



edp

Environmental Policy

A proactive environmental management creates value and is a duty of a socially responsible company

Environmental policy

1. Framework

The continued growth in world population is based on economic models and consumption patterns that induce climate change, accelerate degradation of natural resources and the biodiversity, and constitute risks to public health. The foregoing context demands responsible actions and proactive, differentiating strategies from companies that will be able to reverse these trends and promote respect for the environment and the development of a society based on standards of sustainable consumption.

The activity of the EDP Group (EDP and the group of companies over which it has control or with which it has a group relationship) is carried out within the framework of its **Principles of Sustainable Development**, observing the highest **ethical standards** and consistently promoting the guiding principles of the **Global Compact** of the United Nations (UN).

In this regard, and acknowledging the crucial role of the energy sector, EDP has assumed the commitment to contribute to the successful implementation of eight Sustainable Development Goals (SDGs) of the 2030 UN Agenda, with special attention to those with a greater environmental impact: (i) 7 – contribute to the guarantee of accessible, dependable and sustainable energy, (ii) 13 – combat climate change, managing the risks arising from it, and (iii) 15 – collaborate in the protection of life on Earth, through the sustainable use of the land ecosystems, especially, fresh water.

2.Object

This Environmental Policy consolidates a set of commitments assumed by EDP; establishes guidelines for the continued improvement of the environmental performance of the different activities of the company, taking into account the long term; frames the definition of objectives and goals of the EDP Group; and clarifies its expectations of interested parties.

3.Scope

The Environmental Policy applies to (i) EDP and (ii) the companies directly or indirectly 100% controlled by EDP and (iii) the companies with which EDP is in a position of control within the scope and the limits established in the Binding Instructions and the Policies and Procedures in force at EDP (OS 2/2014/CAE, OS 3/2014/CAE, OS 4/2014/CAE and OS 5/2014/CAE, of 11th February)

To the possible degree, this Environmental Policy also extends to the entities that provide services in the EDP facilities or on behalf and in representation of the companies that make up the EDP Group.

EDP will also promote the application of the best environmental management practices among the other participants in the value chain, whether partners, customers, service providers or stakeholders in general, given their activity and specificities, encouraging them to assume a closer alignment with EDP's Environmental Policy.

4. Commitments:

EDP assumes the Environment as a strategic management element, seeking to reduce the impacts of its activity through a set of commitments that ensure the implementation and maintenance of environmental management systems that are appropriate and effective, with the ultimate goal being Sustainable Development, specifically:

1. **Protect the Environment** in its various components and integrate it in the decision-making processes, considering, whenever possible, a life-cycle perspective
2. **Mitigate the environmental impact** in all phases of the decision-making processes, favouring the hierarchy of mitigation
3. **Appropriately manage the environmental risk**, particularly the prevention of pollution and the emergency response in case of an accident and/or catastrophe
4. **Promote continued improvement** in the processes, practices and environmental performance, stimulating R&D + Innovation within the framework of the established environmental objectives
5. **Comply with and respect the applicable environmental legislation**, as well as other obligations assumed voluntarily
6. Take into account the **expectations of the main stakeholders** in the decision-making process
7. Expand the management and the improvement of environmental performance to the **value chain**
8. **Communicate the environmental performance**, within the framework of its ethical principles, in a regular and transparent manner, ensuring balance, understanding and accessibility by the interested parties
9. **Empower people and raise awareness** for the improvement of individual and collective environmental performance

Based on the strategic priorities of the Group, EDP furthermore assumes specific commitments to complement the previous points, in the following environmental domains:

CLIMATE

Contribute to decarbonisation, progressively providing low-carbon energy solutions, specifically through:

- Increasing its renewable energy portfolio
- Promoting internal energy efficiency with suppliers and the final consumer
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SUSTAINABLE USE OF NATURAL RESOURCES

Promote the efficient use of natural resources in its activities, within the framework of a circular economy, specifically:

- In the use and sustainable management of water in all the processes, operations and facilities
- In the consideration of the environmental aspects throughout the life cycle of the products and services

BIODIVERSITY

- Contribute to avoid or reduction of loss in biodiversity, favouring a dynamic, wide-ranging management, with local participation and a long-term vision with the ambition for a globally positive balance
- Contribute to deepening scientific knowledge on the different aspects of biodiversity, specifically through the establishment of partnerships

Approved by the Executive Board of Directors on the 30th of January 2018