EDP STAKEHOLDER ENGAGEMENT PROCEDURES

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SCOPE | EDP Stakeholder Engagement Procedures establish minimum requirements to connect with external stakeholders on all Business Units fully owned by EDP Group, at both local and institutional levels, and regarding all the countries where EDP operates. These Procedures are mandatory and to be reported to Stakeholder Engagement Business Units Departments and Stakeholder Engagement Department at Group level (DRIS).

EDP Stakeholder Engagement Procedures have guidance on:

- Stakeholder identification, segmentation and prioritization
- Stakeholder engagement and consultation methods
- Stakeholder engagement risks and opportunities management
- Stakeholder engagement performance monitoring and report

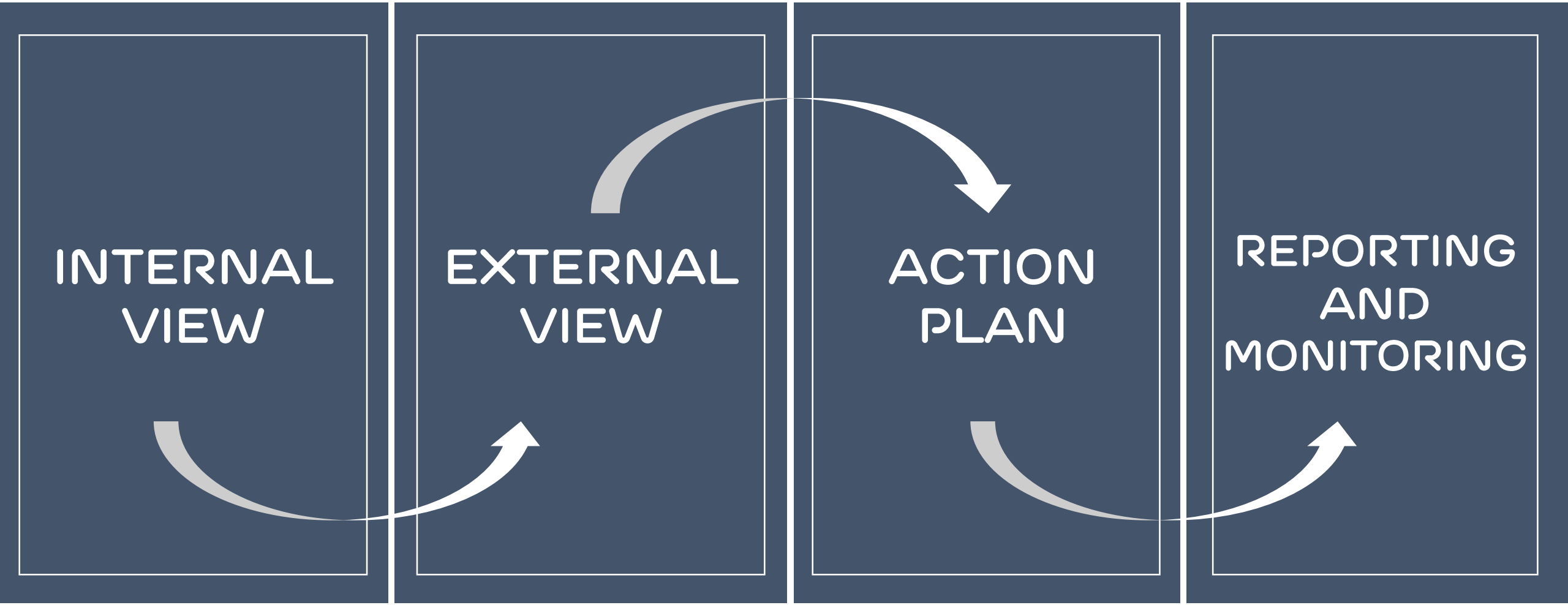
EDP Stakeholder Engagement Procedures are supported by:

- EDP Stakeholder Engagement Policy
- EDP Stakeholder Segmentation Model
- EDP Stakeholder Engagement Methodology Guide

EDP STAKEHOLDER ENGAGEMENT GOVERNANCE

EXECUTIVE BOARD OF DIRECTORS (CAE)	Highest level body, responsible for EDP Group management
STAKEHOLDERS MANAGEMENT COMMITTEE	Management body composed by members from the Executive Board of Directors, Business Units and Corporate Departments
INSTITUTIONAL RELATIONS AND STAKEHOLDERS DEPARTMENT (DRIS)	Corporate Department whose main purpose is to ensure that stakeholders management is done in the same way throughout all Business Units and countries where EDP is present
STAKEHOLDERS BUSINESS UNITS DEPARTMENTS	Designated management bodies in different Business Units that act in an articulated manner to enhance an effective strategic stakeholder engagement

EDP STAKEHOLDER ENGAGEMENT PROCEDURES



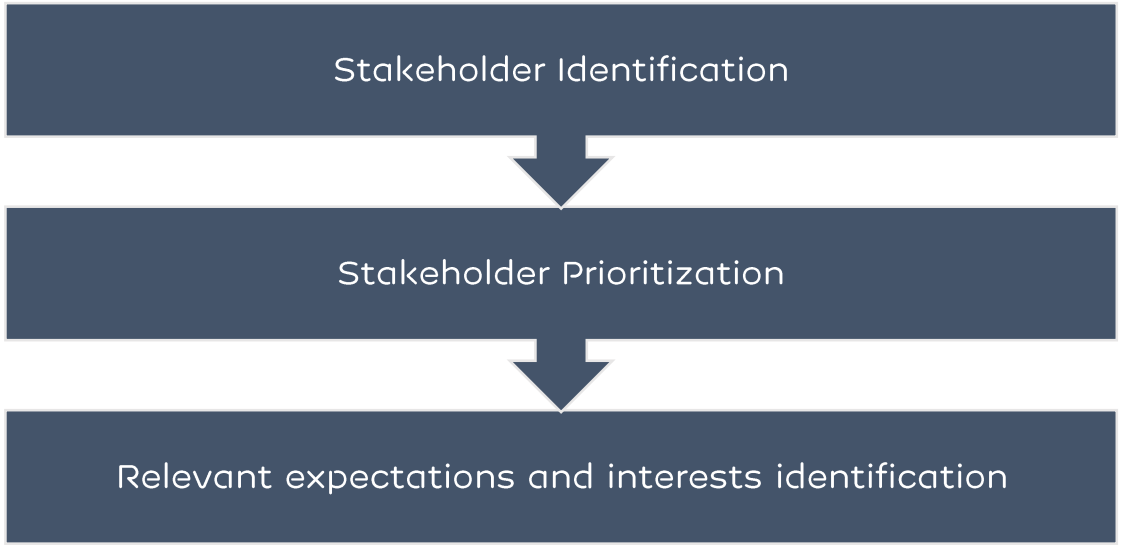
1st
PROCEDURE

INTERNAL VIEW

EDP STAKHOLDER ENGAGEMENT PROCEDURES

The **Internal View** is the first step of EDP's Stakeholder Engagement Methodology and its main purpose is to contribute to identify which stakeholders have stronger influence on EDP's activities and the ones that are more affected by EDP's actions, and also what they most value on their relationship with the company.

The objectives of the first procedure are:



1st
PROCEDURE

INTERNAL VIEW

EDP STAKHOLDER ENGAGEMENT PROCEDURES

IMPLEMENTATION:

- In order to set or define a **Stakeholders Map**, it is important to do the stakeholders identification and segmentation regarding their relevance achieving EDP's strategic goals. At least once a year, Stakeholders Map must be revised.

- **Prioritize stakeholders** according to their impact on EDP and EDP's impact on them, and also the capacity to manage the relationship.

- Identify **Stakeholders Relevant Expectations and Interests** from an internal perspective through direct and indirect sources, creating a list of Relevant Issues.
DRIS managers must check this list with those responsible for each Stakeholder Group in each Business Unit or geographical area, as well as the adequacy of the response currently given to each of these issues.

2nd
PROCEDURE

EXTERNAL VIEW

EDP STAKHOLDER ENGAGEMENT PROCEDURES

The **External View** is the key point of EDP Stakeholder Engagement Methodology. It is an important moment to consult stakeholders in a directly and proactively way.

The second procedure aims to:

- Establish a Stakeholders consultation process
- Identify Stakeholders expectations and concerns
- Comprehend Stakeholders perception about EDP
- Identify risks and opportunities

2nd
PROCEDURE

EXTERNAL VIEW

EDP STAKHOLDER ENGAGEMENT PROCEDURES

IMPLEMENTATION

To build a consultation process model we must:

- Hear a group of selected Stakeholders
- Understand what should be discussed
- Comprehend why are we doing it
- Identify the consultation process model which fits better to each Stakeholder type (e.g. questionnaires, interviews in person or by telephone, meetings and/or focus groups)
- Do it before starting operations with strong impact on stakeholders, and at least once every two years at corporate level
- Understand that this process is part of a more broader engagement and is additional to other existing channels, so must be proactive, continuous, open and geared towards understanding, avoiding preconceived ideas.

3rd
PROCEDURE

ACTION PLAN

The third procedure consists on the elaboration 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.

IMPLEMENTATION | This action plan should face the risks and opportunities previously identified in the Internal and External Views, and must contain at least the following elements:

- Actions
- Expected results
- Channels to be used or developed
- Grievance mechanisms
- Deadlines
- People responsible

3rd
PROCEDURE

ACTION PLAN

EDP STAKHOLDER ENGAGEMENT PROCEDURES

MEASURING | The Action Plan should be established in partnership with EDP stakeholder managers from every Business Unit, country and DRIS. For follow-up purposes, two types of information should be reported:

- **Implementation level,** regarding established deadlines.

- **Performance KPI's**, associated with expected results for the relationship, perception, knowledge, performance, etc.

To ensure the effective alignment of the Stakeholder Action Plan with the organization strategy in each Business Unit or geography it is necessary to review it at least once every three years.

4th
PROCEDURE

MONITORING AND REPORTING

EDP STAKHOLDER ENGAGEMENT PROCEDURES

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

IMPLEMENTATION:

- Stakeholder Engagement Plan managers will be the ones responsible for reporting the necessary information, KPI's (both quantitative and qualitative), in order to evaluate the obtained results.

- Action plan's follow-up should be carried out at least once a year, in line with EDP's reporting obligations.

- A continuous follow-up of complaint mechanisms should also be carried out in accordance to EDP's procedures.

4th
PROCEDURE

MONITORING AND REPORTING

EDP STAKHOLDER ENGAGEMENT PROCEDURES

- After the monitoring procedures, all Business Units stakeholder managers should report to DRIS, at least once a year, the following outputs:

  - Map of Stakeholders
  - Prioritization of Stakeholders and Channels
  - Relevant and critical topics
  - Risks and Opportunities
  - Action Plan, its development and outcomes
  - Main lessons learned from good and bad stakeholder engagement experiences

- In addition to the internal channels already established to communicate with stakeholders, DRIS will disclose a Stakeholder Report which will provide information about what was done in the EDP Group regarding stakeholder management, namely the results of every methodology steps presented in these procedures.

STAKEHOLDER ENGAGEMENT PROCEDURES