markets, taking advantage of schemes to support renewable energies. According to the 2019-2022 business plan, the EBITDA for EDP Renováveis is expected to grow by 5%/year in the 2020-2025 period. • The envisaged increase in demand for electricity due to temperature extremes could benefit long-term trading. Based on internal studies developed for the Iberian Peninsula, an increase in the average temperature of 1.5°C in Summer and a decrease of 2°C in winter, may lead to a 2% increase in annual consumption.
	<ul style="list-style-type: none"> • Resource efficiency, regarding the reduction of operational costs by increasing the efficiency in value chain processes. 	
	<ul style="list-style-type: none"> • Products and services, taking part in the development and expansion of low carbon products and services, and in the electrification of consumption as a decarbonization measure for the economy; as well as (potentially) increased demand for energy for heating/cooling due to physical risks. 	

TYPES OF OPPORTUNITIES		POSITIVE FINANCIAL IMPACT
OPPORTUNITIES	<ul style="list-style-type: none"> • Markets, access to new markets through geographical, technological, and business diversification (for example, new services). The issuance of “green” bonds for low carbon generation is also a new opportunity. 	<ul style="list-style-type: none"> • Reinforcing its offer of energy-efficient products and services has created a new business opportunity, with a potential financial impact on the average increase in sales estimated at around € 150 million per year in the 2016-2020 period.
	<ul style="list-style-type: none"> • Resilience, which involves developing the ability to adapt to respond to climate change so as to better manage the associated risks and seize opportunities. 	

Metrics and targets

EDP uses a set of metrics to monitor and assess the performance of its activity in light of the targets underlying its defined climate strategy, as well as the group’s resilience to current and future challenges existing in this area. The indicators and targets used are mentioned in chapters [climate change](#), [renewable energies](#) and [decarbonisation solutions](#), particularly:

- percentage of capacity and production of renewable origin
- CO₂ emissions associated with generation;
- total 1, 2 and 3 scope emissions
- energy saved for customers and CO₂ avoided
- electrification of the fleet
- carbon neutrality in administrative buildings.

The data needed to calculate the indicators is extracted quarterly from the “Sustainable Data” platform, which houses sustainability information from the business units, including raw data on the environment and climate. The data is consolidated at the Corporate Centre level and the information is verified annually by an independent auditor. In this way it is possible to monitor the evolution of indicators against defined targets, both quarterly and annually.

The methodology used for setting these targets can be summarised as follows:

- **short-term targets** (up to 5 years) – based on the consolidated operating data from the pluriannual business plans, changes in these indicators are simulated and the respective targets are established. In the particular case of scopes of emission, the categories with the most significant importance are considered
- **medium/long term targets** (10 to 30 years) – these focus on electricity generation and emissions only. From the projections made by the Corporate Centre’s Energy

Planning Department, the production portfolio is built, from which the change in indicators is extrapolated and targets are established. An example of the use of this methodology was that which led to the setting of the specific scope 1 and 2 emissions reduction target for 2030, submitted and endorsed by the Science Based Target initiative as being aligned with a decarbonisation pathway of 1.5°C

2.3. Strategy, Goals and targets

EDP's vision also reflects its commitment to sustainable development, fully assuming a structuring role in energy, supporting more balanced growth models from an economic, environmental and social point of view. This vision is mirrored in the Strategic Plans that reflect the company's commitment to accelerate the energy transition, while meeting the needs of its stakeholders.

Furthermore, the company is still maintaining its commitment in ensuring that its activity actively contributes to 9 of the 17 United Nations Sustainable Development Goals.

EDP group's business growth strategy is based on investment in renewable assets within a framework of financial deleveraging, increased operational efficiency and low risk exposure. EDP's prioritization of investment in renewable generation started in 2006, anticipating major trends in the energy market; it helped to build the vision of a society capable of reducing CO₂ emissions, by replacing thermal with renewable generation, decentralizing generation and electrifying transportation. A society that demands more balanced economic growth based on ethics and respect for human rights, protecting biodiversity and limiting the exploitation of raw materials.

Over these last years, technological advances in wind and photovoltaic generation and in energy storage, together with the digital transformation, have opened new forms of business and opportunities, have changed social behaviour and challenged the traditional organization of energy markets. The energy sector is undergoing a profound transformation, whose ultimate scope is difficult to predict. EDP is embracing this change by establishing strategic sustainability objectives that are integrated into the group's overall strategy.

Leading the energy transition

This axis establishes the fundamental commitments to reducing CO₂ emissions, by promoting renewable energies, both upstream and downstream, accompanied by measures and programmes to increase energy efficiency in consumption and solutions for customers.

Commitment to society and the environment

This axis defines EDP's commitments towards its employees, service providers and communities. Aspects associated with diversity and equal opportunities, occupational safety and health, voluntary work, access to energy, the circular economy, and environmental protection are highlighted.

2.3.1 Strategic Update 2019-2022

Energy transition is underway and at an increasingly fast pace representing major challenges for the sector to which is added a context of change in the processes and in the way companies act with their stakeholders (including people, customers and investors) resulting from the growing digitalization and the cultural leap that has already begun.

This context introduces uncertainty and volatility in the business, implying a proactive management of risks and opportunities. In this sense, EDP strategically positions itself with a low-risk and cross-diversified resilient profile, creating conditions for the execution of a strategy to create sustainable value.

In the beginning of 2019 EDP presented an update of its strategic plan up to 2022. In it, EDP conveyed its vision, the strategic pillars as well as the repositioning of its business segments. It has also presented its key strategic initiatives and the goals for the 2019-2022 period.

EDP's Vision is to assume the leadership of the energy transition, ensuring the creation of superior value. With the strategic architecture that has been followed, it is already well positioned to lead the energy transition: we count with 2.5 times more renewable installed capacity than the average of the other integrated players; our asset base is 'young', having an average residual life of 25 years which allows us to have visibility over the coming years.



Strategic guidelines
compliance

STRATEGIC AXIS

✓ Accelerated
and focused
growth

OBJECTIVES

Step-up growth in renewables with >7GW gross additions

Leverage on asset rotation model as a key complement to our strategy

Deliver superior execution of transmission projects in Brazil

EBITDA 2022
(>5% CAGR)

TARGET 2022

>€4B

STATUS 2020

€3.7B¹CAPEX
(2019-22)

~€12B

€5.2B

✓ Continuous
portfolio
optimization

Recycle capital to accelerate growth in renewables

Reduce exposure to iberia/merchant/thermal

Accelerate improvement of risk profile

Asset Rotation

>€4B

€2.6B

Disposals

>€2B

€2.7B

✓ Solid balance
sheet and low-
risk profile

Commitment to solid investment grade

Reduce net debt by ~€2B

~90% CAPEX in regulated/LT contracted

Net Debt/
EBITDA 2022²

<3.0x

3.2x¹EBITDA Regulated
/ LT Contracted

>75%

72%

✓ Efficient
and digitally
enabled

Reinforce efficiency/cost reduction programs

Implement digital transformation plan

Foster a more flexible and global organization

Cumulative
OPEX savings

~€300M

€362M

Digital CAPEX

€800M

€400M

CAGR OPEX
like-for-like

-2%

-1%

✓ Attractive
shareholder
remuneration

Distinctive green positioning

Sustainable EPS growth to deliver DPS increase

Dividend floor of €0.19

Net Profit
2022 (~7% CAGR)

>€1B

€0.8B¹

Payout Ratio

75–85%

81%¹¹ Recurring figures.² Adjusted Net Debt/EBITDA.

Strategic guidelines
compliance

STRATEGIC AXIS

✓ Leading
the energy
transition

OBJECTIVES

TARGET 2022

STATUS 2020

SDG

Renewable installed capacity	78%	79%	7
Solar installed capacity (centralised and distributed)	>1,000 MW	490 MW	7
CO ₂ eq specific emissions variation vs. 2005	-65%	-77%	9 13
Internalise the TCFD recommendations	100%	67%	13
Customers with value-added services	30%	21%	11 12
Customers with electric mobility solutions	100k	19k	7 11
Saved energy by costumers (since 2015)	5TWh	4TWh	7 12
Smart meters	>70%	60%	7 9
Customers' satisfaction index	>75%	79%	11
Electrification of EDP's light duty fleet	>20%	11%	7 11
Carbon neutrality in EDP's office buildings	100%	22%	7 13
Climate change adaptation plans	100%	25%	13
Investment in access to electrification	€20M	€4.6M	7 17

✓ Commitment to
society and the
environment

Average waste recovery rate	75%	92%	12
Single-use plastics eliminated	100%	20%	12
Environmental accidents and penalties	0	0	13 15
Female employees	30%	25%	5
Fatal accidents (employees and service providers)	0	3	8
Investment in the community (since 2015)	€200M	€158M	7 13
Participation in voluntary actions	20%	19%	8 11
Participation in voluntary actions	20,000H	14,457H	8 11

SUSTAINABLE
DEVELOPMENT GOALS

01

EDP

02

Strategic
approach

03

Performance

04

Annexes

2.3.2 Business Plan 2021-2025

In 2021, on February 25, EDP presented its Strategic Plan until 2025, communicating the strategic vision and pillars as well as the key strategic initiatives and goals for the period 2021-2025.

EDP's Vision remains as defined in the previous Plan and consists in taking the lead in the energy transition with allined with the creation of superior value, based on 3 strategic pillars:

- **Accelerated and Sustainable Growth**

- step-up green growth
- distinctive and resilient portfolio
- solid balance sheet




- **Future-proof organisation**

- global, agile and efficient
- talented and empowered people
- innovative and digitally enabled

- **Attractive returns and ESG excellence**

- ESG reference
- green leadership positioning
- strong return visibility

Based on this vision and strategy, EDP sets to achieve the following objectives:

	Key initiatives	Key figures and targets
 Accelerated and sustainable growth	<p>Step-up growth in renewables, accelerating ownership and asset rotation strategies</p> <p>Focus investments on RES & Networks in EU and USA</p> <p>Target a BBB rating in the short term (maintaining a sustainable leverage)</p>	<ul style="list-style-type: none"> • €24Bn CAPEX in energy transition¹ • 20GW gross additions¹ • €8Bn asset rotation • €4.7Bn EBITDA by 2025 • >20% FFO/net debt² by 2025
 Future-proof organisation	<p>Evolve organization to be more global, agile and efficient</p> <p>Strengthen focus in innovation and promote a digitally enabled organization</p>	<ul style="list-style-type: none"> • €100Mn³ like-for-like OPEX savings • €2Bn TOTEX in digital and innovation^{1,3}
 Attractive returns & ESG excellence	<p>Step-up a green leadership positioning and being a reference in ESG</p> <p>Deliver a sustainable EPS growth and an attractive dividend policy</p>	<ul style="list-style-type: none"> • Coal-free by 2025 • Carbon neutral by 2030 • €1.2Bn net income by 2025 • €0.19/share dividend floor




¹ 2021-2025. ² FFO/ND formula consistent with Rating agencies methodologies considering EDP's definition of EBITDA Recurring. ³ €1Bn TOTEX in Innovation, €1Bn CAPEX in Digital.

This new plan reinforces the commitment to sustainable development, fully assuming the structural role of energy in supporting more balanced growth models from the social

and environmental point of view. As a complement to a business model focused on decarbonisation, EDP remains committed to ensuring that its activity actively contributes to

the seventeen Sustainable Development Goals defined by the United Nations and states the commitment to become carbon neutral by 2030.

ESG Outlook 2025-2030

		2020	2025	2030
 Environment	Revenues aligned with EU taxonomy (%)	58	~70	>80
	Scope 1 & 2 emissions (gCO _{2e} /kWh)	157	~100	0
	Renewables generation (%)	74	~85	100
	Coal installed capacity (%)	8	0	0
	Total waste (kt)	309	118	30
 Social	Employee engagement (top tier company)	✓	✓	✓
	Female overall (%)	25	30	35
	Accident Frequency Rate ¹	1.74	1.55	<1
	SDGs social investment (EUR Mn) ²	13.1	50	100
 Governance	Female on leadership (%)	25	30	35
	Top management ESG & equity linked compensation ³	✓	✓✓	✓✓
	Cybersecurity (rating)	800	keep advanced ⁴	keep advanced ⁴
	Top quartile in ESG rating performance ⁵	✓	✓	✓

¹ Number of accidents per million hours worked (included employees and contractors). ² Values accumulated since 2021. ³ Applicable to Board of Directors and top management; changes in Board of Directors dependent of General Shareholders Meeting. ⁴ Cybersecurity BitSight rating ≥740. ⁵ Includes DJSI, FTSE4Good, MSCI and Sustainalytics.

DIVER SITY

FROM DIVERSIFICATION
TO VALUE CREATION

Changing tomorrow now.



03

PERFORMANCE

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Performance

3.1. The year 2020

The Covid-19 pandemic marks the year 2020, bringing disruptive changes in the world for citizens, governments and businesses alike. The pandemic also introduced the worst crisis of the modern era, exposing major vulnerabilities in economic and health systems around the world, but also revealing important opportunities that can act as catalysts for positive change.

Although there is still great uncertainty about the future, sustainability remains at the heart of the "new normal" discussion. It is clear that companies, particularly those providing essential services such as EDP, play a key role both in the shorter-term economic recovery and in building resilience in the longer term.

In addition to the pandemic crisis and economic crisis, another fact marking the year 2020 at EDP: a highly sophisticated cyberattack (APT-Advanced Persistent Threat), which affected a significant part of the company's corporate systems, leaving the networks and systems that control the critical energy infrastructures unscathed.

Also in terms of the company's governance, the year 2020 was marked by a change in the internal structure of the company, motivated by the departure of the CEO of EDP and EDP Renováveis, due to legal proceedings.

In the short term, the most obvious consequences of Covid-19 are mainly negative and the focus is on minimizing impacts on people's health and well-being. But it is precisely because such a crisis is so disturbing, and the changes in economic and political systems are so abrupt, that Covid-19 can help accelerate positive consequences for people and the planet.

Considering the impacts that Covid-19 had in 2020 in the energy sector, we highlight:

- **reducing energy demand** – global electricity demand fell by 2.5% in the first quarter of 2020, and in Europe daily electricity demand fell by an average of 15%, with greater impacts on economies that implemented stricter lockdown measures
- **external economic dependence** – highlighting that companies in the sector are dependent on external production chains that can now be jeopardised
- **social inequalities** - due to the economic crisis, some businesses are compromised, unemployment increases

and social inequalities become more visible and have greater impacts on the sector, such as energy poverty.

On the other hand, this crisis has also accelerated trends that have become more significant in the sector:

- identifying critical supply chains** – the pandemic crisis has led companies and governments to focus on securing essential supplies, seeking to increase the resilience of their chains, reducing complexity and embracing diversity and redundancy, not just efficiency
- digitalisation** – Social isolation has accelerated the digitalisation of many areas of the economy. Online sales of products and services have increased exponentially. Remote working has become a widespread reality, presenting an enormous potential in diverse areas of activity. On the other hand, cyberattacks have also taken on greater proportions
- decarbonisation** – There is evidence that climate change, in combination with biodiversity loss, contributes to increasing the risk of pandemics such as the one we are experiencing, further strengthening awareness of the urgency of decarbonising the economy
- investment in renewable energy** – According to data released by the International Energy Agency, renewable energy seems to show "immunity" to the Covid-19 pandemic in all major regions, where the energy matrix has changed to renewable energy after lockdown measures.

These impacts and trends in the sector arising from the events that marked 2020 influence the material affairs for the

company, and are reflected in its Materiality process. The EDP group develops its Materiality process annually, identifying the relevance of non-financial affairs for its stakeholders and cross-referencing it with their relevance to business priorities and strategy. This analysis supports the process of decision making and strategy development in the organisation, namely the definition of its sustainability strategy and also allowing the identification of the main challenges and opportunities for the company.

The group's Materiality Analysis is developed through a common methodology systematized and detailed in its own report available at www.edp.com.

In 2020, 17 material themes were identified for the EDP group, whose relevance to the company and business is positioned according to the schema on next page.

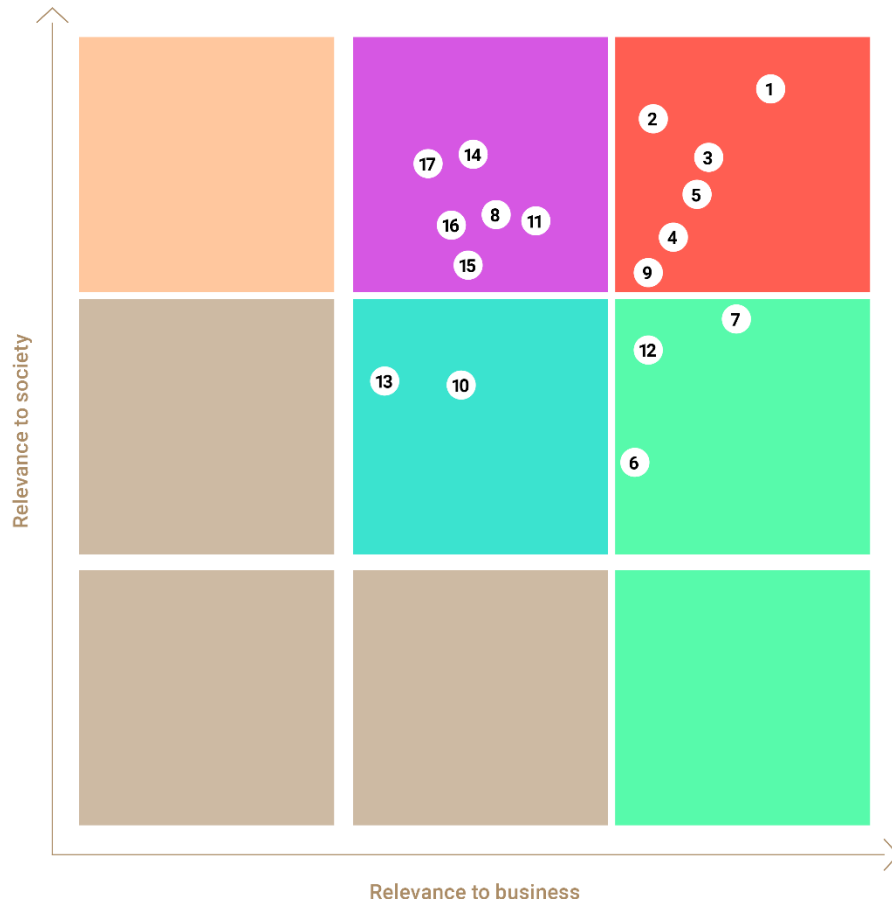
Most of the themes maintain the previous year's stance, with the main changes of the year mostly stemming from the main points identified above:

- **crisis management** – this issue includes the topics of infectious diseases; information security and critical supplies. The placement in the schema is due to the Covid-19 pandemic crisis that ravaged the world in 2020
- **digital transformation** – a catalyst theme for energy transition and a strategic priority for the group. In 2020, it gained relevance for both business and society, becoming a critical issue due to the various lockdowns around the world, which have further catapulted digitalisation onto the agenda
- **Socially Responsible Investment** – corporate ESG performance gains relevance in business, due to

increasing external pressure, namely from the investor community

- **decarbonisation solutions** – a greater relevance to society reflects a growing perception of the need to change consumption habits as a way to contribute positively to the energy transition
- **ethics and compliance** – a subject marked by an increase in its relevance to society, due to the legal process that led to the departure of the CEO of EDP and EDP Renováveis
- **people management** – a strong increase in the subject of conciliation and social protection measures, due to the pandemic situation and the consequent use of remote working.

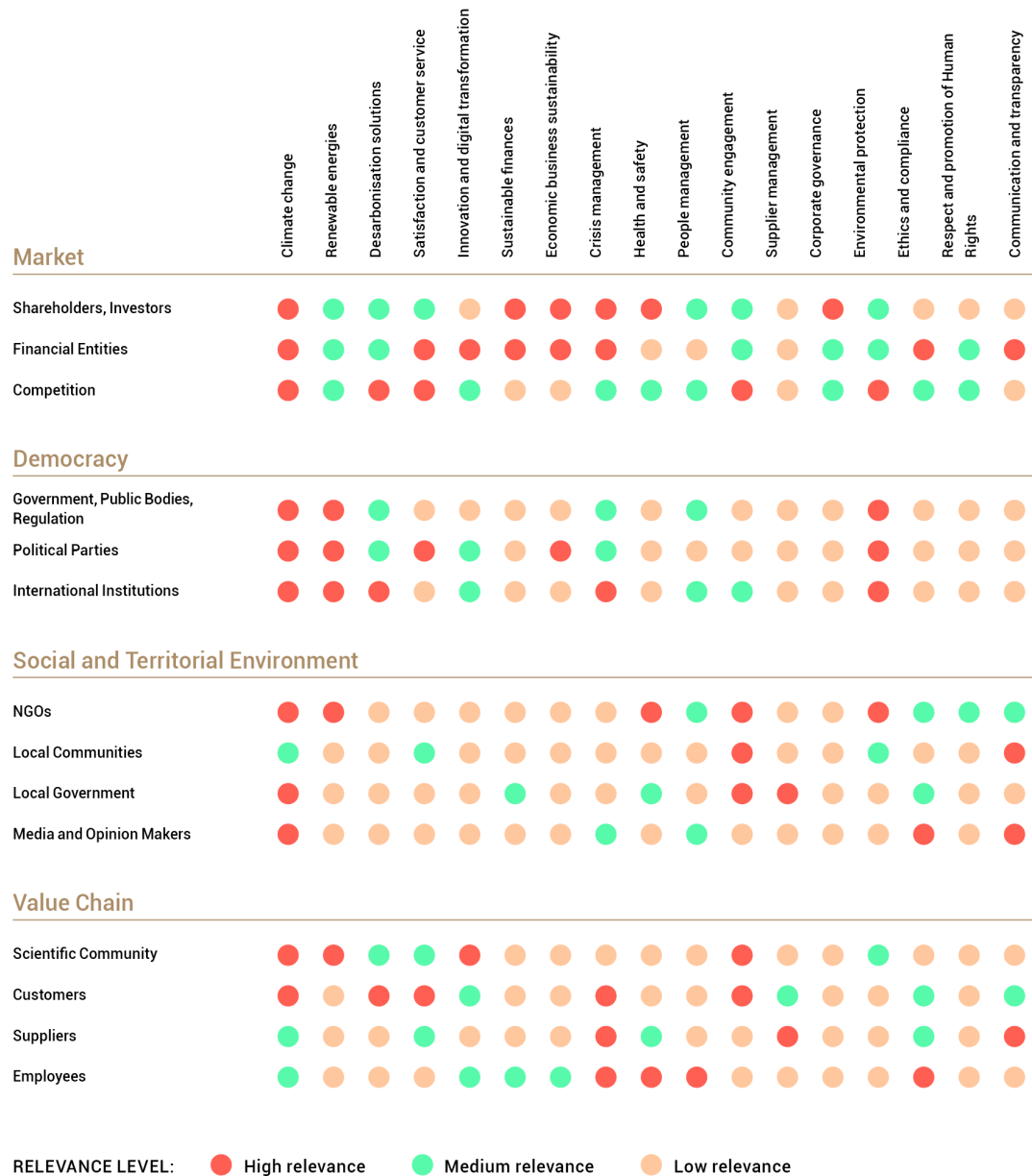
Materiality Matrix 2020



- 1 Climate change
- 2 Renewable energies
- 3 Decarbonisation solutions
- 4 Satisfaction and customer service
- 5 Innovation and digital transformation
- 6 Sustainable finances
- 7 Economic business sustainability
- 8 Crisis management
- 9 Health and safety
- 10 People management
- 11 Community engagement
- 12 Supplier management
- 13 Corporate governance
- 14 Environmental protection
- 15 Ethics and compliance
- 16 Respect and promotion of Human Rights
- 17 Communication and transparency

- Sensible issues to the business
- High relevance to society
- Critical issues
- Low relevance
- Medium relevance
- High relevance to the business

The Materiality process also makes it possible to identify the degree of priority given by each stakeholder group to sustainability issues. This analysis shows a natural dispersion of the relevance attributed by the different stakeholders to the analysed themes, inherently related to the nature of the stakeholder and their relationship with the company. The next image details the issues identified, aggregated by the degree of relevance assigned by each of the stakeholder groups.



3.2. Leading the energy transition

This axis establishes the fundamental commitments to reducing CO₂ emissions, by promoting renewable energies, both upstream and downstream, accompanied by measures and programmes to increase energy efficiency in consumption and solutions for customers.



HIGHLIGHTS 2020

Acquisition of Viesgo, after capital increase, consolidating the presence in the network business in Spain and increasing the renewable portfolio.

Sale of the B2C business and the CCGT Powerplant of Castejón in Spain to Total.

Asset rotation, including water assets in the Douro basin and wind assets in the USA and Spain.

Early closure of the Sines coal-based power stations in Portugal and Soto de Ribera III in Spain.

CO₂ emission reduction target approved by the Science Based Target Initiative aligned with the decarbonization path of 1.5°C.

Promotion of the decentralized solar business in Portugal and Spain.

Growing importance of the ESG criteria in investor decisions, with Energy Transition and TCFD as dominant themes.

Increased importance of socially responsible investment in EDP's shareholder structure.

Continuation of the green bond issuance programme totalling EUR 4.4 billion by the end of 2020.



MAIN CHALLENGES 2021

Continue the expansion of the renewable production business, in particular in strengthening centralized and decentralized solar technologies.

Launch of two new business areas to exploit the potential of green hydrogen and energy storage systems.

Strengthen asset rotation to accelerate the sustained growth of the group.

Strengthen the role of electricity in decarbonising the economy, particularly in the electric mobility sector.

Continue to develop EDP Comercial's international platforms.

Continue to deepen the recommendations of the TCFD and follow-up of public consultations to review the Non-Financial Reporting Directive.

Reduction of the Net Debt/EBITDA ratio to reach the "BBB" rating.

Monitor and test emission compensation mechanisms.



SDGs



3.2.1. Climate change

Combating climate change is certainly one of the greatest challenges facing society in this century. Its anthropogenic origin is already taken as granted and its consequences are already visible, making mitigation and adaptation needs urgent. This fact is reflected in the position of the topic within the group's materiality matrix.

Strongly embedded in EDP's strategy for over a decade, EDP recognises that the sector in which it operates is part of the solution capable of reducing the effect of climate change. The electricity sector is the one that will most quickly ensure energy transition to a low carbon economy, through electricity produced from renewable sources, while promoting the decarbonisation of the remaining sectors of activity. The 2020s are decisive in trying to minimise the impacts of climate change, requiring the involvement and unprecedented effort of everyone - governments, companies and individuals, to meet the goals agreed in Paris in 2015: "to limit the increase in average temperature to well below 2°C and continue efforts to limit the increase in temperature even more, not exceeding 1.5°C above pre-industrial values".

At the European level, very demanding decarbonisation levels are targeted, with a 55% reduction in Greenhouse Gas (GHG) emissions by 2030, according to the recent European Green Deal, obtaining carbon neutrality by 2050.

EDP Climate action

Recognizing the importance of its role in energy transition, EDP has established a climate action strategy based on five pillars:

- **governance** – Ensure an appropriate management of climate responsibilities and action plans, according to the corporate governance structure (page 31), of note being the central role played by the Executive Board of Directors (EBD), supervised by the General and Supervisory Board. The management referred to includes the identification, analysis and management of climate-related risks and opportunities (page 52)
- **mitigation** – Reduce GHG emissions, through a strong commitment to increasing production from renewable sources, increasing electrification and energy efficiency. EDP's Strategy is aligned with the need to decarbonise the sector, with a level of ambition translated into a set of medium/long term objectives and targets
- **adaptation** – Ensure the resilience of electricity generation and distribution infrastructures. With the effect of climate change being felt, it is essential to carry out internal and ongoing work to analyse the physical risks to which the infrastructures may be subject. EDP has set a goal to have adaptation plans in place in its business units by 2022 which ensure the resilience of infrastructures which may be exposed to extreme events of greater intensity and periodicity, given reality as we know it today



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- **innovation** – Focus on the introduction of low-carbon technologies and offer energy-efficient products and services. Innovation at EDP (page 96) is in line with the Company's strategy, with a focus on areas essential to the decarbonisation of the economy, such as renewable energies, smart grids, efficient solutions with a focus on the customer, storage and digitisation as a factor encompassing the entire innovation process
- **energising** – Raise awareness to achieve behaviour change and improve transparency, particularly through the disclosure of governance, strategy, risk analysis and opportunities for assessing the financial impact of climate change, within the framework of the TCFD recommendations (page 52).

EDP has publicly committed itself to a set of short, medium and long-term objectives and targets, which support its decarbonisation strategy:

- reduce specific CO₂ emissions of scope 1 and 2 by 60% by 2022 and by 90% by 2030, compared to 2015 levels

- the reduction target for 2030, was submitted to and approved by the [Science Based Target initiative](#) (SBTi) as being in line with a 1.5°C decarbonisation trajectory. This commitment is also in line with the “Business Ambition for 1.5°C - Our Only Future” initiative, which EDP subscribed to in 2019
- the science-based objective also includes a 40% reduction in absolute scope 3 emissions (indirect emissions in the value chain) over the same time frame
- already in 2021, with the release of the new business plan ([Strategic Update 2021-2025](#), page 60), EDP made an even more ambitious commitment: to achieve carbon neutrality in 2030. Consequently, EDP will submit to SBTi a new goal of reduction aligned with this new strategic goal logical.

EDP Brasil also saw its reduction targets approved by SBTi and as being consistent with the 1.5°C trajectory: reduce emissions of scope 1, 2 and 3 for electricity sold by 85% by 2032 compared to 2017.

EDP has also committed to following the recommendations of the TCFD (Taskforce on Carbon-related Financial Disclosures), which it joined in 2018, with regard to disclosures of governance, strategy, analysis of risks and opportunities, and the financial impact of climate change on the Company (page 52).

In page 52 is presented a detailed analysis of the risks and opportunities, according to the TCFD taxonomy.

EDP publicly discloses its response to the CDP Climate Change questionnaire, detailing its strategy and performance in combating climate change: CDP Climate Change EDP

2020. In 2020, EDP obtained the highest ranking in this index: Leadership A. EDP Brazil, which responds autonomously, also achieved a Leadership A- rating for the first time.

In 2020, EDP also joined other initiatives in the field of climate action, of note being:

- [Uniting Business and Governments to Recover Better](#), promoted by SBTi with the support of the UN Global Compact (UNGC), CDP, WWF, WRI and We Mean Business Coalition
- [Green Alliance for a Green Recovery](#).

Performance

In 2020, of particular note was the decision to close the coal-fired power plants in the Iberian Peninsula, initially planned for the 2023-2025 period, in line with the ongoing decarbonisation strategy. Market conditions also contributed to this, particularly the increase in the price of coal compared to that of natural gas, the price of CO₂ licences in the European market in greenhouse gas emissions allowances and, in Portugal, the increase in the rate of coal within the Tax on Petroleum Products (ISP).

Under these conditions, coal-fired power stations in the Iberian Peninsula have practically not been in operation (as was the case with Soto de Ribera 3) and EDP's largest power station (Sines) only worked until the end of December to burn its residual coal storage. 2020 was also characterized by being a year of average rainfall in the Iberian Peninsula, with a Hydroelectric Productivity Index (HPI) close to 1.

As a result of these conditions and compared to 2019:

- electricity production at hydroelectric plants increased 4.7 TWh (+33%)
- production at coal and gas thermoelectric power plants decreased by 46% and 4%, respectively
- primary energy consumption decreased by about 54,000 TJ (-29%)
- CO₂ emissions associated with electricity production decreased by around 5 MtCO₂.

EDP reports its GHG emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (these categories are provided in detail on pages 179, 205 and 206).

Direct emissions of scope 1 include stationary emissions at thermoelectric plants, which represent 99.5% of the total, emissions from the car fleet, fugitive emissions (SF₆) and those resulting from the consumption of natural gas in buildings. In 2020, they totalled 9.3 MtCO₂, that is, -35% compared to the previous year, which is explained by the major reduction in thermoelectric production from coal.

Indirect scope 2 emissions refer to electricity consumption, including losses in the transmission and distribution networks (in part produced by third parties), self-consumption in power stations and consumption in administrative buildings, supplied by third parties, with a value of 95.6%, 4.2% and 0.2%, respectively. In 2020, scope 2 emissions totalled 0.59 MtCO₂, which represented a reduction of 30% compared to 2019 mainly due to the lower contribution of losses in the networks.



**Scope 1
emissions**

-35%



**Scope 2
emissions**

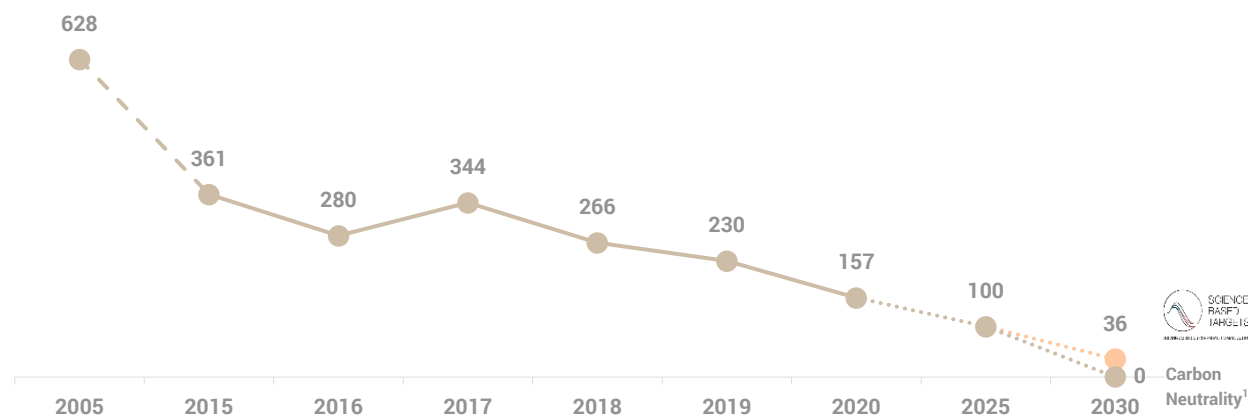
-30%



**Scope 3
emissions**

-1,3%

Scope 1 and 2 specific emissions (gCO₂/kWh)



Scope 3 emissions include all other indirect emissions upstream and downstream of the value chain, which are not accounted for in the remaining areas of scope. The most relevant categories for EDP, which account for 89% of total emissions in this area, are those related to fuels and energy, upstream, and the use of products sold (commercialized gas), downstream. In 2020, scope 3 emissions totalled 11.6 MtCO₂, slightly below the previous year. The reduction in the component associated with the coal industry was partially offset by emissions related to the significant increase in the sale of electricity in the free market in Brazil.

With regard to specific CO₂ emissions from scopes 1 and 2, there was a reduction from 0.232 tCO₂/MWh in 2019 to 0.139 tCO₂/MWh in 2020, as a result of the strong overall

reduction in stationary emissions from coal-based thermoelectric plants along with growth in renewable energy. The graphic above shows the change in specific emissions (scope 1 + 2) since 2005, as well as the expected decarbonisation path until 2030 to meet the reduction targets approved by SBTi (-90% compared to 2015) and the carbon neutrality commitment in 2030 (-98% compared to 2015).

The decarbonisation strategy also has an impact on improving energy efficiency throughout the value chain. Firstly, this contributes to the reduction of primary energy consumption upstream and, furthermore, to greater efficiency in the final use of energy, avoiding GHG emissions (buildings, fleet), page 77. Internally, the pandemic situation caused by the new coronavirus and the introduction of teleworking were also responsible for the reduction of consumption associated

with administrative activities, use of the fleet and business trips, compared to 2019, and, consequently, the corresponding reduction in emissions:

- in business trips, greenhouse gas emissions reduced by 75% (-5.6 ktCO₂)
- the primary energy consumption (fossil fuels) of the automobile fleet fell by 14 TJ and emissions reduced by 1.7 ktCO₂.

In the case of electric mobility, the EDP group's strategy involves implementing a set of internal measures, such as electrifying its fleet and strengthening the charging network at its facilities.

At the end of 2020, the EDP group had a fleet of 3,607 light vehicles, of which 11% are electric – 273 vehicles 100% electric and 120 plug-in hybrids. This electrification rate represents about 55% of the company's commitment for 2022.

Along with the electrification of its fleet, during 2020 the company reinforced its internal charging infrastructure, and it now has 654 charging points, with different charging speeds, in its buildings.

Clim2Power

Completed in late 2020, the Clim2Power R&D project, carried out under the ERA4CS program (European Research Area for Climate Services), had the aim of developing a climate service that would include seasonal forecasts (the next 6 months) and long-term climate projections for decision-making support in the European electricity sector (www.clim2power.com).

The project aimed to establish a bridge between knowledge based on complex scientific models and information targeted at and easily used by end users. The climate service, made available through a [web platform](#) shows for all European countries how climate variability can impact the operation of renewable plants, demand for electricity and the electricity system as a whole, both at seasonal and long-term levels (2030 and 2050), depending on the most representative climate scenarios (IPCC). The project was led by the Nova School of Science and Technology with the participation of 9 other partners, including EDP.

Of the EDP Group's
light vehicles

11%
are electric

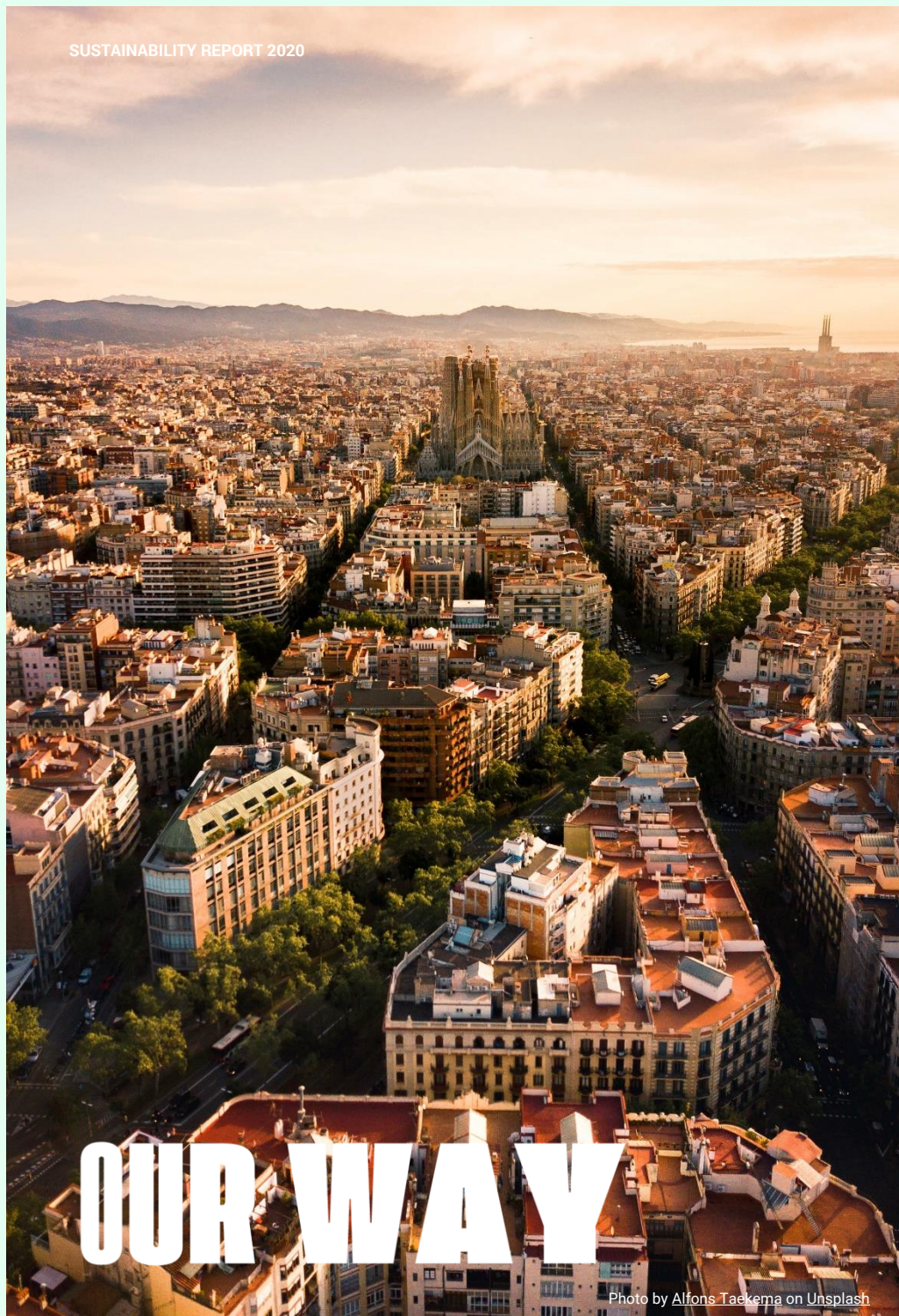


Photo by Alfons Taekema on Unsplash

RESCCUE

The sudden changes in routines and activity in the world to which society was subjected provided an opportunity to rethink what life would be like if not so much pollution was emitted into the environment. It also caused us to think about how to develop secure societies with more rigorous systemic thinking on issues of redundancy and resilience, given the now clearer consequences of interconnectedness and dependence of our economic, environmental and social systems.

Several factors connected the current crisis to sustainability, where the Covid-19 pandemic has been a positive acceleration element for sustainable growth, in which investment in the climate has gained pace and has become a priority for companies like the EDP group.

In this context, the experience of the European RESCCUE project has shown a decisive advantage in approaching climate adaptation by considering a holistic and multisectoral perspective of cities as networks of interdependent systems and as ecosystems supporting their interconnections. The analysis of climate change undertaken included the study of impacts on critical infrastructure sectors such as energy (particularly in the distribution network), water and transportation, which provide essential services to society and the economy.

RESCCUE overview

The RESCCUE project (RESilience to cope with Climate Change in Urban arEas – a multisectorial approach focusing on water), funded by Horizon 2020 and carried out between May 2016 and April 2020, had as its main objective improving urban resilience, by developing the capacity of cities to predict, prepare, respond and recover from climate threats with the least possible damage and with special focus on those threats related to water.

The key and innovative benefit of RESCCUE stems from presenting a European model for integrated planning of urban resilience to climate change.

The project has produced a set of methodologies and tools (<https://toolkit.resccue.eu/>) to overcome the current difficulties related to the lack of integration of information originating from different urban services. To link the sectorial models, the project prepared RESCCUE methodologies

and tools as a basis for the development of software able to carry out resilience assessment, management and planning in an integrated manner.

The three cities included as pilot locations – Barcelona, Lisbon and Bristol – were the platforms for demonstrating and validating the RESCCUE tools. E-Redes was a partner of the local team in the city of Lisbon, led by LNEC - National Laboratory of Civil Engineering, having shared its experiences and learned from the various entities, which together fostered an exercise with evident significance on the path towards resilience.

Also noteworthy is the resilience roadmap for these cities, based on the Intermunicipal and Municipal Climate Change Adaptation Strategies and in the form of a Resilience Action Plan (RAP), which represents one of the main outcomes of the project. This plan identifies the strategic areas for each city and sector, while also considering currently implemented and future measures to solve specific problems. The methodology developed for these plans constitutes a benchmark to support other cities in the co-construction of their climate adaptation capacities related to current and future shocks and stresses.

Today and tomorrow with RESCCUE for climate adaptation of the electricity grid in cities

The energy sector is one of the most critical services since other essential services, the population and various assets are dependent on energy, an aspect that has taken on a growing trend given the energy transition underway, bearing in mind the objectives of the decarbonisation of society and the electrification of consumption.

Water supply through water pumps, telecommunication and transportation hubs, and other city services depend on the electrical infrastructure, such that when assessing city resilience, the resilience of the electricity grid is very significant.

The various studies and scenarios associated with climate change point to an increase in the frequency and intensity of extreme events and, consequently, of flash floods with high flows in urban and peri-urban areas in coastal zones. Thus, in the RESCCUE project, the climatic study of the city of Lisbon covered the modelling of two river basins located in the downtown area of the city.

An increase in rainfall intensity will cause a rise in the flood height, greater at the city surface, by exceeding the capacity of the drainage and sewerage systems. As a result, current flood-prone areas will be affected by greater heights and new flood-prone areas will emerge, which may increase the likelihood of affecting the city's critical infrastructure.

The RESCCUE project enabled E-Redes to assess the exposure and impact of flood risk on network assets in the city centre area, as well as the probability of a failure in supply, taking into account: (1) the local climate scenarios developed, and the application of hydraulic modelling to flood risk for various return periods; and (2) the location of electrical assets (i.e. substations and transformer stations - underground and above ground).

Combining this data with historical event information made it possible to identify the most critical locations, analyse the adequacy of the existing level of redundancy and recognise the vulnerable points of the infrastructure in order to implement climate adaptation strategies/additional measures and/or different effective approaches to increasing the resilience of the sector, such as:

- updating and reinforcing substation contingency plans, with the new data extracted from the modelling developed
- acting at the investment or preventive maintenance level concerning equipment at risk to mitigate possible interruptions and increase service safety
- adjusting to achieve a better response from local operational teams to possible service failures, thereby reducing the reset time.

This process enabled an analytical interpretation not only of the flood risk to which electrical assets are exposed, but also to prioritise, where necessary, the implementation of adaptation measures in the most vulnerable areas, following the expectations and priorities of stakeholders, aligned with the Action Plan developed for the Resilience of the city.

In addition to the risk analysis based on the identification of specific climate change hazards at a local scale, RESCCUE established guidelines for the development of further studies significant for the climate adaptation of the distribution network. E-Redes' experience in the project will allow it to broaden its approach to resilience, namely through:

- network planning and the adoption of new, more adapted technical solutions for the existing network

- power grid planning and design to meet the new challenges of energy transition, such as electric mobility and decentralised generation, incorporating data on potential climate threats into the investment analysis
- sustained introduction of the regional/local climate adaptation approach in future distribution network plans to ensure the security of services in the face of extreme events, and to assess new flood risk areas and their relationship with critical infrastructure
- analysis and monetisation of flood risk, based on economic losses caused by the failure of electrical assets.

Climate change is now a reality and requires a different approach for almost all business sectors that provide essential services to society. RESCCUE is and will be at the forefront on this issue.

3.2.2. Renewable energies

The production of electricity from renewable sources, in addition to electrifying consumption and improving energy efficiency, is EDP's major area of focus for energy transition to a low carbon economy and thereby mitigating the effects of climate change. The electricity sector is known to play a key role in this transition, while promoting the decarbonisation of other activity sectors, with emphasis on transport, climatization in buildings and industry.

EDP's strategy

EDP has established challenging targets for 2022 and an ambition for 2030 to have marked investment in production from renewable energies:

- increase renewable origin capacity to 78% in 2022 and, according to the new Strategic Update 2021-2025, to 91% in 2025 and to 100% in 2030 (page 60). At the end of 2020, the renewable power plant percentage capacity was 79% (vs. 74% in 2019), exceeding the target set for 2022. The closure of the Sines thermoelectric plant (1,180 GW), the sale of the CCGT plant in Castejón (843 MW), the sale of 6 hydroelectric plants in Portugal (1,658 MW) and the growth in wind power and solar power plants (688 MW) accounted for this
- increase the share of electricity production from renewable sources to 100%, in 2030 (currently 74% compared to 67%, in 2019)
- increase solar photovoltaic system installed capacity, including centralised and decentralised systems, to more than 1 GW, in 2022 (currently 0.345 GW centralised and

0.144 GW decentralised), reaching 7 GW centralised and 2 GW decentralised in 2025.

The current business plan uses an asset rotation model to create value and accelerate growth in renewable energy. In net terms, the investment for expansion in renewable energy planned for the 2019-2022 period will be in the order of 4 billion euros. New net capacity additions of ~4 GW are estimated, mainly in onshore and solar wind, focusing on markets with low risk and regulatory stability and establishing PPA (Power Purchase Agreement) and CfD (Contracts for Difference) long term energy sales contracts. EDP now has 2.0 GW of guaranteed solar photovoltaic capacity globally for the 2020-2023 period. Mention should also be made of the strong focus on offshore wind energy, through the Ocean Winds company (50/50 joint venture with Engie), with a portfolio under construction and development of 5.5 GW.

The strategy also involves the development of innovative projects, anticipating future business options, in areas such as energy hybridisation, taking advantage of the potential synergy and complementarity of different sources and technologies (solar, wind, water, storage), and the production of green hydrogen in the medium term and solar installations in floating structures. Of note in 2020 was the entry into operation of the floating offshore wind park – Windfloat Atlantic – with 25 MW of power, installed off Viana do Castelo (Portugal). The construction of the 2nd floating photovoltaic power plant in Portugal was also started in the reservoir of the Alqueva hydroelectric power plant, which will have a capacity of 4 MW and the completion of the electrification of the island of Berlenga (Portugal) through photovoltaic solar panels.

EDP has also been promoting decentralised photovoltaic solar energy among its customers in Portugal, Spain and

Brazil, totalling 145 MW of installed capacity at the end of 2020. Further developments can be found in the decarbonisation solutions chapter, on page 77.

Sustainable Berlenga project

The island of Berlenga, located off Peniche (Portugal), is an environmentally protected area, classified as a UNESCO nature reserve. The supply of electricity to the island, under the responsibility of E-Redes, was carried out by 3 diesel generators that operated alternately. To operate these, around 15,000 litres of fuel were transported every year to the island by boat.

The Berlenga Sustainable project, a partnership between E-Redes and the Municipality of Peniche, had the objective of providing a sustainable alternative for the supply of electricity, replacing diesel production with renewable energy sources. The system, the installation of which was completed in April 2020, consists of a photovoltaic production unit (70 kWp), a battery storage system (150 kWh), inverters, an emergency diesel generator and a remote control and monitoring system

The greatest challenges for the project were related to the maritime transport of materials, given that sea conditions sometimes led to work stoppages. The transportation of materials within the actual island represented its own challenge, particularly moving the generators on the island, with E-Redes relying on the support of the air force for this operation.

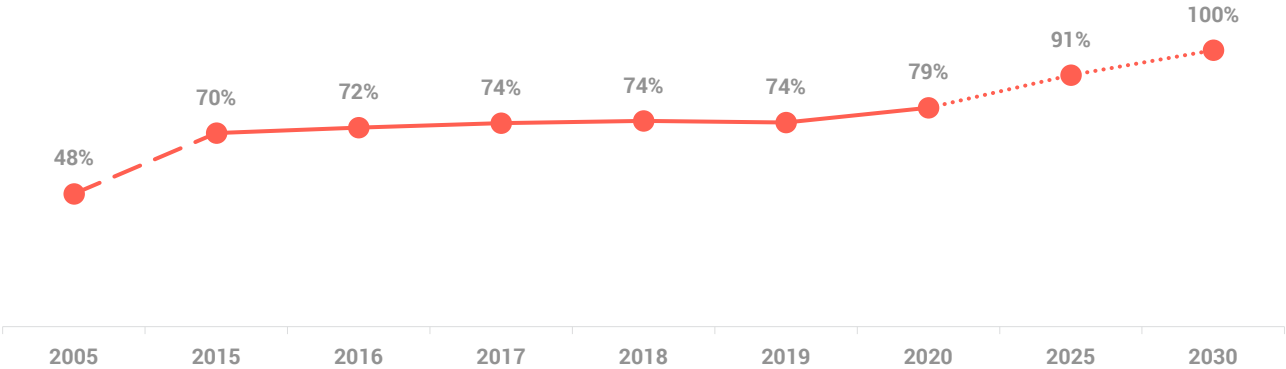
Performance

The balance between the sale of plants in several geographies, according to the asset rotation model, and new acquisitions, translated into a 971 MW decrease in installed capacity in renewable plants compared to 2019. This reduction was more than offset by the closure and sale of thermal power plants, resulting in an increase in installed capacity in renewable power plants to 79% of total installed capacity.

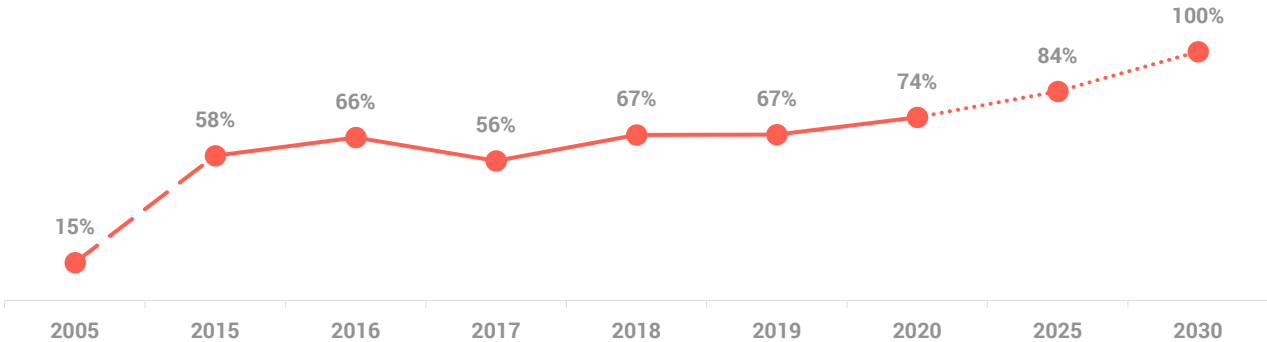
The group’s total electricity production decreased by 4% compared to the previous year, largely due to the pandemic situation caused by the new coronavirus, which led to decreased energy demand in all markets where EDP operates. Nevertheless, the share of renewables in total electricity production grew to 74%, compared to 67% in 2019.

The production of electricity from renewable sources, by replacing fossil-based thermoelectric production in the country where they operate, prevents the emission of greenhouse gases at a value corresponding to that which would be emitted by a mix of the thermoelectric portfolio existing in that country that produced the same electricity. In 2020, emissions avoided rose to 25 Mt CO₂, 1.8% more than in 2019.

Renewable installed capacity (%)



Generation from renewable sources (%)



3.2.3. Decarbonisation solutions

EDP continued to invest in the launch of new products and services and in the promotion of smart and efficient energy management solutions, particularly in the areas of distributed generation, electrical mobility and energy efficiency.

Avoided CO₂ emissions in customers through adoption of decarbonisation solutions

1.4 MtCO₂

The energy solutions provided by EDP aim to meet the specific needs of different customer segments through a diversified and innovative offer supported by optimized and focused communication channels for a response containing quality and efficiency.

In 2020, 21% of customers in the liberalised market had value-added services, such as energy efficiency, sustainable mobility or decentralised solar services. The objective is to ensure that 30% of those customers have value added

services in 2022 and 50% in 2030. In Spain, in the second half of 2020, the private customer portfolio was sold to Total, as part of the EDP group's 2019-2022 Strategic Plan, so the number of customers with EDP Spain's added value services now includes only the B2B customer portfolio (1,585 customers).

These services mainly have three distinct and complementary natures:

- **solar energy** – Savings simulation and installation of solar photovoltaic systems in a self-consumption scheme adapted to customers and local characteristics
- **electrical mobility** – Support, advice and availability of in-home and out-of-home charging solutions available in the three geographical areas where EDP is present
- **energy efficiency** – More efficient equipment and lighting such as LED lamps, high performance motors, variable electronic speed drives and heat pumps. Advisory services and energy audits.

Promoting sustainable consumption

With a greater awareness of the environmental impacts resulting from today's consumer society, there is a growing demand from customers for information that supports more sustainable consumption and promotes a change in their individual choices.

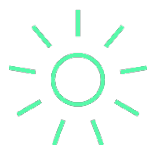
To support decision making, EDP provides different simulations on its websites to help customers make consumption decisions, promoting energy efficiency and more sustainable electricity consumption. Additionally, your invoices

provide environmental information, such as the CO₂ emissions created by your electricity consumption.

In 2020, EDP Comercial launched the EDP ZERO app in Portugal, from which the customer can learn about the potential CO₂ savings in the electricity they consume and is invited to enter the Planet Zero area. This programme, aimed at residential customers, rewards good environmental and social practices by its customers, challenging them to change their individual behaviour, to participate in voluntary actions, to be more efficient in their energy consumption and to adhere to more sustainable EDP solutions. As an incentive, customers add points for each sustainable behaviour they take, which in turn gives them access to raffles, experiences, benefits from partners and to vote in social and environmental projects. At the end of the year, 287 thousand clients had already registered with this application, considered by Portuguese consumers as the best energy application, with the *Prémio Cinco Estrelas* (Five Stars Award).

Distributed generation

Looking at a future in which production will be increasingly decentralised, EDP offers distributed generation solutions from renewable sources tailored to customers and local characteristics.



Photovoltaic systems

145 MWp

Installed in Portugal,
Spain and Brazil

In 2020, more than 100,000 photovoltaic modules were installed in residential and business customers in Portugal. With a production of approximately 50 GWh of solar energy this year, the emission of 8,750 tons of CO₂ was avoided, the equivalent of travelling 136 million kilometres by car.

In Spain, the Solar Energy self-consumption solution was made available to more than 1,000 homes and small businesses. These installations allowed the EDP group to reduce its thermal generation by 1.8 GWh per year, equivalent to 0.4 tons of CO₂ per year.

This year, in collaboration with ECODES and the Zaragoza City Council, the first Spanish Solar neighbourhood was set up and it is expected to be operational in 2021. Solar neighbourhoods are photovoltaic installations, located in a

public or private space, intended for collective self-consumption, of which neighbours and companies located within a radius of 500 metres can form part. The photovoltaic installation can have a maximum power of 100 kW, serving 200 participants (0.5 kWp per participant).

Additionally, EDP in Spain created the first community of solar energy ambassadors in Spain (www.edpsolarfriends.com). Through this solar energy promotion programme, the recommended activity is rewarded with points that can be exchanged for sustainable products and the possibility of making contributions to different NGOs such as the Red Cross, Caritas or UNICEF, among others.

In Brazil, the B2B segment completed the construction of a photovoltaic plant in Porteirinha, with an installed capacity of 6.54 MWp and which should avoid the emission of approximately 14,900 tCO₂, in its 25-year period of operation. In 2020, a total capacity of 18.39 MWp was installed, with the capacity to avoid, on average, the emission of 1,460 tCO₂ per year.

Sustainable mobility

The Covid-19 pandemic unexpectedly shook the world, and restrictions on travel were one of the most visible signs of its impact. The pandemic crisis, coupled with lockdown, has led to a sharp decline in the transport sector's emissions around the world. One of the changes is in commuting, where travel by private car seems to be becoming the most sought-after option.

This increase in demand leads to growth in sales of electric vehicles in 2020, which already exceed 12% of total market sales. The figures in Europe are already 2.3M, and by the end

of 2020 there will be around 10 million electric vehicles on the road worldwide. However, the growth of the power charging infrastructure has not kept pace with this development. More investment is needed to strengthen and improve it.

The EDP group integrates electric mobility into its strategic objectives (page 58), leading the transition to sustainable mobility and electrification of transport.

We are currently going through a paradigm shift in mobility. The recent effect of the Covid-19 pandemic creates opportunities for significant changes in mobility patterns that should not be missed. There is a huge responsibility on the various actors - public and private - to respond in an active and collaborative way, guaranteeing a fair transition to a more sustainable future.

EDP has been doing sustained work in spearheading electrification, with a clear commitment to decarbonisation, developing new power charging solutions, and fostering an ecosystem of partnerships for electric mobility, which stand out in 2020:

- EV100 Initiative, promoted by "The Climate Group". This is a global initiative bringing together companies from a variety of sectors committed to accelerating the transition to electrification in transport
- Corporate Mobility Pact (CMP), an initiative promoted by the World Business Council for Sustainable Development (WBCSD) with the city of Lisbon. This pact was signed by 54 companies and aims to catalyse corporate leadership to transform mobility in cities by involving cities and companies in collaborative action

- active contribution to the development of the World Business Council for Sustainable Development's (WBCSD) Corporate EV Adoption Guide
- organising the Portugal Mobi Summit, in partnership with Global Media Group, the largest urban mobility event in Portugal for the third consecutive year
- strategic partnership with the Portuguese Association of Users of Electric Vehicles (UVE) with the joint objective of promoting electric mobility in Portugal
- joining ChargeUp Europe, an alliance representing electric vehicle charging infrastructure companies. EDP is the first Portuguese company to join this group which aims to facilitate the creation of modern and high-quality charging infrastructures that serve the needs of users of electric vehicles in Europe.

Products and services

EDP aims to position itself as a key player in electric mobility. The company's strategy is to provide users with a commercial offer of products and services, particularly in Portugal, Spain and Brazil. Throughout 2020 it has worked to make the best power charging solutions available to its customers. It has focused on developing not only increasingly complete electrical mobility solutions, adjusted to the needs of the growing market, but also on having more competitive prices and thus reaching more and more electric vehicle drivers.

In Portugal

- EDP Comercial has launched a new range of power charging solutions for individuals with new prices and products, from a reinforced power socket suitable for

plug-in hybrid vehicles to the new EDP Comercial Premium charger used to charge electric vehicles faster.

- the EV.Charge platform (App and Portal), which was created as a digital interface for the electric mobility customer, now integrates all the dimensions and needs of power charging, at home (housing and condominium), at work and on the public road. EV.Charge was also a finalist in the International World Summit Awards (WSA) in the Smart Settlement & Urbanization category.
- in 2020, EV.X achieved 25,000 downloads and an additional 10 Million Km travelled by users of the app, adding to its resume the honour of best digital solution in the Environment & Green Energy category of the WSA Awards and an award at the Edison Electric Institute's Global Emerging Energy Solutions for Customers.

In Spain

- EDP has launched MiVē, an app that aggregates all the needs of the electric vehicle user: charging at home, including charger, installation and energy; charging outside the home, at the MOVE ON public charging stations, EDP's public charging app; and other additional services.
- in the corporate sector, EDP is finishing the implementation of a configuration on the Save to Compete platform that will offer the possibility of managing charging points through MOVE ON. In this way, the corporate customer decides the conditions of access to its charging points (users, prices, etc.), EDP manages them and then returns the income generated to the corporate customer. The company thus obtains a new potential source of revenue.

Public power charging network

By the end of 2020, in Portugal, EDP had more than 700 charging points contracted on the public charging network in electric mobility partnerships and concession contracts:

- allocation of 3 lots in the concession tender of the MOBI.E pilot network, with a total of 382 charging points spread over 90 municipalities
- new electric mobility partnerships with reference partners, namely Câmara Municipal do Porto, Saba, Sporting Clube de Portugal, Intermarché and Hospital da Luz
- partnership with Brisa, BP and Repsol to install a fast and ultra-fast charging network on national motorways - 34 charging points.

In Spain, in 2020, EDP increased its sales and customers in all segments, with special emphasis on public power charging through MOVE ON, ending the year with over 2,000 registered users and approximately 170 MWh charged, equivalent to around 850,000 km and around 127 tonnes of CO₂ saved:

- these chargings took place at the more than 280 public charging points that EDP has access to through the application, approximately double what it had in 2019
- in addition, EDP continues its commitment to interoperability. This means that through the MOVE ON app customers can charge not only at the company's more than 200 recharge points, but also at other providers. Thanks to this service, MOVE ON customers

now have at their disposal more than 800 charging points in 400 locations.

Over the course of 2020, EDP expanded its operations in Brazil with the implementation of new charging points; launch of a new app (EDP EV.Charge Br), improving the experience of customers who can use EDP's public charging points through this digital solution; and we also strengthened the Operation & Maintenance work of the charging points:

- EDP Brasil currently has 20 public charging points, the main ones being installed in the Rio-São Paulo corridor along the Via Dutra, through a partnership with BMW and Ipiranga, and also in 7 important cities interconnecting the state of Espírito Santo. The company also has charging points in Guarulhos-SP (in the city and at the Airport) and in the Teatro Santander, in São Paulo-SP
- for the coming years, EDP Brazil plans a strong expansion of the network of public charging stations. One of the main projects, in partnership with Audi, Porsche and Volkswagen, called Plug&GO, aims to form the largest electric corridor in Latin America with ultra-fast chargers in 30 localities connecting the city of São Paulo to the interior of the country as well as neighbouring states. This project is part of the National Electrical Energy Agency (ANEEL) Development Research Programme, and the first station has already been inaugurated in Caraguatatuba-SP, at the Serramar Shopping Centre. Each station will have 2 chargers, one ultra-fast and the other semi-fast, with a total capacity to recharge up to 3 vehicles simultaneously.

Partnerships with auto manufacturer and rental companies

In Portugal

Seeking to be present at the time of purchase of the electric vehicle, EDP has established partnerships with auto manufacturers and rental companies that provide EDP Comercial Solutions for charging inside and outside the home, facilitating the whole process of adoption of electric mobility by users, both in the private and business sectors. In 2020, key partnerships were developed to increase the penetration of these solutions:

- together with Daimler (Mercedes and Smart), Hyundai is one of the reference partners not only in terms of charging solutions, but also in the Blue Academy - an information platform dedicated to eco-mobility, with EDP Comercial as one of the project partners.
- in terms of fleet management, Finlog and Arval are two of the rental companies that already integrate EDP Comercial solutions in their services. In this segment, we have designed a specific business model that allows car rental companies to include charging solutions in their monthly car rental fees in a simple and transparent way.

In Brazil

EDP Brasil developed light and heavy fleet electrification projects in 2020:

- in the case of light fleets, we have worked together with partners selling electric vehicles, such as JAC Motors, to offer customized solutions for the supply of chargers and energy solutions in sales or rental services. In order to strengthen operations in this segment, a partnership was established with the leasing company Unidas for the

acquisition of electric vehicles by corporate and individual customers, associated with a package of EDP products and services (electric chargers, installation and maintenance of such equipment, solar energy and charging management platform)

- in the case of heavy fleets, the business model provides for the creation of conditions for investments in buses and electric trucks, via Special Purpose Entities, commercial partnerships or a joint venture with other companies in the transport sector. These formats enable EDP to invest and offer a range of solutions, including batteries, charging infrastructure and "as-a-service" projects too, where the customer, as a transport operator, can acquire electric vehicles and all adjacent solutions through a long-term rental contract. This method can also include solar energy for energy supply, either specifically for fleet consumption or even for the whole company. To further develop these services, the first electric bus for road use in Brazil was launched in October, in partnership with VIX Logística, WEG and CERTI.

Energy efficiency

EDP promotes energy efficiency improvement throughout the value chain as an important contribution to decarbonisation, contributing to a greater efficiency in the final use of energy by offering its customers low-carbon products and services.

In 2020, about 245 million euros of revenue were generated in energy efficiency services, representing an increase of 54% compared to 2019 (page 181).

In Brazil, EDP invested 25.8 million reais in energy efficiency initiatives in 2020, which enabled savings of 15 GWh/year. Funds are invested in accordance with legislation for the

Brazilian electricity sector, which determines that the distributors annually apply 0.4% of net operating revenue into Energy Efficiency Programmes (PEE) and 0.1% into the National Electricity Conservation Programme (PROCEL).

In the residential segment of the Iberian Peninsula, EDP reinforced its positioning regarding energy transition for residential customers, with the launch of the Casa Elétrica service, which has the aim of promoting the change of consumption of butane or propane to electricity, with an impact on energy consumption and security.

In the corporate segment, EDP supports companies in implementing integrated energy efficiency services, through the Save to Compete program. This programme identifies measures to reduce energy consumption, promoting its implementation and costing through the savings generated. Since its launch in Portugal (2012) and Spain (2013), the programme has led to an accumulated saving of around 328 GWh, corresponding to a reduction of approximately 127 thousand tonnes of CO₂.

One of the commitments undertaken by EDP in the context of its climate action concerns the supply of energy efficient products and services that will contribute to the saving of 5 TWh of electricity in the 2015-2022 period. By the end of 2020, the initiatives carried out in the different geographical areas will have already led to an accumulated savings amount of approximately 3.6 TWh, avoiding the emission of 1.4 MtCO₂.

The energy efficiency services provided by trading and distribution companies, generated the following energy-environmental benefits:

- in marketing activities in Portugal and Spain: energy savings of ~215 GWh, avoiding the emission of ~126 ktCO₂
- regarding distribution in Portugal – proceeded with the installation program of LED technology luminaires were totalling, in 2020, more than 670,000, which generate, per year, 203 GWh energy savings, avoiding the emission of 35 ktCO₂
- EDP Brasil (distribution and services) – savings of approximately 15 GWh prevented the emission of 30 ktCO_{2e}.

For more detailed information on the range of energy efficiency services, please see: www.edp.pt, www.edpenergia.es, www.edpsmart.com.br.

3.6 TWh

**Saved in customers
since 2015**

3.2.4. Satisfaction and customer service

The EDP group sells energy to both domestic and large-scale customers, segmenting its commercial activity into B2C and B2B. In the B2C segment, in 2020, it operated in Brazil, Spain and Portugal. In Spain and Portugal, the regulatory framework defines the separation between distribution activities into liberalized market marketing and regulated market marketing. In Portugal, EDP operates in all three activities through independent companies. In Spain, in 2020, EDP sold its B2C business to Total. In Brazil, in the states of São Paulo and Espírito Santo, the regulatory framework began to separate activities in 2020. In the B2B segment, the group operates not only in these three geographies, but it is also expanding its activity to other countries, in accordance with the Business Plan.

Several trends put pressure on service quality and challenge the commercial relationship with customers:

- the priority of decarbonisation and adaptation to climate change within a framework of continuous technological, digital and legislative innovation
- the opening of markets to competition and decentralisation of production
- the new regulatory dynamics and customer behaviour associated with the objectives of decarbonisation
- the growing importance of energy services in relation to the traditional business of selling energy, and
- the increasingly frequent occurrence of extreme phenomena with an impact on infrastructures

As a result, the dynamics of market context transformation is changing the classic segmentation of customers, widening its diversity and broadening business opportunities and challenges. In this area, particular attention should be paid to trends in the energy performance of buildings, the acceleration of electro mobility, self-consumption and energy communities, the increase in inequalities due to the difference in accessibility and digital culture of customers, and the widening gap between customers with the capacity to invest in energy efficiency and customers in energy poverty.

In particular, the 2020 pandemic added new pressures on service quality, changed consumption profiles and increased customer vulnerability. In this context, the EDP group maintained its commitment to accelerate investment in commercial innovation, diversifying its portfolio of services and markets, ensuring high customer satisfaction, both through the commercial offer and through excellence in the quality of the commercial relationship. These commitments are part of the EDP group's values and culture and are translated into concrete strategic objectives (page 58).

Vulnerable customers

Quality of life and well-being are directly dependent on the accessibility to energy, in particular high-quality and affordable electrical energy. In an increasingly technological and digital society, ensuring that everyone can enjoy this essential good is a challenge that the EDP group places at the heart of its business strategy, for which it has set specific targets (page 58) and a commitment to contribute to the goals of the United Nations' Sustainable Development Goals (SDG 7).

EDP's approach to customers' energy vulnerability is based on three lines of action. One line is linked to commercial commitments, through guarantees of service and the provision of solutions tailored to customers; another is linked to reducing energy poverty, through strict compliance with legislation on social tariffs and the promotion of voluntary measures to help the energy efficiency of people and social institutions; and a third line is aimed at promoting access to energy for populations without connections to the electricity grids, either through investment in start-ups with focus on this issue, or by providing an annual financial funding for projects on accessibility to electricity in countries with high energy deficits. The topic of voluntary contributions to mitigate energy poverty and promote access to energy is addressed in the chapter on investment in the community (page 134).

Commercial commitments

EDP scrupulously applies the service guarantees defined in the regulations and aimed at protecting priority customers from interruptions in energy supply. Priority customers are informed individually of supply interruptions that are subject to advance notice, with the minimum appropriate notice, and are given priority in the event of a breakdown. Health services, security forces, fire brigades, civil protection, maritime and air safety, and prison facilities are classified as priority customers. Similarly, for customers with special needs, with limited vision, hearing, speaking or sense of smell, EDP adapts the information and communication systems and guarantees the same levels of quality of service and rights available to other customers.

EDP also offers the "Safe Invoice" service covering involuntary unemployment, temporary incapacity for work or absolute and permanent disability.

Energy poverty

Energy poverty is associated with the inability of families to obtain the level of energy services needed to ensure an adequate level of thermal comfort, i.e. the inability to heat and cool their homes adequately at an acceptable cost. Poor energy performance of the housing stock and the inability of unemployed and economically poor families to invest in improving the energy efficiency of their homes are the structural causes of energy poverty. The social impacts of energy poverty are also known, deepening structural poverty and social exclusion, with relevant impacts on public health.

EDP believes that support for customers in energy poverty should be geared towards solving structural problems, fundamentally through the implementation of energy efficiency measures and the adoption of preventive measures to avoid interruptions in energy supply in situations of non-payment. In line with the European Commission's guidelines, EDP also believes that the financing of this type of measure should preferably be carried out via the State Budget, as an obligation of the Welfare State, or, alternatively, it should be borne by other consumers, in a logic of national solidarity.

In Portugal, since 2010, legislation provides for the application of a social tariff for electricity and natural gas. This results in a discount granted to economically vulnerable customers in the access tariff, financed, in the case of electricity, by ordinary electricity producers and, in the case of natural gas, by the transmission system operator, distribution system operators and natural gas suppliers.

In 2011, the Extraordinary Social Support for Energy Consumers (ASECE) was created for both electricity and natural gas, which consisted of a discount granted to economically vulnerable customers of 13.8% of the invoice value, financed by the state, with the aim of offsetting the

impact, on these customers, of the VAT increase from 6% to 23%. In 2016, access to the social tariff was facilitated, with the extension of eligibility criteria and its automatic allocation, along with the incorporation of the ASECE. In 2020, the number of beneficiaries of the social electricity tariff in Portugal was 586,811 customers, with a discount equivalent to 33.8% of the gross price of the regulated market's transitional tariffs, corresponding to 118 million euros, of which 94 million euros are borne by EDP. In turn, there were 34 thousand beneficiaries of the social tariff for natural gas in mainland Portugal, with a discount equivalent to 31.2% of the pre-tax bill in the regulated market, corresponding to 1.6 million euros, of which 150 thousand euros are borne by EDP group distribution companies. In September 2020, the number of beneficiaries of the social tariff in EDP's customer portfolio amounted to 589 thousand in electricity and 14 thousand in gas, with an expected increase in 2021 following the widening of the universe of beneficiaries to more situations of economic and social insufficiency, as established in Decree-Law no. 100/2020.

In addition, seeking to mitigate the impact of the economic and social crisis caused by the outbreak of the new coronavirus, in March 2020 the ERSE (Energy Services Regulatory Authority) approved a set of extraordinary measures to be applied to the energy supply, prohibiting in particular the cutting off of electricity and natural gas supplies for reasons attributable to the customer (e.g. non-payment of bills) until June 30th, a deadline which was later extended until the end of September for situations of unemployment or a drop in household income of 20% or more, as well as in the event of infection by Covid-19. In addition, under the rules approved by ERSE, the payment of debts generated by consumers over this period has been made more flexible, with the possibility of payment in up to

12 monthly instalments, with no interest being charged on arrears.

In Spain, the social tariff has been implemented since 2009, but only covers electricity customers. The mechanism currently in place differentiates between three categories of beneficiaries of the social tariff, depending on their level of income: vulnerable customers, with a 25% discount, severely vulnerable customers, with a 40% discount, and customers at risk of exclusion, with a 100% discount. These discounts apply to fixed term and maximum energy consumption. The social tariff is not automatically allocated but must, as a rule, be requested and renewed periodically by the client if they meet the eligibility conditions, depending on criteria related to income. During 2020, the Government allowed those especially affected by Covid-19 to also be considered vulnerable consumers. In November 2020, the number of beneficiaries of the social tariff in EDP's customer portfolio was 53,219, which were transferred to Total's portfolio on December 1st, after the conclusion of the sale of the B2C commercial business.

In Brazil, the social tariff was implemented in 2002 and consists of a benefit created by the Federal Government for low-income families. This is a discount on the tariff applicable to the residential class of electricity distributors, which may vary by thresholds of 10%, 40% and 65%, according to the consumption of each household, up to a maximum of 220 kWh/month. Indigenous and Quilombo families that meet the defined requirements benefit from a 100% discount, up to a consumption limit of 50 kWh/month. Also in Brazil, the application of the social tariff must be requested and is not automatic. In 2020, EDP's two energy distribution companies had 189,842 customers registered on the social tariff. It is worth noting that, in order to assist low-income families in the Covid-19 pandemic scenario, the

Federal Government applied the 100% discount for limited electricity consumption up to 220 kWh/month in May, June and July, according to the edition of Provisional Measure no. 950/2020.

The EDP group's contribution to the protection of vulnerable customers is not, however, limited to promoting the social tariff and complying with legal obligations. On a voluntary basis, through its Social Investment Policy, EDP develops programmes to fight energy poverty.

Customer satisfaction

Overall Customer Satisfaction stood at 79% in 2020, a figure higher than in previous years and in line with the EDP group's commitment to maintain a customer satisfaction level of over 75% by 2022. Contributing to this result was the increase recorded in all geographic areas.

Customer
satisfaction
at EDP group

79%

In Portugal, the satisfaction score reached 79%, slightly higher than in 2019. In the liberalized market's NPS (Net Promoter Score), which measures the degree to which customers recommend the company, there was an increase of 3 points compared to 2019 in the residential segment (3rd quarter 2020 vs 3rd quarter 2019) and a slight increase from 7.8 in 2019 to 7.9 points in 2020, in the business segment.

In Brazil, EDP assesses its customer satisfaction through surveys carried out by industry bodies such as ABRADÉE and ANEEL. In 2020, it reached 78% in São Paulo and 81% in Espírito Santo in the Perceived Quality Satisfaction Index (ISQP). In the liberalized market, the satisfaction score reached 84%, slightly higher than in 2019 (83%). Consolidated results in Brazil reached 80%.

In Spain, in 2020, no B2C customer satisfaction study was carried out, given the restructuring of customer service following the sale of the B2C portfolio. With regard to B2B customers, there was an overall satisfaction rate of 79%.

Complaint and claim management

The EDP group is constantly investing in the development of channels and means of resolving complaints and claims and in improving the customer experience. In addition to facilitating the means of assistance, by telephone, in person and by correspondence, solutions for appeals on administrative decisions are available in addition to those provided for by law. The Customer Ombudsperson, the Ethics Ombudsperson (page 160) and participation in citizenship initiatives, such as the Complaint Portal, are instruments for resolving complaints and claims that improve customer experience and reflect EDP's values.

In the energy supply segment, the year 2020 was marked by the impact of the pandemic and the sale of the B2C operation in Spain to Total. During this period, the focus was maintained on resolving customer requests, seeking to find solutions in order to facilitate contact and delivering an experience to customers suited to the new reality, since the measures adopted to control the pandemic conditioned the experience of an important range of customers in what was their traditional relationship with EDP, as a result of the closure of shops and agents with a consequent increase in the use of digital and telephone channels.

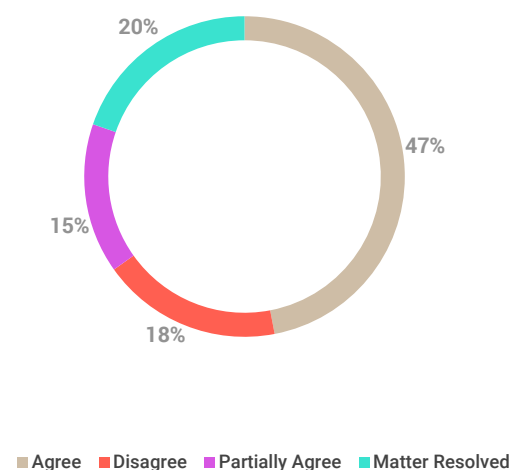
Despite this sudden change, the number of complaints remained stable in Portugal, practically in line with 2019 in the B2C segment (+1.8%). In the business segment, a sector particularly affected by Covid-19, the decline in complaints (-1.5%) was noticeable. In Spain, the B2B operation maintained the reduction in the number of complaints obtained in 2019. In Brazil, the complaint management improvement programme continued to produce important gains on all channels.

COMPLAINTS		2020	2019	2018
PORTUGAL		86,750	85,683	114,357
B2B	#	972	1,103	1,315
B2C	#	85,778	84,580	113,042
SPAIN		63,883	72,469	92,408
B2B	#	761	759	810
B2C ¹	#	63,122	71,710	91,598
BRAZIL		59,316	74,393	70,995
Company	#	49,047	57,746	58,169
ANEEL	#	1,632	2,081	1,544
PROCON	#	3,657	6,255	4,837
Justice	#	4,980	8,311	6,445

¹ As of December 2020, EDP ceased operating in the B2C segment in Spain. Figure from November 30th 2020.

Also, in Portugal, EDP also has a Customer Ombudsperson, an independent entity which has the mission of considering complaints submitted by customers, in cases where they have not been satisfied with the conventional complaint system. The Customer Ombudsperson addresses matters related to the supply of energy and the provision of services by EDP companies, namely: contract compliance, consumption estimates, invoicing and claims for damages resulting directly from the service provided.

Response details from the customer ombudsperson (%)



Overall, the improvements implemented in the experience of the EDP customer have substantially reduced the number of complaints per thousand contracts. At the same time, the average resolution time has been improving. In total, there has been a 20% reduction in the number of complaints.

Energy prices

In the Iberian Peninsula, the commercialization of energy is free and consumers can contract the supply with any commercial company.

In Portugal, and according to the regulator, ERSE (Energy Services Regulatory Authority), the liberalized market accounted for 84% of the total number of customers (around 95% of consumption) at the end of September 2020, and the regulated market tariff is expected to expire at the end of 2025. However, since the end of 2017, customers of standard low-voltage electricity on the liberalized market have the right of access to a regime analogous to that of regulated tariffs and may return to the regulated market if their supplier does not provide such a regime. The average price of the reference tariffs for sales to final customers in Portugal in 2020 was mostly composed of energy and sales costs, with a share of 50.5% in the final tariff, with the cost components of energy policy and network use accounting for 32.0% and 17.5%, respectively, of the total.

In Spain, at the end of 2019, the liberalized market accounted for 62.8% of the total number of customers, corresponding to 98.6% and 99.2% of customer consumption in the SME and Industrial segments, respectively, and 61.7% of customer consumption in the domestic segment. Domestic prices in Spain in 2020 had a higher energy policy cost than Portugal, accounting for about 40% of the final tariff, with energy and

network use accounting for 37% and 23% of the total cost, respectively.

In Brazil, in September 2020, the liberalized market accounted for 0.01% of the total number of customers (8,247 out of a total of about 85 million customers), which accounted for about 30% of consumption. Since January 2020, all consumers with a contracted capacity of 500 kW or more have been able to migrate to the liberalized market, provided that they purchase energy from renewable sources, while the segment consuming 2,000 kW or more is able to purchase energy from any source. Under the terms of Ministry of Mines and Energy (MME) Ordinance 465/2019, which established the timetable for reducing the compulsory purchase of certain sources and opening up the market, consumers with a contracted capacity of 1,500 kW or more will be able to purchase energy from any source as free consumers from 1 January 2021, while consumers with a contracted capacity of 1,000 kW or more will also be able to purchase energy from 1 January 2022 and those with a contracted capacity of 500 kW or more from 1 January 2023, when there are no more market restraints planned. The Ordinance also provides for the development of studies to prepare the timetable for the opening up of the low voltage market by 2024. With regard to the breakdown of electricity prices, energy and marketing costs constitute about 44% of the costs invoiced to the customer, while network use costs (transmission and distribution) and energy policy costs correspond to 45% and 11% respectively.

Safety of products and services

The safety of products and services sold by EDP represents a fundamental aspect for the sustainability of the business. Ensuring that the equipment made available and the activities carried out do not present risks, or only reduced risks

reconcilable with a high level of protection of the health and safety of customers, suppliers, employees and society in general, is considered an essential organizational requirement adhered to at the highest level and throughout the entire Company.

Thus, within the scope of energy services made available by the commercial area to customers, there is a set of practices that are promoted in order to guarantee the safety of the products and services sold, in particular:

- selection of equipment to ensure compliance with the regulations in force, appropriate to any constraints existing at the customers' premises
- installation of equipment involving duly trained teams, supervised by safety coordination from the commercial area
- carrying out tests on the equipment at the factory and subsequently at the customers' premises, in order to ensure their compliance with current safety requirements
- providing training to the customer, which includes instructions on use and safety rules
- provision of means for safe use by the customer, in order to avoid accidents or potentially dangerous situations
- specific studies for safety analyses, either at the level of building structure, or at the level of analyses of accessory equipment that enable safety risks to be mitigated, or even eliminated, from a standpoint of continuous improvement.

In the case of energy supply services, an activity carried out in Brazil, Spain and Portugal, the systems are installed in order to guarantee maximum protection against accidents and improper uses, complying with the technical standards established by the regulatory authorities.

With the spread of the pandemic to several countries and the appearance of the first cases in Portugal, a wide range of actions was set in motion with partners in order to alert and protect customers. Additional information on the measures taken by EDP in this context on page 88.

Service quality

Improving the quality of the technical service provided to customers is one of EDP's main objectives as a distribution network operator. EDP maintains a strict quality monitoring process of the technical service, allowing the adoption of mitigating measures whenever justified. At the same time, complementary checks and analyses are carried out at the points of delivery to customers, in accordance with regulatory provisions. These procedures aim to contribute to the optimisation of the maintenance and operation of the distribution network, with a focus on improving the quality levels of the service provided.

In 2020, service quality remained high as a result of the technical teams' commitment to a joint effort between EDP and the service provider companies, and management measures, new investments and cooperation and dialogue with stakeholders.

In Portugal, after achieving the highest scores ever in 2019, 2020 was marked by some challenges regarding the operation of the distribution network, with a consequent impact on the quality of technical service. As in previous years, some episodes of adverse weather conditions occurred in 2020, with particular emphasis on Storms Gloria and Jorge. To minimise the impact of these events on the continuity of service, we highlight the contribution of the automation of the distribution network and the strategy of anticipation and response to exceptional events that has

been developed by E-Redes over recent years, allowing for, through the POAC-RD (Operational Crisis Action Plan for the Distribution Grid) the mobilisation of the necessary resources at the appropriate time.

Important progress was also made in smart grids during 2020, with the implementation of projects aimed at developing new use cases for the information made available by the smart grid infrastructure. In particular, a pilot project was launched regarding the provision and use of the technical data recorded by Intelligent Measuring Instruments (IMI). The main objectives of this project are to characterise the technical data recorded and made available by the IMIs and their potential use by customers.

On the other hand, E-Redes pursued its digitalisation strategy, from which we highlight the development of tools and algorithms to support decision making, which analyse in almost real time the warning system of the electricity infrastructure and produce information to support the network operation. Additionally, a system was developed that allows the proactive identification of constraints in low voltage (LV) networks, caused by self-consumption installations and/or electric vehicle charging stations.

In Spain, remote management of supply records has been introduced, with the main advantage of reducing response times without the need to visit the consumption site. In the same vein of remote operations, customers have made it possible to instantly query meter readings from the My Consumption website. In the field of digitalisation and process automation, the app "Contadores" was created to facilitate the reading, review and programming of smartmeters, when they are not remotely accessible. The app has made fieldwork more flexible, simplifying operation and facilitating the management of available resources, while

ensuring reliability and data security for its further processing in different systems.

The Flash LV project for fast, accurate and real-time monitoring of the LV network also continued, enabling the challenges of electrification of the economy to be met efficiently. In terms of data analysis, improvements were achieved, on the one hand in forecasting and detecting faults in the distribution network, and on the other in reducing energy losses in the network and combating electricity fraud.

In Brazil, even with the impact of climate factors, EDP maintained a good performance in quality indicators, in accordance with regulatory limits. In 2020, the indicators of Equivalent Duration of Interruption per Consumer Unit (DEC) were 7.15 for EDP São Paulo, registering a slight increase compared to 2019 (6.98) and 7.85 for EDP Espírito Santo, representing an improvement over the previous year (8.19). The Equivalent Frequency of Interruption per Consumer Unit (FEC) recorded in both São Paulo and Espírito Santo was consistently better than the limits set by the regulator.



Reinventing the relationship with the customer

As prepared as the Group was, the consequences of the pandemic were uncharted territory, without a pre-defined roadmap. The different companies had to reinvent their relationship with the customer through out-of-the-box solutions.

A marathon to materially adapt the way of responding to its customers - reducing or even suspending most face-to-face activities (stores, technical and door to door services). This was how EDP Comercial managed the pandemic - in the first phase, around 50% of stores were closed, the Contact Centre switched a significant number of their assistants to teleworking and field services operations were reduced to urgent and solar services. The declaration of a State of Emergency led to the closure of 100% of the stores, to the suspension of door-to-door activity and to all Contact Centre assistants being transferred to working at home.

During this period, despite everything, customers did not stop receiving visits from technicians, with reinforced security measures, to respond to urgent intervention requests. As an example, on the other side of the Atlantic, EDP Brasil acted quickly to preserve the lives of employees based on the principle "Life always comes first". A series of measures were taken ranging from the creation of the "Life Saving Rules | Covid-19", a set of specific policies for the prevention of coronavirus, to the establishment of the full home office regime for all corporate teams.

At Iberian level, the PMO Covid-19 Response was established at the Iberian level, which sought not only to systematise the initiatives that had already been implemented, but also to focus efforts on organising on three fronts: disaster management, war rooms and preparation for rebound and growth. In all, around 290 initiatives were set up through this Iberian PMO, which each week sought to provide visibility on the various moving fronts and ensure that they were all being implemented, ranging from the launch of the offer to healthcare professionals to debt management initiatives. Among these measures, the suspension of power-cuts to customers turned out to be one of the most publicised and significant measures. During all this, reassuring employees and suppliers about the pandemic, demonstrating that solutions would be implemented to ensure everyone's safety while safeguarding day-to-day operations as much as possible was one of the biggest challenges the PMO faced.

The current pandemic forced the implementation of a set of prevention and safety measures to ensure the maintenance of the company's commercial operation, involving the multidisciplinary contribution of various internal and external teams. Protective equipment for employees and service providers was acquired and distributed, particularly masks, alcohol-based solutions, gloves, goggles, visors, shoe covers, full protective suits, thermometers, acrylic protections for on-site channels, alcohol gel dispensers, barrier tape, etc. Awareness and information actions were also carried out for employees and service providers, in order to ensure everyone was acting in line with existing best practices, particularly safety work inductions for all B2B energy service teams, occasional awareness raising activities for teams chosen for an inspection, during the monitoring of B2C energy services, or weekly on-the-job awareness raising for employees of active Contact Centres on the best practices to be adopted.

Another of the most delicate issues in the management of the pandemic was the issue of Business Continuity and Risk. When the pandemic broke out, ERSE issued a Policy with a set of extraordinary measures for the energy sector, including the need for distribution operators and suppliers to obligatorily submit their respective contingency plan for this situation. As was the case with most companies, EDP did not have a specific pandemic plan; there were plans for other scenarios, which were reviewed to see whether they still made sense or not and could be adapted to this reality. There was then an effort by both companies to create a single document with which to provide a response.

In the field, always

The demand for business continuity on the field continued to increase, and this time it was not a storm that was ravaging the network, but a pandemic. E-Redes dealt with the situation by mobilising a significant number of employees who remained active on the ground and in the dispatch centres, in order to ensure the maintenance of essential services, for which the first necessary action was the acquisition of protective equipment. In the dispatch centres, it was decided to segment the teams, increasing the distances between operators and separating operations. To accomplish this division, it was necessary to find alternative locations where these teams could be dispersed to carry out their network supervision activity. In terms of field operations, an effort was also made to ensure the protection of operational personnel, keeping the designated teams and avoiding operational interchanges, and assigning the same vehicle to the same team so as to mitigate the possibility of the virus spreading. All work in enclosed spaces that could not be undertaken by a maximum of three people was postponed or cancelled. Another

important aspect was the ongoing monitoring of the evolution of the situation throughout the country by E-Redes, working in permanent contact with entities such as Civil Protection and Local Authorities. This connection enabled it to respond in record time to the various requests caused by the situation, which included support for the installation of field hospitals and the reactivation of established border checkpoints. This form of management was one of the many contributions that led to EDP being a success story in this adverse context.

3.2.5. Innovation and digital transformation

Digital transformation

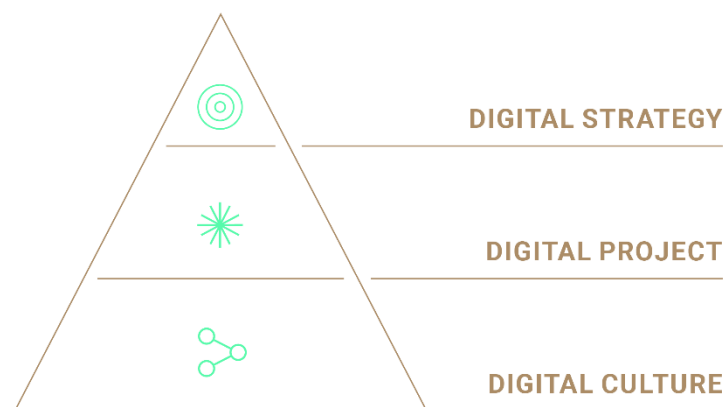
Digital transformation is happening across all sectors, fundamentally changing our daily lives: how we relate, how we access and process information, how we perceive the world. In the business world it has a disruptive effect, changing not only our way of perceiving businesses, but also the way we manage them and its effects are felt in all activities and business areas.

In an atypical year for the world, where everyone's everyday reality was forcibly changed, digital transformation has been driven by internal processes and operations as well as in the digital relationship with customers. With the growing demand for digital means, EDP was able to rapidly adapt to this reality and launched a set of new functionalities, such as additional remote payment means and expansion of digital interaction channels with customers, such as Whatsapp.

It has become "the new normal" and must be adopted on a scale. With the aim of ensuring effective integration between new digital products and core information technology (IT) systems and to reinforce the importance of technological innovation in the group's strategy, digital transformation in EDP is based on three interdependent areas: (1) Digital strategy; (2) Digital projects; and, (3) Digital culture.

Digital strategy

The centralisation of the EDP group's digital strategy provides a global vision of the digital roadmap of the various business units and initiatives still in the pipeline, ensuring correct alignment and optimisation of synergies.



To guarantee the achievement of EDP's digital strategy, ambitious objectives have been defined in the group's various business areas and activities (Digital Business). By the end of 2022, the goal is to invest a total of 800 million euros in digital CAPEX, which will include more than 300 minimum Viable Products (mVP). In terms of customer relations, the aim is to increase the quality and speed of customer services through robotisation and automation tools. In asset e operations management, the main objective is to increase efficiency through the implementation of predictive maintenance solutions. Within the organisation's own operation, it aims to simplify and digitise the vast majority of processes, such as meeting check-in and signing contracts.

For digital transformation to be a reality at the business level, it is also necessary to invest in technological "levers" that support it, namely data and technology, development and

training of employees in new skills, making collaborative tools available and establishing an ecosystem of technological partners.

In 2020, EDP's ecosystem of digital partners was further assessed and revised, and it currently collaborates with 39 companies with expertise in the various digital technologies used for project development.

In recent years EDP has started its journey to the "Cloud" through an ambitious programme of migrating 85% of its systems and applications by 2022. The investment in the development of application programming interfaces (APIs) and microservices has also been a fundamental lever for digital transformation, with nearly 400 active APIs already in place.

Digital KPIs for 2022

GLOBAL

+300mVP

Accelerated up to 2022

800M€

Digital Capex (2019-2022)

DIGITAL BUSINESS



CUSTOMER

60%

Selfcare Interactions



ASSETS & OPERATIONS

80%

Predictive Maintenance
(Iberia Conventional
Capacity)

CORPORATE

95%

Digitalized Processes

DIGITAL ENABLERS



DATA & TECHNOLOGY

85%

Systems
in the Cloud

>70%

Iberia Smart
Meters

ECOSYSTEM

+50

Digital Partners



PEOPLE & ORGANIZATION

100%

Digitally
Connected

85%

Reskilled
Workforce

Digital acceleration begins with the transformation of the organisation itself, both in terms of the re-skilling of the workforce and in terms of organisational culture. The Covid-19 pandemic has accelerated the transformation that has been ongoing for several years in the EDP group, laying the foundations for new ways of working. The means and technology to support new hybrid work models, between physical and digital, are already available and quality and productivity can be ensured.

This Agile methodology is increasingly used by all areas of the company, with an increasing number of employees trained and products developed in this format.

Long before the Covid-19 crisis, videoconferencing was already commonplace within the group and much work had been done on training for the use of collaborative tools. Working methodologies such as Agile and Design Thinking, continue to be used daily in project development, only through different collaborative tools. This is the case with MS Teams, which was implemented at EDP just over a year ago and which allows teams to work from a distance but closely. The large-scale adoption of this tool in 2019 made the transition to remote working easier, as the vast majority of EDP employees were already familiar with it.

Digital projects

Since mid-2020, the project portfolio has been extended to four types of digital projects, depending on their duration and impact on the organisation: "Boost", mVPs, Scale-ups, and "Quick Wins".

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"Digital Boost" are projects developed between three and nine months, with a significant impact on the organisational structure. Based on Agile methodologies, the minimum Viable Product (mVP) is the type of digital project most frequently developed in the EDP group. mVPs allows you to test the basic functionalities of a new product, with a minimum financial investment and in the shortest possible time. With an estimated execution time of about three months and an average impact on the organisational structure. Scale-Ups, on the other hand, are initiatives that focus on developing additional features, integrations and/or increasing scope to ensure the adoption of pre-developed mVPs by business areas. Finally, the "Quick Wins", are projects with little structural impact, which last about two weeks, and are divided into four categories - Productivity, Collaboration, Design Thinking and Standard Workflows.

During 2020 more than 134 Quick-Wins were launched, 100 mVPs and nine Digital Boosts. A number of themes that marked the digital acceleration initiatives in the EDP group during this year can be highlighted:

- digital Signatures of Documents
- degree of Process Digitization and Dematerialization
- employee Digital Experience
- predictive Maintenance of Assets
- sustainable Customer Relationship through Digital Technology.

Digital Signature – roadmap of initiatives contributing to EDP's digital acceleration in the pandemic context

The topic was not new to the Company's digital project portfolio, which had been implemented since 2019. However, the 2020 pandemic has accelerated the expansion and development of a number of initiatives that have helped to raise awareness, diagnose use cases and implement digital solutions available for adoption by EDP group companies

In this sense, the portfolio of projects developed this year includes:

- session: "Digital Signature: what it is about and how it has evolved at EDP": this clarification session was available for the whole EDP group and was the third most attended Clinic (seminar) ever
- mVP with a focus on digital signature: ten projects, four started in 2019 and six in 2020; 40% of the projects were customer-driven and 60% were employee signature improvement solutions
- idea sessions to support the identification of solutions to use cases: three sessions were held focusing on the diagnosis of the typology of electronic signature and identification of digital solutions applicable to use cases of documents of a financial and employee nature
- "Digital Signatures, How to? Booklet: preparation and dissemination of a guide to support the process of identification and adoption of the best digital solution to be applied in the use cases of the companies of the group that want to start signing their documents electronically.

Degree of Digitisation of Processes and Dematerialisation – two KPIs of EDP's digital strategy expedited in 2020

The process of diagnosing the degree of digitalisation of the processes of four of the EDP group's main Business Units (BUs)

in Portugal began in the second half of 2019 and required a complex survey, which made it possible to understand the starting point at EDP and to scale up the effort required to achieve the desired results in relation to the targets set for the two KPIs:

- digitalized processes: this indicator is evaluated every six months, yielding 82% in the first half of 2020, compared with the target of 95% in 2022
- paperless: this indicator is evaluated quarterly and has accounted for a reduction of 49% in 2020 (when compared with consumption in 2017) with the objective of achieving a 60% reduction by 2022.

This scenario meant that the last mVP Wave of the year was essentially focused on projects aimed at increasing the level of digitisation of group companies' processes and reducing the consumption of paper inherent in existing processes. Nineteen projects have been identified in ten EDP companies and will be developed over three months.

In 2021, the intention is to continue to support the BU in identifying new opportunities for improvement by making processes increasingly dematerialised and digital, following the EDP group's strategic ambition of digital transformation.

edpON app – EDP a fingertip away from its employees

EDP group employees gained a new platform in April 2020. EDPON's vision is to be a "common home" of the main functionalities of the employee's digital journey, enabling a seamless and transversal user experience and contributing to a culture that is intended to be unique in a multi-geographical group.

This application is available in mobile and desktop versions, anywhere and from any network, without the need to be connected by virtual private network (VPN) (essential in the context of working at a distance), allowing employees to consult intranet information or use the main services and functionalities of the EDP group's tools, such as justifying absences, booking holidays or approving requests from their teams, consulting pay slips, or opening IT incidents, among other actions.

These are just the first features made available. A challenging roadmap of features to be integrated to make this platform more complete and effective for its users is planned in the coming years, covering not only service request features but also actions related to skills, knowledge and collaboration management.

In December 2020 the edpON platform was awarded in the Internal Channel category in the [Internal Channel no European Excellence Awards 2020](#).

Analytics4Assets – A revolutionary new tool in the management of E-Redes's technical assets

Advanced analytics maximise the value extracted from assets, either by improving their reliability or by extending their useful life. These operational improvements contribute directly to reducing maintenance and repair costs, optimising

investment, and minimising risk to the business and the distribution network in general.

The Analytics4Assets project focused on the development of advanced predictive models, supported by visualisation tools, that allow E-Redes to improve its decision-making on maintenance needs and investment in its most critical assets. To this end, models for calculating the health index and the probability of failure have been developed for three types of critical assets - HV/MV Transformers, HV Lines and HV Circuit Breakers. The results of these models can then be easily consulted on two dashboards - one for maintenance planning, and one for investment planning.

Analytics4Assets is thus another important step towards accelerating the use of advanced analytics at E-Redes, contributing decisively to optimising the management of assets and the associated maintenance and investment costs.

Planet Zero – EDP invites the Portuguese people to Generation Zero and launches innovative program that promotes sustainability

Whit this sustainability programme that rewards the good environmental and social practices of the Portuguese people, EDP inviting them to be part of Generation Zero - a generation of parents who care about the world they leave their children and children who care about the world they want to live in, cleaner and more inclusive. EDP Comercial customers can access this programme through the new EDP Zero app (which also adds the functionalities that were available on edponline) or the EDP Comercial website, being encouraged, through tips and habits suggestions, to change their behaviour in order to decarbonise society. In addition to environmental concerns, this initiative also has a strong

social component, based on responsible consumption, humanism, sharing and innovation.

Planet Zero emerges in a context where consumers are increasingly concerned about environmental degradation and are looking for solutions and new ways to economise, and arises from the need to aid the creation of a movement that requires everyone's participation and begins by changing individual behaviour. This is where EDP Comercial customers can accumulate points, or Z's, for demonstrating good environmental and social practices and responding to challenges launched monthly by EDP - ranging from small changes, such as greater efficiency in energy consumption in their homes, to beach cleaning initiatives or reforestation campaigns. By accumulating Z's, customers are able to reach new levels of sustainability and gain access to more offers, discounts and experiences.

Culture

Digital Transformation is not only about developing digital projects and implementing new disruptive technologies. In fact, Digital Transformation starts in people and, for that reason, one of the priorities of the Digital Global Unit (DGU) is focused on cultural transformation through the adoption and dissemination of Digital Thinking, new ways of working and new organisational models that foster cooperation and learning.

This year has been a catalyst for the consolidation of the use of collaborative and virtual communication tools, considering the need for remote work. The launch of MS Teams in 2019 and the around 90 knowledge and practice training sessions on the tool carried out throughout the EDP group between 2019 and the 1st half of 2020 contributed to the increase in productivity and user experience of employees working at a distance. Associated with the use of MS Teams, the

communication of tools that contribute to this work efficiency, such as the "Planner" or "To Dos", and the promotion of the use of Sharepoint for the management of archives between teams have been reinforced. At the end of 2020, the adoption of MS Teams reached 86% of the EDP group's 0365 licences, an increase of 18%.

Training is an essential component for the development and updating of the employee's digital skills, within a holistic framework complemented by informal on-the-job and collaborative learning. Over the course of 2020, in a process planned and started even before the pandemic period, EDP diversified its training portfolio in digital subjects and strengthened its commitment, already consolidated in previous years, to in-house e-learning courses.

**Employees
who have completed
digital theme courses
(2017-2019)**

90%

This new programme, provided by EDP University with the support of DGU, the talent management areas and the business units, meets the differentiated needs of four levels of digital expertise: "aware", "savvy", "skilled" and "expert".

Each course is included in one of three digital training areas: (i) Digital Business@EDP; (ii) New ways of working and collaborating; (iii) Innovation & Technology. Of the more than 40 courses, seminars and certifications on offer, about half are new and focused on topics as current and diverse as Digital Transformation, Design Thinking, Agile Mindset, Information Security and Advanced Analytics.

Aiming to strengthen the culture of data analysis, in 2020, EDP Brazil started an internal program for training data scientists. Considering the shortage of professionals in the market, the programme aimed to strengthen the knowledge of employees with the best analytical and programming skills. Given the strategic importance of this market, the initiative enable them to create career opportunities with the company's internal human resources. In this sense, a Mentorship of Data Science was held, which trained 17 employees in São Paulo and 28 in Espírito Santo. In addition, theoretical training on the subject was carried out in partnership with the Armando Alvares Penteado Foundation (FAAP) of São José dos Campos in São Paulo and with Alura in Espírito Santo. Finally, training in process robotisation is also part of EDP Brasil's programme. In 2020, nine employees were trained on the topic, totalling 82 since 2017.

The relevance and accessibility of the digital training available in the EDP group has made it possible for over 90% of employees to have accessed (and successfully completed) digital courses in the 2017-2020 period.

During this period, the pace of communication was also intensified, in terms of organising interactive sessions and online talks. The themes presented tend to be as topical as possible, and in view of the new pandemic context, an even greater effort has been made to expose relevant and pertinent themes that would help EDP employees to adapt quickly to this new reality. During 2020, 39 talks were organised which, among other themes, demonstrated all the features of Teams, for better use of the tool, sessions on the secrets to effective teleworking and also on how to hold Design Thinking meetings at a distance. In addition, Clinics have also addressed cyber-security issues, with the goal of raising awareness of the need for protection against the growing threats of cyber-attacks on personal devices. The number of talks has more than doubled compared to last year. The number of participants has also skyrocketed, increasing by over 200%.

2020 was a year of strategic review of the positioning and objectives of the nine Virtual Communities (VCs) launched in 2019, with the goal of boosting engagement and participation of the experts in those fields. It was a year of opening the borders of the VCs beyond their members, involving the entire organisation through disclosure initiatives for EDP employees. New rituals have been created to energize the Communities, combined with the existing ones, which have contributed to an increase in participation to about 1,300 members in the different communities, as well as an increase in the number of members by 60%.

Digital inclusion

Within the scope of the digital projects developed by the DGU for the various business units of the EDP group, some products that contribute to the digital inclusion of customers stand out, namely by providing online services, electronic invoicing, interaction through mobile applications, attendance

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by virtual assistants, which improve efficiency and speed of service as well as customer satisfaction.

From an employee perspective, EDP promotes digital education initiatives through training programmes, such as e-learning for Digital Transformation (launched in 2019 and with the development of new modules in 2020 and 2021), sessions to activate collaborative tools and encourage new ways of working, such as Agile and Design Thinking.

MUDA Program

Another initiative underway in the field of digital literacy is the participation of the EDP group in the MUDA - Movement for Active Digital Use programme, promoted by various private entities and the Portuguese State. The aim is to promote and support the digital migration of the Portuguese community in order to enable all citizens to have equal access to information, reducing information exclusion. A new initiative was launched in April 2020 - MUDA AT HOME, with the aim of helping all of Portugal to make the most out of internet use from their homes during the Covid-19 crisis. Embodied in a website www.mudaemcasa.pt, with various contents, tutorials and suggestions, it is intended to contribute to the improvement of the daily life of the Portuguese people in a time when millions have to stay at home, with their families or even alone, for an indefinite period of time.

Viva Nuestra Energia

For this new academic year, the Viva Nuestra Energia (VNE) programme has undergone digital transformation, with a radical change in its programming, which is now 100% digital (on-line). To this end, a web platform has been developed with weekly content and an online application for comprehensive classroom management, in which students are immersed in the Worlds of Renewable Energies guided by

various characters related to these energies who will guide them in learning about what energy is and how it is produced, the differences between renewable and non-renewable energy, efficient energy use, environmental conservation, sustainable consumption, etc. And knowledge and awareness of the importance of the Sustainable Development Goals (SDGs).

The programme arose in response to a demand from society expressed in the Sustainability Perception Survey carried out every two years by EDP in Spain: society is calling for greater involvement in sustainability education for the young.

In this sense, the programme is aimed at schoolchildren aged between 6 and 16 (primary and secondary) from all educational centres.

The objectives of this digital platform are:

- motivating through enjoyable and dynamic learning
- broaden access to information through a web platform and through digital applications, both recreational and educational
- encourage teamwork.

The digital platform developed has resources for students and teachers:

- Youtube channel with entertaining and educational videos to learn more about the world of renewable energies through crafts and experiments
- games: quiz and strategy games (mobile and tablet application)

- resources for students (worksheets, flashcards, drawings)
- resources for teachers: Teaching units, booklets, and additional resources.

As additional content, the programme has two digital applications of a educational and recreational nature, with difficulty adjusted according to the courses. The first one will be available in web format and will give teachers the possibility to organise a classroom activity with the students before and/or after the workshop. The second application, in the form of a mobile app, will help to consolidate the knowledge acquired after the workshop, both inside and outside the classroom.

The programme has now been running for 11 years, having reached a total of 1,788 schools and more than 279,000 students in various communities in Spain. The overall assessment of the programme's implementation is very positive. In addition to the good reception it received from the students, the teaching staff of the centres generally rated it highly, and all of them stated that they would repeat it in future courses and would recommend it.

Over the next few courses, thanks to this digitalisation of the programme, the aim is to reach a national level, being able to coincide and support the expansion of the business in all communities.

Development of innovative technologies

Research, Development and Innovation (RDI) are highly significant themes for society and a priority for the EDP group, with a marked acceleration in the process of optimisation and internal digitisation having been noted,

resulting from the extraordinary year experienced through the effects of the world pandemic crisis.

In a context of transition for the sector, with the challenges of climate change and the urgent need to decarbonise the economy, EDP has reinforced the need to adopt innovative multi-technological strategies and approaches, supported by digital transformation.

Within this framework, EDP has been promoting and developing new technologies, products, services or business models, with the aim of providing the group with competitive advantages and contributing to EDP's image as a leader in the development and implementation of innovative and creative solutions for value creation. In 2020, total investment in RDI rose to 111 million euros.

RDI investment

€111M

The technology-based RDI activities and projects are structured into five areas, aligned with the group's business strategy throughout the value chain: **Clean Energies**, to boost the renewable energy business; **Intelligent Networks**, which develop solutions for a more intelligent management of electrical networks; **Customer-centred solutions**, which promote consumer electrification solutions, improved energy efficiency and distributed generation; **Digital Innovation**, which aims to place the latest advances in information technologies (Internet of Things (IoT), artificial intelligence and Big Data technologies) at the service of business and customers; and, finally, **Energy Storage and Flexibility**, which tests new storage technologies, flexibility management and identifies new business models. For each of these areas, the most important projects carried out in 2020 are summarized below.

Clean energies

- **Sustainable Berlenga** (Portugal) – photovoltaic solar electrification of the island of Berlenga (page 75).
- **BEYOND Project** (Portugal) – aims to develop the engineering, design and definition of a roadmap for the development, commercialisation and industrialisation of modular systems for the production of green hydrogen using off-shore wind energy.
- **Adhesive OPV** (Brazil) – scale production of organic photovoltaic panels, seeking to optimise their production process, with installations on a glass facade and roof and comparing their performance in different locations and orientations.

- **ODIN Project** (Spain) – Develop technology and new knowledge based on the Digital Correlation Technique in relation to the dynamic effects generated by electrotechnical equipment (generators, transformers, etc.), applying safe optical identification technology methods.
- **GHG in Reservoirs** (Portugal) – evaluation of greenhouse gas emissions (CO₂, CH₄ and N₂O) in the reservoirs of three hydroelectric plants in Portugal, through sampling campaigns to measure the concentrations of these gases.

Intelligent network

- **AMIGO Project** (Spain) – Development of a system enabling the automatic diagnosis of faults in remote management equipment connected to the network.
- **Earth Observation for Vegetation Management** (Portugal) – use of advanced analytics on images collected by satellites in the management of vegetation in the vicinity of high and medium voltage overhead networks, particularly in protection zones and fuel management bands.
- **EDEX - Energy Data Express** (Portugal) – Supported through the Big Data infrastructure of the PREDIS project, EDEX aims to calculate the energy balance in HV and MV with a resolution of 15 minutes and including cloud migration of the solution.

Customer-focused solutions

- **E-lounge** (Brazil) – A solution for the supply of electric fleet vehicles, including renewable energy sources, especially aiming at light and super-light vehicles.
- **Retrofit Chargers** (Portugal) – development of kits that make recovering the fleet of chargers for outdated electric vehicles possible, in regard to usage and communication patterns.
- **SATO Project** (Portugal) – Implementation of an innovative IoT building management platform (user-focused SATO platform, which will enable the building to self-assess and improve its energy performance, making it more efficient, smarter, more comfortable and with better air quality.
- **Barrio Solar** (Solar Neighbourhood) (Spain) – Proof of concept of a new business model, based on energy communities. Vulnerable people will be included in the community project.

Digital innovation (data leap)

- **Ydata** (Spain) – Implementation of a mathematical model that uses synthetic data for two situations in electrical networks: identification of communication failure with a meter and detection of fraud.
- **DeepSolar** (Portugal) – artificial intelligence algorithm that identifies the location and size of solar installations from satellite images contributing to EDP's solar business in different geographical areas.

Energy storage and flexibility

- **Storage in renewable power plants** (Spain) – New methods to design, plan and operate storage systems based on lithium-ion batteries in renewable power plants, through considering degradation models.
- **XFLEX - Hydropower Extending Power System Flexibility** (Portugal) – demonstration of solutions based on hydroelectric energy that provide greater flexibility to the electrical system.

Partnerships and research funding

RDI at EDP has taken an open innovation position, emphasising collaboration with driven stakeholders such as start-ups, universities, R&D centres, incubators, accelerators, technological companies, utilities, etc. EDP continues to focus on partnerships and the balance between its own funding and competitive public funding for its RDI activity, with the following initiatives worthy of special note in 2020:

- in Brazil, EDP set up the Innovex platform that brings together and manages all RDI investments, including ANEEL Regulatory Programmes. The objective is to achieve an investment target of 2% of net operating revenue in 2021 and up to 4% in 2025. In 2020, it launched an observatory focused on clean energy in partnership with the Getúlio Vargas Foundation
- EDP Ventures Spain signed an agreement with Gestión de Capital Riesgo del País Vasco SGC to co-invest in Basque start-ups developing technology in any of EDP's five strategic R&D lines

- in 2020, EDP Spain renewed the agreement with the Oviedo University Foundation under which it financially supports students from the Schools of Mining, Energy and Materials Engineering of Oviedo and the Gijón Engineering Polytechnic who are carrying out their final master's work on proposed topics of interest to EDP
- EDP joined the Spanish Hydrogen and Fuel Cell Technology Platform and the Spanish Hydrogen Association
- Smart Energy Lab (SEL), set up in 2019 as a CoLab under the leadership of EDP Comercial (which holds 40% of the equity) and involving the participation of Accenture and 5 scientific and university institutions, was recognised as a scientific institution. Its mission is to create solutions and products for the end consumer in areas such as mobility, storage, flexibility management or energy management in the community
- it continued the EDP Chair in Biodiversity, co-financed by the Portuguese Foundation for Science and Technology (FCT) and awarded to CIBIO - Centre for Research in Biodiversity and Genetic Resources - at the University of Porto, Portugal, for scientific research work dedicated to the management of biodiversity impacts, conservation and monitoring, with particular emphasis on environmental genomics, mitigation of impacts from hydroelectric plants and distribution networks (page 158).

EDP Starter**820**

Applications
30 start-ups from
13 countries and
28 pilots

Free Electrons**857**

Applications
15 start-ups from
10 countries and
18 pilots

Support for entrepreneurship

The development and introduction of innovative technologies has largely benefited from the support to entrepreneurship promoted through EDP Starter. With activity in Portugal, Spain and Brazil, EDP Starter offers the best start-ups in the sector the opportunity to participate in acceleration programmes (such as Free Electrons or the Starter Acceleration Program), hackathons and conferences in order to be able to develop their products.

2020 was also marked by EDP's presence at the (virtual) Web Summit, and participation in the global start-up acceleration programmes- Free Electrons and Starter Business Acceleration. These initiatives aim to identify, select and test the solutions proposed by these start-ups, in line with EDP's technological priorities. The interaction value chain with start-ups culminates in EDP Ventures, a venture capital fund with 70 million euros under management.

3.2.6. Sustainable finance

Sustainable Finance is responsible for the new paradigm in the financial market, which redirects financial flows towards sustainable investments. According to the European Commission, this supports economic growth by reducing pressures on the environment, taking social and governance aspects into account (<https://ec.europa.eu>).

When considering environmental, social and governance (ESG) factors in guiding financial flows, the following are particularly noteworthy:

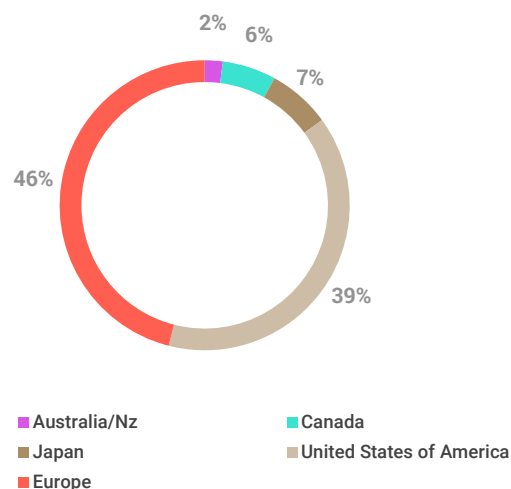
- investors, because they seek ESG information;
- regulators and supervisors, because they lay out the path, with public policies and incentives, to manage the risk of integrating ESG aspects in investment decisions;
- companies, because they demonstrate through their sustainability reporting, for example, their ESG performance in ESG indices and ratings, involvement with investors and other parts of the financial system, that implement sustainability strategies in line with the United Nations Sustainable Development Goals (SDG) and the Paris Agreement on Climate Change.

Investors, regulators and companies**Investors**

According to the latest data from the Global Sustainable Investment Alliance, sustainable responsible investment (SRI) totals 31 trillion US Dollars (Assets under Management (AuM)) corresponding to 36% of the total market. Europe and the US continue to hold the largest shares of total SRI assets

(2018 data). It is estimated that this figure represented 40 trillion US dollars in 2020, and that this figure will increase by 10 trillion every two years (Source 2020 - ESG Data Integration by Asset Managers: Targeting Alpha, Fiduciary Duty & Portfolio Risk Analysis).

Proportion of global sustainable investment assets by region in 2018



Regulation

There are at least 730 policies in 50 of the world's economies supporting the development of sustainable finance.

- **TCFD**, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), formed within the scope of the Financial Stability Board (FSB), seek to increase transparency regarding the way the financial risks associated with climate aspects are

assessed, financially quantified and managed by the entities subscribing to these recommendations (more than 1,500 organizations in 2020), enabling most economic agents to make better-informed decisions.

EDP has committed to following the recommendations of the TCFD, which it joined in 2018, with regard to the disclosure of governance, strategy, analysis of risks and opportunities and the financial impact of climate change in the company. For more details see page 52 onwards.

- **EU Green New Deal** represents a new growth strategy for the EU in order to achieve neutral climate impact by 2050. It includes a set of initiatives, from which we might highlight:
 - the **European Climate Law**. With this law, the European Commission aims to ensure that all sectors of the economy and society contribute to carbon neutrality by 2050, by setting a target of reducing EU emissions by at least 55% by 2030 compared to 1990 levels
- **Investment Plan for a Sustainable Europe**. This plan stands out due to its key element being the European Sustainability Taxonomy. This regulation, published on 22 June 2020, and which came into force on 12 July 2020, establishes the criteria for an activity to be qualified as environmentally sustainable (these will be periodically reviewed). The taxonomy regulation also imposes new information disclosures on players in the financial market and leverages the regulation of green bond issuan.

Companies

It has become common for companies to pay attention to how their ESG performance affects the investment decisions of the various players in the financial market, as well as their financing decisions. In addition, a good score on a sustainability index can retain and attract new investors and increase confidence in the company.

Globally, the company has been very receptive to its involvement with the various stakeholders in the ESG market. The themes that dominated EDP ESG considerations by investors in 2020 were: energy transition, international reporting standards (TCFD and SASB), business ethics, corporate governance, human resources, suppliers, human rights and sustainability indicators.

Currently, 18% of the capital of EDP's shareholder structure comes from SRI investors. EDP has shown its knowledge of ESG aspects and the management of controversies to SRI investors who follow active and passive investment approaches.

In addition, with regard to the financing component, the Company has responded to requests from investors, who are increasingly demanding in terms of mitigating the risks inherent to ESG factors. EDP's strategy has been focused on sustainability for many years, even before the issuance of Green Bonds became a trend. In order to promote greater alignment of the company's financing policy with its strategy, in October 2018, EDP entered the Green Bonds market and has since issued approximately 4.4 billion Euros of this type of bond.

In parallel, the Company has followed the regulatory developments in sustainable finance due to the implications they have for the sector in which the company operates and

where climate change is seen by investors as a risk and an opportunity. As such, the company has provided responses to public consultation processes, involving not only individuals, but also as represented by associations, such as Eurelectric, or the Corporate Forum for Sustainable Finance, or BCSD. In terms of reporting non-financial information, one of the key elements of sustainable finance, it should be noted that EDP has been reporting according to the GRI standard since 2003, and more recently we started reporting in line with the TCFD (we expect to have implemented this alignment by 2022). Since 2019, we have been reporting based on the SASB standard and translating the company's environmental performance as shown in its financial indicators in line with the EU's sustainability taxonomy.

Finally, EDP has reported its score on the sustainability indices, to the various stakeholders in its sustainability report (since 2017) and at www.edp.com.

EDP ESG performance assesement

Given the lack of a single methodology for ESG information, analysts have built specific methodologies to respond to the information needs of investors. It is therefore a major challenge to respond to different requests. Despite these different approaches, assessment has been consistent, since EDP has continued to be included and/or has formed part of the main sustainability indices and has been at the top of the companies leading sustainability.

Equity indices

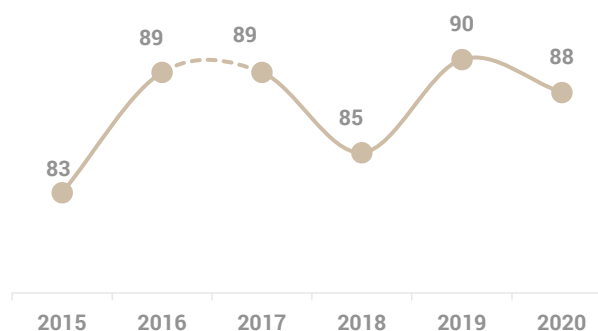
Dow Jones Sustainability Indexes

Analyst: SAM S&P

Since 2008, EDP has been a member of the DJSI World index and DJSI Europe index, though it was not part of the DJSI Europe index in 2015 and 2016. In 2020, EDP obtained an overall score of 88 points on the Dow Jones Sustainability Index (DJSI), 2 points more than in 2019 and 45 points more than the average for the electricity industry. It occupies 2nd place in integrated Utilities, and 4th in Utilities.

For more details visit www.spglobal.com.

SAM/DJSI



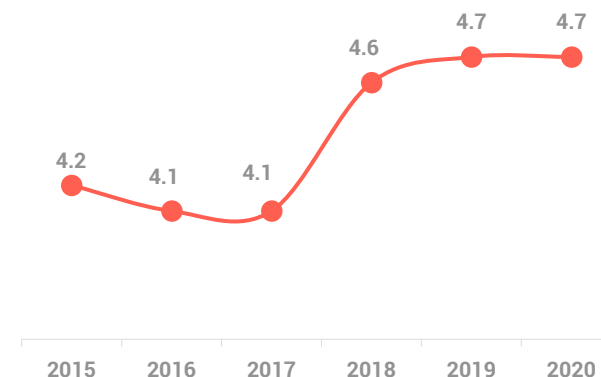
Note: the 2017 score was changed due to a methodological change that occurred in 2018. Figures for previous years are thus not directly comparable.

FTSE4Good Indexes Series

Analyst: FTSE Russell

In 2020, for the 11th consecutive year, EDP has been a member of the FTSE4Good Index Series, with an ESG score of 4.7 and in the top 3% of utilities with the best ESG performance. The average score in the 2014-2020 period was 4.4 points out of 5. For more details, visit www.ftserussell.com.

FTSE Russel



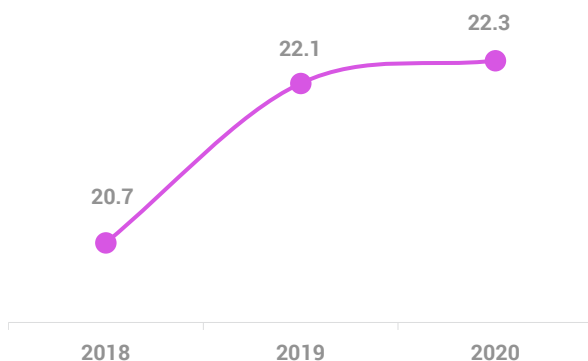
Stoxx ESG & Sustainability Index

Analyst: Sustainalytics

EDP has been a member of these indices since 2015. In 2018, the company's rating expressed a measure of risk according to the new ESG rating methodology adopted by Sustainalytics, "Sustainalytics ESG Risk Rating". In 2020, EDP obtained a result of 22.3 (in 2019 it obtained a value of 22.1), which corresponds to the Medium risk category (20-30 interval). For more details, visit www.sustainalytics.com.

ESG assessments from Sustainalytics bear out the STOXX ESG indices. For more details, visit www.stoxx.com.

Sustainalytics



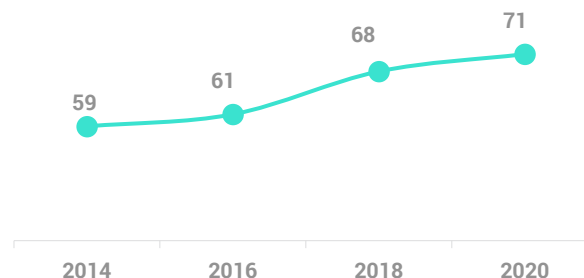
Euronext V.E Indexes

Analista: V.E (e.g. Vigeeiris)

EDP has been a member of the indexes (Euronext World 120, Euronext Europe 120 and Euronext Eurozone 120) since 2012. EDP is in the TOP 3 of utilities and had an average score of 63 in the period from 2012-2020.

For more details, visit www.vigeo-eiris.com.

V.E



Ethibel Sustainability Index

Analyst: Ethibel Forum

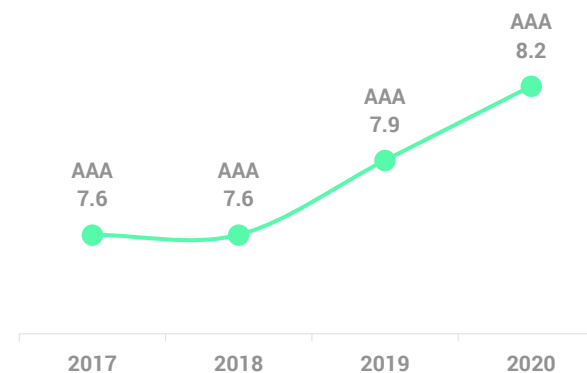
EDP is included in the Ethibel EXCELLENCE Investment Register, a group of companies that perform above the average in their sector of activity. EDP has been part of the Ethibel Sustainability Index (ESI) Excellence Europe since 2013, and since 2020 in the Ethibel Sustainability Index (ESI) Excellence Global. For more details, visit www.forumethibel.org.

MSCI ESG Indexes

Analyst: Morgan Stanley Capital International

EDP has had AAA rating since 2012. For more details, visit www.msci.com.

MSCI



ECPI Index

Analyst: ECPI

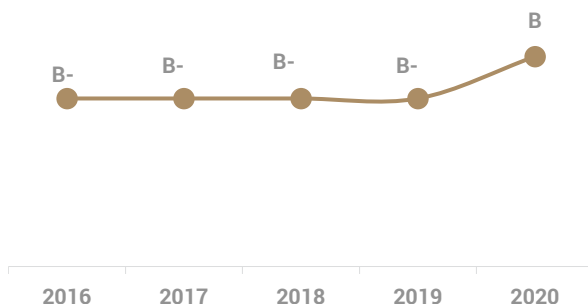
Since the launch of its first index in 2001, ECPI has been a pioneer in the SRI market. Following scrutiny based on an SRI exclusion approach, it currently has about 40 indices ranging from global equity indices to thematic, strategic and bond indices. EDP has been a part of these since 2013. More details on the ECPI index family are available at www.ecpigroup.com.

GCX (Global Challenges Index)

Analyst: ISS Oekom Corporate Rating

EDP has had Prime status since 2009 and in 2020 obtained a "B", which it had not obtained since 2013. The ISS ESG Corporate Rating score varies between D- (poor performance) and A+ (excellent performance). More details are available at www.issgovernance.com.

ISS-Oekom



SE European Utilities Index e SE European Multi-Utilities Index

Analyst: Standard Ethics

For this analyst, performance analysis is defined in terms of alignment with international standards established by the United Nations, OECD and Europe. The rating varies between F-EEE (9 levels). A rating higher than EE- indicates good alignment. EDP obtained an E+ rating, that is, Standard Ethics considers that the level of alignment is not adequate. More details are available at www.standardethics.eu.

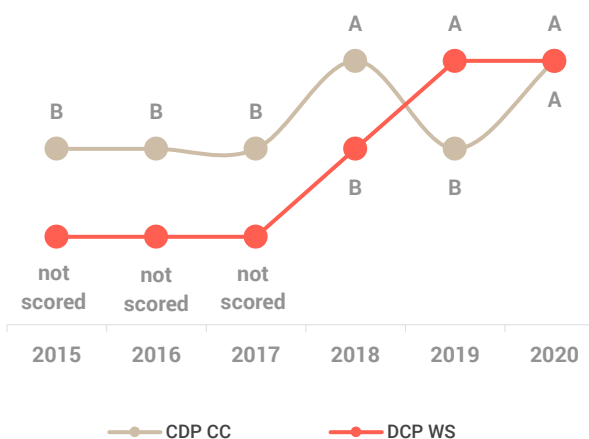
Ratings and rankings

It should also be noted that the company has also responded to questionnaires that have enabled it to obtain recognition in the area of climate change and water management (CDP Climate Change and CDP Water Security), in the area of sustainability (GRESB) and in the area of ethics (Ethisphere Institute). However, the ratings obtained are not expressed as stock indices.

Analyst: CDP

EDP is included in the list of companies rated A for CDP Climate Change and CDP Water Security. The CDP classifies companies from D- to A according to aspects covering information disclosure, the management of environmental risks and best sustainability practices. More details can be seen using the following link: www.cdp.net.

CDP



Analyst: Ethisphere Institute

EDP has participated in this evaluation since 2012, and since then has been considered one of the most ethical companies in the world. More details are available at ethisphere.com.

Analyst: Gresb

EDP participated for the first time in 2020, having responded in the Public Disclosure Infrastructure Asset category. Among 234 companies evaluated, EDP ranked first with a score of 92/100. More details are available at gresb.com.

Sustainable financing

The topic of "Sustainable Financing" continues to receive increasing attention from investors, issuers (public and private) and regulators, playing a key role in mobilizing the capital needed to meet sustainable development goals. There is now a considerable array of sustainable financial products and solutions, including green bonds, the number (and value) of which has grown rapidly in recent years. Issuers encounter credit investors who are becoming increasingly demanding when it comes to assessing the sustainable conduct of companies and its reporting. In this context, the capital market has begun signalling a preference for more sustainable financing. Issuers that resort to this type of financing and that assertively communicate the use of funds raised and the incorporation of ESG policies in their strategy, are differentiating themselves in an increasingly more positive way.

Initially introduced by the European Investment Bank in 2007, green bonds have grown rapidly in recent years, demonstrating the inevitability of the need to acquire sufficient scale to tackle the pressure of climate change and other environmental pressures.

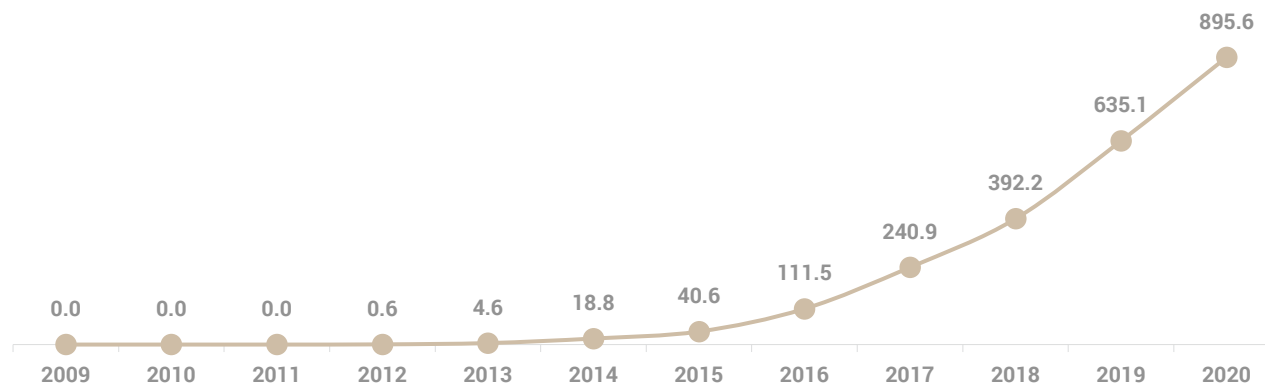
In 2020, according to data released by Bloomberg, the cumulative value of green bond transactions was 896 billion US dollars. In terms of an annual average this corresponds to a growth of 144% in the period 2008 to 2020. The market for green bonds in the Utilities sector accounts for 12% of all green bonds issued and in circulation.

Currently the fraction of green bonds corresponds to about 1% of the overall bond market value (over 135 trillion US dollars).

As part of the 750 billion euros (of which 672.5 billion euros in loans and grants) "Next Generation" for the European economic recovery plan to respond to the crisis caused by the Covid-19 pandemic, green bonds could be one of the key instruments to underpin its growth strategy for digital and energy transition in an inclusive and fair manner. It should be noted that under the "Next Generation" plan, Member States should demonstrate that at least 37% of the plan's allocation supports energy switchover initiatives and at least 20% supports digital transformation, while also ensuring that their measures comply with the principle of "do no significant harm" under the EU taxonomy.

EDP's strategy has long been focused on sustainability and the company's issuing of green bonds has promoted a greater alignment of financial policy with our sustainability strategy, increasing market awareness. It also allows diversifying and broadening of the investor base, allowing

Evolution of the green bond market (billion dollars)¹



access to investors that are more focused on sustainability issues.

By the end of 2020, EDP has issued around 4.4 billion euros in green bonds: four senior debt issuances, one of which in US dollars, and two issues of subordinated debt (hybrid).

EDP issued its first green bond in October 2018, in the amount of 600 million euros, and in January 2019 it issued its first green hybrid bond, in the amount of 1 billion euros. These issues were the first green bonds of senior and subordinated debt by a Portuguese issuer, so in 2019 EDP received the Green Bond Pioneer award - recognition of the Climate Bond Initiative (CBI) - for being the first Portuguese company to issue green bonds. More recently, in September 2020, EDP issued the first US dollar-denominated green bond amounting to 850 million US dollars.

EDP's green bond issuances are supported in its Green Bond Framework. This document presents the set of principles that support the process of issuing this type of bond and that follow the international standard of Green Bond Principles (GBP), voluntary principles developed by the International Capital Market Association (ICMA). The paper was reviewed by Sustainalytics, which issued a favourable external opinion on the GBP framework and mentioned that EDP's Green Bond Framework "is credible, impactful and aligned with the four components of the Green Bond Principles 2018".

EDP's green bonds are included in a number of benchmarks, including the Bloomberg Barclays MSCI Global Green Bond Index, the ICE BofAML Green Bond Index and the JPMorgan ESG Green Bond Index (JESG GENIE). In 2019, with EDP's green bonds being listed on Euronext Dublin, EDP was invited to join a new specific segment of green bonds launched in November by EURONEXT Dublin.

¹ Source: Bloomberg (values outstanding)

3.2.7. Business economic sustainability

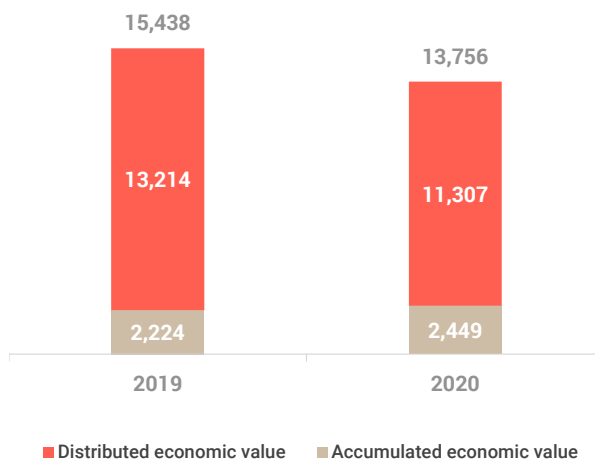
Long term value creation

Over the past years, EDP has integrated environmental and social issues in their business model (page 56) and strategy (page 21) by definition and deployment of corporate policies (page 202). Consistent with this approach of long-term value creation, EDP has a Corporate Governance model that meets the various stakeholders' expectations.

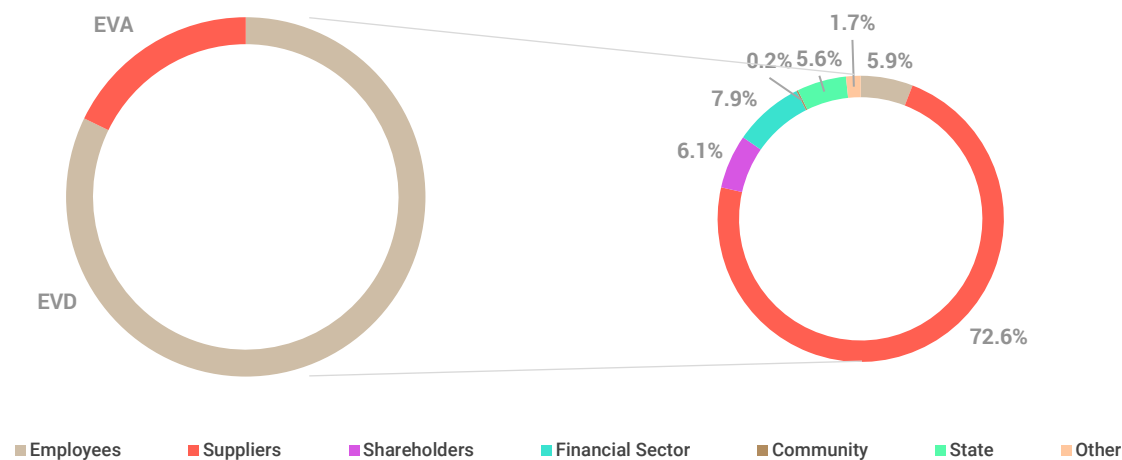
In 2020, the economic value that EDP generated reached 13,756 million Euros, which is comparable with 15,438 million Euros in 2019. This value includes turnover and other income. In 2020, 82% of the Economic Value Generated (EVG) was distributed in a total amount of 11,307 million Euros. The Economic Value Accumulated – EVA (difference between EVG and EVD – Economic Value Distributed) corresponds to the remaining 18% and includes retained earnings and non-payable costs.

For more information on EDP's economic and financial performance, see [EDP's Annual Report](#).

Economic value generated (€M)



Break down of economic value generated



Available liquidity

12-24
months
of refinancing needs

Reinforcement
Of EDP's credit metrics

<3.0x
Net debt/EBITDA in 2022

Solvency and financial management

Financial stability is seen as an essential factor for sustainable and balanced growth.

Careful management of liquidity levels and maintenance of high levels of solvency are key to ensuring short and long-term financial obligations and access to capital markets.

As part of its financial management policy, EDP believes it is essential to maintain a level of liquidity that makes it possible to overcome long periods of difficulty in accessing the financial markets, supported by an appropriate strategy of diversification of sources of funding. In this regard, EDP seeks to ensure the maintenance, at all times, of sufficient liquidity reserves to cover between 12 and 24 months of refinancing needs, while seeking to guarantee permanent access to the capital market and to maintain relations with a large number of financially stable and benchmark international banking counter-parties. At the end of 2020, the available liquidity was 8.9 billion Euro, which covered refinancing needs beyond 2023.

With regard to its level of debt, EDP has successfully pursued its strategic commitment to reduce its leveraging while acting to optimise the average cost of debt and increase the average maturity of debt. At the end of 2020, the EDP group's net debt totalled 12.2 billion Euros, the Net Debt/EBITDA ratio dropped to 3.2x and the average cost of debt was 3.3%.

With the aim of improving its financial risk profile, EDP aims to reduce the Net Debt/EBITDA¹ ratio to less than 3x by 2022, through sustained growth in operational cash flow and optimisation of its asset portfolio. EDP believes that the improvement of the company's credit metrics, combined with the maintenance of a low risk business profile, are consistent with a "BBB" rating target for the period 2019-2022.

¹ Net debt deducted from regulatory assets and excluding 50% of subordinated debt (hybrids, including interest).

3.3. Commitment to society and the environment

This axis defines EDP's commitments towards its employees, service providers and communities. Aspects associated with diversity and equal opportunities, occupational safety and health, voluntary work, access to energy, the circular economy, and environmental protection are highlighted.



HIGHLIGHTS 2020

Management of the pandemic and adaptation of the employee's experience to a mostly remote context, with 72% of the Group's employees in telework.

6M€ in voluntary investment of the EDP group in the fight against the pandemic.

Cyber-attack with impact on part of corporate systems, having been unharmed the networks and systems that control critical energy infrastructures.

Review of EDP's Code of Ethics.

Start of the project dedicated to the implementation of the TCFD recommendations.

Independent evaluation of the Corporate Compliance Management System, in accordance with the International Standard on Reliability Assurance Work ISAE 3000.

Suspension of duties of the President and member of the EBD.

Raising awareness among the European institutions on central issues such as the commitment to carbon neutrality.



MAIN CHALLENGES 2021

Interiorization of the new code of ethics with all workers.

Keep organizational climate results at reference levels.

Implementation of the Security Culture Reinforcement Program in the EDP group.

Implementation of the new hybrid model that combines face-to-face collaboration and remote work.

Implementation of Psychosocial Risk Assessment.

Strengthening Crisis Management and Business Continuity Practices.

Continue with the Management of the Crisis.

Implementation of the circular economy strategy.



SDGs



3.3.1. Crisis management

Crisis management is regarded by the EDP group as a strategic capability that allows it to respond, in a supported and sustainable manner, to abnormal and unstable situations with a potential negative impact on its strategic objectives, viability and/or reputation.

In this sense, EDP has been developing this capacity internally, both at strategic and operational level, adopting practices and plans aligned with internationally recognised benchmarks, in particular with BS 11200:2014 and ISO 22301:2019 standards, establishing a transversal approach to Crisis and Business Continuity Management plan, reflected in OS 1/2018/CAE, taking advantage of EDP's crisis management governance structure. These include the development of strategic and operational plans taking into account the criticality of the response to situations with a high level of uncertainty, which require urgent attention and action to protect the environment, life, assets and reputation in the EDP group. The effort to harmonise Crisis Management practices culminated in the formalisation of an EDP group Crisis Management Policy and Crisis Communication regulations.

Since we are aware that crisis and potential crisis situations typically arise from the simultaneous and/or sequential manifestation of different risk factors, which lead to significant negative tangible and intangible impacts, EDP has adopted a comprehensive methodology based on the best international practices for corporate risk management in the strategic, business, financial and operational areas. It is considered that, regardless of their nature and origin (internal or external), the timely identification and mitigation of vulnerabilities reduces the probability of incidents of

significant dimension, which could lead to disruptions, including extreme events.

Organisations today face a multitude of adverse situations, due to their international positioning, making them inevitably more vulnerable to the occurrence of these types of events. On the other hand, awareness of this position allows for a state of continuous monitoring and alertness for the evolution of possible crises on a global scale with an impact on the organisation. Preparation for crisis situations, in particular with a focus on people's health and protection, is part of EDP's activities and commitments, through its Contingency Plan for Pandemic situations in the EDP group.

In order to detect and fully act on risks that may have an impact on its activity, EDP has a robust set of human, procedural and technological control and safeguard measures that it has been developing and improving, complemented by recovery plans at the operational level, such as the Business Continuity Plan for priority processes/services. These allow EDP to increase its capacity to continue providing its services at acceptable levels in the occurrence of incidents, emergencies and disasters, complying with the assumed objectives. In order to ensure their effectiveness and adequacy, the plans are subject to periodic testing and simulations, both internally and in collaboration with external entities relevant to EDP's value chain. From a perspective of focusing on precaution, with regard to preparation for and response to extreme climate events, climate adaptation constitutes one of the strategic pillars of climate action (page 152).

In parallel, there has been increasing demand from the market itself with regard to concern and respect for the environment and social responsibility. This has led to EDP's alignment with the international standard ISO20400 and to

the adoption of consistent analysis practices with regard to its suppliers, in order to evaluate the risk and potential impacts of an interruption in the supply chain, whilst identifying opportunities for improvement and risk mitigation.

EDP's commitment to the security of people, data and assets, and to the management of business continuity has been recognised. It has also received certification under ISO 45001, OSHAS 18001 (extended scope, corporate coordination and local implementation), ISO 27001 (E-Redes and Digital Global Unit) and ISO 22301 (E-Redes), to name a few.

It is also important to highlight the role assumed by EDP in the protection of the Critical Infrastructures under its responsibility, both in Spain and in Portugal, following the establishment of Directive 2008/114/EC of the Council, of 8 December 2008, on the identification and designation of European Critical Infrastructures and the assessment of the need to improve their protection.

Continuity of supplies

In the EDP group, the risk analysis of the sudden interruption of a critical supply, whether for organic reasons from a supplier or as a result of external phenomena, is integrated into the Crisis Management and Business Continuity process. At the operational level, the purchasing strategy ensures the existence of permanent supply alternatives and the terms of reference include contractual clauses that mitigate risk through stock management, service quality levels, monitoring of relevant indicators, monitoring of the operational situation of the market and suppliers, among other measures. In order to ensure consistency between the Crisis Management and Business Continuity processes and the purchasing processes, the EDP group uses a criticality matrix, which shapes the market consultation, as described in the Supplier

Management chapter, which is prepared by business units in accordance with their crisis management criteria.

Information security

EDP recognises information security as a strategic objective and a fundamental business requirement, and makes this commitment at top management level. The EDP group's Information Security Policy, approved by the Executive Board of Directors, establishes information security as a competitive factor, generating confidence in its stakeholders, but also as a critical responsibility in a social context, as a result of its role as an operator of critical infrastructures and manager of large volumes of personal data on customers and employees.

The governance of information security in the EDP group involves the existence of the Digital and Information Technology Committee, which operates every six months. This committee includes members of the management of the various business units, the Chief Information Security Officer (CISO) of the Company and a member of the Executive Board of Directors who chairs it. This committee has, among others, the task of discussing and issuing opinions on guidelines for strategic planning of information security, and is also responsible for assessing the company's cyber-security risks, monitoring scenarios of serious incidents in the energy sector and the organization's cyber-security risk profile. Every month the Executive Board Director responsible for information security receives a report of activities and indicators from the organisation's CISO and the entire Executive Board receives the same information on a quarterly basis. The EDP group's cyber-security risk is presented annually to the members of the General and Supervisory Board.



PEOPLE

Recognising them as a key element in security



RESILIENCE

Specifically in building a capacity to react and recover from critical incidents



COMPLIANCE

With laws and regulations imposed on the sector and generating confidence



INTELLIGENCE

Making security less intrusive, more efficient and empowering for business, especially digital transformation

In order to achieve its strategic vision for information security, the EDP group established a security master plan, approved by the Executive Board of Directors, for the three-year period 2018-2020, based on the E2E (end to end) Safety principle. This guiding principle implies a holistic approach throughout the organization, avoiding silo mentality, but also foresees the incorporation of security in the construction of services and applications and the activities performed by service providers, in a security by design framework.

In operational terms, there was a cyber-security incident on 13 April 2020, which consisted of a large scale highly sophisticated attack (APT-Advanced Persistent Threat) on the EDP group's IT systems, with constant data blocking in those same systems (ransomware attack). The attack affected part of the corporate systems, however the networks and systems that control the critical energy infrastructure were left unscathed. EDP has recovered all the affected

systems using backups and from the evidence gathered so far, as well as from the actions carried out by the criminal investigation authorities, everything points to the fact that there has been no extraction of personal data or other sensitive information.

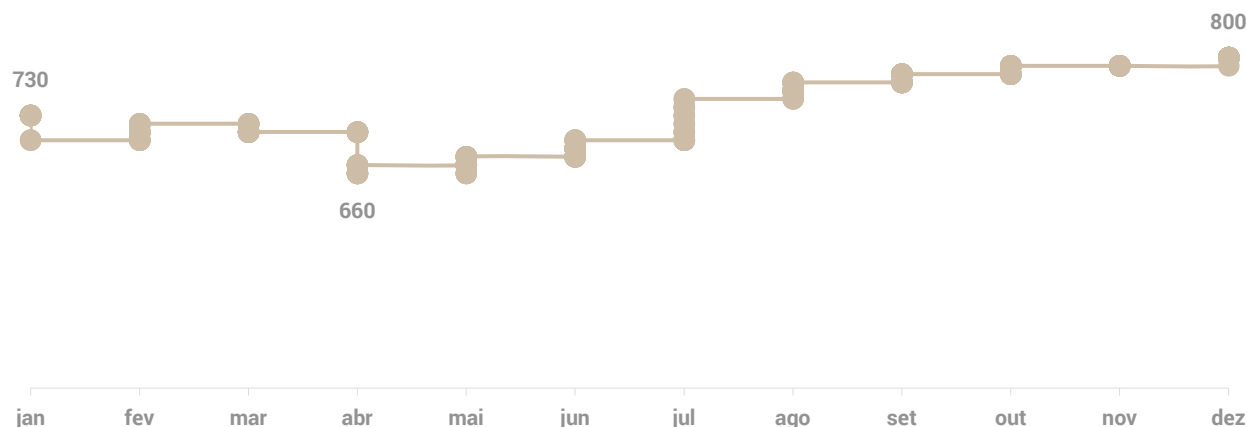
In addition to its operational resilience in responding to the incident, the EDP group acted in accordance with the highest standards of transparency, respecting all the procedures and obligations in force in the countries where it maintains a presence, involving the criminal investigation authorities and activating its cyber-security insurance, as well as regularly and whenever justified notifying the relevant entities, of which the national cyber-security centres, the national data protection authorities and even the media should be highlighted.

As a result of the incident and the current panorama of cyber threats, which have gained strength in the context of the pandemic and all the changes it has brought about in the way we work, the initiatives in the master plan have been revised with additional focus, expediting and strengthening some of them, while identifying new ones, and a specific, intense and short-term programme has been set up for their implementation. In addition, in order to face the new challenges posed to cyber-security and to solidly support the digital transformation of the EDP group in this new environment, the skills and resources of the security team have also been strengthened, and the new information security master plan for 2021-2023, based on a Zero Trust philosophy, is being drawn up.

Also with regard to security operations, ISO 27001 recertification is highlighted, which focuses on the management and operation process of the Security Operation Center, which includes real-time (7x24h) monitoring services, management of security incidents and vulnerabilities, as well as all reconfiguration and training of monitoring systems to cope with the new threat scenarios resulting from the massive expansion of teleworking. In addition, the global cyber security incident response team, CSIRT - Computer Security Incident Response Team - EDP, participated throughout 2020 in national and international cyber security exercises, held in an environment of remote participation, where it has continued to test and validate, together with its stakeholders, its capacities to react to the occurrence of disruptive events resulting from cyber-attacks.

With regard to awareness and training, once again, due to the pandemic situation, which does not allow face-to-face training, it was not possible to continue the training plan at EDP's "cyber range" (a unique infrastructure in Portugal for training in cyber security, which simulates, in the classroom,

Bitsight security rating (2020)



and with real equipment, the electrical network control systems), so an additional e-learning training on cyber security risks was designed and implemented, which was completed by 4,188 group employees. It should also be noted in this section that the EDP group is leading an H2020 project (Cyberwiser) which aims to boost the remote use of the "cyber range" for team formations located in distant geographies. This project involves companies and academia from several countries and will end in the first quarter of 2021, leaving EDP with an important value of reinforced training to operate remotely, specifically in situations similar to those we have experienced during this year.

In addition to its operational capabilities, the EDP group's vision is to position itself as a company of reference in the use of best practices and innovation in the area of information security. In this sense, the EDP group continues

to integrate several national and international work and study groups (such as CERT.PT, the World Economic Forum, the Cyber DSO group - Distribution System Operators - or the International Energy Agency), as well as European projects with other European counterparts, academic and governmental organisations.

With regard to communicating security risk to its stakeholders, EDP has adopted a metric based on the BitSight Security Rating as the main indicator. The rating adopted, defined as the group's KPI for this area, observes the EDP group's behaviour in cyberspace, specifically by checking aspects such as the security of its public websites, access from its networks to dangerous locations, incidents that publicly affect the organisation or communication of machines infected by criminal networks. As a result of the April cyber-attack, the EDP group's rating fell to 650 (250-900

scale) and has since recovered, as a result of all the good safety practices in place, to 800, the highest ever recorded, standing at the advanced level, well above the average for the sector.

Critical infrastructure

Directive 2008/114/EC defines "critical infrastructure" as "an asset, system or part thereof located in Member States which is essential for the maintenance of vital societal functions, health, safety, security, economic or social well-being, the disruption or destruction of which would have a significant impact in a Member State as a result of the failure to maintain those functions".

EDP has under its responsibility, in Spain and Portugal, a set of critical infrastructures, which include electricity generation and distribution infrastructures (physical and control facilities), as well as related customer service activities, which have been identified within the scope of the application of Directive 2008/114/EC to Spanish and Portuguese law.

As a result of the diversity of the critical infrastructures under its responsibility, EDP has pro-actively adopted strategies to respond to risks of different natures, such as physical risks (e.g. fires, earthquakes, atmospheric events, including extreme events) and technological risks (including, but not limited to, cybersecurity risks for operational and information systems).

As a complement, the measures and tools adopted to mitigate these risks are diversified and distinct in nature, adjusted to the specificities of the infrastructures, necessarily contemplating physical security (safety and security aspects), technological security and cybersecurity, as well as the management of business continuity, leveraged by a strong

training component and going through exercises. EDP developed, for each of the critical infrastructures, the respective operator security plan, supported by the findings of their risk analysis and the set of measures implemented, in line with the provisions of Directive 2008/114/EC.

Additionally, it is important to mention the role assumed by EDP in promoting the adoption of good practices in the management of critical infrastructures in the sector, through its disseminations, but also through collaboration with external entities, participating in exercises and workshops relevant to the topic.

Also in this context, and following the approval of the Sendai Framework for Disaster Risk Reduction 2015-2030, EDP has participated, in Portugal, in the National Platform for Disaster Risk Reduction (PNRRC), under the responsibility of a Subcommittee coordinated by the National Authority for Emergency and Civil Protection (ANEPC), with special emphasis on its participation in the development of the Manual of "Good Practices for Critical Infrastructure Resilience - Private Sector and State Business Sector", available on the PNRRC WEBSITE.

Infectious diseases

Recent epidemiological history has come to be characterized by cyclical episodes, albeit at irregular intervals, of situations marked by consecutive viral mutations which, because they are new, find conditions to propagate among people due to the absence of specific immunity in the population. They can thus reach a pandemic situation, spreading globally and simultaneously affecting many people, in a short period of time.

EDP in recent years has been challenged by different types of infectious diseases that have appeared in the countries where the EDP group operates and which have led to the implementation of Contingency Plans specific to each region, for example:

- influenza A (H1N1) in Portugal, Spain and Brazil in 2009
- dengue outbreaks in Brazil in 2015 and 2016
- yellow fever outbreak in specific regions of Brazil in 2014
- measles outbreak in Brazil (State of São Paulo) in 2019.

As of 2020, the EDP group has established a Pandemic Situations Governance Manual to set a management chain that is transversal to all business areas and geographies, led by the Executive Board of Directors.

The EDP group's action in these situations has as its main objective to manage the impact of the pandemic on employees, service providers and the business of the group companies, aiming to:

- safeguard people's lives, reducing the risk of contamination in the workplace and strengthening the information and knowledge of employees with the aim of promoting their self-protection
- implement a decision-making and coordination structure in EDP and the group's companies
- implement the Business Continuity Plans, in order to have an operational response capacity capable of simultaneously minimising the pandemic's propagation conditions and ensuring the functioning of essential services

- monitor the evolution of the pandemic, the effectiveness of the measures adopted and the need to adjust or adopt new measures depending on the results and the external context
- respond to internal and external notification and communication needs
- return to normal activity under safe conditions as soon as the situation in each country/region allows.

EDP's approach in these situations is transversal, taking into consideration the specific guidelines of the governmental and health entities of each country.



The (un)expected pandemic

The occurrence of a pandemic of viral origin on a global scale was a concern identified in several risk assessment reports published by reference bodies. Whether influenza A, or Ebola, MERS-CoV or even Zika and others, the globalization and circulation of people and goods would promote a faster and wider dissemination of new viruses. It was a matter of time - we just didn't expect it to have such a rapid and widespread impact.

In 2007 the EDP group created a Continuity Plan for Influenza A, which established the group's actions in Portugal concerning this and other epidemics or pandemics with similar characteristics. This capacity enabled us, in January 2020, to start the effective monitoring of the evolution of the potential pandemic situation and to prepare our response to it as soon as possible.

As such, based on the information available at the time, the EDP group determined that a Steering Committee dedicated to the management of this crisis should be set up, consisting of representatives of the Board of Directors of each group company responsible for Pandemic Management - at the national and international level - and directors of the Corporate Centre for areas relevant to the topic.

This Committee was supported by a Covid Monitoring Group (Covid-19 MG), of a more operational nature and with the aim of developing solutions and approaches to ensure compliance with the determined public health measures, on the one hand, and business and operational continuity in the different geographical areas, on the other hand. Regular reporting on the evolution of the pandemic situation in the EDP group was therefore constant.

One of the first duties of the Covid-19 MG was the review/updating of the Influenza A Continuity Plan, which gave rise to the EDP group's Contingency Plan for Pandemic Situations which, in addition to establishing the guidelines and organisational structures for the management of crises of this nature, covered all the geographical areas in which the EDP group operates or is present.

The main objectives of this plan were to safeguard the health of EDP group employees and external service providers as well as its customers. Aligned with Public Health measures, it sought to safely ensure the carrying out of critical/essential activities for the community, in particular those associated with the generation and distribution of electricity, repair of breakdowns, and related

services, in line with the Business Continuity Plans of the EDP group's Companies and Departments.

The timely approval of this Plan by the EDP group's EBD, in early March 2020, made it possible to mobilise the operational and financial resources needed for the appropriate response, but mainly to ensure the involvement of the diverse relevant areas and geographical areas in the decision-making process. The EDP group chose to step up health services in its different geographical areas, as one of the main measures for managing the pandemic and supporting its employees. Thus, the creation of hotlines and monitoring of employees made it possible, on the one hand, to ensure a close follow-up of confirmed and suspected cases, but also to take some pressure off the National Health Service, through establishing agreements with analytical laboratories having the capacity to perform RT-PCR and IgG tests.

In addition, capacity reinforcement in the different psychosocial support services already provided by the EDP group made it possible to meet the financial and psychological support needs of working and non-working employees, thereby contributing to a holistic approach to their well-being in an atypical scenario leading to increased levels of stress and anxiety.

People management has also been an area commanding the EDP group's attention and actions in managing the pandemic: ensuring the necessary conditions for safe face-to-face work and remote work using appropriate means; reconciling personal and professional life in an exceptional and entirely new context; strengthening volunteer initiatives.

In all the countries in which EDP operates, the response has been swift, with many of its employees teleworking. This global transition has affected more than 70% of employees and job continuity is fully guaranteed.

The previous investment in digitalisation and collaborative tools made this change smooth. There was also a concern to strengthen the training of all employees for the new context, through the EDP University. In an initial phase, videos were also launched to clarify the main characteristics of the new coronavirus Covid-19 and ways to prevent it. At ULearn, in addition to other existing content on different topics, several contents were also made available related to the pandemic and the challenges imposed by the context, from maintaining well-being to team management and effective communication at a distance. This set of circumstances resulted in a higher level of employee satisfaction, as shown in internal surveys and studies.

Aware of the level of dependence it has on its suppliers and service providers, but also of the impact that, as a group, it has on their sustainability, it was decided to implement a set of monitoring and follow-up measures, with the aim of ensuring its most critical supplies and services, as well as supporting the operation of ESPs with major difficulties. The launch of surveys, particularly aimed at the critical supplies ESPs in the different geographical areas, made it possible to anticipate constraints and provide targeted support, on a case-by-case basis, in conjunction with the contract managers of the different business units.

The establishment of an Iberian Return to Facilities Plan in mid-2020, with an Iberian scope, made it possible to follow, albeit conditionally, a hybrid model between the on-site and remote work regime, with a greater presence of employees on site, not compulsory for functions compatible with telework. This approach provided a rehearsal for the return to relative normality, by observing the guidelines of official entities with regard to the use of personal protective equipment, distancing and cleaning of spaces, etc. The acquisition was an early concern of the EDP group, in view of the shortage caused by high demand for this equipment worldwide. Efforts were made to ensure its timely procurement by meeting the needs of both internal and external operational areas and teams. Additionally, and recognising the shortage of means to fight the pandemic, the EDP group decided to support national health services through donations and other initiatives.

The management of the pandemic in the EDP group is a paradigmatic case of the significance of good communication in a crisis, with the EDP group being guided by best communication practices, which allowed for increased proximity with its customers, employees and service providers during this challenging period. Throughout the pandemic period there was a concerted effort among teams to build internal and external communication that was clear and targeted through the right channels at the right times. The focus on ensuring information, support channels and outreach initiatives has been critical to the successful management of the pandemic crisis and implementation of responses to it.

3.3.2. Health and safety

Occupational Safety and Health at Work (OSH) are priorities in the EDP group's relationship with all its employees, service providers, suppliers and customers. In this area, EDP targets its action through the principles established in its Health and Safety at Work Policy, a document that links business units, companies and service providers, empowering the entire hierarchical structure. For EDP, the OSH of all those who engage in carrying out its activities is considered as an essential value for success. Assuming this commitment, based on the principles of sustainable development and applying the highest ethical standards, levels of exceptional performance can be achieved thereby making the EDP group an increasingly better place to work. Aware of economic changes, in a period involving digitalisation and the decarbonisation of the energy sector, and of the disruptive transformational effects that technological advances have



53,609

**Audits, inspections, visits
and observations**

had in the workplace and in particular on the occupational safety and health of workers, EDP is aware of the changes they will bring to the future of work, and in particular to occupational risks associated with and enabled by these transformations. Through the definition of short-term and medium-term objectives, EDP has taken on an important role in the monitoring of workers during these transitions, through proper and suitable training and professional integration in order to promote safe and protected working environments for all.

Safety practices

EDP's annual OSH programme, consisting of a set of initiatives and actions based on a proactive and ongoing identification of hazards and assessment of risks and opportunities, and has as its main objective the promotion of a safe and healthy working environment. The implementation of the programme includes the holding (i) of various training, sensitisation, and awareness raising activities for EDP employees and service providers, (ii) safety audits, inspections and visits, (iii) the implementation of new procedures to reinforce preventive management of the hiring chain, and also (iv) measures to increase knowledge of occurrences (accidents and near misses) and dangerous situations. In regards to emergency preparedness and response, 450 simulated drills were carried out throughout the EDP group, covering various industrial, administrative and construction sites in order to test the effectiveness of the planned response capacity to potential emergency situations. These exercises included the participation of the civil defence, fire brigade, police and public safety authorities, as well as employees, service providers and surrounding communities. For EDP, the issue of citizen safety is crucial given its impact on people's lives. Minimizing the risks associated with the use of electricity ultimately depends on

individual education and behaviour. As such, EDP identifies and communicates the risks associated with its facilities and equipment. However, in 2020, there were 37 accidents from an electrical source involving third parties (non-EDP employees) in EDP group facilities or equipment, which led to the death of 16 people. These accidents were the result of civil construction activities, improper interactions with the network, leisure, among others.

Promotion of health and safety

The EDP group, through health monitoring programmes, guarantees the commitment made to the prevention of occupational illnesses, by complying with the medical examination plan, workplace visits, participation in commissions and committees, and the implementation of preventive campaigns. During 2020, 5,685 medical examinations were carried out in the EDP group, 572 consultations with employees who have nutrition programmes, 589 cardiovascular screenings and 4,301 vaccination programmes against flu, hepatitis B and yellow fever that covered 3,170 employees. Still in the area of occupational health activities, 161 sessions involving tests for alcoholism and drug detection were carried out. In general terms, the EDP group considers that, in the development of its activities and with the proper implementation of existing control measures, workers are not exposed to occupational or work-related illnesses which can be considered of high incidence or high risk.

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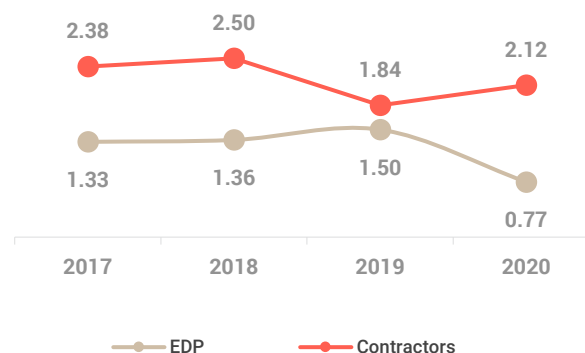
Annexes

Safety indicators

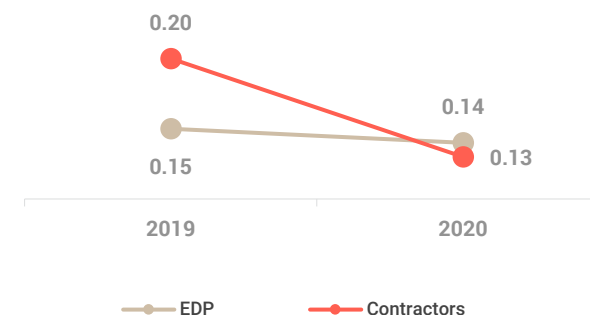
The Occupational Safety and Health Policy within the EDP group demonstrates its commitment to a model of occupational safety and health management based on ongoing improvement and the conviction that working in a safe, healthy environment is instrumental for employee satisfaction and provides added value for successful results. To better manage the goals of this Safety Policy, EDP has a Corporate Safety Management System based on international standards and the ILO-OSH 2001 recommendation of the International Labor Organization. This system can be adopted in its entirety by each of the companies, or, alternatively, taken as a reference for the implementation of their own systems. In 2020, the EDP group had a total of 9,973 employees covered by ISO 45001:2018 certifications. The certification covers 95% of installed net power in production activities.

In 2020, in the group of employees and service providers, the trend of improvement in recent years continues, with the frequency rate below the target set in the EDP 2020 objectives ($Tf \leq 2$). There were 132 work accidents in the EDP group for the set of EDP workers and service providers, an increase of 19%, the frequency index (Tf) remained compared to 2019 (1.74 vs. 1.74, in 2019 accidents per million hours worked). During 2020, there were three fatalities with service providers (traffic accident, fall in height and electrical origin). Additional information at www.edp.com.

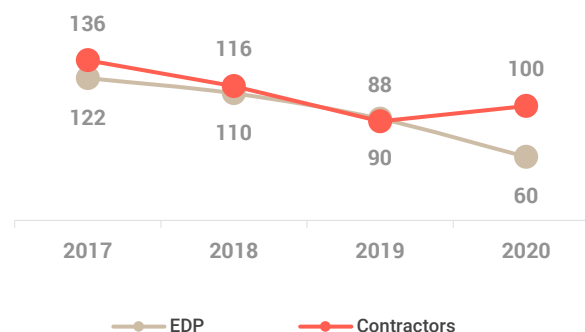
Frequency rate (Fr)



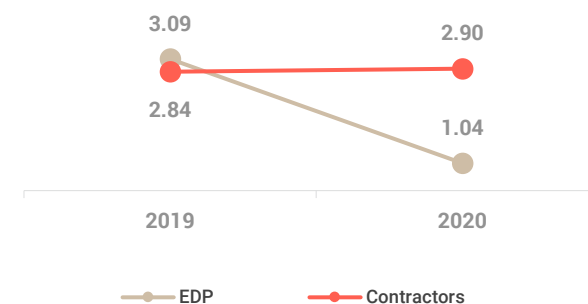
High-consequences frequency rate (HFr)



Severity rate (Sr)



Recordable frequency rate (RFR)



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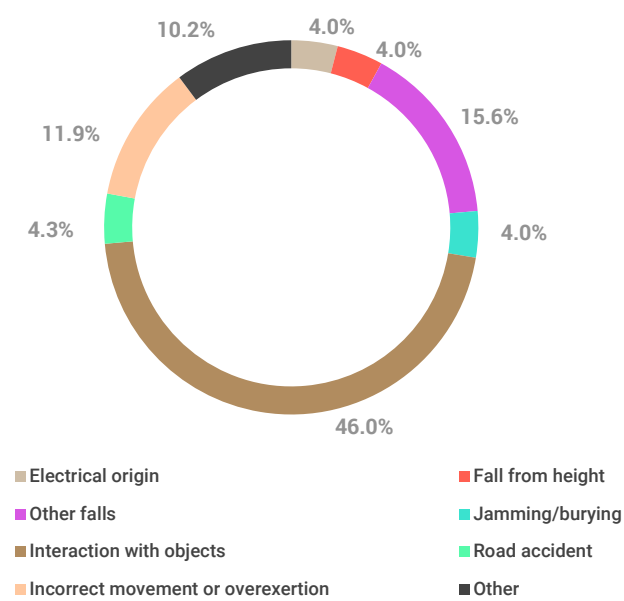
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Typology of accidents at work (%)



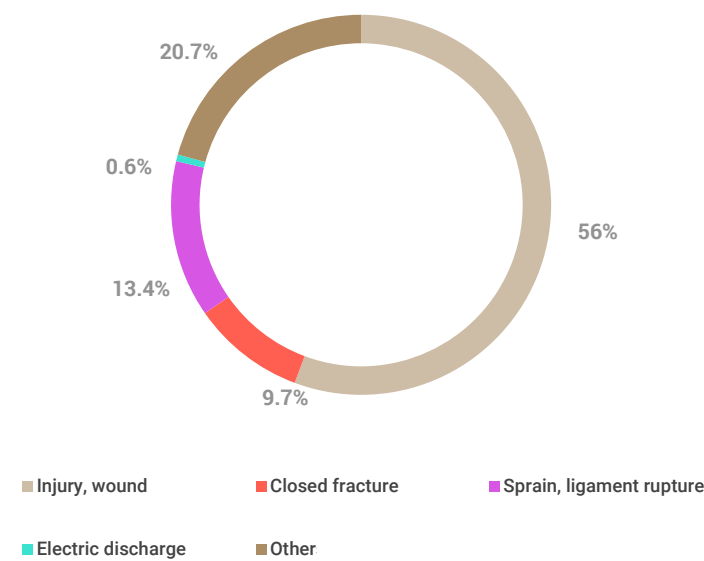
During 2020 there were 352 accidents (with sick leave, without sick leave and fatal), 184 accidents were registered, which is equivalent to 52% of the EDP group's accidents and there were 10 accidents with serious consequences.

Accidents that occurred due to other falls (at the level of the pavement) are responsible for 28% of accidents with EDP employees, followed by incorrect movements over efforts,

with 16%, and 8% are of electrical origin, with 48% corresponding to the remaining causes.

In the universe of service providers, blows and perforations are responsible for 19% of accidents, followed by other falls (at the level of the pavement), with 13%, incorrect movements or over efforts, with 11%, use of machines and tools, with 10% and 47% corresponding to other causes.

Tipology of occupational injuries (%)



When we analyse the typology of injuries of EDP employees, contusions and wounds represent 38%, sprains and ligament ruptures 20% and 42% corresponding to other causes.

Within the service providers, the most frequent injuries are contusions and wounds representing 59%, sprains and ligament ruptures 12%, fractures closed with 11% and 18% corresponding to other causes.

In addition to the actions and initiatives implemented in 2020, in particular in the areas of training and awareness raising, risk assessment and control, audits and inspections and reporting, which have been developed in recent years, EDP will strengthen leadership practices, organisation and process on health and safety by implementing a Safety Culture in 2021.



792,330

**Hours of training
(EDP and service
providers)**

Promoting mental health

Psychosocial risks related to work have been one of the major challenges linked to Health and Safety in the workplace, and are directly linked to problems such as stress, violence, harassment, “burnout” and “engagement”. In addition, stress at work is related to worse performance, greater absenteeism and worse rates of occupational accidents, and is dangerous for health, as this may lead to the development of cardiovascular diseases, mental health disorders and musculoskeletal injuries.

The assessment, prevention and monitoring of psychosocial risk factors linked to work is an essential tool for the promotion of physical and mental health and for the well-being of employees.

The working environment throughout 2020 underwent profound changes, due to the Covid-19 pandemic, with the adoption of very high levels of working from home, which makes the assessment carried out in 2018 that of a different context, in accordance with the legal requirements in force.

In this sense, the EDP group will develop a psychosocial risk assessment in 2021, which will cover all the geographical areas where it operates.

3.3.3. People management

As in all economies and companies, the management of people in the EDP group experienced an unprecedented challenge in 2020. The Covid-19 pandemic forced us to rethink priorities, to act quickly and, above all, to reinforce the importance of all employees as the organisation's main asset. This adaptation in the management of people at EDP can be grouped into 3 key vectors: the management of the pandemic and the safety of people, the promotion of new ways of working (remote work) and the adaptation of all employee experience and respective processes to a digital-first format.

In pandemic management, the safety of people has always been the top priority. The decisions taken were aimed at avoiding, minimising or eliminating the risk of contagion, providing channels for medical and health support to employees and ensuring their well-being, productivity and morale. On the field activity was completely adapted, with new rules to ensure physical distancing and new prevention and safety equipment, while for all functions that could be carried out in remote work, remote activity was always given priority, even when the measure was not mandatory.

At the peak of the 2020 pandemic, between March and May, the EDP group had as many as 72% of its people remote working, keeping only essential services on the field. Whenever the pandemic situation improved, in any of the EDP group's geographies, the possibility was opened up of returning safely to the offices, whose facilities and accessibilities were adapted to minimise the risk of contagion.



72%

Employees in remote work

The development of new ways of working, in particular remote work, was already a priority for EDP before the pandemic and was strongly reinforced in 2020. Since most of the workforce was forced to work from home, EDP has provided guides on productivity, conciliation and good remote working practices, while monitoring and evaluating this experience at group level. Two global questionnaires were launched which collected perceptions regarding the remote work experience, where motivation (95%), conditions for productivity (80%) and perceived productivity (75%) showed extremely positive results. The success of this remote work experience led the EDP group to commit itself, after the pandemic, to promoting a hybrid work performance model - which reconciles going to the office with remote work - for all roles that allow it.

Finally, the adaptation of all of the employee experience and respective processes to a digital-first format has meant that the employee's life at EDP has not stopped, quite the contrary. From employee attraction and recruitment, to performance management, corporate volunteering, development, to reception and integration, the life cycle of the EDP employee was 100% adapted. This adaptation provided both new opportunities for efficiency and improvements in the experience that the company wants to capitalise on for the future.

Workforce Plan

The exercise of Workforce Plan 2020 showed an increase of 2% (264 headcount), ending the year with 12,180 headcounts compared to the initially forecast of 11,916 in 2020, mainly impacted by the business growth strategy in the geographies where we are present, with emphasis on the strengthening of renewable generation, transmission, distribution networks and commercial activity business families.

EDP has invested in the digitalization of the group through the training of its employees and the hiring of profiles with digital skills in line with the digital transformation strategy defined for the EDP group, which is the fastest growing competence in the support areas.

In terms of population segmentation, there is a conversion of profiles due to natural leaves with a clear focus on more specialized profiles.

Regarding the representativeness of the female population, this stands at 25%, a percentage that remains when analyzing leadership roles in women.

In 2020, the EDP group comprises 52% of the universe of generation Y and Z, 31% of generation X and 17% Baby Boomers, reflecting the natural generational renewal that has been taking place in recent years.

Analytics

In this context, the People Scorecard is the instrument to support decision making. The scorecard, accompanies the employee's life cycle, translated by the journeys Join, Grow, Reward and Live@EDP, covering all the group's geographies.

For each journey, there are indicators characterized as Demographics and multiple dimensions of analysis such as: gender, nationality, age group, generations, in addition to others.

Join – This journey focuses from attractiveness to hiring and welcoming employees to the company. In line with the strategic plan and the Workforce Plan, attractiveness initiatives are developed, namely through the connection to universities and other relevant partnerships in order to attract profiles to integrate the EDP group.

The defined indicators aim to monitor applications by geographical origin, by area of specialization, by channel, among others, as well as the quality of the recruitment and selection processes.

Grow – With the objective of stimulating the development of employees, this journey accompanies the employee's experience through internal Mobility programs between areas and / or geographies, training and Coaching and Mentoring programs. For monitoring we use indicators such as level of participation and feedback from training programs, mobility

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and Coaching covering different dimensions such as human segments, gender, nationality, seniority and generation.

Reward – At Reward, we monitor indicators related to compensation and benefits according to the group's practices. We followed indicators such as: promotions, fixed remuneration, variable remuneration, benefits, considering multiple dimensions, namely: gender, generation, human segments and seniority.

Live@EDP – This journey follows the level of employee satisfaction, through the climate survey measuring the level of employee satisfaction in the dimensions of Engagement and Enablement. It also monitors the indicators associated with the Wellbeing, conciliation and Volunteer programs, measuring levels and intensity of participation in volunteer campaigns, impact on the community with benefits for society.

Organizational climate

The organisational climate is a fundamental indicator for the EDP group, reflecting the feedback from its employees regarding the company's performance in terms of people management. It is a material issue for the group, since it reflects the involvement and commitment (engagement) and the perception of organizational support (enablement) by employees, aspects that directly affect their well-being and productivity.

The Organisational Climate study consists of monitoring the levels of engagement and enablement of employees, which is achieved through the launch of an annual questionnaire throughout the entire organisation. On an alternating basis, one year a longer and more exhaustive questionnaire is

applied, and the next a shorter follow-up questionnaire. The methodology used allows, through a digital platform, to carry out analyses of the annual evolution of indicators, internal comparisons, and comparisons with the sector, market and high performing companies.

The results of the EDP group's Organisational Climate study are used as an international benchmark. In the main aspects of the study, EDP has led its sector and is aligned with the best performing companies in the global market. Despite the good results, the EDP group's aim is to continue improving. For this reason, climate management does not end with the results of the study, since they give rise to the definition of action plans for improvement at all levels of the organisation: a corporate plan, with initiatives that address issues across the group; and company and area plans, through which measures are implemented to improve specific issues identified in the study. As part of the corporate plan arising from the results of previous years, during 2020, two new conciliation measures announced at the 2020 EDP Portugal Meetings should be highlighted: the possibility of attending their children's or grand-children's birthday and first day of school.

Regarding the 2020 Climate Study, this was a year for pulse checking, in the short format, which assesses key dimensions of engagement and enablement. It was attended by 94% of EDP group employees, a responsiveness rate 12 percentage points above the general market and 8 above other high performing companies.

In 2020, the EDP group achieved the best results ever in the organisational climate, above all market benchmarks.

Birthday
Since May 2020

2,428
users

School day
Since September 2020

172
users

01

EDP

02

Strategic
approach

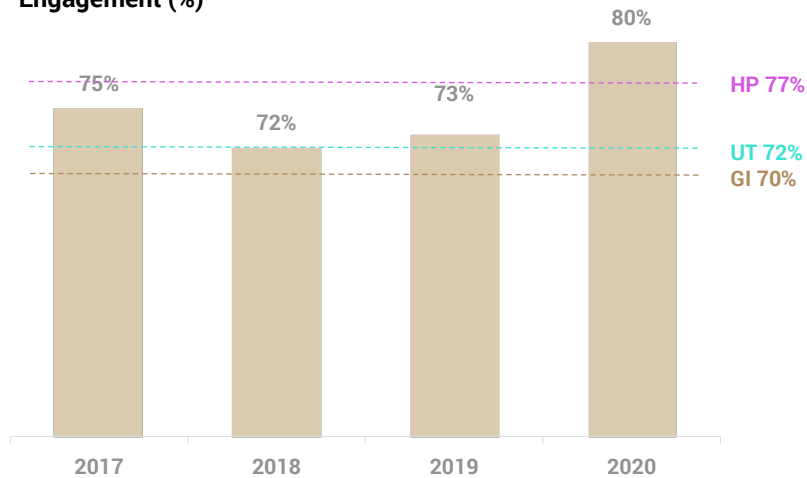
03

Performance

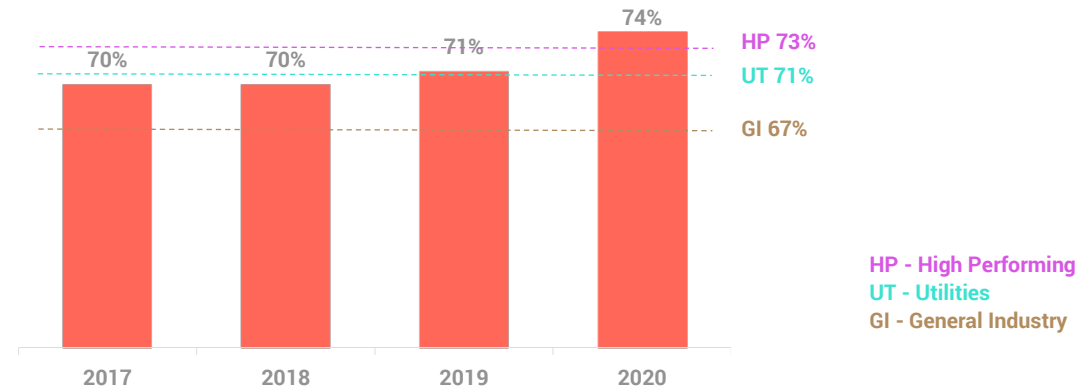
04

Annexes

Engagement (%)



Enablement (%)



HP - High Performing
UT - Utilities
GI - General Industry

It was found that 80% of employees feel involved with the company (engagement), a result that is three percentage points above the results obtained by high performing companies, eight percentage points above utilities and ten points above the market in general. In this respect, the employees' sense of pride towards the company (88% favourability) and employee recommendation of employer (86% favourability) stand out.

In the enablement dimension, it was also concluded that 74% of employees have a high perception of organisational support, a figure that is also positioned both above the results obtained by the high performing companies (by one percentage point), and above utilities (by three percentage points) and the general market (by seven percentage points). Notable in this respect is the opportunity that the company provides for employees to carry out challenging and interesting tasks (83% favourability).

In addition to the annual climate survey, and taking into account the challenges that 2020 posed to employees' experience, EDP sought to assess work experience during the pandemic: remote work and on-site work.

The global questionnaire on remote working during a pandemic received over 6,000 responses and demonstrated an extremely positive adaptation to the new working format:

- engagement showed remarkable results in terms of intrinsic motivation (90%) and pride in belonging to the company (95%)
- enablement issues also showed positive scores, with 80% of people saying that current remote working conditions allow them to be as productive as possible

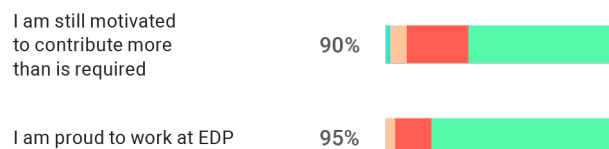
- the productivity perceived by managers is high (75%) and most employees (81%) said they were able to handle their work as well as when doing on-site work
- in general, people have adapted to the new situation without compromising health and well-being: 82% said they were able to take regular breaks and 65% felt they had a more balanced diet
- employees said they missed the social interaction with colleagues and the physical workspace, which allows them to be more connected
- managers increased the effectiveness of communication (94%) and team management (88%) in a remote context

- The effectiveness of the EDP group's response to the pandemic situation was the issue which received the highest evaluation (96%), which may have contributed to the remarkable score of pride in belonging to the company (95%, mentioned in the first point).

Employees on remote working

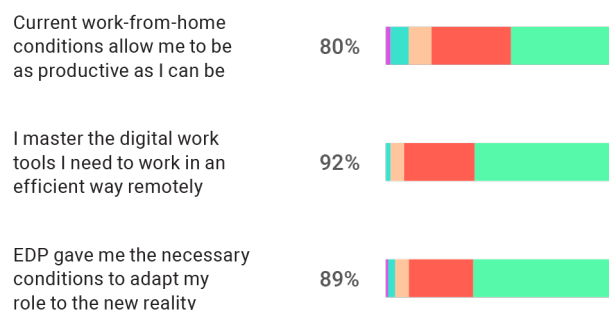
ENGAGEMENT

Favorability



ENABLEMENT

Favorability



The global questionnaire, to people in on-site work, yielded 1,083 responses and reinforced the evidence that the organisational climate during the pandemic remained at positive levels despite adverse conditions:

- engagement showed quite positive results, namely in the pride of belonging to EDP (93%), with the same positive trend appearing in Enablement. 76% of employees said that current working conditions allow them to be as productive as possible
- the new Prevention and Safety measures proved to be effective as regards to protective equipment (87%), information to perform the work safely (92%) and mitigation of the risk of contagion (86%)
- in line with the global remote work questionnaire, EDP's response to the pandemic was very well evaluated by most respondents (87%)
- the team managers working in the field claim to have felt the need to re-plan the pace and work of the team in the pandemic context (91%), without compromising the effectiveness of communication (94%) and team management (83%).

Employees on-site work

ENGAGEMENT

Favorability



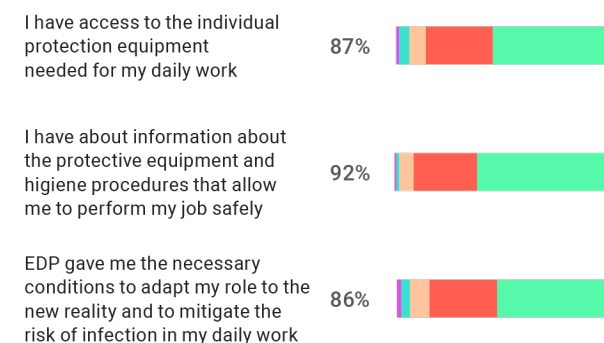
ENABLEMENT

Favorability



HEALTH & SAFETY

Favorability



CONFIDENCE IN MANAGEMENT

Favorability



Atraction and recruitment

Atraction

During 2020, despite the pandemic, the EDP group strengthened its Employer Branding strategy, as it was able to excel in promoting new opportunities in line with this new context and in order to remain a benchmark employer in the global market. In this sense, it has cemented its Employee Value Proposition (EVP) with candidates, through a mostly digital, close and measurable relationship, that's more targeted towards target market segments and based on initiatives and partnerships with internal and external stakeholders. Thus, in 2020, the Employer Branding strategy consisted of:

- responding positively and creatively to the pandemic context, in alignment with the overall approach of the group
- creating an opportunity for positioning in the market/society, with the expectation of achieving the strengthening of EDP as a benchmark employer, as a future-oriented group and influential in the development of society
- continue to focus on structured programmes as a key pillar for Employer Branding and recruitment
- promote initiatives in a new type of professional experience, capable of fostering new visions of the employee's experience in the organisation (remote working, remote team management, etc.).

This strategy has been implemented through some 80 initiatives, which have impacted more than 22,000 people, which were promoted through the group's various social networks and digital tools. LinkedIn continued to be the priority channel, enabling the leveraging of employer branding

	UN	INITIATIVES	IN PERSON	REMOTE	PEOPLE REACHED
Job fairs	#	51	16	35	20,833
Open days	#	5	2	3	658
Workshops / seminars	#	23	9	14	912
Total	#	79	27	52	22,403

initiatives, which resulted in around 410,000 job posting views, more than 275,000 direct page views and a 28% increase in new followers, exceeding the total of 300,000.

Overall, EDP participated in and developed several initiatives in 2020 as showed in the table above.

Of these initiatives launched in 2020, we highlight:

- **Digital Open Days** – an initiative aimed at publicising the projects, solutions and current and future challenges of the EDP group. They are online sessions, with global coverage, and allow direct interactions with company experts. In the three sessions held so far, more than 500 students of 10 nationalities from more than 80 universities around the world have participated - figures that clearly justify this format being a strong investment for the present and for the future
- **EDP Ambassadors** – in line with a strategy focused on a closer relationship with candidates, EDP Ambassadors is as a win-win relationship between EDP and young university students. In its 1st edition, this programme ensures that during the 2020/2021 school year, 18 young people, spread across 17 universities, can spread the EDP group's mission, vision and values.

At the partnership level, relations with various internal and external stakeholders (business areas, organisations, employment offices, junior-companies, etc.) have been deepened. As highlights:

- Innoenergy - Knowledge Innovation Community, developing synergies with EDP's participation in the Virtual Career Fair, and supporting the dissemination of the EDP Trainee Program to its students
- CEMS - The Global Alliance in Management Education, the continuation of a successful programme, where 80 students developed innovative projects to solve business challenges launched by the CEO of EDP Comercial
- Global Management Challenge, support and participation of the EDP group through 25 employees, and 16 EDP Ambassadors, and the IST Management Challenge for 90 students in engineering areas
- Spark Agency, in Portugal, a partnership that resulted in the participation of more than 30 EDP group employees in 14 Pitch Bootcamps and the CEO of EDP Renováveis in the Lessons Learned sessions, involving 2,139 university students

- Estudar Foundation, in Brazil, a partnership with a non-profit organization that promotes the development of transformational leadership in the country, and that today reaches more than 120 thousand young people.

Still in this area of employee attraction, EDP was again recognised in the "Study of the most attractive employers in Portugal", carried out by the Spark Agency, placing it in the top 10 nationwide and in first place in the energy sector. The EDP group was also considered by Universum as the best company to work for in its sector in Portugal.

In 2020 the TOP Employer certification process was continued, a global programme present in more than 100 countries with 1600 certified organisations, which aims to recognise the excellence of human resources policies in organisations. This process, composed of several phases and criteria, fosters self-analysis and benchmarking, which improves EDP's position as a global employer of reference. Currently, EDP obtains this certification in six countries: Portugal, Spain, France, Italy, Poland and the United Kingdom.

Recruitment

During 2020, the Employer Branding strategy and initiatives resulted in around 79,000 applications in the group's different geographies, reflecting an 11.2% growth compared to the previous year, and 1,213 admissions and 622 internships, mostly with recruitment and onboarding processes in a fully digital format.

The EDP group also continued to invest in bringing young people closer to the labour market, by promoting experiences in a professional context, which also enable the creation of a pipeline of candidates for future admissions. The pandemic, which strongly impacted 2020, has made development opportunities for young people scarce, and for this reason the

	UN	PROFISSIONAL INTERNSHIPS	CURRICULAR INTERNSHIPS	SUMMER INTERNSHIPS	TOTAL INTERNSHIPS
Portugal	#	213	62	23	298
Spain	#	0	193	1	194
South America	#	0	97	0	97
North America	#	0	1	25	26
Rest of the World	#	0	7	0	7
Group	#	213	360	49	622

EDP group has sought to ensure an even stronger presence by rethinking and adjusting its approach. Thus, various types of internship were fostered and new programmes for young people were created. The table above shows the internships provided by EDP, in 2020, mostly in remote working format.

To offer opportunities to those who, for various reasons, had been unable to secure a place in the EDP group's internships, the new EDP Recall programme was launched - a 2nd opportunity. Through this immersive totally remote week-long experience, with workshops, business cases and constant networking with EDP employees, doors were also opened to future internship and admission opportunities. The first edition had almost 100 participants, from multiple academic backgrounds and universities, selected from more than 3,000 candidates for summer internships.

In 2020, the campaign for the new edition of the EDP Trainee Program was launched globally, in a new format, based on fully digital recruitment and adaptable to the different needs of candidates, and focused on the integration and enhancement of diversity as a source of wealth and organisational innovation.

More than 9,500 applications were received, an 83% increase on the previous edition. With a campaign focused on

attracting diverse profiles and, taking diversity as an added value, the candidate pool consisted of 118 nationalities (+36% vs. the previous edition; 61% of the 193 countries in the world) 89 countries of residence (+22% vs. previous edition), gender balance, with 49% women (vs. 44% in the previous edition) and multiple academic backgrounds. Other dimensions of diversity, in particular candidates with disabilities, were also taken into account through the inclusive recruitment process.

The new trainees will start their professional career at EDP in 2021, through a multidisciplinary experience with several phases (onboarding, project rotations and continuous training).

In 2020, the EDP group was able to attract, recruit and integrate in a completely digital environment, which reinforces once again that, in the context of a pandemic, the company maintained its strategy of promoting opportunities and contributing to employability on a global scale.

Training and development

The development of EDP employees' skills is a priority in People Management. In 2020, more than 132 thousand participants with 273,889 hours of internal and external

training took part in more than 5,600 trainings, mostly developed or adapted to the digital format called for by the pandemic.

The training is provided by EDP University, through schools and structured courses, and it is important to point out that it is aligned not only with the business priorities but also with the needs and expectations expressed by the employees, in the scope of their Individual Development Plans. The following table shows the Investment in training that can be analysed in four main areas.

The EDP group seeks to ensure that its employees are responsible for their own development, through the creation of Individual Development Plans (IDP). The design and implementation of these IDP are integrated in the Amplify cycle - a biannual cycle of analysis and development of strategic and transversal expertise within the EDP group.

In 2020, in a context of adaptation to a new organisational reality caused by the pandemic, employees continued to express interest in investing in their development. Thus, about 42% chose, in line with their leadership, to reflect on their development objectives and build IDPs for 2021. On the other hand, the analysis of the plans defined confirms the trend that has been observed: an increase in the relevance given to learning through experience on the job, as well as through the sharing of knowledge, whose actions represent, respectively, 48% and 26% of the total initiatives identified.

One of the corporate initiatives that contributes to the development of employees through knowledge sharing and relationship development is the Corporate Mentoring Programme, recently revised in Portugal. More than 100 employees took part in the 2020 edition expressing over 95% satisfaction, despite the pandemic context (which forced the

	UN	BEHAVIORAL	CORPORATE	MANAGEMENT	TECHNICAL	TOTAL
Training volume	h/p	17,099	32,916	20,300	203,574	273,889
Trainees	#	8,938	42,383	3,763	76,983	132,067
Investment	€	246,518	320,389	814,864	1,868,141	3,249,912

programme to be reshaped into a digital format), this initiative remains dedicated to the following aspects:

- mentoring sessions (about 6 to 8 sessions per Mentoree)
- individual Workshops and Follow-up Sessions to support Mentors in building their role
- mentoring Circles so that Mentors and Mentorees could share their experiences in the context of the Programme.

Also at EDP in Brazil the pilot of a Mentoring Programme was launched to stimulate not only a transfer of knowledge and culture, but also to build a closer relationship between the different hierarchical levels and the different business units, based on building personalised relationships of encouragement, development and support. This pilot was aimed at directors, executive managers and operational managers who, after receiving training in mentoring, participated in sessions with 12 pairs of participants.

At EDP in Spain, as part of the Norte Compartido Experience initiative, a set of training materials and workshops were developed and shared, with the aim of influencing a change in the way we work, making it more collaborative, agile and digital. During 2020 this initiative addressed topics such as

effective meetings, feedback, storytelling and cohesive leadership and achieved a satisfaction rate of 8.6/10.

To leverage the axis associated with the efficiency and digitalisation of the company, the digital upskilling of employees was defined as a priority. To address this priority, a digital upskilling roadmap was designed for implementation between 2020 and 2022, with the aim of empowering employees for a new context, with new challenges of digital utility, promoting the development of their digital skills and know-how.

This roadmap is targeted to all people in the EDP group, in its various businesses and geographies, representing a common base of transversal digital content that all employees should develop. The model features four possible levels of proficiency in digital subjects - aware, savvy, skilled and expert - so that content can be adjusted and adapted to its recipients.

The framework to implement this digital upskilling is based on the 70-20-10 methodology. Thus, the roadmap includes training (10), learning initiatives through knowledge sharing and relationship development (20) and through on-the-job experiences (70).

During 2020, 10,726 hours of training have already been provided as part of this roadmap, with more than 6000 participants, which represents about half of the total number of employees. The urgency of this project has also been heightened by the context of the pandemic, which now requires greater mastery of digital tools in remote work.

Alongside this transversal roadmap, there are also other digital upskill initiatives developed locally by EDP group business units, which complement the global framework with more specific solutions adapted to different contexts and needs.

At the level of global development projects, it is also important to highlight the "Your Board". This is a year-long project in which, after a rigorous selection process, 18 employees are organised into two teams, each with the sponsorship of a member of the Executive Board of Directors, who dedicate around 20% of their working hours to identifying, analysing and drawing up concrete proposals to solve some of the EDP group's main strategic challenges. The aim is to challenge the status quo of the organisation, bring new perspectives and viewpoints to the decision-making process, and contribute directly to strategic initiatives, while fostering the individual development of the participants by exposing them to a highly complex context.

The first edition of Your Board focused on the Commercial and the People & Organization areas. The two teams, which stand out for their diversity of gender, nationality, geography and business unit, drew up and submitted proposals to key stakeholders, to Top Senior Management, and also to the EDP group's Executive Board of Directors. While "Your Board" Comercial developed concrete proposals on new energy

services, redefinition of digital strategy and strategy for the "Small office, Home office" segment, "Your Board" People & Organization developed ideas on Learning Experience, New Ways of Working, Smart Meetings and an inclusive internal communication policy. Two months before the end of "Your Board's" mandate, and given the challenging context brought about by the pandemic situation, the programme obtained an NPS of 8.9 and a real impact perceived by the areas involved.

A pilot of an e-learning platform with content from multiple global providers (such as EDX, Coursera, Udemy, Youtube, among many others) was also launched at the end of 2020, integrating internal content developed by EDP University. This pilot arises from the objective of promoting a more autonomous, continuous and self-directed learning experience by the employees, who through this platform have permanent access to a wide range of content. This solution also contributes to the increase of the training portfolio, which thus becomes more flexible and accessible. Around 1,000 employees from 12 countries and seven business units of the EDP group participated in this pilot. In all, around 8,500 contents have been accessed to date.

Leadership building

The development of management and leadership skills is decisive for EDP's success, especially in the context of the transformation of the electricity sector, geared towards decarbonisation and digital opportunities, and conditioned by the need to adapt to climate change and the pandemic. To this end, the training programmes are customised for management, taking into account the different levels of experience and their roles in the organisation. Thus, in 2020, more than 52,000 hours of training were accounted for

involving 1,663 leaders. The following programmes stand out in this area:

- in Portugal, the 8th edition of the Lead Now Program was held, which seeks to develop recently-established leaders, preparing them for the new challenges of personnel management. The programme, which was attended by 58 new managers in this edition, recorded an overall assessment of 4.3 (on a scale of 0 to 5). The 3rd edition of the Leading Others Program was held with the aim of revisiting and consolidating people management skills and tools, preparing all leaders for the EDP group's current and future challenges. With 71 participants, this edition achieved an overall appreciation of 3.8 (on a scale of 0 to 5). The launch of a new programme, Leading Through Others, which was designed to develop leaders who manage other leaders, working on personal and social transformation skills (agility, flexibility, curiosity, influence) is also noteworthy. With 31 participants, this edition achieved an overall appreciation of 4.0 (on a scale of 0 to 5)
- at EDP Renováveis three short editions of the Lead Now Program were held in which 42 managers had the opportunity to self-assess their management style, deepen the skills needed to guide and inspire teams and recognise the importance of the role they play in the different personnel management processes
- At EDP Brasil, the "Exponential Leader" programme was launched in a fully online format involving 59 employees. The main objective of this programme was to encourage and stimulate a more humane, empathic and innovative leadership, based on more agile and role sensitive leaders. This development initiative, which had very good feedback from its participants (NPS: 95% promoters),

focused on shared learning in immersive sessions, with the intention of reinforcing the exchange of experiences between participants and with the facilitators involved

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- support for leaders in the EDP group's internal communication channels was strengthened through regular sharing of content and information useful for remote team management. The new challenges require new approaches and flexibility to explore new mindsets and to prepare leadership that's up to the challenges of the future of work.

In 2020, the methodology for calculating the Return on Investment in Employee Development (ROI) was changed, with the Kirkpatrick Model being used to evaluate the "Lead Now" and "Leading Others" programs. The responses obtained through questionnaires addressed to participants after training were used for the application of the model and the data is presented by category in the following table. The ROI presented for 2020 refers to Level 3 of said model and evaluation methods are being implemented in order to assess the impact on the performance of participants in development programs, thus responding to Level 4 in future reports.

	UN	LEADING NOW				LEADING OTHERS
		4 TH EDITION (2016-2017)	5 TH EDITION (2017-2018)	6 TH EDITION (2018-2019)	7 TH EDITION (2019-2020)	2 ND EDITION (2019-2020)
Satisfaction with the program (level 1)	%	100	100	96	100	98
Meeting expectations (level 2)	%	100	94	96	96	93
Behavior change after program (level 3)	%	100	100	96	100	93
Participants	#	51	28	68	69	80
Total investment	€		180,778*	106,699	102,961	59,932

*Investment related to the 4th and 5th editions

Mobility and new ways of working

The internal mobility of employees, whether permanent or temporary in nature, is a powerful tool of the EDP group for their skills development, with a very significant impact on increasing the range of our employees' profiles. Increasingly, companies and employees understand diversification and sharing of experiences as one of the most useful ways of strengthening the internal market and making it a primary source for meeting the qualification requirements that business challenges pose.

In 2020, 1,231 positions were filled through internal mobility of the group's employees, representing a functional change in position held and/or geography for almost 11% of the group's workforce.

In the context of short-term employee movements, after consolidating the internal platform Grow, launched in 2019, which brings together all the opportunities available in the group, it was found that despite the circumstances limiting the movement of employees, particularly to other geographies, people expressed their interest in development activities on the job, either through one-off collaboration in projects or by being part of other teams within the organisation. In 2020, the platform

received a further 11,481 visits from 3,728 individual visitors. The rapid adaptation to remote work and the perception of its benefits has meant that more than 40 employees have had work experience outside their usual field of work. The potential for collaboration via this digital channel has led to adjustments in the group's mobility policy, with a reinforcement of the remote work component, which is expected to contribute to increasing the number of employees participating in projects in locations other than their own.

The EDP group's objective is to continue to reinforce the approach of sharing resources and boosting the plurality of roles, by encouraging the publication of projects in Grow, which are increasingly strategic and with greater visibility.

The optimistic outlook on the consolidation of this ecosystem of collaboration and project-based work has led to the approval of the model which, as of next year, will include taking into account the employees' performance in the various projects in which he or she may have participated in the annual evaluation, as well as the systematic recording of all these contributions in the employee's profile.

Internal mobility at EDP group

11%
employees

New situations, new requirements

The rapid change in ways of working, and the proven ease of adaptation to increasingly digital environments, has reinforced the relevance of the project, still underway, to review the group's development model. This review is anchored in the need to present a learning experience that is increasingly dynamic, fluid and that accompanies the life cycle of the employee in the company, also allowing to meet the needs of the business.

In this project, a first phase of benchmarking and diagnosis was carried out, using interviews and focus groups, involving more than 100 employees from different segments, business units and geographies. In the concept development phase of the model, design teams were created, with the active participation of more than 20 employees with multidisciplinary skills. The new model, to be completed in the first quarter of 2021, will be followed by its implementation and is intended to represent a turning point in the way in which ongoing investment in the EDP group is conceived, implemented and evaluated.

Diversity and equality of opportunity

The year 2020 was marked by the review of the EDP group's mission, strategy, governance model, targets and Diversity & Inclusion (D&I) action plan, consolidating the path undertaken since 2013, when the [Diversity Policy](#) was approved.

This review of the theme of diversity and inclusion resulted in the creation of the Inclusion Office, an EDP body that takes on the mission of continuing to promote a diverse and inclusive environment and workplace, through a model of internal involvement and mobilisation, creativity and innovation, by designing and implementing a roadmap of ambitious activities, goals and commitments that impact business, people and society.

The duties of the Inclusion Office include:

- defining the global guidelines for D&I action in terms of mission achievement, brand positioning and the internal and external communication plan of the commitments undertaken
- to facilitate and implement the action plan and coordinate the working groups - Inclusion Waves - made up of EDP employees dedicated to the various aspects of diversity - Gender, Disabilities, Generational and Cultural - as well as other issues that may arise in the global or local context
- create alignment between the D&I initiatives of the group's various business units, in projects and initiatives aimed at meeting global commitments

- to manage the EDP group's global partnerships and commitments within D&I.

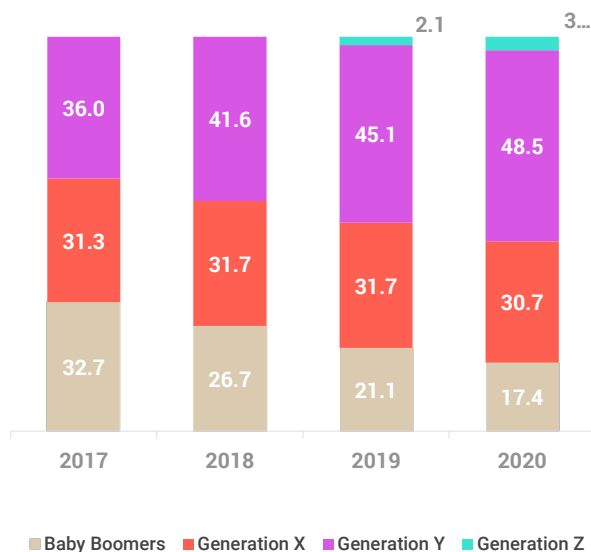
In 2020, the following milestones stand out:

- the launch of Inclusion Waves through the dissemination of internal projects, already in the context of a pandemic, for the voluntary participation of employees in work groups, in order to reflect and propose initiatives that respond to the challenges and opportunities in the context of diversity. In 2020, 30 EDP employees from various geographies and business areas participated in these work groups
- review of the EDP group's D&I business case, through a detailed analysis of the evolution of the EDP group's indicators, benchmarking of best market practices and identification of current and future challenges. This exercise served as a basis for defining the new strategy and reviewing the priorities for the inclusion agenda
- construction of an action plan for the 2020-2022 period, with the contribution of Inclusion Waves, which includes a set of 30 initiatives that leverage the new strategy and address the challenges identified in the business case. The action plan includes practices to promote diversity and aspects of employee inclusion and appreciation in their personal and professional journey at EDP, with the aim of improving productivity and well-being
- The definition of ambitious objectives for 2025, in the different strategic axis, as well as annual targets to be met in the different personnel management processes, in order to monitor progress and fulfil our D&I commitments

- Involvement of top leadership in the D&I agenda and commitments, with sponsorship from the Chairperson of the Executive Board of Directors, which will accelerate the momentum and pace of our global goals.

Considering the diversity indicators that the EDP group periodically monitors, in 2020, and in terms of gender diversity, the number of women increased by one percentage point compared to the previous year, currently representing 26% of the company's total workforce. In terms of new recruitment, the hiring of women accounted for 31%, an increase of two percentage points over 2019. The proportion of women in management positions is 25%. These indicators

Generations at EDP group (%)



thus contribute to achieving the target of 30% female representation that the EDP group has set for 2025, both in the total number of employees and in the leadership segments.

In generational terms, there is a greater representation of the younger generations, Y and Z, to the detriment of the presence of the generations X and Baby Boomers. Although the presence of generation Z (born after 1996) increased to 3%, generation Y was the one whose presence grew the most in 2020 in the EDP group, currently representing 49% of the organisation.

Focusing on the diversification of nationalities, the group currently employs people from 41 different countries. This representativeness continues to stem from the development of more global attractiveness initiatives through digital recruitment channels and strategies, such as the EDP Trainee Program. The percentage of people working outside their home country remains at 2%, with a target of 5% for 2025 on this indicator.

EDP currently has 1.2% employees with special needs. In alignment with the 2025 target review, the target of reaching 2% of people with special needs at group level remains.

Diversity and inclusion initiatives

The renewed diversity and inclusion strategy and action plan is implemented through concrete initiatives adapted to the various businesses and geographies where EDP operates. These initiatives develop a disruptive approach that aims to question assumptions and increase the openness of employees to diversity and inclusion, expanding on previous actions that have achieved the best results.

The success of the Subconscious Bias training, which reached 2,000 employees, was followed in 2020 by the launch of the new Inclusive Leadership Program, developed in partnership with the NOVA School of Business and Economics. This investment explores the influence of top management in changing behaviour, as it has 29 EDP leaders from various business units, geographies and operational areas, and represents a step forward in the group's training in D&I issues, seeking to go beyond awareness-raising through the development of practical leadership skills in team management and in promoting an increasingly inclusive environment and workplace. In 2020, the review of training in Subconscious Bias also began, with the aim of adapting it to an e-learning format and facilitating the extension of this training offer to more employees, also associating it with the onboarding programme for new EDP group employees.

In **Portugal**, the Diversity Week was held for the first time, an integrated initiative within the framework of the European Union Platform of Diversity Charters. For one week each day was dedicated to a dimension of diversity - Gender, Disabilities, Generational and Cultural - with sharing sessions, workshops, intergenerational and intercultural debates and curatorship of specific content accessible through internal communication channels.

Investing in capacity building initiatives and equality in leadership, EDP maintained its association with PWN Lisbon, either through voluntary mentoring or by involving 25 EDP employees in the PWN Global network, with access to specialised content, workshops and mentoring, entrepreneurship and leadership development programmes. The partnership with Portuguese Women in Tech, for a Women's Book Club, was renewed and counted with the participation of 14 female collaborators, promoting moments of sharing every two months to reflect on the participation

and progress of women in STEM fields and society in general. In addition, EDP also supported the 1st Edition of the Promova Project, with the registration of four female employees and four female mentors, which aims to promote gender equality in access to senior management positions in private organisations. The main objective of this project is to identify and develop female talents with leadership potential, with the aim of fostering their promotion to top management positions in companies, thus contributing to closing the gender gap.

For the second year running, the Plan for Gender Equality was published, which is intended to serve the purpose of publicising the set of measures adopted by EDP under the terms of the Guide for the Preparation of Annual Equality Plans, drawn up in light of the provisions of Regulatory Order no. 18/2019, of 21 June, by the Equal Work Opportunities Commission in Portugal. The plan's review process looked at 21 new measures that were already envisaged in the dimensions of strategy, equal access to job opportunities, ongoing training, equality in working conditions and pay, protection in parenthood or conciliation.

In line with the group's strategic positioning for Gender Equality, the partnership with the GirlMove Association was renewed, an organisation that aims to impact the lives of Mozambican women and young people and give them access to quality education, and for the fourth consecutive year an Exchange Lab was held for a young woman under the Change programme of this association, for the first time in a 100% virtual format.

It should also be noted that, following the establishment of the Portuguese Association for Diversity and Inclusion (APPDI) in 2018, EDP continued to develop its role as Chairman of the Board and coordinator of a Work Group on

Education. The APPDI was created with the aim of promoting diversity and inclusion in the various organisations and in Portuguese society in general, cooperating with the relevant national and European institutions for the pursuit of its activities as well as ensuring the sustainability and development of the Charter (Portuguese Charter for Diversity).

Since the launch of the Inclusion & Diversity Programme in 2019, **EDP Brasil** has been consolidating and complementing its activities in six strategic pillars: Gender, Race, LGBTI+, People with Disabilities, Generational and Cultural & Spirituality equality. EDP Brasil continued to organise the Diversity Week dedicated to raising awareness of D&I and Psychological Safety issues. In addition, it promoted live-sessions and workshops on anti-racism education, domestic violence in times of pandemic, gender identity, inclusive leadership and D&I in the value chain. In 2020, the most notable events were also the participation in the Generations and Future of Work Forum, in partnership with the consultancy firm Mais Diversidade, and the Business Coalition for Racial and Gender Equity. This period also marked the holding of the first Diversity Census, in which 74% of the employees participated, with the objective of identifying the demographic profile of the employees, as well as gauging their perception of the initiatives of the Inclusion and Diversity Programme. In order to strengthen this positioning of participation & social inclusion and investment in the "energy of diversity", EDP Brazil carried out the Open Minds campaign, promoting a debate among important individuals in the discussion and development of these issues in Brazil.

At **EDP Renováveis**, the EDP group's business area with the highest representation of women, with 30% (4.9 pp above the group's average), a Committee for Diversity and Inclusion

EDP Renováveis with level of excellence as family-responsible company

was set up in 2020 with the aim of promoting greater involvement and commitment to the issue by defining a strategy, integrating the commitment of various departments and stakeholders, sharing knowledge and good practices, and guiding the group's objectives in this area. One of the recommendations given by this Committee was the commitment to non-discrimination in terms of race or ethnicity, which resulted in a fundraising campaign supported by EDP Renováveis for three organisations (Color of Change, Equal Justice Initiative and The Land Love Foundation). In order to better diagnose critical aspects of its D&I activities, EDP Renováveis also launched SHE, a gamified training tool that made it possible to raise awareness of the impact of subconscious bias.

EDP **Espanha**, on the other hand, reinforced its commitment to equality between genders, within the framework of the UN Sustainable Development Goals, approving the Equality Plans of five business areas, in force until 2025 which, after a diagnostic phase, resulted in around 50 measures with the aim of guaranteeing and maintaining the commitments to equal treatment and access to opportunities.

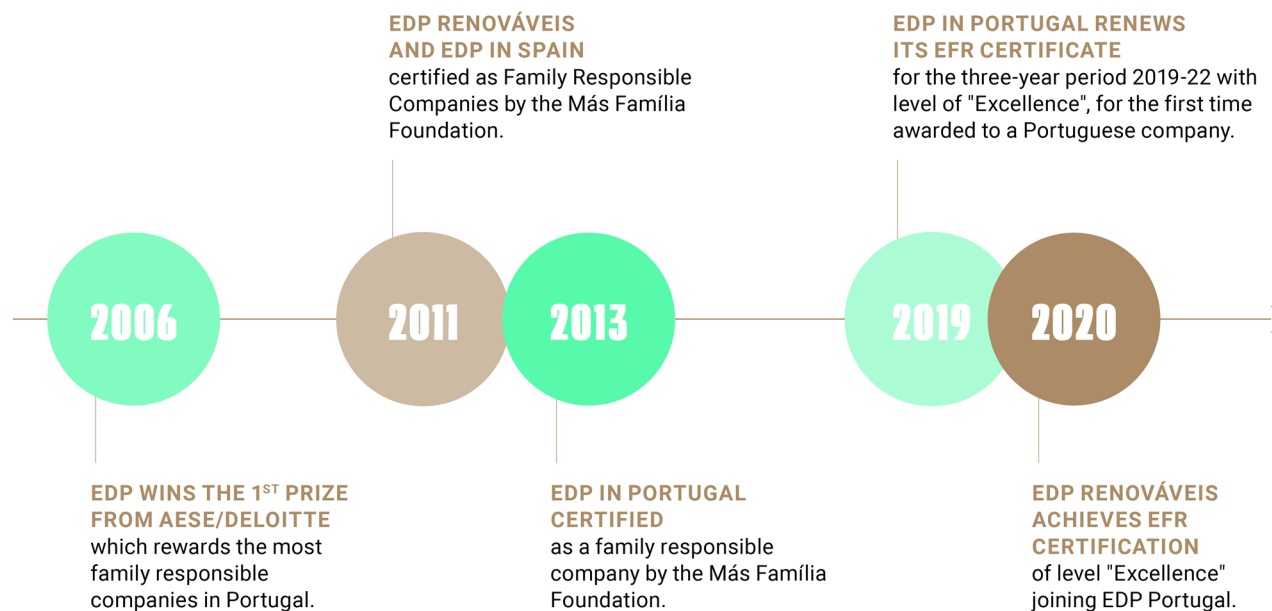
Measures for social conciliation and protection

EDP believes that reconciling work and family life is fundamental in creating more competitive companies and a fairer society, based on flexibility, respect and equal opportunities.

In 2020, EDP Renováveis was distinguished with excellence as a family-friendly company through the efr model of Más Familia Foundation, thus joining EDP in Portugal in the level of excellence in this certification model. Globally, 31 companies have this level of excellence, out of a total of 794 certified entities.

EDP Renováveis also promoted, in 2020, the launch of a wellness platform, in which online workplace exercise classes were made available (for all countries where EDPR is present, except North America). Flexible working hours from Monday to Thursday and intensive working hours on Friday (for all European countries where EDP Renováveis is present) were also introduced.

As part of EDP Brazil's conciliation programme, in June 2020, the day off on birthdays was introduced and online gym classes were made available.



At EDP Spain, a flexible working model has been introduced which allows employees to work remotely, on-site and/or a mixture of flextime hours.

Through the EDP es Conciliación platform, EDP Spain provides its employees and their families with access to various services. The campaign "Ilumina una vida" (brighten a life) - a helpline for elderly people living isolated and alone, who need to contact social experts and psychologists.

For children of employees aged between 8 and 18, EDP Spain promoted the "Colonia Tecnológica de Semana Santa", through free webinars. The webinars include

entrepreneurship sessions through magic, yoga in English, mathematics in Excel or product design.

The encouragement of exercise through online gym classes was also promoted.

In Portugal, the conciliation programme joined Design The Future in launching new vocational exploration resources, Career Quiz, Masterclass and Career Planning, with the aim of helping the children of employees outline their academic and professional future. These resources have been made available online and aim to encourage self-knowledge and personality, values, interests and skills, as well as to help

identify professional activities that meet your vocational profile.

Also in 2020, the issue of welfare has gained new relevance due to the psychosocial impacts of the pandemic. EDP sought to provide a set of new initiatives - creation of a Workplace group exclusively dedicated to well-being in quarantine, online and live gym classes (lasting 30 minutes, every day of the week), open sessions with employees where well-being issues were addressed (well-being talks at EDP Portugal and EDP com Você at EDP Brazil), reinforcement of the telephone line for psychosocial support and the Mind Your Mind campaign in Portugal, focused on mental health (page 117).

Flexibility as a means of promoting conciliation

Even before the pandemic and widespread confinement, EDP was already studying new ways to enhance flexibility at work for its people and planned to test the possibility of a remote working day per week. A process which, with the context of the pandemic, was accelerated and eventually gained a much larger scale than expected.

In 2020, EDP's committed to continue to capitalise on the added value of remote working post-pandemic: in September 2020, it was announced that, in the post-pandemic, employees with compatible jobs will have the possibility to work two days a week in remote work.

The aim is for the EDP group to evolve into a hybrid model, combining the advantages of on-site contact in the office and the flexibility that remote working allows.

Mind your mind: mental health month

In a year of uncertainty, change, adaptation and, above all, a year in which health has always come first, EDP, in Portugal,

has for the first time addressed the issue of mental health, devoting a month of initiatives to this theme. The theme of mental health has gained a new relevance with the pandemic and EDP marked Mental Health Month with "Mind Your Mind".

"Mind Your Mind", or how to be attentive to our mind, was the name of the campaign that took place during the month of October 2020 and in which it was possible to attend conversations with experts, EDP employees and well-known personalities, giving voice, without taboos, to the subject of mental illness in the current social context.

	UN	
Views, on average, per talk	#	1,000
Reactions	#	558
Comments	#	147
Years of energy donated to Nova Aurora	#	2

In addition to the audiovisual content produced, EDP encouraged its employees to donate electricity to Nova Aurora, an association dedicated to psychosocial rehabilitation and reintegration, through the practice of physical exercise - in total, EDP people ran more than 1,000 km, which translated into 2 years of energy for the association.

Compensation and benefits

The EDP group's model of performance objectives reflects the strategic and sustainability objectives of the business for the performance of the group's companies, the areas and the employees. In this way, the company manages and recognises the performance of each employee according to the success of the EDP group.



99%

of employees with
performance assessment

This model is geared towards the company's stakeholders and is based on six clusters: people, shareholders, assets and operation, innovation and partnerships, environment and communities, and customers.

In 2020, the model of holistic performance and joint responsibility, implemented in 2019, was further developed in order to enhance a culture of continuous feedback, fundamental to supporting business challenges and the monitoring of employees, enhancing their continuous involvement with the group's objectives and performance.

With the aim of encouraging the pursuit of the group's objectives, ensuring the retention of employees while respecting the geographical diversity and plurality of legal, fiscal and financial considerations, in 2020 studies were carried out and models designed to enable the implementation of a Long Term Incentive Programme (LTI) for Portugal, Spain and EDP Renováveis (Spain), applicable to all key employees of the organisation, as is already the case

at EDP Brazil and EDP Renováveis (North America, Offshore, Brazil, Italy and France).

Recognition policies play a key role in attracting and retaining talent. For this reason, the group has a remuneration policy in line with best practices, and conducts annual market studies to ensure their competitiveness, as well as internal equity studies.

The EDP group grants all employees, in all geographical areas, a range of benefits in line with the needs of the employees and associated with their lifestyles and family unit, namely access to protection and health care systems complementary to those of the public health services in each country, complementary retirement plans and personal and life accident insurance.

In Portugal, in March 2020, a health insurance policy (individual insurance) with very advantageous market conditions was extended to all permanent staff (and their families), as well as to employees with fixed-term contracts and professional interns, through a protocol established with EDP.

It should be noted that there are also benefits linked to Collective Labour Agreements or flexible plans adapted according to the legislation of each country.

In Portugal, with the benefits management platform (Benefits4all), it is possible to provide employees covered by the EDP Flex Plan with more flexible management of their benefits plan and access to the measures that the company makes available to them through the Conciliation Programme (page 130).

In 2020, two new benefits (technology and mobility) were added to the 16 benefits of the existing flexible component, and the possibility of access to the education voucher, for employees and children of employees aged over seven, was introduced in the digital version.

As a result of current trends in which remote work assumes particular relevance, two new benefits will be introduced in 2021 in the EDP Flex plan: extension of the benefit of technology to home office and the wi-fi benefit at home.

EDP Spain also has a flexible benefit plan, which includes child, computer equipment or transport vouchers, in addition to those mentioned above.

EDP Renováveis also offers an individualised benefits package tailored to the life cycle of its employees (generation and family situation).

EDP Brazil, understanding the importance and relevance of health and well-being issues for all employees and society, developed a vaccination programme against influenza in 2020, mapped out the medical network of hospitals in Brazil with a protocol for attending Covid-19 and introduced a telemedicine pilot project.

Labour rights

EDP maintains a constructive and collaborative relationship with official bodies and workers' representatives - workers' committees and trade unions - in order to intensify the transmission of information and cooperation which, in 2020, resulted in a climate of consultation and social peace, with no labour conflicts to be noted.

This relationship is implemented, in each geography, by local teams that guarantee contact and proximity with those entities, communicating, among others, the organisational changes with an impact on the employees, both to themselves and to their representative structures.

Trade Union Representation in the EDP group

At the end of 2020, 33.7% of EDP group employees were unionised. In terms of the number of employees in each geography, the highest number of union members is found in Portugal and South America respectively, with 2,240 and 1,448 employees, followed by Spain with 223 union members.

The number of unionised employees in the EDP group at the end of 2020 was characterised on the next page.

Activity in Portugal

In 2020, the Collective Labour Agreement (CLA), granted at the end of 2014, remained in force in the EDP group companies in Portugal that signed it or adhered to it.

In the relationship with trade union structures, it is worth noting the negotiations on wage increases, which, due to the constraints of confinement caused by the pandemic, took place through videoconference meetings. A historic agreement was reached with all the trade union negotiating commissions, in which the basic entry salary was set at a minimum of 1,000 euros and 1,500 euros for senior staff, which places the minimum wage at EDP, 57% above the national minimum wage in Portugal.

In parallel, solutions have been developed to improve the implementation of the collective bargaining agreement, as well as the signing of an agreement on special remuneration for specific work organisation situations.

Accompanying the legislative changes of a labour, social and preventive nature, and adaptation to the restrictions of the pandemic, more than 150 meetings were held with official bodies, workers' committees and trade unions. These interactions took place, with a focus on permanent dialogue and monitoring of pandemic developments and its impact on industrial relations, with changes in work organisation, new forms of work implementation, the introduction and implementation of specific regulations and their adaptation to collective bargaining regulations.

In the area of labour relations, support and dialogue was also maintained with workers' organisations for recreational, cultural and social purposes, namely the EDP Staff Club, the Association of Retired and Pensioners and the Association of Blood Donors.

Activity in Spain

In Spain, the pandemic entailed the implementation of preventive measures at the labour level, with the aim of protecting the health of employees, as well as guaranteeing the supply of electricity as an essential service.

There have been important changes in the way work is done, notably the modification of working hours in different areas as well as the generalisation of remote work (referred to in the introduction of the chapter). These measures involved constant coordination at the level of labour relations with the structures representing employees, who are part of the "Comité de Enlace", a multidisciplinary group responsible for managing the pandemic at EDP Spain.

The year was also marked by the full sale of EDP Comercializadora and the acquisition of Viesgo, which also

SEGMENTATION	UN	SPECIALISTS	MANAGERS	SENIOR MANAGERS	TECHNICIANS	TOTAL
Union members	%	5.1%	0.9%	0.4%	27.3%	33.7%
Portugal	#	289	73	43	1,835	2,240
Spain	#	34	16	0	173	223
South America	#	273	16	3	1,156	1,448
Total	#	596	105	46	3,164	3,911

gave rise to the respective labour procedures necessary for the development and implementation of these operations.

Activity in Brazil

In Brazil, despite political and economic instability and the pandemic, the company maintained negotiation processes, mostly through videoconferencing, with seven different unions, which involved an average of five meetings a month, in addition to previously scheduled bimonthly meetings with the main unions. These meetings discussed issues related to Collective Labour Agreements (annual term), Profit and/or Results Sharing and other workers' issues.

EDP Brasil has been active in different labour issues, ranging from the daily preparation of recommendations to internal customers on issues relating to labour relations and trade unions, to effective action in public bodies (Ministry of Labour and Employment and Labour Prosecutions Office).

The communication of the development of collective bargaining is carried out at the same time by EDP Brazil and the trade unions, with the aim of clarifying any doubts and demonstrating transparency in the negotiation process. It should also be mentioned that such collective bargaining takes place annually, in accordance with the rules contained in national labour legislation.

Stability in employment

The EDP group's 2019 Climate Survey revealed that 82% of employees consider that, in the current context, EDP provides employment stability, having decreased by 3 percentage points compared to 2017. According to the benchmarking, this result scores 16 percentage points above the general market norm. This is a bi-annual question and so there are no results for 2020.

In addition to this perception, the EDP group has undertaken since the beginning of the pandemic not to reduce any jobs or resort to any lay-off measures due to the pandemic.

VALUE FOR THE BENEFICIARIES	PROJECTS (#)	K€
Improving facilities	20	3,546
Management capacity	5	148
Asset Enhancement	25	1,684
Maintenance/Increase in activity	310	9,274
Others	60	6,002
TOTAL	420	20,654

VALUE FOR THE EDP GROUP	PROJECTS (#)	K€
Compensation for adverse impacts	2	224
Attracting/motivating employees	34	943
Promoting the EDP brand	5	118
Good image with stakeholders	36	317
Enhanced reputation in causes supported by the company	330	18,852
New business opportunities	4	38
Others	9	163
TOTAL	420	20,654

Beneficiary entities

1,051

Final beneficiary

1.03M

3.3.4. Community engagement

EDP voluntarily contributes to the development of the communities in which it is present, pursuing the United Nations Principles of Social Investment as a guiding standard. These principles, which are reflected in the [EDP group Policy](#) promote the creation of value for society and the alignment of the EDP group with major social and environmental causes.

The EDP group also pursues its commitments to Understanding, Communicating, Trusting and Collaborating with its stakeholders, in accordance with its [Stakeholder Relations Policy](#). In particular, this Policy sets out the standards for managing the local impacts of infrastructure investments, safeguarding the rights of people and communities.

Social investment and access to energy

EDP voluntarily promotes social investment programmes as a way of actively contributing to the sustainable development of society and cumulatively affirming its strategic vision. The programmes aim to meet social needs and, simultaneously, address core business needs and issues, thereby creating value for stakeholders and for the EDP group.

The EDP group's Social Investment Policy establishes the strategic priorities for contributions to the community, through four objectives:

- promote access to culture and art and protect cultural heritage

- promote social inclusion and the adoption of sustainable ways of life, valuing energy inclusion and access to energy
- protect natural heritage and biodiversity
- promote energy efficiency, renewable energy and decarbonisation

The EDP group embodies its [Social Investment Policy](#) through Social Responsibility programmes and activities in society, based on its own collaborative initiatives, donations and volunteering.

Application of the LBG/B4SI methodology

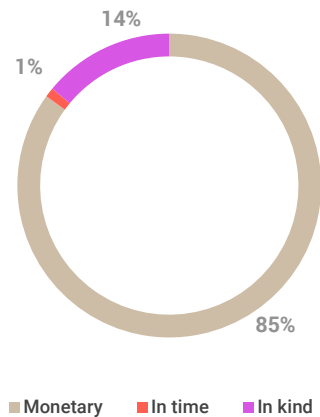
EDP uses the international LBG - Measuring Community Investment (B4SI) methodology to characterise and assess its voluntary investment in the community. This model promotes alignment between the purpose of companies and social needs, facilitating the structuring of priorities and reflecting on their results and benefits for the communities.

In 2020, from the LBG/B4SI perspective, voluntary investment in the EDP group's communities amounted to 21.2 million euros, benefiting the projects of 1,051 entities. From this amount, 95% was classified as **strategic** and 5% as **non-strategic**. **Monetary** contributions were the main form of contribution (85%), followed by **in-kind** contributions (14%) and **time** contributions (1%). Time contributions, equivalent to 310 thousand euros, correspond to EDP volunteer work initiatives carried out during **working hours**.

Voluntary investment in the community by the EDP group in 2020

€21,2M

Form of contribution (%)



Investment in **Education** (8%) was primarily directed at skills development projects, access to education for disadvantaged people, support for entrepreneurship and job creation (see + Skills programme).

The investment in **Health** was channelled to fight the pandemic, classified as **Response to Emergency Situations** (30%), through the + Close programme.

The investment in **Economic Development** (4%) gave priority to energy access projects for communities disconnected from the electricity grid, belonging to the + Energy Inclusion programme.

The + Close and + Energy Inclusion programmes contributed to investment in **Social Welfare** (12%) through social inclusion projects and projects combating energy poverty.

Voluntary investment in the **Environment** (4%) was carried out through projects to promote biodiversity, decarbonisation and climate change awareness-raising, which belonged to the + Biodiversity and + Climate Action programmes.

Investment in **Art and Culture** (37%) gave priority to projects providing access to art and culture and for the preservation and enhancement of cultural heritage, which belonged to the + Art and Culture and + Cultural Heritage programmes, respectively.

Since 2015, the accumulated value of voluntary investment in the community by the EDP group has amounted to 158 million euros, in line with the commitment established to reach its target of 200 million euros in 2022.

As of 2021, the LBG was renamed **B4SI** (Business for Societal Impact), following its reorientation as an impact methodology. EDP actively collaborated in developing the new approach and its Social Investment Policy has already incorporated the new guidelines.

NATURE OF THE CONTRIBUTION	K€	%
Education	1,574	8
Health	0.71	0
Economic development	756	4
Environment	787	4
Art and culture	7,647	37
Social welfare	2,432	12
Response to emergency situations	6,144	30
Other types	1,313	6
TOTAL	20,654	100
Management costs	554	-
TOTAL + MANAGEMENT COSTS	21,208	-

CONTRIBUTION FOR THE SDGS	K€	%
SDG 5	6	0
SDG 7	497	2
SDG 8	1,746	9
SDG 9	-	-
SDG 11	8,075	39
SDG 12	56	0
SDG 13	226	1
SDG 15	136	1
SDG 17	74	0
SDG 4 ¹	122	1
SDG 10 ¹	2,193	11
TOTAL	13,131	64

¹ SDGs not priority for EDP

Contribution of
voluntary community
investment to the
SDGs
in 2020

€13.1M

Contribution to the SDGs

In the execution of its Social Investment Policy, the EDP group contributes to the **Sustainable Development Goals (SDGs)** of the United Nations, giving priority to goals **5, 7, 8, 9, 11, 12, 13, 15** and **17**.

Not all initiatives and projects valued by the LBG/B4SI methodology correspond to SDGs. To make this correspondence, EDP uses the SDG indicator method. Thus, of the total contributions recognised in LBG/B4SI, in 2020, EDP supported 312 projects that contributed to the SDGs with an investment of 13.1 million euros (64% of total contributions).

Through the **+ Cultural Heritage** programme, EDP supports projects to enhance and protect the cultural heritage of local communities, contributing with 20 projects and 1.35 million euros to **SDG 11** in 2020.

With the **+ Close** programme, EDP aims to support the most disadvantaged groups in communities, ensuring greater closeness to people, promoting their dignity, social inclusion and alleviating the effects of emergency situations as was the case with the Covid-19 pandemic in 2020. This year, 2.19 million euros was invested in 65 projects and 6.18 million euros in 97 projects contributing to **SDGs 10** and **11**, respectively.

The **+ Skills** programme includes projects aimed at developing skills and fostering entrepreneurship in communities in EDP's area of influence, thereby increasing the employability of people belonging to the most disadvantaged population groups. This programme also includes projects aimed at strengthening the management skills of NGOs and projects that help promote knowledge and

the establishment of partnerships in the field of sustainability. In 2020, under this programme, EDP supported 11 projects with 121 thousand euros that contributed to **SDG 4**, 1 project with 6 thousand euros that contributed to **SDG 5**, 43 projects with 1.73 million euros that contributed to **SDG 8** and 11 projects with 74 thousand euros that contributed to **SDG 17**.

With the **+ Energy Inclusion** programme, EDP supported projects for access to energy in countries with communities that have low electricity grid coverage and projects aimed at combating energy poverty and promoting secure community access to energy. Continuing in this way, in 2020, EDP invested 480 thousand euros in 14 projects and 202 thousand euros in 5 projects that contributed to **SDG 7** and **11**, respectively.

Through the **+ Biodiversity** programme, EDP promoted Biodiversity and the Circular Economy through awareness raising/ educational projects, applied research and the recovery and enhancement of species and ecosystems. In 2020, EDP invested 353 thousand euros in 10 projects that contributed to **SDG 11**, 56 thousand euros in 2 projects that contributed to **SDG 12** and 136 thousand euros in 12 projects that contributed to **SDG 15**.

In the **+ Climate Action** programme, EDP promotes awareness of the consequences of climate change, and the need to adopt mitigation and adaptation measures that protect people, biodiversity and infrastructure. Continuing in this way, in 2020, EDP invested 16 thousand euros in 2 projects that contributed to **SDG 7** and 226 thousand euros in 16 projects that contributed to **SDG 13**.

01

EDP

02

Strategic
approach

03

Performance

04

Annexes

**Voluntary
investment
in fighting the
pandemic**

€6.04M

**Final
beneficiaries
Covid-19**

190k

INITIATIVES IN THE FIGHT AGAINST THE PANDAMIC	PROJECTS (#)	K€
Mitigate impacts on the most vulnerable people	54	1,301
Reduce inequalities in access to distance learning	4	298
Provide health equipment and means of protection	21	4,156
Support creativity in combating the pandemic	5	285
TOTAL	84	6,041

Emergency response to the Covid-19 pandemic

Aiming to address the negative impacts of the pandemic on communities, especially its most vulnerable groups, the EDP group developed an emergency response plan.

(www.edp.com/en/edp-coronavirus). The success of the programme, which included monetary, in-kind and time contributions, was very much determined by high turnout of EDP volunteers. Additional information on page 146.

In total, EDP promoted 84 projects, with 337 beneficiary entities and contributed 6.04 million euros to the fight against the pandemic. These initiatives followed five priorities.

- mitigate impacts on the most vulnerable people
- reduce inequalities in access to distance learning
- provide health equipment and means of protection
- support creativity in combating the pandemic
- support customers and suppliers.

Volunteer work strategy

EDP Volunteer Work is a fundamental pillar of the company's relationship with communities and at the same time contributes to the development of employees, multiplying the purpose and meaning of their activity. The programme's areas of intervention are aligned with the group's Social Investment Policy and focus on social inclusion, capacity building, energy inclusion, biodiversity and climate action.

Over the years, the Volunteer Work Programme, based on the company's measures to reconcile working hours, has attracted a growing number of participants, pursuing its strategy of reaching a 20% share of the company's Headcount (HC) by 2022.

In all the different actions and projects promoted throughout the year, 2,482 employees took part as unique volunteers (18.7% of the company's HC), contributing with 14,457 hours during working hours and 3,740 hours outside working hours. Given the inclusive nature of the Programme, 325 EDP Friend volunteers (company retirees, friends, family and partners) were also involved, who contributed 4,657 volunteer hours. In total, in 2020, the EDP group Volunteer Work Programme involved 2,807 volunteers, to make a total of 22, 854 volunteer hours.

Skills-based volunteering puts the individual talents and skills of employees at the service of the community and is that which has the potential to have the greatest social impact. The EDP group is committed to skills-based volunteering and aims to increase the number of projects/initiatives based on this type of volunteering.

Currently, 64% of the EDP group's total volunteering hours are skills-based volunteering hours. This result, achieved following the strategy of the last few years, reinforces the goal of generating greater social impact by sharing the individual skills of employees in the service of the community. In 2020, worthy of mention was the 11,725 hours in skills-based volunteering projects carried out by EDP employees, of which 9,133 hours took place during working hours.

	UN	2020	2019	2018	2017
EDP unique volunteers ¹	#	2,482	2,833	2,469	2,294
EDP volunteering hours – working hours ¹	h	14,457	23,258	19,375	24,932
Beneficiary organizations	#	581	792	642	417
SKILLS-BASED VOLUNTEERING					
Hours of skills-based volunteering – working hours	h	9,133	8,907	5,193	2,008
EDP skills-based volunteering projects	#	15 ²	16	12	6

¹ Includes all employees from all EDP group's companies

² Skills-based volunteering projects during working hours, promoted by the company

**Employees
involved in volunteer
work actions**

18.7%

In a year marked by the Covid-19 pandemic, the EDP Volunteer Programme responded to the social emergency with a number of initiatives in different regions and adapted face-to-face projects to virtual ones in order to ensure the safety of employees without compromising their impact on the community so that the support did not fail to reach those who needed it most. For example, the traditional Christmas Campaign was carried out mostly remotely, focusing on responding to social problems generated by the pandemic: fighting hunger, poverty and social isolation.

In its response to the pandemic, at a global level, EDP promoted 32 volunteer projects thanks to the participation of 539 volunteers, which benefited 207 organisations and which impacted the lives of more than 27,000 people.

In 2021, the EDP Volunteer Programme will continue to pay attention to the challenges of the communities where the company is present, especially the social issues aggravated by the Covid-19 pandemic. Next year, EDP will also mark 10 years of the existence of this Programme and a number of initiatives promoting volunteering will take place throughout the year, including the first EDP Volunteer Work impact report, as well as a new volunteering measure that will enable employees to allocate hours for immersion projects.

Social investment programmes

In 2020, EDP oriented its voluntary investment priorities in the community around 7 group-wide programmes. Each programme is carried out through a number of projects that have contributed to each of the four objectives of the Social Investment Policy and the Social Development Goals (SDGs).

+ Contemporary culture

+ CONTEMPORARY CULTURE PROGRAMME	UN	
Contributions	k€	6,302
Percentage of contributions	%	31
SDG 8 contribution	k€	18
Projects	#	66
Beneficiary organizations	#	56
Final beneficiaries	#	326,582

With the + Contemporary Culture programme, EDP aims to promote access to contemporary art and culture through its own production and institutional partnerships.

The Fundação EDP, the Fundación EDP and the EDP Instituto undertake sponsorship activity in Portugal, Spain and Brazil, respectively, supporting projects from various institutions in the areas of plastic arts, dance, music, architecture, design, artistic education and publishing. In 2020, in Portugal, cultural projects such as the Portuguese National Ballet Company, the Casa da Música Foundation, Porto Municipal Gallery, Arpad Szenes Foundation– Vieira da Silva and the Orquestra Sinfónica Juvenil stand out. In Spain, support was given to the Guggenheim Museum, the Kursaal Foundation, the Princess of Asturias Foundation and the Oviedo Opera House. In Brazil, support was provided to the Tomie Ohtake Institute, the Brazilian Contemporary Orchestra and the Chamber Orchestra of the University of São Paulo.

In particular, the EDP Foundation provides a cultural boost to the city of Lisbon through MAAT - Museum of Art, Architecture and Technology - by presenting national and international exhibitions with contributions from

contemporary artists, architects and thinkers. This museum also houses the EDP Foundation Art Collection.

Also in Portugal, the Dar Energia à Cultura (Give Energy to Culture) programme aims to encourage urban art by offering transformer stations and distribution cabinets for artistic interventions covering municipalities from the north to the south of the country, while bringing the energy distribution business closer to local communities.

+ Cultural heritage

+ CULTURE HERITAGE PROGRAMME	UN	
Contributions	k€	1,346
Percentage of total contributions	%	7
SDG 11 contribution	k€	1,346
Projects	#	20
Beneficiary organizations	#	13
Final beneficiaries	#	6,629

Through the + Cultural Heritage programme, EDP supports projects to enhance and protect the cultural heritage of local communities close to its infrastructure. In addition to contributing to the preservation of the collective memory and cultural identity of these communities, these projects foster job creation and sustainable tourism opportunities in these communities.

In 2020, of note was the Tradições (Traditions) project in Portugal and the restoration, extension and modernisation project of the Ipiranga Museum in Brazil. Opened to the public in 1895 in a monumental neoclassical architectural building, this museum has a collection of over 450 thousand

pieces, including objects, and iconographic and textual documents. Closed since 2013, it used to welcome an average of 350,000 visitors a year. EDP will invest around € 2.8 million in the recovery and restoration works for this patrimony in the city of São Paulo. In 2020, it donated € 1.083 million to the University of São Paulo, the entity that manages the Museum. The work is expected to last 30 months and the reopening is scheduled for 2022, the bicentennial year of Brazil's Independence.

Traditions

Traditions is a financial and skills training initiative for projects that aim to highlight and preserve regional or local traditions in Portugal: from gastronomy to handicrafts, as well as sayings, beliefs, instruments, dances or songs, as there are many traditions that can inspire projects. The aim is to promote the memory of these traditions, both in their recreation and in the development of a plan for future sustainability, thereby contributing to the enhancement of local identity and communities. It is a biennial programme and has already supported 36 projects with more than 530 thousand euros. The 3rd time it took place (2019-2020) it supported 9 projects in the first year, of which 7 continued into the second year, with about 165 thousand euros and in the 4th edition it will benefit 10 entities to the amount of 213 thousand euros.

It is currently the only corporate programme supporting popular culture in Portugal, and several of the supported projects have achieved national distinction.

+ Energy inclusion

+ ENERGY INCLUSION PROGRAMME	UN	
Contributions	k€	682
Percentage of total contributions	%	3
SDG 7 contribution	k€	480
SDG 11 contribution	k€	202
Projects	#	19
Beneficiary organizations	#	18
Final beneficiaries	#	3,109

With the + Energy Inclusion programme, EDP enhanced the support for third sector organisations developing projects for access to energy in countries with communities that have low electricity grid coverage; that seek to combat energy poverty and that promote safe ways for communities to access energy. Since 2009, the EDP group has invested in energy access projects (A2E). In 2020, of note were the projects carried out in Kenya, Tanzania, Mozambique, Nigeria and Malawi, which received support from the A2E fund in the amount of 473.7 thousand euros.

In order to address the problem of energy poverty, the EDP group promotes various programmes focusing on the implementation of energy efficiency measures and raising awareness about the responsible use of energy, which make it possible to reduce the energy bill of families and NGOs and modify consumption habits.

One example is the Energia Solidária (Energy Solidarity) project in Spain, which aims to increase the security, well-being and energy efficiency of the most disadvantaged

families. In cooperation with Cáritas and the Red Cross, the families and households targeted for intervention in Asturias and the Basque Country were identified. During the visits to these households, EDP employees conducted energy audits and drew up an energy certificate and a proposal for improving energy efficiency. Among other actions, of particular note was the replacement of basic equipment such as radiators, boilers and lighting. The participation of EDP business areas and EDP volunteers, whose activity is managed by the Volunteer Programme, was essential in developing this project.

In 2020, of note as well were projects aimed at improving the housing and thermal comfort conditions of families and institutions, such as the voluntary rehabilitation project in partnership with the Just a Change association, in Portugal.

The voluntary rehabilitation project in partnership with the Just a Change association aims to renew run-down private homes or institutions in urban areas. In 2020, this partnership was reinforced through the financial support of 40 thousand euros from the commercial area, earmarked for thermal insulation, efficient equipment and energy certifications. For the first time, a solar panel was also installed at one of the sites, corresponding to 0.27 kWp of installed renewable energy. Despite the pandemic and the reduced works, 78 volunteers (EDP employees, family and friends) participated, investing 497 hours in renewing 24 houses and 1 welfare organisation with 22 volunteer shifts. In 2021, EDP will reinforce its investment, by establishing itself as an energy efficiency partner.

EDP also provides the skills and know-how of its employees through its Pool of Electricians and Energy Efficiency Certifiers. This consists of volunteer electricians (EDP employees) who correct faults, replace and improve systems

and carry out safety checks in third-sector organisations and help welfare institutions to use their energy more efficiently and reduce their bills. In 2020, this involved more than 15 volunteer employees who carried out 2 electrical repair actions (representing 28 interventions) and 4 energy efficiency checks, thereby benefiting a total of 6 organisations in Portugal.

A2E – CSR FUND

As part of its strategy to support the electrification of populations without access to energy (A2E), through the A2E fund, EDP promotes sustainable energy for all, with a focus on countries with low electrification rates, via donations to social organisations, to support sustainable and clean energy projects in the areas of education, health, water and agriculture, business and the community. Through this fund, EDP is committed to improving the lives of people living in poverty, recognising that access to clean, affordable and reliable energy is a necessary condition for breaking the cycle of poverty, thereby enabling social and economic development in remote rural areas.

In 2020, the 2nd edition of the A2E Fund took place, aimed at projects in Mozambique, Kenya, Tanzania, Malawi and Nigeria. As part of this, EDP supported eight clean energy community projects in these countries, with an investment of 473,700 euros. From the installation of solar panels to the creation of innovative irrigation systems, the projects share sustainable rules and the objective of improving the lives of these communities – it is estimated that the initiatives supported will directly and indirectly benefit more than one million people in the five countries. This investment is in line with the established commitment to reach the target of 20 million euros

in investments in access to electrification by 2022. In 2020 the 3rd edition of the fund (2020-2021) was also launched, the project selection for which will take place in the 1st quarter of 2021.

+ Skills

+ SKILLS PROGRAMME	UN	
Contributions	k€	1,930
Percentage of total contributions	%	9
SDG 4 contribution	k€	122
SDG 5 contribution	k€	6
SDG 8 contribution	k€	1,728
SDG 17 contribution	k€	74
Projects	#	66
Beneficiary organizations	#	79
Final beneficiaries	#	137,569

With the + Skills programme, EDP aims to develop skills that foster entrepreneurship in the communities in its area of influence, thereby promoting the employability of people from disadvantaged population groups. It also develops projects aimed at strengthening the management skills of third sector organisations, enabling them to enhance their social impact.

As such, the vocational internship projects and the granting of scholarships to young people from families with fewer financial resources allow them to continue their studies and promote access to decent work.

With a focus on young people, the Incluir para Iluminar (Include to Illuminate) project in Portugal offers technical and on-the-job skills training, through internships in the Company's technical areas, as part of professional training courses for electricians. The aim is to acquire skills that will enable young people to join the job market. In 2020, given the contingencies of the pandemic caused by Covid-19, the project was carried out online, through video calls.

Also in Portugal, the Escolas com Energia (Schools with Energy) project, aimed at children and young people, aims to develop communication, socialisation and leadership skills that will be essential in the job market and, at the same time, enables the establishment of a stronger relationship with the school community in the vicinity of the generating centres. In this year marked by the Covid-19 pandemic, projects in schools were completed while respecting safety rules or adapted to new formats such as online events.

EDP has been a member of the Junior Achievement Portugal project of the Aprender a Empreender (Learning Entrepreneurship) organisation since 2005, through its Volunteer Programme. This organisation promotes the education of children and young people for entrepreneurship based on three fundamental pillars: Citizenship and Financial Literacy, Education for Entrepreneurship and Skills for employability. In 2020, EDP joined the 31st edition of the "JA Europe Company of the Year Competition (COYC)". This competition brings together the best students from Junior Achievement companies across Europe who have participated in the "Enterprise" Programme. In addition to the

signature prize "EDP Green Entrepreneurship Award", EDP also offered the winning team a mentoring programme.

In 2020, in Spain there was also the EDP Foundation Academy and the ENTAMA project (which means undertake in the Asturian language), the main goal of which is to support business projects that generate resources and jobs in the Asturias region.

In 2020 the 2020-2021 edition of the ENTAMA project began. In this edition, 85 thousand euros will be distributed among the 8 projects selected in the municipalities of Carreño, Ribera de Arriba, Proaza, Teverga, Santo Adriano, Quirós, Somiedo, Belmonte, Caso, Morcín and Sobrescobio. In addition to financial support, it also aims to contribute to the capacity building and sustainability of projects, with information and advisory actions for their promoters foreseen from the beginning and during the implementation period.

Academia Fundacion EDP

The Academia Fundación EDP (EDP Foundation Academy) was launched to strengthen the organisational skills of the entities that the EDP Foundation has supported through EDP Solidária (EDP Solidarity), in order to reinforce their social impact. Training sessions are mainly given by EDP volunteers (Skills-based volunteering) and focus on topics that expand the knowledge and skills of employees at participating entities. Finance, innovation, human resources, communication, energy efficiency, networking, legal aspects and social responsibility are some of the topics that have been covered in these training sessions. As part of the pandemic, access to the EDP Foundation Academy was extended to all Spanish NGOs

wishing to enrol, with online access to classes and supporting documents. The aim was to support NGO staff in overcoming the pandemic situation by learning enriching topics and establishing partnerships between NGOs participating in the Academy.

+ Closer to you

+ CLOSER TO YOU PROGRAMME	UN	
Contributions	k€	8,628
Percentage of total contributions	%	42
SDG 10 contribution	k€	2,193
SDG 11 contribution	k€	6,175
Projects	#	186
Beneficiary organizations	#	795
Final beneficiaries	#	470,614

With the + Closer to you programme, EDP aims to support the most disadvantaged groups in the communities. Given this, the EDP group Volunteer Work Programme represents a fundamental pillar in supporting projects that promote human dignity and social inclusion, in close cooperation with third sector organisations.

The year 2020 was marked by the global Covid-19 pandemic that accentuated inequalities and hardship for people who were already in a situation of vulnerability. One of the consequences of the pandemic was greater isolation of these

people, due to the periods of lockdown declared in various geographical areas.

EDP sought to be closer to the most vulnerable population through various initiatives to combat isolation. The Cartas Solidárias (Solidarity Letters) project stands out in Brazil and Spain, where EDP volunteers were challenged to write letters and send them by email or make audio recordings for people in care homes, reception centres, people with disabilities and hospital patients infected with Covid-19. Since these people could not receive visits, this allowed them to develop a greater sense of belonging and accompaniment.

The pandemic also put increased pressure on NGOs and institutions that have seen their capacity to respond limited by the growing number of people in need and also by the decrease in donations due to the economic crisis caused by the pandemic. In order to reinforce the capacity for action of these entities, EDP promoted several financial support and fund-raising projects.

For example, in Portugal, EDP supported several NGOs with around 20 thousand euros, including AMI, the Federação dos Bancos Alimentares (Federation of Food Banks), Comunidade Vida e Paz (Life and Peace Community) and Serve The City. Through the Operação Cuidar em casa (Operation Care at Home) project, with the support of the National Association of Portuguese Municipalities, it also delivered 72 thousand euros to entities that provide home support services in each of the Municipalities where the generating centres are located.

In Brazil and Spain, fund-raising initiatives by EDP employees were multiplied to help institutions and families in vulnerable situations with the purchase of essential items such as food, cleaning and hygiene items. In Spain, of note was the EDP

Echa un cable (EDP X) project, an indoor race organised during lockdown and in which the steps taken by the participants were transformed into financial support for the Red Cross Response Plan, dedicated to fighting the Covid-19 pandemic. The high level of participation resulted in the donation of 50 thousand euros to this organisation (page 146).

The 10th edition of the EDP group Christmas volunteering campaign was held in 2020 in several countries where EDP operates, between November and December. In a format adapted to the pandemic context, the volunteering actions ensured the proper security measures, and consisted mainly of virtual volunteering actions, the collection and donation of goods and other donations, responding to the most pressing needs. EDP promoted 107 initiatives focused, for the most part, on combating hunger, poverty and social isolation. Thanks to the support of 1,816 volunteers it was able to support 107 NGOs and provide a more humane Christmas for more than 200,000 people.

+ Biodiversity

+ BIODIVERSITY PROGRAMME	UN	
Contributions	k€	545
Percentage of total contributions	%	3
SDG 11 contribution	k€	353
SDG 12 contribution	k€	56
SDG 15 contribution	k€	136
Projects	#	24
Beneficiary organizations	#	32
Final beneficiaries	#	9,205

Through the + Biodiversity programme, EDP supports scientific research projects, programmes for the recovery and enhancement of species and ecosystems, as well as actions to raise awareness on the importance of preserving natural heritage.

In terms of support for scientific research projects, of particular note is the EDP Chair in Biodiversity. This Invited Chair, awarded to Porto University, is co-funded by EDP, along with the Foundation for Science and Technology (FCT) and focuses on the application of new technologies linked to environmental genomics, which makes use of DNA collected from the environment. The partnership work developed with researchers allows for increased effectiveness in monitoring and mitigating the impacts on biodiversity caused by energy generation activities and is an important tool in the company's relationship with the academic and scientific system (page 157).

In Spain, EDP's support for biodiversity conservation and protection projects includes support for fish restocking projects undertaken by environmental associations such as the Associação dos Pescadores e Amigos do Rio Nalón, the Associação dos Pescadores de Fuentes del Narcea and the Real Asociación Asturiana Pesca Fluvial. In some cases, local communities are involved in the restocking actions, such as the participation of schoolchildren from nearby schools where the juvenile fish are released. These projects help raise people's awareness of the importance of respecting, improving and restoring the environment. Also in this country EDP supports the work carried out by the Fundacional Oso de Asturias, a private non-profit organisation which aims to promote activities aimed at the conservation of and scientific research into Cantabrian brown bear populations and their habitat in the more general context of the conservation and

sustainable use of biodiversity in the Cantabrian mountain region.

In 2020, through the Preservar a Natureza (Preserve Nature) project, EDP supplied volunteers who continued the planting of indigenous trees donated by the company in 2019 to the municipalities in the Portuguese districts most affected by the fires of 2017 and 2018 and which had submitted an application to this project. Also as part of this initiative, around 46,175 trees were donated, the planting actions of which were scheduled for 2021 given the contingencies caused by the Covid-19 pandemic.

For its part, in Spain, EDP volunteers were involved in planting 300 birch trees in Ribera de Arriba. These ecosystem-oriented plantations will improve soil quality, absorb CO₂, retain moisture and reduce the possibility of fires.

In Portugal, EDP also has projects involving the donation of vehicles from its fleet to support local authorities and communities in the areas of civil protection, forestry and biodiversity. For example, through the Doar para Proteger (Donate to Protect) project, 82 vehicles have already been delivered from the north to the south of the country since 2015, particularly to fire brigades and municipal forestry fire services. These vehicles will meet the needs of these stakeholders, allowing them to expand their ability to act and facilitating their response in safeguarding the forest and the lives and property of the population.

+ Climate Action

+ CLIMATE ACTION PROGRAMME	UN	
Contributions	k€	242
Percentage of total contributions	%	1
SDG 7 contribution	k€	17
SDG 9 contribution	k€	-
SDG 13 contribution	k€	226
Projects	#	18
Beneficiary organizations	#	14
Final beneficiaries	#	6,219

Through the + Climate Action programme, EDP promotes various actions to raise the awareness of communities of the consequences of climate change, and the need to draw up adaptation plans and the benefits of renewable energy.

The EDP group organises visits and open days so that local communities can get to know the generating centres. For example, the Wind Farm Visits project provides visits to wind farms in the United States of America. During these visits, besides getting to know the centres, the company and its business, visitors are made aware of climate change and the need to adopt renewable energy as an important contribution to decarbonisation and climate change mitigation.

Recognizing that the new generations will be the leaders and decision makers of tomorrow, the EDP group attaches particular importance to raising the awareness of this age group in these matters. For this reason, it carries out various projects aimed at the younger generation, such as the projects Campanha da Energia (Energy Campaign) - Kit

Energia (Energy Kit), Wind Experts and Viva Nuestra Energía (Power to our Energy).

The Wind Experts project is a competition for children, in which participants have to create a wind generator from recyclable materials. In 2020, due to the Covid-19 pandemic, EDP developed the Wind Experts at Home initiative, an online version of the competition. In this format, participants sent a photo or video of their projects and voted for the most original ones. In this edition, more than 20 projects were presented. Thanks to this initiative, many children had the opportunity to learn how wind turbines work and how wind energy is generated, helping to educate future generations about the benefits of renewable energy.

In Spain, there is the Viva Nuestra Energía (Power to our Energy) programme, aimed at students aged 6 to 16, which aims to teach them about energy and how it is produced, the differences between renewable and non-renewable energies, the efficient use of energy, environmental conservation and sustainable consumption. This programme has been in existence for 11 years and has reached a total of 1,788 educational establishments and more than 279,000 students spread across various communities in Spain. In 2020, given the pandemic situation, this program became 100% digital (online), having developed a web platform with weekly content and an online application for comprehensive classroom management. Thanks to this digitalisation, it is intended to scale this programme up to a national level in the coming years, thereby accompanying the expansion of the business in Spain.

Through its Science Education Service, the Fundação has been carrying out ongoing awareness-raising projects on climate change, decarbonisation and knowledge about electricity, adapted to the various public groups that visit the Tejo Power Station, the former thermoelectric power plant that is part of MAAT. Its permanent exhibition, designated as a Central Electrical Circuit, features original machinery, through which the history of this former factory is told, as well as the evolution of electricity up to renewable energies. It is one of the most visited museum centres in Portugal, especially by school groups. Annually, more than 40 thousand students and teachers participate in school trips to this centre.

Energy campaign

The Energy Campaign takes place every year in May, the month when energy day is celebrated in a number of countries in which the EDP group operates. The aim of this project is to involve employees in initiatives that have an impact on the community by promoting skills-based volunteering to share knowledge about energy.

In 2020, although it did not have the same impact in terms of subscribers as in previous years, the Energy Campaign was adapted to the pandemic in different ways for each of EDP's geographical areas, especially through the use of virtual media to carry this out. In Portugal, for example, the Energy Kit challenged employees to give a distance-learning class (digital version) for children and young people on energy efficiency, energy sources, safety in domestic energy use and climate change. 20 EDP volunteers participated in this project and 18 classes were given, impacting 221 pupils. In Spain, in this

context, volunteering actions took place – “Enseña Experimentando” and “Sueña tu Energía” where the energy world was presented to the youngest in a fun way. 10 EDP volunteers and 69 children and young people participated in these actions.

Impact management

Guided by the Stakeholders Relationship Policy, the EDP Group carries out its activity with respect for the interests and rights of local communities. This policy defines the decision-making principles and methodologies for assessing the impacts of new infrastructure projects, monitors the impacts arising from their current operation and guides the procedures to be applied in cases of their closure. In 2020, investment in new projects was directed towards the creation of new wind farms and photovoltaic plants, as well as one-off projects to develop transmission lines. All projects included a prior assessment of socio-environmental impacts and appropriate management measures were taken in order to mitigate the impacts, even if isolated, that were identified. In this area, as in previous years, there were no recurrent complaints from the local communities concerned. Regarding infrastructures in operation, the continuation of the management of impacts on indigenous communities in the territories influenced by the São Manoel hydroelectric power station in Brazil remained relevant. In terms of closure of operations, the closure of coal-fired power stations marked the agenda, with a special focus on Sines and the impacts on employment in the region. This issue is addressed below from the perspective of Fair Transition.

During 2020, the EDP Group continued its strategy of asset rotation and aligning operations with the 2019-2022 Business Plan. This plan pursues the sale of wind farms without any negative impacts on local communities. Also as part of the plan, EDP acquired the company Viesgo and its infrastructure, entered into a joint venture with Engie focused on the development of offshore wind technologies, and sold to Engie six hydroelectric power stations located in Portugal, in the Douro, totalling 1,689 MW of installed capacity: Miranda, Picote, Bemposta, Foz Tua, Baixo Sabor and Feiticeiro. All these operations were concluded without generating negative impacts on local communities, guaranteeing the fulfilment of commitments with local stakeholders. It should be noted that, in the area of influence of the Baixo Sabor dam, sold to Engie, EDP completed the study to assess the socio-economic impact of the Baixo Sabor Fire Risk Reduction Plan, using the LM3 methodology. The investment generated a local return of 2.3 euros for each euro invested by EDP, in addition to positive results in the reduction in fires, and in jobs creation in biodiversity protection.

Respecting the indigenous communities

The construction, between 2014 and 2018, of the São Manoel Hydroelectric Power Station, with 700 MW of installed power, located on the Teles Pires River, on the border of the Brazilian States of Mato Grosso and Pará, exposed EDP to the impacts arising from interference in the territories historically occupied by the Kayabi, Munduruku and Apiaká ethnic groups. In order to mitigate the negative impacts, but also to enhance the positive effects of the São Manoel power station, EDP has developed long-term programmes for the territorial and socioeconomic enhancement of these communities, fully complying with the obligations arising from the socio-environmental licensing, acting in full accordance with the legislation and standards of protection of indigenous rights, implementing all the programmes,

projects and commitments with proactivity, dialogue and diligence.

In 2020, the covid pandemic forced local authorities to encourage isolation and establish restrictions on access to indigenous territories to protect populations from contagion. For this reason, certain local programmes have been temporarily halted, notably the construction of facilities and the marketing of indigenous products. However, in response to the current context, EDP supported local initiatives and projects to mitigate the pandemic's impact.

It is important to point out that during the construction period of the hydroelectric facility, there were local protests and Public Civil Actions were brought against the São Manoel HPP. These actions are ongoing without involving any restriction on the regular operation of the power station. The EDP group reasserts that all the social and environmental requirements laid down in the Installation and Operating Licences that have been or are being carried out by the Company are in accordance with the provisions of the approved Environmental Programmes and are being monitored by the bodies involved in the licensing process - namely FUNAI, the National Historical and Artistic Heritage Institute (IPHAN), the Ministry of Health, the Chico Mendes Institute and IBAMA.

Fair transition

The destruction of direct and indirect jobs, as a result of the early closure of coal-fired power plants, is a negative consequence of the strategy to decarbonise economies. The closure of power plants depresses the level of employment in local communities in their vicinity, or which are related to the logistical activity of transportation and mining. Fair Transition is the strategic objective of ensuring decarbonisation, whilst at the same time mitigating unemployment and avoiding

economic depression in communities that depend on the coal value chain.

Recognising the importance of Fair Transition, the European Union decided to create a financing mechanism for investment in the affected regions, aimed at new businesses that can generate local employment and aimed at the development of professional skills. The mechanism will finance these lines of action to an amount of EUR 100 billion during the 2021-2027 period.

Likewise, in adopting its commitment to be Coal Free by 2025, EDP has also undertaken the responsibility of working together with governments and local authorities in promoting a Fair Transition in the regions affected by the closure of its plants. As part of this, EDP carried out studies on the socio-economic assessment of coal-fired power plants, detailing the direct, indirect and induced effects on job creation, at the local economic level, on the contribution to GDP and on the contribution to public revenues. In particular, it is important to recognise that the employment created by EDP's coal plants is equivalent to 7% of the population in the municipality of Carreno and 20% of the population of Ribera de Arriba, in Asturias, as well as 2% of the population of Sines, in the Alentejo.

In Portugal, the closure of the Sines Power Plant, which took place in January 2021, was prepared for throughout year 2020 and this included the drawing up of a plan to minimise the negative repercussions on local employment. To this end, EDP presented its direct workers with proposals involving early retirement and their transfer to other company activities. To support indirect workers, it mapped out and listened to interested parties and established partnerships with the Municipality of Sines and other public and local entities. A local support office was created to clarify and help

the population in finding employment alternatives. The office has physical premises and direct contact lines to provide clarification and rechannel interested parties and to handle complaints.

In terms of new local businesses, EDP is studying investments for green hydrogen production in Sines, as part of a multi-stakeholder partnership. If feasible, this project will create new skilled jobs in the region and contribute to offsetting the effect of the closure of the coal plant, in addition to contributing to accelerating the decarbonisation of the Portuguese economy.

In Spain, in Asturias, EDP will shut down coal over the next few years. However, it is already developing the ENTAMA programme which is promoting local entrepreneurship. The programme finances business initiatives that create activity and employment in local municipalities, based on sustainability criteria. The projects selected by jury will benefit from funding of 85 thousand euros. The programme is recognised by the local and government authorities in Asturias. The projects already concluded were evaluated using SROI methodology, and on average have generated 3.5 euros for each euro invested by EDP.

01

EDP

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Strategic approach

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Annexes

OUR WAY

Photo by [Austin Kehmeier](#) on Unsplash

Nobody left behind

Humane, one of the core values that characterises EDP. More than a company that's open to society, we believe it should play an active role in it, a role that has been reinforced by the pandemic that is still being felt, but which does not end with this crisis. A key pillar for this action is [EDP's Social Investment Policy](#), which sets out the priorities that materialize in social responsibility programmes and activities that will continue to guide our action.

Mitigate impacts on the most vulnerable people

The lockdown measures particularly affected persons who were previously in a vulnerable situation. Given this, EDP developed outreach support projects, for example by supporting the Serve the City - Amizade em Linha organisation, where, through telephone volunteering, the resolution of emerging needs was addressed. Or support for AMI where EDP volunteers were able to join the team that purchased and distributed essential goods to its beneficiaries was another initiative that had a great impact on the 1st phase. This example extended the delivery of essential goods through SOS Vizinho (SOS Neighbour) with the aim of helping to identify at risk groups (the elderly and chronically ill) in each region of Portugal and creating a goods distribution network made up 100% of volunteers. Symbolic gestures, but equally important from an emotional point of view, were the sending of messages by letter or e-mail, in Spain and Brazil, as a tool to combat social isolation and to encourage professionals and users of retirement homes and hospitals.

On the other side of the Atlantic, support for these people was reinforced, with 351,825 kg of food distributed to socially vulnerable families, reaching 18,986 thousand people. As in Portugal, EDP Solidarity – Covid-19 received, in just over ten days, more than 600 applications from all Brazilian states. In total, the donations amounted to 2.5 million brazilian real and benefited 40 thousand people in vulnerable communities. The selected projects used the resources for various purposes, such as water supply, promotion of personal hygiene, purchase of personal protective equipment, restoration and maintenance of respirators and decontamination of hospital supplies, as well as income generation. In the food sector, EDP focused its attention on the Nova Venécia population, handing out 167 food cards, providing the conditions for their needs and promoting local commerce at the same time. In Spain, the Fundación EDP has mobilised 150 thousand euros for NGO projects, supporting 22 projects. Sport was also present in this fight, and the first indoor

solidarity run was organised, #EDPEchaUnCable, which consisted of aggregating the step-count of the participants to turn them into financial support for the Red Cross Response plan. Thousands of people participated through social media, encouraged by the World and European Marathon champion, Martín Fiz. Together they reached the target of more than 10 million steps, which EDP converted into 50 thousand euros for aid.

Reduce inequalities in access to distance learning

Teachers and students were also forced to adapt to distance learning, many of whom did not have adequate technological means. Joining SPEAK was one of the relevant initiatives, a Portuguese startup that promotes an innovative methodology through language classes for people in isolation; the Student Keep movement, whose work in raising computer equipment and subsequent donation to students without access to computers was central. EDP joined this movement with the donation of 232 computers and IT volunteers to repair and/or prepare the donated equipment. In the Iberian Peninsula, Estuda com Energia (Study with Energy), jointly promoted by Fundación EDP, volunteers offered to help students identified by the Ministry of Education in Portugal and Asturias by acting as mentors and providing support with school tasks. At the same time, through partnerships, it guides access to explanations with volunteer teachers from Teachers4Covid and Student Keep provides computers for schools: more than 670 computers in Portugal and Spain.

Provide health equipment and means of protection

The shortage of medical equipment marked the first wave of the pandemic. Aware of this situation, in Portugal, EDP's partnership with China Three Gorges (CTG), in coordination with the Ministry of Health and with the support of the Portuguese Embassy in Beijing, has grown in terms of social impact, by acquiring 50 ventilators and 200 medical monitors, as well as their associated medical consumables and support equipment, with a total value of around 4 million euros. This initiative was not an isolated case: the company mobilised an investment of 500 thousand euros which materialised in the delivery of more than 500 thousand pieces of personal protective equipment throughout the country for health professionals in hospitals. The items included 500 thousand surgical masks, nearly 20 thousand FFP2 masks (respirators) and 10 thousand protective suits. The EDP Foundation also did its part and channelled the entire annual allocation of the EDP Solidarity programme, amounting to 1 million euros, to fight the Covid-19 pandemic. A sum of 500 thousand euros was allocated, together with EDP, to contributing towards the purchase of ventilators and other equipment for the National Health Service. And another 500 thousand euros

were invested in personal protective equipment for the senior citizen homes most in need. This second investment was made under the "Heróis de Máscaras" ("Masked Heroes") initiative, an exclusive partnership of the EDP Solidarity programme, the Correio da Manhã newspaper and CMTV TV channel which involved donating masks, gloves, goggles and disposable gowns to nursing homes. In order to streamline this specific action, the Ministry of Labour, Solidarity and Social Security (Ministério de Trabalho, Solidariedade e Segurança Social - MTSSS) identified 300 homes with very urgent needs for equipment to provide care to its users and protect their employees.

On the other side of the Atlantic, EDP Brazil reported a total of 10 million Brazilian Real in investment in actions to combat covid-19 - 9 states benefited, 40 organisations supported, 97 respirators donated for ICUs and 38,200 thousand pieces of protective equipment donated. EDP Renováveis, with presence in 14 countries, followed these examples, contributing to the fight against Covid-19 with 750 thousand euros. This aid was distributed among ten countries (Belgium, Brazil, Colombia, Spain, United States, France, Greece, Italy, Poland and Romania), with different initiatives in mind ranging from donations to food banks, the purchase of health equipment, medical equipment and rapid tests, or the purchase of digital school equipment to facilitate long-distance learning. Each market was the subject of a study to assess its needs in order to target the aid as effectively as possible.

Concern for health care and food goods was also present in EDP Volunteering on several fronts: from the production of personal protective equipment such as masks and visors, produced in 3D printers, a total of 17,497 PPE produced between Lisbon, Coimbra and Porto and supported 140 organizations. In Spain, EDP collaborated on the plan to produce and distribute disinfectant gel to guarantee essential public health and safety services.

Support creativity in combating the pandemic

The pandemic mobilised citizens and companies in the search for practical solutions to minimise its effects. EDP gave its support to some of these projects, both through monetary contributions and through the know-how of its employees. In this context, the Gulbenkian Digital Solutions - Covid-19 and covid.pt projects stood out. In the first project, we donated the sum of 100 thousand Euros to finance projects for 19 applications and digital platforms that are committed to promoting, in an immediate and universal manner, public health in the context of a pandemic. This line of support sought solutions in the areas of access to reliable information about the pandemic,

facilitation of remote health care, facilitation of resources and support networks, and support in managing and understanding the symptoms of the disease. Close to 300 entities responded to this initiative, including universities, research centres, associations and technology-based companies. As for the support in the covid.pt. platform, the employees helped in the management of the platform itself and in the promotion of voluntary initiatives to respond to the ideas published that may be implemented. In all situations, the collaborators were tireless in their search for the well-being of society.

Support costumers and suppliers

As part of its operational activity, EDP advanced payments to its suppliers to ensure short-term liquidity and assisted in the development of crisis adaptation plans. Suspension of power cuts to vulnerable customers was promoted and commercial offers adapted to health professionals and hotel facilities assigned to hospital activities were developed, both in Portugal and Spain. This concern with customers was, in fact, one of the priorities in Spain: the "Clientes Solidarios" fund was set up to support projects to fight the pandemic, where free energy was provided for two months to social, business or personal initiatives: three thousand customers benefited for an amount of 230 thousand euros.

Support: now and always

Aid has not stopped at the most critical stage: the "Global Response to Covid-19 - Donor Conference" initiative promoted by the European Commission aims to pool the efforts of governments, entrepreneurs, foundations and EU citizens to collect 7.5 billion euros to accelerate the development, production and equal access to vaccines, diagnostics and treatments for Covid-19. The Portuguese government has put forward an amount of around 1.55 million euros, with EDP donating 750 thousand euros.

3.3.5. Supplier management

The management of sustainability in the relationship with its suppliers is a strategic driver in the activity of the EDP group. The management process favours a relationship with suppliers built on trust, centred on a partnership perspective based on the principles of ethics, transparency and sustainability.

Through the "[Sustainable Procurement Policy](#)" and the "[EDP Supplier Code of Conduct](#)", operated by the "[Sustainability in the Supply Chain - Protocol of Procedures](#)" document, the strategic objectives of sustainability in supply chain management are defined and implemented.

Further information can be found at www.edp.com.

Priorities

Among the priorities for sustainability in supplier management, the following stand out:

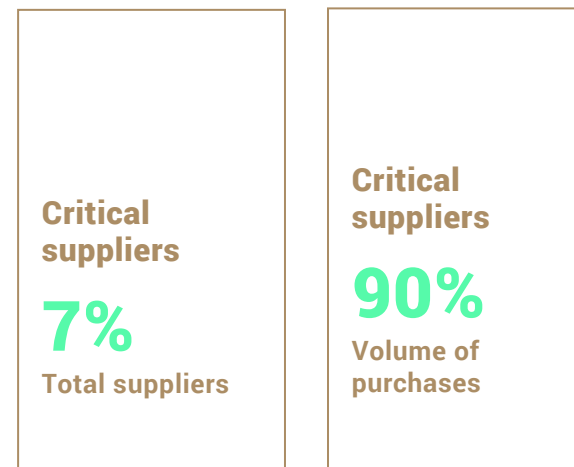
- development of activities that promote the sharing of best sustainable procurement practices within the EDP group
- contribution to the growth and profitability of the business by promoting initiatives for the development and continuous improvement of the supply chain
- systematic monitoring of supplier performance and risk profile
- dissemination and implementation of the EDP group's sustainability policies for the acquisition of goods and services

- adopting a responsible environmental policy that respects the environment by mitigating the adverse impacts of its activity
- involvement and empowerment of all involved in the supply chain.

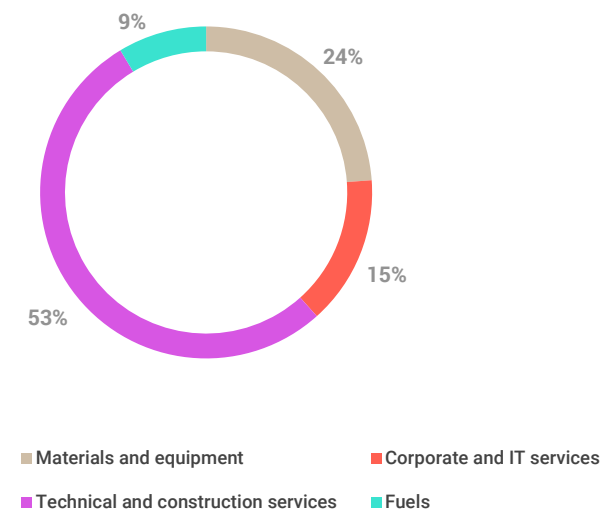
Sustainability goals

The sustainability goals are to be implemented through the following targets by the year 2025:

- systematically reduce accidents among contractors and service providers
- protecting Human Rights in the supply chain, according to the methodology established by Ruggie - Global Compact
- audit contractors and service providers with sustainability related risks
- evaluate all critical suppliers according to sustainability criteria
- ensure environmental, safety and occupational health certification of 100% of suppliers exposed to high risks.



2020 volume of purchases = € 4.7 billion



Supplier selection

The Global Procurement Unit (GPU) ensures, through the EDPartners programme, the integrated coordination of registration, selection, qualification, ESG (Environmental, Social and Governance) assessments and supplier risk analysis. The combination of four drivers (1) country (2) economic activity (3) ESG supply impact framework (ESG registration and assessments) and (4) external information sources on the supplier, ensures the analysis of sustainability risks. This makes it possible to analyse trends and provide EDP with an integrated analysis of the entire supply chain, essential for a climate of partnership and shared value creation.

The EDP group carries out a criticality analysis where the minimum and specific sustainability requirements for each contract/supplier are defined. Each activity contracted is typified in relation to the supplier's access to EDP customers, EDP's technical equipment/workplaces, sensitive data, exposure to Safety and Health risks, Environmental risks and Ethical, Labour and Human Rights risks. Criteria such as irreplaceability of the supplier or consequence of interruption, as well as the importance for operation are also essential in this segmentation. Where the supply is classified as highly critical, monitoring and contractual performance plans are drawn up with the supplier.

EDP establishes minimum sustainability requirements (pass or fail rules), which all suppliers must accept and comply with, defined and listed in the purchasing documents (Code of Conduct, General Conditions for the Procurement of Goods and Services (except Energy) and Contract Terms). In this sense, the specifications in the proposals are mandatory and not subject to negotiation and, depending on the specific

supply risk, require audits and certifications in management systems (quality, environment and safety at work).

Consequently, and in accordance with its Low Risk Policy, EDP does not work with suppliers that present high risk because they do not meet the minimum requirements and, as such, are excluded from the procurement process.

Supplier relationship and supply development

Incorporating the defined sustainability strategy, EDPartners emerges as a structured and systematic programme aimed at the continuous improvement of suppliers, through the identification of areas for action, the long-term implementation of which will enable EDP to gradually improve the level of sustainability of its supply chain.

The EDPartners Supplier Registration System integrates all the relevant information for Procurement activity in a single platform, aggregating financial, economic, environmental and social data, allowing the EDP group, even in times of pandemic, to obtain a risk profile of its suppliers in real-time. Thus, EDP's different business areas make faster and more reasoned decisions, based on duly validated quality information. This risk assessment method consists of a combination of results obtained from third party sources and the analysis of information submitted by the supplier, aggregated to generate various scores (financial, operational and compliance) and alerts.

EDPartners Qualification Systems is designed to assess the profile, capacity and adequacy of the supplier and its supply of goods and services in order to meet the EDP group's procurement needs. To this end technical, environmental and financial criteria are determined and published in official

bodies, thus ensuring the selection of suppliers based on the principles of equality and transparency of candidates.

The EDPartners Assessment Program consists of carrying out audits on site, at the supplier's premises, with the aim of obtaining information on the degree of compliance of suppliers with the principles and policies enshrined in the EDP Supplier Code of Conduct and, depending on the result obtained, a plan for corrective and improvement actions may be established. All the plans defined are monitored and supported by EDP to ensure that suppliers can implement the measures identified with the aim of continuous improvement. In this way, a joint commitment to sustainability issues has been developed, namely for human rights, governance, social responsibility, prevention and safety, labour rights, environment and quality. In this sense, the ESG Assessments are an important mechanism for enabling and sharing new objectives and good practices in the sustainability of the supply chain, especially relevant in this period of the pandemic where, given the restrictions on the movement of audit teams to suppliers' premises, EDP decided to change its model of face-to-face assessments to the remote format, thus ensuring its involvement with suppliers in this most vulnerable phase.

The EDPartners Supplier Evaluation programme enables the EDP group, in a structured and systematic way, to measure and quantify the contractual performance of its suppliers. In line with the document Sustainability in the Supply Chain - Protocol of Procedures, the implemented model considers the evaluation of criteria related to sustainability, namely prevention and safety, environmental management and respect for human, labour and ethics rights. And two operational themes, implementation and operation complete the assessed criteria. With the aim of strengthening its involvement and partnership with its supply chain, EDP

intends with this decentralised process, to motivate contract managers together with their suppliers, to identify areas for improvement and development in order to create a positive impact throughout its value chain.

In the relationship sphere, EDP continues to deepen outreach to its suppliers, both through online surveys and through initiatives such as the EDPartners Talks, a set of EDP outreach sessions with a selection of its suppliers, where themes relating to these joint partnerships are addressed. The aim is, through the answers obtained, to get to know the suppliers' perspective on the EDP group's operation in different areas, and to identify improvement opportunities, for subsequent analysis and possible implementation.

Supplier management and Covid-19

By 2020, many of the goals naturally had to be adapted in light of the global pandemic that has imposed different concerns and redirected the focus of organisations in the short term. However, as far as the sustainability of the supply chain is concerned, the main commitments proposed for this year have been met, in part as a result of the digital switchover initiated even before the pandemic and the work done since 2016 in defining and implementing sustainable management policies, which has enabled the "normal" implementation of ongoing programmes and initiatives.

In this regard, special mention should be made to:

- close monitoring of the EDP group's supply chain, taking into account the challenging circumstances faced by suppliers in terms of production, the supply of raw materials, human resources and logistics, in order to guarantee EDP's business continuity in light of the Covid-19 pandemic
- implementation of the annual ESG Assessments plan for critical suppliers to the EDP group planned for this year which, given the restrictions, took place remotely and included three new issues related to Covid-19
- standardization of the document Sustainability in the Supply Chain - Protocol of Procedures, aligned with the ISO 20400 standard for sustainable procurement, from which a significant set of actions were carried out with the business units, with the aim of increasing their capacity to deal with corporate sustainability issues, namely, with regard to assessing the criticality of supplies, defining plans for monitoring supplier performance and mitigating risks
- two months' advance of all payments to small & medium suppliers in April 2020 for a total of 30 million euros, allowing several vulnerable companies to continue their business during a rather complicated phase.
- Covid-19 survey of contract managers as part of supplier performance evaluation.

Human and labour rights monitoring Laborais

Periodically, the EDP group prepares the Evaluation Report on the Potential Impacts of Respecting Human and Labour Rights available at: www.edp.com. In order to identify possible negative occurrences concerning respect for Human and Labour Rights in some of its suppliers.

3.3.6. Environmental protection

EDP's Environmental Policy makes a number of general commitments to protect the environment, to which are added specific commitments in the environmental areas considered most relevant to the Company's strategy:

Climate change

- Achieve carbon neutrality in its activity through:
 - increasing its renewable energy portfolio
 - ongoing reduction of direct and indirect greenhouse gas emissions
 - providing low carbon energy solutions to its customers, promoting electrification of consumption and energy efficiency.
- Promote adaptation, maximizing the resilience of its assets to climate change.

Additional information in page 68.

Circular economy

- Promoting efficient use of natural resources in its activities, wherever possible, within the framework of a life-cycle analysis, in particular:
 - minimize the use of natural resources necessary for the suitable carrying out of its activities

- optimize and efficiently manage internal products and services, promoting a circular economy for our customers
- maximize the recovery of waste and its reintroduction into the economy, as by-products.

- Pay special attention to the water resource, promoting its sustainable management, either by minimizing its consumption or by mitigating the impacts on its quality.

Biodiversity

- Contribute to reducing the loss of biodiversity, promoting the mitigation hierarchy and aiming for a positive result in terms of long-term biodiversity.
- Contribute to deepening scientific knowledge of biodiversity and ecosystem services, namely through the establishment of partnerships.

Additional information in page 156.

Based on this policy, since 2008 the EDP group has maintained a corporate environmental management system certified by ISO 14001:2015, with the scope of "corporate management of the policies, commitments made and environmental performance of the EDP group worldwide". EDP has set the goal of achieving 100% ISO 14001:2015 environmental certification of the group's activities with significant environmental aspects by 2020, with 94% having been achieved, as the pandemic context has delayed this achievement.

With the aim of reducing risks and minimising environmental impacts related to the supply chain, we proactively engage and cooperate with our suppliers in a sustainability approach by extending our commitment to the environment to each of them. Information on responsible environmental policy-making in the supply chain can be found on page 149.

Due to the characteristics of the business, the environmental dimension associated with climate change adds specific value to environmental management, which is why it is dealt with on page 68.

In our infrastructure and activities, environmental emergencies may occur. Prevention, preparedness and response to these scenarios are planned and addressed in an integrated manner in crisis management (page 107). EDP has emergency plans, contingency and specific procedures that include local authorities.

Monitoring is carried out and in 2020, there were 102 environmental near-misses recorded, and 178 simulacrams were carried out, for which corrective and preventive measures were implemented, and there were no accidents with environmental damage. Training and awareness-raising activities are also provided to employees, service providers and others involved such as the local community (if applicable).

Environmental footprint

EDP in Spain is participating in the REEF (Rules Electricity Environmental Footprint) project in a private public collaboration with the Basque government to develop a rule guide with detailed and comprehensive technical guidance on how to carry out a study of the environmental footprint of the electricity sector.

The environmental footprint is a multi-criterion measure of the environmental behaviour of a company that provides goods and/or services, with a life cycle perspective. It consists of a recollection and evaluation of the inputs, outputs and potential environmental impacts of the activities associated with the company's portfolio of goods and services taking into account the supply chain.

Circular economy

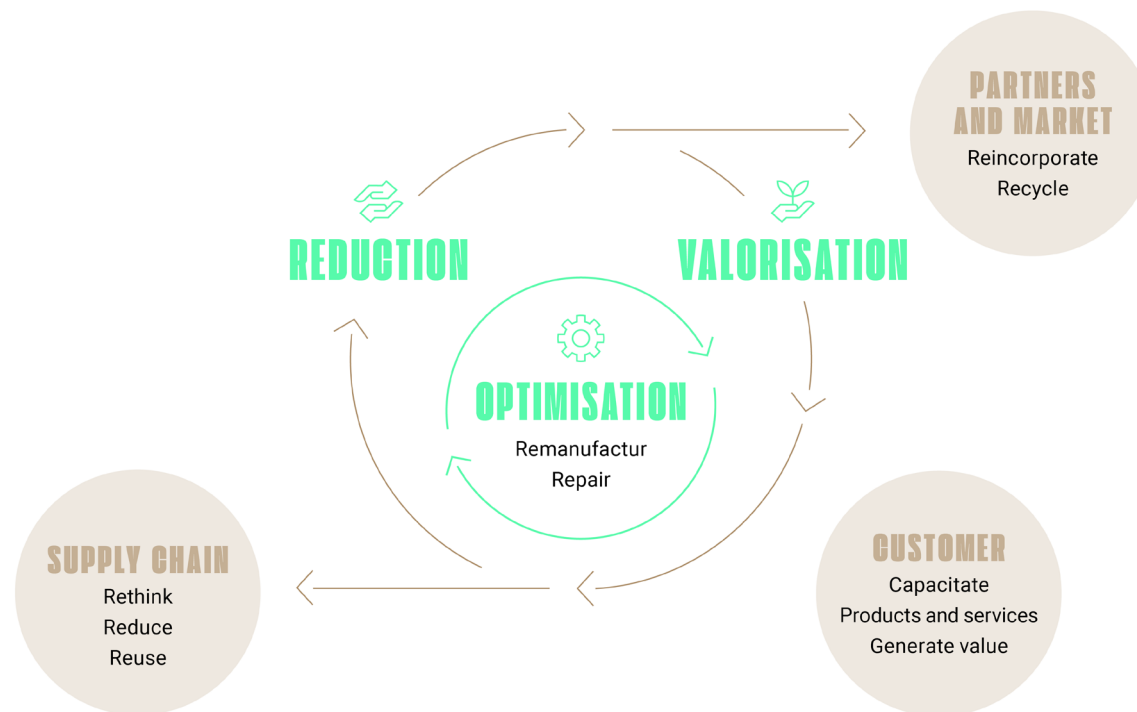
A transition to a circular economy

The circular economy proposes a change from the linear economic model (extraction, production, disposal) to a model in which the value of products, materials and resources remains in the economy for as long as possible, emerging as an investment on the overall reduction of the consumption of natural resources, representing new business opportunities that contribute to the reduction of resource consumption in our customers.

For EDP, the circular economy is one of the drivers of its sustainability strategy, and one of the pillars of the group's Environmental Policy, being adopted as a global framework to be implemented in all its business units. For EDP, the circular economy involves a set of processes and solutions that allow it to:

- optimise the consumption and use of the resources and equipment necessary to ensure operations and its products and services

- minimise the loss of resources, materials, water and energy
- influence the value chain for resource value creation and enhancement
- promote the creation of new business models capable of leveraging downstream circularity.



The implementation of the circular economy at EDP is carried out according to seven lines of action, as they have the greatest impact on the company's activity:

- efficiency in the use of resources and materials – promoting the reduction of resource and material inputs, and reduction of waste outputs
- product longevity – promote solutions that extend product life, including modular design solutions, which facilitate re-manufacturing, repair, upgrading, etc
- digitalisation – integrate digital solutions that allow for the dematerialisation of processes and reducing consumption of materials and resources

Waste materials

92%

**are recovered;
44% are by-products;
37% are recycled;
The remainder is used for
electricity generation**

- resource value maximisation - promote the reuse of waste materials at their end of life, giving priority to their "second life" after the original purpose, namely by creating symbioses with other sectors of activity, recycling, energy recovery, etc
- new business models – promote the construction of new business models that enable the introduction of different levels of circularity in the products and services provided to the customer
- circular sourcing – promote circularity practices, such as replacing materials and products with more durable, recycled, reused ones, product labelling, contract clauses, etc
- influence and empowerment – ensure the company's responsibility to raise awareness and influence the value chain to leverage circularity in its products, services and choices.

To make progress in internalising the concept of the circular economy, EDP has been working on solutions so that its main waste materials can be used as a by-product, as raw material for another industry. As raw materials from other industries, EDP has coal fly ash, coal gypsum and slag, which accounted for around 92% of total waste materials recovered.

The Sines Thermoelectric Power Station is a benchmark in terms of value added to waste, having managed over several years to follow a trajectory that allows, since 2017, all coal-burning waste (fly ash, bottom ash and gypsum from the

flue gas desulphurisation process) to be integrated as by-products in the production processes of other industries. In 2020, all fly ash and gypsum produced were recovered. As regards bottom ash, the value added of this residual material exceeded its production, continuing the process of recovery of the environmental liabilities existing in the landfill for coal ash and slag at the power station, which had already begun.

In the construction, operation and maintenance of installations reuse is favoured, and at the time of disposal the first solution is always to send it for recycling. Contracts are established with licensed operators that send the waste to the most appropriate processing destination. Efficient resource management goes beyond the appropriate disposal of waste and its incorporation into the economic circuit, by promoting circularity whenever possible. This management starts upstream, in the design and in the choice of materials necessary for the suitable functioning of operations.

In the distribution networks, the substitution of mineral oils by vegetable oils has been encouraged, with low toxicity levels and better biodegradability, with satisfactory results in the mitigation of environmental impact. Reference should also be made to the use of new technologies existing in the market to reduce the environmental risk of the equipment, within the scope of the Technological Knowledge Management System (SGCT) of E-Redes, certified in accordance with the standard NP EN ISO 9001: 2015. This year, more transformers containing plant-based insulators were purchased for a pilot project to replace mineral oil, but their introduction into the grid was delayed due to the Covid-19 pandemic. As an

alternative to SF₆, vacuum equipment and equipment with solid insulators are already being used in the medium voltage network.

The refurbishment, repair and reuse of assets (e.g. transformers) and the purchase of equipment as a service are also currently underway.

In the management of transformers with polychlorinated biphenyls (PCB), besides complying with the legislation in force, it uses the best practices for the identification, screening and adequate final treatment of PCB waste. In Portugal and Spain, PCB concentrations in contaminated equipment are below 50 ppm and the deadline for their elimination as specified in legislation and in the plans of the respective companies is 2025. At EDP Brasil, in the state of Espírito Santo, the maximum PCB concentration is in the order of 177.5 ppm, with their total elimination expected in 2028.

In line with the European and Spanish government initiative, EDP Espanha has developed its circular economy strategy, adapting the concept to the reality of the business unit and defining lines of action aligned with those of the group, described above. Following these lines of action, in 2020, 56 initiatives with potential for circularity were identified, which served as the basis for defining the business unit's Circular Action Plan 2020/2022. Of these, 16 corresponded to the energy production area; 26 to the Network business; 6 to the commercial area and 8 initiatives across all businesses.

Eliminate the use of single-use plastics in the EDP group by 2022

The use of plastic products at EDP is mostly industrial. In 2020, EDP produced about 309 thousand tonnes of waste materials, of which only 0.04% is plastic waste, noting that, in the EDP group, 100% of plastic industrial waste (excluding Urban Solid Waste) is recovered. However, there are still improvements which can be implemented in terms of the communal waste in the group. EDP has made a commitment to eliminate 100% of single-use plastics by 2022.

To ensure the implementation of this objective, EDP's approach focuses on:

- reduction in consumption
- the search for alternatives giving priority to reusable solutions
- a strengthening of selective pick up
- increasing employee awareness.

Water management

Under its Environment Policy, EDP undertakes to use and manage water sustainably in all processes, operations and facilities.

Water is a key resource for EDP's activity, particularly for those hydropower and thermal power plants that depend on its quantity and quality for suitable operation.

Unlike other activities of the organization, the use of water in hydroelectric production is not considered consumption. However, EDP monitors the volume of water managed in these assets, which reached 203 million cubic metres, +29% compared to 2019. This indicator strongly depends on the hydroelectric productivity index which in Portugal, where the water portfolio is more important, was 0.97 (against 0.81 in 2019), 3% below the average hydrological year.

Specific consumption of fresh water underwent significant changes in 2020 (-37% compared to 2019), justified by the reduction in coal-fired electricity production by the EDP group (-46% vs. 2019).

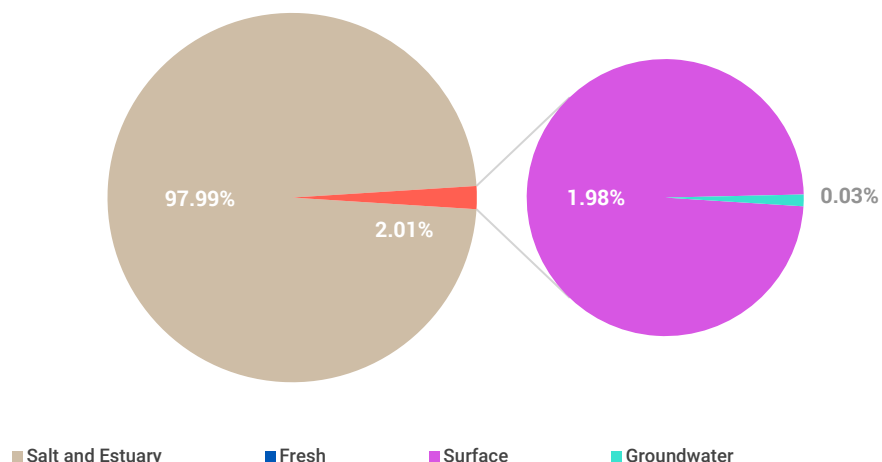
EDP monitors potential shortages, controls water quality and sediments, as well as the impact of the management of this resource on biodiversity, for which it ensures minimisation activities such as the release of ecological flows, the transfer and transportation of fish, and support for scientific research on these topics (see "biodiversity protection", below).

The thermoelectric power plants in Pecém, Brazil, and Castejón in Spain, are located in areas of water stress. EDP uses the Aqueduct from the World Resources Institute for an assessment of its water risk exposure at the river basin level. A local analysis is then carried out considering quantitative information from national institutions and the experience of internal operational teams regarding, for example, resource availability and competing uses.

Since 2010, EDP has responded to the CDP Water Security, where it provides a detailed description of its ongoing initiatives. In 2020, EDP reached the highest performance level: A. The report can be consulted at www.edp.com.

¹ Does not include hydroelectric generation

Water collected by source (%)¹



Biodiversity protection

In addition to the specific commitments made in its Environmental Policy, EDP also commits to "not building new production facilities in areas that are part of the Natural Sites on the UNESCO World Heritage List", to ensure that it continues to have no presence in these territories, and sets a No Net Loss target for all new projects with significant residual impacts, by 2030, based on a mitigation hierarchy strategy available at www.edp.com.

Prevent or reduce the loss of global biodiversity

Strengthening of commitments

2020 was even dubbed the "super year of Biodiversity" because all expectations were placed on it to strengthen global commitments and targets for the 2021-2030s, the "decade of ecosystem recovery" as the United Nations has called it. While the effects of the Covid-19 pandemic delayed this international situation in 2020, it was internally marked by the strengthening of public commitments in this regard, through:

- the publication of the Biodiversity Report 2015-2019, sharing its approach and established practices (www.edp.com)

- participation in the partnership with the International Union for Conservation of Nature (IUCN), alongside Électricité de France (EDF) and the Shell group, in the development of a guide to the application of the mitigation hierarchy, identifying the best available measures to reduce the impacts on biodiversity associated with solar energy and onshore and offshore wind projects (www.iucn.org)
- joining the [Act4Nature- Portugal initiative](#), an initiative led by BCSD-Portugal, in which EDP joined the "Steering Committee" and the Advisory Board and pledged to the 10 common commitments and 12 individual commitments until 2030
- joining the global [Business4Nature initiative](#), a global coalition of over 530 companies
- adherence to the Brazilian Business Commitment to Biodiversity, led by the Brazilian Business Council for Sustainable Development (CEBDS), which aims to highlight the importance of biodiversity and ecosystem services for companies in Brazil (cebds.org)
- EDP Renováveis joined the [Spanish Business and Biodiversity Initiative](#) (IEEB), a pact for biodiversity promoted by Fundación Biodiversidad, a public foundation under the Spanish Ministry for Ecological Transition.

Ecological flows

In Portugal, the most recent dams were designed and built with ecological water flow devices (EWFD). In the older ones, a planning for the implementation of the Environmental Flow Regimes (EFR) was defined, together with the national authority (APA - Portuguese Environmental Protection

Agency). Of the 16 hydroelectric plants identified, 14 already have EFRs implemented, with their respective monitoring programmes in progress to evaluate their effectiveness, and in six of them (Alto Lindoso, Touvedo, Caldeirão, Trinta, Alto Rabagão and Fronhas) the monitoring programmes already have a cycle of 7 years.

In 2020, despite the delays caused by the restrictions in the context of the Covid-19 Pandemic, work continued on the EWFD on the Alto Lindoso dam and work began on the EWFD on the Raiva dam.

In Spain, EDP has completed the adaptation plan provided for in the Western Cantabria Hydrographic Demarcation Plan 2015-2021, and in 2020 has maintained the monitoring and follow-up of the released EFRs.

Protection of bird fauna

In Portugal, E-Redes:

- continued with the actions of the "Avifauna VIII" Protocol, in which actions to correct critical distribution lines in areas of conservation interest over a 32.12 km extension were highlighted, totalling about 712 km¹ since the beginning of the first protocol in 2003, and the preparation of risk maps of endangered species, with work to prospect for mortality and to compile and validate the information collected on some of the critical lines

- EDP has developed actions in the different projects of the LIFE Community Initiative where it is a project partner, namely in the: completion of [LIFE Lines](#); continuation of [LIFE Rupis](#) and [LIFE Imperial](#); start of LIFE Lx Aquila, testing of "LIFE Safelines4bird" and preparation of the application to be submitted to "LIFE Power Lines".

In Spain, Royal Decree 1432/2008, which determines the issuing of bird protection zones, with the respective inventories of dangerous lines in each Autonomous Community, and establishes the ways of financing adaptation projects under the State budget, is under revision, with the final wording to be published in the first months of 2021.

Natural capital

In terms of the individual commitments made by EDP in the Act4Nature-Portugal initiative, mentioned above, among others, there is the commitment to assess and evaluate the environmental externalities of the EDP group until 2023.

In Brazil, the initiative of Valoração Ambiental e Análise de dependências e impactes para o Sector Eléctrico (www.edp.com, page 36) is in the final reporting phase, whose results of evaluation and academic articles produced are in the process of validation by all parties involved for further dissemination and publication respectively.

EDP Spain is part of the working group created in 2019 to work on the issue of natural capital in the Spanish energy sector, with the aim of identifying the impacts and dependencies in the sector based on the "[Protocolo do Capital Natural](#)", an international reference framework. From this work-group, a guideline document for all activities in the energy sector is planned for the end of 2021, which will serve as a basis for future work on the development of natural capital in the surroundings of the facilities/equipment.

During the work in 2020, EDP Spain developed two pilot projects:

- practical application of the Natural Capital Protocol (identification of the most relevant impacts and constraints) on La Riera hydroelectric exploitation assessment of qualitative impacts and constraints and a proposal for good practice biodiversity management measures to benefit the most affected ecosystem services
- calculation of natural capital net debt, including the monetization associated with the construction and operation of the Kinbauri power line, and definition of biodiversity impact mitigation actions for debt reduction over the useful life of the equipment.

¹ The 712 km lengths of critical line correction interventions have been carried out over these 17 years on 591 km of distribution lines, since there are stretches that have undergone more than one intervention to continuously improve efficiency, using the latest and best performing technological solutions.

On major projects

In Portugal, in terms of compensatory measures arising from the impact of the recently built hydroelectric power stations, EDP Produção continued the work planned for Foz Tua and in the others it carried out maintenance work on the wide range of compensatory measures already implemented.

This year 34,275 trees were planted, making a total of 464,275 native trees and bushes planted between 2012 and 2020 as part of the mitigation of the impacts of the Baixo Sabor Hydroelectric Power Plant and Foz Tua Hydroelectric Power Plant. The following actions were considered:

- maintenance and recovery of mature Holm Oak groves in priority habitats, with 18,500 trees planted (juniper, holm oak and cork oak) in the Baixo Sabor Hydroelectric Power Plant
- reinforcement of riparian galleries, with about 2,447 trees planted in the Baixo Sabor Hydroelectric Power Plant and 1,250 in the Foz Tua Hydroelectric Power Plant, using riparian tree species (willows and ash trees)
- compensation forestry projects, with 12,078 (cork oak and holm oak).

Meanwhile, in December 2020, EDP sold the Baixo Sabor and Foz Tua Hydroelectric Power Plants, among others, where most of the compensation measures were taking place.

In Brazil, the Recomposição Florestal Program of the São Manoel hydroelectric power plant, which expects the reforestation of approximately 1,175 hectares in areas of Permanent Preservation Areas (APP) in the Teles River basin, at a target of 100 ha/year, by 2026. In 2020, despite the

limitations imposed by the Pandemic context, about 70 ha were benefited, totaling 536.24 ha.

In the management of the impact related to the construction of transport lines, we highlight the actions of cleaning of line lane and opening of accesses. In total, 89.5 km of line tracks were opened, corresponding to an area of 3.58 km², and 28,466 trees were planted as part of a management plan involving actions of soil preparation, ant control, retank and monitoring.

It is also highlighted the campaign to support the electronic energy invoice "Uma Árvore Conta", an initiative developed on the day of the tree and in which EDP Brasil proposed to plant a copy of native species, in the Pantanal biome, for each customer who opted for digital invoice. This campaign resulted in the commitment to plant 2,500 trees within a year and which is in the planning phase.

Deepen scientific knowledge

In each of the research pillars of the new EDP Chair in Biodiversity 2018-2021 ([see document](#), page 52), the following actions in 2020 are highlighted:

- **pillar I: Environmental genomics** – Development and testing of new molecular techniques for the early detection of invasive species (*zebra mussels-Dreissena polymorpha*- and other bivalvia) and assessment of the ecological quality of aquatic ecosystems and characterize the communities of fish species in reservoirs. Non-destructive techniques were also developed for DNA extraction of aquatic macro-invertebrate samples, the quantification of error sources and methodology deviations, and the demonstration of the robustness of the method to detect ecological standards and their environmental

determinants. With these projects, practically all the objectives initially foreseen for this pillar have been achieved, with only some final tests and implementation of the methodologies remaining

- **pillar II: Mitigation of impacts of hydroelectric plants** – Development and publication of case studies on impacts and environmental management of hydroelectric infrastructures related to the expansion of exotic species, namely crayfish (*Procambarus clarkii* and *Pacifastacus leniusculus*), the findings of which suggest that actions to mitigate and control invasive species should be concentrated in restricted spring areas, which function as shelters for multiple species of amphibians and the *Pyrenean desman* (*Galemys pyrenaicus*), a species potentially impacted by the construction of the most recent hydroelectric plants.

As part of the initiative to publish biodiversity data on the [GBIF - Global Biodiversity Information Facility](#) collected in the context of the environmental impact assessments and monitoring of the Baixo Sabor and Foz Tua hydroelectric power plants, EDP achieved 1.4 million records, in a sharing of 45 new Datasets of information corresponding to around 335 thousand records of occurrence. In 2020, as part of this global database, EDP strengthened its performance as the leading private sector publisher in Portugal, reaching 40 citations in articles and international scientific publications and serving as a reference for an international project, which aims to promote the tools needed for other companies to contribute to the publication of biodiversity data.

- **pillar III: Mitigation of impacts of the electricity distribution network** – development of a case study on the interaction of threatened birds of prey and power lines based on Bonelli's eagle dynamics (*Aquila fasciata*), with the aim of quantifying impacts and respective mitigation measures. Work started in 2020 with a very detailed analysis of the response of 17 adult eagles marked with satellite transmitters to existing power lines within 13 territories.

Polution prevention

Electricity generation and distribution activities have the most significant direct environmental impact. The main environmental aspects impacting the environment are the consumption of fuels and chemicals, the emission of greenhouse gases and air pollutants, water consumption, the discharge of effluents after treatment, the effects on fauna and flora and noise pollution in the case of some assets.

Thermoelectric power plants are subject to demanding environmental permits, which establish continuous monitoring, taking into account the parameters and sensitivity of the environment in which they are integrated. All thermal power plants have physical and chemical treatment processes for waste water, ensuring that they are disposed of in accordance with the limit values established for each parameter.

The reduction in thermoelectric power generation from coal-powered stations on the Iberian Peninsula and the plan for early closure, which is part of the decarbonisation strategy, will result in a significant reduction in atmospheric emissions of sulphur dioxide (SO₂) and nitrogen oxides (NO_x).

In Distribution, the main impact mitigation measures are at the level of landscape integration of airlines, oil retention systems and noise barriers for noise mitigation.

EDP maintains its substantial investment to have a positive effect on the environment. In 2020, 67 million euros were invested in improving technologies to prevent and mitigate the environmental impacts of operations. About 26% of this investment was related to Biodiversity's protection and 25% to energy efficiency.

The reduction in electricity generation from Coal-powered station resulted in a significant decrease in atmospheric emissions



SO₂ emissions
-50%



NO_x emissions
-43%



Particles emissions
-45%

3.3.7. Ethics and compliance

EDP has a Compliance management system that includes various policies, organizational standards and responsibilities, action plans and procedures defined at the corporate level and applicable to the entire group. Whenever necessary, corporate guidelines are consistently made more specialised by business units in order to meet the specificities of geographical areas and activities.

For its part, the Code of Ethics establishes the ethical principles and commitments that the EDP group applies in all its activities, being complemented by other policies, namely the Code of Conduct for Senior Management and Senior Financial Officers, the Integrity Policy, the Information Security Policy, the Personal Data Protection Policy, the Supplier Code of Conduct, the Code of Good Conduct for the Prevention and Combating Harassment at Work, the Declaration of Respect for Human and Labor Rights. These policies are implemented through specific procedures.

Having been approved by the Executive Board of Directors in 2005, the Code of Ethics has undergone successive developments, with particular note for the review carried out in 2020. This document is mandatory for all employees, who were informed of this individually and formally in February 2006 and, since then, it has been included in the contractual documentation of each new employee, being available in Portuguese, Spanish and English. This ethical culture is developed through both a face-to-face and digital training programme, and continuously communicated through internal dialogue and information areas.

The ethical process includes the Ethics Ombudsperson, the Ethics Committee and the Corporate Governance and Sustainability Committee of the General and Supervisory Board. It is incumbent upon the Ethics Committee, whose members are appointed by the General and Supervisory Board following the proposal of the Executive Board of Directors, to propose policies, objectives and targets in matters of business ethics and to assess the processes carried out by the Ethics Ombudsperson.

An essential part of the ethical process are the forms for reporting and analysing violations of the Code of Ethics and the regular audits of procedures. The EDP Code of Ethics Regulation establishes the rules for receiving, holding and dealing with information and complaints addressed to the companies and entities that are part of the EDP group and establishes the relevant procedures for the linking of competent bodies dealing with matters of business ethics of the General and Supervisory Board, of the Corporate Centre of the EDP group and the companies and entities which form part of it. To ensure the effective implementation of its Code of Ethics, EDP has made direct channels available for the Ethics Ombudsperson and channels for ethical complaints in each geographical area where it operates. It also has channels for communicating irregularities created for this purpose.

One of the functions of the Financial Matters Committee/Audit Committee (FMC) of the General and Supervisory Board is to follow up on communications of irregularities and of the relationship with the Audit Committees of the subsidiary companies. This Committee is composed only of members independent of the General and Supervisory Board (paragraph 2 of article 23 of the Statutes and paragraph 1 of article 3 of the FMC's Internal Regulation). Reports of irregularities contain the identification of the

author, so that anonymous information is only accepted on an exceptional basis. Pursuant to the regulation on the communication of irregularities, the FMC must ensure the implementation of appropriate security measures to protect the information and data contained in the communications and the respective records.

Ethics

The activity of the Office of the Ethics Ombudsperson (OEO) and of the Ethics Ombudsperson (EO) was highly conditioned by the situation experienced in 2020 in the EDP group, both as a result of the pandemic - which, in particular, limited personalised contacts with the group's companies and implied a new form of digital communication, competing with the profusion of information from all the other areas of the Company - and by the instability experienced in EDP's governance as a result of legal proceedings involving the company bodies' officers, the evolution of which in 2020 hindered the exercise of strong leadership that is essential in matters of Ethics.

Notwithstanding the above, **it was possible to conclude in 2020 the crucial revision of the Code of Ethics**, foreseen in the Ethics Programme "Raising the Ethical Building@edp" and drafted for the three-year period 19-21, which was approved by the Company bodies at the end of September and disclosed throughout the group in November.

The new Code of Ethics follows international best practices by becoming a reference document on the most important ethical issues, which, taking into account the main aspects of the Company's identity, are intended to be respected with regard to the behaviour to be followed. It is, on the other hand, a simple language document, accessible to all, in which EDP's principles and ethical commitments are depicted with

examples of business life in which employees easily see themselves. It is also an educational document, which outlines corporate policies related to the ethical issues mentioned and explains the model of governance of Ethics in the group. It also explains how enquiries or complaints of an ethical nature can be presented, making available all communication channels at the disposal of the Group for this purpose. The new Code is now available to employees, in addition to the usual format presented on the www.edp.com website in a digital format, through the intranet, which has illustrative videos and testimonials from various managers of the Company. At a time as difficult as the one we are facing, when the Covid-19 pandemic has profoundly transformed our way of life and poses ethical challenges to humanity at every turn, the solidity and depth of the new EDP Code of Ethics can undoubtedly be an essential aid to all those who work in the Company. Achieving this goal is thus one of the key milestones of the year 2020.

Training in Ethics was also an activity that defined 2020, as provided for in the Ethics Programme. Several training sessions were developed and aimed at employees throughout the group, designed under the slogan "Ethics is Value": a basic session on the fundamentals of Ethics; a session describing the path taken by EDP in matters of Ethics since the creation of the first Code of Ethics more than fifteen years ago; and a session to support the understanding of the new Code of Ethics launched at the same time as the document was released. As in the previous year, an Ethics Talks was organised under the theme "Technology and Economics of the 21st Century", with a renowned speaker who addressed the various ethical challenges of the new times (even before the pandemic): the ethical risks of a less responsible use of AI, the new problem of work in the light of the profound ongoing technological revolution, among others.

Also within the scope of initiatives to promote an ethical culture through reflection and training in the field of Ethics, EDP renewed the "Invited Chair in Ethics in the Company and in Society" for a new three-year period, which it has maintained with the AESE School of Managers for around a decade, this time with specific objectives of contributing to the integration of Ethics in the life of companies and to the analysis of ethical risks in the future of the professional work.

In line with one of the objectives of the Ethics Programme related to the **optimisation of the group's Ethics and Compliance system**, important work was also carried out in 2020 under the co-coordination of the GPE to build a plan for continuous integrated improvement, associating efforts from all areas of the Company with relevant contributions in this area. And, on the basis of this plan, EDP refined its application for **recognition** again in 2021, as **"one of the most ethical companies in the world"**, awarded by the Ethisphere Institute, a status that has been granted to it over the last decade as well as, of course, this year.

The activity of the OEO and EO was complemented in 2020 with the collaboration in **presentations and publication of written material**, around the themes that have been the target of their work at EDP.

The **normal management of contacts with the Ombudsperson** continued - as did the follow-up of contacts with the EDP Brazil Ethics Committee - and the organisation of regular **Ethics Committees** - at EDP SA and EDP Renováveis - together with the presence of the Ombudsperson at the quarterly meetings of the **Corporate Governance and Sustainability Committee** of the General and Supervisory Board.

Despite the constraints mentioned in the introduction of this note, we believe that 2020 allowed a fundamental step along the path defined in the Ethics Programme established at the beginning of 2019, consisting of the construction of a new and modern Code of Ethics, which will contribute decisively to the consolidation of the ethical culture to which EDP aspires.

Ethical complaints

In 2020, 464 complaints were received through the EDP group's ethics channels. Of these, 147 were present to and deliberated by the Ethics Committee. The remaining 317 complaints were dealt with expeditiously by the business units. In 14 cases, the Committee decided to carry out actions to review or improve procedures and, in 25 cases, it decided to take disciplinary actions.

Compliance

The EDP group attaches particular importance to strict compliance with the laws and regulations applicable to it, good professional and industrial practices, and respect for the principles and values set out in its Code of Ethics and Integrity Policy, which are fundamental elements in achieving the objectives and rigorous execution of its strategy.

To this end, and recognising the importance of a robust Compliance Management System in protecting the organisation itself, namely through the definition of mechanisms that allow (i) adequate identification, assessment and management of compliance risks in order to minimise the risk of sanctions, particularly financial, and reputational risk, (ii) boosting the confidence of its stakeholders, and Consequently, strengthening the competitive position of its companies by maximising business opportunities, the EDP group has implemented a

Compliance Management System in line with best international practices, namely ISO 19600 (Compliance Management Systems - Guidelines) and the COSO (Committee of Sponsoring Organizations of the Treadway Commission) methodology for risk management, internal control and fraud prevention.

The EDP group's Compliance Management System is structured essentially into nine components, grouped into three main principles:

Prevention

- implementing a Corporate Governance Model
- identification and Management of Compliance Risks
- development of Internal Compliance Policies and Procedures
- promotion of Training/Information initiatives on Compliance regulations and mechanisms.

Detection

- mechanisms for Monitoring, Follow-up and Supervision of Compliance Programmes
- communication channels
- compliance audits and corresponding definition of improvement action plans.

Response

- monitoring of established improvement action plans
- definition of procedures for the investigation of reports of irregularities and implementation of corrective measures.

The scope of the EDP group's Compliance Management System covers, among others, Integrity issues, closely linked to the Prevention of Corruption and Bribery and the Prevention of Money Laundering and Combating the Financing of Terrorism, Competition, Personal Data Protection and the Internal Control over Financial Reporting (ICFR).

The Compliance function's mission is to promote a culture of compliance and integrity, through the identification of relevant risks and the dissemination and coordination of mechanisms that promote compliance, providing proactive and systematic advice to the entire organisation, thus assuming a partnership role with top management.

In accordance with the responsibilities defined in the governance model, the Compliance function ensures the follow-up and monitoring of the development, operation and implementation of the mechanisms of the Compliance Management System and the Specific Compliance Programmes.

In turn, and in accordance with its annual plan of activities, the Audit role conducts specific audit work on Compliance issues. The corporate Compliance Management System is also subject to independent external review.

The Compliance function reports hierarchically to the Executive Board of Directors and functionally to the General and Supervisory Board through its Financial Matters Committee/Audit Committee, thus ensuring the monitoring of its activity by these two corporate bodies.

The results of monitoring and any internal or external audit recommendations are considered for the purposes of improving compliance management, along with monitoring the evolution of the internal context, but also the applicable legal and regulatory context, with a view to continuous improvement supported and promoted by the Executive Board of Directors and the General and Supervisory Board through its Financial Matters Committee/Audit Committee.

Personal data protection

Personal Data Protection is one of the specific issues addressed within the scope of EDP's Compliance Management System.

This programme aims to ensure the compliance of EDP group entities with the applicable legal requirements regarding Data Protection, under which they have been appointed Data Protection Officers (DPOs) in situations subject to this legal obligation and specific teams have been identified, with responsibility for promoting the dissemination, knowledge, training and implementation of the Compliance programme in their respective areas of activity, under the coordination of the Corporate Compliance Department.

To this end, a set of cross-cutting methodologies and procedures has been defined, which internally regulate the process of risk assessment and impact assessment of personal data processing operations, the development of Privacy by Design procedures, matters related to the response to the exercise of rights, the management of

subcontractors, the processing of personal data breaches, complemented by specific procedures and control activities defined at the level of business areas.

In 2020, the Executive Board of Directors approved the EDP group's Personal Data Protection Policy and transversally applied it to all the group's business units, which aims to reinforce EDP's commitments to privacy and personal data protection and defines the principles to ensure compliance. This policy embodies the values and principles already followed by EDP and which are set out in its operations and in the various privacy policies governing the processing of data carried out by the group's different business units.

Within the scope of the communication and training plans defined annually at the level of each geographic area, in 2020, different specific and targeted initiatives were developed according to the employees' exposure to the risks associated with the processing of personal data.

In Portugal, the general concepts of the General Data Protection Regulation (GDPR) were reinforced through e-learning in a game format, mandatory for all employees, and specific training on the Exercise of Rights and Privacy by Design. Additionally, the DPO organised awareness-raising initiatives and sharing of good practices with the data protection teams of the different EDP group companies in Portugal responsible for processing personal data.

In the EDP Spain sub-group, specific training was developed for employees in the Commercial area to reinforce the general concepts of the GDPR.

**EDP has appointed
Data Protection
Officers
in all situations where
this role is legally
required**

EDP Renováveis invited a group of employees from the Compliance and Information Technology areas to participate in an online session on the main aspects of the GDPR.

In turn, EDP Brasil provided training on the new General Law on Data Protection (GLDP) to employees involved in the Compliance Project and to employees in areas defined as priorities or with specific processes related to the processing of personal data (namely Distribution, Purchasing, Supplier Management, Legal area, Service Channels, Marketing, Internal Communication, Information Technology and Occupational Safety).

From a global perspective, in 2020, a total of 4,600 employees received training under the Personal Data Protection Compliance programme, corresponding to a total of 2,761 hours of training (2019: 916 employees / 2,061 hours).

The development of the Compliance Programme for Personal Data Protection is monitored by the Compliance Department and the Internal Audit function conducts specific audit work to verify the adequacy and effectiveness of the implemented control mechanisms.

In the Privacy Policies, as well as in informative documents on personal data processing activities, the EDP group entities provide the contact details of the respective DPO as well as the contact details of the entity responsible for data processing, through which the data subjects may exercise their rights in terms of personal data protection, request information or clarification on their data and lodge complaints.

In 2020, approximately 11,300 requests were received to exercise the rights of data subjects processed by EDP group companies (2019: 17,238).

With regard to Customer complaints, in 2020, the EDP group received a total of 456 (2019: 614).

With regard to personal data breaches, during 2020, EDP group entities notified the respective supervisory authorities of 14 (2019: 10) personal data breaches of Customers in Portugal and 3 (2019: 0) in Spain. Data subjects were also notified of 1 (2019: 2) of these breaches in Portugal and 2 (2019: 0) in Spain.

Integrity / anti-corruption and prevention of money laundering and combating terrorist financing

EDP's priority is to promote mechanisms that ensure that all the group's entities and their employees and service providers act in accordance with high standards of ethics, business integrity, conscience, social responsibility and strict compliance with the applicable laws and regulations.

In this context, and as a complement to the principles in the Code of Ethics, the Integrity Policy was approved in 2018, which defines the general principles of action and the duties of EDP group companies, their employees and business partners, in order to prevent the practice of illicit acts, in particular conduct associated with the practice of crimes of corruption and bribery, money laundering and terrorism financing, anti-competition practices and violation of data protection rules.

This Integrity Policy contributed to the systematisation of the Specific Integrity/Anti-Corruption Compliance Programme, complementing the set of internal regulations and compliance mechanisms already in place, both at the corporate level (in particular the code of conduct for suppliers, the code of conduct for Senior Management and

	UN	CUSTOMER		DATA PROTECTION AUTHORITY	
		VIA EDP COMMERCIAL CHANNELS	VIA DPO	VIA OTHER CHANNELS ¹	VIA DPO
EDP Comercial	#	282	12	15	1
SU Eletricidade	#	28	0	3	0
EDP Espanha	#	84	29	0	2

¹ E.g. complaints book, complaint portal, DECO, etc

Additional information at www.edp.com

Senior Financial Officers, the Regulation on conflicts of interest and business between related parties and the Social Investment Policy, in addition to the EDP group's own Code of Ethics) as well as in different regions, in particular the Legal and Criminal Risks Prevention Models of EDP Spain and EDP Renováveis and the EDP Brasil Anti-Bribery and Corruption Prevention Compliance Programme.

In 2020, as part of the initiatives for continuous improvement of the Compliance Management System and with the goal of being in alignment with the most recent legislative developments and best international practices, the Executive Board of Directors approved the review of the Integrity Policy, which was disclosed in December to all Employees through an e-mail from the Chairperson of the Executive Board of Directors, informing them that it was a document of compulsory reading, with a record of acknowledgement. The Policy is available on EDP's website and accessible to all stakeholders.

This new version reinforces the **zero tolerance policy** regarding the adoption of practices that may be perceived as acts of corruption or bribery, clarifies the prohibition of facilitation payments and details the principles related to the prevention of conflicts of interest, donations and sponsorships, contribution to political parties and prevention of money laundering and combating the financing of terrorism. It also establishes guidelines regarding Third Party Integrity Due Diligence, Relationships with Public Officials and Politically Exposed Persons, Acceptance and Award of Gifts and Invitations to Events, and the monitoring of International Sanctions. Within the scope of reporting irregularities, the principle of non-retaliation was also reinforced and the different channels available internally and externally were listed.

In 2020 the group's Integrity Policy was revised and the principles of zero tolerance for illegal acts were reinforced

The general principles and guidelines set out in the Integrity Policy are embodied in specific procedures, of which we highlight the following:

- integrity Due Diligence procedure for third parties with which EDP has dealings, such as suppliers, business partners/counterparties, beneficiaries of sponsorship/donations, employee candidates and other third parties within the scope of legislation for the prevention of money laundering and combating the financing of terrorism, the depth of analysis of which is determined according to a preliminary risk assessment of the third party and the operation in question

- procedures for interactions with Public Officials and Politically Exposed Persons, which includes conduct guidelines for this type of interaction, providing for the need to record and report certain types of interaction
- procedure for Offers and Events, under which thresholds are defined for the respective award and acceptance, and approval mechanisms for exceptional situations
- procedure for the attribution of donations and sponsorships, under which the integrity of the respective beneficiaries must be analysed and the effective application of the support granted must be monitored.

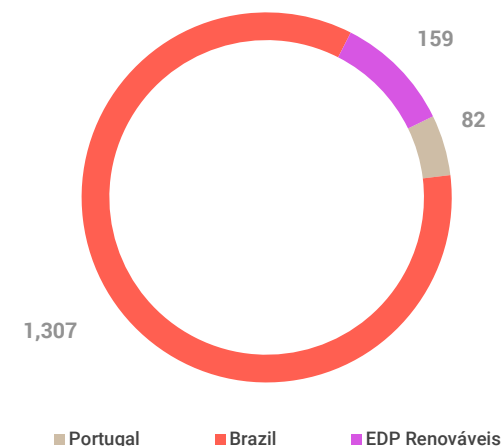
These procedures were also widely disseminated and are available for consultation by all employees on EDP's intranet at all times.

On the other hand, within the scope of awareness-raising and training of employees in matters of Integrity, different specific initiatives have been developed in each geography according to the respective exposure to risks and priorities defined.

From a global perspective, in 2020, 9,732 employees (out of a total of 15,385 convened) received training under the Integrity Compliance programme (2019: 4,414/ 5,305).

In Brazil, Compliance Day was held to mark the International Anti-Corruption Day, with a virtual meeting of Compliance specialists to discuss best practices in the business world and in the workplace.

Integrity due diligence (# of transactions analysed)



With regard to "responsible political involvement", the Integrity Policy, in line with the principles set out in the Code of Ethics, prohibits any contribution or association of the EDP brand with political parties, candidates, political campaign/candidacy structures or related persons or entities, namely through delivery of goods or provision of services, directly or indirectly, in the name of or representing EDP, unless the law provides otherwise.

In accordance with US law, and at the request of US employees, EDP Renováveis North America provides duly regulated mechanisms for their participation in political processes and has established a policy action committee (PAC) called "EDPR NA PAC". The EDP Renováveis North America PAC is funded entirely by voluntary personal monetary contributions made by members of the PAC, who are employees according to US law. Decisions on which

GEOGRAPHIES	TRAINING SUBJECT	ALL EMPLOYEES		MANAGEMENT	
		TOTAL COMPLETED	%	TOTAL COMPLETED	%
Portugal	Relationship with Public Officials and PEPs	3,331	55	437	52
Spain	Model for Prevention of Legal Liability	918	75	252	89
Spain	Model for Prevention of Legal Liability (New employees)	22	35	1	25
Spain	Relationship with Public Agents and PEPs	274	28	75	33
Brazil	General Compliance Training (main Standards and Anti-Bribery Management System)	2,937	85	226	91
Brazil	Compliance game	2,054	60	154	62
Brazil	Relationship with public officials	28	100	2	100
EDP Renováveis	Cumplimiento y prevención de riesgos penales (new employees)	125	80	n/a	n/a
EDP Renováveis	Code of Conduct for Senior Management and Senior Financial Officers	29	n/a	29	85
EDP Renováveis Brazil	Introductory Compliance Course, in the Brazil branch (Responsible parties)	14	n/a	14	100

In Portugal, there were no reports of irregularities related to the practice of illicit acts of corruption and bribery or money laundering through the channels available for this purpose.

political campaigns to support are made with the approval of the PAC's Management Board, which is made up of elected PAC members, also in accordance with US law.

Nevertheless, these activities are aligned with the principles of EDP's Integrity Policy and Code of Ethics.

Under the **Specific Programme for the Prevention of Money Laundering and Terrorist Financing** internal regulations and a procedure for reporting suspicious operations across the board have been defined by the relevant entities, and in 2020 no suspicious operation has been identified at the group level.

In 2020, the corporate Irregularities Communication Channel, implemented since 2006 for reporting potential irregularities in financial matters, was also restructured.

This channel now also provides a specific communication channel for potential irregularities related to violations in the field of Money Laundering and Terrorism Financing.

The restructuring of this channel was communicated to all employees through the publication of a notice on the group's Intranet, is identified in the revised version of the Integrity Policy and is also available on the corporate website. In this context, during the 2020 financial year, no incidents related to the practice of illicit acts, namely corruption and bribery or money laundering, were recorded.

In addition to the corporate channel, there are other channels for communicating irregularities implemented locally in the different geographical areas/business units. In Brazil, through the respective Ethics Channel, 4 incidents related to corruption were identified and considered to be justified, which resulted in the dismissal of outsourced workers.

Finally, we highlight the maintenance of the certification, for the second consecutive year, of EDP Brazil's Anti-bribery/Anti-corruption Compliance management system under ISO 37001.

Fair competition practices

EDP promotes strict compliance with rules for fair competition, based on the commitments assumed in its Code of Ethics, its Integrity Policy, its Commitment to Healthy Competition and its Specific Compliance Programme related to Competition.

The Specific Compliance Programme (SCP) - Legal Obligations for Competition aims to strengthen the EDP group companies' guarantees of compliance, in Portugal, with the legal requirements in matters of competition, particularly with regard to contracts and the performance of its employees in accordance with the highest standards of ethics, integrity and competitive compliance, contributing to the sustainability and development of the markets in which EDP operates.

A similar approach to preventing and mitigating practices that restrict competition is being implemented for the remaining countries, without prejudice to the codes and manuals already in place.

The SCP was reviewed and approved during 2020, with a focus on the EDP group companies operating in Portugal, comprising, in particular, the following elements and documents:

- governance model of the EDP group with regard to compliance with national and European community competition legislation, which establishes the model of relationship, the attributions and the responsibilities of

the various participants who act within the scope of the SCP

- approval and disclosure of the EDP group's Competition Manual, of compulsory knowledge for employees. This Manual contains the rules of conduct that must be followed within the scope of their activity, with a view to promoting strict compliance with competition law. The Manual was sent electronically to all employees involved, with sponsorship from the Chairperson of the Executive Board of Directors
- online training programmes to raise awareness among EDP group employees in Portugal of the basic concepts of Competition, the main rules of conduct to be observed, the impact of non-compliance with competition rules, as well as correct action in the event of unannounced inspections by competition authorities. The training provided in 2020 had an attendance rate of over 70%, representing around 2,200 employees
- email address for employees to communicate any queries or confidential reports of breaches of competition rules
- implementation of a set of compliance controls with the competition rules in the different business units covered, which are regularly monitored by the heads of these different business units
- establishment of a set of rules to ensure compliance with competition rules and promote their enforcement in the context of the different contracts and agreements of which it is part. These rules also apply explicitly in the context of EDP's participation in associations, including

analysis of the Articles of Association of these associations

- review of internal policies and procedures relating to the activity of the EDP group, particularly with regard to wholesale and retail services and access to networks, in order to ensure that they respect the principles to be followed with regard to competition, and
- procedure to safeguard compliance with the competition rules applicable to mergers or agreements, namely with regard to prior notification to the Competition authorities, under the terms of the legal framework in force.

Two processes are currently open:

- in the first case, EDP, S.A. and EDP Comercial were charged by the Portuguese Competition Authority for entering into an alleged non-compete agreement with Sonae MC - Modelo Continente. This decision was appealed to the Portuguese Competition, Regulation and Supervision Court (TCRS), which reduced the fines by 10%, to 2.6 million euros and 23.2 million euros, respectively. This TRCS decision was appealed to the Lisbon Court of Appeal. The decision is pending
- in the second case, EDP Produção is accused by the Portuguese Competition Authority of abuse of its dominant position in the secondary band regulation market, with the imposition of a fine of 48 million euros and has appealed against the decision of the Competition Authority to the TCRS. Adjudication is awaited, which will begin in the 1st quarter of 2021.

The EDP group is fully convinced that, in both cases, no offence has been committed.

Internal control system for financial reporting

As part of its financial reporting obligations, EDP has implemented the Internal Control over Financial Reporting (ICFR), a model for evaluating and mitigating the risks of financial reporting that includes the analysis and evaluation of existing risks, the design of action plans and the implementation and monitoring of control activities and identification of potential improvement actions.

The EDP group's ICFR was developed and implemented based on the criteria established by the internal control regulatory framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO 2013") in relation to business processes and overall controls, and by the Control Objectives for Information and related Technologies ("COBIT") in relation to general information technology controls.

According to the defined methodology, in 2020, the EDP group's ICFR has mapped and monitored a total of 3,419 controls that contribute to mitigating the risks of Financial Reporting, including fraud risks.

Since 2010, the EDP group's ICFR has been subject to an external audit by an independent entity, and since that date it has been considered, in all materially relevant aspects, an appropriate and effective internal control system. Thus, since 2010, the EDP group's ICFR has been certified by the external auditor, without reservations and without emphasis.

In 2020, training actions were developed with the objective of raising the awareness of the internal teams involved in the operationalisation of the SCIRF, about its importance and to ensure an adequate framework for the methodology and support tools used.

3.3.8. Respect and Promote Human Rights

The EDP group pursues a policy of full respect for human and labour rights and, at the same time, actively promoting universal human values. The policy is established in the EDP group's Code of Ethics and is developed in cooperation with the ethical and compliance process referred to in the previous chapter. In addition, EDP has shown its position through its Statement of Commitment to Human and Labour Rights and applies the United Nations' "Ruggie framework" and annually publishes its respective performance report. In addition to ensuring its respect, the voluntary and active promotion of human rights is primarily carried out externally through the Diversity Policy, and internally through the Social Investment Policy.

The procedures established ensured that, throughout 2020, as in previous years, the EDP group has not been the target of accusations or suspicions of violations of basic human and labour rights. However, one-off, non-structural and non-recurring events were recorded and dealt with, often related to individual behaviour and translated into individual complaints that were resolved within the framework of the ethical process and gave rise to corrective measures, penalties or reinforcement of procedures.

Respect Human and Labour Rights

Depending on the geographical area in which it operates, and the type of activity carried out, the EDP group faces different risks that expose the company to the possibility of violation or collusion with violations of human and labour rights. In general, in OECD countries, the legal protection of local communities and people, the effectiveness of the rule of law, local norms and the level of economic, social and cultural

development of the populations, ensure that operations take place in a context favourable for respecting human and labour rights. However, attention must be paid as the possibility of impacts can never be underestimated, even within the OECD framework. In addition, outside this economic area, there are added challenges that make the processes of identifying risks, preparing action plans, selecting business partners and monitoring activities more demanding.

Given the diversity of operational realities, the analysis of risks related to the respect for human and labour rights is carried out through an assessment of country risk, local risk and the specific risk of each activity in view of the nature of the project. Depending on whether new investments are being made, the creation or modification of infrastructures, the hiring of suppliers and other counterparties, or operations with customers and employee management, specific control and risk mitigation measures are implemented.

In the area of new investments and infrastructure, the main risks are related to guaranteeing the rights of local communities. From the outset, property rights, which are typically rights of use not incorporated in full ownership, such as the situation of indigenous territories, fishing or hunting areas, landscape rights, in these cases, the building right authorized by public authorities can be substantially challenged by communities. Likewise, the installation or alteration of an infrastructure can have effects on the local social dynamics or on ecosystems. For these reasons, the EDP group normally carries out socio-environmental impact studies and opens communication channels in order to guarantee the correct management of projects, including consulting fully with interested parties as established in the Stakeholder Relationship Policy.

Moreover, in the case of new investments and infrastructures, there are risks related to operations and construction work, especially when these involve the displacement of our own workers or service providers, both in relation to general working conditions and the risks of accidents. As part of contracting suppliers, the EDP group always guarantees full prior verification of compliance with the eight fundamental conventions of the International Labour Organization, as well as requiring proof of satisfaction of remuneration conditions, and monitoring compliance with the Supplier Code of Conduct throughout the contract, as detailed in the Supplier Management chapter of this report. As regards to its own employees, the EDP group favours the universal application of labour policies, as highlighted in the [People Management chapter](#) of this report.

Respect for human and labour rights is guaranteed not only by the management procedures associated with decision-making, but through the policies, channels for consultation and complaints, as well as by the organizational model that includes ethical, compliance and auditing structures.

Promoting Human and Labour Rights

The active promotion and enhancement of human and labour rights is a fundamental pillar of EDP's strategy, which has made a distinct contribution to its prestige and standing. The approach and programmes dealing with promoting human and labour rights are dealt with in depth in the People Management chapter (page 132) and the Communities chapter (page 144).

Through the Social Investment Policy, in line with the global priorities of the United Nations as expressed in its Sustainable Development Goals, EDP gives priority to social inclusion programmes, especially aimed at fragile and

vulnerable communities, for the development of skills, for energy inclusion, either through measures to combat energy poverty or through energy access programmes for populations disconnected from electricity networks. In 2020, special attention and resources were devoted to responding to the social emergency caused by the Covid-19 pandemic.

As part of Fair Energy Transition, the EDP group made public commitments and developed action plans in order to positively contribute to job creation and the well-being of local communities impacted by the closure of coal-fired power plants.

As part of promoting diversities and cultural aspects, the EDP group has set goals for progress in gender balance, both at the global level of the company and at its leadership level. The aspect of the inclusion of people with special needs, nationalities and cultural backgrounds is also dealt with through action programmes and objectives.

3.3.9. Communication and transparency

Transparency in communication

out in accordance with legal requirements and in line with the principles of action established in the Code of Ethics, Integrity Policy and other internal provisions of the Company governing its relations with stakeholders, in particular those of integrity, transparency and responsible political involvement.

This principle of responsible political involvement means prohibiting any contribution or association of the EDP brand with political parties, candidates, political campaign/candidacy structures or related people or entities, namely through the direct or indirect delivery of goods or provision of services on behalf of or representing EDP and the prohibition on using EDP resources for actions related to political processes. In this sense, although some of the legal regimes in force in countries where the EDP group operates allows this, none of the group's companies made monetary contributions or contributions in kind to political parties.

Nevertheless, EDP participates in the processes of forming public decisions, developing activities with various institutions at the national, European and international level, with a view to bringing to the attention of public entities the legitimate interests of the Company and/or the sector, which it considers should be considered within the scope of the legislative processes.

The activities carried out in this context include:

- (1) in the United States of America and according to local legislation (USA), EDP Renováveis North America undertakes awareness raising activities for specialised individuals and institutions
- (2) participation in the main European or international Sectoral or Industrial Associations and
- (3) the direct or indirect Involvement of employees appointed/designated for this purpose.

1. Awareness of specialised people and institutions, in the USA (EDP Renováveis)

The activities representing the interests of EDP Renováveis are mainly embodied in the following awareness-raising initiatives:

a) Contributions to American Energy Action activities

EDP Renováveis North America contributes to the activities of America Energy Action, a social welfare organization structured under Section 501(c) (4) of the US Federal Internal Revenue Code. This type of organisation can legally participate in political activities by defending or opposing candidates for public office. However, these kinds of activities should be absolutely independent of specific candidates or campaigns: they can be undertaken for ideas, concepts or public interests.

b) Contributions to non-governmental organizations (NGO)

EDP Renováveis North America works with a number of organisations with social or environmental objectives, according to goals aligned with supporting decarbonisation and the transition to a low carbon economy. This type of organisation can support a candidate with its own funds, but its communications cannot be coordinated by a political party, campaign or candidate.

c) Contracting of lobbying services

EDP Renováveis North America has lobbying consultants operating with the US Government and in some US states. These political consultants are prohibited from making contributions to candidates or political parties and campaigns on behalf of EDP Renováveis. Accordingly, their activities never violate the ban on making political contributions laid down in the EDP group.

2. Participation in the main European or international sectoral or industrial associations

During 2020 the Company sought to raise awareness among the various stakeholders in the context of the European institutions (European Council, European Parliament and European Commission) on a number of issues central to sustainability in the field of energy, either proactively or as part of public consultations. EDP maintained its commitment to the work of the main European sectoral associations, in particular Eurelectric, WindEurope, the European Federation of Energy Traders (EFET) and European Distribution System Operators (E.DSO). Additionally, and with a view to promoting the development of the energy sector, its sustainability and efficiency, alliances were established with similar companies in order to establish macro platforms for joint public

positions that reflect the vision of the sector as a whole vis-à-vis the major decarbonisation commitments undertaken internationally.

In this context, it is worth highlighting i) the position argued of placing the European Green Deal and the electricity sector at the centre of economic recovery efforts, ii) the letters sent to European Commission representatives, for example in defence of a climate law that recognises the benefits of an energy system based on renewables, iii) the various initiatives in support of increasing the decarbonisation goal for 2030 and the role that green hydrogen can play for certain uses where the decarbonisation challenge is greater, and iv) the multiple contacts with decision-makers in different institutions seeking to contribute to opinion-forming and communicating the Company's views on such wide-ranging and decisive issues as the Fair Transition Fund, Sustainable Finance or the Integration of Energy Systems.

Membership and activity undertaken in global associations such as the World Business Council for Sustainable Development (WBCSD), or at the European level such as Eurelectric, or at the national level, in the different geographical areas, such as the Portuguese Association of Electricity Sector Companies (Elecpor), Association of Electric Energy Companies (Aelec), Asociación Española del Gas (Sedigas), Edison Electric Institute (EEI), American Wind Energy Association (AWEA), Transport Decarbonization Alliance (TDA) and others, clearly identifies the shared and constructive path that the EDP group intends to continue.

3. The direct or indirect intervention of employees appointed/designated for this purpose

At the European level, the transparency of lobbying activities carried out by appointed lobbyists is ensured through the publication of their activities in the European Union Transparency Register, a public register ([website](#)) in which organisations representing specific interests at the European Union level register and provide up-to-date information on these interests. Also internally, the group has developed its transparency process, with the definition of principles and guidelines for interaction with stakeholders, and in particular Employees and Politically Exposed Persons and, more recently, with the development of a map of external representations of EDP members in civil society.

For the year 2020, the costs related to the lobbying activity carried out in this regard were 4.2 million euros, of note being the themes of decarbonisation of the economy, electric mobility, energy efficiency and security of supply.

This work, developed mainly through the main national associations in the energy sector, UNESA, EURELECTRIC, American Wind Energy Association and TDA, had as its main focus the European Green Deal, the flagship project of the new European Commission for the sustainable development of Europe in the next decade and Member States' National Energy and Climate Plans.

The organizations which in 2020 received the most significant contributions were:

TYPE OF ACTIVITY OF REPRESENTATION OF INTERESTS	NAME	CONTRIBUTION AMOUNT (€)
Sectoral and industrial associations	UNESA ¹	450,956
Contributions to American Energy Action activities	American Energy Action	350,225
Sectoral and industrial associations	AWEA ²	332,174
Sectoral and industrial associations	ELECPOR	255,366
Hiring lobbying services	California Advisors	136,902
Industry associations	Bettercoal	120,000

¹ Asociación Española de la Industria Eléctrica

² American Wind Energy Association

Additional information: www.edp.com.

Fiscal transparency

EDP group taz footprint

EDP is a utility present in 19 countries, whose value chain includes the activities of generation, transmission and distribution and supply of energy. These activities trigger various types of taxes, levies and financial contributions which, when considered as a whole, determine the level of taxation to which the EDP group is subject.



Of all the stages of the EDP's value chain, the energy generation activity is the one that contributes most significantly to the payment of taxes and other contributions.

Fiscal mission and strategy

The EDP group's fiscal strategy is based on five main pillars:

1. The EDP group has an ethical and civic duty to contribute to the financing of the general functions of the States in which it operates, by paying the taxes, levies and other contributions that are due, contributing to the well-being of citizens and to the development of the group's local business. In this context, it carries out its fiscal function with rigor and professionalism, in line with the "EDP group Fiscal Mission", in accordance with the following principles:

- implements the options which are most appropriate to the business and to the shareholders, in faithful compliance with the spirit and letter of the Law
- pays the taxes that are due in all the geographical areas where it carries out its activity
- adopts the arm's length principle in intra-group transactions, in the context of the applicable international transfer pricing rules, guidelines and best practices, by transversally implementing an internal transfer pricing policy based on three main principles:
 - (i) all intra-group transactions of a commercial or financial nature have a pre-defined pricing, with terms and conditions that are in line with what would normally have been practised between independent entities, in comparable operations

- (ii) the definition of the transfer price is based on the economic rationale of the intra-group transaction and, cannot ever, in accordance with the internal rules of the EDP group, constitute a tax planning tool

- (iii) the documentation of intra-group transactions is fully compliant with the Guidelines of the Organisation for Economic Co-operation and Development (OECD), without prejudice to the specific aspects of the internal legislation of each jurisdiction.

- adopts tax practices based on principles of economic relevance and commonly accepted business practices
 - discloses true and complete information concerning relevant transactions and
 - seeks to defend its legitimate interests by administrative means and, when appropriate, judicially, when the payment of any taxes, contributions and levies reasonably raises doubts regarding its legality.
2. The EDP group reconciles the responsible compliance with tax obligations, with the commitment to create value for its shareholders, advocating efficient management of its tax burden through the use of legally available tax benefits and incentives applicable in each region and which are appropriate to the business carried out

3. The EDP group is committed to maintain a relationship with the Tax Authorities of the countries where it operates based on principles of trust, good faith, transparency, cooperation and reciprocity, aiming to facilitate the application of the Law and to minimize litigation.

4. The EDP group applies responsible policies, striving to maintain a low-risk tax profile in order to avoid conducts that could generate significant tax risks. To this end, EDP implemented a global risk management policy with the objective of identifying, quantifying, managing, monitoring and minimizing the tax risks, in close connection with the highest levels of control and decision (Executive Board of Directors and General and Supervisory Board).

5. The EDP group considers transparency a core principle of its fiscal function, particularly through:

- not resorting to opaque structures or operating in jurisdictions for reasons that do not have a close connection with the economic activity developed within them. The EDP group does not have subsidiaries in territories considered to be non-cooperating in accordance with Portuguese legislation and / or with the OECD benchmarks
- disclosure of tax information in accordance with the best international practices and recommendations, to facilitate the understanding of the global contribution for the economies and the principles governing its fiscal policies and practices.

The mission and fiscal policy applicable to all EDP group companies was approved by the group's Executive Board of Directors and is made available at www.edp.com, being mentioned in the [EDP group's Annual Report](#).

Fiscal contribution

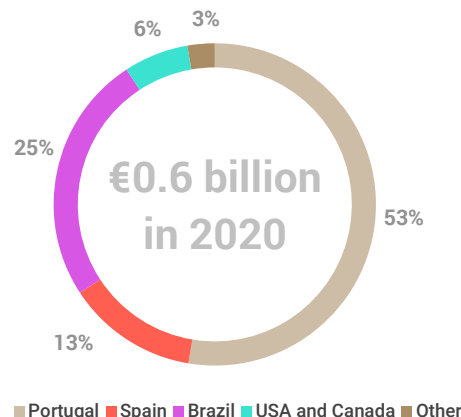
EDP group's global contribution

In 2020, the EDP group's global tax contribution to the public revenues of the countries where it is present amounted to approximately 2.3 billion euros, of which 0.6 billion euros correspond to taxes and contributions borne (paid) by the EDP group and 1.7 billion Euros to contributions paid to the States on behalf of other economic agents, as shown in the charts on the side.

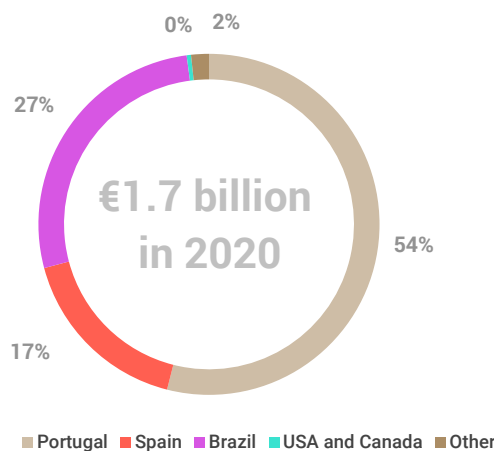
Regarding the taxes incurred (paid) by the EDP group, Portugal is the country with the highest level of taxation, accounting for 53% of the total taxes.

On the other hand, considering the taxes incurred by the EDP group, the most relevant (54%) concerns to specific taxation on the energy sector (including the Extraordinary Contribution to the Energy Sector - CESE -, in Portugal), followed by corporate income taxes (23%). As regards corporate income taxes, the nominal tax rates in the main countries in which EDP operates range between 16% in Romania and 31.5% in Portugal, adding to the nominal rate, for companies located in Portugal, the municipal and state surtaxes.

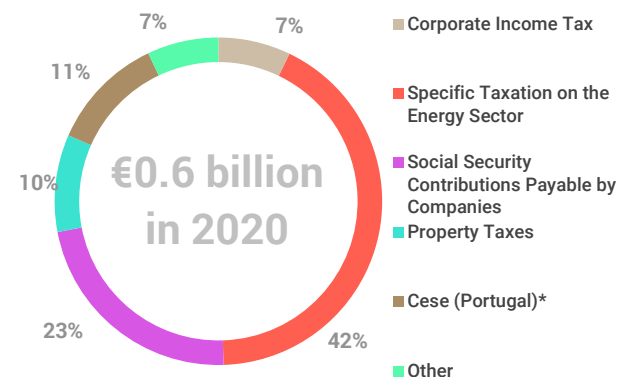
Taxes borne (paid) by the EDP Group, by geographical area



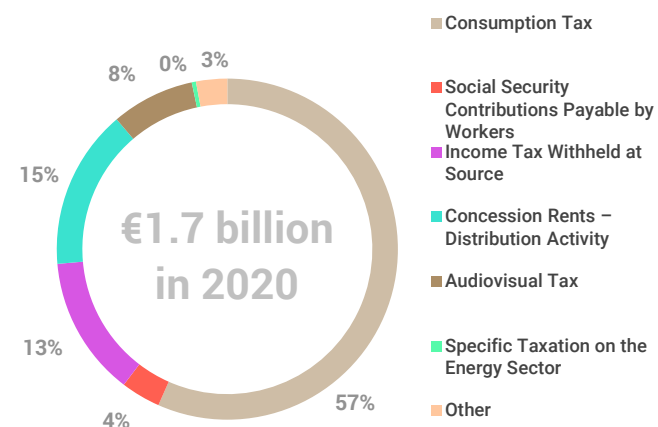
Taxes collected by the EDP Group and delivered to the states (burden of other agents), by geographical area



Taxes borne (paid) by the EDP Group, by type of contribution



Taxes collected by the EDP Group and delivered to the states (burden of other agents), by type of contribution



¹ Due to a delay in the internal processing of the payment of this tax, part of 2019 CESE Extraordinary Contribution to the Energy Sector – Contribuição Extraordinária para o Sector Energético) was settled on 2 January 2020. For comparability and relevance reasons, the entire cash outflow was allocated to the year of the taxable event (2019), namely in the Fiscal Transparency note of the 2019 Sustainability Report. Consequently, for the purposes of this document, only the payment relating to 2020 is included in the calculation of the CESE amounts paid in this year.

The simplification of the tax systems reducing the bureaucratic burden and the context costs will be desirable, so that they do not constitute an obstacle to the investment and development of the economic activity of the companies.

The stability and predictability of the tax frameworks is a critical factor for the development of the business, within the context of a sector that requires high levels of investment and financing.

In Portugal, the taxes incurred (paid) in 2020 amounted to 302 million euros, underlining the weight of the specific taxation on the energy sector (see next Section), of which 65 million euros refers to the CESE, 39 million euros to the mechanism designed to restore the competitive equilibrium between the electricity producers operating in Portugal and Spain (generally known as "Clawback") and 87 million Euros of social tariff. In addition, EDP group companies incurred (paid) 81 million Euros of social security contributions and 31 million Euros relating to other taxes and levies.

Taxes collected by the EDP group and delivered to the States where it carries out its activity (burden of other agents) amounted to 1.7 billion euros, mostly associated with the collection of consumption taxes (e.g. VAT). The activity of collecting taxes on behalf of the States, absorbs significant resources of the EDP group without any direct compensation, consubstantiating relevant costs of context.

Specific taxation on the energy sector

As mentioned above, the specific taxation on the energy sector has a significant impact in the EDP group.

In view of the high impact that the energy sector, in particular the electricity sector, has on the communities (population and environment) and its weight on the economies, several countries have implemented specific taxation mechanisms.

This kind of taxation, not being generally related to the result of the economic activity carried out, is likely to influence the decisions of the economic agents in the development of their businesses and investment, divestment and financing decisions. In fact, while income taxes are levied on the taxable income, other taxes, levies and contributions of significant impact are levied, for example, on the amount of energy produced, on the use of natural resources, on the

possession of certain assets associated with the generation and distribution of electricity, on the amount of waste produced or on the fossil fuels used. Thus, these other taxes, levies and contributions are not directly related to the economic performance of the business, as reflected in its accounting results, therefore capturing part of the shareholder's value.

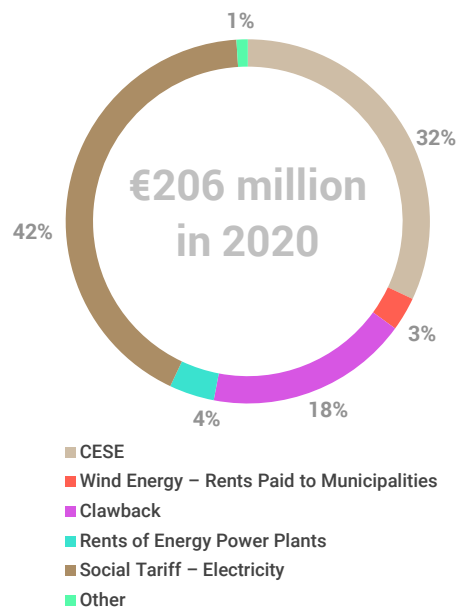
Considering the countries in which the EDP group operates, Portugal and Spain have the highest level of taxation, both in terms of the number of taxes and of the amounts collected, and in 2020 this represented a total cost of 295 million euros, detailed on the side.

In fact, in the last decade there has been an increase in the level of taxation on the energy sector in the countries where EDP is present - mainly in Portugal and Spain -, due to the increase of the tax burden for existing taxes, as well as due to the introduction of new taxes and contributions.

This is partially justified by the diffusion of the user-pays and polluter-pays principles (e.g. taxes on the use of natural resources or on the use of fossil fuels). Nevertheless, in the context of the global financial crisis that occurred from 2008 onwards, new taxes were introduced which, under the pretext of improving the environmental and systemic sustainability of the sector, where essentially means of increasing the tax revenues of States, distancing themselves from their original purpose.

Relevant examples of this reality are the tax on electricity generation (Impuesto Sobre el Valor de la Producción de la Energía Eléctrica), introduced in Spain in 2013, which taxes the value of the electricity produced and introduced in the distribution network, regardless of whether it is generated from renewable sources or not, and the CESE, introduced in

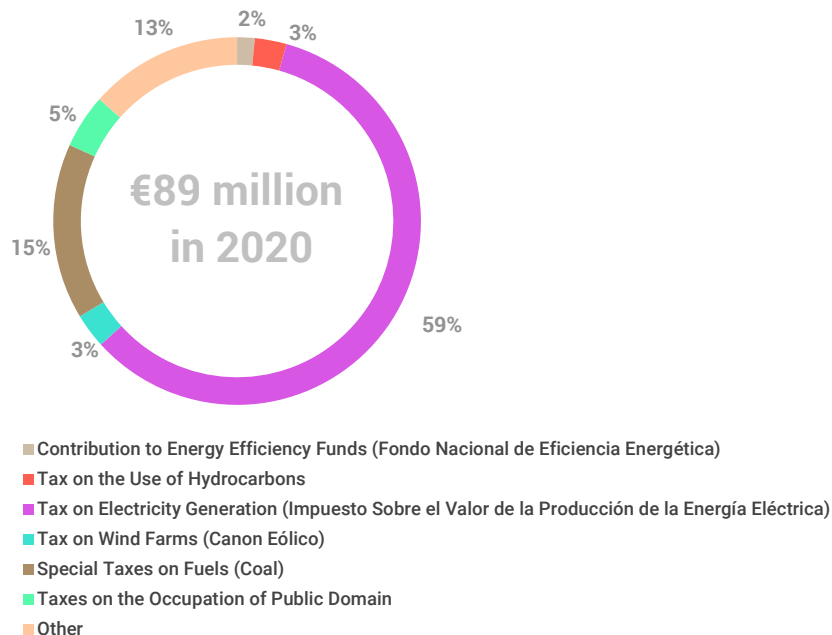
Specific taxes and contributions on the energy sector borne (paid) by the EDP Group, in Portugal, in 2020



Portugal in 2014, which taxes the net assets of the generation, transmission, distribution and supply of electricity.

Not agreeing with the legal and economic fundamentals underlying these taxes, the EDP group has been judicially challenging them.

Specific taxes and contributions on the energy sector borne (paid) by the EDP Group, in Spain, in 2020



Regarding the Portuguese CESE, – which, between 2014 and 2020, led to a total accumulated amount of 453.3 million euros - the EDP group decided, at the end of 2020, to drop this litigation, bearing in mind Portuguese tax courts case law which, following the Constitutional Court, has been considering that the CESE is a tax compliant with the Constitution of the Portuguese Republic.

Regarding the Impuesto Sobre el Valor de la Producción de la Energía Eléctrica, despite having proceeded with the payment on the due dates, the EDP group has been contesting its legality and constitutionality, on the grounds of the violation of several constitutional principles and of the existence of a double taxation with the tax on the economic activities (Impuesto sobre Actividades Económicas), which taxes several sectors of the economy.

The energy sector has been particularly penalized by extraordinary fiscal measures, of a temporary nature, introduced in a context of economic austerity, which must be reversed. Taxation of electricity and other energy related products should generally be reduced, to encourage the transition to decarbonisation.

The European vision for the creation of a single energy market will necessarily imply greater fiscal convergence in the energy taxation between the Member States, in order to avoid distortions of competition between the various economic operators.

In the context of the operation of the Iberian Electricity Market (MIBEL), EDP and other operators of the energy sector have been confronted with relevant taxation asymmetries between Portugal and Spain that create distortions of competition.

Additionally, in Portugal and Spain, there has been a unilateral introduction of a set of other taxes and contributions directly affecting the sector, foremost the generation activity. This has affected the competitive equilibrium in the MIBEL context and is an obstacle to the creation of a single integrated European energy market.

Considering its relevance, it is important to highlight the following realities introduced in Portugal in recent years:

- creation of the social tariff, in 2010, which consists of a discount on the electricity bill given to economically vulnerable consumers. The number of beneficiaries has been increasing over time and this tariff is entirely supported (financed) by the electricity producers in the general regime
- creation of a mechanism designated as Clawback, in 2013, following the introduction of the Impuesto Sobre el valor de la Producción de la Energía Eléctrica in Spain, not considering, however, the overall taxation asymmetries between the two countries
- abolition, in 2018, of the exemption from the ISP tax and the addition of the CO₂ emission rate applicable to electricity and electricity/heat producers, in the purchase of coal, which resulted in cumulative taxation of the carbon, as the electricity sector is covered by the European Emissions Trading Scheme (EU ETS). In turn, in 2020, this tax was also levied, progressively, on natural gas used in the production of electricity, except for the CO₂ addition component, in the case of facilities covered by EU ETS
- in 2019, loss of the CESE exemption for renewable energy powerplants that benefit from guaranteed remuneration,

in contradiction with the global goals assumed by several States regarding energy transition and fighting climate change.

Disclosure of fiscal information

On a quarterly basis, the EDP group discloses, in its Financial Statements, the main characteristics of the tax systems in the countries where it operates, such as the nominal corporate income tax rates, the legal framework for tax losses and benefits, the policy on transfer prices and the most relevant legislative changes.

In addition, EDP publicly discloses information on group's reconciliation between the nominal income tax rate and the effective income tax rate applicable, on a consolidated basis. Through this analysis, the EDP group explains the impact of the income tax booked in the income statement, which includes the overall impact of both current tax and temporary differences (deferred taxes).

Considering that the international accounting standards under which EDP group prepares and discloses its financial statements (IFRS) does not necessarily prescribe the alignment between the accounting of the expense or the revenue related to income tax and the corresponding cash inflow or outflow, it should be underlined that this analysis does not represent the tax paid or received by the EDP group in the period to which it relates.

In fact, the quantification of the taxes borne (paid) by the EDP group is disclosed in this Sustainability Report, issued on an annual basis, which includes a set of tax information and metrics.

In addition, it should be noted that EDP, as a multinational group, fully complies with the annual communication and

reporting obligation arising from the implementation of the provisions of Action 13 of the Base Erosion and Profit Shifting project (known as Country-by-Country Reporting), which is part of a plan to strengthen the transparency for tax administrations adopted by the OECD and G20 countries. This obligation is fulfilled in Portugal by the parent company, in accordance with the established legal deadlines (corresponding the last reporting to the period for 2019).

Management and controlo f tax risk

The process of management and control of the tax risk begins with the identification and mapping of the risks to which the EDP group is subject.

In this sense, EDP group continuously assesses the tax risks and uncertainties, conducting regular exercises in order to identify, quantify and monitor risks that arise from external events with potential material impact. EDP identifies the risks to which it is exposed based on the following classification:

- compliance risk, associated with a potential failure to comply with tax obligations in a timely and complete manner
- risk of inappropriate or incomplete technical analysis that potentially leads to a less appropriate decision on a given tax issue, especially in the context of uncertainty in its tax treatment
- risk of inadequate internal and external communication, associated with the possibility of inadequate communication between internal tax teams and other corporate areas (e.g., business units) or external entities (e.g., Tax Authorities) and

- reputational risk, related to the misinterpretation, by the stakeholders, of financial and tax information disclosed.

It is also important to refer to the risk of change of the legal or fiscal framework, in the context of the legislative instability to which the EDP group is subject, namely in Portugal, due to political and regulatory pressure, which has been materializing with the creation of specific taxation on the energy sector.

Considering the above, the group has implemented a risk management policy with the goal of identifying, quantifying, managing, monitoring and mitigating, among others, the tax risks, particularly the risk of materialization of the tax contingencies. Indeed, the EDP group, through a specialised team, continuously monitors the processes associated with tax risks and contingencies, in close cooperation with the respective Business Units, corporate legal services and external lawyers and consultants, with a bi-annual report of their evolution to the General and Supervisory Board of the EDP group.

In addition, the EDP group's Executive Board of Directors is involved in the decision-making process of the relevant operations, being its tax impact, if any, analysed, documented and included in the documentation submitted for approval, in particular when it may constitute an important element for the final decision, in order to ensure long-term value creation for shareholders.

EDP also has a Financial Matters Committee/Audit Committee, whose main mission, upon delegation of the General and Supervisory Board, includes the permanent monitoring and supervision of any matters related to the internal control system over financial information and the risk management process, particular in its fiscal aspects.

3.4. Performance indicators

CLIMATE CHANGE	UN	2020	2019	2018	2017
HYDROELECTRIC PRODUCTIVITY INDEX					
Portugal	#	0.97	0.81	1.05	0.47
Spain	#	1.03	0.90	1.28	0.52
EMISSIONS					
Specific CO ₂ emissions ¹					
Global	g/kWh	146	216	257	332
Thermal	g/kWh	567	649	768	756
CO ₂ equivalent emissions					
Scope 1	ktCO₂eq	9,311	14,363	18,429	23,159
Stationary combustion	ktCO ₂ eq	9,273	14,338	18,404	23,129
SF ₆ Emissions	ktCO ₂ eq	17.01	9.27	10.35	10.17
Company fleet	ktCO ₂ eq	13.48	15.17	15.17	19.57
Natural gas consumption	ktCO ₂ eq	0.28	0.04	0.19	0.22
Natural gas carrier ship	ktCO ₂ eq	6.47	0.00	0.00	0.00
Scope 2 (location-based)²⁴	ktCO₂eq	594	846	602	818
Electricity consumption in office buildings	ktCO ₂ eq	1	1	2	2
Electricity losses in distribution	ktCO ₂ eq	568	824	577	795
Renewable plants self-consumption	ktCO ₂ eq	25	21	23	21
Scope 2 (market-based)³⁴	ktCO₂eq	574	829	585	802
Electricity consumption in office buildings	ktCO ₂ eq	0.0	0.1	0.0	0.1
Electricity losses in distribution	ktCO ₂ eq	568	824	577	795
Renewable plants self-consumption	ktCO ₂ eq	6	5	8	7
Scope 3	ktCO₂eq	11,572	11,730	11,334	13,039
Purchased goods and services (C01)	ktCO ₂ eq	18	28	49	54
Capital goods (C02)	ktCO ₂ eq	335	349	330	324
Fuel and energy related activities (C03)	ktCO ₂ eq	6,807	6,784	6,399	8,344
Upstream transportation and distribution (C04)	ktCO ₂ eq	933	611	675	454
Business travels (C06)	ktCO ₂ eq	2	7	10	11
Use of sold products (C11)	ktCO ₂ eq	3,478	3,951	3,871	3,852
SF ₆	kg	724	394	440	422
Portugal	kg	206	194	246	307
Spain	kg	298	54	100	59
South America	kg	217	140	92	55
North America	kg	0	6	0	0
Rest of the world	kg	3	0	3	0

¹ The stationary emissions do not include those produced by the burning of ArcelorMittal steel gases in EDP's power plant in Spain. Includes only stationary emissions. ² Based on global emission factors of each geography. ³ Based in the suppliers' emission factors. ⁴ Calculation methodology of Scope 2 was revised to avoid emissions duplication with scope 1.

PROMOTION OF RENEWABLE ENERGIES	UN	2020	2019	2018	2017
TOTAL INSTALLED CAPACITY					
DATA INCLUDING VIESGO¹					
Installed capacity	MW	23,524	26,525	26,996	26,597
Renewable installed capacity	%	79	74	74	74
Renewable installed capacity	MW	18,626	19,597	20,093	19,695
Wind	MW	11,155	10,667	11,156	10,531
Hydro	MW	7,069	8,728	8,728	8,870
Mini-hydro	MW	57	57	65	148
Solar	MW	345	145	145	145
Non-renewable installed capacity	MW	4,898	6,928	6,902	6,902
CCGT	MW	2,886	3,729	3,729	3,729
Coal	MW	1,970	3,150	3,124	3,124
Cogeneration and waste	MW	42	49	49	49
DATA EXCLUDING VIESGO					
Installed capacity	MW	23,048	26,525	26,996	26,597
Renewable installed capacity	%	79	74	74	74
Renewable installed capacity	MW	18,150	19,597	20,093	19,695
Wind	MW	10,704	10,667	11,156	10,531
Hydro	MW	7,069	8,728	8,728	8,870
Mini-hydro	MW	32	57	65	148
Solar	MW	345	145	145	145
Non-renewable installed capacity	MW	4,898	6,928	6,902	6,902
CCGT	MW	2,886	3,729	3,729	3,729
Coal	MW	1,970	3,150	3,124	3,124
Cogeneration and Waste	MW	42	49	49	49
TOTAL NET GENERATION²	GWh	63,677	66,231	71,614	69,627
Generation from renewable sources	%	74	67	67	56
Generation from renewable sources	GWh	47,330	44,137	47,655	39,045
Wind	GWh	28,272	29,768	28,133	27,466
Hydro	GWh	18,656	13,958	18,899	11,186
Mini-hydro	GWh	137	138	397	238
Solar	GWh	265	273	226	155

PROMOTION OF RENEWABLE ENERGIES	UN	2020	2019	2018	2017
Generation from non-renewable sources	GWh	16,347	22,095	23,959	30,582
CCGT	GWh	9,759	10,183	5,333	8,029
Coal	GWh	5,821	10,856	17,471	21,444
Cogeneration, Waste and Heat	GWh	767	1,055	1,155	1,109
Capacity under construction	MW	2,051	664	344	828
Avoided CO ₂ emissions ³	ktCO ₂	25,167	24,725	29,221	26,799

¹ These data include installed capacity of Viesgo companies acquired in December by the EDP Group. ² The total net generation includes steam. ³ Emissions that would have occurred if the electricity generated by renewable energy sources were produced by thermal power plants. For each country, it is obtained by multiplying the net renewable energy production by the emission factor of the thermoelectric mix of that country.

DECARBONISATION SOLUTIONS	UN	2020	2019	2018	2017
NEW ENERGY SERVICES					
Energy efficiency services revenues	000€	244,573	158,376	151,468	134,114
SUSTAINABLE MOBILITY					
Fleet electrification	%	11.0	9.0	7.5	6.0
Fleet electric vehicles	#	393	283	278	207
Electric charging points	#	1,811	772	467	n/av
Customers with electric mobility solutions	#	18,747	10,100	5,546	n/av
ENERGY EFFICIENCY					
Internal Energy Efficiency					
Thermal efficiency	%	45.5	45.9	45.1	45.6
Coal plants	%	34.5	35.6	35.1	35.6
Natural gas combined cycle plant	%	54.4	54.4	53.1	53.5
Energy intensity	MJ/€	11.4	13.8	15.4	17.6
Electricity distribution grid losses					
Technical losses	%	5.7	5.6	5.4	5.6
Total losses	%	9.3	8.9	8.8	9.2
External Energy Efficiency					
Savings in energy efficiency services ¹	TWh	3.6	3.0	2.6	1.5
CO ₂ avoided emissions in the final customer ¹	ktCO ₂	1,413	1,169	948	707
Energy consumed outside the organization ²	TJ	350,433	290,331	304,391	309,233

¹ Reviewed and harmonized methodology for all geographies, applied since 2015. Excludes Consumption Efficiency Promotion Plan (PPEC) projects. The 2017 values have been revised for consistency with the harmonised savings calculation method.

² Consider only the category "Use of sold products" of GHG Protocol Corporate Value Chain (Scope 3).

SATISFACTION AND CUSTOMER SERVICE	UN	2020	2019	2018	2017
NUMBER OF CUSTOMERS					
Electricity	#	8,615	9,828	9,849	9,886
Regulated market	#	4,565	4,786	4,797	4,818
Liberalised market	#	4,050	5,042	5,052	5,068
Gas	#	691	1,599	1,595	1,585
Regulated market	#	34	89	92	96
Liberalised market	#	657	1,510	1,503	1,489
CUSTOMERS SATISFACTION¹					
Overall customers satisfaction	%	79.0	77.4	78.2	75.7
Portugal	%	79.3	78.3	77.8	76.5
Spain	%	n/a	78.9	77.5	75.8
South America	%	79.1	76.3	80.2	73.8
CUSTOMERS BY TYPE OF USE					
Electricity customers					
Domestic	%	88	87	87	87
Industrial	%	1	1	1	1
Commercial	%	8	8	8	8
Agriculture	%	3	3	3	2
Other	%	1	1	1	1
Gas customers					
Domestic	%	97	97	97	97
Industrial	%	0	0	0	0
Commercial	%	1	1	1	1
Agriculture	%	0	0	0	0
Other	%	1	1	1	1
CUSTOMERS WITH SOCIAL TARIFF					
Electricity	#	763,831	818,922	813,614	895,800
Portugal	#	749,413	803,025	797,614	879,941
Spain	#	n/a	51,132	38,560	56,961
South America	#	194,052	163,896	143,871	161,877
Gas	#	14,418	15,897	16,000	15,859
Portugal	#	14,418	15,897	16,000	15,859
PRIORITY CUSTOMERS²					
Electricity	#	3,711	3,077	3,235	3,405
Portugal	#	3,329	3,077	3,235	3,405
Spain	#	n/a	n/a	n/a	n/a
South America	#	382	n/a	n/a	n/a
SPECIAL NEEDS CUSTOMERS³					
Electricity	#	1,049	1,040	964	2,670
Portugal ⁴	#	257	265	270	2,270
Spain	#	n/a	n/a	n/a	n/a
South America	#	792	775	694	400

SATISFACTION AND CUSTOMER SERVICE	UN	2020	2019	2018	2017
CUSTOMER OMBUDSMAN					
Ombudsman's answer orientation ⁵					
Concordant	%	47	35	45	38
Discordant	%	18	27	23	25
Partial concordant	%	15	8	9	7
Resolved issues	%	20	31	23	31
SERVICE QUALITY					
Portugal					
Installed capacity equivalent interruption time ⁶	Min	60	56	61	53
Spain					
Installed capacity equivalent interruption time ⁶	Min	15	26	17	20
South America					
Average interruption duration per consumer					
EDP São Paulo	Hours	7,15	6.98	7.75	7.87
EDP Espírito Santo	Hours	7.85	8.19	8.24	8.42
Frequency of interruptions per consumer					
Bandeirante	#	4.61	4.52	4.83	4.96
Escelsa	#	4.01	4.84	4.76	5.20
SERVICE RECONNECTION					
Electricity supply reconnection after payment of debt by customer					
Portugal⁷	#	186,139	292,142	265,268	237,312
< 4h (urgent)	#	47,806	63,236	32,105	17,834
< 8h (other clients)	#	630	819	1,041	1,089
< 12h (clients NLV)	#	137,703	228,087	232,122	218,389
Spain⁸	#	3,533	9,209	5,771	12,553
< 24 hours	#	3,509	4,974	2,561	11,297
> 24 hours	#	24	4,235	3,210	1,256
South America	#	180,257	453,237	539,318	551,875
< 24h	#	157,022	404,344	490,670	471,847
< 1 week	#	21,507	43,731	45,628	75,431
> 1 week	#	1,728	5,162	3,020	4,597
E-voicing					
Portugal	%	44	39	44	34
Spain	%	21	47	38	35
South America	%	26	23	38	15
Fines paid for failure in supply and use of products and services	000€	4,113	4,466	4,140	3,486

¹ In 2018, customer satisfaction was revised to include satisfaction surveys and Voice of Customer (VoC) at the Iberian level. ² Customers whose survival depends on equipment or customers that provide essential health or safety services to the community (in accordance with Article 103 of the Regulation on Service Quality in the Electricity and Natural Gas sector). ³ Customers with limitations in the field of vision (total blindness or hypovision), in the field of hearing (total deafness or hearing loss) and in the field of oral communication (in accordance with Article 100 of the Regulation on Service Quality in the Electric and Natural Gas sector). ⁴ As of 2018, due to the application of the new RQS, customers for whom survival or mobility depends on equipment whose operation is ensured by the electricity network, and customers who live with people in these conditions, are no longer characterized as customers with special needs and are now considered priority customers. ⁵ Does not include gas in Portugal. ⁶ TIEPI in the MT network, excludes extraordinary events. ⁷ The values consider service reconnections within the deadlines defined by the regulator, representing 99% of the total reestablishments. ⁸ The time intervals considered are related to the time that elapses from the interruption of the service due to non-payment by the customer, until the restoration of the same. The values consider service reconnections within the deadlines defined by the regulator.

INNOVATION AND DIGITAL TRANSFORMATION	UN	2020	2019	2018	2017
DIGITAL TRANSFORMATION					
Smart meters ¹					
Portugal	#	3,208,209	2,578,167	1,922,991	1,269,840
Spain	#	1,368,843	666,478	658,632	614,863
South America	#	25,745	16,000	16,800	16,000
Clients with re:dy	#	13,143	13,097	12,329	9,973
Number of meetings per videoconference					
Number of meetings	#	409	409	401	348
Use of the videoconference service	h/year	17,812	123,919	115,130	94,116
Robotisation ¹					
Number of robotised activities	#	1,132	845	546	196
Robotised hours/year	h/year	927,568	658,323	442,643	220,477
Minimum viable products	#	192	92	18	n/a
INNOVATION AND RESEARCH					
Investment in RDI ²	000€	110,936	162,040	75,366	64,518
Investment in RDI/Turnover	%	1.30	1.13	0.49	0.41
Number of employees in RDI	#	212	158	99	105

¹ Amounts presented in accumulated. ² In 2017, the calculation process of this indicator was changed.

ECONOMIC BUSINESS SUSTAINABILITY	UN	2020	2019	2018	2017
ECONOMIC VALUE GENERATED	000€	13,755,853	15,437,724	16,307,865	17,234,143
Turnover	000€	12,448,205	14,333,009	15,278,085	15,745,987
Other income	000€	1,307,648	1,104,715	1,029,780	1,488,156
ECONOMIC VALUE DISTRIBUTED	000€	11,307,190	13,213,652	14,470,560	14,910,472
Employees	000€	667,313	620,196	651,540	680,833
Suppliers	000€	8,213,006	10,013,401	11,135,864	11,345,442
Shareholders	000€	690,924	690,924	690,924	690,924
Financial sector	000€	897,326	1,057,592	1,010,390	1,248,089
Community	000€	21,208	25,972	27,805	28,404
State	000€	630,723	658,553	822,140	783,940
Other	000€	186,690	147,014	131,897	132,839
ECONOMIC VALUE ACCUMULATED¹	000€	2,448,663	2,224,072	1,837,305	2,323,671
GROSS VALUE ADDED PER EMPLOYEE	000€/h	397	370	341	402
CAPEX	000€	2,909,191	2,258,386	2,031,167	1,725,487
EBITDA	000€	3,949,963	3,705,617	3,317,129	3,989,949
NET DEBT/EBITDA	x	3.1	3.7	4.1	3.5
REGULATED EBITDA VS. LT CONTRACTED	%	72	77	77	84
OPEX/GROSS MARGIN	%	28	28	30	29
NET PROFIT ATTRIBUTABLE TO EDP SHAREHOLDERS	000€	800,692	511,751	519,189	1,113,169

CRISIS MANAGEMENT	UN	2020	2019	2018	2017
INFORMATION SECURITY / CYBER SECURITY					
Information security incidents ¹	#	3,397	4,631	1,260	1,624
Fines for breach of privacy and loss of customer data	#	4	3	5	4
Fines for breach of privacy and loss of customer data	000€	51	36	48	110

¹ The evolution is explained by the greater robustness in the detection capacity of this indicator and the larger number of cyberattacks.

HEALTH AND SAFETY	UN	2020	2019	2018	2017
EMPLOYEES					
Accidents at work ¹	#	17	29	29	28
Fatalities	#	0	0	2	0
Frequency rate ²	Fr	0.77	1.50	1.36	1.33
Severity rate ³	Sr	60	90	110	122
CONTRACTORS					
Accidents at work ¹	#	115	82	106	100
Fatalities	#	3	2	5	4
Frequency rate ²	Fr	2.12	1.84	2.50	2.38
Severity rate ³	Sr	100	88	116	136

¹ Accidents occurred at the place and working time or on a journey, with one or more days of absence and fatal accidents. ² Number of accidents at work in service with absence/fatalities, per million hours worked. ³ Number of calendar days lost due to work accident per million hours worked, in the reference period.

PEOPLE MANAGEMENT	UN	2020	2019	2018	2017
EMPLOYEES					
DATA INCLUDING VIESGO¹					
Employees	#	12,180	11,660	11,631	11,657
Female	%	25	25	25	24
Male	%	75	75	75	76
DATA EXCLUDING VIESGO					
Employees	#	11,610	11,660	11,631	11,657
Female	%	26	25	25	24
Male	%	74	75	75	76
EMPLOYEES DISTRIBUTION BY PROFESSIONAL CATEGORY					
EBD	#	9	9	9	8
Female	#	2	2	2	0
Male	#	7	7	7	8

PEOPLE MANAGEMENT	UN	2020	2019	2018	2017
Senior management	#	861	827	709	750
Female	#	215	199	154	166
Male	#	646	628	555	584
Supervisors	#	777	783	754	766
Female	#	188	199	207	208
Male	#	589	584	547	558
Specialists	#	4,717	4,528	4,369	4,093
Female	#	1,773	1,649	1,552	1,423
Male	#	2,944	2,879	2,817	2,670
Technicians	#	5,246	5,513	5,790	6,041
Female	#	790	876	951	1,010
Male	#	4,456	4,637	4,839	5,031
EMPLOYEES DISTRIBUTION BY AGE GROUP					
≥ 50	#	3,117	3,445	3,919	4,477
Female	#	652	683	757	835
Male	#	2,465	2,762	3,162	3,642
[30-50[	#	6,556	6,324	5,949	5,632
Female	#	1,750	1,709	1,624	1,529
Male	#	4,806	4,615	4,325	4,103
< 30	#	1,937	1,891	1,763	1,549
Female	#	566	533	485	444
Male	#	1,371	1,358	1,278	1,105
PERCENTUAL DISTRIBUTION OF EMPLOYEES					
Age group					
≥ 50	%	27	30	34	38
[30-50[	%	56	54	51	48
< 30	%	17	16	15	13
Geography					
Portugal	%	50	50	52	54
Spain	%	13	15	15	14
South America	%	28	27	26	25
North America	%	7	6	5	4
Rest of the world	%	2	2	2	2
Employees with special needs	%	1.2	1.4	1.5	1.6
FEMALE EMPLOYEES IN MANAGEMENT POSITIONS					
In the total workforce	%	24.6	24.7	24.7	24.5
In EBD and Senior Management positions	%	23.5	22.1	n/av	n/av
In Supervisory positions	%	24.2	25.4	n/av	n/av
In revenue-generating positions	%	14.5	16.2	n/av	n/av
In STEM positions ²	%	32.7	32.2	n/av	n/av

01

EDP

02

Strategic
approach

03

Performance

04

Annexes

PEOPLE MANAGEMENT	UN	2020	2019	2018	2017
ELIGIBLE EMPLOYEES FOR RETIREMENT					
EBD					
next to 5 years	#	3	3	1	1
next to 10 years	#	5	5	5	4
Senior management					
next to 5 years	#	88	104	109	135
next to 10 years	#	162	165	268	208
Supervisors					
next to 5 years	#	42	53	47	79
next to 10 years	#	84	91	221	137
Specialists					
next to 5 years	#	326	322	354	414
next to 10 years	#	518	526	1,475	675
Technicians					
next to 5 years	#	1,188	1,370	1,511	1,923
next to 10 years	#	1,450	1,713	2,341	2,617
RATIO EDP MINIMUM WAGE/NATIONAL MINIMUM WAGE					
Portugal	x	1.84	1.75	1.45	1.49
Spain	x	1.19	1.24	1.28	1.30
South America	x	1.15	1.41	1.41	1.43
North America	x	2.21	2.07	2.48	2.47
TYPES OF ENTRIES					
New entries		1,282	1,255	1,217	939
Gender					
Male	#	885	897	865	650
Female	#	397	358	352	289
Age group					
< 30	#	598	636	673	538
[30-50[	#	633	568	508	374
≥ 50	#	51	51	36	29
Professional category					
Technicians	#	403	n/av	n/av	n/av
Specialists	#	809	n/av	n/av	n/av
Supervisors	#	30	n/av	n/av	n/av
Senior management	#	40	n/av	n/av	n/av
Geography					
Portugal	#	432	415	462	311
Spain	#	185	150	107	128
South America	#	366	466	397	318
North America	#	229	176	183	135
Rest of the world	#	84	80	68	47
Employees with special needs (new entries)	#	0.00	3.00	0.00	0

PEOPLE MANAGEMENT	UN	2020	2019	2018	2017
Vacancies filled by internal candidates	#	1,186	n/av	n/av	n/av
Gender					
Male	#	850	n/av	n/av	n/av
Female	#	336	n/av	n/av	n/av
Age group					
< 30	#	159	n/av	n/av	n/av
[30-50[	#	625	n/av	n/av	n/av
≥ 50	#	402	n/av	n/av	n/av
Professional category					
Technicians	#	413	n/av	n/av	n/av
Specialists	#	472	n/av	n/av	n/av
Supervisors	#	149	n/av	n/av	n/av
Senior management	#	152	n/av	n/av	n/av
Geography					
Portugal	#	973	n/av	n/av	n/av
Spain	#	77	n/av	n/av	n/av
South America	#	100	n/av	n/av	n/av
North America	#	30	n/av	n/av	n/av
Rest of the world	#	6	n/av	n/av	n/av
Employees with special needs	#	0	n/av	n/av	n/av
REASONS FOR LEAVING					
End of fixed-term contracts	%	2	2	3	3
Terminated by mutual agreement	%	4	4	5	4
Terminated by employee	%	20	26	19	14
Dismissals	%	14	18	19	22
Early retirements	%	21	39	42	27
Age/invalidity retirement	%	5	6	8	6
Other reasons for leaving	%	35	5	5	25
SALARY RATIO F/M BY PROFESSIONAL CATEGORY					
Technicians					
Portugal	x	1.25	1.23	1.19	1.16
Spain	x	0.83	0.80	0.77	0.77
South America	x	0.96	0.98	0.97	0.97
North America	x	1.04	1.08	1.07	1.08
Rest of the world	x	1.70	1.11	1.01	1.32
Specialists					
Portugal	x	0.92	0.94	0.92	0.90
Spain	x	0.92	0.93	0.94	0.91
South America	x	0.82	0.81	0.78	0.81
North America	x	0.93	0.92	0.92	0.93
Rest of the world	x	0.91	0.90	0.90	0.88

PEOPLE MANAGEMENT	UN	2020	2019	2018	2017
Supervisors					
Portugal	x	0.99	0.97	1.01	0.98
Spain	x	0.87	0.84	0.85	0.85
South America	x	1.05	1.03	0.99	0.94
North America	x	1.06	0.96	0.95	1.02
Rest of the world	x	1.26	1.03	0.83	1.44
Senior management					
Portugal	x	0.92	0.93	0.93	0.92
Spain	x	0.85	0.83	0.82	0.86
South America	x	0.93	0.87	0.92	0.86
North America	x	0.95	1.00	1.04	1.02
Rest of the world	x	0.75	0.92	0.61	0.58
EMPLOYEES SATISFACTION					
Engagement	%	80	73	72	75
Gender					
Female	%	83	74	72	75
Male	%	79	73	73	75
Age group					
< 30	%	79	72	n/av	n/av
[30-50[	%	81	75	n/av	n/av
≥ 50	%	78	71	n/av	n/av
Professional category					
Technicians	%	78	75	n/av	n/av
Specialists	%	79	69	n/av	n/av
Supervisors	%	86	78	n/av	n/av
Senior management	%	90	84	n/av	n/av
Geography					
Portugal	%	76	67	n/av	n/av
Spain	%	78	71	n/av	n/av
South America	%	86	86	n/av	n/av
North America	%	84	74	n/av	n/av
Rest of the world	%	76	64	n/av	n/av
Employees with special needs	%	74	71	n/av	n/av
Enablement	%	74	71	70	70
Gender					
Female	%	75	69	67	68
Male	%	73	72	70	71

PEOPLE MANAGEMENT	UN	2020	2019	2018	2017
TURNOVER	%	11.47	10.51	10.32	9.04
Gender					
Female	%	11.29	10.57	10.67	8.56
Male	%	11.99	10.36	9.25	10.56
Age group					
< 30	%	9.86	8.46	8.00	22.21
[30-50[	%	8.76	5.55	4.96	6.80
≥ 50	%	18.19	20.75	19.49	7.48
Professional category					
Technicians	%	11	13	n/av	n/av
Specialists	%	12	9	n/av	n/av
Supervisors	%	11	6	n/av	n/av
Senior management	%	10	7	n/av	n/av
Geography					
Portugal	%	8	11	n/av	n/av
Spain	%	25	5	n/av	n/av
South America	%	9	11	n/av	n/av
North America	%	15	17	n/av	n/av
Rest of the world	%	37	17	n/av	n/av
Employees with special needs	%	24	15		
VOLUNTARY EMPLOYEE TURNOVER	%	2.27	2.70	1.98	1.44
Gender					
Male	%	2.70	2.40	n/av	n/av
Female	%	2.13	3.59	n/av	n/av
Age group					
< 30	%	4.34	6.03	n/av	n/av
[30-50[	%	2.58	2.94	n/av	n/av
≥ 50	%	0.35	0.46	n/av	n/av
Professional category					
Technicians	%	1.30	1.31	n/av	n/av
Specialists	%	3.65	4.59	n/av	n/av
Supervisors	%	1.42	2.68	n/av	n/av
Senior management	%	1.49	1.81	n/av	n/av
Geography					
Portugal	%	0.91	1.09	n/av	n/av
Spain	%	1.44	1.10	n/av	n/av
South America	%	2.92	3.26	n/av	n/av
North America	%	10.75	14.93	n/av	n/av
Rest of the world	%	4.38	11.79	n/av	n/av
Employees with special needs	%	0.01	0.00	n/av	n/av

PEOPLE MANAGEMENT	UN	2020	2019	2018	2017
HC ROI	€	6.46	6.96	6.35	6.46
TRAINING VOLUME	h	273,889	400,504	398,394	473,078
Volume of mandatory training per employee	h	176,196	n/av	n/av	n/av
Gender					
Male	h	133,234	n/av	n/av	n/av
Female	h	42,962	n/av	n/av	n/av
Professional category					
Technicians	h	77,486	n/av	n/av	n/av
Specialists	h	69,560	n/av	n/av	n/av
Supervisors	h	15,417	n/av	n/av	n/av
Senior management	h	13,732	n/av	n/av	n/av
Geography					
Portugal	h	117,444	n/av	n/av	n/av
Spain	h	20,415	n/av	n/av	n/av
South America	h	27,981	n/av	n/av	n/av
North America	h	7,848	n/av	n/av	n/av
Rest of the world	h	2,508	n/av	n/av	n/av
Volume of non-mandatory training per employee	h	97,677	n/av	n/av	n/av
Gender					
Male	h	73,782	n/av	n/av	n/av
Female	h	23,896	n/av	n/av	n/av
Professional category					
Technicians	h	33,842	n/av	n/av	n/av
Specialists	h	40,625	n/av	n/av	n/av
Supervisors	h	11,383	n/av	n/av	n/av
Senior management	h	11,828	n/av	n/av	n/av
Geography					
Portugal	h	27,386	n/av	n/av	n/av
Spain	h	23,374	n/av	n/av	n/av
South America	h	31,549	n/av	n/av	n/av
North America	h	11,434	n/av	n/av	n/av
Rest of the world	h	3,935	n/av	n/av	n/av
DIRECT INVESTMENT WITH TRAINING BY EMPLOYEES	€/p	280	322	348	372
Investment in mandatory training per employee	€/p	1,325,491	n/av	n/av	n/av
Gender					
Male	€/p	983,598	n/av	n/av	n/av
Female	€/p	341,892	n/av	n/av	n/av
Professional category					
Technicians	€/p	275,175	n/av	n/av	n/av
Specialists	€/p	493,354	n/av	n/av	n/av
Supervisors	€/p	214,700	n/av	n/av	n/av
Senior management	€/p	342,261	n/av	n/av	n/av

PEOPLE MANAGEMENT	UN	2020	2019	2018	2017
Geography					
Portugal	€/p	593,235	n/av	n/av	n/av
Spain	€/p	430,401	n/av	n/av	n/av
South America	€/p	52,692	n/av	n/av	n/av
North America	€/p	230,805	n/av	n/av	n/av
Rest of the world	€/p	18,357	n/av	n/av	n/av
Investment in non-mandatory training per employee	€/p	1,924,421	n/av	n/av	n/av
Gender					
Male	€/p	1,340,749	n/av	n/av	n/av
Female	€/p	583,672	n/av	n/av	n/av
Professional category					
Technicians	€/p	292,106	n/av	n/av	n/av
Specialists	€/p	964,897	n/av	n/av	n/av
Supervisors	€/p	295,390	n/av	n/av	n/av
Senior management	€/p	372,027	n/av	n/av	n/av
Geography					
Portugal	€/p	709,309	n/av	n/av	n/av
Spain	€/p	570,044	n/av	n/av	n/av
South America	€/p	279,986	n/av	n/av	n/av
North America	€/p	336,283	n/av	n/av	n/av
Rest of the world	€/p	28,800	n/av	n/av	n/av

¹ These data include employees of Viesgo companies acquired in December by the EDP Group. ² STEM Positions (Science, Technology, Engineering e Mathematics).

COMMUNITY INVOLVMENT AND DEVELOPMENT	UN	2020	2019	2018	2017
INVESTMENT IN THE COMMUNITY¹					
Category	000€	20,654	23,650	26,798	27,337
Nonstrategic investment	000€	980	1,534	286	822
Strategic investment	000€	19,674	20,652	24,443	25,855
Commercial initiative	000€	0	1,464	2,069	660
Nature	000€	20,654	23,650	26,798	27,337
Education	000€	1,574	2,002	3,580	4,384
Health ²	000€	1	1,545	1,565	1,519
Economic development	000€	756	3,576	5,795	2,434
Environment	000€	787	1,616	1,057	1,961
Art and culture	000€	7,647	10,585	10,749	9,923
Social welfare	000€	2,432	2,907	3,231	6,360
Emergency response	000€	6,144	120	19	393
Other	000€	1,313	1,299	802	363

COMMUNITY INVOLVMENT AND DEVELOPMENT	UN	2020	2019	2018	2017
Type	000€	20,654	23,650	26,798	27,337
Cash contributions	000€	17,486	19,320	24,283	24,376
Kind contributions	000€	2,858	3,768	61	105
Working time contributions	000€	310	562	2,454	2,856
Management costs	000€	554	2,322	1,007	1,067
Total value of contributions (including management costs)	000€	21,208	25,972	27,805	28,404
Beneficiary entities	#	1,051	2,490	2,066	1,573
CORPORATE VOLUNTEERING					
EDP Volunteers	#	2,482	2,833	2,469	2,294
EDP time used in volunteering	h	14,457	23,258	19,375	24,932
Beneficiary entities	#	581	797	642	417

¹ Determined according to the LBG methodology. Not yet validated by Corporate Citizenship. ² Health investment was redirected to the struggle against the pandemic, classified as Emergency Response (30%), through the +Closer to you program.

SUPPLIER MANAGEMENT	UN	2020	2019	2018	2017
SUPPLIERS GLOBAL ACQUISITIONS					
Suppliers	#	13,175	16,644	16,040	16,832
Portugal	#	3,919	4,189	4,597	5,121
Spain	#	2,547	1,936	1,966	2,102
South America	#	4,719	4,352	4,821	4,934
North America	#	594	763	527	890
Rest of the world	#	1,559	5,404	4,129	4,212
Volume of purchases	M€	4,329	4,157	3,143	3,312
Portugal	M€	819	757	795	826
Spain	M€	382	214	225	229
South America	M€	587	673	526	854
North America	M€	1,376	1,182	785	1,081
Rest of the world	M€	1,165	1,331	812	322
Local Suppliers volume of purchases					
Portugal	%	90	92	93	98
Spain	%	93	88	100	100
South America	%	99	99	99	98
North America	%	100	100	100	94
Rest of the world	%	45	92	100	100
Certified Critical Suppliers¹					
ISO 14001 or equivalent	%	52	82	68	30
OHSAS 18001 or equivalent	%	68	65	62	27

SUPPLIER MANAGEMENT	UN	2020	2019	2018	2017
FUEL²					
Suppliers by purchasing region ³	#	10	42	41	45
Portugal	#	4	11	15	16
Spain	#	5	30	25	28
South America	#	1	1	1	1
North America	#	0	0	0	0
Rest of the world	#	0	0	0	0
Volume of purchases by region	M€	409	1,234	1,256	1,398
Portugal	M€	146	322	478	507
Spain	M€	233	833	632	743
South America	M€	30	80	147	148
North America	M€	0	0	0	0
Rest of the world	M€	0	0	0	0
Volume of purchases to local suppliers	%	0	47	50	48
Portugal	%	0	51	38	35
Spain	%	0	50	71	68
South America	%	0	0	0	0
North America	%	0	0	0	0
Rest of the world	%	0	0	0	0
Certified fuel suppliers ¹					
ISO 9001	%	60	57	76	47
ISO 14001 or equivalent	%	90	64	76	49
OHSAS 18001 or equivalent	%	90	57	76	49
COAL ORIGIN					
Colombia	%	100	76	79	79
USA	%	0	13	10	8
South Africa	%	0	0	2	2
Russia	%	0	8	9	11
Spain	%	0	0	0	0

¹ Critical Suppliers exposed to environmental or health and safety risks. ² In the total number of EDP group suppliers, the companies which have business in more than one geography are counted only once. ³ Compared to previous years, logistics service providers were removed.

ENVIRONMENTAL PROTECTION	UN	2020	2019	2018	2017
ISO 14001 CERTIFICATION					
ISO 14001 certification ¹	%	94	96	96	88
PREVENTION OF POLLUTION					
Total NO _x emissions					
Portugal	kt	1.7	2.8	4.6	6.1
Spain	kt	3.0	3.9	5.7	6.0
Brazil	kt	1.5	4.1	3.9	4.9
Total SO ₂ emissions					
Portugal	kt	0.8	2.0	3.8	4.3
Spain	kt	1.5	1.5	6.0	8.2
Brazil	kt	6.0	12.8	11.4	17.2
Total particulate matter emissions					
Portugal	kt	0.03	0.04	0.09	0.04
Spain	kt	0.08	0.10	0.24	0.56
Brazil	kt	0.81	1.52	1.72	0.89
WASTE MATERIALS					
Waste					
Hazard waste	%	3.33	2.19	1.55	0.94
Non-hazard waste	%	96.67	97.81	98.45	99.06
Recovered waste	t	150,406	210,846	272,964	304,167
Recycled waste	t	115,927	126,236	219,972	249,733
Other	t	34,479	84,610	52,992	54,434
Non-recovered waste	t	24,188	21,335	76,365	362,604
Main waste categories					
Fly ash	%	82.76	82.69	79.60	83.44
Slag	%	10.34	13.21	16.33	14.70
Gypsum	%	4.45	1.81	2.28	1.08
Used oils	%	0.24	0.10	0.13	0.09
PCB	%	0.01	0.01	0.01	0.01
Metals	%	2.20	2.19	1.66	0.69
By-products	t	134,858	291,122	512,731	509,572
Gypsum	t	45,049	99,787	165,785	197,668
Fly ash	t	86,929	157,253	311,234	298,883
Slag	t	2,880	34,082	35,712	13,022
Specific production of waste materials	t/GWh	5	8	12	17
Recovered waste materials	%	92	96	91	69

ENVIRONMENTAL PROTECTION	UN	2020	2019	2018	2017
NATURAL RESOURCES					
Total water withdrawal					
Freshwater	10 ³ xm ³	11,944	18,315	19,544	24,824
Salt and estuarine water	10 ³ xm ³	590,965	977,994	1,518,069	1,733,609
In water-stressed regions²	10³xm³	6,294	11,774	10,326	13,796
Pecém	10 ³ xm ³	4,260	n/av	n/av	n/av
Castejón	10 ³ xm ³	2,035	n/av	n/av	n/av
Total water discharge					
Discharge into inland water	10 ³ xm ³	1,891	1,783	1,471	1,886
Discharge into estuary water and sea	10 ³ xm ³	587,484	974,516	1,516,478	1,730,456
Municipal treatment	10 ³ xm ³	4.25	2.27	2.67	2.93
In water-stressed regions	10 ³ xm ³	867	1,255	848	1,266
Total water consumption					
Water consumption	10 ³ xm ³	14,967	21,736	21,800	28,370
Total freshwater consumption	10 ³ xm ³	10,252	16,817	18,372	23,234
In water-stressed regions²	10³xm³	5,847	11,192	10,130	13,796
Pecém	10 ³ xm ³	4,260	n/av	n/av	n/av
Castejón	10 ³ xm ³	1,594	n/av	n/av	n/av
Specific fresh water consumption ¹	m ³ /GWh	161	254	257	334
Fuel					
Coal	TJ	55,515	101,514	165,982	204,044
Natural gas	TJ	67,447	70,823	40,425	57,013
Diesel	TJ	127	173	202	182
Fuel oil	TJ	220	337	297	183
Waste gas	TJ	7,046	11,836	14,509	15,016
Chemicals consumption					
Sodium hydroxyde	t	608	892	178	1,682
Hydrochloric acid	t	1,236	1,008	1,247	3,225
Sodium hypochlorite	t	3,087	4,175	3,673	3,006
Ammonia	t	6,063	10,557	16,562	22,821
Calcareous	t	27,254	54,267	71,807	77,299
Acquired oils	t	140	229	138	90
Environmental fines	000€	11	4	3	19

¹ Aggregated certification indicator due to assets with potential environmental impacts. ² ≤1,000 mg / L of total dissolved solids.

ETHICS AND COMPLIANCE	UN	2020	2019	2018	2017
CLAIMS					
Total claims ¹	#	464	588	465	426
Claims before the Ethics Committee ²	#	147	150	125	141
Complaints classification by authorship					
Client	#	8	7	17	21
Citizen	#	22	16	8	10
Employee	#	27	25	29	26
Supplier	#	8	2	4	10
Anonymous	#	82	100	67	74
Complaints classification by category					
Fairness of solutions	#	19	7	1	1
Neglect or disrespect	#	103	111	93	77
Transparency	#	0	10	7	41
Use of information or assets	#	8	10	10	11
Environment and responsibility towards society	#	0	1	1	1
Fraud, corruption and bribery	#	17	11	13	10
Actions determined by the Ethics Committee					
Revisions/improvements of procedures	#	14	40	16	26
Compensation of damages	#	0	2	3	0
Disciplinary action	#	25	16	8	3
Training	#	0	0	4	4
Other	#	0	0	9	18
TRANSPARENCY IN INSTITUTIONAL RELATIONS					
Costs related to lobbying	000€	4,239	4,607	3,875	3,845

¹ Entries registered in the complaint channels Ethics of EDP Group. ² The other claims were quickly and efficiently processed with the Business Units involved. ³ After deliberation by the Ethics Committee, the closed complaints will be classified according to their substantiation (justified, unjustified, inconclusive), pursuant to section 3 of Appendix B of the Ethics Code.

RESPECT AND PROMOTION OF HUMAN RIGHTS	UN	2020	2019	2018	2017
Human Rights Policy	y/n	y	y	y	y
Human Rights due diligence process	y/n	y	y	y	y

COMMUNICATION AND TRANSPARENCY	UN	2020	2019	2018	2017
Current tax	000€	139,751	145,858	245,613	178,419
Support from public authorities	000€	42,767	103,105	47,958	42,118

CORPORATE GOVERNANCE	UN	2020	2019	2018	2017
NUMBER OF MEMBERS					
EBD ¹	#	7	9	9	8
GSB ²	#	21	21	20	21
NUMBER OF INDEPENDENT MEMBERS					
GSB ²	#	11	11	10	11
NUMBER OF WOMEN					
EBD	#	2	2	2	0
GSB	#	5	5	4	2

¹ On 6 July 2020, in the context of the ongoing judicial proceedings concerning the termination of energy acquisition contracts and the transition to the Regime of Costs of Maintaining the Contractual Balance and the extension of the use of the Public Water Domain, António Luís Guerra Nunes Mexia and João Manuel Manso Neto were applied to the measure of coercion of suspension of the exercise of functions. ² António Manuel de Carvalho Ferreira Vitorino, appointed on the Annual Shareholders' General Meeting of 5 April 2018, resigned on 27 July 2018.



Lisbon, March 2nd 2021

The Executive Board of Directors

Miguel Stilwell d'Andrade (Chairman)

Miguel Nuno Simões Nunes Ferreira Setas

Rui Manuel Rodrigues Lopes Teixeira

Vera Pinto Pereira

Ana Paula Garrido de Pina Marques

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EDP

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ACTION

FROM TOMORROW TO BEYOND

Changing tomorrow now.



04

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04

Annexes

4.1. Principles and policies

- Ethics at EDP (Code of Ethics)
- EDP's Integrity Policy
- Sustainable Development Principles
- Selection policy for the members of the General and Supervisory Board and Executive Board of Directors of EDP
- Corporate Risk Management Policy
- Financial Management Policy

- EDP group Fiscal Policy
- Healthy Competition Practices Commitment
- Information Security Policy
- Personal Data Protection Policy
- Environmental Policy
- Stakeholder Relationship Policy
- Health and Safety at Work Policy
- Training Policy
- Diversity Policy
- Internal Mobility Policy - local and international
- Social Investment Policy
- Volunteering Policy
- EDP Supplier Code of Conduct
- Sustainable Procurement Policy
- Declaration of respect for Human and Labor Rights
- Sustainable Development Goals

To read the principles and policies, please visit
www.edp.com.

4.2. Reporting principles

This report has been prepared in accordance with the GRI Standards: Comprehensive option.

GRI Standards reporting principles

Reporting quality

Balance

The content of the Report considers both the most positive facts of the year and those less positive when materially relevant.

Comparability

The information reported covers a four-year time series in the material topics indicators relevant to the EDP group's business (page 65) and enables a comparative analysis of the company's performance.

Transparency

An online glossary is provided at www.edp.com, helping to understand some of the technical terms used. In addition to the publications in pdf, a web version is also available, facilitating navigation through the different contents.

Accuracy

The scope of the Report is explained, as well as the consolidation criteria. All exceptions and changes to criteria are duly identified and highlighted. The definitions and descriptions of the calculation methodologies of the main indicators employed are available online, in the glossary.

Timeliness

The Report has an annual frequency and covers the calendar year 2020.

Reliability

The internal process verification is described in page 204. External verification is an additional guarantee of the reliability of the content, regarding the indicators included in GRI Table (page 241 onwards).

Content principles

Sustainability context

Within the framework of the defined strategy, EDP fosters a corporate culture of permanent demand for excellence in sustainability, based on its eight principles of sustainability (additional information at www.edp.com).

The group's sustainability performance is globally reported based on the consolidation criteria defined and described in the next point. Regarding the subsidiary companies, the group defines a clear strategy for continuous improvement of its performance, supported by the internal process of identifying the year's material issues and emerging trends in the sector, always considering the local conditions in which it operates. Regarding the jointly controlled companies, the group positively influences its performance and highlights the major initiatives of the year throughout the Report, when materially relevant. In the supply chain, the approach is management and the material issues are published. In this context, the group advocates a relationship supported in trust, collaboration and shared value creation (page 144). Finally, on the customer side, EDP has a growth strategy supported by an increasingly clean supply, contributing to

higher energy efficiency through decarbonisation solutions (page 77).

Consolidation criteria

The consolidation criteria of non-financial information are as follows:

- in the subsidiary companies where the group exercises control, the performance of companies is reported at 100%
- in jointly controlled companies and where the group exercises significant influence, the operational, environmental and social information is published, given its relevance to the group.

A list with the companies and the respective consolidation method is available in Annex I of the Notes to the Financial Statements of Annual Report.

Included in this list is the company Iberenergia, S.A.U. in which the group has a 100% holding and which is consolidated by the full consolidation method. This company owns 15.5% of Trillo Nuclear Power Plant and as EDP is a minority shareholder it does not exercise operational control or have the power to make financial decisions, though the limited percentage it owns of this power plant. Given this, EDP does not report operational, environmental and company information regarding this plant in its Sustainability Report. However, information on its performance can be consulted at www.cnat.es.

In turn, in compliance with IFRS 10, the EDP group in its Annual Report publishes financial information on Iberenergia which includes the shareholding held in this plant. To

maintain consistency in the RA, operational information is also published.

Materiality

In terms of sustainability management and reporting on its performance, the EDP group periodically identifies the issues and trends that in the short, medium and long term can influence the creation of value for the company. The Material Themes bring together both financial and non-financial dimensions, including economic, environmental and social information likely to influence or be influenced by different EDP stakeholders.

The materiality analysis assesses and prioritises the relevance of an issue for EDP and its stakeholders, periodically reviewing their expectations to support the organisation's decision-making and strategy development process.

Further details on the internal methodology for determining the Materiality of the EDP group, and the List of Topics analysed in 2020, is available at www.edp.com.

Verification according to AA1000 (2018)

Material topics (page 65) are identified within the framework defined by AA1000 APS (2018), ensuring the identification of critical stakeholders; integrating their expectations into the corporate and operational strategy and seeking to appropriately respond to their expectations.

In 2020, like in previous years, EDP was subject to verification of its compliance with the AA1000 APS (2018) type standard by the audit firm PwC, in particular, the principles of inclusion, materiality, responsiveness and impact.

Stakeholders inclusiveness

The inclusiveness principle assumes that the most relevant stakeholders are consulted, to learn about their expectations and concerns, and incorporating them into the decision-making process.

Periodically, interaction initiatives are promoted with different segments of the company's stakeholders, while there are communication channels dedicated to specific segments.

Response and integrity

EDP responds strategically to the main expectations of its stakeholders, making commitments and defining action plans for material themes. On page 56, the EDP's Goals and Targets are listed, and on page 65 the group's Materiality matrix for 2020, whose themes are detailed throughout the document.

Internal and external assurance

The overall coordination of the process of preparing the EDP Sustainability Report is the responsibility of the Sustainability Department. The contents are subsequently viewed and approved by the Executive Board of Directors.

The external verification of sustainability content, carried out by PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. has the external verification level "Limited" for a set of indicators according to the table starting on page 241.

GRI and Global Compact

The table on page 241 lists the GRI-Standard indicators in accordance with the "Comprehensive" option and the specifics of the G4 Electric Utilities Sector Disclosures, assuming deadlines for the implementation of the indicators for which full compliance has not yet been possible. Simultaneously, the following table identifies the available information that responds to the 10 principles of the Global Compact, demonstrating EDP's commitment to this initiative.



4.3. GRI indicators

4.3.1. Environmental indicators

2020	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE WORLD
ENVIRONMENTAL CERTIFICATION (ISO 14001)							
ISO 14001 Certification ¹	%	94	98	96	96	89	93
TOTAL ENERGY CONSUMPTION	TJ	156,251	75,574	57,375	21,473	1,512	317
PRIMARY ENERGY CONSUMPTION	TJ	130,663	58,507	55,333	16,797	22	4
Coal	TJ	55,515	18,768	20,112	16,634	n/a	n/a
Fuel oil	TJ	220	205	15	n/a	n/a	n/a
Natural gas	TJ	67,447	39,322	28,119	2	4	0
Blast furnace gas	TJ	6,296	n/a	6,296	n/a	n/a	n/a
Coke gas	TJ	0	n/a	0	n/a	n/a	n/a
Diesel oil	TJ	127	5	30	92	n/a	n/a
Iron and steel industry gas	TJ	750	n/a	750	n/a	n/a	n/a
Fuel for fleet	TJ	309	207	10	69	18	4
ENERGY INTENSITY²	MJ/EUR	11.4	10.6	21.1	7.0	0.3	0.2
THERMAL POWER PLANT EFFICIENCY (capacity based)	%	45.5	47.6	45.6	35.0	n/a	n/a
ELECTRICITY CONSUMPTION							
Generation self-consumption	MWh	3,083,416	2,474,165	344,036	211,494	39,555	14,165
Administrative service	MWh	27,907	21,385	1,665	4,493	328	37
Grid losses	%	9.3	9.8	3.8	10.5	n/a	n/a
GHG EMISSION							
Direct emissions (scope 1)	ktCO _{2eq}	9,311	3,984	3,499	1,827	2	0
Stationary combustion ³	ktCO _{2eq}	9,273	3,965	3,491	1,817	0	0
SF ₆ Emissions	ktCO _{2eq}	17.01	4.83	6.99	5.10	0.00	0.08
Company fleet	ktCO _{2eq}	13	7	1	4	1	0
Natural gas consumption	ktCO _{2eq}	0.28	0.01	0.00	0.07	0.19	0.01
Natural gas carrier ship	ktCO _{2eq}	6.47	6.47	n/a	n/a	n/a	n/a
Indirect emissions (scope 2) ⁴	ktCO _{2eq}	594	419	0	150	21	6
Electricity consumption in office buildings	ktCO _{2eq}	0.9	0.0	0.0	0.0	0.9	0.0
Electricity losses	ktCO _{2eq}	568	419	0	150	0	0
Renewable plants self-consumption	ktCO _{2eq}	25.1	0.0	0.0	0.0	19.6	5.5

2020	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE WORLD
Other indirect emissions (scope 3)	ktCO _{2eq}	11,572	3,279	4,490	3,579	184	40
Purchased goods and services (C01)	ktCO _{2eq}	18	6	6	6	0	0
Capital Goods (C02)	ktCO _{2eq}	335	36	63	13	183	40
Fuel and energy related activities (C03)	ktCO _{2eq}	6,807	2,150	1,793	2,864	0	0
Upstream transportation and distribution (C04)	ktCO _{2eq}	933	212	25	696	0	0
Business travels (C06)	ktCO _{2eq}	2	0	0	0	1	0
Use of sold products (C11)	ktCO _{2eq}	3,478	875	2,603	0	0	0
GHG EMISSIONS INTENSITY⁵	kgCO₂/EUR	0.8	0.7	1.3	0.8	0.0	0.0
CO₂ AVOIDED EMISSIONS⁶	ktCO₂	25,167	6,098	2,060	1,844	12,693	2,473
TOTAL EMISSIONS							
CO ₂ ^{3,7}	kt	9,224	3,965	3,441	1,817	n/a	n/a
NO _x	kt	6.2	1.7	3.0	1.5	n/a	n/a
SO ₂	kt	8.2	0.8	1.5	6.0	n/a	n/a
Particulate matter	kt	0.92	0.03	0.08	0.81	n/a	n/a
Mercury	kg	16	3	13	0	n/a	n/a
SF ₆	kg	724	206	298	217	0	3
SPECIFIC OVERALL EMISSIONS							
CO ₂ ^{3,7}	g/kWh	146	174	296	221	n/a	n/a
NO _x	g/kWh	0.1	0.1	0.2	0.2	n/a	n/a
SO ₂	g/kWh	0.1	0.0	0.1	0.7	n/a	n/a
Particulate matter	g/kWh	0.01	0.00	0.01	0.10	n/a	n/a
SPECIFIC THERMAL EMISSIONS							
CO ₂ ^{3,7}	g/kWh	567	520	523	1,146	n/a	n/a
NO _x	g/kWh	0.4	0.2	0.4	0.9	n/a	n/a
SO ₂	g/kWh	0.5	0.1	0.2	3.8	n/a	n/a
Particulate matter	g/kWh	0.06	0.00	0.01	0.51	n/a	n/a
TOTAL WATER WITHDRAWAL BY SOURCE							
Ocean ⁸	10 ³ x m ³	580,133	301,897	278,236	n/a	n/a	n/a
Surface	10 ³ x m ³	16,152	10,833	5,313	6	n/a	n/a
Fresh water	10 ³ x m ³	5,319	n/a	5,313	6	n/a	n/a
Other water	10 ³ x m ³	10,833	10,833	n/a	n/a	n/a	n/a
Water hole ⁹	10 ³ x m ³	161	161	0	0	n/a	n/a
Well ⁹	10 ³ x m ³	3	0	0	0	2	1
Municipal water supplies ⁹	10 ³ x m ³	5,577	794	474	4,307	2	0
Other private entity ⁹	10 ³ x m ³	884	259	624	0	0	0
MAIN USE OF WATER							
Cooling water	10 ³ x m ³	599,851	312,739	283,279	3,834	n/a	n/a
Row water	10 ³ x m ³	2,954	1,128	1,401	426	n/a	n/a
Potable water	10 ³ x m ³	152	77	16	55	4	0

2020	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE WORLD
WASTEWATER							
Wastewater from generation with treatment	10 ³ x m ³	1,368	371	955	42	n/a	n/a
Discharge into estuarine water and sea ⁸	10 ³ x m ³	587,484	308,426	278,640	418	n/a	n/a
Discharge into inland water ⁹	10 ³ x m ³	1,891	3	1,887	n/a	n/a	n/a
WASTE MATERIALS	t	309,451	132,191	91,501	84,955	755	49
Waste	t	174,594	17,511	71,324	84,955	755	49
Hazard waste	%	3.3	15.7	2.1	1.5	36.2	74.1
Non-hazard waste	%	96.7	84.3	97.9	98.5	63.8	25.9
Recovered waste	t	150,406	15,748	68,295	65,804	519	39
Recycled waste	t	115,927	13,948	67,475	33,984	519	1
Other	t	34,479	1,800	820	31,820	0	38
Non-recovered waste	t	24,188	1,762	3,028	19,150	236	11
By-products	t	134,858	114,681	20,177	n/a	n/a	n/a
Gypsum	t	45,049	24,872	20,177	n/a	n/a	n/a
Fly ash	t	86,929	86,929	n/a	n/a	n/a	n/a
Slag	t	2,880	2,880	n/a	n/a	n/a	n/a
Recovered waste materials	%	92	99	97	77	69	79
DISTRIBUTION IN PROTECTED AREAS							
High voltage distribution grid in protected areas	km	1,423	912	119	392	n/a	n/a
Overhead	km	1,407	896	119	392	n/a	n/a
Underground	km	16	16	0	0	n/a	n/a
Medium voltage distribution grid in protected areas	km	15,733	9,204	875	5,654	n/a	n/a
Overhead	km	14,687	8,215	824	5,648	n/a	n/a
Underground	km	1,046	989	51	6	n/a	n/a
Substations in protected areas	#	49	19	17	13	n/a	n/a
TRANSMISSION IN PROTECTED AREAS							
High voltage transmission grid in protected areas	km	127	n/a	n/a	127	n/a	n/a
Overhead	km	127	n/a	n/a	127	n/a	n/a
Underground	km	0	n/a	n/a	0	n/a	n/a
Substations in protected areas	#	0	n/a	n/a	0	n/a	n/a
FLOODED AREAS BY RESERVOIRS	ha	5,999	5,666	329	3	n/a	n/a
ENVIRONMENTAL COMPLAINTS	#	323	72	0	144	103	4

¹ Aggregated certification indicator due to assets with potential environmental impacts. ² Primary energy consumption by turnover. ³ The stationary emissions do not include those produced by the burning of ArcelorMittal steel gases in EDP's power plants in Spain. ⁴ Calculation according with GHG Protocol based location methodology. ⁵ Scope 1 and Scope 2 emissions by turnover. ⁶ CO₂ emissions that would have occurred if the electricity generated by renewable energy sources were produced by thermal power plants. For each country, it is obtained by multiplying the net renewable energy production by the emission factor of the thermoelectric mix of that country. ⁷ Includes only stationary combustion emissions. ⁸ Other water: > 1,000 mg/L of total dissolved solids. ⁹ Fresh water: ≤1,000 mg/L of total dissolved solids.

2019	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE WORLD
ENVIRONMENTAL CERTIFICATION (ISO 14001)							
ISO 14001 Certification ¹	%	96	98	98	95	94	95
TOTAL ENERGY CONSUMPTION	TJ	201,318	89,496	65,007	46,740	18	57
PRIMARY ENERGY CONSUMPTION	TJ	184,894	81,258	65,007	38,605	18	5
Coal	TJ	101,514	39,731	23,379	38,404	n/a	n/a
Fuel oil	TJ	337	315	22	n/a	n/a	n/a
Natural gas	TJ	70,823	41,093	29,730	n/a	0	0
Blast furnace gas	TJ	10,213	n/a	10,213	n/a	n/a	n/a
Coke gas	TJ	616	n/a	616	n/a	n/a	n/a
Diesel oil	TJ	173	7	30	136	n/a	n/a
Iron and steel industry gas	TJ	1,006	n/a	1,006	n/a	n/a	n/a
Fuel for vehicle fleet	TJ	211	112	10	66	18	5
ENERGY INTENSITY²	MJ/EUR	13.8	13.6	20.4	11.4	0.3	0.2
THERMAL POWER PLANT EFFICIENCY (capacity based)							
	%	45.9	46.2	45.0	35.6	n/a	n/a
ELECTRICITY CONSUMPTION							
Generation self-consumption	MWh	3,383,149	2,500,743	405,552	423,133	39,555	14,165
Administrative service	MWh	33,548	24,313	2,203	5,480	1,311	241
Grid losses	%	8.9	9.6	3.6	9.9	n/a	n/a
GHG EMISSION							
Direct emissions (scope 1)	ktCO _{2eq}	14,363	6,028	3,872	4,461	1	0
Stationary combustion ³	ktCO _{2eq}	14,338	6,015	3,870	4,453	n/a	n/a
SF ₆ Emissions	ktCO _{2eq}	9	5	1	3	0	0
Company fleet	ktCO _{2eq}	15	8	1	4	1	0
Natural gas consumption	ktCO _{2eq}	0.04	0.03	0.00	0.00	0.00	0.00
Indirect emissions (scope 2) ⁴	ktCO _{2eq}	846	655	0	169	17	5
Electricity consumption in office buildings	ktCO _{2eq}	0.8	0.0	0.0	0.0	0.7	0.1
Electricity losses	ktCO _{2eq}	824	655	0	169	n/a	n/a
Renewable plants self-consumption	ktCO _{2eq}	21.3	0.0	0.0	0.0	16.2	5.1
Other indirect emissions (scope 3)	ktCO _{2eq}	11,730	3,954	5,321	2,218	198	39
Purchased goods and services (C01)	ktCO _{2eq}	28	9	9	9	0	0
Capital Goods (C02)	ktCO _{2eq}	349	37	63	15	195	39
Fuel and energy related activities (C03)	ktCO _{2eq}	6,784	2,855	2,076	1,853	0	0
Upstream transportation and distribution (C04)	ktCO _{2eq}	611	236	36	339	0	0
Business Travels (C06)	ktCO _{2eq}	7	2	1	2	3	0
Use of sold products (C11)	ktCO _{2eq}	3,951	814	3,137	0	0	0
GHG EMISSIONS INTENSITY⁵	kgCO₂/EUR	1.1	1.0	1.2	1.3	0.0	0.0
CO₂ AVOIDED EMISSIONS⁶	ktCO₂	24,725	5,652	2,914	1,928	11,850	2,381

2019	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE WORLD
TOTAL EMISSIONS							
CO ₂ ^{3,7}	kt	14,338	6,015	3,870	4,453	n/a	n/a
NO _x	kt	10.8	2.8	3.9	4.1	n/a	n/a
SO ₂	kt	16.3	2.0	1.5	12.8	n/a	n/a
Particulate matter	kt	1.66	0.04	0.10	1.52	n/a	n/a
Mercury	kg	18	12	3	3	n/a	n/a
SF ₆	kg	394	194	54	140	6	0
SPECIFIC OVERALL EMISSIONS							
CO ₂ ^{3,7}	g/kWh	216	266	272	464	n/a	n/a
NO _x	g/kWh	0.2	0.1	0.3	0.4	n/a	n/a
SO ₂	g/kWh	0.2	0.1	0.1	1.3	n/a	n/a
Particulate matter	g/kWh	0.03	0.00	0.01	0.16	n/a	n/a
SPECIFIC THERMAL EMISSIONS							
CO ₂ ^{3,7}	g/kWh	649	583	480	1,201	n/a	n/a
NO _x	g/kWh	0.5	0.3	0.5	1.1	n/a	n/a
SO ₂	g/kWh	0.7	0.2	0.2	3.4	n/a	n/a
Particulate matter	g/kWh	0.08	0.00	0.01	0.41	n/a	n/a
TOTAL WATER WITHDRAWAL BY SOURCE							
Ocean ⁸	10 ³ x m ³	965,783	646,499	319,284	n/a	n/a	n/a
Surface	10 ³ x m ³	17,477	12,212	5,245	21	n/a	n/a
Fresh water	10 ³ x m ³	5,266	n/a	5,245	21	n/a	n/a
Other water	10 ³ x m ³	12,212	12,212	n/a	n/a	n/a	n/a
Water hole ⁹	10 ³ x m ³	191	191	0	0	n/a	n/a
Well ⁹	10 ³ x m ³	2	0	0	0	2	0
Municipal water supplies ⁹	10 ³ x m ³	11,610	1,514	617	9,478	1	0
Other private entity ⁹	10 ³ x m ³	1,247	324	922	0	n/a	0
MAIN USE OF WATER							
Cooling water	10 ³ x m ³	991,423	658,690	324,242	8,490	n/a	n/a
Row water	10 ³ x m ³	4,670	1,947	1,781	942	n/a	n/a
Potable water	10 ³ x m ³	181	103	10	66	3	0
WASTEWATER							
Wastewater from generation with treatment	10 ³ x m ³	1,803	427	1,309	67	n/a	n/a
Discharge into estuarine water and sea ⁸	10 ³ x m ³	974,516	654,114	319,729	672	n/a	n/a
Discharge into inland water ⁹	10 ³ x m ³	1,783	3	1,780	n/a	n/a	n/a

2019	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE WORLD
WASTE MATERIALS	t	523,303	287,096	118,477	115,808	879	1,042
Waste	t	232,181	22,740	91,711	115,808	879	1,042
Hazard waste	%	2.2	8.8	0.5	2.0	34.1	7.6
Non-hazard waste	%	97.8	91.2	99.5	98.0	65.9	92.4
Recovered waste	t	210,846	21,221	89,081	98,972	589	983
Recycled waste	t	126,236	17,492	87,354	20,092	494	804
Other	t	84,610	3,729	1,727	78,881	94	179
Non-recovered waste	t	21,335	1,520	2,630	16,836	290	59
By-products	t	291,122	264,356	26,766	n/a	n/a	n/a
Gypsum	t	99,787	73,021	26,766	n/a	n/a	n/a
Fly ash	t	157,253	157,253	n/a	n/a	n/a	n/a
Slag	t	34,082	34,082	n/a	n/a	n/a	n/a
Recovered waste materials	%	96	99	98	85	67	94
DISTRIBUTION IN PROTECTED AREAS							
High voltage distribution grid in protected areas	km	1,408	918	119	370	n/a	n/a
Overhead	km	1,394	904	119	370	n/a	n/a
Underground	km	14	14	0	0	n/a	n/a
Medium voltage distribution grid in protected areas	km	15,822	9,159	930	5,733	n/a	n/a
Overhead	km	14,787	8,182	879	5,725	n/a	n/a
Underground	km	1,035	977	51	7	n/a	n/a
Substations in protected areas	#	46	19	17	10	n/a	n/a
TRANSMISSION IN PROTECTED AREAS							
High voltage transmission grid in protected areas	km	97	n/a	n/a	97	n/a	n/a
Overhead	km	97	n/a	n/a	97	n/a	n/a
Underground	km	0	n/a	n/a	0	n/a	n/a
Substations in protected areas	#	0	n/a	n/a	0	n/a	n/a
FLOODED AREAS BY RESERVOIRS	ha	5,999	5,666	330	3	n/a	n/a
ENVIRONMENTAL COMPLAINTS	#	347	57	8	169	83	30

¹ Aggregated certification indicator due to assets with potential environmental impacts. ² Primary energy consumption by turnover. ³ The stationary emissions do not include those produced by the burning of ArcelorMittal steel gases in EDP's power plants in Spain. ⁴ Calculation according with GHG Protocol based location methodology. ⁵ Scope 1 and Scope 2 emissions by turnover. ⁶ CO₂ emissions that would have occurred if the electricity generated by renewable energy sources were produced by thermal power plants. For each country, it is obtained by multiplying the net renewable energy production by the emission factor of the thermoelectric mix of that country. ⁷ Includes only stationary combustion emissions. ⁸ Other water: > 1,000 mg/L of total dissolved solids. ⁹ Fresh water: ≤1,000 mg/L of total dissolved solids.

4.3.2. Social indicators

2020	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE WORLD
EMPLOYMENT							
DATA INCLUDING VIESGO¹							
Employees	#	12,180	5,826	2,083	3,248	772	251
Male employees	%	75	74	75	77	73	68
Female employees	%	25	26	25	23	27	32
DATA EXCLUDING VIESGO							
Employees	#	11,610	5,815	1,524	3,248	772	251
Executive Board of Directors	#	9	9	0	0	0	0
Senior management	#	861	477	168	88	96	32
Supervisors	#	777	341	213	125	75	23
Specialists	#	4,717	2,326	717	1,104	379	191
Technicians	#	5,246	2,662	426	1,931	222	5
Male employees	%	74	74	72	77	73	68
Female employees	%	26	26	28	23	27	32
Females in management position	%	25	27	24	15	23	24
Senior management hired from the local community	%	89	99	77	86	60	20
Employees by types of contract	#	11,610	5,815	1,524	3,248	772	251
Executive bodies	#	59	33	0	26	0	0
Male	#	53	29	0	24	0	0
Female	#	6	4	0	2	0	0
Permanent workforce	#	11,500	5,741	1,521	3,222	772	244
Male	#	8,556	4,262	1,101	2,463	563	167
Female	#	2,944	1,479	420	759	209	77
Fixed-term contracts	#	51	41	3	0	0	7
Male	#	33	26	3	0	0	4
Female	#	18	15	0	0	0	3
Employees by occupational contract	#	11,610	5,815	1,524	3,248	772	251
Full-Time	#	11,568	5,811	1,491	3,248	772	246
Male	#	8,638	4,317	1,101	2,487	563	170
Female	#	2,930	1,494	390	761	209	76
Part-time	#	42	4	33	0	0	5
Male	#	4	0	3	0	0	1
Female	#	38	4	30	0	0	4
Employees with special needs	#	139	69	17	53	0	0
Male	#	75	36	11	28	0	0
Female	#	64	33	6	25	0	0
Foreign employees	#	241	59	79	22	47	34

2020	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE WORLD
New employees ²	#	1,296	432	185	366	229	84
Direct admissions to permanent workforce	#	1,181	379	177	346	206	73
Admissions with fixed-term contracts	#	43	34	5	0	0	4
Other admissions	#	72	19	3	20	23	7
Male	#	885	273	115	265	174	58
Female	#	397	153	64	101	55	24
<30 years	#	598	268	75	136	99	20
[30-50 years[	#	633	152	99	216	109	57
≥50 years	#	51	6	5	14	21	5
F/M new admissions rate	x	0.45	0.56	0.56	0.38	0.32	0.41
Employees leaving	#	1,332	462	379	281	118	92
Male	#	976	374	229	215	92	66
Female	#	356	88	150	66	26	26
<30 years	#	191	41	50	41	39	20
[30-50 years[	#	574	70	215	154	66	69
≥50 years	#	567	351	114	86	13	3
Turnover	%	11.47	7.94	24.87	8.65	15.28	36.65
Male	%	11.29	8.66	20.74	8.64	16.34	38.60
Female	%	11.99	5.87	35.71	8.67	12.44	32.50
<30 years	%	9.86	4.40	38.17	6.51	20.00	40.82
[30-50 years[	%	8.76	2.54	24.10	6.84	13.89	37.50
≥50 years	%	18.19	16.49	22.75	23.37	12.75	16.67
Average age of workforce	years	42	44	45	38	38	38
Average age of new admissions	years	32	30	33	34	34	36
Average age of leaving	years	46	55	44	42	36	35
Average seniority of employees	years	14	18	15	9	4	5
Average seniority of leaving	years	18	30	14	12	3	0
Absenteeism rate	%	2.83	3.02	3.11	2.55	2.59	n/av
Employees entitled to parental leave	#	462	223	54	124	48	13
Male	#	353	177	32	97	37	10
Female	#	109	46	22	27	11	3
Employees that took parental leave ³	#	309	167	54	27	48	13
Male ³	#	200	121	32	n/a	37	10
Female	#	109	46	22	27	11	3
Retention rate of employees who took parental leave	%	99	99	100	96	100	100
Male ³	%	99	99	100	n/a	100	100
Female	%	99	100	100	96	100	100
Annualized average base salary							
Male	€	3,029	3,162	4,583	1,123	7,038	4,134
Female	€	3,185	3,481	3,930	1,174	6,817	3,394
Pay ratio by gender (F/M)	x	1.05	1.10	0.86	1.04	0.97	0.82
Ratio of the annual total compensation for the organization's highest-paid individual to the average annual total compensation for all employees (excluding the highest-paid individual)	x	11.13	6.12	5.12	20.52	4.91	5.42

2020	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE WORLD
Ratio of percentage increase in annual total compensation for the organization's highest-paid individual to the average percentage increase in annual total compensation for all employees (excluding highest-paid individual)	%	1.07	0.00	-0.13	-1.14	-8.34	1.14
TRAINING							
Total hours of training	hours	273,889	144,830	43,789	59,545	19,282	6,443
Sustainability							
Environment	hours	1,667	620	375	258	279	135
Social and economic	hours	794	786	8	0	0	0
Ethics	hours	4,329	2,158	1,147	454	502	67
Quality	hours	2,308	1,913	223	35	54	85
Languages	hours	16,744	4,156	10,117	1,809	2	660
Information systems	hours	32,158	20,250	8,469	1,506	1,123	810
Other	hours	215,888	114,947	23,451	55,483	17,321	4,687
Average total training	h/p	24	25	29	18	25	26
Executive Board of Directors							
Male	h/p	5	5	n/a	n/a	n/a	n/a
Female	h/p	5	5	n/a	n/a	n/a	n/a
Senior management							
Male	h/p	30	38	33	5	7	30
Female	h/p	26	34	29	6	7	32
Female	h/p	40	47	45	0	8	20
Supervisors							
Male	h/p	34	39	38	24	21	27
Female	h/p	35	41	36	26	22	28
Female	h/p	34	34	46	15	21	24
Specialists							
Male	h/p	23	29	31	8	15	25
Female	h/p	24	29	31	11	16	27
Female	h/p	22	29	32	4	13	22
Technicians							
Male	h/p	21	17	18	24	51	5
Female	h/p	22	17	14	26	60	0
Female	h/p	17	17	31	12	14	6
Employees with training	%	100	100	100	100	100	100
LABOUR RELATIONS							
Collective employment agreements	%	86	99	54	99	0	56
Trade union membership	%	34	39	15	45	0	0
Union structures	#	27	16	3	7	0	1
Hours lost due to strikes	hours	7	0	7	0	0	0
Staff engaged in further study	#	75	75	0	0	0	0
Professional internships	#	213	213	0	0	0	0
Academic internships	#	360	62	193	97	1	7
HEALTH AND SAFETY (H&S)							
Certification (installed capacity)	MW	23,377	9,547	4,308	2,650	5,572	1,300
Certification (installed capacity)	%	95	100	92	96	89	93

2020	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE WORLD
Employees							
Covered by certification	#	9,973	5,996	1,766	1,575	426	210
Covered by certification	%	84	100	100	48	54	95
Work-related injuries⁴							
Recordable work-related injuries ⁵	#	23	15	3	1	4	0
High-consequence work-related injuries ⁶	#	3	2	0	1	0	0
Fatal work-related injuries	#	0	0	0	0	0	0
Work-related ill health							
Recordable ill health	#	0	0	0	0	0	0
Fatalities as a result of ill health	#	0	0	0	0	0	0
Accidents with lost workdays⁷							
	#	17	13	2	1	1	0
Male	#	17	13	2	1	1	0
Female	#	0	0	0	0	0	0
Total lost days due to accidents ⁸	#	1,331	1,045	202	0	84	0
Hours worked	hours	22,078,157	10,181,275	3,079,539	6,966,657	1,494,544	356,142
Rates							
Frequency rate⁹	Fr	0.77	1.28	0.65	0.14	0.67	0.00
Male	Fr	1.02	1.72	0.93	0.19	0.67	0.00
Female	Fr	0.00	0.00	0.00	0.00	0.00	0.00
Severity rate¹⁰	Sr	60	103	66	0	76	0
Male	Sr	80	138	94	0	56	0
Female	Sr	0	0	0	0	0	0
Overall severity rate¹¹	oSr	337	113	66	861	56	0
Male	oSr	445	152	94	1,140	56	0
Female	oSr	0	0	0	0	0	0
Work-related injuries⁴							
Recordable frequency rate	RFr	1.04	1.47	0.97	0.14	2.68	0.00
High-consequence frequency rate (excluding fatalities)	HFr	0.14	0.20	0.00	0.14	0.00	0.00
Fatal frequency rate	FFr	0.00	0.00	0.00	0.00	0.00	0.00
Contractors							
Covered by certification	#	21,742	7,327	2,741	8,670	2,220	784
Covered by certification	%	67	100	100	48	54	95
Work-related injuries⁴							
Recordable work-related injuries	#	161	46	28	67	18	2
High-consequence work-related injuries (excluding fatalities)	#	7	4	3	0	0	0
Fatal work-related injuries	#	3	1	0	2	0	0
Work-related ill health							
Recordable ill health	#	0	0	0	0	0	0
Fatalities as a result of ill health	#	0	0	0	0	0	0
Accidents with lost workdays ⁷	#	115	43	17	46	7	2
Hours worked	hours	55,601,278	14,948,629	5,463,813	29,196,102	5,164,448	828,285

2020	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE WORLD
Rates							
Frequency rate ⁹	Fr	2.12	2.94	3.11	1.64	1.36	2.41
Severity rate ¹⁰	Sr	100	230	178	26	58	133
Overall severity rate ¹¹	oSr	425	635	178	437	58	133
Work-related injuries⁵							
Recordable frequency rate	RFr	2.90	3.08	5.12	2.29	3.49	2.41
High-consequence frequency rate	HFr	0.13	0.27	0.55	0.00	0.00	0.00
Fatal frequency rate	FFr	0.05	0.07	0.00	0.07	0.00	0.00
EDP employees and contractors							
Rates							
Frequency rate ⁹	Fr	1.74	2.27	2.22	1.35	1.20	1.69
Severity rate ¹⁰	Sr	89	178	138	21	57	93
Overall severity rate ¹¹	oSr	400	424	138	519	57	93
Near accidents	#	375	56	51	83	170	15
People outside the activity							
Electrical accidents involving third parties ¹²	#	37	12	0	25	0	0
Fatal electrical accidents involving third parties ¹³	#	14	3	0	11	0	0
Representatives elected in H&S Comissions							
EDP employees represented ¹⁴	%	86	86	53	100	62	79
Employees representative	#	292	73	9	140	59	11
H&S TRAINING							
Employees							
Awareness actions	#	920	164	147	77	42	490
Employees	#	30,442	21,452	1,954	3,257	176	3,603
Training hours	hours	51,338	10,810	5,253	25,896	879	8,499
Contractors							
Awareness actions	#	21,031	1,066	0	19,914	0	51
Employees	#	13,476	3,097	0	10,364	0	15
Training hours	hours	740,992	812	0	740,173	0	7

¹ Data including employees of Viesgo companies acquired in December by the EDP Group. ² Net values of the employees transfer from fixed-term contracts to permanent workforce. ³ These values do not include information about male employees that took parental leave at South America. ⁴ Accidents at the workplace in worktime and accidents on the way to or from work, with an absence of one more calendar days and fatal accidents. ⁵ Includes accidents: fatal, absence from work (TTI - Temporary Total Incapacity), with TPI (Temporary Partial Incapacity) or PPI (Permanent Partial Incapacity); Without absence, with use of non-prescription medication at prescription strength; without absence, with use of wound closing treatment, such as suture, staples; without absence, administering immunization vaccines; without absence, with use of devices with rigid stays/others designed to immobilization; without absence, with physical therapy treatment; without absence, with loss of consciousness. ⁶ An accident at work in which a serious injury has resulted and from which the worker does not recover, or may not fully recover, or from which it is not expected to recover in less than 6 months. Excludes fatal accidents. ⁷ Accidents occurred at the place and working time or on a journey, with 1 or more days of absence and fatal accidents. ⁸ Sum of the number of absence calendar days resulting of work accidents occurred in the reference period, plus the number of days lost by accidents in the previous period, which lasted until the reference period without interruption. The lost time is measured from the day following the accident to the day right before the return to work. ⁹ Number of accidents at work in service with absence/fatalities, per million hours worked. ¹⁰ Number of calendar days lost due to work accident per million hours worked, in the reference period. ¹¹ Number of calendar days lost due to work accidents per million hours worked, in the reference period, including days for permanent disability and a portion of 6,000 days for each fatal accident. ¹² Accidents involving persons outside EDP's activity, including fatal accidents. ¹³ Accidents involving persons outside EDP's activity. It should be noted that in 2020, there were 14 fatal accidents, two of which had two victims. ¹⁴ Numbers of EDP employees represented by the total number of EDP employees.

2019	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE WORLD
EMPLOYMENT							
Employees	#	11,660	5,852	1,720	3,158	663	267
Executive Board of Directors	#	9	9	0	0	0	0
Senior Management	#	827	463	169	82	79	34
Supervisors	#	783	336	253	106	61	27
Specialists	#	4,528	2,210	742	1,040	335	201
Technicians	#	5,513	2,834	556	1,930	188	5
Male employees	%	75	76	70	77	73	69
Female employees	%	25	24	30	23	27	31
Females in management position	%	25	26	28	15	24	26
Senior management hired from the local community	%	92	100	88	90	60	33
Employees by types of contract	#	11,660	5,852	1,720	3,158	663	267
Executive bodies	#	56	33	0	23	0	0
Male	#	51	29	0	22	0	0
Female	#	5	4	0	1	0	0
Permanent workforce	#	11,549	5,783	1,710	3,134	663	259
Male	#	8,649	4,370	1,205	2,410	484	180
Female	#	2,900	1,413	505	724	179	79
Fixed-term contracts	#	55	36	10	1	0	8
Male	#	35	23	7	1	0	4
Female	#	20	13	3	0	0	4
Employees by occupational contract	#	11,660	5,852	1,720	3,158	663	267
Full-Time	#	11,615	5,847	1,684	3,158	663	263
Male	#	8,730	4,422	1,208	2,433	484	183
Female	#	2,885	1,425	476	725	179	80
Part-time	#	45	5	36	0	0	4
Male	#	5	0	4	0	0	1
Female	#	40	5	32	0	0	3
Employees with special needs	#	163	88	21	54	0	0
Male	#	92	50	13	29	0	0
Female	#	71	38	8	25	0	0
Foreign employees	#	261	52	80	23	57	49

2019	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE WORLD
New employees ¹	#	1,287	415	150	466	176	80
Direct admissions to permanent workforce	#	1,198	364	134	455	175	70
Admissions with fixed-term contracts	#	64	41	12	0	1	10
Other admissions	#	25	10	4	11	0	0
Male	#	897	276	81	345	138	57
Female	#	358	118	58	121	38	23
<30 years	#	636	247	62	220	77	30
[30-50 years]	#	568	142	76	233	71	46
≥50 years	#	51	5	1	13	28	4
F/M new admissions rate	x	0.40	0.43	0.72	0.35	0.28	0.40
Employees leaving	#	1,226	630	92	347	112	45
Male	#	923	480	74	264	85	20
Female	#	303	150	18	83	27	25
<30 years	#	160	35	10	64	37	14
[30-50 years]	#	351	53	20	192	57	29
≥50 years	#	715	542	62	91	18	2
Turnover	%						
Male	%	10.57	10.85	6.11	10.85	17.56	10.87
Female	%	10.36	10.49	3.54	11.45	15.08	30.12
<30 years	%	8.46	3.98	7.63	9.65	22.84	25.45
[30-50 years]	%	5.55	2.06	1.95	9.10	13.67	14.87
≥50 years	%	20.75	22.61	11.01	23.70	21.43	11.76
Average age of workforce	years	43	45	45	38	38	36
Average age of new admissions	years	32	30	32	32	40	34
Average age of leaving	years	50	58	53	41	40	36
Average seniority of employees	years	15	19	16	9	4	4
Average seniority of leaving	years	23	34	26	11	3	2
Absenteeism rate	%	2.82	3.29	3.57	1.75	2.57	n/av
Employees entitled to parental leave	#	495	199	58	134	79	25
Male	#	326	140	34	102	41	9
Female	#	169	59	24	32	38	16
Employees that took parental leave	#	389	195	58	32	79	25
Male	#	220	136	34	n/a	41	9
Female	#	169	59	24	32	38	16
Retention rate of employees who took parental leave	%	97	100	93	91	99	92
Male	%	98	100	91	n/a	98	100
Female	%	96	100	96	91	100	88
Annualized average base salary							
Male	€	3,081	3,127	4,489	1,400	7,043	4,519
Female	€	3,235	3,443	3,845	1,467	6,767	3,751

2019	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE WORLD
Pay ratio by gender (F/M)	x	1.05	1.10	0.86	1.05	0.96	0.83
Ratio of the annual total compensation for the organization's highest-paid individual to the average annual total compensation for all employees (excluding the highest-paid individual)	x	n/a	6.19	5.26	13.39	5.02	5.50
Ratio of percentage increase in annual total compensation for the organization's highest-paid individual to the average percentage increase in annual total compensation for all employees (excluding highest-paid individual)	%	n/a	0.00	0.00	-19.88	1.89	n/a
TRAINING							
Total hours of training	hours	400,504	158,959	58,738	155,825	18,765	8,217
Sustainability							
Environment	hours	1,804	636	190	769	0	209
Social and economic	hours	498	494	4	0	0	0
Ethics	hours	4,981	1,822	848	1,933	372	6
Quality	hours	5,061	2,372	108	2,582	0	0
Languages	hours	19,742	5,320	12,714	955	47	706
Information systems	hours	36,267	14,439	12,350	5,736	2,717	1,025
Other	hours	332,150	133,876	32,524	143,851	15,629	6,270
Average training per employee (h/p)	h/p	34	27	34	49	28	31
Executive Board of Directors							
Male	h/p	5	5	n/a	n/a	n/a	n/a
Female	h/p	5	5	n/a	n/a	n/a	n/a
Senior management							
Male	h/p	32	35	41	18	10	24
Female	h/p	30	32	42	20	10	23
Supervisors							
Male	h/p	45	48	48	43	27	47
Female	h/p	44	48	43	44	28	43
Specialists							
Male	h/p	48	45	59	38	24	52
Female	h/p	29	31	38	21	24	30
Male	h/p	32	34	37	26	21	28
Female	h/p	26	27	38	14	29	32
Technicians							
Male	h/p	37	20	21	66	44	38
Female	h/p	40	22	18	71	52	69
Employees with training	%	21	7	30	38	17	30
LABOUR RELATIONS							
Collective employment agreements	%	97	95	97	100	100	100
Trade union membership	%	88	99	73	99	0	44
Union Structures	#	37	43	15	48	0	0
Hours lost due to strikes	hours	31	17	3	6	0	5
Staff engaged in further study	#	116	0	116	0	0	0
Professional internships	#	61	61	0	0	0	0
Academic internships	#	371	278	0	40	0	53
	#	290	109	87	94	0	0

2019	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE WORLD
HEALTH AND SAFETY (H&S)							
Certification (installed capacity)	MW	25,610	10,821	5,246	2,787	5,562	1,194
Certification (installed capacity)	%	97	97	100	100	94	94
Employees							
Employees covered by certification	#	6,492	1,823	1,727	2,439	331	172
Employees covered by certification	%	60	30	100	100	51	78
Work-related injuries²							
Recordable work-related injuries ³	#	60	30	4	16	10	0
High-consequence work-related injuries ⁴	#	3	2	0	0	1	0
Fatal work-related injuries	#	0	0	0	0	0	0
Work-related ill health							
Recordable ill health	#	0	0	0	0	0	0
Fatalities as a result of ill health	#	n/av	n/av	n/av	n/av	n/av	n/av
Accidents with lost workdays⁵							
Male	#	29	24	3	1	1	0
Female	#	0	0	0	0	0	0
Total lost days due to accidents ⁶	#	1,747	1,308	285	8	146	0
Hours worked	hours	19,389,777	9,980,706	2,933,196	4,834,026	1,285,576	356,273
Rates							
Frequency rate⁷							
Male	Fr	1.50	2.40	1.02	0.21	0.78	0.00
Female	Fr	1.94	3.20	1.42	0.26	0.78	0.00
Female	Fr	0.00	0.00	0.00	0.00	0.00	0.00
Severity rate⁸							
Male	Sr	90	131	97	2	114	0
Male	Sr	117	174	135	2	114	0
Female	Sr	0	0	0	0	0	0
Overall severity rate⁹							
Male	oSr	99	149	97	2	114	0
Male	oSr	128	197	135	2	114	0
Female	oSr	1	2	0	0	0	0
Work-related injuries²							
Recordable frequency rate	RFr	0	0	0	0	0	0
Recordable frequency rate	RFr	3.09	3.01	1.36	3.31	7.78	0.00
High-consequence frequency rate (excluding fatalities)	HFr	0.15	0.20	0.00	0.00	0.78	0.00
Fatal frequency rate	FFr	0.00	0.00	0.00	0.00	0.00	0.00
Contractors							
Contractors covered by certification	#	n/a	n/a	n/a	n/a	n/a	n/a
Contractors covered by certification	%	n/a	n/a	n/a	n/a	n/a	n/a
Work-related injuries²							
Recordable work-related injuries	#	130	44	31	37	18	0
High-consequence work-related injuries (excluding fatalities)	#	9	4	0	2	3	0
Fatal work-related injuries	#	2	1	0	1	0	0
Work-related ill health							
Recordable ill health	#	n/a	n/a	n/a	n/a	n/a	n/a
Fatalities as a result of ill health	#	n/a	n/a	n/a	n/a	n/a	n/a

2019	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF THE WORLD
Accidents with lost workdays ⁶	#	82	42	21	15	4	0
Hours worked	hours	45,738,217	16,734,188	5,480,604	19,543,777	2,884,550	1,095,098
Rates							
Frequency rate ⁷	Fr	1.84	2.57	3.83	0.82	1.39	0.00
Severity rate ⁸	Sr	88	168	146	18	25	0
Overall serverity rate ⁹	oSr	352	529	146	325	25	0
Work-related injuries³							
Recordable frequency rate	RFr	2.84	2.63	5.66	1.89	6.24	0.00
High-consequency frequency rate	HFr	0.20	0.24	0.00	0.10	1.04	0.00
Fatal frequency rate	FFr	0.04	0.06	0.00	0.01	0.00	0.00
EDP employees and contractors							
Rates							
Frequency rate ⁷	Fr	1.74	2.51	2.85	0.70	1.20	0.00
Severity rate ⁸	Sr	89	154	129	15	52	0
Overall serverity rate ⁹	oSr	276	387	129	261	52	0
Near accidents	#	427	98	41	117	136	35
People outside the activity							
Electrical accidents involving third parties ¹⁰	#	n/a	n/a	n/a	n/a	n/a	n/a
Fatal electrical accidents involving third parties ¹¹	#	8	3	0	5	0	0
Representatives elected in H&S Comissions							
EDP employees represented ¹²	%	85	88	64	100	51	34
Employees representative	#	344	71	17	205	42	9
H&S TRAINING							
Employees							
Awareness actions	#	1,316	465	382	87	67	315
Employees	#	14,855	4,506	2,149	5,475	249	2,476
Training hours	hours	107,337	19,069	8,128	69,386	2,005	8,749
Contractors							
Awareness actions	#	22,739	1,771	54	20,194	710	10
Employees	#	26,205	5,901	525	18,606	1,128	45
Training hours	hours	268,842	1,797	113	263,666	3,232	34

¹ Net values of the employees transfer from fixed-term contracts to permanent workforce. ² Accidents at the workplace in worktime and accidents on the way to or from work, with an absence of one more calendar days and fatal accidents. ³ Includes accidents: fatal, absence from work (TTI - Temporary Total Incapacity), with TPI (Temporary Partial Incapacity) or PPI (Permanent Partial Incapacity); Without absence, with use of non-prescription medication at prescription strength; without absence, with use of wound closing treatment, such as suture, staples; without absence, administering immunization vaccines; without absence, with use of devices with rigid stays/others designed to immobilization; without absence, with physical therapy treatment; without absence, with loss of consciousness. ⁴ An accident at work in which a serious injury has resulted and from which the worker does not recover, or may not fully recover, or from which it is not expected to recover in less than 6 months. Excludes fatal accidents. ⁵ Accidents occurred at the place and working time or on a journey, with 1 or more days of absence and fatal accidents. ⁶ Sum of the number of absence calendar days resulting of work accidents occurred in the reference period, plus the number of days lost by accidents in the previous period, which lasted until the reference period without interruption. The lost time is measured from the day following the accident to the day right before the return to work. ⁷ Number of accidents at work in service with absence/fatalities, per million hours worked. ⁸ Number of calendar days lost due to work accident per million hours worked, in the reference period. ⁹ Number of calendar days lost due to work accidents per million hours worke, in the reference period, including days for permanent disability and a portion of 6,000 days for each fatal accident. ¹⁰ Accidents involving persons outside EDP's activity, including fatal accidents. ¹¹ Accidents involving persons outside EDP's activity. It should be noted that in 2020, there were 14 fatal accidents, two of which had two victims. ¹² Numbers of EDP employees represented by the total number of EDP employees.

4.3.3. Economic indicators

EDP GROUP	UN	2020	2019
Economic value generated	000€	13,755,853	15,437,724
Economic value distributed	000€	11,307,190	13,213,652
Economic value accumulated	000€	2,448,663	2,224,072
RDI	000€	110,936	162,040
Energy efficiency and supplementary energy services revenues ¹	000€	1,061,297	1,032,354
Energy efficiency services revenues	000€	244,573	158,376
Supplementary energy services revenues ²	000€	816,724	873,978
Support from public authorities ³	000€	42,767	103,105
Fines and penalties	000€	4,751	7,931
Environmental matters ⁴	000€	309,059	354,197
Investments	000€	66,990	88,317
Expenses	000€	242,069	265,880
Social matters			
Personnal costs	000€	554,910	571,088
Employee benefits	000€	112,403	49,108
Direct training investment	000€	3,250	3,756
Direct training investment per employee	€/p	280	322
HC ROI	€/p	6.46	6.96

¹ Energy Efficiency and Supplementary Energy Services: services provided under energy supply, instalation of more efficient and/or building retrofit, and sustainable mobility, which generate revenues for the company. ² Supplementary energy services revenues include the following categories: Energy Management, Maintenance and Operation, Property/Facility Management, Energy and/or Equipment Supply, Provision of Service (example: steam) and other. ³ Support from public authorities both recognised and not recognised in the income statement. ⁴ More information available on the Notes to the Consolidated and Company Financial Statements (Note 48) by EDP Group Annual Report.

4.4. Sustainable income and CAPEX

The European Union taxonomy regulation published on 22 June 2020 establishes the criteria for an activity to be qualified as environmentally sustainable. This regulation also imposes new information disclosures for companies covered by the Non-Financial Information Reporting Directive (Directive No. 2014/95/EU), particularly regarding the proportion of turnover, capital expenditures (CAPEX) or operational expenses (OPEX) that are associated with environmentally sustainable economic activities.

In November 2020, the Parliament and the European Council released delegated acts that specify the eligibility criteria that measure whether an activity is environmentally sustainable by contributing to the objectives of mitigating climate change and adapting to climate change, with the goal of ensuring its application as of 1 January 2022. The technical criteria for assessing the remaining environmental objectives will be adopted by 31 December 2021, to ensure their application from 1 January 2023 onwards.

EDP recognizes that it is a challenge to publish the environmental metrics proposed by the Taxonomy regulation, and understands that its implementation depends on the effectiveness of the regulation. It is within this context that we are once again disclosing information on sustainable income. Such information has been calculated to meet the eligibility criteria for the taxonomy of activities that contribute to mitigating climate change, considering the interpretation of delegated acts information released in November 2020. In this line, our future disclosures may be supported by data that we do not know until now, such as, for example, the delegated act that refers to the methodology for calculating

the metrics referred and that complies with the reporting obligation, within the scope of the Non-Financial Reporting Directive 2014/95 of European Parliament and Council of 22 October 2014, which should be released by 1 June 2021.

Technical evaluation criteria

- a) Activities excluded
 - Coal thermoelectric power plants.
- b) Low carbon activities
 - Wind and solar-based electricity production activities.
- c) Transitional activities, i.e. activities that will contribute to reducing CO₂ emissions
 - all hydro plants have been included, with the exception of some assets in Portugal and Brazil, which represent about 7% of the EDP group's installed capacity, as they do not meet at least one of the following criteria: CO₂ emissions over the useful life of the asset and with a Life Cycle Assessment (LCA) below 100gCO₂e/kWh; or where the power density of the asset is greater than 5W/m²
 - combined Cycle Gas Turbine and cogeneration cycle plants were not included because they do not carry out their activities in compliance with the eligibility criteria of the delegated acts, namely the level of CO₂ emissions over the useful life of the asset and with the Life Cycle Assessment (LCA) below 100gCO₂e/kWh.

- d) Enabling activities, that is, activities that allow for the reduction of CO₂ emissions in other activities
 - electricity transmission and distribution activities in Portugal and Spain as part of the European Electricity System. Activities in Brazil were considered eligible because they are networks that transport more than 67% of energy from renewable sources
 - marketing activities in Portugal and Brazil. The regulation did not define the technical evaluation criteria for this type of activities, however EDP used the composition of the electricity consumption mix of each country as an eligibility criterion to assess the use of renewable resources, and to determine the importance that renewable energy sources represent in the consumption of each of the aforementioned geographical areas.

Cause no significant harm the environmental objectives laid down by the European Union

In addition, each of the eligible activities does not significantly harm any of the remaining environmental objectives (adaptation to climate change; sustainable use and protection of water and marine resources; transition to a circular economy; prevention and control of pollution; protection and restoration of biodiversity). Through its Environment Policy, EDP has undertaken a set of commitments embodied in three strategic action areas: climate change, the circular economy and biodiversity. For more details on the different initiatives and goals undertaken, see the chapter "Protection of the environment" in this report.

Comply with the minimum safeguards relating to the OECD Guidelines for Multinational Enterprises and the United

Nations Guiding Principles on Business and Human Rights. EDP has, in its main corporate documents, such as its Code of Ethics and its Sustainable Development Principles, in applying the Universal Declaration of Human Rights, committed itself to the International Labor Organisation Conventions, the United Nations Global Compact and the Guiding Principles for Companies – the Ruggie Framework. For more details on the specific commitments undertaken, see the chapter “Ethics and Compliance” in this report.

The following table shows the Turnover and CAPEX values in line with the European Union taxonomy.

VALUES IN LINE WITH THE TAXONOMY		
Turnover	€7,165M	58%
CAPEX	€2,751M	95%

4.5. 2020 goals follow-up

		GOAL 2020	STATUS 2020	
GENERATE ECONOMIC VALUE INVESTING IN DECARBONIZATION	<ul style="list-style-type: none"> • Renewable capacity • Investment in I&D+I (aggregate) • Smart meters (Iberia)¹ • Saved Energy (aggregate) 	<ul style="list-style-type: none"> • ~76% • €200M • 90% • 1 TWh 	<ul style="list-style-type: none"> • 79% • €484M • 60% • 3.44 TWh 	<ul style="list-style-type: none"> • Target extended to 100% in 2030
DEVELOP OUR PEOPLE	<ul style="list-style-type: none"> • Engagement level • Female employees • Certification according with OHSAS 18001² • Certified suppliers exposed to high H&S risks, according to OHSAS 18001 • Frequency rate (Fr)³ 	<ul style="list-style-type: none"> • ≥75% • 27% • 100% • 100% • ≤2.00 	<ul style="list-style-type: none"> • 80% • 25% • 84% • 69% • 1.74 	<ul style="list-style-type: none"> • Target extended to 30% in 2025 • New targets for suppliers shall include this goal
IMPROVE ENVIRONMENTAL PERFORMANCE	<ul style="list-style-type: none"> • Specific CO₂ emissions variation vs 2005 • Assets certified according to ISO 14001 • Certified suppliers exposed to high environmental risks • Variation in specific waste materials vs 2015 	<ul style="list-style-type: none"> • -75% • 100% • 100% • -20% 	<ul style="list-style-type: none"> • -77% • 94% • 55% • -72% 	<ul style="list-style-type: none"> • Pending Distribution at EDP Brasil due to the pandemic • New targets for suppliers shall include this goal
IMPROVE TRUST	<ul style="list-style-type: none"> • Customers satisfaction • Recognition by the Ethisphere Institute • Protect Human Rights in the supply chain⁴ • Implement full stakeholders' auscultation⁵ • Employees participating in volunteer activities • Hours / year in volunteering activities • Investment in the community (LBG) (aggregate) • Critical suppliers evaluated according to ESG criteria • Service providers with audited ESG risks 	<ul style="list-style-type: none"> • >80% • yes • 4th stage • 4th stage • 20% • 20,000 h • €100M • 100% • 100% 	<ul style="list-style-type: none"> • 79% • yes • 4th stage • 4th stage • 19% • 14,355 h • €158M • In clearance • In clearance 	<ul style="list-style-type: none"> • Decrease in activities due to the pandemic • Decrease in activities due to the pandemic

¹ Target to 2030; ² Employees covered by OHSAS 18001; ³ Accidents with EDP co-workers and outsourcing workers for a million worked hours.; ⁴ 1st stage - Impact Study; 2nd stage - Supplier's Code of Conduct; 3rd stage - Supplier's assessment in the Human Rights dimensions; 4th stage - Plans for improvement in relevant cases; adjustment of purchasing policies. 5 1st stage - Definition of a stakeholder auscultation methodology; 2nd stage - Implementation of the methodology in all Business Units in Portugal; 3rd stage - Implementation of the methodology in all Geographies; 4th stage - Cover all segments of the EDP group's stakeholders.

4.6. Non-financial statement

Consolidated and Company Non-Financial Statements Under Articles 66.th-B and 508.th-G of the Commercial Companies Code

ARTICLE 66. TH -B AND 508. TH -G	DESCRIPTION AND DUE DILIGENCE PROCESSES		ASSOCIATED RISKS	RESULTS	KEY PERFORMANCE INDICATORS
ENVIRONMENTAL POLICIES	Code of Ethics Sustainable Development Principles Corporate Risk Management Policy	Environmental policy	2.2. Risk Management	3.2.1. Climate change 3.2.2. Renewable energies 3.2.3. Decarbonisation solutions 3.3.6. Climate protection	3.4. Performance indicators Annexes '4.3. GRI Indicators', '4.9. TCFD' and '4.12. Report on the allocation and impact of green bonds'
WORKERS RELATED SOCIAL POLICIES		Health and safety work policy Healthy competition practices commitment Information security policy Stakeholder relationship policy Training policy Internal mobility policy (internal and international) Social investment policy Volunteering policy EDP's supplier code of conduct Sustainable procurement policy EDP's integrity policy Declaration of respect for Human and Labor rights EDP's personal data protection policy		3.2.4. Satisfaction and customer service 3.2.5. Digital transformation and innovation 3.3.2. Health and Safety 3.3.3. People management 3.3.4. Community involvement and development 3.3.5. Supplier management 3.3.7. Ethics and compliance 3.3.8. Respect and promotion of human rights 3.3.9. Communication and transparency	
EQUALITY POLICIES BETWEEN MEN AND WOMEN		Diversity Policy Declaration of respect for Human and Labor rights EDP policy on selection of the members of the GSB and EBD		1.9. Government of the company 3.3.3. People management – Diversity and equality of opportunities 3.3.7. Ethics and compliance 3.3.8. Respect and promotion of human rights	
NON-DISCRIMINATION POLICIES		Diversity Policy Declaration of respect for Human and Labor rights		1.9. Government of the company 3.2.4. Customer service and satisfaction 3.3.3. People management	

ARTICLE 66. TH -B AND 508. TH -G	DESCRIPTION AND DUE DILIGENCE PROCESSES		ASSOCIATED RISKS	RESULTS	KEY PERFORMANCE INDICATORS
NON-DISCRIMINATION POLICIES		EDP policy on selection of the members of the GSB and EBD		3.3.7. Ethics and Compliance 3.3.8. Respect and promotion of human rights	
HUMAN RIGHTS POLICIES		Stakeholder relationship policy Social investment policy Volunteering policy EDP's supplier code of conduct Sustainable procurement policy		3.3.2. Health and safety 3.3.3. People management 3.3.4. Community involvement and development 3.3.5. Supplier management 3.3.7. Ethics and compliance	
POLICIES AGAINST CORRUPTION AND BRIBERY ATTEMPT	Code of Ethics Sustainable Development Principles Corporate Risk Management Policy	Healthy competition practices commitment EDP's supplier code of conduct Sustainable procurement policy EDP's integrity policy	2.2. Risk Management	3.3.5. Supplier management 3.3.7. Ethics and compliance 3.3.9. Communication and transparency	3.4. Performance indicators Annexes '4.3. GRI Indicators', '4.9. TCFD' and '4.12. Report on the allocation and impact of green bonds'
BRIEF DESCRIPTION OF THE COMPANY'S BUSINESS MODEL	'EDP' and chapters '1.4. Where we are, 1.5. EDP in the World, 1.6. Who we are and 1.7. Business Model' and 'Strategic approach' chapters '2.1. Sector trends and 2.3. Strategy, goals and targets'				
REFERENCE TO THE AMOUNTS IN THE ANNUAL FINANCIAL STATEMENTS AND ADDITIONAL EXPLANATIONS OF AMOUNTS REPORTED	3.2.7. 'Business Sustainability' Group's Financial Analysis in 2020 Annual Report (Chapter 3 - Performance)				

4.7. CMVM table

The following table sets out the Portuguese Securities Market Commission (CMVM) guidelines for the disclosure of non-financial information by companies issuing securities admitted for trading in a regulated market. Much of the information required is already subject to mandatory disclosure under Article 66-B and approval by the general meeting under Article 65, both from the Commercial Companies Code, and is reflected in the annex under item 4.6. Non-financial statement. They also reflect relevant information to be provided to investors and other stakeholders made available in the following items: 4.8. TCFD table and 4.9. SASB table.

Voluntary declaration of compliance

Part I - Information on policies adopted

REPORTING GUIDELINES FOR NON-FINANCIAL INFORMATION		ADOPTED BY EDP (Y/N)	LOCATION	DESCRIPTION IN THE REPORT
A. INTRODUCTION	<ul style="list-style-type: none"> • Description of the Company's general policy on sustainability issues, indicating any changes to the policy previously approved. • Description of the methodology and the reasons for its adoption in the reporting of non-financial information, as well as any changes that have occurred in relation to previous years and the reasons for these changes. 	Sim	• Sustainability Report	<ul style="list-style-type: none"> • This report • 1.1.1. Message from the chairperson • 1.1.2. Message from the director • 1.2. Vision, values and commitments
B. BUSINESS MODEL	<ul style="list-style-type: none"> • General description of the company/group's business model and form of organisation, indicating the main business areas and markets where it operates (if possible, using organisational diagrams, graphs or functional charts). 	Sim	• Sustainability Report	<ul style="list-style-type: none"> • 1.4. Where we are • 1.5. EDP in the world • 1.6. Who we are • 1.7. Business model

REPORTING GUIDELINES FOR NON-FINANCIAL INFORMATION		ADOPTED BY EDP (Y/N)	LOCATION	DESCRIPTION IN THE REPORT
C. MAIN RISK FACTORS	<ul style="list-style-type: none"> • Identification of the main risks associated with the topics being reported on and arising from the Company's activities, products, services or business relations, including, where appropriate and whenever possible, the supply and subcontracting chains. • Indication of how these risks are identified and managed by the Company. • Explanation of the internal functional division of powers, including the governing bodies, commissions, committees or departments responsible for identifying and managing/monitoring risks. • Explicit indication of the new risks identified by the Company in relation to those reported in previous years, as well as the risks no longer identified as such. • Indication and brief description of the main opportunities identified by the Company in the context of the topics being reported on. 	Yes	• Sustainability Report	<ul style="list-style-type: none"> • 1.9. Corporate governance • 1.10. Organisation of sustainability • 2.1. Trends in the sector • 2.2. Risk management • 3.3.1. Crisis management • 3.3.7. Ethics and Compliance|Compliance|Internal control system for financial reporting • 4.2. Reporting principles
D. POLICIES IMPLEMENTED	DESCRIPTION OF THE COMPANY'S POLICIES: I. ENVIRONMENTAL, II. SOCIAL AND FISCAL, III. CONCERNING EMPLOYEES AND GENDER EQUALITY AND NON-DISCRIMINATION, IV. CONCERNING HUMAN RIGHTS AND V. CONCERNING FIGHTING CORRUPTION AND COMPANY BRIBERY ATTEMPTS, INCLUDING DUE DILIGENCE POLICIES, AS WELL AS THE RESULTS OF THEIR IMPLEMENTATION, INCLUDING RELATED NON-FINANCIAL KEY PERFORMANCE INDICATORS IN COMPARISON WITH THE PREVIOUS YEAR.			
I. ENVIRONMENTAL POLICIES	<ul style="list-style-type: none"> • Description of the Company's strategic objectives and the main actions to be undertaken to achieve them. • Description of the key performance indicators defined. • Indication, in relation to the previous year, of the degree of achievement of those objectives, at least by reference to: 	Yes	• Sustainability Report	<ul style="list-style-type: none"> • 2.3. Strategy, objectives and targets • 4.1. Principles and policies • 4.5. Monitoring the 2020 objectives
I) SUSTAINABLE USE OF RESOURCES	<ul style="list-style-type: none"> • Consumption of water, other raw materials and energy; indication of measures taken to improve the efficiency of use of these resources; indication of the use of measures to promote energy efficiency and the use of renewable energies 	Yes	• Sustainability Report	<ul style="list-style-type: none"> • 3.3.6. Environmental protection • 4.3.1. Environmental indicators
II) POLLUTION AND CLIMATE CHANGE	<ul style="list-style-type: none"> • Indication of greenhouse gas emission values; indication of pollutant emission into nature; indication of penalties incurred and measures to prevent, reduce or remedy such emissions. 	Yes	• Sustainability Report	<ul style="list-style-type: none"> • 3.2.1. Climate change • 3.3.6. Environmental protection • 4.3.1. Environmental Indicators
III) CIRCULAR ECONOMY AND WASTE MANAGEMENT	<ul style="list-style-type: none"> • Measures for the prevention, recycling, reuse or other forms of recovery and disposal of waste. 	Yes	• Sustainability Report	<ul style="list-style-type: none"> • 3.3.6. Environmental protection • 4.3.1. Environmental indicators
IV) PROTECTION OF BIODIVERSITY	<ul style="list-style-type: none"> • Impacts caused by activities or operations in protected areas, and actions taken to preserve or restore biodiversity. 	Yes	• Sustainability Report	<ul style="list-style-type: none"> • 3.3.6. Environmental protection • 4.3.1. Environmental indicators

REPORTING GUIDELINES FOR NON-FINANCIAL INFORMATION		ADOPTED BY EDP (Y/N)	LOCATION	DESCRIPTION IN THE REPORT
II. SOCIAL AND FISCAL POLICIES	<ul style="list-style-type: none"> Description of the Company's strategic objectives and the main actions to be undertaken to achieve them. Description of the key performance indicators defined. Indication, in relation to the previous year, of the degree of achievement of those objectives, at least by reference to: 	Yes	• Sustainability Report	<ul style="list-style-type: none"> 2.3. Strategy, objectives and targets 4.1. Principles and policies 4.5. Monitoring the 2020 objectives
I) THE COMPANY'S COMMITMENT TO THE COMMUNITY	<ul style="list-style-type: none"> The impact of the Company's activity on employment and local development; the impact of the Company's activity on local populations and the territory; the relations maintained with local community agents and the respective means of dialogue; partnership or sponsorship actions. 	Yes	• Sustainability Report	• 3.3.4. Community involvement
II) SUBCONTRACTING AND SUPPLIERS	<ul style="list-style-type: none"> The inclusion of social, gender equality and environmental issues in the purchasing policy; considerations in relations with suppliers and subcontractors and their social, environmental and governance responsibility; control and audit systems and their results. Where possible, include reference to the fact that the Company's suppliers apply policies consistent with those established by the Company. 	Yes	• Sustainability Report	• 3.3.5. Supplier management
III) CONSUMERS	<ul style="list-style-type: none"> Measures for consumer health and safety; systems for receiving complaints and their handling and resolution, including the number of complaints received and the number of pending complaints, as well as those in which the complainant was found to be right, satisfaction surveys, and indication of the person responsible for complaints. 	Yes	• Sustainability Report	• 3.2.4. Customer satisfaction and service
IV) RESPONSIBLE INVESTMENT	<ul style="list-style-type: none"> If applicable, information on the responsible investment the Company has sought to attract, including in relation to the issue/acquisition of green bonds or SDG-linked bonds. 	Yes	• Sustainability Report	<ul style="list-style-type: none"> 3.2.6. Sustainable finance 4.12. Report on allocation and impact of green bonds 4.13. Auditor's statement - Green bond report
V) STAKEHOLDERS	<ul style="list-style-type: none"> Information on any arrangements for consulting stakeholders 	Yes	• Sustainability Report	• 1.11. Stakeholders
VI) TAX INFORMATION	<ul style="list-style-type: none"> Information on measures or acts with a fiscal impact, including any subsidies or any kind of advantage or financial advantage granted by the State. 	Yes	• Sustainability Report	• 3.3.9. Communication and transparency
III. WORKERS AND GENDER EQUALITY AND NON-DISCRIMINATION	<ul style="list-style-type: none"> Description of the Company's strategic objectives and the main actions to be undertaken to achieve them. Description of the key performance indicators defined. Indication, in relation to the previous year, of the degree of achievement of those objectives, at least by reference to: 	Yes	• Sustainability Report	<ul style="list-style-type: none"> 2.3. Strategy, objectives and targets 4.1. Principles and policies 4.5. Monitoring the 2020 objectives

REPORTING GUIDELINES FOR NON-FINANCIAL INFORMATION		ADOPTED BY EDP (Y/N)	LOCATION	DESCRIPTION IN THE REPORT
I) EMPLOYMENT	<ul style="list-style-type: none"> • Total number and distribution of employees by gender, age, country and job classification, as well as total number and distribution of contractual arrangements (e.g. employment contract, service providers, temporary work, etc.) by gender and age, average length of contracts; percentage of the workforce receiving the national minimum wage, regardless of contractual relationship; remuneration for equal or median positions in the company, by gender; average remuneration of directors and managers, including variable remuneration, allowances, severance payments, payment to long-term savings schemes and any other payment broken down by gender; employees with disabilities (including indication of how the Company is complying, or preparing to comply, with Law No. 4/2019 of 10 January regarding the system of employment quotas for persons with disabilities). 	Yes	• Sustainability Report	<ul style="list-style-type: none"> • 3.3.3. People management | Employee attraction and recruitment • 3.3.3. People management | Compensation and benefits • 4.3.2. Social indicators
II) ORGANISATION OF WORK	<ul style="list-style-type: none"> • Organisation of working time, including measures to facilitate the separation between work and family life. 	Yes	• Sustainability Report	<ul style="list-style-type: none"> • 3.3.3. People management | Reconciliation and social protection measures • 4.3.2. Social indicators
III) HEALTH AND SAFETY	<ul style="list-style-type: none"> • Occupational health and safety conditions and number of occupational accidents. 	Yes	• Sustainability Report	<ul style="list-style-type: none"> • 3.3.2. Health and safety • 4.3.2. Social indicators
IV) CORPORATE RELATIONS	<ul style="list-style-type: none"> • Organisation of corporate dialogue, including procedures for informing and negotiating with staff, particularly the number of interactions with trade unions and/or works committees, if any; new agreements concluded or revision of agreements in force; number of court cases and complaints to the Authority for Working Conditions; percentage of employees covered by collective agreements by country; evaluation of collective agreements, including in the field of occupational health and safety. 	Yes	• Sustainability Report	<ul style="list-style-type: none"> • 3.3.3. People management | Labour rights • 4.3.2. Social indicators
V) TRAINING	<ul style="list-style-type: none"> • The policies applied in the field of training and the type of training (e.g. whether the company provides its employees with training on issues related to the assessment of the company's performance in "non-financial" matters (e.g. privacy protection/GDPR, combatting money laundering/AML, Human Rights in the value chain, etc.); the ratio between hours of training and number of employees. 	Yes	• Sustainability Report	<ul style="list-style-type: none"> • 3.3.3. People management | Training and development • 4.3.2. Social indicators

REPORTING GUIDELINES FOR NON-FINANCIAL INFORMATION		ADOPTED BY EDP (Y/N)	LOCATION	DESCRIPTION IN THE REPORT
VI) EQUALITY	<ul style="list-style-type: none"> Measures/policies taken to promote equal treatment and equal opportunities between genders; equality plans; number of dismissals by gender; protocols against sexual harassment and gender-based harassment; policies for integration and universal accessibility of people with disabilities; policies against all types of discrimination and, where appropriate, diversity management. 	Yes	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.3.3. People management | Job stability 3.3.3. People management | Diversity and equal opportunities
IV. HUMAN RIGHTS	<ul style="list-style-type: none"> Description of the Company's strategic objectives and the main actions to be undertaken to achieve them. Description of the key performance indicators defined. Indication, in relation to the previous year, of the degree of achievement of those objectives, at least by reference to 	Yes	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 2.3. Strategy, objectives and targets 4.1. Principles and policies 4.5. Monitoring the 2020 objectives
I) DUE DILIGENCE PROCEDURES	<ul style="list-style-type: none"> Applied with regard to human rights, in particular in relation to the contracting of suppliers and service providers. 	Yes	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.3.5. Supplier management | Monitoring of human and labour rights 3.3.8. Respecting and promoting human rights
II) RISK PREVENTION MEASURES	<ul style="list-style-type: none"> For human rights violations and, where appropriate, measures to remedy any abuses; elimination of discrimination in respect of employment (where not already mentioned above); elimination of forced or compulsory labour; effective abolition of child labour. 	Yes	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.3.8. Respecting and promoting human rights
III) LEGAL PROCEEDINGS	<ul style="list-style-type: none"> For violation of human rights 	Yes	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.3.8. Respecting and promoting human rights
V. COMBATING CORRUPTION AND ATTEMPTED BRIBERY			<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 4.1. Principles and policies
I) PREVENTION OF CORRUPTION	<ul style="list-style-type: none"> Measures and instruments adopted to prevent corruption and bribery; policies implemented to dissuade these practices among employees and suppliers; information on the compliance system indicating the respective functional leadership, if any; indication of legal proceedings involving the Company, its directors or employees related to corruption or bribery; measures adopted in public procurement, if relevant. 	Yes	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.3.7. Ethics and compliance | Compliance | Integrity / anti-corruption and prevention of money laundering and combating the financing of terrorism
II) PREVENTION OF MONEY LAUNDERING (FOR ISSUING COMPANIES SUBJECT TO THIS REGIME)	<ul style="list-style-type: none"> Information on measures to prevent and combat money laundering. 	Yes	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.3.7. Ethics and compliance | Compliance | Integrity / anti-corruption and prevention of money laundering and combating the financing of terrorism

REPORTING GUIDELINES FOR NON-FINANCIAL INFORMATION		ADOPTED BY EDP (Y/N)	LOCATION	DESCRIPTION IN THE REPORT
III) CODES OF ETHICS	<ul style="list-style-type: none"> Indication of any code of ethics to which the Company has adhered or implemented; indication of the respective mechanisms for implementing and monitoring compliance with the code, if applicable. 	Yes	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.3.7. Ethics and compliance | Ethics
IV) MANAGEMENT OF CONFLICTS OF INTEREST	<ul style="list-style-type: none"> Measures to manage and monitor conflicts of interest, particularly requiring managers and employees to sign declarations of interests, incompatibilities and impediments. 		<ul style="list-style-type: none"> Annual Report Sustainability Report Regulation on conflicts of interest and business between related parties 	<ul style="list-style-type: none"> AR: 4. Corporate governance | A. Ownership structure | II. Shareholding and bonds owned | 10. Significant business relationships between owners of qualifying holdings and the company 3.3.7. Ethics and compliance | Compliance | Integrity / anti-corruption and prevention of money laundering and combating the financing of terrorism www.edp.com

Part II – Information on the standards / guidelines followed

REPORTING GUIDELINES FOR NON-FINANCIAL INFORMATION		ADOPTED BY EDP (Y/N)	LOCATION	DESCRIPTION IN THE REPORT
1. IDENTIFICATION OF STANDARDS/GUIDELINES FOLLOWED IN THE REPORTING OF NON-FINANCIAL INFORMATION	<ul style="list-style-type: none"> Identification of the standards / guidelines followed in the preparation of non-financial information, including the respective options, as well as other principles considered in the Company's performance, if applicable. If the Company refers to the Sustainable Development Goals (SDG) of the United Nations 2030 Agenda, include identification of those to which the Company is committed to contributing, indicating the measures taken each year towards achieving the goals set for each of these SDGs. That is, identify concrete actions, projects or investments aimed at achieving this SDG. 	Yes	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> This report 4.2. Reporting principles 4.6. Non-financial statement
2. IDENTIFICATION OF THE SCOPE AND METHOD FOR CALCULATING INDICATORS	<ul style="list-style-type: none"> Description of the scope and calculation method (including the calculation formula) for the indicators reported, as well as the limitations of that reporting. Whenever possible, a table should be presented showing the correlation between the indicators presented and the principles or objectives considered, indicating the website where the information is detailed (e.g., the page of the stand-alone report on non-financial information, the annual report and accounts, another document or the Company's website). 	Yes	<ul style="list-style-type: none"> Sustainability Report Glossary 	<ul style="list-style-type: none"> 4.10. GRI Table www.edp.com

REPORTING GUIDELINES FOR NON-FINANCIAL INFORMATION		ADOPTED BY EDP (Y/N)	LOCATION	DESCRIPTION IN THE REPORT
3. EXPLANATION IN THE EVENT OF THE NON-APPLICATION OF POLICIES	<ul style="list-style-type: none"> If the Company does not apply policies with respect to one or more matters, the reporting of non-financial information provides an explanation for this fact. 	Yes	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 4.2. Reporting principles
4. OTHER INFORMATION	<ul style="list-style-type: none"> Additional elements or information which, while not included in the previous points, are relevant for the understanding, contextualising and justification of the relevance of the non-financial information disclosed, in particular with regard to networks/consortia of entities linked to issues of sustainability and responsibility for the organisations of which it is a member/ to which it belongs, whether at the national or international level, and sustainability commitments that the Company has voluntarily assumed, at the local or global level. 	Yes	<ul style="list-style-type: none"> Annual Report 	<ul style="list-style-type: none"> 06. Financial statements; Covid-19 - Macroeconomic, Regulatory, Operational, Accounting Impact and Stakeholders

4.8. TCFD

TCFD REPORTING RECOMENDATIONS		CDSB***	NON-FINANCIAL STATEMENTS (ARTICLES 66 TH -B AND 508 TH -G OF COMMERCIAL LAW)					SASB**
			BUSINESS MODEL	POLICIES AND DUE DILIGENCE PROCESSES	MAIN RISKS AND THEIR MANAGEMENT	OUTCOMES	KEY PERFORMANCE INDICATORS	
GOVERNANCE	a) Board's oversight	Req.01 Governance		1.10. Sustainability organization				SASB Table – since the SASB framework refers to financially material topics, the associated quantitative and qualitative performance metrics should facilitate the development of ESG reports with CAE-level knowledge and approval that provide information on the effectiveness of a company's climate-related strategy, risk management and operational performance.
	b) Management's role	Req.01 Governance; Req. 02 Policies, Strategy and Targets		1.10. Sustainability organization				
STRATEGY	a) Climate-related risks and opportunities	Req. 02 Policies, Strategy and Targets; Req. 03 Risks & Opportunities; Req.06 Outlook			2.2. Risk Management*; CDP Climate Change 2020			
	b) Impact of climate-related risks and opportunities	Req. 02 Policies, Strategy and Targets; Req. 03 Risks & Opportunities; Req.06 Outlook	2.2. Risk management*; CDP Climate Change 2020					
	c) Resilience of the organization's strategy	Req. 03 Risks & Opportunities; Req.06 Outlook	3.2.1. Climate change					
RISK MANAGEMENT	a) Processes for identifying and assessing	Req. 03 Risks & Opportunities			2.2. Risk Management*; CDP Climate Change 2020			
	b) Processes for managing	Req. 02 Policies, Strategy and Targets; Req. 03 Risks & Opportunities; Req.06 Outlook			2.2. Risk management*; CDP Climate Change 2020			
	c) Integration into overall risk management	Req.01 Governance; Req. 03 Risks & Opportunities; Req.06 Outlook			2.2. Risk management*			

TCFD REPORTING RECOMENDATIONS		CDSB***	NON-FINANCIAL STATEMENTS (ARTICLES 66 TH -B AND 508 TH -G OF COMMERCIAL LAW)				SASB**
METRICS AND TARGETS	a) Metrics used to assess	Req.01 Governance; Req. 02 Policies, Strategy and Targets; Req. 04 Sources of Impact; Req.05 Performance and Comparative Analysis				2.2. Risk Management* - Goal and targets	3.4.Performance indicators – Climate change; Promotion of renewable energies; Decarbonisation solutions; 4.3.1 Environmental indicators
	b) GHG emissions	Req. 02 Policies, Strategy and Targets; Req. 04 Sources of Impact; Req.05 Performance and Comparative Analysis				3.2.1. Climate change; 3.2.2. Renewable energies; 3.2.3. Decarbonisation solutions	3.4.Performance Indicators – Climate Change; Promotion of renewable energies; Decarbonisation solutions; 4.3.1 Environmental indicators; 4.12. Report on the allocation and impact of green bonds'
METRICS AND TARGETS	c) Targets	Req. 02 Policies, Strategy and Targets; Req. 04 Sources of Impact; Req.05 Performance and Comparative Analysis				2.3. Strategy, goals and targets	

4.9. SASB

SASB ELECTRIC UTILITIES & POWER GENERATORS (SICS SECTOR) ¹							NOTES
TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE SASB	GRI STANDARD	2020	
NUMBER OF CUSTOMERS SERVED							
⁽¹⁾ residential		Quantitative	#	IF-EU-000.A	EU3	1.5 EDP in the World; 3.4. Performance Indicators – Satisfaction and Customer Service - Customers by type of use	
⁽²⁾ commercial		Quantitative	#	IF-EU-000.A	EU3	1.5 EDP in the World; 3.4. Performance Indicators – Satisfaction and Customer Service - Customers by type of use	
⁽³⁾ industrial		Quantitative	#	IF-EU-000.A	EU3	1.5 EDP in the World; 3.4. Performance Indicators – Satisfaction and Customer Service - Customers by type of use	
TOTAL ELECTRICITY DELIVERED TO CUSTOMERS							
⁽¹⁾ residential		Quantitative	MWh	IF-EU-000.B	102-7	Partial: Annual Report 2020 – Historic Operational Indicators (networks)	
⁽²⁾ commercial		Quantitative	MWh	IF-EU-000.B	102-7	Partial: Annual Report 2020 – Historic Operational Indicators (networks)	
⁽³⁾ industrial		Quantitative	MWh	IF-EU-000.B	102-7	Partial: Annual Report 2020 – Historic Operational Indicators (networks)	
⁽⁴⁾ all other retail		Quantitative	MWh	IF-EU-000.B	102-7	Partial: Annual Report 2020 – Historic Operational Indicators (networks)	
⁽⁵⁾ wholesale		Quantitative	MWh	IF-EU-000.B	102-7	Partial: Annual Report 2020 – Historic Operational Indicators (networks)	
Length of transmission and distribution lines		Quantitative	km	IF-EU-000.C	EU4	Distribution: 374,691 km; Transportation: 1,441 km	
Total electricity generated, percentage by major energy source, percentage in regulated markets		Quantitative	MWh, %	IF-EU-000.D	EU2	63,677,177 MWh	
Total wholesale electricity purchased		Quantitative	MWh	IF-EU-000.E		3,118,889	

SASB ELECTRIC UTILITIES & POWER GENERATORS (SICS SECTOR) ¹							NOTES
TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE SASB	GRI STANDARD	2020	
GREENHOUSE GAS EMISSIONS & ENERGY RESOURCE PLANNING	(1)Gross global Scope 1 emissions	Quantitative	tCO ₂ -e	IF-EU-110a.1	305-4	9,311,612	2
	(2)Percentage covered under emissions-limiting regulations	Quantitative	%	IF-EU-110a.1	EU5	80.08	
	(3)Percentage covered emissions-reporting regulations	Quantitative	%	IF-EU-110a.1	EU5	99.78	
	Greenhouse gas (GHG) emissions associated with power deliveries	Quantitative	tCO ₂ -e	IF-EU-110a.2	305-4	7,831,579	4
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	IF-EU-110a.3	305-4	2.3. Strategy, goals and targets; 3.2.1 Climate change; 3.2.3. Promotion of renewable energies; 3.2.10. Decarbonisation solutions; CDP Climate Change 2020	
	(1) Number of customers served in markets subject to renewable portfolio standards (RPS)	Quantitative	#	IF-EU-110a.4		EDP didn't have customers served in markets subject to renewable portfolio standards (RPS)	
	(2) Percentage fulfillment of RPS target by market	Quantitative	%	IF-EU-110a.4		EDP didn't have customers served in markets subject to renewable portfolio standards (RPS)	
AIR QUALITY	AIR EMISSIONS OF THE FOLLOWING POLLUTANTS:						5
	(1)NOx (excluding N ₂ O)	Quantitative	t	IF-EU-120a.1	305-7	6,168.3	
	(2)SOx	Quantitative	t	IF-EU-120a.1	305-7	8,228.3	
	(3)Particulate matter (PM10)	Quantitative	t	IF-EU-120a.1	305-7	919.5	
	(4)Lead (Pb)	Quantitative	t	IF-EU-120a.1	305-7	Not applicable	
	(5)Mercury (Hg)	Quantitative	t	IF-EU-120a.1	305-7	0.0165	5
	(1)NOx (excluding N ₂ O)	Quantitative	% of NOx, SOx, PM10; Pb and Hg from EDP's facilities that are located in or near areas of dense population	IF-EU-120a.1	305-7	100	
	(2)SOx	Quantitative		IF-EU-120a.1	305-7	100	
	(3)Particulate matter (PM10)	Quantitative		IF-EU-120a.1	305-7	100	
	(4)Lead (Pb)	Quantitative		IF-EU-120a.1	305-7	Not applicable	
	(5)Mercury (Hg)	Quantitative		IF-EU-120a.1	305-7	100	

SASB ELECTRIC UTILITIES & POWER GENERATORS (SICS SECTOR) ¹							NOTES
TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE SASB	GRI STANDARD	2020	
WATER MANAGEMENT	(1)Total water withdrawn	Quantitative	10 ³ xm ³	IF-EU-140a.1	303-1	602,909	3.4. Performance indicators – Environmental protection 3.4. Performance indicators – Environmental protection 1% and 39% of total water withdrawn and total water consumed, respectively No incidents of non-compliance. This indicator is yearly reported on CDP Water Security CDP Water Security; www.edp.com > sustainability> environmental dimension> natural resources > water
	(2.a)Total water consumed	Quantitative	10 ³ xm ³	IF-EU-140a.1	303-1	14,967	
	(2.b)Percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	%	IF-EU-140a.1	303-1		
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	#	IF-EU-140a.2	307-1		
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	n/a	IF-EU-140a.3	103-1; 103-2; 103-3		
COAL ASH MANAGEMENT	Amount of coal combustion residuals (CCR) generated	Quantitative	t	IF-EU-150a.1	306-2	225,430	3.4. Performance indicators – Environmental protection 92 Not available
	Percentage of CCR recycled	Quantitative	%	IF-EU-150a.1	306-2		
	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Quantitative	#	IF-EU-150a.2	306-2		
ENERGY AFFORDABILITY	AVERAGE RETAIL ELECTRIC RATE FOR:						6 7 7 3.4. Performance indicators – Satisfaction and Customer Service – Service Reconnection 3.4. Performance indicators – Satisfaction and Customer Service – Service Reconnection 3.2.4. Satisfaction and Customer Service – Vulnerable customers; Annual Report 2020 – ‘Markets and regulation of the year’ and ‘Covid-19 – Covid-19 - Macroeconomic, Regulatory, Operational, Accounting Impact and Stakeholders; 3.4. Performance Indicators – Vulnerable customers
	(1)Residential	Quantitative	€/kWh	IF-EU-240a.1		0.1272	
	(2)Commercial	Quantitative	€/kWh	IF-EU-240a.1		0.1068	
	(3)Industrial customers	Quantitative	€/kWh	IF-EU-240a.1		0.1068	
	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	Quantitative	Reporting currency	IF-EU-240a.2		Not available	
	Number of residential customer electric disconnections for non-payment	Quantitative	#	IF-EU-240a.3	EU27		
	Percentage reconnected within 30 days	Quantitative	%	IF-EU-240a.3	EU28; EU29		
	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Discussion and Analysis	n/a	IF-EU-240a.4	G4-DMA: Access		

SASB ELECTRIC UTILITIES & POWER GENERATORS (SICS SECTOR) ¹							NOTES
TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE SASB	GRI STANDARD	2020	
WORKFORCE HEALTH & SAFETY	⁽¹⁾ Total recordable incident rate (TRIR)	Quantitative	Rate	IF-EU-320a.1	403-2; 403-3	2.37 4.3.2. Social indicators	8
	⁽²⁾ Fatality rate	Quantitative	Rate	IF-EU-320a.1	403-2; 403-3	0.039 4.3.2. Social indicators	8
	⁽³⁾ Near miss frequency rate (NMFR)	Quantitative	Rate	IF-EU-320a.1	403-2; 403-3	4.83 4.3.2. Social indicators	8
END-USE EFFICIENCY & DEMAND	Percentage of electric utility revenues from rate structures that are decoupled	Quantitative	%	IF-EU-420a.1		Not applicable	
	Percentage of electric utility revenues from rate structures that contain a lost revenue adjustment mechanism (LRAM)	Quantitative	%	IF-EU-420a.1		Not applicable	
	Percentage of electric load served by smart grid technology	Quantitative	% by MWh	IF-EU-420a.2		78.2	
	Customer electricity savings from efficiency measures, by market	Quantitative	MWh	IF-EU-420a.3	302-4	B2C (residential): 1,054,591 MWh (accumulated since 2015) B2B (industry, tertiary, agriculture): 2,503,785 MWh (accumulated since 2015)	
NUCLEAR SAFETY & EMERGENCY MANAGEMENT	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Quantitative	#	IF-EU-540a.1		EDP consolidates the company Iberenergia S.A.U which the group owns at 100% and which consolidates by the method of integral consolidation, has EDP being a minority shareholder does not exercise operational control or have power in financial decision-making. Therefore, EDP does not report ESG information from this plant	
	Description of efforts to manage nuclear safety and emergency preparedness	Discussion and Analysis	n/a	IF-EU-540a.2		EDP consolidates the company Iberenergia S.A.U which the group owns at 100% and which consolidates by the method of integral consolidation, has EDP being a minority shareholder does not exercise operational control or have power in financial decision-making. Therefore, EDP does not report ESG information from this plant	
GRID RESILIENCY	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	Quantitative	#	IF-EU-550a.1	418-1	0	
	⁽¹⁾ System Average Interruption Duration Index (SAIDI)	Quantitative	#	IF-EU-550a.2	G4-DMA Availability and Reliability	106.7 3.4. Performance indicators – Satisfaction and Customer Service	9

SASB ELECTRIC UTILITIES & POWER GENERATORS (SICS SECTOR) ¹							NOTES
TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE SASB	GRI STANDARD	2020	
GRID RESILIENCY	⁽²⁾ System Average Interruption Frequency Index (SAIFI)	Quantitative	#	IF-EU-550a.2	G4-DMA Availability and Reliability	2.3 3.4. Performance indicators – Satisfaction and Customer Service	9
	⁽³⁾ Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Quantitative	#	IF-EU-550a.2	G4-DMA Availability and Reliability	46.5 3.4. Performance indicators – Satisfaction and Customer Service	9

¹ Industry composition is based on the mapping of the sustainable industry classification system (SICSTM) to the bloomberg industry classification system (BICS). ² Only includes emissions from facilities covered by EU-ETS. ³ Includes CO₂ and SF₆ emissions from all thermal power plants. ⁴ EDP used national emission factors (portugal, spain and brazil). ⁵ EDP didn't track lead. ⁶ Information for the first half of 2020, excluding taxes and VAT, in Portugal - Eurostat typification (Consumer type DA, DB, DC, DD, DE). ⁷ Information for the first half 2020, excluding taxes and VAT, in Portugal - EUROSTAT Typification (Consumer type IA, IB, IC, ID). EDP does not have the separation by industrial/commercial category, but only for the non-domestic category. ⁸ Total recordable incident rate (TRIR) - Number of mandatory reporting work accidents per million hours worked over a period of one year (reference period); Fatality rate - Number of fatal work accidents per million hours worked over a period of one year (reference period). Near miss frequency rate (NMFR) - Number of near misses per million hours worked during the period of one year (reference period). ⁹ www.edp.com – Report "Sustainability Management Approach" – 13 Availability and reliability.

4.10. GRI Table

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	REPORT	OMISSIONS/ ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
GRI 100: UNIVERSAL STANDARDS						
GRI 102: General Disclosures						
1. Organization Profile						
102-1	Name of the organization	2	|||||||		L	
102-2	Activities, brands, products, and services	20-21	|||||||		L	
102-3	Location of headquarters	2	|||||||		L	
102-4	Location of operations	17-18	|||||||		L	
102-5	Ownership and legal form	2	|||||||		L	
102-6	Markets served	17-21	|||||||		L	
102-7	Scale of the organization	17-18; 211; AR 310	|||||||		L	
102-8	Information on employees and other workers	211	|||||||		L	3; 6
102-9	Supply chain	www.edp.com	|||||||	www.edp.com	L	
102-10	Significant changes to the organization and its supply chain	149-151	|||||||		L	
102-11	Precautionary Principle or approach	Code of Ethics; 46-55	|||||||	www.edp.com	L	
102-12	External initiatives	www.edp.com	|||||||	www.edp.com ; www.edp.com	L	
102-13	Membership of associations	www.edp.com	|||||||	www.edp.com	L	
2. Strategy						
102-14	Statement from senior decision-maker	7-13	|||||||		L	
102-15	Key impacts, risks, and opportunities	46-55	|||||||		L	
3. Ethics and Integrity						
102-16	Values, principles, standards, and norms of behaviour	14; Code of Ethics	|||||||		L	10
102-17	Mechanisms for advice and concerns about ethics	www.edp.com	|||||||	www.edp.com	L	10

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	REPORT	OMISSIONS/ ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
4. Governance						
102-18	Governance structure	23-30	|||||||		L	
102-19	Delegating authority	AR 128	|||||||		L	
102-20	Executive-level responsibility for economic, environmental, and social topics	23-34	|||||||		L	
102-21	Consulting stakeholders on economic, environmental, and social topics	37; 63-66	|||||||		L	
102-22	Composition of the highest governance body and its committees	23-34; 198; AR 122-123; AR 161-166	|||||||		L	
102-23	Chair of the highest governance body	23-34; AR 123	|||||||		L	
102-24	Nominating and selecting the highest governance body	23-30	|||||||		L	
102-25	Conflicts of interest	26; AR 206-210	|||||||		L	
102-26	Role of highest governance body in setting purpose, values, and strategy	23-30; AR 128-131	|||||||		L	
102-27	Collective knowledge of highest governance body	213	|||||||		L	
102-28	Evaluating the highest governance body's performance	28-29; AR 198-202	|||||||		L	
102-29	Identifying and managing economic, environmental, and social impacts	31-34; 63-66; 165; AR 162-166; AR 182-194	|||||||		L	
102-30	Effectiveness of risk management processes	46-49; 165; AR 162-166; AR 182-194	|||||||		L	
102-31	Review of economic, environmental, and social topics	23-34; AR 162-166; AR 184-191	|||||||		L	
102-32	Highest governance body's role in sustainability reporting	31-34; 202-204	|||||||		L	
102-33	Communicating critical concerns	161; 197; AR 136-158	|||||||		L	
102-34	Nature and total number of critical concerns	161; 197	|||||||		L	
102-35	Remuneration policies	28; AR 197-206	|||||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	REPORT	OMISSIONS/ ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
102-36	Process for determining remuneration	28; AR 197-206	|||||||		L	
102-37	Stakeholders' involvement in remuneration	28; AR 197-206	|||||||		L	
102-38	Annual total compensation ratio	213	|||||||		L	
102-39	Percentage increase in annual total compensation ratio	213	|||||||		L	
5. Stakeholder Engagement						
102-40	List of stakeholder groups	37	|||||||		L	
102-41	Collective bargaining agreements	213	|||||||		L	3
102-42	Identifying and selecting stakeholders	Stakeholders report	|||||||	www.edp.com	L	
102-43	Approach to stakeholder engagement	Stakeholders report	|||||||	www.edp.com	L	
102-44	Key topics and concerns raised	Stakeholders report	|||||||	www.edp.com	L	
6. Reporting Practice						
102-45	Entities included in the consolidated financial statements	AR 453-461	|||||||		L	
102-46	Defining report content and topic Boundaries	63-66; 202-204	|||||||		L	
102-47	List of material topics	63-66	|||||||		L	
102-48	Restatements of information			Not applicable	L	
102-49	Changes in reporting	63-66; 202-204	|||||||		L	
102-50	Reporting period	2; 203	|||||||		L	
102-51	Date of most recent report	202-204	|||||||		L	
102-52	Reporting cycle	2; 203	|||||||		L	
102-53	Contact point for questions regarding the report	AR 519	|||||||		L	
102-54	Claims of reporting in accordance with the GRI Standards	202-204	|||||||		L	
102-55	GRI content index	204	|||||||		L	
102-56	External assurance	204	|||||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	REPORT	OMISSIONS/ ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
GRI 103: Management Approach						1 to 10
103-1	Explanation of the material topic and its Boundary	63-66; Sustainability Management Approach | Chapter 1.2. Sustainability	|||||||	www.edp.com	L	
103-2	The management approach and its components	63-66; Sustainability Management Approach | Chapter 1.2. Sustainability	|||||||	www.edp.com	L	
103-3	Evaluation of the management approach	63-66; Sustainability Management Approach | Chapter 1.2. Sustainability	|||||||	www.edp.com	L	
GRI 200: ECONOMIC TOPICS						
GRI 201: Economic Performance						
201-1	Direct economic value generated and distributed	184	|||||||		L	
201-2	Financial implications and other risks and opportunities due to climate change	68-71; CDP <i>Climate Change</i>	|||||||	www.edp.com	L	7
201-3	Defined benefit plan obligations and other retirement plans	AR 360; AR 401-409	|||||||		L	
201-4	Financial assistance received from government	221	|||||||		L	
GRI 202: Market Presence						6
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	187	|||||||		L	
202-2	Proportion of senior management hired from the local community	211	|||||||		L	
GRI 203: Indirect Economic Impacts						
203-1	Infrastructure investments and services supported	134-144	|||||||		L	
203-2	Significant indirect economic impacts	82-84; 134-144	|||||||		L	
GRI 204: Procurement Practices						
204-1	Proportion of spending on local suppliers	193-194	|||||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	REPORT	OMISSIONS/ ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
GRI 205: Anti-corruption						10
205-1	Operations assessed for risks related to corruption	164-167	|||||||		L	
205-2	Communication and training about anti-corruption policies and procedures	213; www.edp.com	|||||||	www.edp.com	L	
205-3	Confirmed incidents of corruption and actions taken	164-167; 197	|||||||		L	
GRI 206: Anti-competitive Behaviour						
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	167-168; 170-171; 198	|||||||		L	
GRI 207: Tax						
207-1	Approach to tax	171-178	|||||||		L	
207-2	Tax governance, control, and risk management	171-178	|||||||		L	
207-3	Stakeholder engagement and management of concerns related to tax	171-178	|||||||		L	
207-4	Country-by-country reporting	171-178	|||||||		L	
GRI 300: ENVIRONMENTAL TOPICS						7; 8; 9
ISO 14001 Certified maximum net installed capacity		205	|||||||		L	
GRI 301: Materials						
301-1	Materials used by weight or volume	195-196	|||||||		L	
301-2	Recycled input materials used	n.a.		Considered non-material compared to the quantity of materials used by EDP	L	
301-3	Reclaimed products and their packaging materials	n.a.		Not applicable	L	
GRI 302: Energy						
302-1	Energy consumption within the organization	205	|||||||		L	
302-2	Energy consumption outside of the organization	205	|||||||		L	
302-3	Energy intensity	205	|||||||		L	
302-4	Reduction of energy consumption	81; 181	|||||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	REPORT	OMISSIONS/ ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
302-5	Reductions in energy requirements of products and services			Not applicable to the sector	L	
GRI 303: Water						
303-1	Water withdrawal by source	Water Management Approach	|||||||	www.edp.com	L	
303-2	Water sources significantly affected by withdrawal of water	Sustainability Management Approach | Chapter 3.7. Effluents and Waste	|||||||	www.edp.com	L	
303-3	Water recycled and reused	196; 206-207	|||||||		L	
303-4	Water discharge	196; 206-207	|||||||		L	
303-5	Water consumption	196	|||||||		L	
GRI 304: Biodiversity						
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	207	|||||||		L	
304-2	Significant impacts of activities, products, and services on biodiversity	156-159; www.edp.com	|||||||	www.edp.com	L	
304-3	Habitats protected or restored	www.edp.com	|||||||	www.edp.com	L	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	www.edp.com	|||||||	www.edp.com	L	
GRI 305: Emissions						
305-1	Direct (Scope 1) GHG emissions	68-70; 179; 205-206	|||||||		L	
305-2	Energy indirect (Scope 2) GHG emissions	68-70; 179; 205-206	|||||||		L	
305-3	Other indirect (Scope 3) GHG emissions	68-70; 179; 205-206	|||||||		L	
305-4	GHG emissions intensity	206	|||||||		L	
305-5	Reduction of GHG emissions	68-70; 81; 179; 206	|||||||		L	
Avoided CO ₂ emissions		76-78; 81	|||||||		L	
305-6	Emissions of ozone-depleting substances (ODS)	n.a.		Equipment with this substance no longer has expression in EDP	L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	REPORT	OMISSIONS/ ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	206	|||||||		L	
GRI 306: Effluents and Waste						
306-1	Water discharge by quality and destination	196; 206-207	|||||||		L	
306-2	Waste by type and disposal method	153-155; 195; 207	|||||||		L	
306-3	Significant spills		|||||||	Number of spills recorded 2020: 121; Volume spilled 2020: 15.16 m3	L	
306-4	Transport of hazardous waste		|||||||	There was no export of hazardous waste in 2020	L	
306-5	Water bodies affected by water discharges and/or runoff	155-156	|||||||	There are no bodies of water significantly affected by the rejection of liquid effluents	L	
GRI 307: Environmental Compliance						
307-1	Non-compliance with environmental laws and regulations	196	|||||||		L	
GRI 308: Supplier Environmental Assessment						
308-1	New suppliers that were screened using environmental criteria	149-151	|||||||		L	
308-2	Negative environmental impacts in the supply chain and actions taken	149-151	|||||||		L	
GRI 400: SOCIAL TOPICS						
GRI 401: Employment						6
401-1	New employee hires and employee turnover	187; 190	|||||||		L	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Management Approach | 4.1. Labour Practices	|||||||	www.edp.com	L	
401-3	Parental leave	212	|||||||		L	
Absenteeism rate		212	|||||||		L	
GRI 402: Labour/Management Relations						3
402-1	Minimum notice periods regarding operational changes	Sustainability Management Approach | 4.1. Labour Practices	|||||||	www.edp.com	L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	REPORT	OMISSIONS/ ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
GRI 403: Occupational Health and Safety						
403-1	Workers representation in formal joint management– worker health and safety committees	115; Health and Safety report 2020	|||||||	www.edp.com	L	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Health and Safety report 2020	|||||||	www.edp.com	L	
403-3	Workers with high incidence or high risk of diseases related to their occupation	Health and Safety report 2020	|||||||	www.edp.com	L	
403-4	Health and safety topics covered in formal agreements with trade unions	Health and Safety report 2020	|||||||	www.edp.com	L	
403-5	Worker training on occupational health and safety	Health and Safety report 2020	|||||||	www.edp.com	L	
403-6	Promotion of worker health	Health and Safety report 2020	|||||||	www.edp.com	L	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety report 2020	|||||||	www.edp.com	L	
403-8	Workers covered by an occupational health and safety management system	115-116; 214	|||||||		L	
403-9	Work-related injuries	115-116; 214-215	|||||||		L	
403-10	Work-related ill health	115-116; 214-215	|||||||		L	
GRI 404: Training and Education						6
404-1	Average hours of training per year per employee	213	|||||||		L	
404-2	Programs for upgrading employee skills and transition assistance programs	123-127	|||||||		L	
404-3	Percentage of employees receiving regular performance and career development reviews	131-132	|||||||		L	
GRI 405: Diversity and Equal Opportunity						6
405-1	Diversity of governance bodies and employees	185-186;198	|||||||		L	
405-2	Ratio of basic salary and remuneration of women to men	188-189	|||||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	REPORT	OMISSIONS/ ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
GRI 406: Non-discrimination						1; 6
406-1	Incidents of discrimination and corrective actions taken	Ethics Ombudsman Annual Report	|||||	www.edp.com EDP was not aware of such cases in 2020	L	
GRI 407: Freedom of Association and Collective Bargaining						1; 3
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	149-151	|||||		L	
GRI 408: Child Labour						5
408-1	Operations and suppliers at significant risk for incidents of child labour	149-151	|||||		L	
GRI 409: Forced or Compulsory Labour						4
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	149-151	|||||		L	
GRI 410: Security Practices						
410-1	Security personnel trained in human rights policies or procedures	n.a.		Non-material	L	
GRI 411: Rights of Indigenous Peoples						1; 2
411-1	Incidents of violations involving rights of indigenous peoples	144-145; Human Rights report 2020	|||||		L	
GRI 412: Human Rights Assessment						1; 2
412-1	Operations that have been subject to human rights reviews or impact assessments	144-145; Human Rights report 2020	|||||	Incident in São Manoel (Brazil). Detailed answer in 'Inclusion of Vulnerable Groups'	L	
412-2	Employee training on human rights policies or procedures	213	|||||	Included in the scope of ethics training	L	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	151	|||||		L	
GRI 413: Local Communities						1
413-1	Operations with local community engagement, impact assessments, and development programs	134-144	|||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	REPORT	OMISSIONS/ ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
413-2	Operations with significant actual and potential negative impacts on local communities	144-145	|||||||		L	
GRI 414: Supplier Social Assessment						1; 2
414-1	New suppliers that were screened using social criteria	149-151	|||||||		L	
414-2	Negative social impacts in the supply chain and actions taken	149-151	|||||||		L	
GRI 415: Public Policy						10
415-1	Political contributions	165-166	|||||||		L	
GRI 416: Customer Health and Safety						
416-1	Assessment of the health and safety impacts of product and service categories	Sustainability Management Approach | 4.4. Product responsibility	|||||||	www.edp.com	L	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	n.a.		Included in the GRI 419-1 report, however, it is not relevant	L	
GRI 417: Marketing and Labelling						
417-1	Requirements for product and service information and labelling	Sustainability Management Approach | 4.4. Product responsibility	|||||||	www.edp.com	L	
417-2	Incidents of non-compliance concerning product and service information and labelling	n.a.		Included in the GRI 419-1 report, however, it is not relevant	L	
417-3	Incidents of non-compliance concerning marketing communications	n.a.		Included in the GRI 419-1 report, however, it is not relevant	L	
GRI 418: Customer Privacy						1
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	185	|||||||		L	
GRI 419: Socioeconomic Compliance						
419-1	Non-compliance with laws and regulations in the social and economic area	221	|||||||		L	
Environmental matters		221	|||||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	REPORT	OMISSIONS/ ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
	Energy efficiency services revenues	221	|||||||		L	
G4 SECTOR SPECIFIC INDICATORS						
General standard disclosures						
EU1	Installed capacity, broken down by primary energy source and by regulatory regime	180	|||||||		L	
EU2	Net energy output broken down by primary energy source and by regulatory regime	180-181	|||||||		L	
EU3	Number of residential, industrial, institutional and commercial customer accounts	182	|||||||		L	
EU4	Length of above and underground transmission and distribution lines by regulatory regime.	19-20	|||||||		L	
EU5	Allocation of CO ₂ e emissions allowances or equivalent, broken down by carbon trading framework	AR 338; AR 371; AR 385	|||||||		L	
Economic						
G4-DMA	Availability and Reliability	Sustainability Management Approach | 2.5. Availability and Reliability	L|||||||	www.edp.com	L	
EU10	Planned capacity against projected electricity demand over the long-term, broken down by energy source and regulatory regime	17-18; 181	|||||||		L	
G4-DMA	Demand-Side Management	Sustainability Management Approach | 2.6. Demand-Side management	|||||||	www.edp.com	L	
G4-DMA	Research and Developmen	Sustainability Management Approach | 2.7. Research and Development	|||||||	www.edp.com	L	
G4-DMA	Plant Decommissionin	Sustainability Management Approach | 2.8. Plant descommissioning	|||||||	www.edp.com	L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	REPORT	OMISSIONS/ ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
EU11	Average generation efficiency of thermal plants by energy source and by regulatory regime	181	|||||||		L	
EU12	Transmission and distribution losses as a percentage of total energy	181	|||||||		L	
Environment						
G4-DMA	Materials	Sustainability Management Approach | 3.2. Materials	|||||||	www.edp.com	L	
G4-DMA	Water	Sustainability Management Approach | 3.4. Water	|||||||	www.edp.com	L	
G4-DMA	Biodiversity	Sustainability Management Approach | 3.5. Biodiversity	|||||||	www.edp.com	L	
EU13	Biodiversity of offset habitats compared to biodiversity of the affected areas	156-159; www.edp.com	|||||||	www.edp.com	L	7; 8
G4-DMA	Effluents and Waste	Sustainability Management Approach | 3.7. Effluents and Waste	|||||||	www.edp.com	L	
Social						
G4-DMA	Employment Programs and processes to ensure the availability of a skilled workforce	Sustainability Management Approach | 4.1. Labour practices	|||||||	www.edp.com	L	
EU15	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	187	|||||||		L	
EU17	Days worked by contractor and subcontractor employees involved in construction, operation & maintenance activities	214	|||||||		L	
EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	214	|||||||		L	
G4-DMA	Freedom of Assoc.Collective Bargaining	Sustainability Management Approach | 4.2. Human rights	|||||||	www.edp.com	L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NUMBERS	REPORT	OMISSIONS/ ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
G4-DMA	Local Communities Participation of <i>stakeholders</i> in the decision-making process	Sustainability Management Approach | 1.2. Sustainability	|||||||	www.edp.com	L	
G4-DMA	Disaster/Emergency Planning and response Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	Sustainability Management Approach | 4.3. Society	|||||||	www.edp.com	L	
EU22	Number of people physically or economically displaced and compensation, broken down by type of project	144-145	|||||||		L	1; 7; 8
Product responsibility						
G4-DMA	Provision of Information Practices to address language, low literacy among others to access and safely use electricity	Sustainability Management Approach | 4.4. Product responsibility	|||||||	www.edp.com	L	
EU25	Number of injuries and fatalities to the public involving company assets including legal judgments, settlements and pending legal cases of diseases	215	|||||||		L	
G4-DMA	Access	Sustainability Management Approach | 4.4. Product responsibility	|||||||	www.edp.com	L	
EU26	Percentage of population unserved in licensed distribution or service areas	Sustainability Management Approach | 2.5. Availability and Reliability e 2.6. Demand-side management	|||||||	www.edp.com	L	
EU27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	183	|||||||		L	
EU28	Power outage frequency	183	|||||||		L	
EU29	Average power outage duration	183	|||||||		L	
EU30	Average plant availability factor by energy source and by regulatory regime	AR 466-467; AR 469	|||||||		L	

L- Limited verification

AR - Annual Report

||||||| Fully reported

||||||| Partially reported

||||||| Not reported



Independent Limited Assurance Report

(Free translation from the original in Portuguese)

To the Executive Board of Directors of
EDP – Energias de Portugal, S.A.

Introduction

We were engaged by the Executive Board of Directors of EDP - Energias de Portugal, S.A. ("EDP" or "Company") to perform a limited assurance engagement on the indicators identified below in section "Responsibilities of the auditor", which integrate the sustainability information included in the Sustainability Report 2020 ("Report"), for the year ended 31 December 2020, prepared by the Company for the purpose of communicating its annual sustainability performance.

Responsibilities of the Executive Board of Directors

It is the responsibility of the Executive Board of Directors to prepare the indicators identified below in section "Responsibilities of the auditor", included in the Sustainability Report 2020, in accordance with the sustainability reporting guidelines "Global Reporting Initiative", GRI Standards and Electric Utilities Supplement for the option "In Accordance – Comprehensive" considering the AA1000AP Standard (2018) issued by AccountAbility, regarding the principles of inclusivity, materiality, responsiveness and impact; and with the instructions and criteria disclosed in the Report, as well as to maintain an appropriate internal control system that enables the adequate preparation of the mentioned information.

Responsibilities of the auditor

Our responsibility is to issue a limited assurance report, which is professional and independent, based on the procedures performed and specified in the paragraphs below.

Our work was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants and we have fulfilled other technical standards and recommendations issued by the Institute of Statutory Auditors. These standards require that we plan and perform our work to obtain limited assurance about whether the sustainability indicators identified in Appendix "GRI Table" of the Report as "External Assurance – Limited", are free from material misstatement.

It was also considered the AA1000 Assurance Standard (AA1000 AS v3), type 2 engagement, for a moderate level of assurance. Our limited assurance engagement also consisted in carrying out procedures with the objective of obtaining a limited level of assurance as to whether the Company applied, in the sustainability information included in the Sustainability Report 2020, the GRI Standards guidelines and the principles defined in the AA1000AP Standard (2018).

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Matriculada na CRC sob o NIPC 506 628 752, Capital Social Euros 314.000

Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. pertence à rede de entidades que são membros da PricewaterhouseCoopers International Limited, cada uma das quais é uma entidade legal autónoma e independente.

For this purpose the above mentioned work included:

- 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) Identification of the existence of internal management procedures leading to the implementation of economic, environmental and social policies;
- iii) Testing, on a sampling basis, the efficiency of processes and systems in place for collection, consolidation, validation and reporting of the performance information previously mentioned, through calculations and validation of reported data;
- iv) Confirmation that operational units follow the instructions on collection, consolidation, validation and reporting of performance information;
- v) Execution of substantive procedures, on a sampling basis, in order to collect evidence of the reported information;
- vi) Comparison of financial and economic data included in the sustainability information with the data audited by PricewaterhouseCoopers & Associados, SROC, Lda, in the scope of the statutory audit of EDP's financial statements for the year ended 31 December 2020;
- vii) Comparison of sustainability data from EDP Brasil included in the sustainability information with the data reported in the Annual Report 2020 from EDP Energias do Brasil S.A., verified by KPMG Financial Risk & Actuarial Services, Ltda;
- viii) Analysis of the process for defining the materiality of the sustainability issues, based on the materiality principle of GRI Standards, according to methodology described by the Company in the Report;
- ix) Assessment of the level of adherence to the principles of inclusivity, materiality, responsiveness and impact set by AA1000AP Standard (2018), in the sustainability information disclosure, through the analysis of the contents of the Report and the internal documents of the Company;
- x) Verification that the sustainability information included in the Report complies with the requirements of GRI Standards, for the option "In Accordance – Comprehensive".

The procedures performed were more limited than those used in an engagement to obtain reasonable assurance and, therefore, less assurance was obtained than in a reasonable assurance engagement.

We believe that the procedures performed provide an acceptable basis for our conclusion.

Quality control and independence

We apply the International Standard on Quality Control 1 (ISQC1) and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and of the ethics code of the Institute of Statutory Auditors.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the indicators identified above in section "Responsibilities of the auditor", included in the Sustainability Report 2020, related to the year ended 31 December 2020, was not prepared, in all material respects, in accordance with GRI Standards requirements and with the instructions and criteria disclosed in the Report and that EDP has not applied, in the sustainability information included in the Report, the GRI

Standards guidelines, for the option “In accordance – Comprehensive” and the principles defined in the AA1000AP Standard (2018).

Other matters

Without affecting the conclusion above, we also present the following aspects regarding EDP's adherence to the principles of AA1000AP Standard (2018):

- Principle of inclusivity: EDP presents a consolidated process of stakeholders' consultation for the different business units and geographies where EDP Group operates, aligned with the corporate stakeholder management model. The implementation of the stakeholder management guide, as well as the development of the stakeholder management plan applicable to all the business units and geographies where the EDP Group operates, guarantees a better standardization of the process. Every year, EDP carries out specific initiatives related to certain groups of stakeholders, ensuring the inclusion and review of its expectations.
- Principle of materiality: EDP has defined a comprehensive process for the determination of material issues, which consolidates a view of the issues for a corporate and local levels (by geography/business unit). The outputs from the identification of material issues reflect the main issues of the energy sector, of the geographies where the Group operates and of the main stakeholders. EDP ensures that the scope of the materiality process is extended to all geographies where the Group is present, allowing a greater harmonization between all business units, as well as determination of the materiality by stakeholder segment.
- Principle of responsiveness: EDP addresses the expectations of its main stakeholders by defining a set of goals and targets as reported in the Sustainability Report. EDP has been developing consolidated action plans by business unit to ensure a better alignment and communication of corporate commitments and objectives for the most relevant material issues.
- Principle of impact: EDP discloses the main impacts generated by its activity, through the response given in each material issue, in the different aspects of sustainability (economic, environmental and social dimensions). By respecting the reporting principles, EDP intends to create and disseminate a comprehensive and balanced understanding of the measurement and evaluation of the organization's impacts on its stakeholders and on the organization itself.

Restriction on use

This report is issued solely for information and use of the Executive Board of Directors of the Company for the purpose of communicating its annual sustainability performance in the Sustainability Report 2020 and should not be used for any other purpose. We will not assume any responsibility to third parties other than EDP by our work and the conclusions expressed in this report, which will be attached to the Company's Sustainability Report 2020.

March 2, 2021

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

João Rui Fernandes Ramos, R.O.C.



AA1000
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000-69 / V3-81F0B

Green Bonds Issued over the period 2018-2020

€4.4 MM

EDP's Green Bond Framework was structured in accordance with ICMA's Green Bond Principles and verified externally by Sustainalytics.

4.12. Report on the allocation and impact of Green Bonds

As part of EDP's strategy and in order to promote greater alignment of its financial policy with its sustainability strategy, in October 2018 the group (through EDP Finance BV) made its first issue of green bonds, amounting to 600 million euros (senior debt). In 2019, two issues for a total amount of 1,600 million euros were made: (i) 1,000 million euros of subordinated (hybrid) debt in January 2019; and (ii) 600 million euros of senior debt in September 2019. In 2020, the company issued a further 2.2 billion euros: (i) 750 million euros of subordinated (hybrid) debt in January 2020; (ii) 750 million euros of senior debt in April 2020; and (iii) 850 million USD of senior debt in September 2020. By the end of 2020, EDP has issued around 4.4 billion euros in green bonds

In accordance with EDP's Green Bond Framework, which supports the issuance of green bonds, the proceeds of these operations were used by the company to finance or refinance investments in a portfolio of projects eligible for green financing, in particular wind and solar, thus promoting the transition to a low-carbon economy. This report is part of the commitment to report annually to investors on how the funding was allocated. The information included in this report is also available on EDP's website at

<https://www.edp.com/pt-pt/investidores/divida-financeira/green-funding>.

The approximately EUR 4.4 billion euros issued in green bonds between 2018 and 2020 were fully allocated by 31 December 2020, with 403 million euros being allocated to new projects and 4,025 million euros being allocated to

existing projects. It should be noted that the amount of green funding allocated to new projects corresponds to wind farms that have begun operating since the date of issuance of the respective green bonds.

The following paragraphs report relevant information for investors on the application of EDP group's green bond funds and on the environmental benefits resulting from them

01

EDP

02

Strategic approach

03

Performance

04

Annexes

GREEN BONDS ISSUES' CHARACTERISTICS	PRE-ISSUE		POST-ISSUE		
	REFERENCE PRINCIPLES	SECOND OPINION	MONITORIZATION	GREEN BONDS INDEXES	EXTERNAL VERIFICATION
	GREEN BOND PRINCIPLES (ICMA 2018)	SUSTAINALYTICS	REGISTER ON THE DATABASE OF THE CLIMATE BOND INITIATIVE (CBI)	BLOOMBERG BARCLAYS MSCI GLOBAL GREEN BOND INDEX ICE BofAML GREEN BOND INDEX JPMorgan ESG GREEN BOND INDEX	PWC
USE OF RESOURCES (ELIGIBILITY CRITERIA)	Investments (in new projects or re-financing of existing projects) in renewable energy (wind and solar).				
EVALUATION AND SELECTION OF PROJECTS	Compliance with the objectives of EDP's environmental and social policies, supported by a screening of ESG aspects.				
MANAGEMENT OF THE FUNDS OBTAINED	The net balance of the funds obtained through the emission of green bonds follows a portfolio approach. The resources shall be used to (re-)finance eligible green projects (wind and solar). Until the net balance of the funds obtained from green bonds emissions has been fully assigned, EDP will invest the unassigned funds to the portfolio of eligible projects, in treasury liquidity or in the repayment/purchasing of existing debt, according to its own criteria.				
REPORT ON THE APPLICATION OF THE FUNDS OBTAINED	<p>The report is made based on the following indicators:</p> <ul style="list-style-type: none"> • portfolio value of eligible projects • net balance of unused resources • quantity and percentage of new projects and existing projects. 				
REPORT ON THE IMPACTS OF THE FUNDS OBTAINED	<p>The report is made based on the following indicators:</p> <ul style="list-style-type: none"> • installed capacity (MW) • CO₂ Emissions avoided (tCO₂) • generation of renewable energy (MWh) <p>Note: The CO₂ emissions avoided correspond to the emissions that would have occurred if the electricity generated by renewable sources had been produced by thermal power stations. For each country, this is obtained by multiplying the net renewable generation by the emission factor for thermally-generated electricity in the country.</p>				

Use of proceeds for eligible green projects

Portfolio date: December 2020

ELIGIBLE SUSTAINABILITY PROJECT PORTFOLIO	AMOUNT (€)	ALLOCATION OF GREEN FUNDING (2020)	AMOUNT (€)
EXISTING PROJECTS (~ 2020)		ALLOCATED TO GREEN BONDS	4,428,272,308
Renewable energy			
Wind	€ 7,644,658,933		
Solar	€ 170,202,756		
NEW PROJECTS (2020 ~)			
Renewable energy			
Wind	€ 403,281,147		
Solar	€ -		
		UNALLOCATED AMOUNT OF ELEGIBLE PROJECT PORTFOLIO	3,789,870,528
Total eligible sustainability project portfolio	8,218,142,836	Maximum sustainability funding	8,218,142,836
Percentage of eligible green project portfolio allocated to net proceeds of green funding	53.9%		
Percentage of net proceeds of green bond allocated to eligible green project portfolio	100%		

Portfolio based green bond report according to the harmonized framework for impact reporting

Portfolio date: December 2020

Eligible project category		Share of total portfolio financing	Eligibility for Green Bonds	Allocated Amount	Installed capacity of renewable energy in MW	Annual net production of renewable energy (MWh)	CO ₂ emissions avoided (tCO ₂)
Social bond principles (SBP)							
Green Bond Principles (GBP)	Signed amount						
a/	b/	c/	d/		e/		e/
	EUR						
Renewable energy	8,218,142,836	100%	100%	4,428,272,308	9,256	20,560,164	13,343,107
Total	8,218,142,836	100%	100%	4,428,272,308	9,256	20,560,164	13,343,107

a/ Eligible Category

b/ Signed amount represents the amount legally committed by the issuer for the portfolio or portfolio components eligible for Green Bond financing

c/ This is the share of the total portfolio cost that is financed by the issuer

d/ This is the share of the total portfolio cost that is Green Bond eligible

e/ Impact indicators



Independent Limited Assurance Report

(Free translation from the original in Portuguese)

To the Executive Board of Directors of
EDP – Energias de Portugal, S.A.

Introduction

We were engaged by the Executive Board of Directors of EDP - Energias de Portugal, S.A. ("EDP" or "Company") to perform a limited assurance engagement on the information identified below in section "Responsibilities of the auditor", included in the Report on the Allocation and Impact of Green Bonds ("Green Bonds Report") that is integrated in the Sustainability Report 2020, for the year ended 31 December 2020, prepared by the Company for the purpose of disclosing its annual sustainability performance.

Responsibilities of the Executive Board of Directors

It is the responsibility of the Executive Board of Directors to prepare the Green Bonds Report, identified below in section "Responsibilities of the auditor, included in the Sustainability Report 2020, in accordance with the EDP Green Bond Framework ("Framework"), as well as to maintain an appropriate internal control system that enables the adequate preparation of the mentioned information.

Responsibilities of the auditor

Our responsibility is to issue a limited assurance report, which is professional and independent, based on the procedures performed and specified in the paragraphs below.

Our work was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants and we have fulfilled other technical standards and recommendations issued by the Institute of Statutory Auditors. These standards require that we plan and perform our work to obtain limited assurance about whether the information included in the Green Bonds Report that is integrated in the Sustainability Report 2020, is free from material misstatement.

For this purpose the above mentioned work included:

- i) Meetings with EDP's personnel from various departments who have been involved in the preparation of the Green Bonds in order to understand the characteristics of the (re)financed projects, the internal management procedures and systems in place, the data collection process and the environment control;
- ii) Verification of the application of the eligibility criteria, described in the Framework, for the selection of projects (re)financed by the Green Bonds;
- iii) Analysis of the procedures used for obtaining the information and data presented in the Green Bonds Report;

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PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. pertence à rede de entidades que são membros da PricewaterhouseCoopers International Limited, cada uma das quais é uma entidade legal autónoma e independente.

- iv) Verification through random sampling and substantive testing of the information related to indicators included in Green Bonds Report. We have also verified whether they were appropriately compiled from the data provided by EDP's sources of information.
- v) Validation that information disclosed is in accordance with the reporting requirements established in the Framework.

The procedures performed were more limited than those used in an engagement to obtain reasonable assurance and, therefore, less assurance was obtained than in a reasonable assurance engagement.

We believe that the procedures performed provide an acceptable basis for our conclusion.

Quality control and independence

We apply the International Standard on Quality Control 1 (ISQC1) and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and of the ethics code of the Institute of Statutory Auditors.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the information identified above in section "Responsibilities of the auditor", included in the Green Bond Report that is included in the Sustainability Report 2020, was not prepared, in all material respects, in accordance with the reporting criteria disclosed in the Green Bond Report and in the Framework.

Restriction on use

This report is issued solely for information and use of the Executive Board of Directors of the Company for the purpose of reporting on green bonds performance and activities and should not be used for any other purpose. We will not assume any responsibility to third parties other than EDP by our work and the conclusions expressed in this report, which will be attached to the Company's Sustainability Report 2020.

March 2, 2021

PricewaterhouseCoopers & Associados
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represented by:

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