

This Report

The Annual report of EDP – Energias de Portugal, S.A. (“EDP”), which incorporates a chapter regarding Corporate Governance, is prepared in accordance with the provisions set out on Portuguese Companies Code and Securities Code and in compliance with the provisions set out on CMVM’s Regulations no. 4/2013 and 5/2008, concerning Corporate Governance and Disclosure Requirements of the publicly traded companies and under the terms of the Corporate Governance Code of the Portuguese Corporate Governance Institute. The financial statements presented in the report are prepared in accordance with the International Financial Reporting Standards (IFRS), adopted in the European Union.

Pursuant article 508º-G of the Portuguese Companies Code, in the wording introduced by Decree-Law no. 89/2017, dated 28th July, EDP publishes autonomously the Sustainability Report, in which it will be included sufficient information for understanding the evolution, the performance, the position and the impact of the Group activities regarding the

following questions: environmental, social, referent to employees, to gender equality, to non-discrimination, to human rights respect, to corruption combat and to bribery attempts.

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

- Annual Report of the General and Supervisory Board;
- Sectoral reports, in particular: Ethics Ombudsman’s Report, Safety Summary and Stakeholders’ Report;
- Annual and sustainability reports of the companies EDP España, EDP - Energias do Brasil and EDP Renováveis;
- Management Approach to Sustainability, which endorses the issues set by GRI methodology and explains the relation between organizational processes and material issues for EDP’s activities.



edp



We love energy.

This is the energy that moves us, unites us, and brings us closer to the world.

We love this energy, which is an universal language that comes in all shapes and colors.

An energy that impels us, motivates us, and challenges us in this history of shared achievements.

An energy that comes from the sun, the water, the wind and people.

An energy that transforms, reinvents and creates an increasingly clean, sustainable, and efficient future.

A contagious energy that encourages us to explore, to amaze and to innovate in a world in constant change.

This is the energy we love.

WE LOVE ENERGY







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**WE
LOVE
HUMANITY**

LOVE ENERGY

edp

01 EDP

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ANTÓNIO MEXIA
CHAIRMAN OF THE EXECUTIVE
BOARD OF DIRECTORS



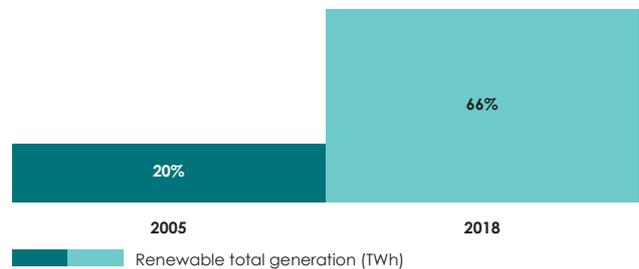
MESSAGE FROM THE CHAIRMAN

ANTÓNIO MEXIA

DEAR SHAREHOLDER,

Over the past 12 years we have been anticipating the trends in the energy sector and aligning our business model with the energy transition for the fight against climate change - a requirement for those who are committed to creating a more sustainable world for future generations.

Our strategy has resulted in the creation of a leading renewable energy company. Today we are the second greenest player in Europe, with 65% of the EBITDA being sourced from renewable energy and a total installed capacity of 21 GW with considerable international exposure, more than 60% of the recurrent EBITDA is generated outside Portugal.



“WE WERE EARLY MOVERS IN RENEWABLES. AS A RESULT, TODAY EDP IS UNIQUELY POSITIONED TO EMBRACE THE CHALLENGES OF THE FUTURE AND LEAD THE ENERGY TRANSITION”

The commitment to sustainable development has long been incorporated in EDP's strategy as one of the core values and we will continue to push forward with clear and demanding goals. In agreement with this, since 2008, we have been part of the Dow Jones Sustainability Index (DJSI), always with a leading position as one of the most sustainable companies in the world.

We are aware of the role that we will play in the global effort to decarbonize the world and limit the global temperature increase to 1.5° C. We are committed and intend to meet the ambitious goals of the Clean Energy for all Europeans legislative package, which targets a carbon-neutral European Union by 2050. Thus, today it is clear that the energy of the future will undoubtedly be electric and:

1. **Clean**, with an increased need for decarbonization, where utilities play an increasingly important role, as they account for 40% of total emissions;
2. **Affordable**, a paradigm that will be further enhanced by the decrease in the cost of renewables, reinforcing their position as the most competitive technologies;
3. **Reliable**, with flexibility ensured by backup systems such as batteries, water reservoirs for pumping and thermal;
4. **Focused on the client**, with the creation of new solutions and services based on energy efficiency, distributed generation, the use of batteries and the adoption of electric mobility.

As mentioned last year, the current revolution in the energy sector is characterized by "3Ds": Decarbonization, Digitalization and Downstream, where today, we should also add the need for full Disclosure of the company's performance. EDP is very well positioned for the future due to the anticipation of these trends. Our unique and distinctive starting point, fully aligned with an indispensable and irreversible energy transition, puts us in a privileged position to increase the ambition and the focus of our vision.

A DEMANDING YEAR DUE TO THE REGULATORY CONTEXT IN PORTUGAL

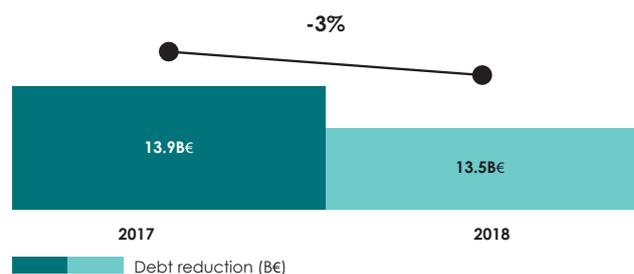
2018 was a particularly difficult year, we were faced with non-predictable and unjustified regulatory measures in Portugal, leading to a significant decrease of our results. However, we maintained the focus, with a continuous bet and better than expected performance in EDP Renováveis, in Brazil and in Spain. These contributions mitigated the losses reported for the first time since the beginning of the privatization in the conventional business in Portugal.

EDP's 2018 Group performance was based on three strategic pillars, namely:

1. The **continued focus of our growth strategy in Renewables and Brazil**:
 - In Renewables, EDP built more than 800 MW of onshore and solar wind and secured long-term contracts for 1.3 GW, of which 0.4 GW for two

substantial solar projects - one in the United States (0.2 GW) and one in Brazil (0.2 GW). Furthermore, it was also a dynamic year in offshore wind with the beginning of the construction of Moray East in December and the acquisition of the exclusive right to develop a project of up to 1.6 GW in the United States, under a joint venture with Shell. Lastly, 2018 was also marked by the bet on the floating technology with the beginning of the construction of the Windfloat Atlantic, potentially the most efficient way to produce renewable energy in densely populated and deep-water countries.

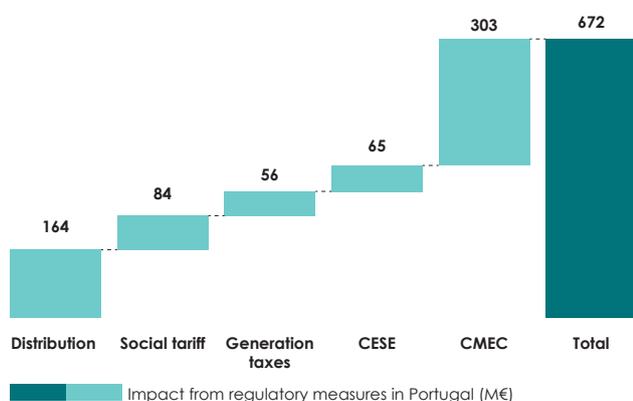
- In Brazil, growth was supported by the completion of the first of five transmission lines, 20 months ahead of schedule, and by the acquisition of a 23.56% stake in CELESC which allowed us to be involved in the management of the company.
2. **A continuous portfolio optimization** through the completion of the first majority sale - 80% stake in a ~500 MW portfolio of wind farms in the USA and Canada, with a capital gain of 129 million dollars - and through the sale of minority stakes in offshore projects, particularly in the United Kingdom (43%) and France (13.5%). These sales and risk sharing mechanisms allow not only for capital recycling, but also for value crystallization in a shorter time frame. In this context, EDP has also divested non-core and smaller scale activities, such as biomass in Portugal and small-hydro assets in Portugal and Brazil.
 3. **The focus on operational efficiency allowed** us to reach the target of OPEX IV two years ahead of schedule, generating total savings of 200 million euros. From a financing standpoint, we securitized 1.3 billion euros of tariff deficit, we were pioneers in Portugal with the issuance of a 600 million euros Green Bond and secured the funding of Moray East for a total amount of 2.6 billion pounds, a milestone in renewable energy on a global scale. In Addition, EDP contracted Tax Equity funding with the most favorable conditions of the last 10 years. All this allowed for a debt reduction of about 3%, compared to the same period.



From an operational standpoint, the company's performance should be considered as positive. Excluding foreign exchange impacts, the Group's EBITDA increased by 2%, supported by the sustained growth in Brazil and in EDP Renováveis (despite weak wind resources, 6% below the long-term average), as well as by the strong recovery of hydro resources and a rigorous cost control in Iberia.

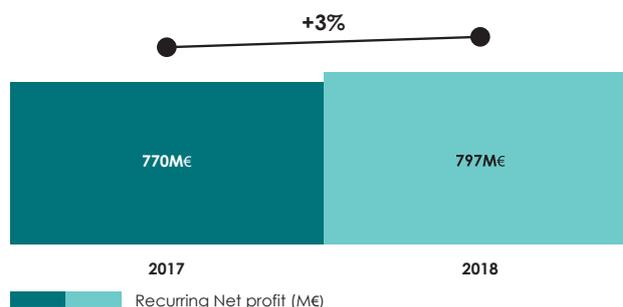
However, the results of the Group were strongly penalised by the political interpretations of the *Custos de Manutenção do Equilíbrio Contratual* ("CMEC"), in particular with regards to the final revisibility and the alleged innovatory costs, which amounted to a total non-recurring cost of 303 million euros. As previously communicated to the market, EDP considers that such decisions violate the law and the contracts signed, which were based on a contractual framework defined in 1995-1996 to make the company solvent and enable its privatization. Accordingly, EDP took the necessary measures to protect the interests and rights of all its stakeholders.

In Portugal, other sector specific taxes have also been maintained, even if some were implemented with an extraordinary nature. In short, our results suffered a negative impact of 672 million euros due to adverse regulatory measures and taxes or fees applied to the energy sector.



Despite these adverse regulatory impacts in 2018, we remain positive and believe that the energy policy of the coming years will provide the fundamental stability to foster private investment and ensure the energy transition.

Finally, from a financial standpoint, EDP reported a sharp reduction of 53% in the 2018 net profit to 519 million euros, mainly due to the regulatory situation in Portugal, which contributed with a net negative result. However, excluding extraordinary effects, recurring net income rose 3% to 797 million euros.



Last but not the least, 2018 was also marked by the launch of a tender offer by our largest shareholder, China Three Gorges (CTG), over the share capital of EDP and EDP Renováveis. Referring to the presented proposal, the Executive Board of Directors communicated its position to the market in June last year.

A CUSTOMER-CENTRIC COMPANY

Over the past year we have adjusted the organizational structure of our supply activity with a view of adapting our business solutions to a more conscious, more demanding and more digital customer. The objective was clear: greater value creation through the presentation of innovative service proposals.

We have created the e-factory, which aims to accelerate the development of products and services so EDP can continue to evolve in line with our client's ambitions, with a clear focus on energy efficiency, distributed generation and electric mobility. Today, we are already perceived by the B2B segment and more specifically by the small and medium-sized enterprises as more than a supplier of electricity and gas, having recorded the largest ever annual increase in the sale of services to these customers in Iberia (57%).

At EDP, the relationship with our clients is crucial, thus the development of new capabilities has been focused on increasing the quality of our service which allowed us to ensure higher customer satisfaction, 78% in 2018 (+ 2b.p. than in 2017), through, for example, the use of artificial intelligence. This allowed us to maintain our customers' portfolio with 9.8 million customers in electricity and 1.6 million customers in gas.

The electric mobility plan is increasingly relevant in the global effort for decarbonization. As a result, EDP has taken on the role of promoting the adoption of electric mobility, not only in Portugal but also in the remaining geographies where we are present.

In Portugal, we have continued to invest in the expansion of our charging stations network. Since 2017, 50,000 electric vehicles were charged which avoided the emission of about 423 tonnes of CO₂. New charging solutions have also been created. On the one hand, the EDP Wallbox allows for more efficient management of consumption and greater control of the contracted power in private spaces. On the other hand, to target public spaces, we established a partnership with BP for the installation of 30 new chargers in gas stations. In Brazil, we launched the largest electric corridor in Latin America with BMW, making it possible to travel by electric vehicle between Rio de Janeiro and São Paulo. We have continued to invest in Spain, having already installed more than 80 charging stations in Asturias.

2018 was also the year of digitalization in EDP Distribuição, with the launch of the new functionalities of its app to simplify the interaction with all stakeholders, from clients to municipalities. The company also implemented 15 process robotization initiatives resulting in a potential saving of ~ 50000 hours of work. In parallel, we continued the effort of implementing smart grids, having already installed about 2.6 million smart meters in Iberia, this increase was especially significant in Portugal where this year's growth was 51%.

**“THE DECENTRALIZATION
OF ENERGY ASSOCIATED
WITH RENEWABLES AND THE
DIGITALIZATION ITSELF GAVE
A NEW POWER TO THE CLIENT,
WHICH TODAY SEEKS IN EDP NOT
JUST ENERGY, BUT SMART ENERGY”**

OUR PEOPLE ARE OUR SUCCESS

At EDP, in 2018, we focused on diversity and inclusion.

The strong commitment to gender balance over the past few years allowed us to increase the share of women in our workforce to 25%, a number that is quite substantial considering that this is traditionally a male sector. We remain determined to continue this path and to reinforce our diversity also based on other criteria. Today, we acknowledge that this diversity will bring new perspectives which will enable the creation of enhanced value for our business.

As a global company, EDP has employees from more than 40 nationalities and a growing demand for more analytical and technological profiles, aligned with the digital transformation and generation renewal of our company. To reinforce its positioning as a global company in the energy transition, EDP will continue to couple the deep knowledge of the current workforce with new talents from different backgrounds, which in 2018 corresponded to about 17% of our new admissions.

Furthermore, one should also highlight the important role of our volunteers. This year, EDP's volunteer program mobilized more than 3,000 volunteers, who devoted more than 31,000 hours of their time to community service. I am proud of this number which shows that our people's ability to deliver and dedication goes far beyond the contribution that they give to the company's results.

Another example of the excellent responsiveness of our teams were the actions taken following the natural disasters that devastated Portugal in 2018. I want to thank all those who supported and contributed to the resolution of the various incidents caused by hurricane Leslie and the fires.

AN AMBITIOUS PATH TO SUSTAINABILITY

At EDP, we know that our role is not limited to the relationships with our customers and employees, we acknowledge that we must go further in our contribution to our communities. Therefore, we are committed to the development of areas such as the environment, culture, education, safety, health and social welfare in all the geographies in which we are present.

We have a very clear purpose of putting energy at the service of sustainability. For more than a decade now, we anticipated the main global trends through continuous investment in renewable energies, efficiency and innovation.

At the top of our strategic agenda is the commitment to demonstrate our performance in the 10 principles of the Global Compact, a United Nations initiative, focusing on Human Rights, Labour, the Environment and the fight against corruption, as well as our contribution to the achievement of nine of the seventeen Sustainable Development Goals of the United Nations Agenda for 2030. EDP's participation in the World Business Council for Sustainable Development ("WBCSD") and my appointment as chairman of the Board of BCSD Portugal and as chairman of the Board of the SEforALL also reflect our vision and our commitment to a sustainable development at a time when climate change is in full view.

**“THE SECRET IS NO LONGER
THE SOUL OF THE BUSINESS.
TODAY WE WORK WITH AN
OPEN INNOVATION APPROACH,
BOOSTED BY THE DIGITALIZATION
AND FLEXIBILITY OF OUR PEOPLE
AND ORGANIZATION”**

It is also worth mentioning our active contribution to accelerate the decarbonization of transports in 2018, with a commitment to electrify our car fleet until 2030. We are also committed to developing new business offerings and solutions that promote the energy transition, as well as mobilizing communities for the electrification of transports.

Moreover, it should be noted that EDP remains the main private sponsor of culture in Portugal. In 2018, the MAAT and Central Tejo presented 17 exhibitions with more than 327,000 visitors. In Brazil, we strengthened our role with the support for the reconstruction of the Portuguese Language Museum in São Paulo. On the social component, EDP Group's sponsorship in 2018 totaled 28 million euros, having already surpassed what was the initial 100 million euros target for the 2016-2020 period.

Today, EDP is a company that extends its ethical principles to all the dimensions of its activity. Internally, through the training and continuous reinforcement of auscultation, monitoring and auditing procedures. On an external level, through the involvement of suppliers and partners in the underwriting of good practices and the continuous auditing of activities.

AN EVEN GREENER FUTURE

EDP is well positioned to be a leader in the energy transition and embrace the new challenges of delivering superior value to our shareholders. Our portfolio, essentially green, puts us in a privileged position to implement our vision based on 5 strategic pillars:

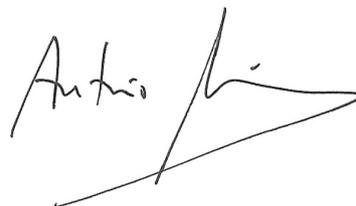
1. **Accelerated and focused growth**, with a clear bet on renewables leveraging on the knowledge and execution capabilities developed over the last decade;
2. **Continuous portfolio optimization**, through the sale of majority stakes in renewables to accelerate

organic growth and value crystallization, and also through the divestment of other assets to balance EDP's risk profile;

3. **Solid balance and low risk profile**, focusing on debt reduction, in the short term, with the aim of improving our rating;
4. **Efficiently and digitally enabled**, through the continuous implementation of efficiency and digitalization projects boosted by the natural generation renewal of our people with the goal of having a more flexible and global organization;
5. **Attractive shareholder remuneration**, based on the distinctive green positioning of our company, with sustained earnings' growth and an attractive dividend policy.

Our sector is going through a revolution and EDP positioned itself on the right path thanks to its anticipation strategy and the ability to deliver in recent years. EDP has a clear ambition for 2030, we shall be coal-free and we will continue to contribute actively to the decarbonization of the economy by reducing our CO₂ emissions by 90% (compared with 2005) based, above all, on generation from renewable energy sources (in more than 90%). Together with our customers, we will also promote electric mobility with the aim of achieving 1 million customers by 2030. On the other hand, we will continue with the effort of digitalization and decentralization, notably with the transformation of our Organization, the transition to smart grids in the Iberian Peninsula and the installation of more than 4 million solar panels for our Customers.

I invite you to find more detail on our operation along the pages of this report and to follow the way we are preparing for the future - a more digital, more renewable and more sustainable future. A future that will be electric.



ANTÓNIO MEXIA

Chairman of the Executive Board of Directors

1.2. OUR YEAR

1.2.1. MAIN EVENTS

MAIN EVENTS

7 MAR

EDP signed a 5-year revolving credit facility in the amount of 2.24 billion euros

23 MAR

EDPR sells 20% stake in UK wind offshore project

27 APR

EDP Brasil announces auctions's result regarding the voluntary tender offer for the acquisition of preferred shares in CELESC, totaling 19.62% of total share capital

11 MAY

Preliminary offer announcement over EDP by CTG

12 JUN

EDP sells 641 million euros in securitization of electricity tariff deficit in Portugal

20 JUN

EDP issues 750 million euros bond maturing in January 2026

4 JUL

EDP Renováveis is awarded long-term CfD for 45MW of wind capacity at Greek energy auction

9 OCT

EDP issues first green bond in the total amount of 600 million euros and maturing in October 2025

29 OCT

EDP Brasil closes 1.2 billion BRL funding for new transmission line

5 DEC

Fitch affirms EDP at "BBB-" rating and Outlook at stable

7 DEC

EDP sells Portuguese tariff deficit for 384 million euros

14 DEC

EDPR joint venture is awarded with exclusive rights to develop wind offshore project in Massachusetts

19 DEC

EDP concludes the sale of 21 small hydro plants in Portugal

21 DEC

EDP concludes the sale of 8 small hydro plants in Brazil

31 DEC

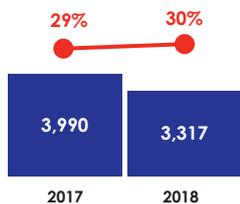
EDPR announces its first sell down transaction in North America of a 499 MW portfolio of onshore wind assets

1.2.2. KEY METRICS

KEY METRICS

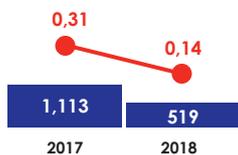
FINANCIAL DATA

EBITDA



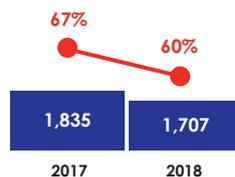
■ EBITDA (€M)
● OPEX/Gross Profit (%)

NET PROFIT¹



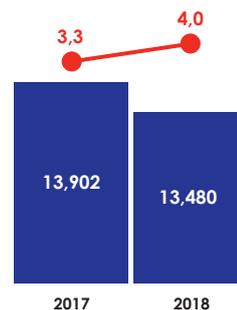
■ Net Profit (€M)
● Net Profit per share (euros)

NET INVESTMENTS²



■ Net Investments (€M)
● Net Investments in Renewables (%)

NET DEBT



■ Net Debt (€M)
● Adjusted Net Debt/EBITDA (x)

OPERATIONAL DATA

GENERATION

27,151 MW	+1% vs 2017
Installed capacity	
71,963 GWh	+3% vs 2017
Net generation	
920 MW	+25% vs 2017
Installed capacity - equity	
344 MW	-58% vs 2017
Capacity under construction	

DISTRIBUTION

80,426 GWh	+2% vs 2017
Electricity distributed	
10,343 ('000)	+1% vs 2017
Electricity supply points	

SUPPLY

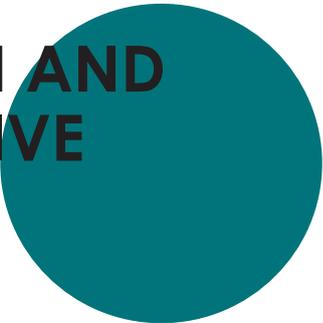
65,556 GWh	-2% vs 2017
Electricity supplied	
9,848 ('000)	0% vs 2017
Electricity customers	
18,997GWh	0% vs 2017
Gas supplied	
1,595 ('000)	+1% vs 2017
Gas customers	

¹ Net Profit attributable to EDP Equity shareholders.

² Considers CAPEX of EDP Group, organic financial investment €97M (31 Dec 2017: €134m) and financial divestments -€422 (31 Dec 2017: -€24M).



PEOPLE


**HUMAN AND
INCLUSIVE**
34

No. of hours of training/
employee
-16% vs 2017

29

No. of accidents with
employees
+4% vs 2017

11,631

No. of employees
0% vs 2017

25%

% of female employees
+ 1 p.p. vs 2017

44

No. of nationalities
of employees
+3 vs 2017

25%

% of female employees
in management positions
0 p.p. vs 2017

CLIENTS AND SUPPLIERS


**COMMITTED TO THE
COMPETITIVENESS**
35%

% of Customers with
electronic invoice
+7 p.p. vs 2017

951

GWh induced savings
by energy services
+89% vs 2017

78%

% of customer satisfaction
+2 p.p. vs 2017

106

No. of accidents at work
with suppliers
+6% vs 2017

COMMUNITY
**AWARE OF
EXPECTATIONS**



19,375

No. of hours of volunteering
-22% vs 2017

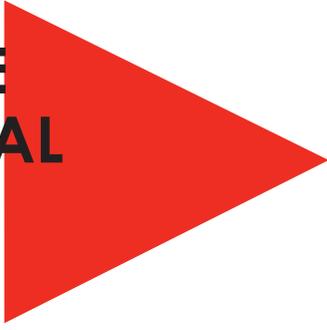
2,066

No. of beneficiary entities
+31% vs 2017

28

€M of volunteer investment
-1% vs 2017

INNOVATION
**MORE
DIGITAL**



75

€M of investment in RD+i
+15% vs 2017

38%

% of smart meters in Iberia
+10 p.p. vs 2017

546

No. of automated activities
+179% vs 2017

115,130

No. of hours of use of
videoconferencing service
+22% vs 2017

PLANET
**MORE
SUSTAINABLE**



257

t/GWh Specific CO₂ emissions
-23% vs 2017

74%

% of renewable installed
capacity
0 p.p. vs 2017

78%

% of recovered waste
+33 p.p. vs 2017

96%

% of assets certified
by ISO 14001*
+8 p.p. vs 2017

1.2.3. RECOGNITION

RECOGNITION

ANTÓNIO MEXIA WINS BEST CEO

in Portugal at the Human Resources Awards

EDP, ONE OF THE WORLD'S MOST ETHICAL COMPANIES,

honoured by the Ethisphere Institute for the 7th consecutive year

EDP IN THE TOP-2 OF INTEGRATED UTILITIES

on the Dow Jones Sustainability Index World and Europe and considered the world's best in environmental policy management

BEST ANNUAL REPORT

of the companies listed on the PSI-20 share index, according to the Deloitte Investor Relations and Governance Awards

EDP IS A BUSINESS ADMINISTRATION LEADER

according to the 2018 Business Awards

EDP AWARDED SUSTAINABILITY PRIZE

at the European Festival Awards

EDP RECOGNISED AS AN OUTSTANDING EMPLOYER

by Korn Ferry

EDP ELECTED COMPANY OF THE YEAR

at the Meios & Publicidade Awards

EDP COMERCIAL ELECTED 2018 CONSUMER CHOICE

in the Energy and Services for Domestic Use category

FRADES II HYDROELECTRIC POWER PLANT

wins the VGB Quality Award 2018 of the International Association of Power Producers and also awarded Plant of the Year by Power Magazine

EDPR WINS TOP EMPLOYERS SPAIN PRIZE

awarded by Top Employers Institute

MIGUEL SETAS, EDP BRASIL, ELECTED ONE OF THE BEST CEOs IN BRAZIL

according to Forbes Magazine

EDP BRASIL ELECTED THE BEST COMPANY OF THE BRAZILIAN ENERGY SECTOR

by Época 360°

EDP BRASIL WINS IN THE BEST REPUTATION CATEGORY

according to the Reputation Index Study

EDP ESPAÑA WINS FUNDACOM PRIZE

for the best Corporate Social Responsibility campaign with "Comparte tu Energia" (Share your Energy)





1.3. EDP GROUP PROFILE

1.3.1. WHO WE ARE

WHO WE ARE

EDP IS A MULTINATIONAL, VERTICALLY INTEGRATED UTILITY COMPANY

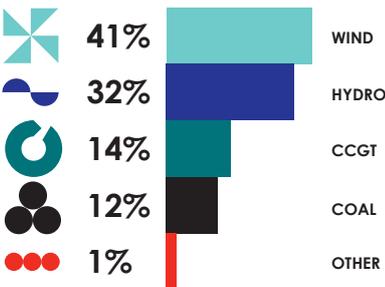
Throughout its 42 years of history, EDP has been building a relevant presence in the world energy scene, being present in 16 countries in 4 continents. EDP has around 11,600 employees and is present throughout the electricity value chain and in the gas commercialization activity.



1. GENERATION

Generation is the first activity in the value chain of the electricity sector. Power plants transform the various energy sources into electricity. These energy sources may be of renewable origin (water, wind and sun) or non-renewable (coal, natural gas, nuclear and cogeneration).

27 GW OF INSTALLED CAPACITY



72 TWh OF NET ELECTRICITY GENERATION **66%** RENEWABLE SOURCES



2. TRANSPORT ACTIVITY

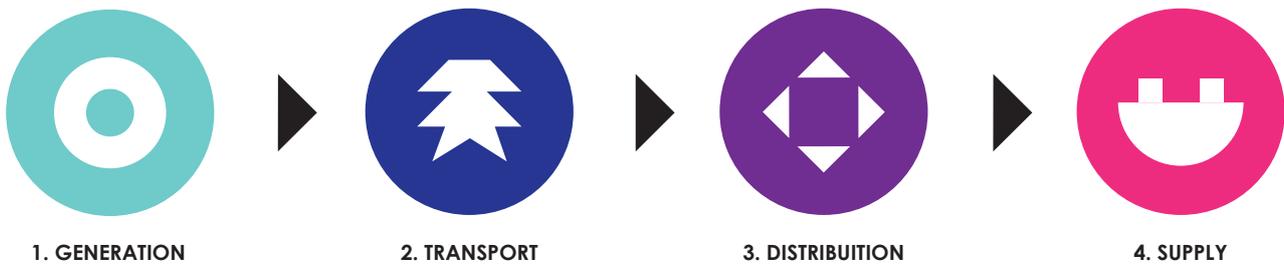
In the **transport activity** the energy generated is delivered to the transmission network, which is made up of very high voltage lines and which then channels the energy to the distribution network.



1,184Km
OF TRANSMISSION NETWORK
UNDER CONSTRUCTION



113Km
OF OPERATING NETWORK



3. DISTRIBUTION

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.

339.177 KM OF NETWORK

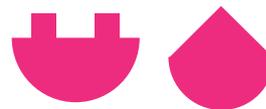


285,121Km
OF DISTRIBUTION OVERHEAD LINES



54,056Km
OF DISTRIBUTION UNDERGROUND LINES

80 TWh OF ELECTRICITY DISTRIBUTED



4. SUPPLY

In the **supply activity** distributed energy arrive 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.

ELECTRICITY CUSTOMERS



9,848,384

5,051,786
CUSTOMERS IN LIBERALIZED MARKET

4,796,598
CUSTOMERS IN LAST RESORT

GAS CUSTOMERS



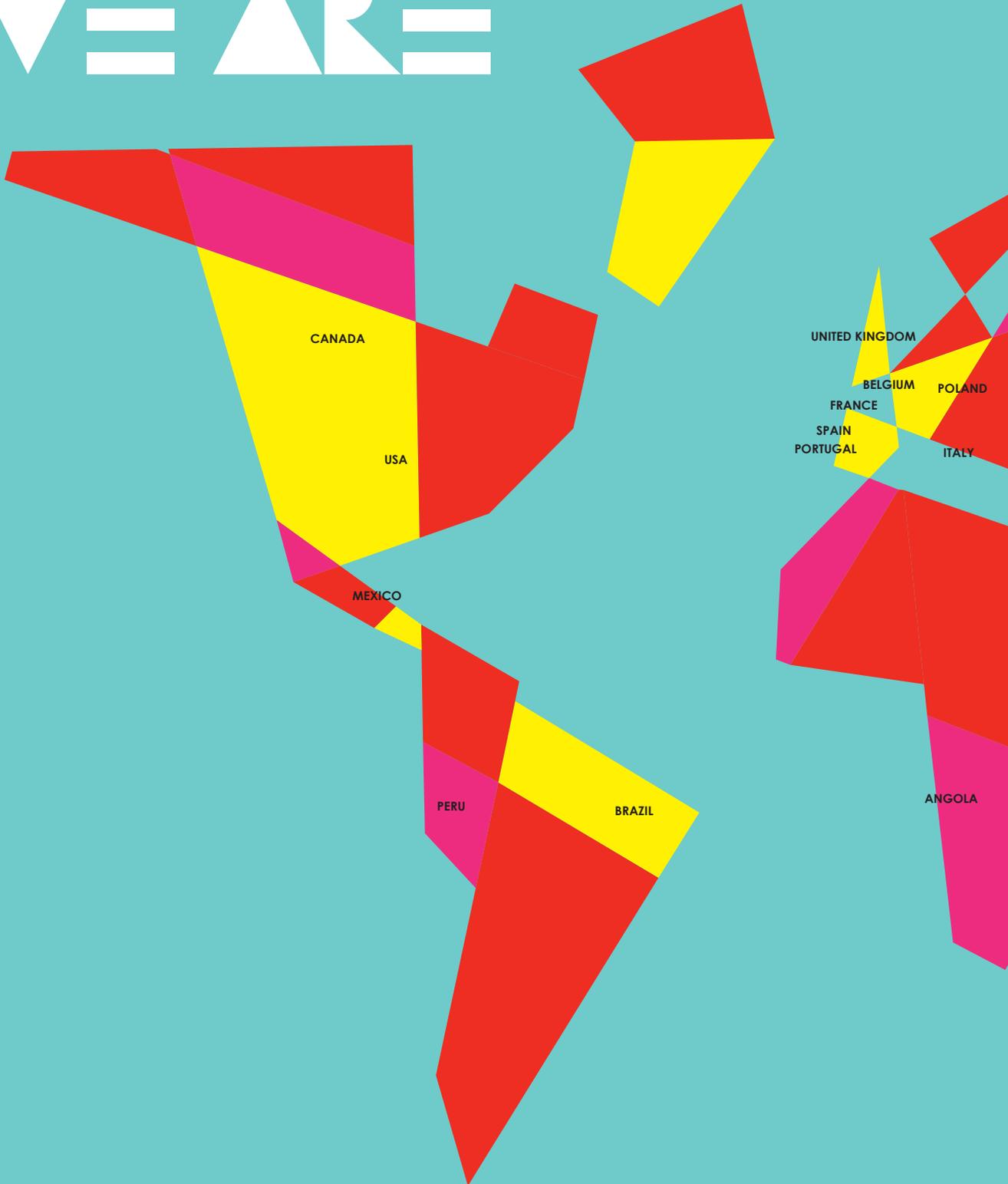
1,595,347

1,503,451
CUSTOMERS IN LIBERALIZED MARKET

91,896
CUSTOMERS IN LAST RESORT

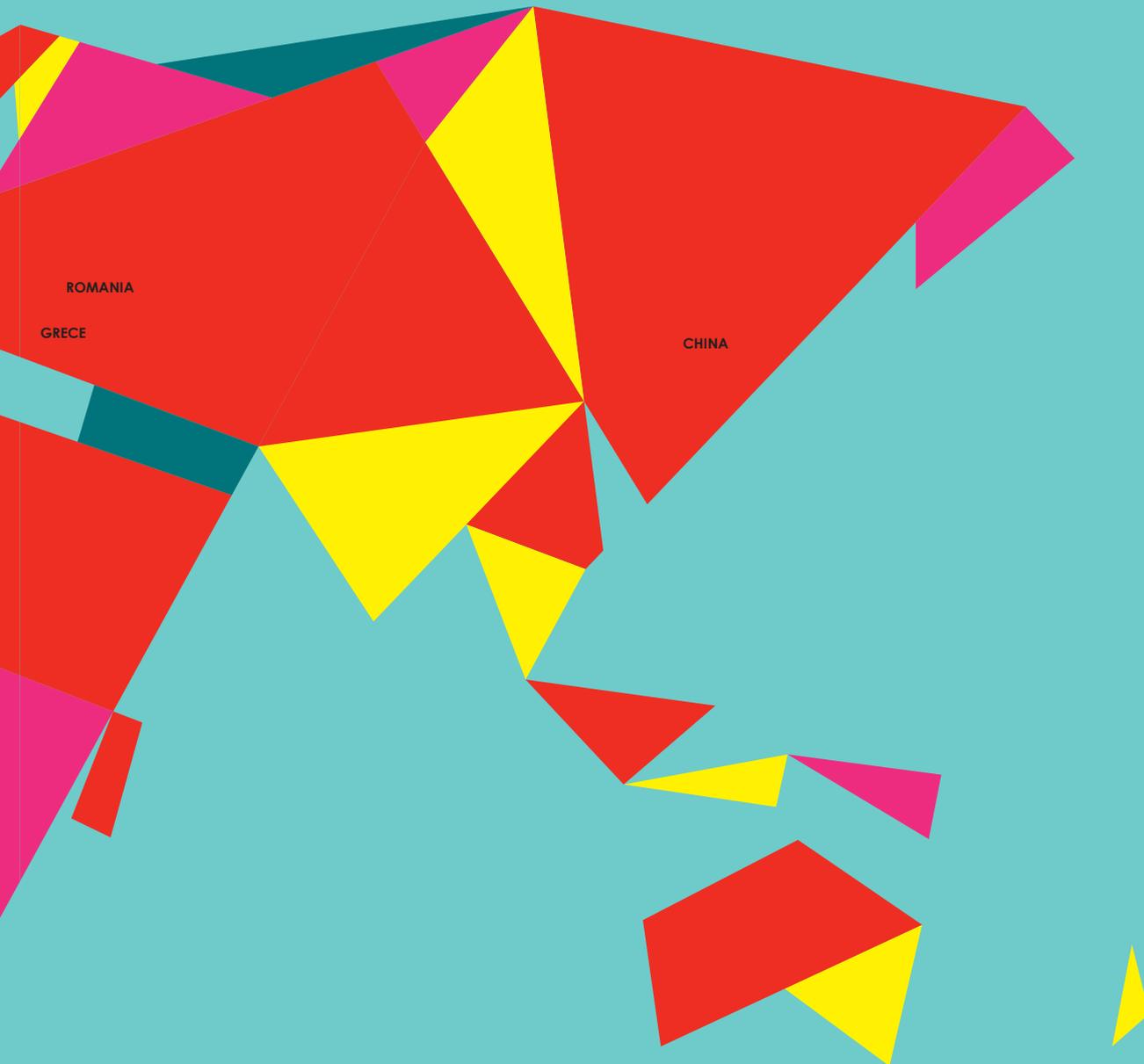
1.3.2. WHERE WE ARE

WHERE WE ARE



PORTUGAL	○ ✕ † ∩	👤	6,085	POLAND	✕	👤	32
SPAIN	○ ✕ † ∩	👤	1,674	ROMANIA	✕	👤	30
CANADA	✕	👤	5	ITALY	✕	👤	31
USA	✕	👤	583	UNITED KINGDOM	✕	👤	60
MEXICO	✕	👤	8	BELGIUM	✕	👤	2
BRAZIL	○ ✕ 🚚 † ∩	👤	3,038	FRANCE	✕	👤	78
PERU	✕	👤	2	GRECE	✕	👤	
CHINA	...	👤	2	ANGOLA	✕	...	

○ CONVENTIONAL GENERATION ✕ RENEWABLE GENERATION 🚚 TRANSPORT † DISTRIBUTION ∩ SUPPLY ... OFFICES 👤 EMPLOYEES



1.3.3. HOW WE ARE ORGANIZED

HOW WE ARE

BUSINESS AREAS



1. IBERIAN GENERATION AND SUPPLY

23%

OF THE GROUP'S EBITDA



#1 GENERATOR AND SUPPLIER IN PORTUGAL

#3 IBERIAN GENERATOR



2. IBERIAN NETWORKS

19%

OF THE GROUP'S EBITDA



distribución

#1 PORTUGUESE DISTRIBUTOR

ORGANIZED



3. EDP RENOVÁVEIS

39%

OF THE GROUP'S
EBITDA



WORLD LEADER IN WIND ENERGY



4. EDP BRASIL

19%

OF THE GROUP'S
EBITDA



#5 PRIVATE SUPPLIER IN THE
FREE MARKET

#3 PRIVATE GENERATOR

GOVERNANCE, SHAREHOLDER'S STRUCTURE AND CORPORATE BODIES

GOVERNANCE

EDP's governance structure is based on the dual model 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.

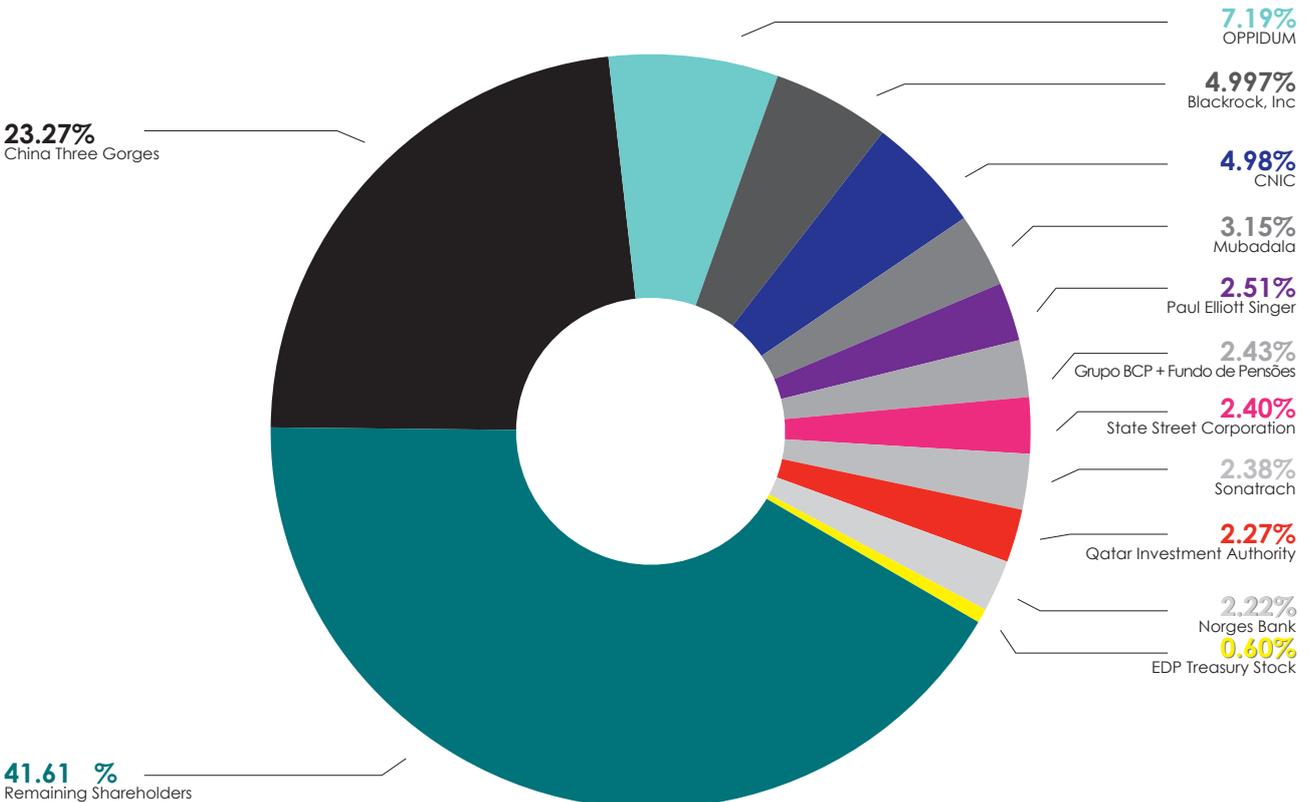
Considering this structure, we can say that the dual model of corporate governance in place in EDP has allowed effective separation of the company's supervision and management in pursuit of the goals and interests of EDP and its shareholders, employees and other stakeholders, thereby contributing to

achieving the degree of trust and transparency necessary for its adequate functioning and optimisation.

Furthermore, this model has proved appropriate to the company's shareholder structure as it allows supervision by key shareholders on the General and Supervisory Board.

The shareholders elected the members of the General and Supervisory Board and the Executive Board of Directors, as well as the Statutory Auditor and alternate auditor and members of the other corporate bodies, including the Board of the General Meeting, the Remuneration Committee of the General Meeting and the Sustainability and Environment Board at the General Meeting of 5th April 2015, for the three-year period from 2018 to 2021.

SHAREHOLDER'S STRUCTURE



EDP CORPORATE BODIES

BOARD OF THE GENERAL MEETING

Luís Filipe Marques Amado, **Chairman**

Dingming Zhang, **Vice-Chairman** - *in representation of China Three Gorges Corporation*

Shengliang Wu - *in representation of China Three Gorges International Corp.*

Ignacio Herrero Ruiz - *in representation of China Three Gorges (Europe), S.A.*

Yinsheng Li - *in representation of China Three Gorges Brasil Energia Ltda.*

Eduardo de Almeida Catroga - *in representation of China Three Gorges (Portugal), Sociedade Unipessoal, Lda.*

Felipe Fernández Fernández - *in representation of DRAURSA, S.A.*

Fernando Maria Masaveu Herrero

Mohammed Issa Khalfan Alhuraimel Alshamsi - *in representation of Senfora BV*

Nuno Manuel da Silva Amado - *in representation of Banco Comercial Português, S.A.*

Karim Djebbour - *in representation of Société National pour la Recherche, la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures (Sonatrach)*

Maria Celeste Ferreira Lopes Cardona

Ilídio da Costa Leite de Pinho

Jorge Avelino Braga de Macedo

Vasco Joaquim Rocha Vieira

Augusto Carlos Serra Ventura Mateus

João Carvalho das Neves

María del Carmen Fernández Rozado

Laurie Lee Fitch

Clementina Maria Dâmaso de Jesus Silva Barroso

EXECUTIVE BOARD OF DIRECTORS

António Luís Guerra Nunes Mexia, **CEO**

João Manuel Manso Neto

António Fernando Melo Martins da Costa

João Manuel Veríssimo Marques da Cruz

Miguel Stilwell de Andrade, **CFO**

Miguel Nuno Simões Nunes Ferreira Setas

Rui Manuel Rodrigues Lopes Teixeira

María Teresa Isabel Pereira

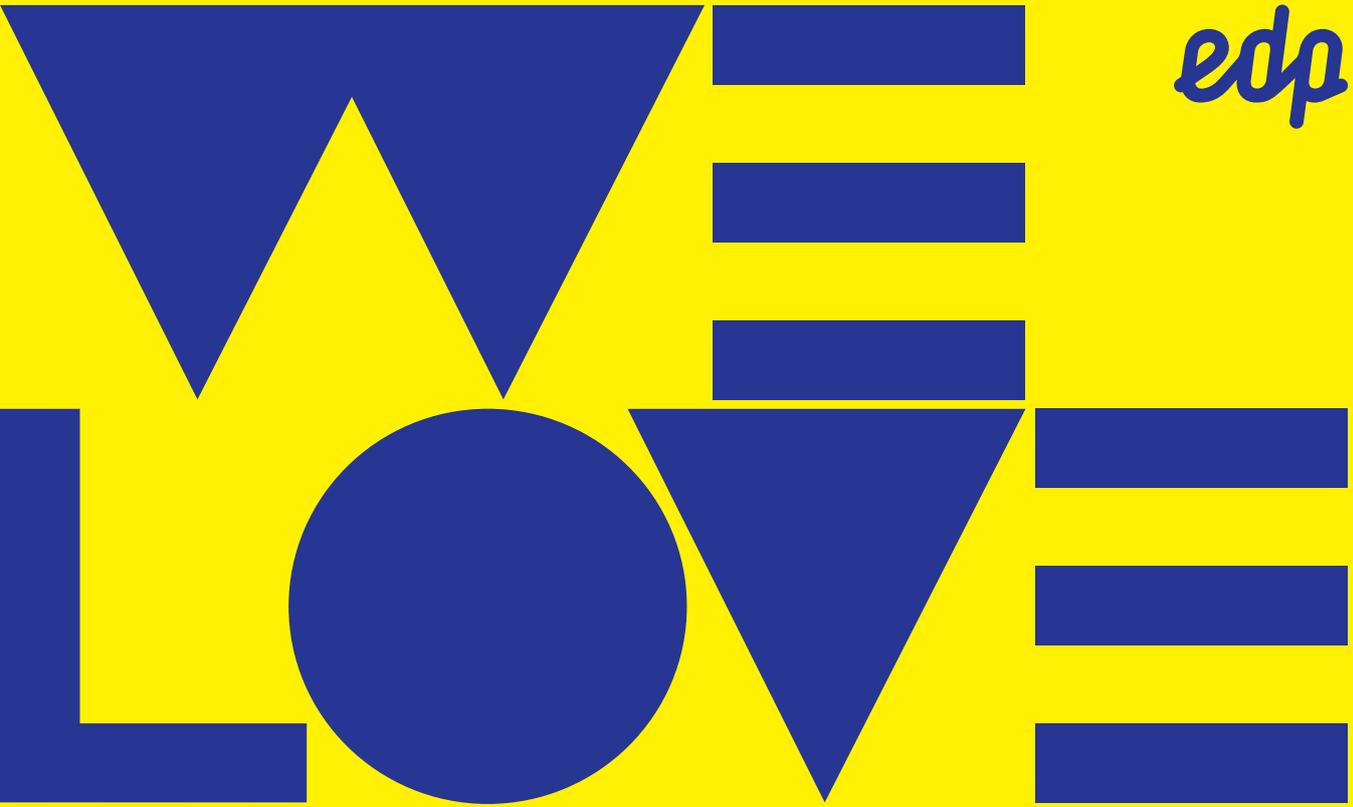
Vera de Morais Pinto Pereira Carneiro

STATUTORY AUDITOR

PricewaterhouseCoopers & Associados - Sociedade de Revisores de Contas, Lda., represented by João Rui Fernandes Ramos, Certified

Auditor - **Permanent Statutory Auditor**

Aurélio Adriano Rangel Amado, Certified Auditor - **Deputy Statutory Auditor**



OUR VISION

1.3.4. VISION, VALUES AND COMMITMENTS

VISION, VALUES AND COMMITMENTS

VISION

A GLOBAL ENERGY PROVIDING COMPANY LEADER IN 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.

HUMANIZATION

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

COMMITMENTS

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.

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.

PEOPLE

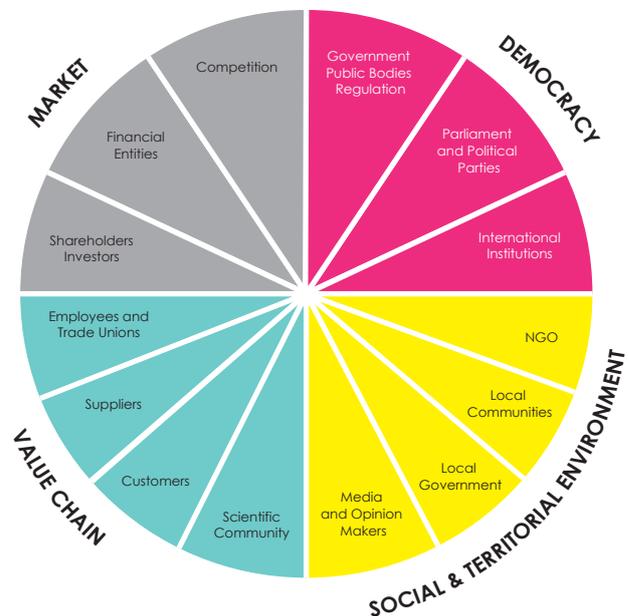
- We join conduct and professional rigour to enthusiasm and initiative, emphasizing team work.
- We promote the development of skills and merit.
- We believe that the balance between private and professional life is fundamental in order to be successful.

1.3.5. STAKEHOLDERS

STAKEHOLDERS

Stakeholder engagement is a strategic priority for EDP and the Company is committed to sustain its leadership in stakeholder engagement in regard to its core business and to its social and environmental activities. Therefore, EDP promotes trustful relations, supported by systematic and bidirectional dialogue with key stakeholders, with the purpose to gather its expectations. This is the best way to ensure even further alignment between critical issues for the stakeholders and the business plan of the Company.

Further evidence of this leadership commitment was obtained with the top score in 2018 in the Stakeholder Engagement criteria of the Dow Jones Sustainability Index.



This maximum score was obtained for the second year in a row, which mirrors the intense joint effort amid business units and geographies of the EDP Group that seek at each moment to know its stakeholders, identify and prioritize relevant issues in the relationship through dynamic relationship channels and implement responses that anticipate operational and reputational risks, in line with the Policy, Methodology and Stakeholders Management Procedures of EDP Group.

HOW WE ACT

INTERNAL VIEW



EXTERNAL VIEW



ACTION PLAN



REPORTING AND MONITORING

The **Internal View** is the first step of EDP's Stakeholder Engagement Methodology and its main purpose is to identify which stakeholders have stronger influence on EDP's activities and the ones that are more affected by EDP's actions.

The **External View** is the key outward-looking point of EDP's Stakeholder Engagement Methodology. It is an important moment to listen to stakeholders in a direct and proactive way.

The third step consists in the creation of a Stakeholder **Engagement Plan** which contains consistent and clear responses to meet stakeholders expectations, enabling the establishment of a relationship based on trust and creating shared value through cooperation.

Monitoring and Reporting stakeholder engagement performance allows EDP to adjust ongoing actions, depending on the level of implementation or results obtained. The follow-up also enables the identification of emerging issues affecting business and company reputation.





**WE
LOVE
INNOVATION**

INNOVATION