

REPORT ON THE ALLOCATION AND IMPACT OF GREEN BONDS

In accordance with EDP's Green Bond Framework, after issuing 600 million euros in green bonds in October 2018, it became necessary to report annually to investors on the way that the financing obtained was allocated. The information included in this report can be found on the EDP site: www.edp.com> investors> funding> green bonds.

With a maturity term of seven years and a coupon of 1.875% per year, the proceeds arising from the issue were used by the company to finance or re-finance investments in a portfolio of projects eligible for green financing (in accordance with EDP's Green Bond Framework), thereby encouraging the transition to a low-carbon economy.

As part of the issuing of green bonds for the sum of 600 million euros in October 2018, EDP undertook to finance or re-finance a portfolio of projects eligible for green financing, and has followed the Green Bond Principles of the ICMA to structure the framework of the green issuances. The EDP's framework was externally verified by Sustainalytics.

The sum of 600 million euros was allocated by 31 December 2018, 76 million euros of which in new projects and 524 million euros in existing projects. It should be noted that the amount of green financing allocated to new projects corresponds to the wind farms that began operating in Europe, after the date the green bonds were issued.

Presented in the points below is the report on the important information for investors on the application of the funds from the 1st issue of green bonds by the company and the resulting environmental benefits.

REPORT ON THE ALLOCATION OF FINANCIAL ASSETS

CHARACTERISTICS FROM THE 1 ST GREEN BOND ISSUE	PRE-ISSUE		POST-ISSUE		
	REFERENCE PRINCIPLES	SECOND OPINION	REMOTE	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	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 from the 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 has been fully assigned, EDP will invest the net unassigned balance 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 IMPACT OF THE FUNDS APPLIED	<p>The report is made based on the following indicators:</p> <ul style="list-style-type: none"> - Installed capacity (MW) - CO₂ Emissions avoided (tCO₂) - Production 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 production by the emission factor for thermally-generated electricity in the country.</p>				

USE OF PROCEEDS FOR ELIGIBLE GREEN PROJECTS

Portfolio date: December 2018

ELIGIBLE SUSTAINABILITY PROJECT PORTFOLIO	UN	VALUE	ALLOCATION OF GREEN FUNDING (IN PERIOD)	UN	VALUE
Existing projects (~ 2018)			Allocated to green bonds	€	600,000,000
Renewable Energy					
Wind	€	6,942,664,580			
Solar	€	188,042,074			
New Projects (~2018)					
Renewable Energy					
Wind	€	75,931,600			
Solar	€	-			
			Unallocated Amount of Eligible Project Portfolio	€	6,606,638,254
TOTAL ELIGIBLE SUSTAINABILITY PROJECT PORTFOLIO	€	7,206,638,254	MAXIMUM SUSTAINABILITY FINANCING		7,206,638,254

Percentage of Eligible Green Project Portfolio allocated to net proceeds of green funding: % 8.3 (usage)

Percentage of Eligible Green Project Portfolio allocated to net proceeds of green funding: % 100

PORTFOLIO BASED GREEN BOND REPORT ACCORDING TO THE HARMONIZED FRAMEWORK FOR IMPACT REPORTING

Portfolio date: December 2018

ELIGIBLE PROJECT CATEGORY SOCIAL BOND PRINCIPLES (SBP) GREEN BOND PRINCIPLES (GBP)*	SIGNED AMOUNT	SHARE OF TOTAL PORTFOLIO FINANCING	ELIGIBILITY FOR GREEN BONDS	INSTALLED CAPACITY OF RENEWABLE ENERGY IN MW	ANNUAL NET PRODUCTION OF RENEWABLE ENERGY (MWh)	CO ₂ EMISSIONS AVOIDED (tCO ₂)
a/	b/	c/	d/	e/	e/	e/
Renewable Energy	€ 7,206,638,254	100%	100%	8,518	20,772,473	14,580,656
Total	€ 7,206,638,254	100%	100%	8,518	20,772,473	14,580,656

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 costs that is Green Bond eligible

e/ Impact indicators

- Installed capacity of renewable energy in MW
- Annual net production of renewable energy (MWh)
- CO₂ Emissions avoided in tCO₂

*the values presented only reflect the percentage of participation by EDPR

Source:

www.ifc.org/wps/wcm/connect/f932dc004ad996538a1fea4fb4720a61/Updated+logo+FINALPROPOSALIRH+CLEAN.pdf?MOD=AJPERES