



CHANGING TOMORROW NOW

SUSTAINABILITY
REPORT
2021



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 2021.

Presentation and strategic approach

Focused on 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, 2021 main events and 2022 challenges.

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 Ombudsman'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.

CHANGING TOMORROW NOW

We are creating a new energy on the planet.

More inclusive. More shared. Greener.

Promoting renewable energy on a worldwide scale.

Using the power of wind, sun and water,
to be all green by 2030.

Accelerating decarbonization, to achieve carbon
neutrality. Investing € 24 billion in the energy transition.

Duplicating the capacity in solar and wind power.

Betting on new technologies, such as green hydrogen.

Leading the way in sustainability indexes.

It's in our hands. The only one who changes the world,
is whoever can change himself, the one who finds
the will, the knowledge and the action.

Because this is our story:

**To always discover
a new ambition.**



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SAFETY

Protecting our people
is more than a will, it's a commitment.

01 — EDP

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— Miguel Stilwell d'Andrade
CHAIRMAN OF THE EXECUTIVE
BOARD OF DIRECTORS

1.1.1 Message from the Chairman of the EBD

Dear stakeholder,

In the future we may well look back on 2021 as a turning point for the planet. The energy sector remains at the heart of a myriad of challenges, from the fight against climate change to supply chain disruptions, volatile energy prices, rising inflation and an enduring pandemic – a warning for us all to properly plan for an orderly energy transition.

COP26 turned up the volume on the climate conversation. Political support from both sides of the Atlantic added momentum, contributing decisively to the acceleration of decarbonization. It was good to see further commitments within the *EU Fit for 55* packages as well as *EU Next Gen funds*, in addition to progress towards the implementation of the infrastructure bill in the US. Alongside these important steps forward on climate, the broader theme of stakeholder capitalism stood firmly at the top of the agenda. As the lines between life

and work continue to blur, worldwide attention turned to think more flexibly about the way we work, support and develop our teams.

The world faces unprecedented challenges and we need to collectively rethink how to live and preserve our planet. At EDP, we've answered this call to action by leading from the front on the global energy transition.

Our strategic commitment

The last twelve months have been transformational for EDP. In February 2021, we unveiled our strategic plan for 2021-2025, which is very clear in its ambition: an accelerated and sustainable growth strategy, enabled by an organization that is future-proof, offering ESG excellence and superior value to our shareholders.

Our bold and ambitious investment plan of €24 billion by 2025 will be mostly dedicated to Renewables, but also to Networks, Client Solutions and Energy Management.

The plan implies an additional 4 GW deployed yearly in renewables, with zero weight of coal on revenues by 2025 and carbon neutral (scope 1 & 2 emissions) by 2030 - our all-Green landmark. Our focus in networks will be in continuing to build a strong asset base maximizing asset value through smarter grids, investing more than €3 billion until 2025. We will also be investing in Client Solutions to scale up our footprint in decentralized solar generation and electric mobility, and exploring new services with a clear focus on efficiency and end-to-end digital transformation. Within Energy Management, we will leverage our distinctive 20+ year track record and expertise to create value, monetize flexibility and reinforce the origination of PPAs. We will invest in new growth avenues, namely offshore wind, renewable hydrogen and storage, and commit to €2 billion in innovation and digital transformation.

Our main business achievements in 2021

We've reached the end of 2021 stronger and more global than ever before, now present in 28 markets across Europe, North America, Latin America and Asia-Pacific, following the agreement of the acquisition of Sunseap in Singapore, the largest distributed solar player and top 4 solar player in South-East Asia. **EDP is now growing in 4 continents, and we are proud to be the third greenest utility in Europe.**

We've worked hard, and this has paid off. Our renewables portfolio is now at secured capacity of 8.4 GW, following the record installation of 2.6 GW additions in 2021. At EDP, over 75% of generated energy comes from renewable sources, showing real progress in decarbonizing the company portfolio, not forgetting the closure of our historic Sines coal power plant in Portugal.

A key pillar of our strategy remains geographical and business diversification. In that respect, 2021 was a year of many firsts: we entered Hungary and Chile and consolidated our presence in Asia; we commissioned our first wind farm in Greece and we inaugurated our largest wind project and solar array by capacity in the US - where EDPR is now the third largest producer of renewable energy; we started the construction of a major renewables' project in Colombia, and we inaugurated the largest ever photovoltaic project to be developed, built and operated in Brazil. In offshore, we achieved remarkable milestones through EDPR's joint venture with Engie (Ocean Winds), entering Poland, awarding a 400 MW PPA in the US, and, in the UK, commissioning our 950 MW Moray East wind farm, the largest offshore project in Scotland, and being awarded a 1 GW project at the Caledonian seabed. We have innovative projects in generation advanced at pace, including a floating solar project at the Alqueva hydro power plant and the

development of a pipeline of hybrid projects (sun and wind).

The networks business continues to deliver against our strategy with the successful completion of the Viesgo integration in Spain, the investment in transmission in Brazil including in the transmission company Celg-T with a portfolio of 756 km of networks and 14 substations, and the asset rotation transaction comprising the sale of 3 transmission lines in Brazil. In Portugal, we've successfully re-branded our networks' business and delivered our grid modernization and operational excellence plan.

Within client solutions, we are investing and growing in the solar distributed generation market – in 2021 we've contracted 417 MW in Europe, Brazil and US, and acquired a 194 MW portfolio in Asia. In electric mobility we are building close partnerships and contributing to a broader public charging network.

Green hydrogen is clearly emerging as an opportunity thus we launched our dedicated hydrogen business unit and engineering competence center, aiming to invest in projects that will guarantee 1.5 GW of capacity by 2030. We've made the WBCSD (World Business Council for Sustainable Development) H2Zero commitment together with 27 major global companies to accelerate the technology development and production. This year, we've also furthered our efforts in storage and will soon start construction of our first co-located storage facility in the US, while evaluating storage projects supported by strong fundamentals across our markets.

Across the group, we've revised our ambition and operating model of our global innovation platform to foster project's incubation through internal development, partnerships and ventures, as we increased our start-up Ventures target up to €100 million by 2025. Our efforts to accelerate the group's digital and technological transformation are progressing through the active

development of a new multi-cloud strategy, strengthening cybersecurity approach and deepening agile adoption.

Our strong financials

In 2021, we've further strengthened our financial base with €2.8 billion of proceeds secured in asset rotation transactions agreed and €2 billion in hybrid issuance. We've earned a long-term corporate credit rating upgrade to "BBB" by Standard & Poor's Global Ratings and Fitch Ratings as well as a Positive Outlook from Moody's.

EDP's results showed resilience and the ability to maintain sustainable growth by achieving a recurring net profit of €826 million representing a 6% increase year-on-year in a critical context of record high power prices, supply chain disruption and inflation resurgence. A strong operational performance of our renewables and networks segments and an over €30 million nominal opex reduction enabled us to deliver a recurring EBITDA of €3,735 million representing a 7% increase year-on-year.

Our commitment to ESG excellence

It was a real moment to see EDP ranked in 2021 at the top as the world's most sustainable electric utility by the Dow Jones Sustainability Index. Also, EDP Brazil ranked first in the corporate sustainability index of the Brazilian stock exchange.

We've been fully committed to further advancing climate action within the group, with our partners and participating in global efforts, addressing external barriers on the pathway to net zero societies in international forums as the High-Level Dialogue on Energy and COP26, and joining relevant initiatives promoted by WBCSD, SEforALL and the UK COP26 Presidency. Furthermore, plans are advancing in the Just Transition and we are transforming our coal sites in Iberia (Sines, Barrios, Puente Nuevo, Aboño and Soto) in green

energy hubs, comprising hydrogen, renewables and batteries projects.

Our commitment to ESG goes far beyond EDP's decarbonization credentials. In 2021, we revised our social impact strategy establishing fair energy transition as the overarching global community investment theme. We are supporting the launch of 'solidarity solar communities' pushing forward the sharing of energy between neighborhoods. Furthermore, we have celebrated the 10th anniversary of our Volunteering Program, which touched more than 1.7 million people, through the commitment of more than 40 thousand volunteers since its inception.

At EDP, we maintain our strong commitment to the 10 principles of the United Nations Global Compact, to build a more sustainable world, aligned with the values of respect for human rights, employment, environmental protection and the fight against corruption.

I truly believe that our success rests on our people – they are the cornerstone of our distinctive portfolio strategy and growth. We have put our full effort behind the attraction and retention of talent, continuously working on well-being programs to provide a meaningful experience for our teams. I am pleased to say that in EDP our people demonstrate high levels of commitment and pride towards the company, above the overall market.

I'd also like to highlight our commitment to gender diversity and equality. EDP has been recognized, once again, by the Bloomberg Gender Equality Index for its efforts to support gender equality. We're leading by example with a 40% female participation in EDP's Executive Board of Directors as we continue to make progress towards our target of 30% female representation by 2025 across the group, both in overall representation and in leadership positions.

Finally, we continuously ensure that we follow corporate governance best practices and always aim at delivering the best interests of our stakeholders. We promote a culture of best ethical and compliance principles and have launched a dedicated health and safety corporate area, specialized in security policies and the mitigation of human, environmental and economic losses. In 2021 we have improved our decision-making processes to promote as much as possible efficiency, agility, and increased delegation and trust in our teams, paramount to the company's current growth path. In April, shareholders approved a new composition of the General and Supervisory Board, part of EDP's dual corporate governance model, with 16 members, of which 9 independent, a strong and varied professional track record, and diverse in gender and nationalities, providing valuable supervision and counsel in what was a demanding year for EDP.

We are ready for 2022

EDP's Executive Board of Directors completed its first year of leadership and I am proud of what we've achieved, with resolute focus on the delivery of our strategic plan, doing our best at all times to lead by example. Together with EDP's General and Supervisory Board I know we are ready and fully committed to drive EDP throughout a promising path ahead leading the energy transition.

Finally, I would like to emphasize, on behalf of the Board of Directors, how grateful we are to our global team of over 12,000 employees. EDP's achievements would not have been attained were it not for their contribution and dedication – especially during another year of pandemic, struck by uncertainty. We also thank our external stakeholders around the world – shareholders, customers, suppliers, regulators, partners and local communi-

ties –, for their trust on our mission and journey.

Personally, I am looking at 2022 with great expectations. I remain committed to creating superior value for shareholders and other stakeholders and I can assure you that EDP will continue to pursue the call to build a better future for the prosperity of mankind.





— Miguel Setas

1.1.2 Message from the Administrator

2021, a year of commitments towards net zero

2021 saw an unprecedented global movement of net zero commitments by countries, cities, regions, businesses and investors. While COP26 confirmed “code red for humanity” amidst the IPCC’s starkest assessment ever, it also kept to the objective to limit the global temperature rise to 1.5°C.

The energy transition emerged as the greatest challenge of our time, with the *High-Level Dialogue on Energy* (UN HLDE) convened in September by the UN Secretary General. The *International Energy Agency Net Zero Report* signaled a very narrow pathway to fulfill the long-term decarbonization targets, combining renewables, electrification and energy efficiency with the right policies in place and further technological innovation. Greater collaboration and action are needed from entire ecosystems, across business, supply chain, governments and society as a whole. If 2021 was a year of restored credibility in international negotiations, 2022 will need to deliver near-term action, improving policies, enhancing transparency and partnerships.

In 2021 we revised our business strategy which comprises ambitious ESG (Environmental, Social & Governance) targets. We also participated at the UN HLDE and COP26 and worked with our partners and relevant business networks, including WBCSD, UN Global Compact, The Climate Group, We Mean Business, SEforALL, Corporate Leaders Group, on collective projects and initiatives to

further advance those topics, through joint commitments as “Global Coal to Clean Power Transition”, “Glasgow Accord on Zero Emission Cars and Vans”, “H2Zero - Hydrogen Pledges”, and in important policy consultations and dialogues.

EDP Leading the Energy Transition

In 2021, we ramped up our efforts. We’ve incorporated a bold ESG ambition in our strategic update for 2021-2025 (BP 2021-25) focused on leading the energy transition, protecting the environment, delivering a positive impact on society and maintaining strong governance.

We committed a total of €24 billion of further investment in the energy transition, and we are set to become coal free by 2025 (zero contribution of coal to our revenues by 2025 year-end) while being an active shaper of the green future of the regions affected by coal phase-out policies.

We plan to reach all green by 2030, with 100% renewables generation in our portfolio, including through innovative renewable technologies such as green hydrogen (1.5 GW capacity by 2030) and storage (1 GW capacity by 2026).

Our efforts aim to reduce CO₂ emissions to become carbon neutral by 2030, reducing our scope 1 and 2 emissions by 98% and our scope 3 emissions by 50%, compared to 2015 levels. This target was recognized in 2021 by The Science Based Target Initiative (SBTi) in line with climate science requirements towards limiting global warming to 1.5°C.

In 2021, we reached 19.6 GW of renewable installed capacity corresponding to 80% of our total capacity. We also achieved 51% reductions in our scope 1 and 2 CO₂ specific emissions, and 30% reductions in our scope 3 CO₂ emissions, compared to 2015 levels. And we renewed our Executive Board of Directors Remuneration Policy, reinforcing ESG metrics, on variable components.

EDP continues to lead from the front as recognized from global indexes – this year we were ranked as the most sustainable electricity company in the world by the Dow Jones Sustainability Index. Further, EDP was yet again recognized as one of the most ethical companies in the world by the Ethisphere Institute. EDP Brasil recorded the best performance ever, reaching first position, in the Business Sustainability Index (ISE), the main ESG index in Brazil. In April, we also became part of the S&P Global Clean Energy Index.

We are ready to share our commitments to climate transition with our stakeholders, in 2022. EDP will step up efforts to reduce scope 3 emissions in accordance with the latest scientific data, aligned with the recent SBTi Net Zero Standard.

Facilitating a fair and just transition

Moreover, the quality of life, well-being and economical sustainability of our partners and clients are directly dependent on the accessibility, high-quality and affordable power. In an increasingly technological and digital society, ensuring that every person and organization can enjoy that is a priority EDP places at the heart of its business strategy. We are providing access to energy efficiency products and services by offering decentralized PV solutions, electric charging points for E-mobility and helping companies capture opportunities powered by digitalization and technological advancements. Our customers have saved 5.1 TWh of energy consumption and 9 MtCO₂ of emissions, since 2015, through our energy efficiency services.

Finally, we continue to be committed to addressing the vulnerability of people and communities, through i) contributions to reducing energy poverty and ii) investments in promising companies in the field of access to energy and co-funding access to energy projects mainly promoted by

NGOs, having committed €22.5 million until 2025. In 2021, we supported projects in Kenya, Tanzania, Mozambique, Nigeria, Angola, Rwanda and Malawi.

Capital and financial alignment with the SDGs and environmental goals

Sustainable finance is key to accelerating the transition to net-zero societies and the achievement of the SDGs.

In 2021, EDP continued to be directly involved in international and UN-linked initiatives to further advance SDG7 - Access to Affordable, Reliable, Sustainable and Modern Energy for All (SDG7). EDP became a member of the UN Global Compact CFO Task Force for the SDGs which is working towards the full integration of UN SDG goals into corporate finance. Our bond issues have been green since 2018, totaling EUR 6.4 billion. We also committed to have 50% of our funding structure from sustainable sources by 2025, which was 39% in 31 December 2021.

We have reinforced our reports by increasingly aligning with the *Task Force on Climate-related Financial Disclosure* recommendations and further integrating the *EU Taxonomy* requirements, aiming at having 70% of our revenues' taxonomy-aligned by 2025 and 80% by 2030.

Biodiversity

At EDP we recognize the value of nature and its known limits. The *World Economic Forum* (WEF) has signaled that approximately \$44 trillion of economic value generation is moderately or highly dependent on nature.

In line with the UN, we protect, restore and promote a sustainable use of ecosystems and biodiversity. In 2021, we continued our involvement in collective initiatives as the Act4Nature. We set specific biodiversity commitments aimed at protecting our surrounding ecosystems,

which include: i) not to build new generation assets in UNESCO World Heritage Natural Sites and ii) No Net Loss of biodiversity for all new projects with significant residual impacts until 2030.

Human rights

With the entry into force of the new Code of Ethics, the Human and Labour Rights policy was revised, including now a specialized committee to guarantee its implementation and the extension of Due Diligence obligations, both in the development of new infrastructures and in the selection of suppliers.

The complexity of supply chains continues to be a major challenge for companies when applying sustainability policies, particularly regarding human rights. Therefore, EDP has teamed up with peers and global organizations and initiatives (Bettercoal, Global Alliance for Sustainable Energy, Power Europe and US Solar Energy Industries Association).

Beyond this, EDP also started a program to ensure the engagement of direct suppliers with the goals of decarbonization, transparency and equality, while maintaining the objectives of guaranteeing respect and protection of fundamental human and labour rights. In 2021, despite our best efforts towards our suppliers, we still faced seven fatalities with contractors' workers. We deeply regret these fatalities and loss, and we continue to work hard to achieving zero occupational accidents, reinforced by the launch of the "PlayitSafe" program.

Looking ahead

The 2021 *Global Risks Report*, carried out by the WEF, served as a wake-up call to long-term risks including the pandemic, rising economic disparity and social fragmentation, all impact-

ing geopolitical stability. Environmental concerns and social crisis continue to top the list for risk in 2022.

While the energy sector faces economic and political pressure in the global energy mix and rising prices, it remains critical to accelerate and deliver the energy transition globally and avoid catastrophic climate change.

Our strategy is aligned with EDP being a global energy major, leading the transition to create superior value. We are well positioned across all platforms and pursue the creation of stakeholder value. The business case for sustainability and net zero may be clear, but there is no standardized single path to reach it.

In 2022 we will focus on delivering our ESG commitments, on the specific challenges regarding carbon neutrality, supply chain and climate efficiencies of EDP products and services. We will integrate the new generation of ESG legislation, regulation and reporting standards, aligning with best practices. And we will continue to cooperate with our partners to collectively improve efforts and complementary actions to Changing Tomorrow Now.



1.2. Changing Tomorrow Now

1.2.1. Vision, Values and Commitments

VISION

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

COMMITMENTS

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 teamwork.
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.

VALUES

HUMANIZATION

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

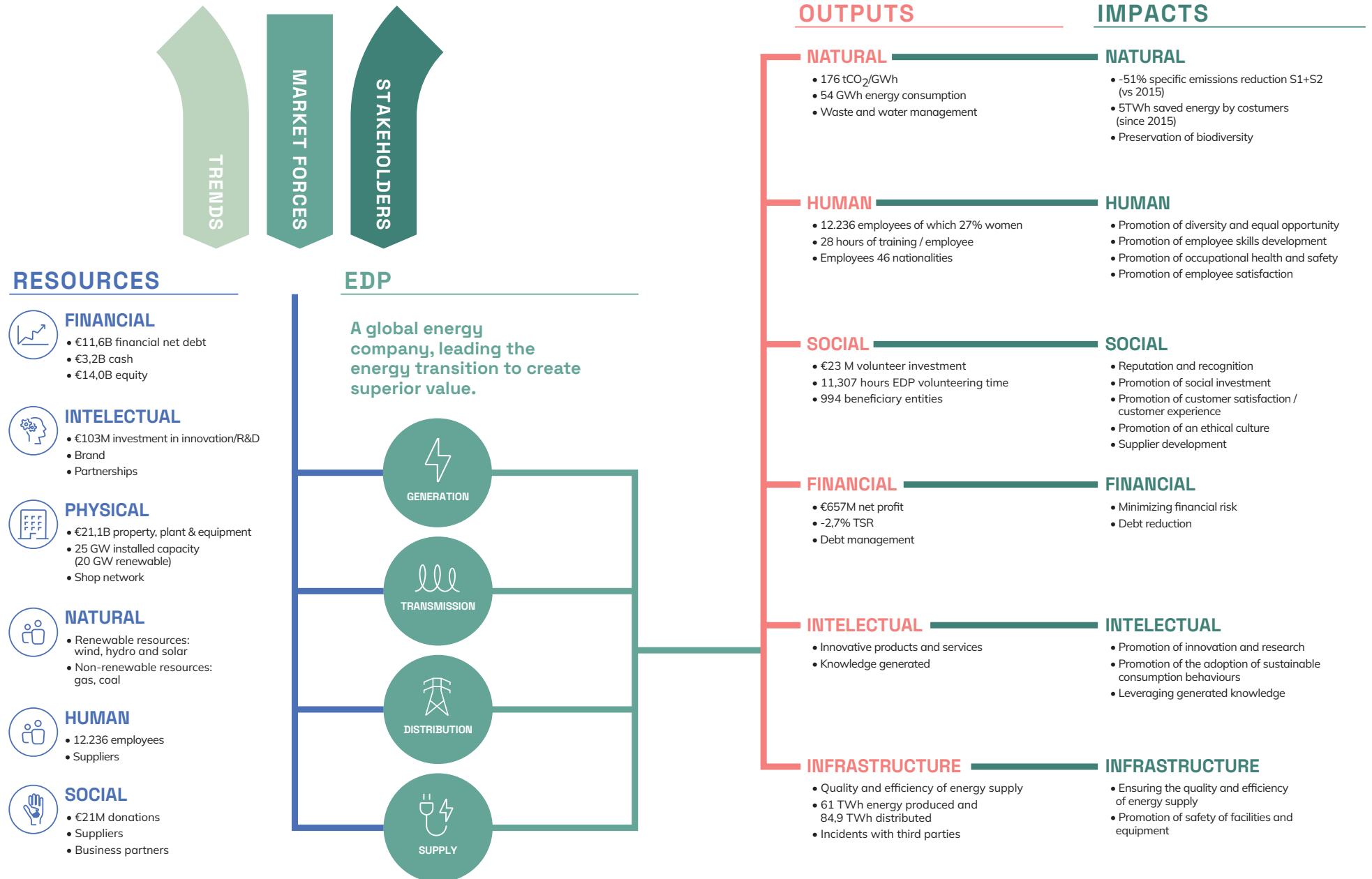
SUSTAINABILITY

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

INNOVATION

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

1.2.2. Business Model



1.2.3. Stakeholder Management

Stakeholder management has been a strategic priority for EDP for many years, anticipating the growing openness of companies to society, to meet the increasingly demanding ethical and transparency standards. The engagement with several stakeholders has also gained increasing relevance in the business world as part of the ESG criteria (Environment; Social; Governance), and as these metrics become more important to the investor community and society in general.

A clear proof of EDP's consistency and commitment to this strategy is its international recognition as a top performer, for the last several years, in the Stakeholder Engagement and Policy Influence criteria of the Dow Jones Sustainability Index.

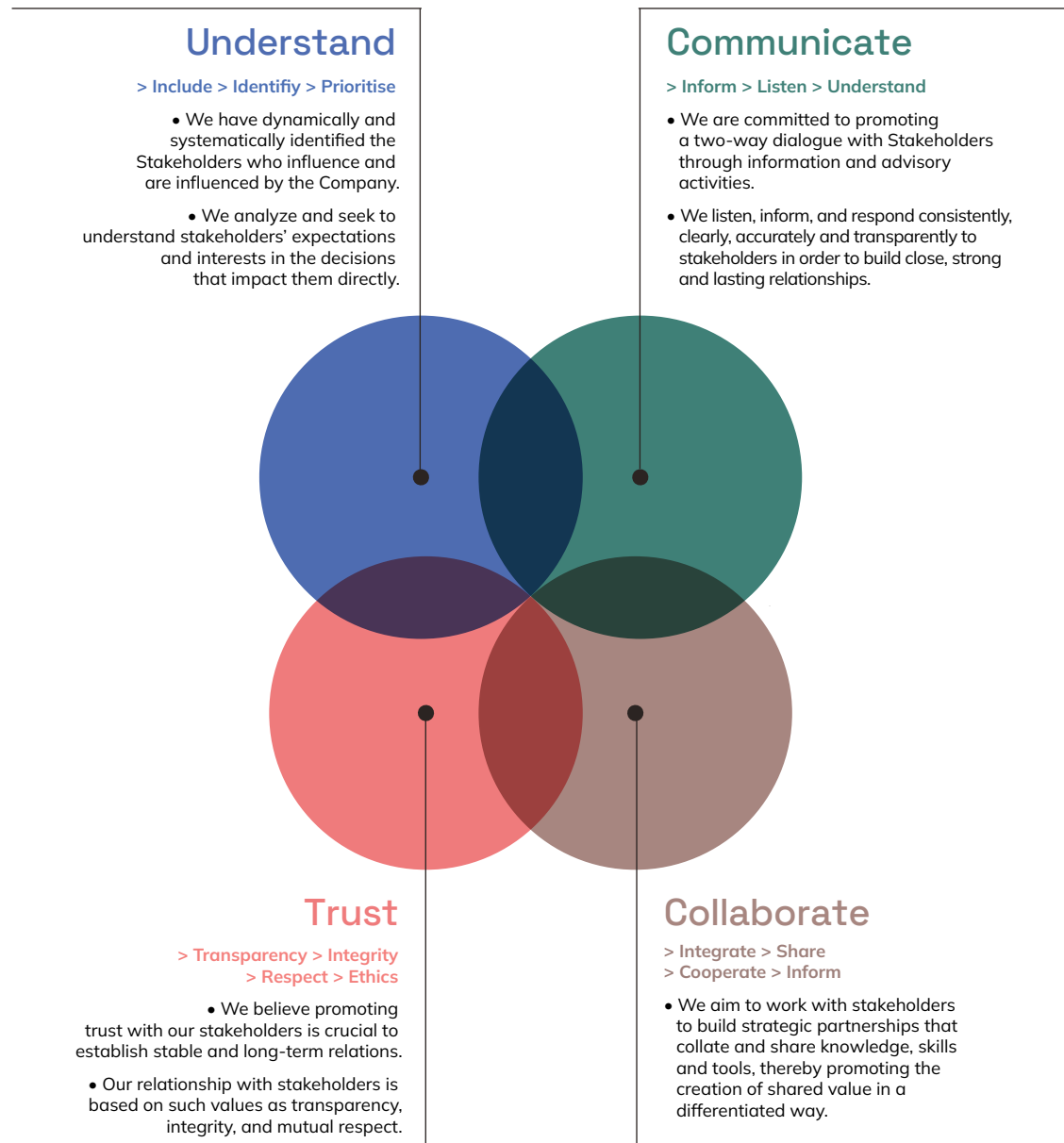
EDP remains committed to preserving the excellence achieved in this area, constantly seeking to listen to its key stakeholders, adapting and improving its procedures, and incorporating different visions into its action plans.

As a result, in 2021, and for the first time, the company carried out a global and integrated study among several stakeholder segments in the regions where it operates, with more than 5,000 respondents.

This exercise allowed EDP to assess stakeholders' global perception towards the company and its role in leading the energy transition, as well as establish a baseline for future corporate reputation assessments, following its [Strategic Update](#) presented to the market in February 2021.

The adoption of best practices in stakeholder management is an essential condition to ensure the delivery of consistent and sustainable results. This is also in line with EDP's commitment to ESG excellence and attractive returns, as presented in the [Strategic Update](#).

EDP GROUP STAKEHOLDER ENGAGEMENT POLICY



1.3. Our year

1.3.1. Main Events

18 JANUARY

EDP reached an agreement to acquire 85% of a distributed solar platform in the U.S..

10 FEBRUARY

Launch of the external campaign Changing Tomorrow Now and also of the internal program to mobilize the organization to fulfill EDP's strategic commitments.

12 FEBRUARY

EDP enters Hungarian market with a 50 MW solar PV project.

23 FEBRUARY

EDP distinguished as one of the most ethical companies in the world, by the Ethisphere Institute.

24 FEBRUARY

EDP presents its strategic plan for 21-25 with two key environmental commitments:

- Coal-free by 2025
- 100% green by 2030.

03 MARCH

Completion of the ABB and approval by EDPR BoD of a capital increase proposal of c.€1,5 Bn.

21 JULY

EDP enters the UK onshore market with a 544MW Wind and Solar portfolio.

15 JULY

EDP's most ambitious target was recognized by the Science Based Target initiative - reduce specific CO₂ emissions by 98% by 2030 (vs 2015).

30 JUNE

EDPR enters Vietnamese market with 28 MWac solar PV project.

28 MAY

EDP enters the Chilean market with a 628 MW wind and solar portfolio.

06 APRIL

Inclusion of EDP in the S&P Clean Energy Index.

16 MARCH

S&P upgrades EDP to "BBB" with stable outlook.

14 OCTOBER

EDP Brasil acquires CELG Transmission Business.

25 OCTOBER

EDP Brasil announces program for acquisition of treasury shares and hydro disposal process.

03 NOVEMBER

EDP establishes growth platform for APAC through the acquisition of Sunseap.

09 NOVEMBER

EDP with relevant presence at COP26.

15 NOVEMBER

EDP recognized as the world's most sustainable electric utility - highest classification ever in the Dow Jones World Sustainability Index.

02 DECEMBER

EDP is one of the 50 most influential utilities in 2021 - Top 5 by the World Benchmarking Alliance (WBA).

28 DECEMBER

EDP completes asset rotation deal of transmission lines in Brazil.

30 DECEMBER

EDP completes asset rotation deal of a 200 MWac solar project in the US.



1.3.2. Key Metrics

ESG DATA



ENVIRONMENT

INDICATOR

Renewables generation
 Recovered waste
 Specific CO₂ emissions
 Assets certified by ISO 14001
 Coal installed capacity
 Revenues aligned with EU taxonomy
 Investments in environmental matters



SOCIAL

INDICATOR

Employee engagement (top tier company)
 Employees
 Female employees
 Total hours of training
 Employees with training
 Accidents at work with employees
 Accidents at work with suppliers²



GOVERNANCE

INDICATOR

Female employees in management position
 Cybersecurity
 ESG & equity linked compensation for Top Management
 Top quartile in ESG rating performance

UNIT	2021	2020	Δ
%	75	74	+1 p.p.
%	78	86	- 8 p.p.
tCO ₂ /GWh	164	146	+ 12%
%	90	94	-4 p.p.
GW	2	2	0%
%	63	58	+5 p.p.
€ M	88	67	+32%

UNIT	2021	2020	Δ
	X	√	
#	12,236	12,180	0%
%	27	26	+1 p.p.
H	337,295	273,873	+23%
%	100	100	0 p.p.
#	21	17	+24%
#	132	115	+15%

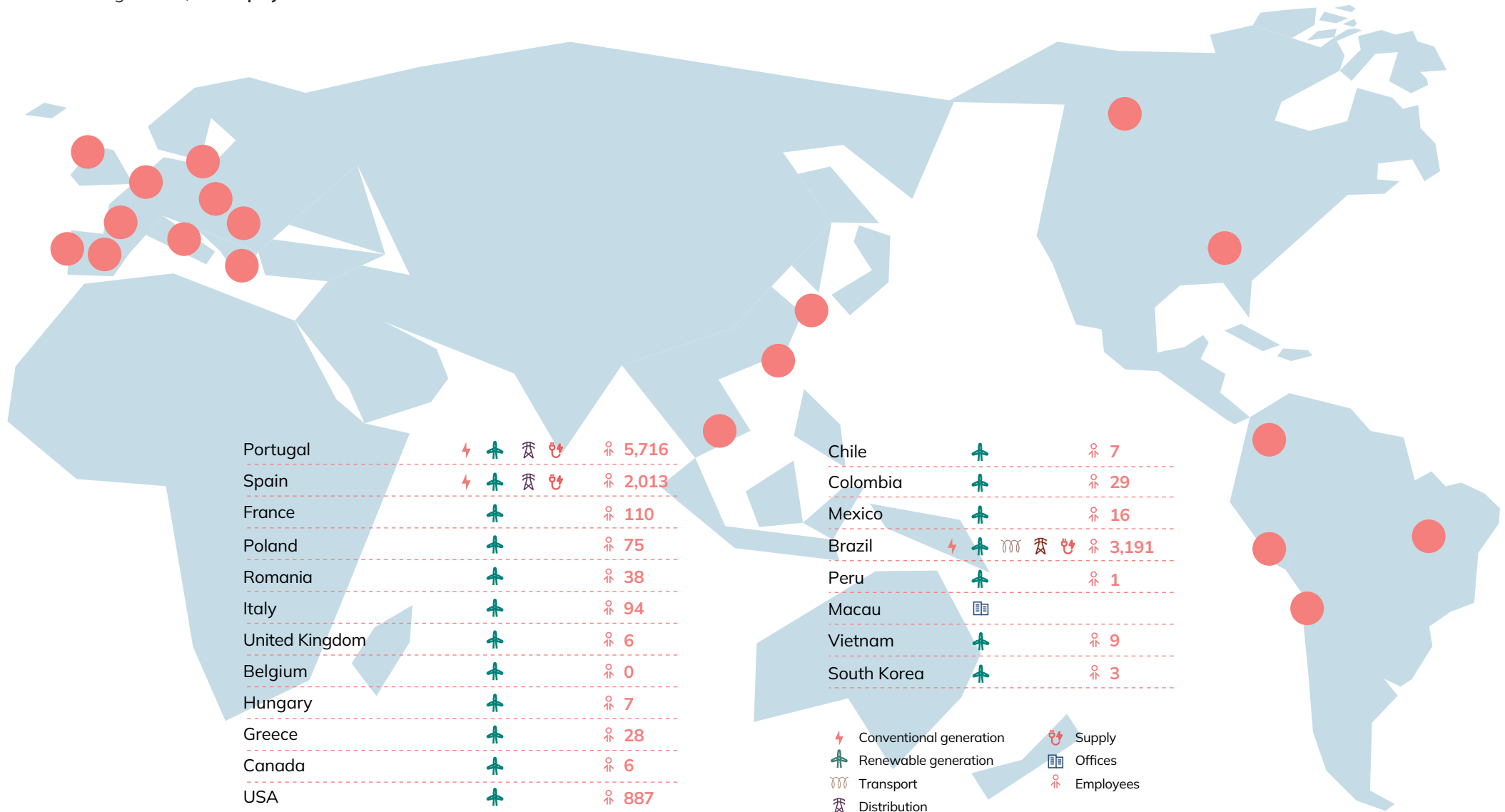
UNIT	2021	2020	Δ
%	26	25	+1 p.p.
(bitsight rating)	790	800	-10
	√	√	
	√	√	

2 - Workers who are not employees but whose work and/or workplace is controlled by the organization.

1.4. EDP Group Profile

1.4.1. Where We Are

EDP is present in **20 markets** and **4 continents** counting with **12,236 employees**.



1.4.2. EDP in the World

PORTUGAL



Generation from renewable sources ¹	75%
Employees	5.716
Electricity customers	4.951.970
Gas customers	682.316
Installed capacity	8.267 MW
Net generation	16.043 GWh
Overhead grid extension	180.951 km
Underground grid extension	49.725 km
Electricity distributed	44.752 GWh
Capacity secured onshore	142 MW
Capacity secured offshore	11 MW
	10 MW net for EDP

SPAIN



Generation from renewable sources ¹	42%
Employees	2.012
Electricity customers	22.049
Gas customers	4.393
Installed capacity	4.910 MW
Net generation	13.695 GW
Overhead grid extension	39.553 km
Underground grid extension	12.940 km
Electricity distributed	14.117 GW
Capacity secured onshore	518 MW

BRAZIL



Generation from renewable sources ¹	68%
Employees	3.191
Electricity customers	3.679.513
Installed capacity	3.114 MW
Net generation	10.782 GWh
Transport grid extension	486 km
Overhead grid extension	94.708 km
Underground grid extension	277 km
Electricity distributed	26.016 GWh
Transport grid under construction	1.013 km
Capacity secured onshore	846 MW

FRANCE



Generation from renewable sources ¹	100%
Employees	110
Installed capacity	181 MW
Net generation	314 GWh
Capacity secured onshore	43 MW
Capacity secured offshore	1.022 MW
	312 MW net for EDP

BELGIUM



Generation from renewable sources ¹	100%
Employees	0
Installed capacity	11 MW
Net generation	22 GWh
Capacity secured offshore	487 MW
	43 MW net for EDP

USA



Generation from renewable sources ¹	100%
Employees	887
Installed capacity	5.908 MW
Net generation	15.814 GWh
Capacity secured onshore	1.577 MW
Capacity secured offshore	804 MW
	201 MW net for EDP

ROMANIA



Generation from renewable sources ¹	100%
Employees	38
Installed capacity	521 MW
Net generation	1.116 GWh

1 - Includes hydro, wind and solar.

1.4.2. EDP in the World

ITALY



Generation from renewable sources ¹	100%
Employees	94
Installed capacity	384 MW
Net generation	689 GWh
Capacity secured onshore	159 MW

POLAND



Generation from renewable sources ¹	100%
Employees	75
Installed capacity	747 MW
Net generation	1.176 GWh
Capacity secured onshore	299 MW
Capacity secured offshore	399 MW
200 MW net for EDP	

CANADA



Generation from renewable sources ¹	100%
Employees	6
Installed capacity	130 MW
Net generation	255 GWh
Capacity secured onshore	297 MW

MEXICO



Generation from renewable sources ¹	100%
Employees	16
Installed capacity	400 MW
Net generation	987 GWh
Capacity secured onshore	96 MW

UNITED KINGDOM



Employees	6
Capacity secured offshore	950 MW
Installed capacity	5 MW
Net generation	4 GWh

GREECE



Employees	28
Capacity secured onshore	109 MW
Installed capacity	45 MW
Net generation	9 GWh

COLOMBIA



Employees	29
Capacity secured onshore	504 MW

MACAU

Offices

Capacity secured onshore	27 MW
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PERU

Employees	1
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HUNGARY

Employees	7
Capacity secured onshore	75 MW

CHILE

Employees	7
Capacity secured onshore	197 MW

VIETNAM

Employees	9
Installed capacity	28 MW
Net generation	23 GWh
Capacity secured onshore	177 MW

SOUTH KOREA

Employees	3
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1 - Includes hydro, wind and solar.

1.4.3. 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 45 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.



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 or non-renewable origin. In EDP Group, the energy produced from renewables sources represents 75% of a total of 61 TWh.

25 GW Installed capacity
2 GW Capacity under construction

100% renewable



47% eolic



29% hydro



12% ccgt



8% coal

1% others

3% solar



TRANSMISSION

In the transmission the energy generated is delivered to the transport network, which is made of very high voltage lines and which then channels the energy to the distribution network. In EDP Group this is a growing business segment in Brazil.

1,252 KM Transmission network under construction
162 KM Operating network



SUPPLY

In the supply activity the 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. EDP Group has been focusing on developing new solutions for customers responding to new challenges of the energy transition.

43,500 Clients with electric mobility solutions

+132% vs 2020

€1,285k Revenues from energy efficiency services

+21% vs 2020



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. EDP Group has made major investments in the modernization of its network such as the increase in the number of smart meters installed.

378,155 KM Network

83% Distribution overhead lines

50% Smart meters +8 p.p. vs 2020

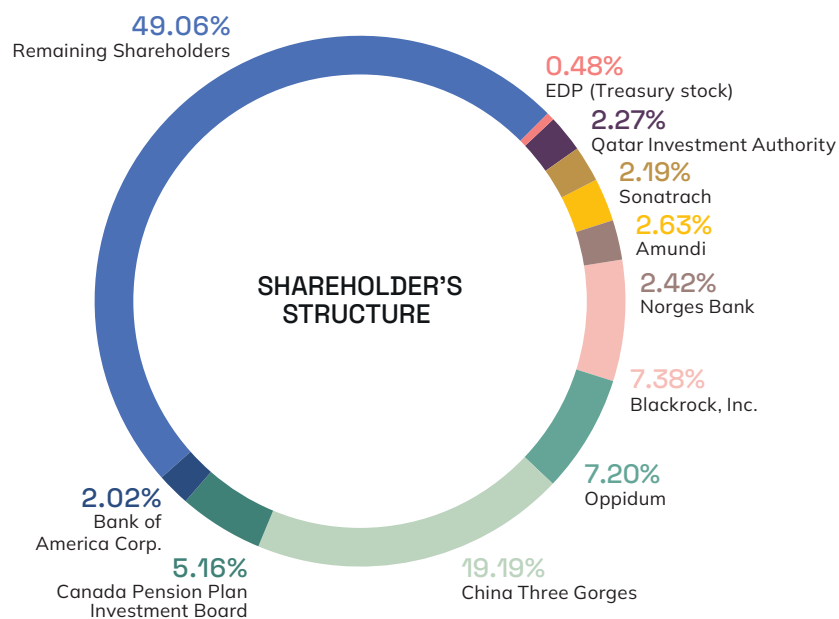


1.4.4. Shareholder's Structure

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 2021, was as follows:

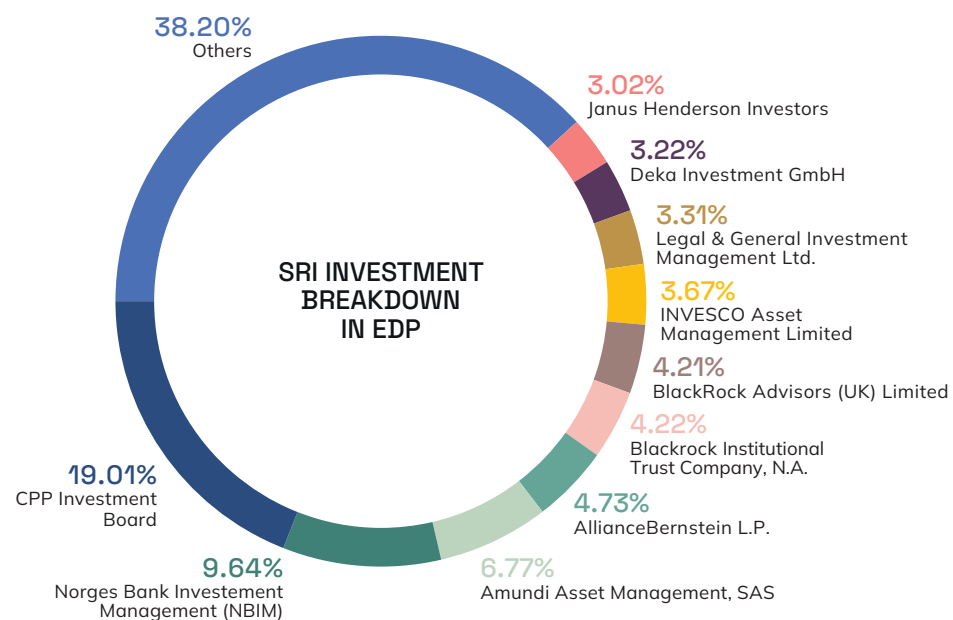


For more details go to [Annual Report 2021](#)

SRI INVESTORS

According to the results of the analysis prepared by Nasdaq, EDP had 152 SRI investors (43 more compared to 2020). Following an approach supported exclusively on the analysis of environmental, social and governance factors, these investors manage more than 700 responsible investment funds and hold 993,845,816 shares. This volume of shares represents 25.1% of EDP's share capital (up 7 percentage points compared to 2020) and 44.9% of institutional investors' holdings (up 8.5 percentage points compared to 2020).

The breakdown of the socially responsible investment per EDP shareholder was, on 31 December 2021, as follows:



For more details go to [page 158](#)

1.4.5. 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 four 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](#).

1.4.5.1. 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 2021 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 7 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 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 2021 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, and was reappointed for the 2021-2023 period, at the General Shareholders' Meeting held on 14 April 2021. 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 2021 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 financial 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
- activities and mechanisms of the compliance management system
- activity and independence of the Statutory Auditor (SA) / Society of Chartered Accountants (SROC) of the company
- systems for assessing and resolving conflicts of interest, particularly with regard to the Company's relations with shareholders.

Other statutory bodies

Remuneration Committee of the General and Supervisory Board

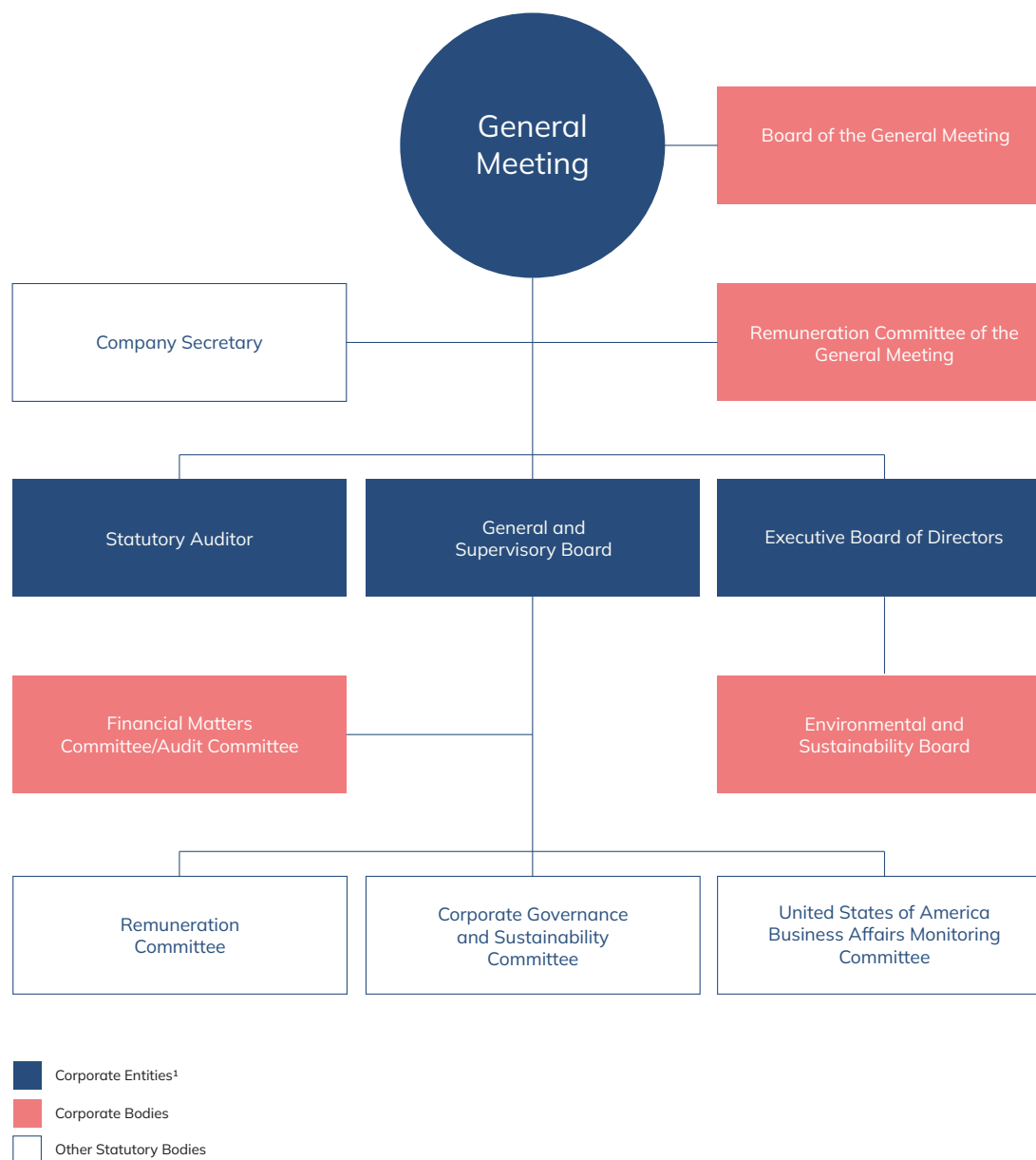
The Remuneration Committee appointed by the General and Supervisory Board, pursuant to Article 27 of EDP's Articles of Association, submits a proposal for a remuneration policy to the members of the Executive Board of Directors to the approval of the General Shareholders' Meeting, at least every four years and whenever there is a material change in the current remuneration policy.

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
- sustainability in all its dimensions
- internal codes of ethics and conduct
- systems for assessing and resolving conflicts of interests, in particular pertaining to relations between EDP and its shareholders, through the analysis of the proposals for remedies regarding situations reported to this Committee by the Financial Matters Committee/Audit Committee (AUDC)
- internal proceedings and relationship between the Company and Subsidiary or Group companies and their employees, clients, providers and remaining stakeholders
- succession plans

ORGANIZATION CHART, DELEGATION AND DIVISION OF POWERS



¹ Corporate Entities are also Corporate Bodies, pursuant to the article 8(4) of EDP's Articles of Association.

- the evaluation process of the GSB and the different Specialized Committees.

United States of America Business Affairs Monitoring Committee

The mission of the United States of America Business Affairs Monitoring Committee is to monitor and passing of resolutions on matters related with the activity undertaken by companies wholly or majority held by and/or subsidiary of EDP Group in the United States of America, notably regarding:

- The strategic/business plans, assessing the different developing scenarios in which they rest and their implementation, including the resources necessary to its execution (human and financial)
- The annual budget
- The investment, divestment, merger, acquisition and restructuring projects of significant value businesses
- Financing transactions
- alliances /strategic partnerships entered into, the specific actions deriving therefrom and evolution of counterpart risks
- issuance of prior opinions including in cases of urgency following the requests presented by the Executive Board of Directors
- compliance of the assumed commitments regarding public safety
- performance, risk assessment, value at risk and the respective management.

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.

1.4.5.2. 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.

Transactions with Related Parties

The General and Supervisory Board approved in 2009 objective, transparent rules on the identification, prevention and resolution of relevant corporate 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, a revision process of the current internal rules related to this matter was promoted and, in 2021, the Transactions between Related Parties Policy entered into force, being available for consultation at EDP's website (www.edp.com).

The Financial Matters Committee/Audit Committee is responsible for issuing a grounded opinion on the matters subject to prior opinion by the General and Supervisory Board, concerning transactions with related parties, supported, whenever applicable, by reasoned opinions from the Risk and Compliance areas and should inform 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 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.

Pursuant to Article 9 (1) of EDP's Articles of Association, independence is "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 continuous or intermittent mandates".

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 (Article 8) 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

- 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 composed, at least, by three 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)) or 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 2021, 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 constitute 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.

Remuneration's structure

Until the General Meeting held on 14 April 2021, the definition of the remuneration policy for the members of the management body was defined by the Remuneration Committee appointed by the General and Supervisory Board, which established a fixed component and a variable component. With regard to the variable component, this Committee established the remuneration to be awarded to the directors, seeking to ensure that it reflected the performance of each of the members of the Executive Board of Directors in each year of the mandate (annual variable remuneration), as well as their performance for the entire term of office, by setting a variable component consistent with maximizing EDP's long-term performance (multi-annual variable remuneration). The remuneration policy was revised annually and, with the same periodicity, was subject to the General Assembly appreciation.

The General Meeting held on 14 April 2021 approved the proposed remuneration policy for the members of the Executive Board of Directors, submitted by the Remuneration Committee appointed by the General and Supervisory Board.

As stated in the remuneration policy for the members of the Executive Board of Directors prepared by the Remuneration Committee appointed by the General and Supervisory Board, under the terms of Law no. Directive (EU) no. 2017/828, of the European Parliament and of the Council of 17 May 2017, and considering the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG) adopted by EDP, the beginning of a mandate with a new Executive Board of Directors, also considering the approval of a new business plan and the feedback received from analysts and investors on the remuneration system of the Executive Board of Directors, understood the Remuneration Committee of the General and Supervisory Board it was opportune to review the Remuneration Policy of the Executive Board of Directors currently in force, submitting the proposal for the Remuneration Policy of the Executive Board of Directors of EDP resulting from the aforementioned revision to the EDP General Meeting for approval.

Total remuneration and the remuneration model, in general, must be competitive, aligned with the practices of the international electricity sector and the market, facilitating the attraction and retention of talent, and the commitment to the company's challenges and ambitions.

The competitiveness of the remuneration model/system of the Executive Board of Directors must be regularly and periodically assessed, namely through the analysis of the functions performed and benchmark exercises to be carried out with the support of independent entities, which is assumed to be done with a minimum triennial frequency.

The Executive Board of Directors' Remuneration Policy ensures a (fixed) base remuneration, the payment of which is not dependent on performance evaluation, which must be fair, competitive and sufficiently relevant in relation to the total remuneration, in order to allow

greater flexibility in the conformation of the variable component of the remuneration.

The Remuneration Policy of the Executive Board of Directors comprises a variable remuneration, with an annual component, and a multi-annual component, with the nature of reward/incentive appropriate to the individual and collective performance of the members of the Executive Board of Directors and the promotion of good conduct, taking into account EDP's short- and long-term, financial and non-financial objectives that are achieved, and the way in which they were achieved (pay for performance).

The annual variable component is linked to financial and non-financial objectives established in accordance with EDP's budget, evaluated annually, with an impact on the year and subject to evaluation and consequent repercussion in the following years, being paid in cash. The annual variable remuneration must be determined after the approval of EDP's accounts at the Annual General Meeting each year, by reference to the previous year/period of annual performance.

The multi-annual variable component is linked to the quantitative and qualitative objectives of EDP's Business Plan, the fulfilment of which will be evaluated at the end of a period of three years, with the respective payment subject to partial deferral. The multi-annual variable remuneration is paid exclusively in shares representing the share capital of EDP ("EDP Shares"). The payment of multi-annual variable remuneration is partially deferred.

The determination of the variable annual and multi-annual remuneration of the members of the Executive Board of Directors in accordance with the Remuneration Policy is the responsibility of the Remuneration Committee of the General and Supervisory Board.

The payment of the variable remuneration is subject to the permanence of the member of the Executive Board of Directors at EDP until the end of the annual or three-year period of relevant performance, without prejudice to the provisions of the remuneration policy.

For more information, see items 66 and following of the Chapter 4 and the Chapter 5 of the [EDP's 2021 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 2021 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 interviews supported by 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 2022, each member of the General and Supervisory Board have answered an interview made 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](#). An image of the declaration made by the evaluator can be found on the next page.

DECLARATION*

INTERNAL EVALUATION PROCESS OF EDP'S GENERAL AND SUPERVISORY BOARD (GSB) AND SPECIALIZED 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 with to analyse the current evaluation process.

At the beginning of 2022, each GSB member was interviewed by a team of specialised senior consultants from Mercer, in order to complete an assessment questionnaire where two types of approach were analysed: qualitative and quantitative, with the purpose of assessing their personal perception on the performance of the GSB and its Specialized Committees. The questionnaire covers the assessment of a diversified set of analysis dimensions (as presented in the table below), on a quantitative scale - 1 (Weak/Disagree totally) to 5 (Excellent/Very Strongly Agree), with the qualitative analysis resulting from the individual interview, being poured into a Qualitative Report.

Detail on the dimensions analysed in each questionnaire

QUESTIONNAIRE	ANALYSIS DIMENSIONS
GSB Evaluation	1. Composition, organization and functioning
FMC Evaluation	2. Performance in its activity
REMC Evaluation	3. Relationship with the Specialized Committees
CGSC Evaluation	4. Relationship with other EDP governing bodies
USABAMC Evaluation	5. Individual self-assessment

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

From the analysis of the results of the GSB evaluation questionnaires, all the sub-dimensions evaluated obtained an average assessment between "Opportunity for Improvement" and "Excellent". It should also be noted that the overall average of the GSB assessments in the above mentioned dimensions of analysis was "Above Expectations".

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

February 18th, 2022

Mercer (Portugal) Lda
Represented by:



Rodrigo Simões de Almeida
CEO Mercer Portugal

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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 proceeded to analyze the current evaluation process.

At the beginning of 2022, each GSB member was interviewed by a team of specialized senior consultants from Mercer, with the purpose of completing an assessment questionnaire where two types of approach were analyzed: qualitative and quantitative, with the purpose of assessing their personal perception on the performance of the EBD and its Members. The questionnaire covers the assessment of a diversified set of analysis dimensions (as presented in the table below), on a quantitative scale - 1 (Weak/Disagree totally) to 5 (Excellent/Very Strongly Agree), with the qualitative analysis resulting from the individual interview, being poured into a Qualitative Report.

Detail on the dimensions analysed

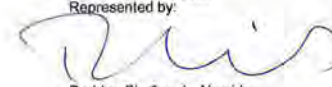
QUESTIONNAIRE	ANALYSIS DIMENSIONS
EBD's Evaluation	1. Composition, organization and functioning 2. Relationship between the EBD and the GSB 3. Relationship between the EBD and other partners 4. Individual Assessment

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

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

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1.4.6. 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 prerequisite 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. Four meetings dedicated to climate were held in the board plenary.

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 [EDP Group's Positioning, Decarbonising the world](#) 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, in 2021, the General and Supervisory Board placed the energy transition, in all its dimensions, at the centre of its activity, following up and monitoring EDP's management. The General and Supervisory Board monitored the preparation and approval of the strategic plan for 2021-2025, setting out its vision for energy transition through two core commitments: the end of coal-fired power generation by 2025 and achieving carbon neutrality in 2030.

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:

- **Corporate Governance and Sustainability Committee** - monitors matters relating to corporate governance, strategic sustainability, internal codes of ethics and conduct, the system for assessing and resolving conflicts of interest. For more detail on this Committee's main issues, see the [Annual Report of the General and Supervisory Board 2021](#). Three meetings were held in 2021, focusing on the themes of energy transition and ESG Excellence Road Map 2030.
- **United States of America Business Affairs monitoring Committee** - in addition to the activities of

EDP'S INVOLVEMENT IN SPECIFIC INTERNATIONAL CLIMATE FORUMS	CLIMATE AND STRATEGIC RISKS	STRATEGIC PLAN	RENEWABLE ENERGY AND CLIMATE CHANGE
Corporate Governance and Sustainability Committee	General and Supervisory Board Plenary	General and Supervisory Board Plenary	- United States of America Business Affairs monitoring - Committee Corporate Governance and Sustainability Committee
ENERGY TRANSITION	SUSTAINABLE FINANCE	TCFD	SOCIAL IMPACT OF THE ENERGY TRANSITION
General and Supervisory Board Plenary	Corporate Governance and Sustainability Committee	Corporate Governance and Sustainability Committee	General and Supervisory Board Plenary
NEW REMUNERATION POLICY	ESG EXCELLENCE ROAD MAP 2030		
Remuneration Committee of the General and Supervisory Board	Corporate Governance and Sustainability Committee		

the Corporate Governance and Sustainability Committee and due the importance of renewable energies which have been the main driver of the EDP Group's growth, the United States of America Business Affairs monitoring Committee was set up in 2021. As part of its duties in 2021, this specialized committee closely followed the consequences that a climate event in Texas had on business risk assessment in the United States of America, resulting in an analysis of how energy contracting must evolve to take emerging climatic risks into account.

- **Remuneration Committee of the General and Supervisory Board**– the new Executive Board of Directors remuneration policy approved in April 2021 reinforced the presence of ESG indicators: a) annual components, such as Dow Jones Sustainability Index Results and b) multiannual components, such as the reduction of CO₂ emissions and the increase in the share of renewable energy production.

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

Miguel Setas is the member of the Executive Board of Directors responsible for sustainability issues. In particular is the executive member who is in charge of the climate change topic. In 2021, 15 meetings occurred where several climate-related topics were presented to the Executive Board of Directors

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. 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 2021.

Main sustainability issues addressed, in 2021, by the Executive Board of Directors by the Environment and Sustainability Council: strategic plan 2021-2025 and sustainability strategy.

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:

- 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:

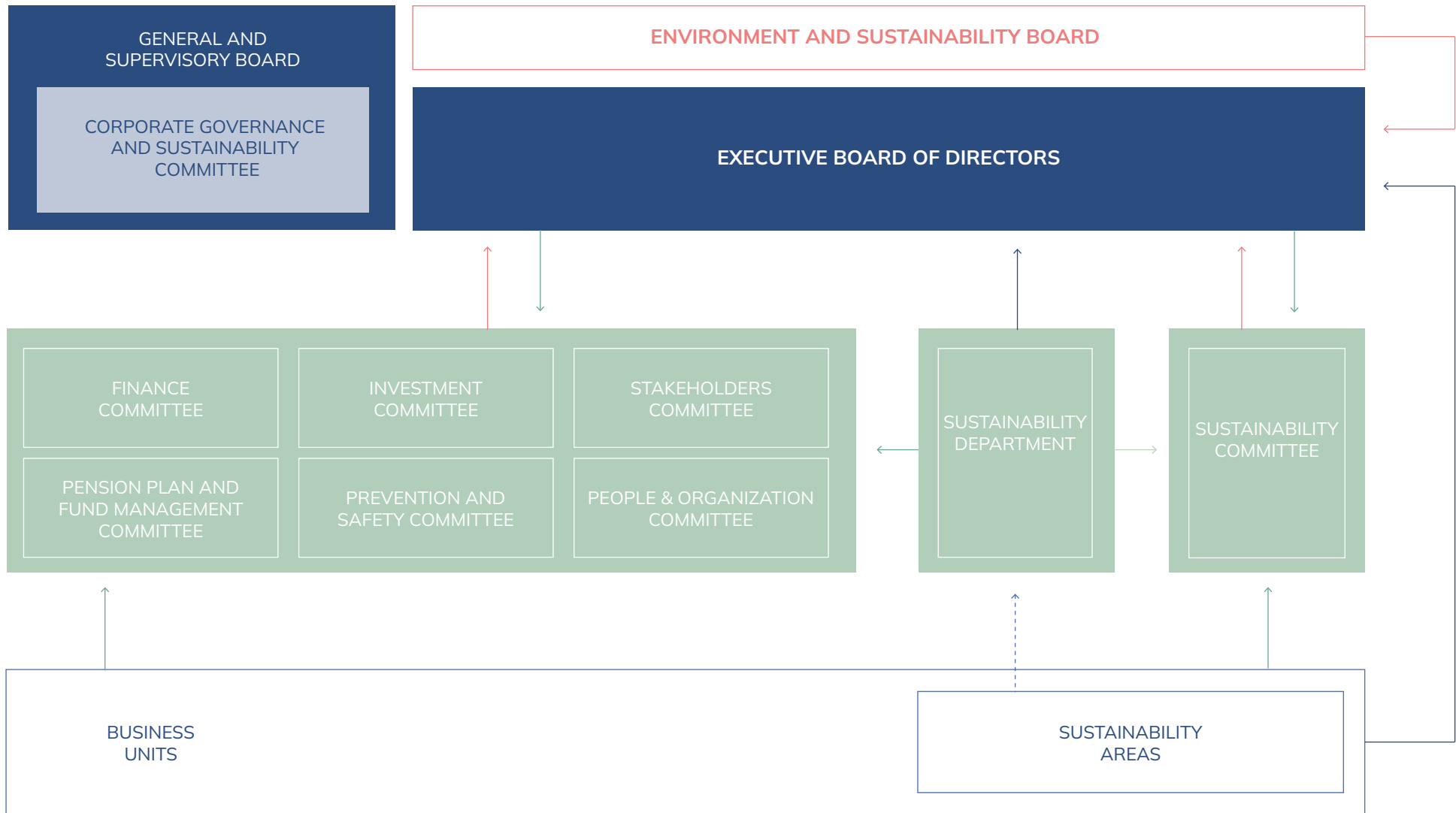
- **Sustainability Committee** – this Committee is chaired by the Chairperson of the Executive Board of Directors and its secretary is the Director of the

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 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.



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



— Talking with María Mendiluce

Maria Mendiluce has over 25 years of experience in the field of sustainable development, energy and climate action.

She is passionate about defining and implementing solutions for sustainable business transformation and has previously held senior positions in the Economic Office of the Spanish Prime Minister, the Iberdrola CEO's office, and the International Energy Agency. Since 2020 she has been CEO of the We Mean Business coalition, after having played a vital role as Managing Director of Circular Economy, Cities & Mobility and Climate & Energy at WBCSD. In 2021 she accepted the challenge of joining the EDP Group's Environment and Sustainability Board (ESB). In this interview, Maria Mendiluce talks about EDP, the climate transformations we will see in the coming years and the path to a carbon neutral world.

1. What made you accept the invitation to join ESB?

I have worked with the EDP sustainability team closely in the past 12 years. They have also been a very constructive partner and have given a lot of their time to the collaborative work that I have managed in previous roles. I thought that I also need to give back and give some of my time to the ESB in return. I also have followed very closely the evolution of the utilities during my career and have been very impressed on EDP accomplishments. While there are still many things to be done, it is a pleasure to contribute with my knowledge to shaping new ideas and ways to advance sustainable development at EDP.

2. Are societies effectively moving towards models that protect the environment, safeguard biodiversity, and eliminate social inequalities?

It is an imperative for societies as a whole – governments and businesses together – to realize the urgency of climate change. We have no time to lose. I believe that most actors have already accepted that change needs to happen, but the speed of action is currently insufficient. On Climate, the 1.5 target is in intensive care at the moment. The “cure” to this is to halve emissions by 2030 and we only have 8 years left to do so. Addressing social inequalities is a big challenge these days specially under the pandemic, where inequalities have increased and are very visible. It is also important to understand that climate, nature and social equality are intrinsically linked, and we need to bring holistic approaches that address them. For example, we need to ensure that the climate transition does bring people along, whether is by reskilling workers, by providing accessible and affordable clean solutions to consumers or by working closely with the value chain companies so that they transform as well.

3. 2021 is another year that brought great social and environmental challenges, what trends can we expect for 2022?

According to the latest WEF risk report climate, biodiversity loss and social inequalities continue to be the highest risks that the world face today. Rather than tackling these challenges individually, business need to integrate them on their plans. For example, a net zero emissions plans needs to include a climate transition plan for workers. Investments in nature can contribute to both increase carbon sinks and improve biodiversity.

When it comes to climate, decarbonization of entire value chains is going to be key. This means that the bigger companies should work with their suppliers, to tackle all emissions. This is essential since supply chains are responsible for between 50% and 95% of emissions generated by large multinational companies.

The move away from fossil fuels is going to accelerate, as included in the COP26 outcomes, phase-down of coal was recognized by all countries, and this will kick-start the proliferation of more renewables in the energy mix.

Finally, companies will be under increasing scrutiny from investors demanding evidence of climate action integrated into a corporate's strategy. The creation of the International Sustainability Standards Board means that the various sustainability reporting schemes will be more harmonized.

4. Does EDP's strategy prepare the company for this future?

EDP has an enormous role in leading the energy transition. As the world moves to the electrification of energy uses with more renewable energy, companies like EDP have many opportunities to grow and to have a positive impact. Changing Tomorrow Now commitment to 100% green by 2030 by focusing on wind, solar and water is definitely the way forward. Special attention needs to be brought at increasing also investments in grid infrastructure to facilitate a more decentralized energy system. Then increasing investments in hydrogen and energy storage will help ensure the energy mix is fully renewable.

5. Regarding to Net Zero, what are the main challenges that companies like EDP must face?

Companies need to reduce their emissions in their operations, the electricity they consume and in their value chains. I believe companies have many incentives to reduce their operations footprint and they will invest to make this happen because it often makes good business sense, for example reducing energy bills. With renewable energy being competitive and available, companies can easily shift their electricity purchases to clean tariffs. Hence the biggest challenge companies face

today is reducing the value chain emissions. These emissions come from energy intensive materials or services (such as steel or chemicals) or from SMEs (that can be counted for bigger companies in the thousands in magnitude). To reduce these emissions companies will need to collaborate with companies in different ways, such as joining demand groups to purchase low carbon steel, or joining forces with local companies to raise awareness and capacity in smaller businesses so that they can make the right choice in their decarbonization journey. The SME climate hub is pointing on this direction.

6. To what extent should companies like EDP get closer to the wider community that includes public sector, financial, partners and employees?

Collaboration is key for halving emissions by 2030 and getting to net-zero by 2050. Collaboration is important to align efforts. If EDP and its partners, employees and communities where it operates align in the necessary steps to halve emissions, we can go much further and faster together. We have no time to waste we must go all in for 2030. If we continue with the current fragmentation of approaches, we risk losing time, and pushing in different directions.

At the macro level, financial and sustainability reporting is getting more harmonized and businesses will be under increased scrutiny from their investors regarding their climate credentials. Being accountable to climate actions and being able to transparently disclose climate related financial information will become a must in the coming years.

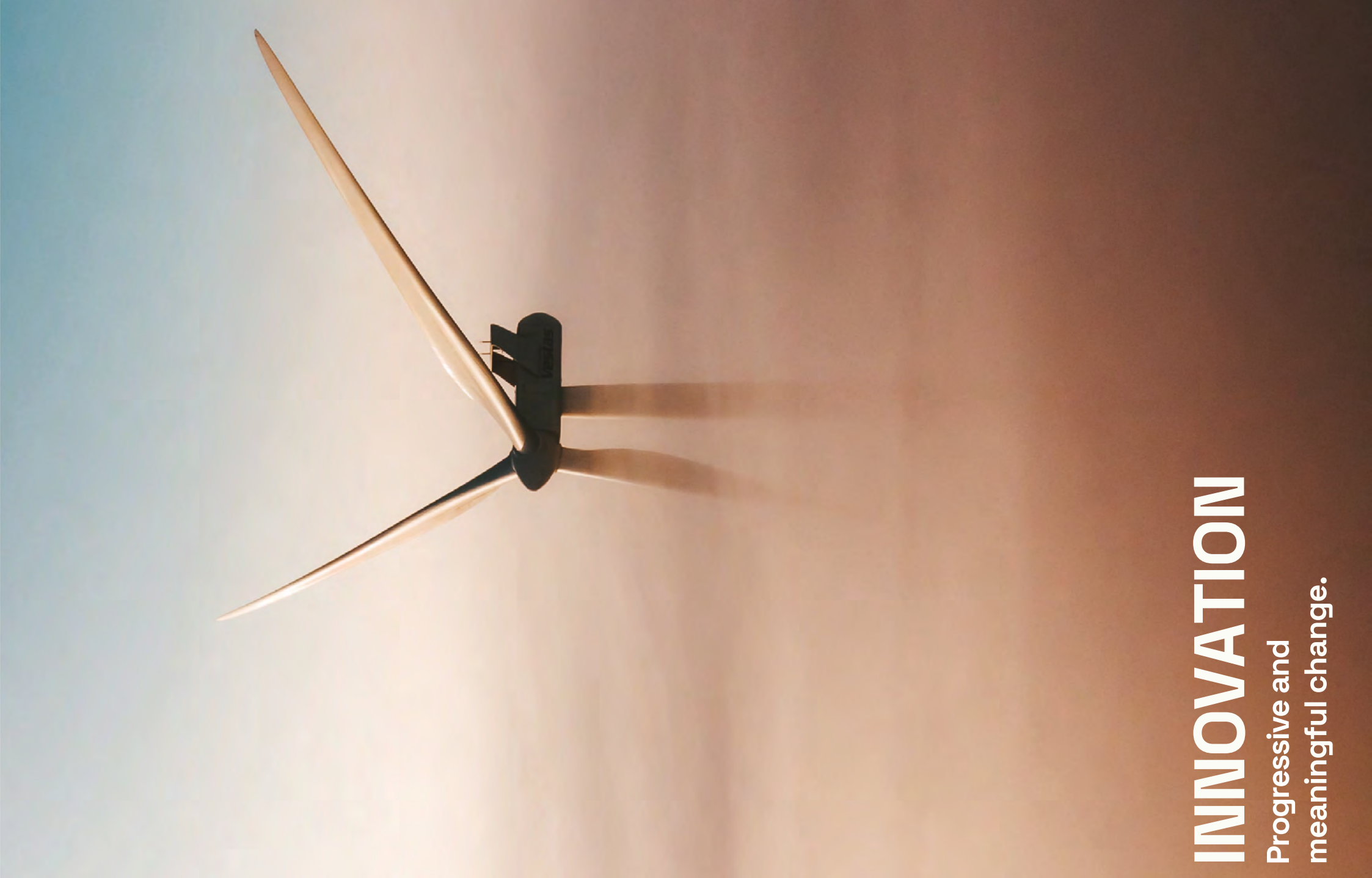
7. What would you like to see achieved by the corporate sector in 2025?

The number of companies committed to meaningful action should grow exponentially, from the thousands to the millions. Acting on climate change and setting science based targets

should not be an activity reserved for an exclusive group of companies. Companies from all sectors, including carbon intensive ones such as cement or steel, should actively take the lead on developing their own decarbonization plans. This is where initiatives like the Mission Possible Partnership can induce action.

By 2025 we should see the results of these commitments in real emissions reduction bending the curve of global emissions. This will require also a conducive regulatory environment that creates a level playing field where all companies should be responsible and accountable for reducing their emissions. The ISSB should provide the global framework for companies reporting their emissions so that all, consumers, business and investor can accurately make choices on which companies to engage with, providing a powerful signal for all companies that net zero is the only way forward.





INNOVATION

Progressive and
meaningful change.

02 — SHARING THE VISION

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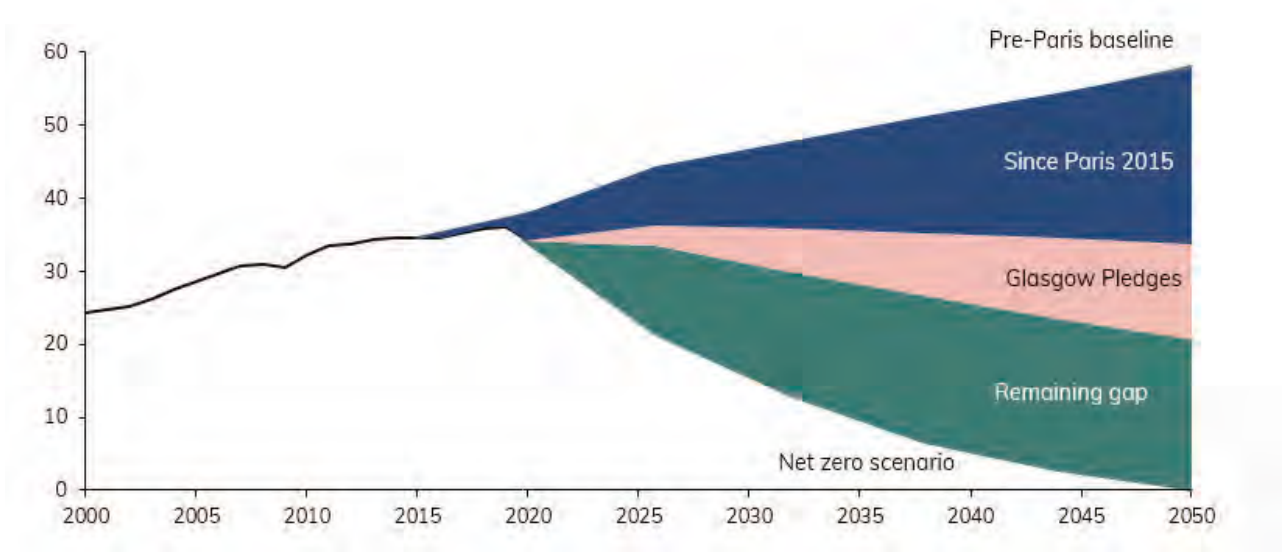
2.1. Global energy trends

Fighting climate change: an unprecedented challenge that requires efforts from everyone

The World is facing an unprecedented challenge, which requires global coordination and efforts from all countries to reach the so-called “**carbon neutrality**” by 2050, which will be needed to **limit the increase in global temperature by 1.5°C** compared with the pre-industrial levels. Reaching this goal implies the inversion of the trend of the last century of successive increase in greenhouse gas emissions (GHG), while at the same time world population is expected to increase by 2 billion people, the world GDP would more than double and access to energy should be given to the whole world population (as of today, still 770 million people still lack access to electricity)¹.

In recent years there has been a strong increase in the global commitment to fight climate change, being estimated that, after the new pledges taken in the COP 26 Glasgow Summit in November 2021, **almost 90% of the World’s GDP is produced in countries that have already established, or are in the process of establishing, a target to reach carbon neutrality**. Some regions that have defined targets for carbon neutrality until 2050 include the European Union and the United States, while other

GLOBAL CO₂ EMISSIONS BY SCENARIO, 2000-2050



Source: International Energy Agency, World Energy Outlook 2021

countries defined targets for after 2050, as it is the case of China and Brazil (2060) and India (2070).

What does it take to reach carbon neutrality?

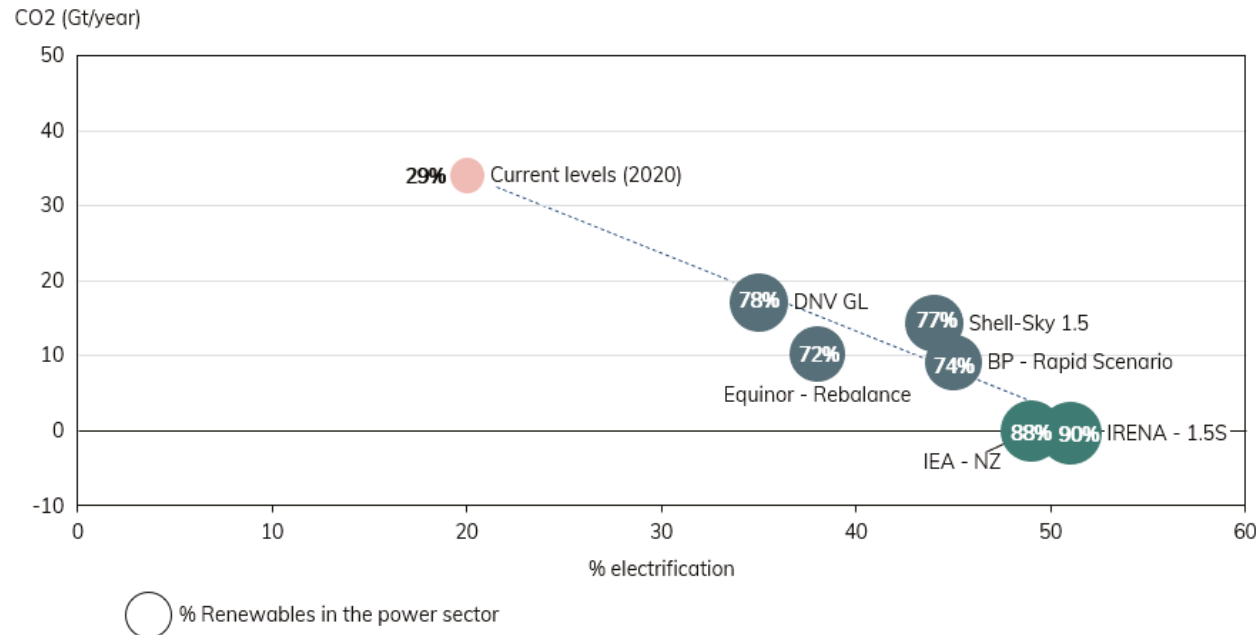
Several studies have been conducted about how to reach carbon neutrality globally, at the most cost-effective way. The results show consistency in the **main trends of the energy sector**, that include: the decarbonization of the energy consumption, namely through **energy efficiency, behavioural change and electrification**; the decarbonization of energy production, by heavily investing in **clean technologies, namely renewables for electricity generation and hydrogen production**, bioenergy and the deployment of **storage** technologies. The

comparison of some of the main indicators from these studies can be seen in the figure next page.

It is worth noting that several tools for decarbonization must be used in an integrated way, to reap all the synergies, at both environmental levels and regarding the management of the energy systems. For instance, the electrification of demand must be accompanied by the decarbonization of the power generation mix, to maximize environmental benefits and also to allow the increase in flexibility provided by the additional demand to manage renewables’ intermittency.

¹ Data from the International Energy Agency

CO₂ EMISSIONS VS. % ELECTRIFICATION VS % RENEWABLES IN THE POWER SECTOR IN SEVERAL STUDIES FOR 2050



Source: IRENA, World Energy Transitions Outlook; International Energy Agency, World Energy Outlook 2021

To be able to secure the most benefits from these clean technologies, it is also necessary to invest in the **enablers of the energy transition**, which include the **networks of energy** and the **digitalization** of the value chain.

It is important to ensure that the green transition occurs in parallel with the so-called “**Just Transition**”, which is set on the principle of not leaving anyone behind – the benefits of carbon neutrality should be shared by everyone. Therefore, the just transition includes access to energy to all citizens and the creation of mechanisms to protect the most vulnerable citizens to the economic and technological disruptions that are inherent to the climate transition.

Decarbonize the energy demand

Reducing energy consumption, through the use of **more efficient appliances and/or change in consumer behaviour**, is one of the drivers with the highest potential to reduce emissions. Worth noting that **electrification** is one of the key instruments to decarbonize energy consumption, as it **allows to simultaneously reduce energy demand and increase the penetration of renewables**. Several studies point that, to reach climate neutrality, the share of electricity in global final energy demand should be raised from the current 20% to around 50% by 2050 (see figure above).

Today, **there are already in the market highly efficient technologies, and economically competitive, to satisfy**

the energy demand needs of households and businesses. Some of these technologies are already sales’ leaders in their respective segments (ex: led lamps), while others are still in the early stages of the adoption curve (ex: electric vehicles, heat pumps).

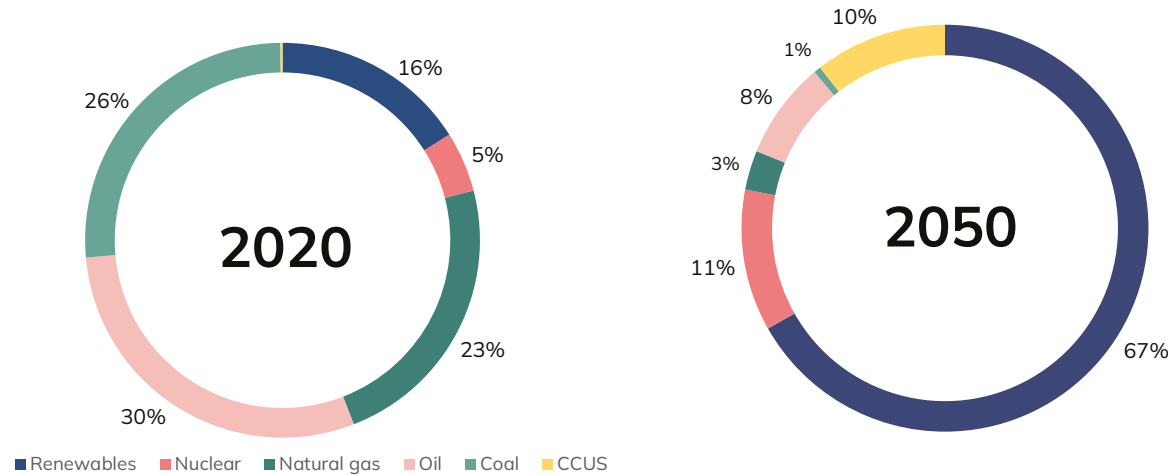
It is interesting to note that, already in the last decade, there was a significant improvement in the efficiency of energy uses, highlighted by the strong reduction in energy intensity indicator (calculated as the ratio of energy demand / GDP), which has improved by almost 20% in the last decade in the World, and which explains the decoupling between economic growth and energy demand that is already observable, namely in developed countries.

Decarbonize the production of energy

The energy transition requires that most of the energy demand that today is based on fossil fuels being replaced by clean sources, namely through **renewables**. To reach the 1.5°C target, a complete transformation of the mix of energy demand will be needed: while today fossil fuels represent around 80% of the primary energy consumption, by 2050 this figure must be lower than 25% (and combined with Carbon Capture and Storage). On the other hand, by 2050 renewables must represent around two-thirds of the primary energy demand (see figure next page).

The **power sector should be the one with the highest contribution to the share of renewables**, as in this sector there is a set of renewable technologies that are already competitive and with plenty of growth potential. According to data from BloombergNEF, during the last decade, the levelized cost of onshore wind decreased by around 60%, while the cost of solar photovoltaic fell by 90%. The same source points that currently these two technologies are the cheapest source for new electricity generation in

PRIMARY ENERGY DEMAND IN THE WORLD, IN THE NET ZERO SCENARIO



Source: International Energy Agency, World Energy Outlook 2021

countries that represent more than two-thirds of the global population.

The scenarios that are consistent with carbon neutrality (see figure above) show that **the share of renewables in the power sector must be at around 90% by 2050**, compared with 29% by 2020.

The increase in the share of intermittent renewable generation in the power sector requires the use of **technologies that provide flexibility to the system**, as generation and demand must match at any moment. In this package of flexible technologies, some of them are already mature and make part of the current electricity system, such as **pumping hydro and interconnections**, while others are still in a growing stage, as it is the case of **batteries and demand-side response**.

The **green hydrogen** has been gaining an important role in the energy transition, given its **potential to decarbonize sectors where electrification is not technically**

feasible nor cost-effective, as it is the case for some industrial energy-uses (ex: steel, cement) and heavy-duty freight vehicles. Worth noting that there are several ways to produce hydrogen, with electrolysis (that uses electricity sourced from renewables) being the process that is more aligned with the decarbonization.

The enablers

For the power sector in particular, digitalization will allow **a change in the paradigm to a more decentralized system**, with consumers having a more active role.

Digitalization will also enable the **management of energy demand**, by automatically adjusting the consumption from flexible equipment, such as electric vehicles and water heaters.

Furthermore, the **investment in the expansion, digitalization and resilience of electricity grids** is key to enable the energy transition, as it will allow to accommodate the electrification of other energy uses, the integration of

more renewables and distributed resources, in parallel with the improvement in the quality of service and **reduction of operation and maintenance costs** of the power grid.

Energy and Environmental Policy in Europe

In September 2020, as part of the Green Deal, the European Commission proposed the reduction of greenhouse gas emissions by at least 55% in 2030 vs. 1990 levels, which places the UE on the pathway of carbon neutrality by 2050.

In July and in December 2021, the European Commission released the “Fit for 55” package, which comprises a set of legislative proposals (including revision of current legislation and proposal of new laws), setting the base to reach the decarbonization target for 2030.

Next page you can find some of the main legislative proposals made in 2021.

	SUMMARY OF THE PROPOSALS
EMISSIONS TRADING SYSTEM (ETS)	<ul style="list-style-type: none"> • Objective to reduce emissions by 61% in ETS sectors in 2030 vs. 2005, which implies to raise the linear reduction factor to 4.2% in phase 4 • Inclusion of maritime transport in the ETS • Creation of a new ETS, for the road transport and buildings sectors • Creation of a “Social Climate Fund”, to support vulnerable consumers (families and SME's) due to the increase in energy prices and the introduction of the new ETS in the road transport and buildings • 100% of the revenues from the Member States in the CO₂ auctions must be devoted to projects or policies related to the climate
CARBON BORDER ADJUSTMENT MECHANISM (CBAM)	<ul style="list-style-type: none"> • New mechanism that allows the taxing of CO₂ emissions in imported goods from outside the European Union, related to goods from 5 sectors (electricity, cement, fertilizers, steel and iron and aluminium), to apply from 2026 onwards.
RENEWABLE ENERGY DIRECTIVE (RED)	<ul style="list-style-type: none"> • Target of 40% renewables in final energy by 2030 (binding for Member States) • Creation of sectoral targets for renewables share: 49% in buildings by 2030, annual increase of 1.1. percentage points in the heating and cooling and in the industry, 13% reduction of carbon intensity in transports by 2030 • Removal of barriers for renewables deployment, namely for the rollout of PPA contracts and access to guarantees of origin • Introduction of a credit trading mechanism in the transports sector, under which economic operators that supply renewable electricity to electric vehicles via public charging stations will receive credits they can sell to fuel suppliers • Promotion of renewable hydrogen, with the creation of specific targets for the share of RFNBO (Renewable Fuels of Non-Biological Origins) in the industry and transports
ENERGY EFFICIENCY DIRECTIVE (EED)	<ul style="list-style-type: none"> • Target of 36-39% energy efficiency by 2030 (binding for Member States) • Energy savings obligation of 1.5%/year in the 2024-30 period • Fight to energy poverty, with several measures to support vulnerable consumers through energy efficiency measures • Revision of the primary energy factor (PEF) to 2.1
ENERGY TAX DIRECTIVE (ETD)	<ul style="list-style-type: none"> • Energy taxation becomes based on the energy content and environmental performance of the several energy products • Enlargement of the taxable base, by including more energy products and by removing some of the current exemptions and tax reductions
EFFORT SHARING REGULATION (ESR)	<ul style="list-style-type: none"> • 40% target to reduce emissions in the non-ETS sectors in 2030 vs. 2005 in the European Union, with distinct targets by Member States according to the GDP per capita
CO ₂ STANDARDS FOR VEHICLES AND VANS REGULATION	<ul style="list-style-type: none"> • All new light-duty vehicles should be zero emissions from 2035 onwards
ALTERNATIVE FUELS INFRASTRUCTURE REGULATION (AFIR)	<ul style="list-style-type: none"> • Definition of targets for the expansion of public recharging stations for electric and hydrogen vehicles, both light-duty and heavy-duty vehicles • Definition of common requirements about means of payment and prices
LEGISLATIVE PACKAGE FOR THE GAS AND HYDROGEN MARKETS	<ul style="list-style-type: none"> • Establishes a market for hydrogen, creating an adequate environment for investment and allowing the development of dedicated infrastructures • Easy the access of renewable and low-carbon gases to the existing gas network
ENERGY PERFORMANCE OF BUILDINGS DIRECTIVE (EPBD)	<ul style="list-style-type: none"> • Determines that from 2030 onwards, all new buildings should be emissions zero, target which is anticipated for 2027 for public buildings • Enlarges the situations where it is needed to have energy performance certificates

2.2. Risk management

2.2.1. 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 2021 continued to be marked by the Covid-19 pandemic, and by high volatility in energy markets, especially in the second half of the year. Risk management

reinforced its importance, with an essential role in this disruptive context.

	ILLUSTRATION OF TOPICS (NOT EXHAUSTIVE)	RECENT EVOLUTION / EXPECTED IN THE SHORT-TERM	MITIGATION ACTIONS (NOT EXHAUSTIVE)
SURROUNDING CON- TEXT	<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"> • Macro-economic uncertainty due to rising inflation and uncertainty regarding its persistence, and political, social, fiscal, and monetary response. • Instability in supply chains and, particularly in the energy sector and in Europe, increased exposure to geopolitical risks in fossil fuel supply. • Pandemic scenario expected in the short term, with risk of containment measures with relevant economic and social impact (namely lockdowns) due to the emergence of new variants. However, risk potentially mitigated due to comprehensive vaccination plans. • Strengthening of the political and social commitment to renewable technologies, with a direct impact on the countries where EDP Group operates. 	<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"> • Communication to investors of a new strategic plan and strengthening of EDP Group's commitment to renewable technologies. • Awarded the position of Global Leader, with the best score ever among integrated utilities in the Dow Jones Sustainability Index. • Closure of Sines coal-fired power plant, in Portugal, with 1.2GW. 	<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"> • Volatility and record prices in energy markets, with particular focus on Europe and electricity and natural gas markets. • Exposure to supply risk in the natural gas supply chain. • Rise of wind and solar renewable capacity. • Rise of hydro volumes risk in Brazil following a year of severe drought. 	<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. • Legislative's amendments. • Changes in regulations (e.g., environmental / climatic). 	= <ul style="list-style-type: none"> • Regulatory impacts in Portugal and Spain with materialization in the results of the group. • Definition of a new regulatory period 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"> • Rise uncertainty regarding inflation and interest rates. • Key exposures to exchange rates of BRL and USD. • Stabilization of the EURBRL exchange rate during 2021, despite a potential increase in uncertainty in 2022 due to the electoral cycle. 	<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"> • Rise of credit exposures due to increased prices in energy markets. 	<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).

	ILLUSTRATION OF TOPICS (NOT EXHAUSTIVE)	RECENT EVOLUTION / EXPECTED IN THE SHORT-TERM	MITIGATION ACTIONS (NOT EXHAUSTIVE)
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"> • Rise of liquidity needs due to price hikes in energy markets accommodated by EDP Group's conservative cash position. • EDP group's financial liquidity enough to cover refinancing need beyond 2022. • Update of one notch of EDP's rating by two of the three main agencies and upgrade of the outlook by a third, strengthening the investment grade status. 	<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.
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"> • Comfortable capitalisation position with lower risk of funding gap due to asset appreciation and rising interest rates 	<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"> • Increased instability and inflation in the supply chain. 	<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 relevance of risk of extreme events impacting on electricity generation, transmission, and distribution assets 	<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"> • Ongoing of the COVID-19 pandemic, namely with the emergence of new variants, and the need to ensure the health and safety of EDP employees and partners 	<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)
SYSTEMS	<ul style="list-style-type: none"> • Unavailability of information and communication systems. • Integrity and security of information. 	=	<ul style="list-style-type: none"> • 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 Centre (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, COMPLIANCE AND ETHICS	<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](#).

2.2.2. 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., ready 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
4 TH 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 Centre (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 changes² (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 TCFD³ 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).

² More detail on the TCFD framework of climate risks available in the [following section](#)

³ Task Force on Climate-related Financial Disclosures

2.2.3. Strategy and climate risk management

During 2021 an internal corporate risk management process was approved, focused on the periodic analysis of climate risk and described below.

Climate risks and opportunities framework

Climate risks have a dedicated process, on an annual basis, which aims to assess with the Business Units (BUs) which are the most relevant climate risks and opportunities, so that testing EDP Group's financial resilience regarding climate transition.

The process is led by the Sustainability and Risk Management corporate Departments, with the collaboration of the Energy Planning Department, and supported by a team of specialised interlocutors of the different Business Units (risk-officers, sustainability officers and energy planning areas), being divided into 3 phases:

In particular, the quantification exercise is carried out with the joint effort of the Business Units and the Risk Management Department, analysing each material risk according to 3-time horizons (Business Plan horizon of 4 years, 10 and 30 years) and under 3 different climate scenarios. The exercise is consolidated at Group level, by Business Unit and by business segment.



Validation of the taxonomy of climate risks and opportunities by the BUs



Guarantees the exhaustive identification of risks and opportunities in each business and geography and in line with the structure defined in the TCFD recommendations



Validation and alignment of climate scenarios



Includes the validation and updating of the physical and transition sub-scenarios, as well as the main climate variables (physical and transition)



Quantification by BUs of climate risks and opportunities and final calculation of an aggregate Climate Value@Risk



Considers the quantification of the most relevant climate-related risks and opportunities of each business/geography (i.e., with an impact on EBITDA of over 1M euros)

1. Validation of the taxonomy of climate risks and opportunities by BUs

EDP Group has 3 specific climate risk and opportunity taxonomies, integrated into the corporate risk taxonomy, and aligned with the structure recommended by TCFD that need to be validated and updated regularly

There is full alignment with the corporate taxonomy, and climate risks are present in several risk categories, namely the physical risks impact at business level the energy market risks (volume of renewable energy generation and demand) and at the operational level the physical assets risks (damages, efficiency losses, delays, among others). Transition risks and opportunities impact at strategic level, the surrounding context (technological disruption and change in the competitive paradigm) and the stakeholders' relations, at business level the energy market (commodity and pool prices and demand) and

regulation, and at operational level the legal, compliance and ethical risks.

2. Validation and alignment of the climate scenarios

To test resilience to climate change, EDP Group built 3 different scenarios that integrate physical scenarios and transition scenarios. A narrative was constructed for each scenario, based on the RCP (Representative Concentration Pathway) scenarios of the IPCC (Intergovernmental Panel on Climate Change) for the analysis of physical risks, and on the IEA (International Energy Agency) scenarios, with some internal adjustments to better reflect EDP reality, for the analysis of transition risks.

The aggregate scenarios used for quantifying the risks and opportunities are the following.

Physical Risks	Transition Risks	Transition Opportunities
Chronic risk <ul style="list-style-type: none"> • Rising temperatures • Rising sea levels • Water availability • Wind availability 	Regulatory and legal risk	Energy sources
	Market risk	Products and services
	Technology risk	Resource efficiency
Acute risk <ul style="list-style-type: none"> • Days of extreme heat/cool • Consecutive days of extreme heat/cold • Extreme events (wind, precipitation, fires) 	Reputational risk	Markets
		Resilience

Narrative physical scenarios



IEA SDS

(with internal adjustments)

+ RCP 2.6

- **Compliance with the Paris Agreement**
- Energy system achieves **carbon neutrality by 2070**
- **Temperature increases between 1.5°C and 2°C**
- Mean sea level rises 0.4m and ocean acidification begins to recover by 2050



IEA STEPS

(with internal adjustments)

+ RCP 4.5

- **Paris Agreement not kept**
- **Temperature increases between 2°C and 3°C**
- Extreme temperatures become more frequent
- Average sea level rises 0.5m and many species are unable to adapt



IEA CP

(with internal adjustments)

+ RCP 8.5

- **Paris Agreement not kept**
- **Temperature rises by more than 3°C**
- Extreme events become more frequent
- Wide variations in precipitation
- Mean sea level rises 0.7m

Narrative transition scenarios

- Sustainable energy-related **economic growth and job creation**
- More **resilient and clean energy system**
- Total **international cooperation** for sustainable development
- **Lower fuel prices** and renewable generation
- **Very high CO₂ price**

- **Announced policies are, generally, complied with**
- Policies are adopted to **reduce** the use of **fossil fuels**, however **demand is still high**
- **Increased price of fuels and cheaper renewables**, with average CO₂ price

- **No additional effort is made for sustainable development**
- Limited policies for the reduction of fossil fuels and the promotion of sustainable sources
- **High demand and high prices for fossil fuels**
- **Share of fossil fuels and CO₂ emissions unchanged**
- **CO₂ price remains low**

2.1. Physical sub-scenario

The physical scenarios, consisting of physical risks and opportunities, result from long-term climate change, either by (1) chronic risks derived from structural changes in climate patterns (i.e., increase in average temperature and average sea level, and change in average rainfall and wind patterns); or (2) acute risks due to an increase in extreme meteorological phenomena, with impact on the increased frequency and/ or severity of extreme events (i.e., storms, heat and cold waves, floods and droughts, and wildfires). The physical variables or parameters that were considered are identified below.

The evolution, along the 3 time horizons (4, 10 and 30 years) and for the 3 scenarios, of the physical variables was obtained from several information sources aligned with the RCP scenarios (RCP 2.6, RCP 4.5 and RCP 8.5), namely the World Bank Group and the Copernicus database, validated with local databases.

2.2. Transition sub-scenario

The transition scenarios, framing transition risks and opportunities, result from the commitment assumed for the transition to a decarbonised economy, which implies significant changes mainly at regulatory, market, and technological levels.

The transition risks are divided into 4 different categories.

PHYSICAL SCENARIO VARIABLES

TIPO DE RISCO	RISK	VARIABLES
CHRONIC	Temperature increase	Average temperature increase
	Sea level rise	Rise of sea level
	Water availability	Average precipitation variation Average days w/ rainfall < 1 mm var
	Wind availability	Average wind
ACUTE	Extremely hot days	Days w/ temperature >35°C
	Extremely consecutive hot days	Consecutive days w/ temp. >35°C
	Extremely cold days	Days w/ temperature <0°C
	Extremely consecutive cold days	Consecutive days w/ temp. <0°C
	Extreme wind events	Extreme events per year
	Extreme rain events	Extreme events per year
	Extreme wildfire events	Wildfires per 100ha

TRANSITION RISK DESCRIPTION

	DESCRIPTION
POLICY AND LEGAL RISK	Related to concerted government action to adopt climate mitigation and adaptation strategies, e.g., change in renewable energy support schemes.
MARKET RISK	Resulted from changes in market dynamics, influenced, for example, by changes in customer behaviour and changes in market fundamentals.
TECHNOLOGICAL RISK	Related to the adoption of new technologies requiring greater investment by organisations
REPUTATIONAL RISK	Referred to increased stakeholder concern and influence of public opinion.

In addition to transition risks, it is also important to consider transition opportunities, which are divided according to 5 categories.

Assuming a time horizon of 30 years, and based on the IEA scenarios (SDS, STEPS and CPS), narratives were built for each scenario, focusing on several dimensions (social, regulatory and political, economic and technological, and energy). The evolution of prices, demand and energy mix is also based on the IEA scenarios, however there is an adaptation by the energy planning departments (corporate and local) to the geographies where the EDP Group is present. The main variables for the transition scenarios considered in the climate risk assessment exercise are shown below.

TRANSITION SCENARIOS VARIABLES

PRICES	Brent Natural gas Coal CO ₂	Electricity price
FOREIGN EX-CHANGE	EUR/USD EUR/BRL	
GENERATION MIX	Hydro Thermal CHP	Nuclear Wind Solar
RENEWABLE ADJUST, FACTORS	WAF SAF	
ELECTRICITY DEMAND		

3. Quantification of climate risks and opportunities and estimation of an aggregated climate Value@Risk

EDP Group has identified and quantified a set of climate risks and opportunities assuming its current strategy, over the 3 scenarios and time horizons mentioned above.

The quantification methodology is based on individual analysis of the impact on EBITDA of each risk and opportunity (physical and transition), carried out by each Business Unit and for each geography. This quantification considers the identification of the physical variables and their evolution according to specialists, and the political/ social/ economic/ technological narratives related to the different scenarios. The quantification method depends on each risk and opportunity, using, whenever possible, the direct method (expected loss/ gain and maximum loss/ gain P95%), or alternatively the indirect method (probability/ frequency, average impact, and maximum impact P95%). For the purposes of the Group's analysis, the consolidation of losses and gains was made considering correlations between risks and opportunities and between geographies.

Therefore, BUs identified and quantified the material climate risks and opportunities for the 3 time horizons and the 3 climate scenarios. The following table shows, for the 10-year horizon and RCP 2.6 scenario, the potential impact on the EDP Group of the relevant physical risks and opportunities (chronic and acute), as well as their mitigation measures.

TRANSITION OPPORTUNITIES DESCRIPTION

	DESCRIPTION
ENERGY SOURCE	Resulted from the use of incentive policies for renewable generation, leveraging on the existing generation portfolio.
PRODUCT AND SERVICES	Driven by the development and expansion of low carbon products and services, and in the electrification of consumption as a measure to decarbonise the economy; and (potentially) in the increased demand for energy for heating/cooling due to the influence of physical risks.
RESOURCE EFFICIENCY	Related to the reduction of operational costs by increasing efficiency in the processes of the value chain.
MARKET	Related to the access to new markets through geographic, technological and business diversification (e.g., new services). The issue of Green Bonds for low carbon generation is also a new opportunity.
RESILIENCE	Driven by the development of adaptive capacity to respond to climate change to better manage the associated risks and take advantage of the opportunities.

PHYSICAL RISKS QUANTIFICATION




	RISK/ OPPORTUNITY	MAIN IMPACT	TARGETED BUSINESS SEGMENTS	QUANTIFICATION M€		MITIGATION MEASURES
				<100	>100	
CHRONIC	Temperature increase	<ul style="list-style-type: none"> • Rise of energy losses • Loss of efficiency (thermal power plants and solar) • Demand increase 	EDP Group			As natural mitigation increase in temperature will result on an increase in demand. Additionally, EDP Group has an integrated energy risk management, and follows a strategy of diversification by business area and geography.
	Water availability	<ul style="list-style-type: none"> • Reduction of hydro production 	Conventional production				Strategy of diversification by technology, business segment and geography
ACUTE	Extreme temperatures (heat or cold wave)	<ul style="list-style-type: none"> • Unpredictability of consumption • Loss of efficiency • Malfunction of turbines and panels 	Retail EDP Renewables			Energy risk management to cover potential generation outages and a strategy of diversification by technology, business segment and geography
	Extreme events (wind and rain)	<ul style="list-style-type: none"> • Disruption of activities (generation and networks) 	EDP Group			
	Wildfires	<ul style="list-style-type: none"> • Increase operating costs • Damage to assets (distribution networks, generation)					Preventive maintenance of protection strips on distribution lines, a comprehensive insurance plan, and EDP Group has also been strengthening business continuity and crisis management plans, minimising the impact on business and third parties

- Positive impact (opportunity)
- Negative impact (risk)
- Different impact according to business

Similarly, for the next 10 years horizon and IEA SDS scenario, the following tables provide the main potential impacts and mitigation measures for the transition risks and opportunities.

TRANSITION RISKS QUANTIFICATION

RISK	MAIN IMPACT	TARGETED BUSINESS SEGMENTS	QUANTIFICATION M€		MITIGATION MEASURES
			<100	>100	
REGULATORY AND LEGAL	<ul style="list-style-type: none"> • Increase exposure to environmental litigation • Changes in product regulation 	EDP group (especially EDP Renewables)	▼		Strategy of diversification across several technologies and geographies (see opportunities), asset maturity, as well as through a close monitoring of government regulation and policies.
MARKET	<ul style="list-style-type: none"> • Loss of revenue due to new competitors • Effect of additional environmental measures on market prices variables 	EDP group (especially EDP Renewables)	▼		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.
TECHNOLOGY	<ul style="list-style-type: none"> • Failure to follow/ delay in the adoption of new technologies • Devaluation/ replacement of assets due to technological obsolescence 	EDP group (especially EDP Renewables)	▼		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 chapter Business Innovation).
REPUTATIONAL	<ul style="list-style-type: none"> • <i>Stakeholders concerns regarding the company's path to climate transition</i> • Implementation failures of environmental measures or market positioning regarding the new climate reality 	EDP group	▼		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.

-  Positive impact (opportunity)
-  Negative impact (risk)
-  Different impact according to business

Regarding aggregate results, EDP Group presents a very resilient portfolio, as it has already started, some years ago, the path towards energy transition. Comparing its portfolio considering the current strategy for the coming years with the current state (i.e., keeping the current as

set base unchanged for the next 30 years) confirms an annual risk reduction of around 20%, with greater impact on physical risks. It is also important to mention that EDP Group seeks to maintain a diversification strategy, by business, technology and geography, in order to mitigate climate risks and maximise climate opportunities.

TRANSITION OPPORTUNITIES QUANTIFICATION

OPPORTUNITY	MAIN IMPACT	TARGETED BUSINESS SEGMENTS	QUANTIFICATION M€	
			<100	>100
ENERGY SOURCE	<ul style="list-style-type: none"> • Use of incentive policies for renewable generation 	EDP Group	▲	
PRODUCT AND SERVICES	<ul style="list-style-type: none"> • Greater electrification leading to increased energy demand • Higher need for heating and cooling because of physical risks 	EDP Group	▲	
RESOURCE EFFICIENCY	<ul style="list-style-type: none"> • Use of more efficient means of transport and consequent increase in installed capacity 	EDP Group	▲	
MARKET	<ul style="list-style-type: none"> • Access to new markets and consequent increase in installed capacity 	EDP Group	▲	
RESILIENCE	<ul style="list-style-type: none"> • Increase supply chain reliability 	EDP Group	▲	

- ▲ Positive impact (opportunity)
- ▼ Negative impact (risk)
- ◄ Different impact according to business

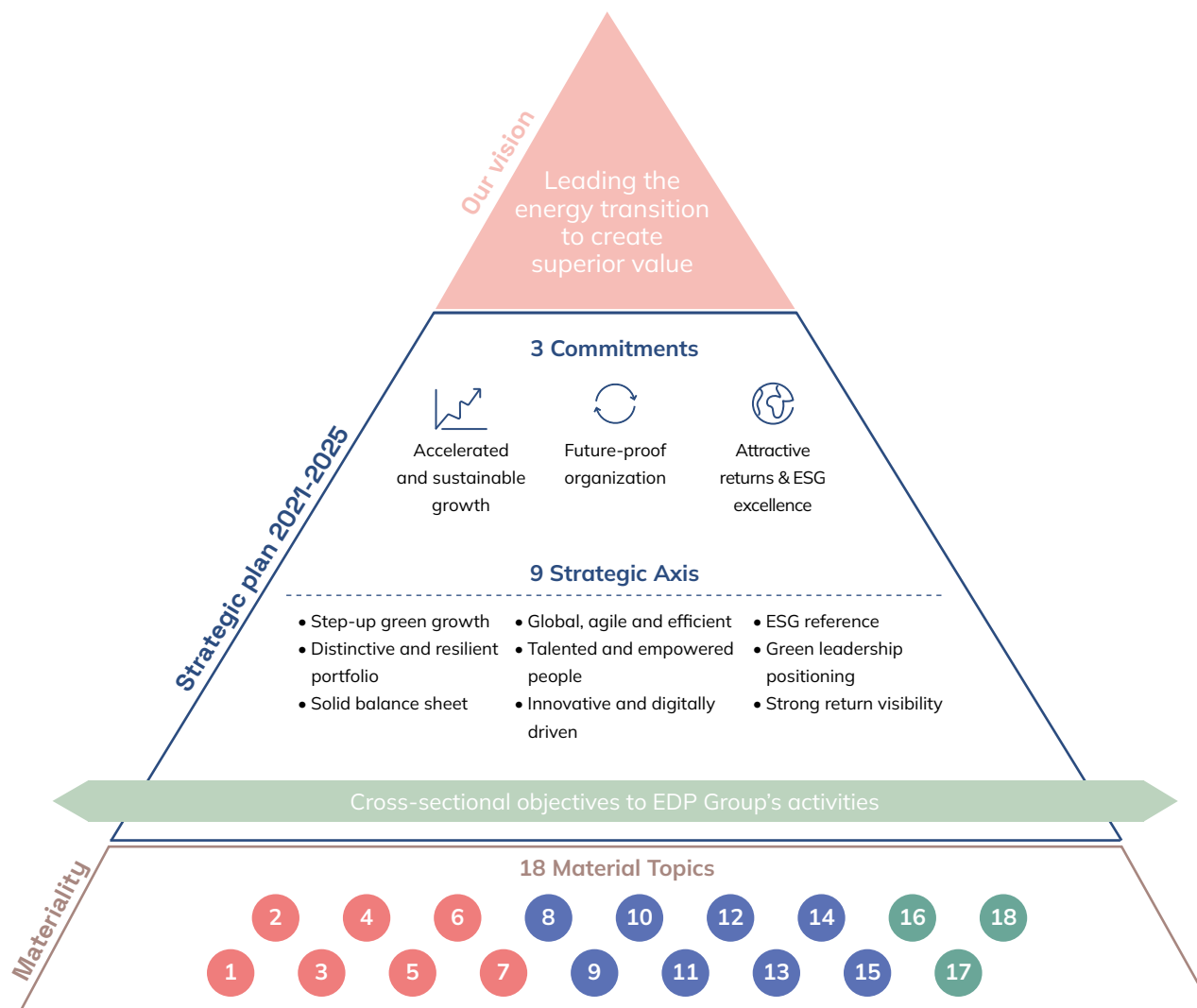
2.3. EDP Group's positioning

EDP recognises the importance of sustainability in its value chain by integrating ESG risks and opportunities into its business strategy.

Since 2006, in anticipation of the major trends in the energy market, the Group has made investment in renewable production a business priority. This positioning, aligned with EDP's vision, affirms its status as a global energy company, a leader in energy transition able to deliver superior value through a robust business model.

Through the materiality process, the Group identifies the most important topics for society and business. Material issues for EDP are those likely to affect the creation of value for the company, in the short, medium or long term, and which are recognised as important to its different stakeholder groups. Based on their identification, it is possible to optimise the Group's strategic orientation and to direct its internal management towards internalising and responding to Material Issues so that they become an integral element of the Group's strategy guidelines.

The Strategic Plan 2021-2025 and the overarching objectives of the Group's activity defined for this four-year period, make an integrated contribution to achieving the vision of leading the energy transition to create superior value.



2.3.1. Strategic plan 2021-2025

In February 2021, EDP presented the update of its Strategic Plan to 2025, communicating an investment strategy to its stakeholders, based on three commitments:

- Accelerated and sustainable growth
- Future-proof organisation
- Attractive returns & ESG excellence.

Each of the commitments establishes three strategic priorities, for which key initiatives and objectives, covering its global strategy as a whole, have been defined. For EDP, the path to energy leadership is followed by adopting the highest ESG standards.

This new Plan therefore reinforces the commitment to sustainable development. By fully assuming the structural role of energy in supporting more socially and environmentally balanced growth models,

EDP keeps its business model focused on decarbonisation and forecasts goals for 2030.

COMMITMENT	STRATEGIC AXIS	CROSS-SECTIONAL OBJECTIVES TO EDP GROUP'S ACTIVITIES	CROSS-SECTIONAL OBJECTIVES TO EDP GROUP'S ACTIVITIES	
			2025	2030
ACCELERATED AND SUSTAINABLE GROWTH	Step-up green growth	CAPEX in energy transition ¹ (€Bn)	24	-
		Gross additions ¹ (GW)	20	-
		Asset rotation (€Bn)	8	-
	Distinctive and resilient portfolio	EBITDA (€Bn)	4.7	-
		FFO/Net Debt ² (%)	>20	-
		Renewables generation (%)	≈85	100
		Renewable hydrogen capacity (GW)	-	1.5
	Solid balance sheet	Fleet electrification (%)	>40	100
		EV charging points installed (#)	>40,000	100,000
FUTURE-PROOF ORGANIZATION	Global, agile, and efficient	Like-for-like OPEX savings (€Mn)	100	-
		TOTEX in digital and innovation ^{1,3} (€Bn)	2	-
	Talented and empowered people	Employee engagement (top tier company)	✓	✓
		Female overall (%)	30	35
		Accident Frequency Rate ⁴	1.55	<1.00
	Innovative and digitally driven	Female on leadership (%)	30	35
		Top management ESG & equity linked compensation ⁵	✓	✓
		Cybersecurity (rating) ⁶	Advanced ⁷	Advanced ⁷
ESG EXCELLENCE AND ATTRACTIVE RETURNS	ESG reference	Coal-free	✓	✓
		Carbon neutral	-	✓
		Net income (€ Bn)	1.2	-
	Green leadership positioning	Dividend floor (€/share)	0,19	-
		Revenues aligned with EU taxonomy (%)	≈70	>80
		Scope 1 & 2 emissions (gCO ₂ e/kWh)	≈100	0
	Strong return visibility	Total waste (kt)	118	30
		SDGs social investment (EUR Mn) ⁷	50	100
		Top quartile in ESG rating performance ⁸	✓	✓

¹2021-2025. ²FFO/ND formula consistent with Rating agencies methodologies considering EDP's definition of EBITDA Recurring. ³€1Bn TOTEX in Innovation, €1Bn CAPEX in Digital. ⁴Number of accidents per million hours worked (included employees and contractors). ⁵Applicable to Board of Directors and top management; changes in Board of Directors dependent of General Shareholders Meeting. ⁶Cybersecurity BitSight rating ≥740. ⁷Values accumulated since 2021. ⁸Includes DJSI, FTSE4Good, MSCI and Sustainabilitytics

2.3.2. Materiality

Since 2016, EDP's Materiality analysis process has been developed using a multidisciplinary methodology, common to the whole group, systematised and detailed in an own report available at www.edp.com.

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 decision-making process and the development of strategies within the organisation, specifically the definition of its sustainability actions. The main stages of the materiality process are described in the infographic on the right.

EDP's methodological approach to defining materiality considers the concept of dual materiality, as defined by the GRI Standards. This alignment reflects the importance placed by the Group on the relevance of the issues for society, taking into account their impact on its stakeholders.

However, as the concept of dual materiality becomes operational in the international regulatory context, specifically with the creation of the International Sustainability Standards Board and as defined by the European Financial Reporting Advisory Group (EFRAG), EDP is focusing on possible adjustments to its methodology for identifying material issues in subsequent reports, in order to meet the expectations of its stakeholders and fulfil its commitment to society and the environment.

In 2021, 18 material topics were identified for the EDP group, whose relevance for society and for the business is shown on the matrix on the next page.

STEP 1 – Updating the list of Material Topics

Based on interconnecting sources and the previous year's process

STEP 2 – Prioritization of topics based on their importance to society

Identification of the relevant topics for each group of stakeholders

Through the analysis of:

- Direct sources (direct consultation)
- Indirect sources (public consultation)
- Transversal sources (studies and indexes)

STEP 3 – Prioritization of topics for their relevance to the business

Identifying topics significant for the business

Through the analysis of:

- Strategic goals and targets
- Activity plans for strategic areas
- Risk reports, Taxonomy and Policies
- Interviews of top management

STEP 4 – Construction of the Materiality Matrix

Interconnecting the relevance of the topics for society and for business

Elaboration of the Corporate matrix

STEP 5 – Analysis of critical topics and sensitive topics

Analysis of the results of the process for:

- Defining the sustainability strategy
- Critical issues – to direct internal management as efficiently as possible
- Sensitive issues – internal analysis and definition of action plans

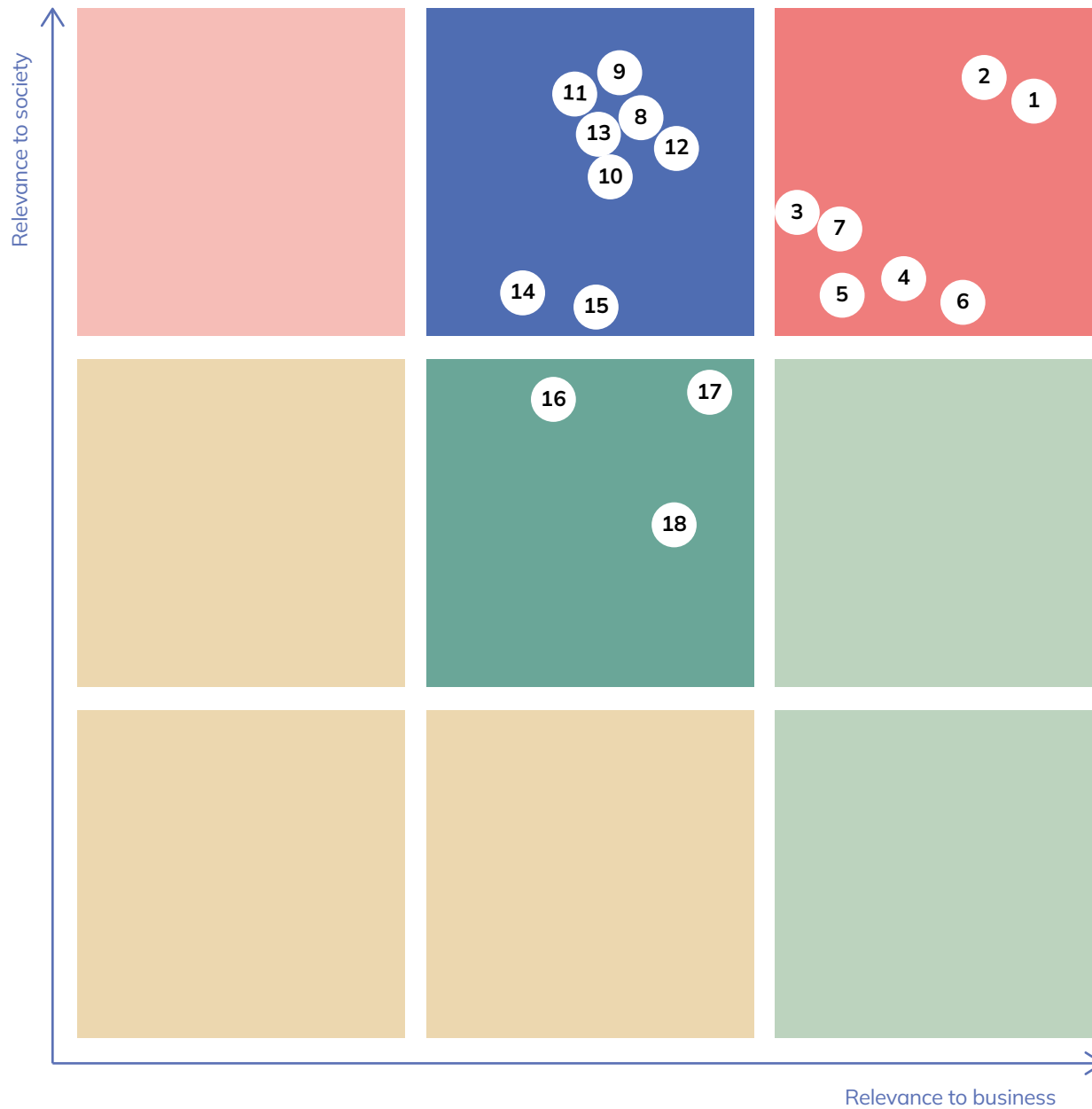
Most of the issues remain in the same position on the matrix, compared to the previous year, and the following stand out as the main highlights of the year:

3 Innovation and Digital Transformation – This is a catalysing issue for energy transition and a strategic priority for the Group. In line with what events in 2020, in 2021 this topic is increasingly standing out as a critical issue, given the growing importance of digitalisation in the pandemic situation. In parallel, digital inclusion is an issue whose relevance for society has been increasing.

7 Satisfaction and customer service – Sustainable consumption stands out as an emerging issue within **Customer Satisfaction and Service**, not only for society but also for the business. It is therefore a subject to which EDP intends to pay particular attention in its approach and activity plans. Additionally, the increase in energy prices at a European level was also identified as one of the most relevant issues for society in 2021.

6 Health and Safety – Mental health has become a focus due to its abrupt growth in terms of relevance to society, and it has set itself apart from other Safety matters with its positioning rising from medium to high relevance for society in 2021.

17 Supplier Management – The increased relevance of this topic for the business is due to the growing importance of the carbon issue in the supply chain, in the context of decarbonisation with regard to global goals.



- 1 Climate Change
- 2 Promoting Renewable Energy
- 3 Innovation and Digital Transformation
- 4 Economic Business Sustainability
- 5 Decarbonization Solutions
- 6 Health and Safety
- 7 Satisfaction and Customer Service
- 8 Crisis Management
- 9 Environmental Protection
- 10 Community Engagement
- 11 Communication and Transparency
- 12 Human Rights
- 13 Vulnerable Customers
- 14 Corporate Governance
- 15 Ethics and Compliance
- 16 People Management
- 17 Supplier Management
- 18 Sustainable Finance

Sensitive issues for 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 placed by the different stakeholders on the analysed issues, inherently related to their nature and their relationship with the company. The figure to the right details the identified issues, aggregated by the degree of relevance attributed by each of the stakeholder groups.

TOP TOPICS

1. Climate change

- Mitigation

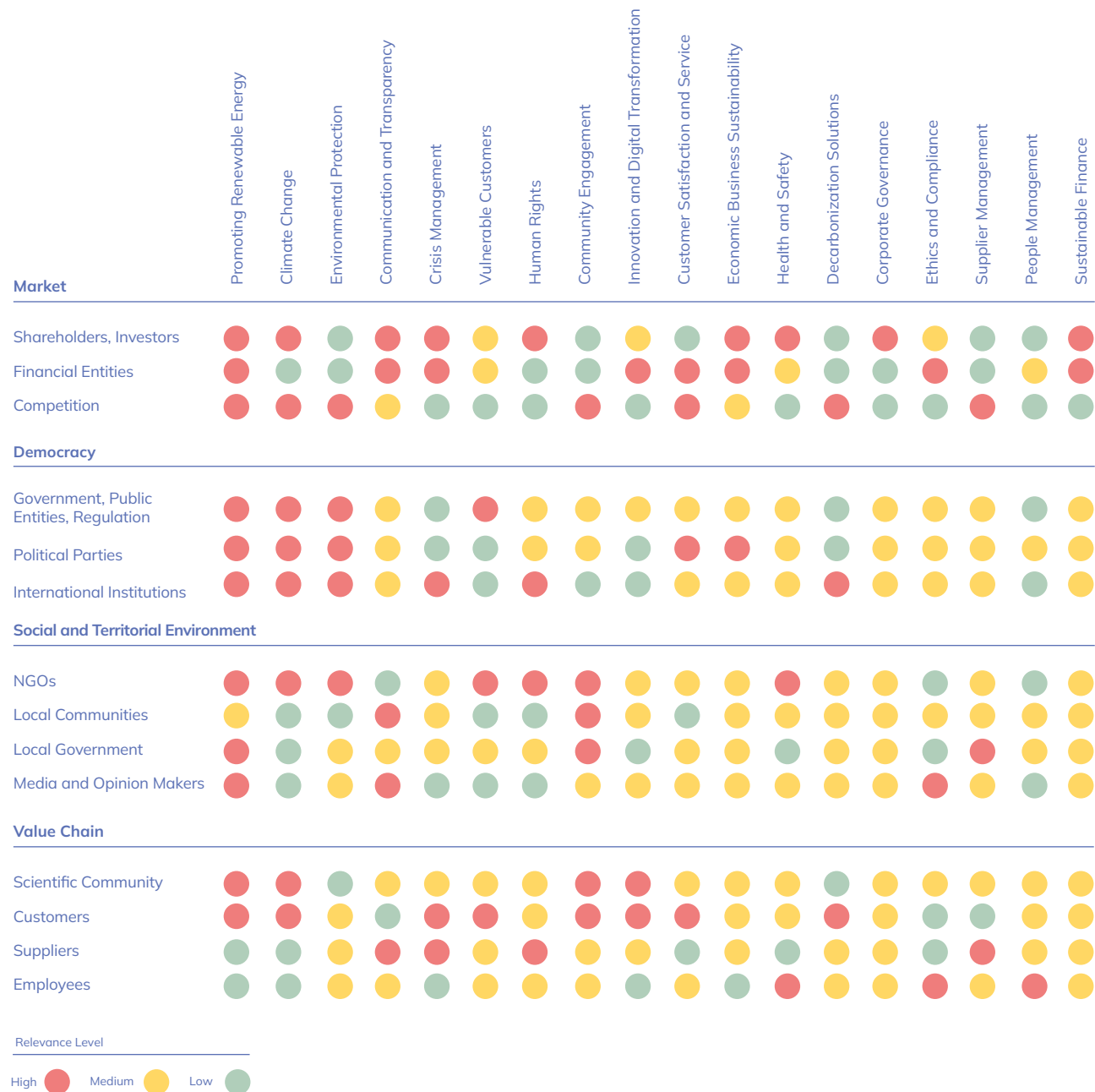
2. Decarbonization solutions

- Energy Efficiency

3. Crisis management

- Infectious diseases (Covid-19)

4. Environment protection



2.3.3. Contribution to the SDGs

The United Nations Sustainable Development Goals (SDGs) - (7) Clean and affordable energy, (9) Industry, innovation and infrastructure, (11) Sustainable cities and communities and (13) Climate action - are directly related to four of EDP's critical material issues, of major importance for to business and society. Aligned with the Group's strategy and representing a direct link to the investment programme of €24 billion in CAPEX over the period 2021-2025.

Additionally, EDP ensures that its strategy contributes to *stakeholders* achieving balance in the three areas of sustainability, thus contributing to other SDGs, in particular the following: 5, 7, 8 and 12.

In June 2021, EDP joined the *UN Global Compact CFO Task Force for the SDGs*. Through this involvement, EDP has committed to aligning corporate strategies and investments with the SDGs, and to publicly disclosing its progress in implementing the UN Global Compact's Ten Principles and the SDGs within the CFO Principles.

EDP reports publicly on progress in its sustainability goals. The report presents the link between the goals and the respective SDGs covered (www.edp.com).

Materiality

- 1 Climate Change
- 2 Promoting Renewable Energy
- 3 Innovation and Digital Transformation
- 5 Decarbonization Solutions

Strategic Plan

24B € Investment

€19.2B in renewables (to deploy ~20 GW) to support carbon neutrality by 2030

€3.6B in networks, for further grid digitalization and resilience and with quality to support our path to lead the energy transition

€1.2B in client solutions and energy management to support the decarbonized consumption and promote low carbon and energy efficiency products and services

Sustainable Development Goals



Indirect contribution





RENEWABLE

Where innovation
and sustainability meet.

— PERFORMANCE

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3.1. The Year 2021

STRATEGIC AXIS	OBJECTIVES	TARGET 2025	STATUS 2021		
ACCELERATED AND FOCUSED GROWTH	<ul style="list-style-type: none"> - Step-up growth in renewables, accelerating ownership and asset rotation strategies - Focus investments on RES & Networks in EU and USA - Target a BBB rating in the short term (maintaining a sustainable leverage) 	- CAPEX in energetic transition	€24 B	€3.2 B	
		- Gross additions	20 GW	2,6 GW	
		- Asset rotation	€8 B	€1.4 B	√
		- EBITDA ¹ in 2025	€4.7 B	€3.7 B	
		- FFO / NET DEBT ²	> 20 %	21 %	
FUTURE-PROOF ORGANIZATION	<ul style="list-style-type: none"> - Evolve organization to be more global, agile and efficient - Strengthen focus in innovation and promote a digitally enabled organization 	- Savings OPEX like-for-like	€100 M	€32 M	
		- TOTEX in digital and innovation	€2 B	€0.3 B	√
ESG EXCELLENCE AND ATTRACTIVE RETURNS	<ul style="list-style-type: none"> - Step-up a green leadership positioning and being a reference in ESG - Deliver a sustainable EPS growth and an attractive dividend policy 	- Coal-free ³ by 2025	0 %	8 %	
		- Carbon neutrality ⁴ by 2030	0 tCO ₂ /GWh ⁵	164 tCO ₂ /GWh	√
		- Net Profit ¹ in 2025	€1.2 B	€0.8 B	
		- Minimum dividend per share	€0.19	€0.19	

1- Recurring figures. 2- FFO/ND with a formula consistent with the methodology of rating agencies, considering EDP's definition of recurring EBITDA.
3- Coal installed capacity/total installed capacity. 4- Specific CO₂ emissions. 5- Residual emissions compensated.

3.1. The Year 2021

STRATEGIC AXIS	OBJECTIVES	TARGET 2025	STATUS 2021	ODS	
ACCELERATED AND FOCUSED GROWTH	- Renewables generation (%)	≈ 85	75	7	
	- Fleet electrification (%)	>40	13.2	7	√
	- EV charging points installed (#)	>40,000	3,804	7	
FUTURE-PROOF ORGANIZATION	- Revenues aligned with EU taxonomy (%)	≈ 70	63	7	
	- Scope 1 & 2 emissions (gCO ₂ e/kWh)	≈ 100	176	7	
	- Total waste (kt)	118	216	12	√
	- SDGs social investment (EUR Mn)	50	12	11	
	- Top quartile in ESG rating performance	√	√	-	
ESG EXCELLENCE AND ATTRACTIVE RETURNS	- Employee engagement (top tier company)	√	X	8	
	- Female overall (%)	30	26	5	
	- Accident Frequency Rate	1.55	0.92	8	
	- Female on leadership (%)	30	25	5	√
	- Top management ESG & equity linked compensation	√	√	-	
	- Cybersecurity (rating bitsight)	Advanced	Advanced (790)	11	



ACCELERATED AND FOCUSED GROWTH

HIGHLIGHTS 2021




1. Strengthened presence in the Asia-Pacific region with investment in the Sunseap group - 5.5 GW of renewable projects in different phases of development: 540 MW solar projects in operation and construction; 127 MW of assured capacity and a portfolio of 4.8 GW in different phases of development.
2. Inauguration of Pereira Barreto Park, the largest solar complex in the State of São Paulo and the fifth largest in Brazil, with an installed capacity of 252 MWdc.
3. EDP Renováveis enters Vietnam with a 28 MWac solar PV project.
4. EDP presents goal of being all green until 2030 - Strategic Update 21-25.
5. Creation of the new H2 Business Unit (H2BU), with the goal of strengthening the integration of green hydrogen in the Group's portfolio in a strategic and transversal way, while promoting investment in renewables.
6. Launch of the Changing Tomorrow Now Campaign with 39 initiatives, integrated in the three EDP axes: Accelerated and Sustainable Growth, Future Ready Organisation and ESG excellence.
7. Commitment to reduce specific CO₂ emissions by 98% by 2030 (compared to 2015 levels), a target recognised by SBTi.

CHALLENGES 2022

1. Exploring the opportunities in committing to Net-Zero Standard aligned to Science (SBTi) with particular emphasis on scope 3.
2. Continue to expand the renewable generation business.
3. Strengthen the role of utilities in decarbonizing the economy and preserving biodiversity.

3.2. Accelerated and focused growth

3.2.1. Decarbonising the world

Alignment with the SDGs	Targets	KPIs 2021	Target 2025
	Installed capacity of renewable origin	80%	>90%
	Smart meters installed in the Iberian Peninsula	70%	100%
	Public and private EV charging points in Portugal, Spain and Brazil	3,804	>40k

The fight against climate change and, in particular, the fulfilment of the climate goals of the Paris Agreement, reinforced in the Glasgow Pact, has led to a five-fold acceleration in the pace of decarbonisation of the world economy.

The electricity has a key role in this acceleration, through the use of renewable energies and the promotion of electrification of the remaining sectors, in particular transport, air conditioning in buildings and industry.

Obviously, EDP's activity means that it plays a central role in this collective effort to combat climate change.

The Group prioritizes the fight against climate change as an integral part of its global strategy. Indeed, leading the energy transition, contributing to a low carbon economy,

has been a primary objective of the Group. It was to this end that the business was built and developed and is currently a recognized example among the largest companies globally.

EDP contributes to the decarbonisation of the world economy on two different fronts. Through the decarbonisation of generation, through expansion into renewable energies and the progressive closure of thermoelectric plants. Then also through the decarbonisation of consumption, with solutions for new low-carbon products and services, which can be used mostly inside and outside the EDP sphere. These services are mainly of three distinct and complementary types:

- solar power - simulation of savings and installation of solar photovoltaic systems in self-consumption schemes tailored to customers and local specifics.
- electric 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.

3.2.1.1. Renewable energies

The EDP Group has, from an early stage, been ahead of its peers in moving into decarbonisation with a strong focus on the production of electricity from renewable sources. EDP Renováveis is currently the world's fourth largest producer of electricity from renewable sources and one of the world's largest producers of wind power.

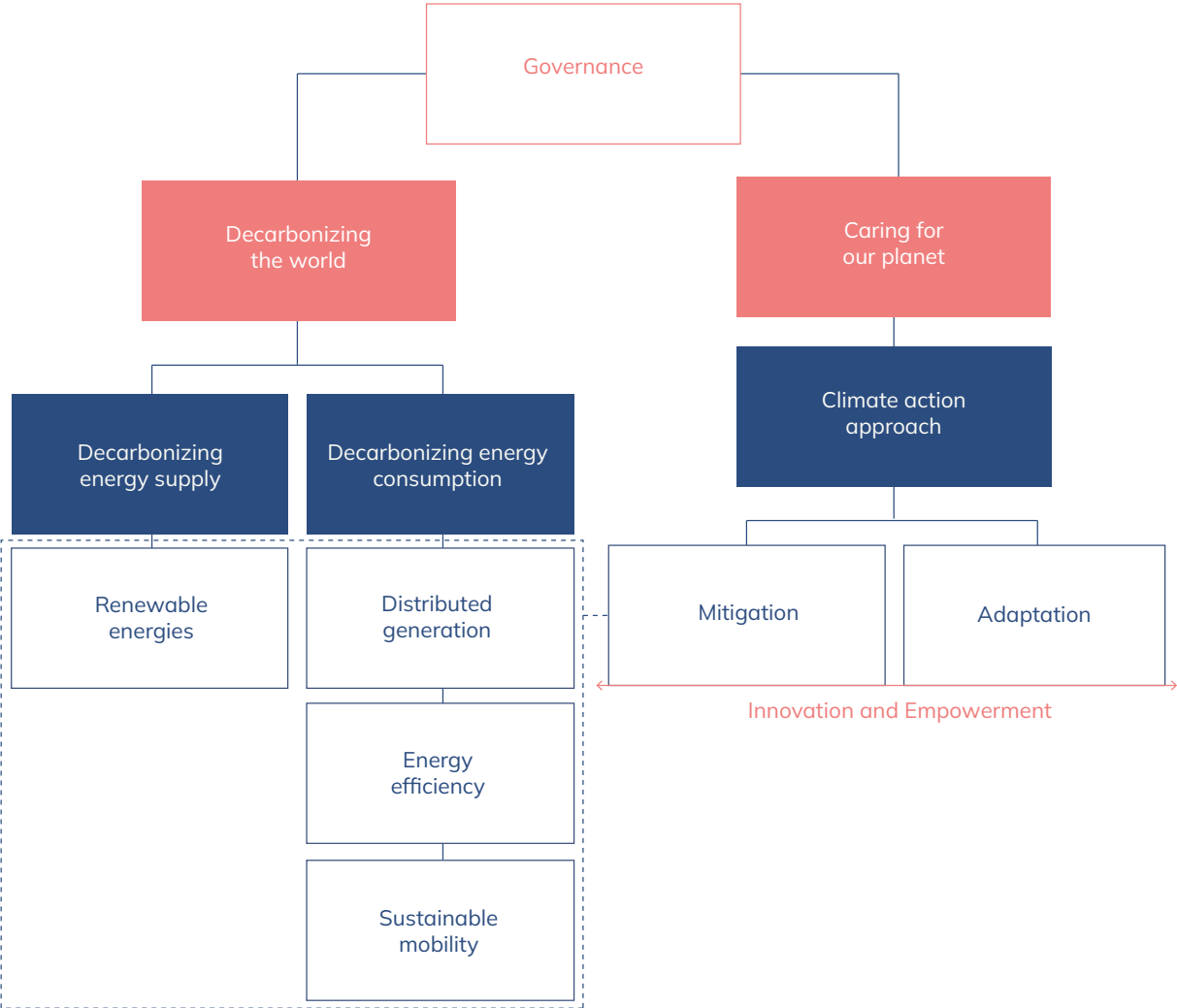
In 2021, renewable energies accounted for 76% of the electricity generated by the Group (excluding nuclear). Of this 76%, wind energy accounted for about 65%.

The 2021-2025 Business Plan emphasises the acceleration of the Group's investment in renewable energies. For 2021-2025, planned investment in the expansion of renewables is 19.2 billion euros, which is 80% of the Group's total investment in the energy transition. This unprecedented investment in renewable energy includes wind, solar, green hydrogen and energy storage technologies.

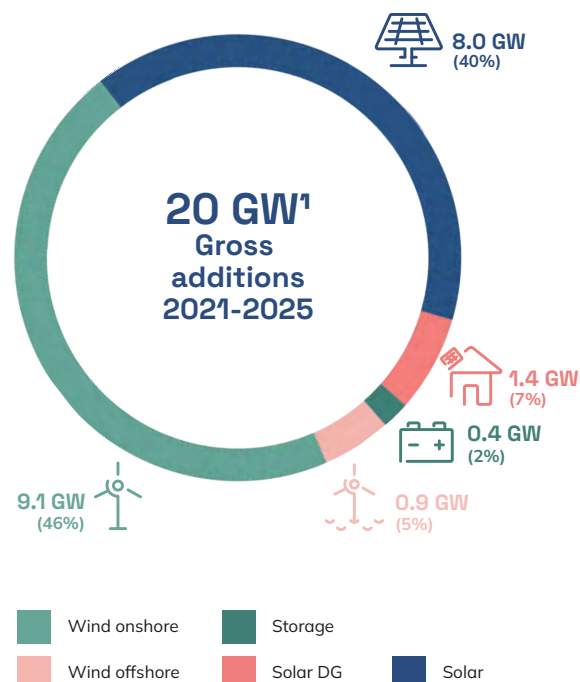
The Plan targets 20 GW gross added renewable capacity by 2025. New gross capacity additions of 4 GW on average are estimated annually for 2021 to 2025.

This increase in capacity will mainly be provided through the Group's growth in its main markets - the USA and Europe. This is an investment in geographical regions that the Group knows well - low-risk markets with regulatory stability - predominantly through PPAs (Power Purchase Agreement) and long-term Contracts for Difference (CfD) energy sales contracts.

From a technological perspective, 9.1 GW of the 20 GW of forecast renewable capacity, i.e., 46%, will be allocated to onshore wind energy, a technology where EDP has a



clear competitive advantage and accumulated know-how.



¹ EBITDA + Equity GWs

A similarly significant capacity addition is predicted for solar technology for 2021-2025. 47% of total planned capacity, 9.4 GW of the 20 GW, will be allocated to solar technology. 8 GW will go to centralised production of electricity, so that the cost competitiveness of solar technology will increase. 1.4 GW will be allocated to decentralised solar generation, thus contributing to the various go-to-market strategies, and to the Group's competitive advantage.

To increase flexibility, EDP also intends to expand its energy storage capacity beyond its traditional storage in

hydroelectric plants with a reservoir. An increase of 0.4 GW of capacity is therefore planned for 2021-2025.

To ensure flexibility, hydropower will continue to play a major role. The Group's hydroelectric assets ensure high cash flows, by exploiting hydropower through the management of variable pumping capacity. The Investment Plan does not provide for capacity additions in this area, but investment in maintenance of its assets is planned.

The decarbonisation route that the Group has followed also involves the development of innovative projects, in anticipation of future business solutions. There is notable investment in areas such as energy hybridisation, which leverages potential synergies between different technologies (solar, wind, hydro, and storage), the medium-term production of green hydrogen and solar and wind installations on offshore structures.

In 2021, the following innovative projects were of note: the [BEYOND project](#) (example of synergy between offshore wind energy and green hydrogen production) and the [Alqueva floating photovoltaic project](#).

In offshore wind technology, the 2021-2025 Business Plan also calls for an increase in capacity of 0.9 GW over its term, to be delivered by the company Ocean Winds (50/50 joint venture with Engie).

EDP has been increasing its visibility in offshore wind growth with 0.5 GW of capacity in operation in 2021, and 3.5 GW under construction. The Group is therefore amplifying and diversifying its profitable long-term growth options while maintaining a balanced risk profile.

The Group's asset rotation continuation strategy contributes significantly to the implementation of the 2021-2025 Business Plan. Rotation facilitates the monetisation of assets before their end of life (for example: wind farms), with the aim of accelerating investment and, therefore, EDP's growth. In fact, 65% of the expected increase in renewable capacity (20 GW) will be kept on the balance sheet (installed capacity) while 35% will be covered by the asset rotation strategy.

For the period 2021 to 2025, EDP has 8.1 GW of assured renewable capacity (EBITDA and Equity GW), through

KPI 2021

RENEWABLE ENERGY

	TARGET 2025
80% Installed capacity of renewable origin	>90%
76% Production from renewable sources	83%
645 MW Installed capacity in centralised solar photovoltaic systems	5.5 GW
436 MW Installed capacity in decentralised solar photovoltaic	3.7 GW

attractive returns, in long-term contracts, protected from capex inflation.

In this context and due to the geographical diversity, that has been added to the Group, it is worth highlighting EDP's acquisition of an 87.4% stake in Sunseap. Sunseap is the largest decentralised solar company and one of the four largest solar companies in Southeast Asia. The acquisition enabled EDP to establish a 4th regional renewable energy hub (in addition to North America, Europe and South America).

Of the guaranteed overall renewable capacity, approximately 4 GW are onshore wind, 3 GW solar (centralised and decentralised) and about 0.3 GW are provided through offshore wind energy.

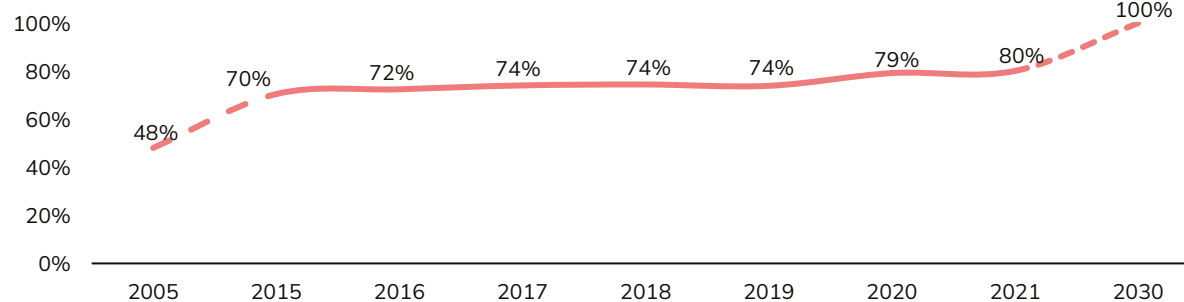
In line with the intensive investment planned in renewable energies, EDP has set demanding targets for 2021 to 2025 for the renewable origin (%) of installed capacity and electricity production. These targets support the Group's ambition to abandon coal generation by 2025 and its commitment to carbon neutral in 2030. By 2030, the Group intends 100% of installed capacity to be of renewable origin and for the production of electricity also to be 100% renewable.

In relative terms, at the end of 2021, 80% of installed capacity was from renewable sources - an increase of one percentage point compared to 2020.

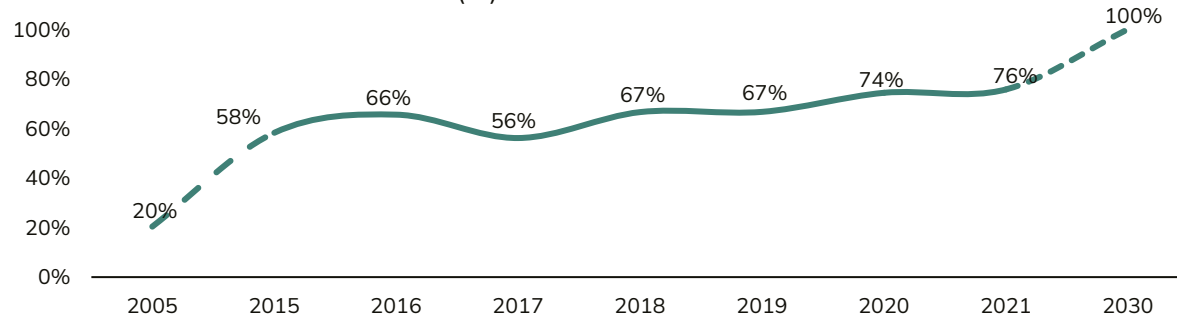
The installation of 1,769 MW of new wind farms and 503 MW of solar farms were the main contributors to this percentage value of installed capacity from renewable sources. However, with the rotation of assets, the net increase in capacity was 968 MW.

In 2021, EDP Renewables' installed EBITDA capacity increased to 11.5 GW, about 1 GW compared to 2020.

RENEWABLE INSTALLED CAPACITY (%)



RENEWABLE ENERGY GENERATION (%)



Europe and North America represented 42% and 52% of the portfolio, respectively.

The balance between the sale of renewable plants in the different geographical regions (in line with the asset rotation strategy), and the new acquisitions, was therefore positive in 2021.

Since 2005, EDP's evolution has been a generally progressive move towards installed capacity based entirely on renewable energies.

Similarly, this trend has also been observed for the production of electricity from renewable energies.

Although the Group's total electricity production fell by 5% in 2021 compared to the previous year - largely due to the pandemic and lower associated energy demand in all the markets where the EDP operates, renewable energies accounted for 76% of the total electricity produced. This was an increase of one percentage point compared to 2020.

The production of wind power increased by 5% in 2021 compared to 2020 and was 49% of the total energy (renewable and non-renewable) produced. Contributions to this production were predominantly from Europe and Brazil, the resulting of greater installed capacity in these geographical regions.

By contrast, Hydro production decreased significantly (19% less than 2020) mainly due to the sale of 1.7 GW of 6 hydroelectric plants in Portugal in December 2020. Additionally, Brazil experienced a historically dry season, which was reversed in the fourth quarter of 2021, thus keeping the hydro production utilisation factor in line with 2020. This improvement meant that production from coal could be stopped from mid-December 2021.

However, the Group recorded a 30% year-on-year increase in production from coal, largely due to the drought in Brazil and the increase in the price of natural gas, which offset the 34% reduction in production of energy from natural gas in 2021.

In 2021, EDP Renováveis produced 30.3 TWh of electricity from renewable sources – an increase of 6% compared to 2020.

3.2.1.2. Distributed generation

Anticipating the new energy paradigm, EDP has been consolidating its presence in a future where the production, consumption and distribution of energy will be increasingly decentralised. In this sense, the Group offers a variety of solutions aimed at the specific needs of various customer segments, through a diverse and competitive set of products and services that avoid emissions in the final consumption of energy. Decentralised solar energy services have been one of the Group's major focuses.

In addition to the suppliers in Portugal, Spain and Brazil, and the services offered in Italy and Poland by EDP Comercial, EDP Renováveis has also started this activity:

- in the United States, with the acquisition of a majority stake in the company C2 Omega, with a portfolio of 88 MW of installed capacity and a short-term pipeline of more than 150 MW in 16 states;
- in Singapore, with the acquisition of a majority stake in the company Sunseap, one of the largest operators in Southeast Asia, with 540 MW of solar projects operational and under construction and a considerable portfolio in different stages of development, namely 5.5 GW of renewable projects. These assets were not consolidated in 2021.

In 2021, EDP installed a total of 219 MW of solar photovoltaic systems, both in the transactional model, with a customised installation service tailored to each customer, and in the "as-a-service" model, in which the investment and operation of the system is ensured by EDP during a certain contracted period of time with the customer.

In Portugal, the approximately 183 MW installed generated savings estimated in more than 200 GWh, avoiding the emission of ~32 ktCO₂.

In Spain, with 46 MW of installed capacity in solar photovoltaic solutions for self-consumption, the savings amounted to 60 GWh and a CO₂ avoided of 7 kt.

In Brazil, the activity is carried out by EDP Smart, which ended the year with 106 MWp of installed capacity. These systems are estimated to have generated around 36 GWh in 2021 and avoided the emission of 4,6 ktCO₂.

3.2.1.3. Sustainable mobility

Electric mobility also plays a fundamental role within the scope of the services provided by EDP, which contribute to the decarbonisation of energy consumption.

Indeed, sustainable mobility will be essential for the decarbonisation of the transport sector, which currently accounts for around 25% of global carbon emissions.

For EDP, decarbonisation of the economy involves a significant increase in production from renewable sources, accompanied by a significant electrification of energy consumption, particularly in transport. The Group therefore intends to position itself as the benchmark partner for electric mobility.

Given the potential for action, the company has brought in-house a large part of its efforts in the area of electric mobility, through solutions (products, services and charging networks), mostly directed at its customers, but also at internal measures at the Group level. In this field, EDP has established initiatives to encourage its employees to purchase electric vehicles. **In 2021, EDP launched the "Employee Electric Mobility Pack" initiative, offering special conditions to employees in Portugal for the purchase of electric vehicles and the use of charging solutions.** EDP has also set itself the target of electrifying

100% of its light vehicle fleet by 2030. The transition to a 100% electric fleet has already begun and will lead to a 70% reduction in CO₂ emissions from EDP's global fleet of over 4,000 vehicles.

In addition, EDP's approach has integrated the promotion of an ecosystem of electric mobility partnerships and initiatives, some of which are listed in the next page.

KPI 2021

SUSTAINABLE MOBILITY	TARGET 2025
43.5k Customers with electric mobility solutions	180k
13.2% Light vehicle fleet electrification	100% in 2030
3,804 Charging stations installed	>40k





The EV100 initiative, promoted by The Climate Group, which brings together companies from various sectors across the world, committed to accelerating the transition to the electrification of transport. The EV100 is a clear signal of the requirement for the expansion of electric vehicles, addressed to manufacturers and governments;



The 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 serve as a catalyst for corporate leadership to transform mobility in cities, involving cities and businesses for collaborative actions. Also, as part of the scope of the WBCSD, the integration of EDP in a multi-sectoral program of business solutions and guidelines for the Transformation of Urban Mobility.



The annual Portugal Mobi Summit, held in partnership with the Global Media Group, the biggest urban mobility event in Portugal where sustainable mobility issues are discussed.



The strategic partnership with the association of Users of Electric Vehicles (UEV), with the joint goal of promoting electric mobility in Portugal and, through greater proximity to users, understanding its constraints. EDP has been actively participating in the national EV users' event - ENVE.



EDP's participation as a member of the board of directors of ChargeUp Europe, an association representing companies in the electric vehicle charging infrastructure sector. EDP was the first Portuguese company to join this association, whose mission is to facilitate the creation of modern, high-quality charging infrastructure across Europe that meets the needs of electric vehicle users.



EDP's active participation in Eurelectric and the Conseil de Coopération Economique, contributing to the ongoing discussions in these organisations on the development of business-oriented regulations and frameworks to support the transition to clean mobility.

Products and services

The EDP Group has a wide commercial range of products and services, particularly in Portugal, Spain and Brazil. Throughout 2021, EDP worked to make the best charging solutions available to its customers. On the one hand, the Group focused on the development of increasingly comprehensive electric mobility solutions tailored to the needs of the growing market. And, on the other, on having more competitive prices, thereby reaching increasing numbers of drivers of electric vehicles.

In Portugal

EDP Comercial supplies and installs charging solutions for electric vehicles through charging stations for the B2C and B2B segments.

In the B2C segment, EDP launched a new range of charging solutions for individuals with new prices and products, from a reinforced electrical socket suitable for *plug-in* hybrid vehicles, to the new Premium EDP Commercial charger, to charge electric vehicles faster.

For B2B customers, the range of solutions available on the *Save to Compete* platform (a program created by EDP in 2012, which promotes energy efficiency, competitiveness and innovation) was updated with charging solutions suited to the real needs of business customers, both for private and public access spaces, specifically five different products, with different levels of customisation.

Context:

In awareness of how important that transportation sector is to decarbonisation, in 2021 the Group conducted an internal analysis of the commuting movements of its employees before and after the COVID-19 pandemic. The results showed that before the pandemic, diesel and petrol vehicles were the predominant mode of transport used. The annual emissions associated with the use of these vehicles were estimated at 22,736 tonnes of carbon. On the other hand, in the post-lockdown scenario, the vast majority of employees surveyed demonstrated their willingness to carry on working from home two days a week, if permitted by their role. The study verified that

continued remote working by these employees would represent a 35% decrease in carbon emissions from commuting. In this scenario, 7,200 tonnes of CO₂ will be avoided per year.

Additionally, out of the group of employees who responded to the survey, 20% showed an interest in switching to an electric vehicle if EDP offered benefits for purchasing or *renting* one. This change would lead to a 5% reduction in annual carbon emissions from commuting per business unit (988 tonnes of CO₂ per year).



The EDP EV.Charge platform (*app* and website) - a digital interface with electric mobility customers created in 2019 - is the digital solution created by EDP Comercial to integrate the electric vehicle charging experience into public and private spaces. The *app* also allows searches for the nearest public charging stations, queries of detailed information, including location, sockets, power, ID, cost or directions on how to reach the desired charging stations. As of 2021, the platform will include all charging types and needs, specifically charging at home (homes and communities), at work and on public roads. The platform is part of the ongoing focus on the digitalisation of the customer experience, allowing its users, through the *app* or website, to manage and monitor charging sessions.

In Spain



The *MiVē* product, launched in December 2020, is an *app* aimed at the B2C segment, fully configurable by the customer, featuring a calculator that covers all the consumer's needs for a single fixed monthly fee, specifically: charging at home, including the charger, its installation and energy consumption; charging away from home, at the public charging stations of EDP's public charging *app* (*MOVE ON*); and other additional services.

In the B2B segment, in 2021 EDP finalised a configuration on the *Save to Compete* platform that offers the possibility of managing its charging stations through *MOVE ON*.

In this way, the corporate customer decides the conditions of access to its charging stations (users, prices, etc.), EDP manages them and then returns the income generated to the corporate customer. Member companies thereby obtain a new potential source of revenue.

Public power charging network

The pandemic has accelerated the transition to electric mobility. Remote working and the intensification of micro-mobility have significantly boosted the demand for electric vehicles and the inevitable requirement for charging infrastructure.

In Portugal

In Portugal, the estimated electric charging needs for the coming years point to a demand for 20,000 charging stations in 2025.

In 2021, EDP committed to having 1,000 charging stations on the public grid. By the end of the year, the Group had over 1,100 charging stations contracted on the public charging grid, through electric mobility partnerships and concession contracts.

In 2021, emphasis should be placed on new electric mobility partnerships with key partners, specifically with McDonald's, for the installation of 150 charging stations in 75 locations.

The 48 fast and ultra-fast charging stations on national motorways planned by the partnership with Brisa, BP and Repsol are mostly already installed and operational.

EDP leads the EMEM (Electricity Marketer for Electric Mobility) market and has one of the most competitive tariffs on the public charging market with more than 38,000 cards issued.

In Spain

By the end of 2021 in Spain, EDP had a total of 366 public charging stations, an increase of 38%, compared to 2020.

Throughout 2021, EDP increased the number of sales and customers in all segments, with a particular emphasis on public charging through *MOVE ON*. It ended the year with over 6800 registered customers.

EDP also remains committed to interoperability. In other words, through the *MOVE ON* app, customers can charge their vehicles both at the Group's recharging stations, but also at the recharging stations of other operators.

In Brazil

The number of charging stations increased to more than 300 stations in 2021 in Brazil.

In 2021, two more charging stations will be installed at the São Paulo International Airport, in Guarulhos. This addition allows the airport to provide electric vehicle charging infrastructure at all its passenger terminals.

The year 2021 also saw the installation of nine ultra-fast charging stations, one of which is the most powerful in Latin America (350 kW).

3.2.1.4. Energy efficiency

EDP promotes the improvement of energy efficiency along the value chain as an important contribution to decarbonization, contributing to greater efficiency in the end use of energy by offering its customers low carbon products and services.

By 2021, 16% of B2C customers in the liberalised market had sustainable services such as energy efficiency, electric mobility or decentralised solar services. The goal is to ensure that we offer these services to 25% of these customers in 2025. and 50% in 2030.

In Portugal, the Electric House program, aimed at b2c customers, continued, which aims to promote the change of consumption of butane or propane gas for electricity, with an impact on energy consumption and safety and in alignment with the strategy of electrification of consumption.

In the business segment, EDP supports companies in the implementation of integrated energy efficiency services, through the provision of solar energy solutions, sustainable mobility and consumption management. One of the reference programs in business support was Save to Compete. This program identifies measures to reduce energy consumption, including decentralised solar, promoting its implementation and costing through the savings generated. Since its launch in Portugal (2012) and Spain (2013), the program has led to accumulated savings of more than 600 GWh, corresponding to a reduction of approximately 170,000 tons of CO₂.

In Brazil, EDP also invests in energy efficiency initiatives, both through the distribution companies and the service company EDP Smart. Distributors, operating in the regulated market, according to the legislation of the Brazilian

electricity sector, have the obligation to apply 0.4% of net operating revenue annually in Energy Efficiency Programs (PEE) and 0.1% in the National Electric Energy Conservation Program (PROCEL). EDP Smart operates in the liberalized market and offers solutions to improve energy efficiency (lighting, air conditioning, steam production) and also in the area of electric mobility and distributed generation. In 2021, the measures implemented led to energy savings of 51 GWh and 52 ktCO₂ avoided.

Energy efficiency services generated around €261 million income in 2021, an increase of 7% compared to 2020.

All energy efficiency, sustainable mobility and distributed generation initiatives carried out in 2021 led to an estimated energy savings of 513 GWh, avoiding the emission of 267 ktCO₂, including that corresponding to the sale of electricity of renewable origin. Since 2015, the savings generated from sustainable services have enabled the emission of 8.9 MtCO₂ to be avoided, a little more than half the 2025 target.

KPI 2021

ENERGY EFFICIENCY

TARGET 2025

16% Customers with sustainable services	25%
8.9 MtCO ₂ Avoided emissions on customers	15 MtCO ₂

Alqueva floating solar park project

The floating photovoltaic park project on the reservoir of the Alqueva dam is one of EDP's most innovative solar energy projects.

The Alqueva hydro plant is a reversible power plant, with one of the largest energy storage capacities in Portugal. By pumping water upstream from the reservoir in periods of excess electricity production, the water can be stored upstream for later reuse in the production of hydroelectric energy. By making the water pass through the turbines, posteriori, at peak hours, energy is available in periods of greater demand.

Given the reversible set-up of the Alqueva plant, the solar park, in addition to the photovoltaic panels, a battery storage system, integrated with the hydroelectric plant has been implemented. The batteries enable the Alqueva hydro plant to leverage the energy produced by the photovoltaic park during periods of upstream pumping from the reservoir (periods of excess production).

After receiving the production licence in April 2021, EDP proceeded to award the 5 hybrid project contracts, 5MWp photovoltaic and 1 MW / 2 MWh battery, at the Alqueva hydroelectric plant.

Site work began in October 2021, with the supply of the floating platform equipment, including 60 pontoons, 26,000 floats and 11,312 x 445 Wp photovoltaic panels.

Assembly started in December 2021 and resulted in several complete rows of floats with panels mounted on the waterline. In 2021, a total of 237 panels were assembled, 272 primary floats, 320 secondary floats and 83 bridge floats.

All the equipment needed to build the 28 anchors can now be found at the shipyard of the anchor and mooring contractor, under the European FRESHER project, and the deployment locations in the reservoir have already been marked with buoys of different colours and the 10 temporary anchors to support the assembly have been installed.

The contracts for the batteries, changes in the systems for control, metering and communication with the project's National Transmission Network, are at an advanced stage of development and will be installed in early 2022, while the first tests of connection of the photovoltaic plant to the grid are taking place.

It is already possible to view the equipment comprising the floating platform in detail - the pontoons made of UHPC (ultra-high-performance concrete) that will be installed on the periphery of the platform, the main floats supporting the photovoltaic panels and the floats that incorporate a percentage of cork in the recycled HDPE (high-density polyethylene) material, which has produced a 30% reduction in the project's carbon footprint.

In environmental terms, it is also of note that the project uses an area of the water body that has no use and does not undergo changes with the installation of floating panels.

On the other hand, integration with a plant with existing connections to the grid avoided the construction of new transmission and distribution lines and the consequent occupation of land. In this case, hybridisation can allow double the amount of energy to be delivered at the same point, without the need to increase the capacity of the line.

These aspects, among others, were recognised in the Environmental Impact Study, included in the evaluation and licensing process.

The project has boosted renewable energy installed capacity by 5 MWp, and will allow the production of 7 GWh annually, an energy supply representing the needs of approximately 25% of families in the region.



3.2.2. Customer experience

The EDP group markets energy and services to both domestic (B2C) and business (B2B) customers.

This activity is currently provided in Portugal, Spain, Italy, Poland and Brazil, and its position in these markets has evolved over the years.

In Spain and Portugal, the regulatory framework defines separation between distribution, supply in the free market and supply in the regulated market. In Portugal, EDP operates in all three activities through independent companies. In Spain, following the sale in 2020 of its B2C energy customer portfolio to Total, EDP maintained its supply activity in the *new downstream* areas - distributed solar generation and electric mobility. In Brazil, in the states of São Paulo and Espírito Santo, the regulatory framework ushered in the separation of activities in 2020.

In B2B activity, in addition to Portugal, Spain and Brazil, in 2021 EDP consolidated its presence in the markets of Italy and Poland where it started to operate in 2019 and has since been expanding in the generation and management of solar production for self-consumption by business customers. In Italy, with the acquisition of Ener-tel - a company that provides decentralised solar energy self-consumption solutions - EDP has strengthened its commitment to accelerating the energy transition in the business sector, in which it is increasingly positioning itself as a sustainability partner for its customers.

There are several trends that put pressure on service quality and challenge the commercial relationship with customers. For example:

- the priority to decarbonise and adapt to climate change, through continuous technological, digital and legislative innovation

- the opening of markets to competition and the decentralisation of production
- new regulatory dynamics and customer behaviour associated with decarbonisation objectives
- the growing importance of energy services compared to the traditional business of selling energy
- the increasingly frequency of extreme events with an impact on infrastructure

As a result, transformation dynamics in the market context are changing the classic segmentation of customers, widening their diversity and expanding business opportunities and challenges. In this area, special attention must focus on trends towards the energy rating of buildings, the acceleration of electric mobility, self-consumption and energy communities, growing inequalities due to differences in customer accessibility and the digital culture, and the increase in the divide between customers with the capacity to invest in energy efficiency and customers in energy poverty.

Along with the pandemic, that added new pressures on service quality, changes in consumption profiles and increased customer vulnerability, 2021 brought in highly volatile energy prices with an impact on various aspects of the business and on energy management, especially for corporate customers, which encouraged the promotion of solutions to encourage price stability and predictability.

The EDP Group maintained its commitment to accelerating investment in commercial innovation, by diversifying its portfolio of services and markets to ensure a highly satisfying customer experience, through its commercial services and excellence in the quality of the commercial relationship. Commitments that are part of the EDP

group's values and culture and are translated into quantitative strategic objectives.

3.2.2.1. Promoting sustainable consumption

In line with EDP's ambition to be the global leader in energy transition, the Group has been broadening its portfolio to provide consumers with products and services that enable them to contribute to a more sustainable planet.

Planet Zero

Alongside more demanding, informed consumers concerned about their impact on the planet, there is growing customer demand for information to support a more environmentally friendly lifestyle.

In 2020, EDP Comercial launched the app EDP Zero, in Portugal, for customers to find out about potential CO₂ savings associated with the electricity they consume and to invite to enter the Planet Zero area. This programme, aimed at residential customers, rewards good customer

PLANETA ZERO IN 2021:

+ 500,000 Clients

10 Social projects

12 Global challenges

+120 Awareness workshops

+ 590,000 Interactions

environmental and social practices and challenges customers to change their behaviour by participating in voluntary actions, adopting more efficient energy consumption and adhering to more sustainable EDP solutions. As an incentive, customers add points for each more sustainable behaviour, which in turn gives them access to raffles, events, partner benefits and the right to vote in social and environmental projects. Throughout the year, Planet Zero registered more than 590,000 interactions with events, challenges, prize draws and support for projects.

Green Energy

Opting for a low carbon power source is one of the simplest ways to contribute to a decarbonised, cleaner planet.

In 2021 the number of residential customers signing up for EDP's green tariff more than doubled compared to 2020 - a clear sign of their commitment to sustainable energy consumption.

However, green tariffs are especially attractive for companies that already purchase energy from renewable sources as part of their sustainability strategy.

Currently, a number of solutions are driving this consumption - e.g., guarantee of origin certificates, electronic documents that prove the renewable origin of the energy purchased. Additionally, there are also *Power Purchase Agreements*, which enable companies to acquire energy from renewable sources for long periods at a pre-set, fixed price, ensuring predictability and stability of costs, as well as significant savings in their energy bills. All while reducing their carbon footprint. These agreements also have the capacity to accelerate renewable energy projects by being associated with renewable assets.

Offer of green electricity and natural gas with carbon compensation

Although we are heading towards a future of electrification of energy consumption, not all customers currently meet the requirements for this transition. To support the reduction of its customers' environmental footprint, EDP Comercial launched an innovative offer: guaranteed compensation of CO₂ associated with the domestic consumption of natural gas. This offsetting takes place through the purchase of carbon credits generated by sustainable projects that reduce CO₂ emissions elsewhere in the world and which are chosen by consumers by a vote on Planet Zero. It is estimated that, by the end of 2025, more than 260,000 customers in the natural gas portfolio (40% of the Natural Gas portfolio forecast in the Business Plan) will be participating in CO₂ offsetting, representing a total offset of more than 100,000 tonnes of CO₂.

Solar Energy

The production of solar energy for self-consumption enables customers to reduce their energy dependency and, consequently, their energy bills, and they can achieve a further return on their investment by selling surpluses to the grid.

EDP Solar Energy solutions also include the offer of a consumption monitoring system, so that customers can keep track of the energy production and manage energy consumption in their home, wherever they are.

For the corporate sector, EDP is developing services tailored to the unique needs of each business, with an emphasis on *the as-a-service* model, in which the Group assumes the entire investment and takes charge of the

installation, operation and maintenance of the power station, so that the customer benefits from a net cost saving from day one.

To overcome the lack of space available for installation, EDP launched *Bairros Solares*, renewable energy communities in which the energy produced by one photovoltaic installation benefits not only the producers, who make their space available, but also the community members. EDP *Bairros Solares* democratise consumer participation in decentralised generation with low acquisition costs, discounts on bills and a positive impact on the planet. Additionally, in order to ensure that this is a fair and inclusive transition, *Comunidades Solares Inclusivas* (Inclusive Solar Communities) have also been created, to facilitate access for vulnerable institutions and/or communities to energy from renewable sources, promoted also through discounts on electricity bills.

Mobility

In addition to developing home and workplace charging solutions, which are increasingly comprehensive and digital, EDP has significantly expanded the public charging network, in its various geographical areas. In the first half of 2021, EDP exceeded the target set for the year of reaching 1,000 charging points contracted on the public grid. The increase in capillarity is one of EDP's major objectives in order to reduce consumer charging anxiety and, consequently, accelerate the adoption of this more sustainable mobility model.

Additionally, with a strong and clear focus on digital and on user experience, the EDP *EV.Charge* app was the first in Portugal to combine the management of charging in public and private spaces in the same application. The app provides users with a map of charging points on the national grid, their availability and tariffs and can be used to link the EDP Electric Mobility card to charge with 100%

green energy, fully digitally, by mobile phone at any station on the national grid.

3.2.2.2. Customer satisfaction

The EDP group has made a commitment to maintain a customer satisfaction level above 75% by 2022. This goal is monitored at the level of the commercial business units, either by monitoring customer satisfaction with the interactions with the company (Voice of Customer questionnaires), by the number of complaints, or through satisfaction questionnaires carried out periodically.

In **Portugal**, the satisfaction value in the free market reached 82%, an increase of almost 3 p.p. compared to the previous year. The NPS (Net Promoter Score) of the free market, which measures the degree of customer recommendation in relation to the company, remained stable compared to 2020 in the B2C segment (23%) and recorded a growth in the B2B segment (also reaching a score of 23%). In the regulated electricity market, there was a drop of 3 p.p. to 78%, which nevertheless remains above the corporate target. This was a year marked by rising energy prices in the wholesale markets, which were eventually reflected in the end customer and caused natural dissatisfaction among customers, but also put pressure on the margins of the various operators. Some of them were even forced into bankruptcy and SU Eleticidade, as Supplier of Last Resort, had to integrate those customers.

In Brazil, the main indicator used to measure customer satisfaction is the Quality Satisfaction Index (ISQP), obtained through the ABRADÉE Residential Survey, conducted annually. In 2021, there was a national drop in results, and EDP also recorded a reduction in this indicator, both in São Paulo and Espírito Santo. Despite the drop in the indicator, EDP improved its position in the

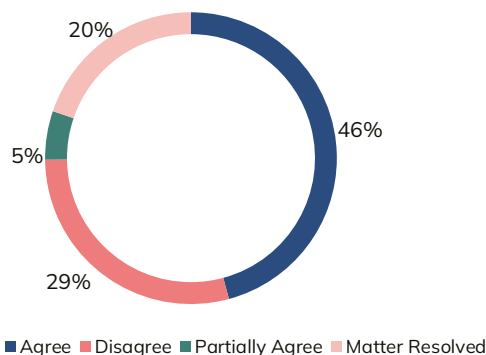
ranking for both countries. EDP São Paulo reached 69.5% and EDP Espírito Santo, 72.6%.

In Spain, in 2021, no B2C customer satisfaction survey was carried out, due to the restructuring of customer service following the sale of the B2C portfolio. In B2B, average satisfaction in Q4 2021 was 7.6 (scale of 0 to 10).

3.2.2.3. Complaint and claim management

The EDP group constantly invests in the development of channels and means of handling complaints and grievances and improving customer experience. In addition to facilitating the customer service channels - telephone, face-to-face and by correspondence - solutions are made available for appealing against administrative decisions in addition to those provided for by law. The Customer Ombudsman, the Ethics Ombudsman (see [Ethics](#) chapter) and participation in citizenship initiatives such as the Complaint Portal are tools for resolving complaints and grievances that improve customer experience and reflect EDP's values.

RESPONSE DETAILS FROM THE CUSTOMER OMBUDSPERSON(%)



In energy sales, the effects of the pandemic continued to be felt in 2021, particularly at the start of the year, which was accompanied by a particularly harsh winter. In its search for solutions to facilitate contact and provide an acceptable customer experience, EDP renewed its commitment with increased capacity in its call centre services and extended service hours in shops. In digital channels and self-care tools there were major improvements to

strengthen the remote channels and make processes more agile and guarantee a better service.

The unprecedented context of energy prices also affected complaints and claims in Portugal and Spain.

Also in Portugal, EDP has a Customer Ombudsman, an independent body whose role is to assess customer complaints in cases where they are not satisfied with the responses obtained from the standard complaint system. The Customer Ombudsman expresses its opinion on the energy supply and services provided by EDP companies, in particular: compliance with contracts, consumption estimates, billing and requests for compensation for damages directly resulting from the service provided.

Following the sale of the B2C business in Spain at the end of 2020, the overall number of complaints has reduced significantly. In the remaining countries, the downward trend in Brazil continues, although there was a slight increase in Portugal.

COMPLAINTS	UN	2021	2020	2019
Portugal		94,761	86,750	85,683
B2B	#	1,034	972	1,103
B2C	#	93,727	85,778	84,580
Spain		921	63,883	72,469
B2B	#	921	761	759
B2C1	#	0	63,122	71,710
Brazil		49,678	59,316	74,393
Empresa	#	40,799	49,047	57,746
ANEEL	#	1,828	1,632	2,081
PROCON	#	1,811	3,657	6,255
Justiça	#	5,240	4,980	8,311

¹ As of December 2020, EDP ceased to operate in the B2C segment in Spain, selling of electricity and gas. The 2020 value represents claims until November 30th, 2020.

3.2.2.4. Energy Prices

In the Iberian Peninsula, energy trading is free and consumers can contract their supply with any trading company.

In Portugal, and according to ERSE, at the end of September 2021, the free market represented more than 86% of total customers (around 95% of consumption) in mainland Portugal, and the regulated market tariff is expected to be abolished at the end of 2025. Until then, free market Normal Low Voltage electricity customers have the right to access a scheme equivalent to regulated tariffs and may return to the regulated market if their supplier does not provide this equivalent scheme. The average price of the benchmark tariff for sale to end-users in Portugal in 2021 mostly consisted of energy and marketing costs, 46.6% of the final tariff, with energy policy and grid use costs at 34.6% and 18.8% of the total, respectively.

In Spain, on 30 September 2020, the free market accounted for 63.1% of total customers, 98.7% and 99.2% of total customers in the SME and Industrial segments, respectively, and 61.9% of customers in the domestic segment. Domestic prices in Spain in 2021 had a lower energy policy cost component than in Portugal, at around 21.7% of the final tariff, with energy and grid use representing 61.8% and 16.5% of the total, respectively.

In Brazil, in November 2021, the free market represented 0.01% of total customers (9,668 out of about 86 million customers), about 34% of consumption. Since January 2020, all consumers with contracted power greater than or equal to 500 kW are eligible to migrate to the free market, provided they purchase energy from renewable sources, with those contracting power greater than or equal to 2,000 kW being able to purchase energy from any source. Under MME Ordinance 465/2019, which set

out the timetable for reducing the compulsory purchase of certain sources and opening the market, since 1 January 2021 consumers with contracted power greater than or equal to 1,500 kW can purchase energy from any source as free consumers, with this threshold decreasing to 1,000 kW from 1 January 2022 and 500 kW from 1 January 2023, when it is planned it end the market reserve. The Ordinance also provides for studies to be carried out, to prepare the schedule for opening the low-voltage market by 2024. Regarding the composition of the electricity price, energy and supply account for around 50% of the costs invoiced to the customer, while grid use (transmission and distribution) and energy policy account for 39% and 11%, respectively.

3.2.2.5. Quality of technical service

Improving the quality of the technical service provided to customers is one of EDP's main aims as operator of distribution networks. EDP maintains a process of strict monitoring of technical service quality, so that mitigating measures can be taken whenever justified. At the same time, there are additional checks and analyses at the points of delivery to customers, in accordance with regulatory provisions. These procedures aim to contribute to the optimisation distribution network maintenance and operation, with a focus on improving the quality of the service provided.

In 2021, quality of service remained high as a result of the commitment of the technical teams, in a joint effort between EDP and the service providers, and due to management measures, new investments and cooperation and dialogue with stakeholders.

In Portugal, specific investments and grid asset maintenance plans have contributed to the good performance of the distribution network, as well as the HV, MV and LV grid modernisation and automation projects over the last decade, with stabilisation of the main service continuity indicators in recent years.

In 2021, the distribution network experienced several extreme weather events, including the Hortense depression between 21 and 22 January and the Atmospheric River phenomenon (movement of a cold front with the subsequent influence of a tropical air mass with high water vapour content) that occurred between 29 and 30 October. The northern and central regions of mainland Portugal were the most affected, with wind gusts exceeding 120 km/h, impacting the national distribution network at its different voltage levels.

E-REDES developed an effective response to the above-mentioned events, by alerting its entire operational structure with the activation of the POAC-RD (Operational Plan for Crisis Response of the Distribution Network), resulting in the reinforcement of the teams of E-REDES and its External Service Providers and in the reinforcement of the allocation of vehicles, generators and other specialized equipment.

In an effort to ensure continuous improvement, E-REDES has developed an Incident Prediction System - PREDICTIVE GRID. This system uses *Machine Learning* models that process meteorological data and the history of previous incidents to predict the number of incidents in the following days, grouped by geographical area. These results provide E-REDES with the ability to anticipate events with an impact on Service Quality and to adapt its response to extraordinary events.

In order to facilitate and stimulate the Energy Transition, E-REDES developed a forecasting tool - PREDIS - that uses *Machine Learning* algorithms in a *Big Data Cloud* environment to obtain an estimate of generation and consumption for the following days (D+5). This tool provides E-REDES, in its operation of the power grid, with the capacity to reduce waste from losses, to identify grid constraints upstream and to optimise its performance. It should also be noted that PREDIS was the winning project in the *Best Future of Intelligence Project* category in the Portugal Digital Awards 2021.

Also awarded the *Best Energy & Utilities Project* of the Portugal Digital Awards 2021, the *Field Force Remote Support* platform provides digital resources to assist more than 3,500 operational teams. The platform is used to monitor the presence of employees in critical locations of the electrical infrastructure, and to provide remote video assistance using augmented reality solutions to the

different live forces in the field. When faced with an unfamiliar situation or a situation that raises doubts, these teams can establish a session with a specialist in the type of assets or procedures to be implemented, so that they can be quickly supported in the actions to be undertaken, thus avoiding the need for second teams to go into the field. The implementation of the *Field Force Remote Support* platform resulted in real gains in efficiency in the allocation of operational resources and improved resolution times in highly complex events.

In Brazil, in 2021, the indicators of the distributors, EDP São Paulo and EDP Espírito Santo, remained below the regulatory limits established by ANEEL, mainly due to upgrades and preventive maintenance. The distributors have specific projects for the improvement of quality indices focused on promoting handling of recurrent outages, upgrades to internal processes and acquisition of new technologies.

Good performance in the indicators is also the result of the use of digital platforms for the field teams, with speedier information flows and agility and efficiency of responses provided. The "De Olho no DEC" initiative was developed, to strengthen multidisciplinary teams, restructure the Integrated Operation Centre (IOC), devise a plan to increase the number of reclosers in the grid and centralise team dispatching by the IOC.

In the last year, the Equivalent Duration of Interruption per Consumption Unit (DEC) indicators were 6.35 for EDP São Paulo, a decrease compared to 2019 (7.18) and 7.56 for EDP Espírito Santo, an improvement compared to the previous year (7.85). The Equivalent Frequency of interruption per Consuming Unit (FEC) recorded in both São Paulo and Espírito Santo was consistently better than the limits set by the regulator and lower than in 2020, with the results for 2021 being 4.13 and 3.92, respectively.

3.2.2.6. Safety of products and services

The safety of the products and services marketed by EDP represents a fundamental business sustainability factor. Ensuring that the equipment made available, and the activities delivered are risk-free, or only present limited risk compatible with a high level of health and safety protection for customers, suppliers, employees and society in general, is considered an essential organisational requirement, endorsed at the highest levels and implemented by the entire group.

Accordingly, the energy services provided by the commercial area to customers are subject to a number of practices promoted to guarantee the safety of the products and services marketed:

- availability of *online* simulators to scale the solution for the customer. For equipment with more complex installation and scale, a prior visit to the customer's home assesses the best solution and any need for additional work. At the same time, equipment is selected to ensure compliance with the regulations in force, appropriate to any existing constraints at the customers' premises
- installation of the equipment by duly qualified teams, supervised by the commercial area's safety coordinator
- factory tests on equipment and subsequently at the customer's premises, in order to ensure compliance with the safety requirements in force
- customer training, including instructions for use and safety rules

- provision of means for safe use by the customer to avoid accidents or potentially dangerous situations
- specific studies for safety analyses of the structure of buildings and of accessory equipment, enabling safety risks to be mitigated or even eliminated, for continuous improvement
- regular inspection of assets, according to their function, type and regulation, to ensure their safe operation during their life cycle.

In energy distribution services, which are provided in Brazil, Spain and Portugal, the systems are installed in such a way as to ensure maximum protection against accidents and improper use, complying with the technical standards established by the regulatory bodies.

Since 2020, and continuing into 2021, the evolution of the pandemic in the various countries was monitored in order to implement a wide range of actions with partners, to alert and protect them and customers.

3.2.2.7. Vulnerable clients

Quality of life and well-being are directly dependent on energy accessibility, especially affordable, high-quality electricity. In an increasingly technological and digital society, ensuring that everyone can enjoy this essential asset is a challenge that the EDP Group places at the heart of its business strategy, with quantitative objectives (more detail in www.edp.com) and the commitment to contribute to the targets of the United Nations Sustainable Development Goals (SDG 7).

EDP's approach to customer energy vulnerability is based on three pillars:

Commercial Commitments

EDP scrupulously applies the service guarantees specified by regulation and which aim to protect priority customers from interruptions in the supply of energy. Priority customers are individually informed of supply interruptions subject to prior notice, with an adequate minimum advance period, and they have priority in restoration of service following faults. Priority customers are health services, security forces, fire brigades, civil protection, maritime and air safety, and prison facilities. Equally, for customers with special needs, with limited vision, hearing, oral communication or olfactory, EDP adapts the information and communication systems and guarantees the same quality of service and rights as are available to other customers.

EDP also offers the "Factura Segura" (Protected Invoice) service, which insures against 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 necessary energy services to ensure adequate thermal comfort, i.e., inability to heat and cool their homes adequately at an acceptable cost. The structural causes of energy poverty are the poor energy performance of the housing stock and the inability of unemployed and poor families to invest in improving the energy efficiency of their homes. The social impacts of energy poverty are also well-known: deepening structural poverty and social exclusion, with significant impacts on public health.

COMMERCIAL COMMITMENTS	ENERGY POVERTY	ACCESS TO ENERGY
Service guarantee Adapted solutions	Social tariffs Energy Efficiency	New businesses Social donations

EDP argues that support for energy poor customers should be directed at solving the structural problem, fundamentally through the implementation of energy efficiency measures and the adoption of preventive measures to avoid power being cut off in response to non-payment. In line with the European Commission's guidelines, the Group also advocates that this type of measure be financed, preferably, by the State, as an obligation of the Social State, or alternatively supported by other consumers, as a national solidarity measure.

In Portugal, since 2010, legislation has provided for the application of a social tariff for electricity and natural gas, which grants a discount to economically vulnerable customers in the access tariff, financed, in the case of electricity, by standard electricity producers and, in the

⁴ During the national lockdown, these customers also benefited from an additional 10% discount on their electricity bill, financed by the Environmental Fund.

case of natural gas, by the transmission network operator, distribution network operators and natural gas suppliers.

In 2011, the Extraordinary Social Support for Energy Consumers (ASECE) was created, funded by the State, to grant a discount to economically vulnerable customers amounting to 13.8% of their bill, to compensate them for the increase in VAT from 6% to 23%. In 2016, access to the social tariff was facilitated, with the extension of its eligibility criteria and its automatic allocation, in addition to the incorporation of ASECE within this. By 2021 year end, the number of beneficiaries of the electricity social tariff in Portugal was around 762,000 customers, with a discount equivalent to 33.8% of the gross price of the transitory tariffs of the regulated market⁴, corresponding to 117 million euros, of which 74 million euros are borne by EDP. In turn, there were around 52,000 beneficiaries of the natural gas social tariff in mainland Portugal, with a discount equivalent to 31.2% of the bill ex VAT in the regulated market, a total of EUR 2.6 million, of which EUR 257,000 were borne by the EDP Group supply companies. In November 2021, the number of social tariff beneficiaries in EDP's customer portfolio was approximately 550,000 customers for electricity and 23,000 for gas.

In addition, the support measures for customers exposed to the pandemic (unemployment, drop in household income equal to or greater than 20%, or infection by COVID-19) remained in force during 2021, cutting off electricity and natural gas supply due to non-payment was prohibited and debt payment was made more flexible, by dividing the amounts owed into up to 12 monthly instalments, with no late payment interest

In Spain, the social tariff has been in place since 2009, but only covers electricity customers. The mechanism currently in force distinguishes three categories of social tariff beneficiaries, depending on their income level: vulnerable customers, with a 25% discount, severely vulnerable customers, with a 40% discount, and customers at risk of exclusion, with a 100% discount. However, with the publication of Royal Decree-Law 23/2021, of 26 October, vulnerable customers and severely vulnerable customers had their discounts increased to, respectively, 60% and 70% until 31 March 2022. The discounts in question apply to fixed term and maximum energy consumption. The social tariff is not granted automatically and must, as a rule, be requested and renewed periodically by the customer, if they meet the eligibility conditions, in particular, income-related criteria. Following the sale of the B2C commercial business to *Total* in December 2020, there are no social tariff beneficiaries in the customer portfolio of EDP's suppliers in Spain.

In Brazil, the social tariff was implemented in 2002 and consists of a benefit created by the Federal Government applicable to low-income families. This is a discount on the tariff applicable to the residential class of the electricity distributors, which can vary between 10%, 40% and 65%, according to the consumption of each residence, up to a maximum of 220 kWh/month. Indigenous and *quilombola* families who meet the specified requirements benefit, in turn, from a 100% discount up to a consumption limit of 50 kWh/month. In 2021, EDP's two energy distribution companies added approximately 360 thousand customers registered for the social tariff, customers registered for the social tariff, a number that may increase in 2022 as a result of the recent approval of ANEEL Normative Resolution 953/2021, under which distributors, from January 2022, will be obliged to grant the

social tariff benefit automatically. ANEEL must provide databases with the necessary information for the distributors to crosscheck the information. In this way, if a customer is identified as meeting the criteria of the social tariff, the benefit will be granted.

The EDP Group's contribution to the protection of vulnerable customers is not, however, limited to the promotion of the social tariff and compliance with legal obligations. Voluntarily, through its [Social Investment Policy](#), EDP also develops programmes to combat energy poverty (see chapter [Voluntary investment in the community](#)).

Everybody needs the sunshine

In what is now the decisive decade for the planet, EDP has charted a path of reinvention in which it is no longer merely a traditional energy supplier but a partner in sustainability solutions. The democratisation of solar energy through distributed generation is a key vector of the energy transition and one of the main drivers of the delivery of EDP's sustainability strategy. The installation of solar panels on more and more homes and businesses will be critical for both the energy transition of consumers and the resilience of the system.

The growing use of this technology sees predicted installed capacity in solar photovoltaic tripling by the end of the decade to reach 900 GW globally. EDP has increasingly witnessed the realisation of this trend, which has resulted in an enormous acceleration in the rate of adoption across the board by customers in various segments.

In 2021, EDP again enhanced its position in the markets where it operates. This stronger position was achieved not only in Portugal, where growth is leveraged by a solid customer portfolio acquired over the years, but also in other more recent markets, where growth has been accelerated in other ways, namely by acquiring significant companies in the local market, specialised in the sector. In Italy, the purchase of Enertel, a supplier of decentralised solar energy self-consumption solutions, brought access to a strong commercial network and more than 350 projects, of around 14 MWp, bringing robustness to operations.

Across the various geographical areas, EDP has shown itself capable of responding to growing customer demand for decentralised solar solutions, by anticipating possible barriers to involvement and seeking to develop

solutions tailored to residential and corporate customers alike. Due to the complexity required, in particular by corporate customers, EDP's engineering teams are equipped with the best market tools, so that they can work side-by-side with customers to ensure project profitability by customising the installation. Also, in the "As-a-Service" business model, EDP takes on 100% of the initial investment and is responsible for operating and maintaining the power station for 15 years, which removes the customer's need of loan capital for the initial investment and providing them with significant savings in costs and emissions.

This responsiveness is reflected into record results in this business area. EDP more than doubled MWp of solar energy contracted in 2021 compared to 2020, aggregated across the geographical areas of its commercial operations, exceeding the 430 MWp installed since the beginning of its activity.

In Spain and Portugal, where distributed solar has a greater weight in the EDP portfolio, over 20,000 families installed solar panels in their homes during the year. A total of more than 65,000 installations have already been carried out among residential customers. In the business sector in 2021, the installed assets in the two countries produced more than 50 GWh, representing the CO₂ absorption of 1.2 million trees.

EDP sees decentralised solar as a fundamental component in fulfilling the ambitions of its business plan and the Group is committed to fighting for global leadership in solar power, by providing an experience of excellence to the consumer, accompanied by an operational process

FUTURE-PROOF ORGANIZATION

HIGHLIGHTS 2021

1. EDP is selected to be part of the Bloomberg Gender Equality Index and EDP Renováveis has renewed its presence for the second year running.
2. Creation of SICO - Social Impact Coordinator Office with the aim of reinforcing the impact of voluntary investment, with emphasis on just energy transition programmes.
3. Kick-started our internal incubation pipeline with projects and increased our Ventures target in startups up to €100M by 2025.
4. Approval of the new [Human and Labor Rights Policy](#) with the aim of empowering the organization and its partners to the challenges of EDP's growth and geographical expansion plan.

CHALLENGES 2022

1. Standardize the dichotomy between TCFD (USA) and Taxonomy (EU) in climate risk reporting.
2. Promote the development of a global standard/standard for objective and effective comparison of Sustainability Reports.
3. Progress the review of the green financing framework to accommodate ICMA 2021 principles and promote alignment with European taxonomy regulation.

3.3. Future-proof organisation

3.3.1. Ethics and Compliance

Alignment with the SDGs	Targets	KPIs 2021	Target 2025
 	Recognition by Ethisphere	YES	YES
	Confirmed corruption cases, with impact on company	0	0

The EDP Group assumes Integrity and Good Governance as one of its sustainable development principles, which is reflected in compliance with established legislation and ethical standards, upholding and promoting respect for human rights within its sphere of influence and ensuring governance of participatory, competent and integrity-based business.

Accordingly, to contribute to its sustainability objectives, since 2005 EDP has had a [Code of Ethics](#) that establishes Group-wide ethical principles and commitments applicable to all activity, complemented by other policies such as 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 Preventing and Combating Harassment at Work, the

[Policy of Respect for Human and Labour Rights](#), which are implemented through specific procedures.

In turn, there is a Compliance Management System which includes a range of policies, organizational rules and responsibilities, action plans and procedures defined at corporate level and applying to the whole Group. Whenever necessary, corporate guidelines are specified by the business units, in order to meet the specific requirements of the different geographical areas and activities.

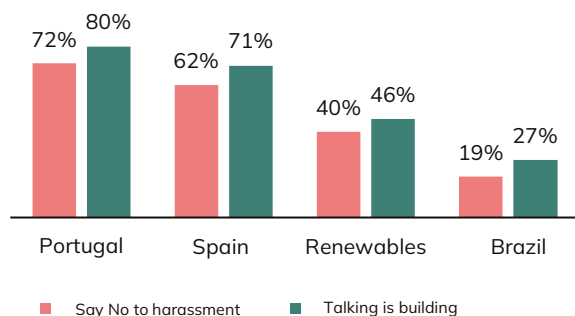
3.3.1.1. Ethics

In 2021, the activity of the Office of the Ethics Ombudsman followed the work procedure outlined in the Ethics Programme 19-21, focusing efforts on the incorporation of knowledge about the new [Code of Ethics](#) revised in 2019-2020 into the EDP Group and on optimizing Ethics governance and management models.

The dissemination of the new Code and the emphasis on some of its guidelines was supported by a comprehensive Ethics Training and Communication Plan, with the delivery of cross-cutting training sessions under the brand “Ética é Valor” (Ethics Creates Value) created last year, on topics such as Talking is Building (aimed at encouraging the attitude of natural reporting of ethical violations) and Say No to Harassment (to raise employee awareness of responsible action in this area). These sessions were made available in the different geographical areas where

EDP operates. In Portugal, the participation rates were, respectively, 80% and 72%. The rates were lower at EDP Spain (71%; 62%), at EDP Renewables (46%; 40%) and EDP Brasil (27%; 19%)

Specific sessions were also developed for particular tar-



get groups - leaders in the commercial area, on the ethical risks of this business area, and the most relevant service providers in Portugal, on awareness of the new [Code of Ethics](#) - thus complying with the guidelines of the 2019 Ethics Training Model that advocates a mix of cross-cutting and targeted training to achieve the goals of greater ethical awareness in organizations. These targeted sessions covered 56 leaders from the commercial area and 107 “energizers” from more than 45 EDP partners, who then cascaded the message about the importance of the [Code of Ethics](#) to their own Companies.

Aware of the importance of communication in this area, several briefing notes were produced throughout the year on the importance of Ethics at EDP, published in the various internal channels, with an emphasis on the celebration of Ethics Day in October through a range of events.

The creation of EDP's new administration cycle - the Executive Board of Directors and the General and

Supervisory Board - made it possible to implement an Ethics governance model that is more in line with best practices, based on greater independence and the specific competence of its members. This involved the creation of new Ethics Committees – EDP SA, EDP Renewables and EDP Brasil – duly supported by operating Regulations aligned in the three geographical areas. A more integrated vision of the business ethics policy, promoted in the meantime by the Chairman of the EDP SA Ethics Committee - who is the Chairman of the General and Supervisory Board - facilitated, among other initiatives, the development, managed by the Office of the Ethics Ombudsman, of a global scorecard of contacts received in all the Group's ethics channels, to provide us with global and timely information on whistleblowing trends.

The activity of improving Ethics and Compliance processes and procedures, contained in the work plan created the previous year, continued to support the annual application for recognition of the “Most Ethical Companies in the World” by the Ethisphere Institute – granted once again in 2021 to EDP – an application that has also been submitted for 2022. This plan is managed by a multidisciplinary team coordinated by the Ombudsman and contributes decisively to a more solid and coherent management of Ethics in all its “border areas”.

An Ethical Environment Questionnaire was developed and launched in the last part of the year to collect the perceptions of all Group employees about the Company's ethical culture, with an evaluation of the incorporation of Ethics into the values of the organization and of the transparency and strength of ethical structures and leadership. In what was the first year that the study was sent to all employees, more than 4,700 responded.

Overall, the results were positive and, when compared to the “Ethics @ Work” international study of the Institute of

Business Ethics, EDP's position in this area is more positive in most of the indicators observed.

It should be noted that, in terms of incorporating ethical values, most employees perceive the Company as being committed to the principles of Ethics (90%) and state that they know what is expected of them in terms of ethical behaviour (88%). Regarding the ethics management process, employees state that they are familiar with or have knowledge of the Code of Ethics (87%) and consider it to be a useful guide (86%). Also with regard to ethical leadership, most feel that senior management accurately conveys the importance of Ethics (82%) and that their line managers are good examples of ethical conduct (85%).

However, some opportunities for improvement were also identified: particularly in the reporting of possibly ethical problems, where only 1/3 of observed situations were reported; in knowledge of the ethical complaints management process, where only 58% know the process; and in the perception (22%) that good results are rewarded even if they are achieved unethically.

The Questionnaire response analysis will be used to define action plans based on the identified areas for improvement. The process of managing potentially ethical contacts - the responsibility of the Ethics Ombudsman - followed its normal course, with some procedures having been improved to make it more effective and efficient. The regular analysis and processing of cases, as well as referrals, when relevant, to the Ethics Committees – namely EDP SA and EDP Renewables – were managed throughout the year by the Ethics Ombudsman.

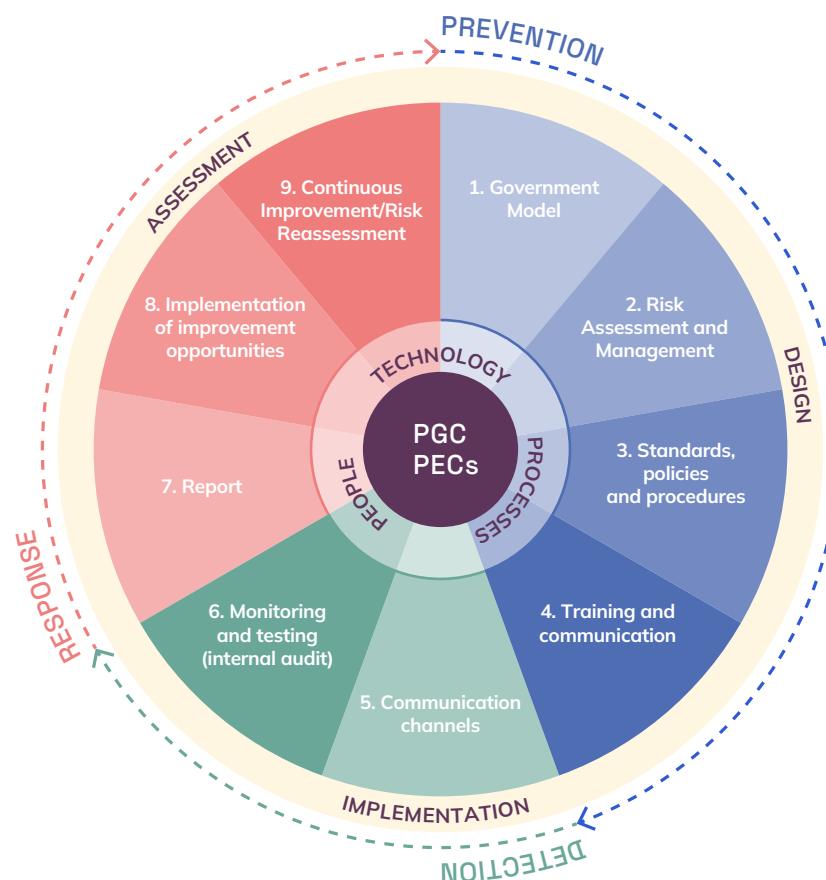
3.3.1.2. Compliance

Compliance with both external and internal legislation and regulations is a fundamental commitment for the EDP Group. Group organisations, employees and service providers acting on its behalf are required to guide their behaviour in accordance with this commitment and actions or omissions that constitute violation or breach of the rules are not tolerated.

EDP therefore assumes a **zero-tolerance Compliance policy** in relation to any act that fails to comply with the applicable legal and regulatory rules, based on the principles of transparency and justice, to prevent and combat illegal acts, particularly bribery, corruption, money laundering and financing terrorism, among others.

In line with this **zero-tolerance Compliance policy**, the Compliance Department (DCO) has been created with responsibility for promoting respect for and compliance with the law and regulations in force in all geographical areas where the EDP Group operates, through the implementation of a Compliance Management System, aligned with international best practices in

COMPLIANCE MANAGEMENT SYSTEM



risk management, internal control and fraud prevention, particularly with ISO 37301 and the COSO (*Committee of Sponsoring Organizations of the Treadway Commission*) methodology).

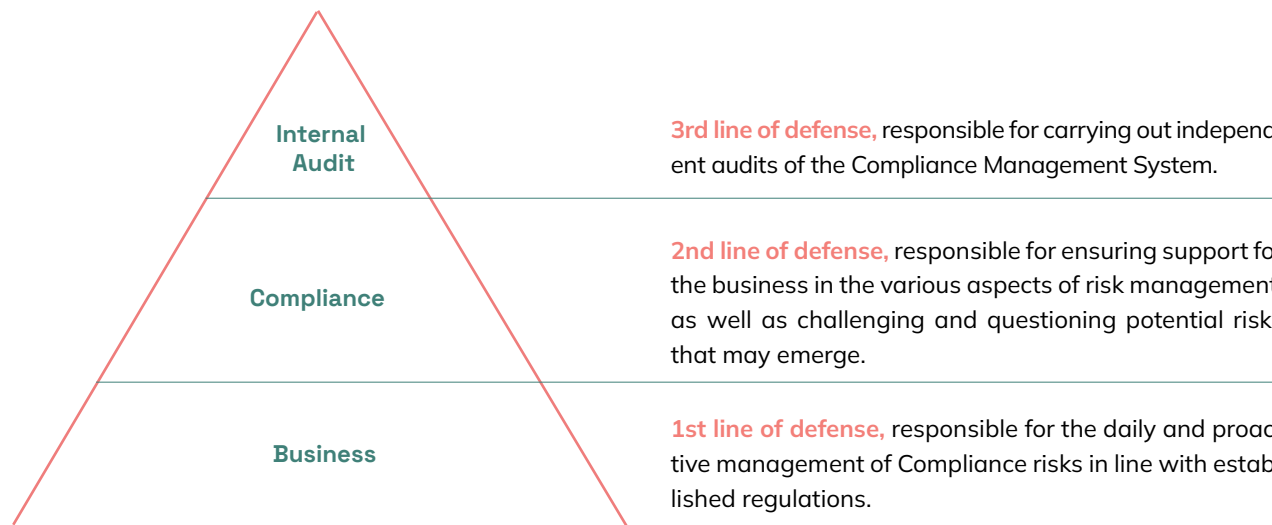
EDP's Compliance Management System is broken down into nine components, grouped into three main principles, derived from a Global Compliance Programme (PGC) consisting of different Specific Compliance Programmes (SCPs), namely: (i) Integrity/Anti-Corruption; (ii) Personal Data Protection; (iii) Competition; (iv) Prevention of Money Laundering; (v) Separation of Activities; (vi) Environment; (vii) Health and Safety; (viii) Internal Control over Financial Reporting System. This structure has harmonized the guidelines and methodologies of Compliance management throughout the organization and in different regulatory areas.

In terms of management accountability, the Compliance unit reports to the Executive Board of Directors and has a reporting function relative to the General and Supervisory Board through its Financial Matters Committee/Audit Committee, thus ensuring that its activity is monitored by these two governing bodies.

The Global Compliance Programme and Specific Compliance Programmes are monitored by the Compliance unit and undergo periodic internal and external audits, which may result in the identification of improvement opportunities, which are considered for the purpose of improving Compliance management.

Data Protection

Strict respect for the privacy of customers, employees, service providers, suppliers, partners and other stakeholders is assumed by EDP as a golden rule to be followed in its activity throughout the value chain. Thus, personal data protection is an important specific programme of the Global Compliance Programme, which is based on seven



main principles established in the Personal Data Protection Policy (see next page)

This means that the Group companies are governed by specific Privacy Policies based on the management of compliance risk, the content of which is known to all the personal data controllers covered and applies to the entire life cycle of the data processing performed by companies or by service providers.

In each geographical area and business unit, EDP appoints a Data Protection Officer (DPO) whenever there is such a legal obligation and establishes specific teams with responsibility for promoting the dissemination, knowledge, training, and implementation of the Compliance programme in their areas of activity. The management of this Specific Compliance Programme is coordinated by the Corporate Compliance Department, and Internal Audit is responsible for specific audits to verify the adequacy and effectiveness of the implemented control mechanisms.

1. Lawfulness and purpose

EDP Group companies only process personal data for legitimate and clearly defined purposes.

2. Transparency and Loyalty

We inform all our customers, users, employees, suppliers and partners about how we process your personal data, why we do it, how long we keep it and with whom we share it.

3. Proportionality

We only collect and use personal data that is strictly necessary for our legitimate purposes.

4. Control

All holders of personal data used by the EDP Group have control over these.

5. Privacy from moment “0”

When devising a new business model or service, EDP Group companies assess the impact of those on their privacy, striving to mitigate the risks that may arise.

6. Responsibility

We define tasks, responsibilities and reporting lines in each EDP Group company in terms of compliance with data protection legislation.

7. Security

We implement technical measures in line with the best market practices and develop processes and procedures that allow us to keep all the personal data we process in adequate security conditions in view of the risks involved.

In 2021, a total of 6,158 employees received training under the Personal Data Protection Compliance programme, corresponding to a total of 3,976 hours of training (2020: 4,600 employees / 2,761 hours).

A package of Group-wide methodologies and procedures were defined to safeguard data protection in all new projects, products, and services in order to monitor their possible impact on the private sphere of customers and other data subjects, in particular by addressing:

- risk and impact evaluations;
- Privacy by Design processes;
- response to the exercise of rights;
- management of subcontractors;
- handling of personal data breaches; and
- complemented by specific procedures defined by the business areas.

In the Privacy Policies, as well as in other 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 data processor, so that data subjects can exercise their personal data protection rights, request information or clarification on their data and lodge complaints.



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, employment candidates and other third parties under legislation for the prevention of money laundering and combating the financing of terrorism, with the depth of analysis 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, in order to ensure greater transparency and mitigation of situations, even if apparent or potential of misconduct or inappropriate behaviour
- procedure for the attribution of donations and sponsorships, under which the integrity of the respective beneficiaries must be ensured, and the actual application of the support granted must be monitored
- conflict of interest management procedure establishing rules of action for the prevention, detection and management of apparent, potential or actual Conflicts of Interest, in order to guarantee impartiality and transparency in decision-making and to prevent misconduct or inappropriate behaviour
- investigation procedure, defining the principles of action and rules to be followed in an investigation, involving five phases, starting with the preliminary analysis, documentary investigation, interviews, investigation and finally the release of a final report.

With regard to customer complaints, the EDP Group received a total of 364 in 2021 (2020: 456).

Regarding matters relating to personal data protection breaches, during 2021 the EDP group entities notified the control authorities of 9 personal data breaches of customers in Portugal (2020: 14), Portugal (2020: 14), with no notifications submitted to the control authorities in the other geographical areas. Of which 2 were also reported to the data controllers (2020: 1).

More secure data

In 2021, the Group implemented new software with a view to ensuring greater automation in the management of internal processes associated with the Personal Data Protection Specific Compliance Programme. This software, internally called Personal Data Protection Management Tool (FGPD), is available to the main stakeholders in the Data Protection SCP of EDP companies in Portugal and that of the EDP Spain, EDP Renewables and EDP Brasil subgroups.

The FGPD provides greater efficiency in internal processes by centralizing the main elements of the SCP, by filling in templates and adopting workflows, to ensure greater information security and traceability. Additionally, this tool facilitates the verification of compliance with the duties and obligations of the Group companies, who are responsible for the processing of personal data.

	UN	CLIENT			DATA PROTECTION AUTHORITY
		EDP COMERCIAL CHANNELS	DPO	OTHER CHANNELS ¹	DPO
EDP COMERCIAL	#	286	10	19	1
SU ELETRICIDADE	#	22	15	10	0
EDP SPAIN	#	0	0	1	0

¹ E.g., complaints book, complaint portal, DECO, etc.

Risk of corruption, bribery, fraud and money laundering

EDP's priority is to promote mechanisms to ensure that all Group 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.

Thus, in accordance with the principles of the [Code of Ethics](#), the [Integrity Policy](#) internally and externally 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.

This policy also establishes guidelines for (i) carrying out integrity due diligence of third parties; (ii) relationships with public officials and politically exposed persons; (iii) the acceptance and attribution of offers and invitations to events; (iv) the monitoring of international sanctions.

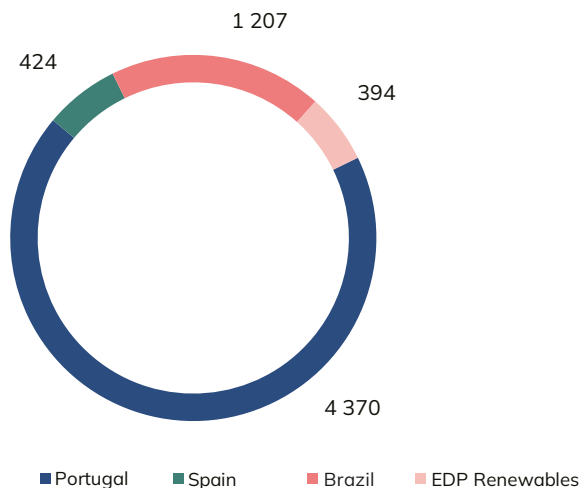
With regard to corruption and bribery, the Integrity Policy contributed to the systematization of the Specific Integrity/Anti-Corruption Compliance Programme, complementing the package of internal regulations and existing Compliance mechanisms.

In 2021, 6,395 third parties were analysed under the third-party integrity due diligence (DDI) procedure. The main risk factors addressed in the integrity analyse are checks of the inclusion of counterparties in sanctions lists, associations with Politically Exposed Persons, on-going court proceedings, adverse media, conflicts of interest or other risks to integrity.

If necessary, the analysis can be performed in greater depth, which may include the use of specialist external consultants. The conclusions of DDIs are set out in an opinion that includes specific recommendations on the approval of the transaction, the adequacy of the contractual conditions and monitoring of contract performance.

The EDP Group provides various means and channels for the communication of infractions, incidents and complaints of a cross-cutting nature, the management of which is ensured by independent and impartial departments. There are also specific whistleblowing communication channels with application to certain countries or

INTEGRITY DUE DILLIGENCE (# third parties analysed)



subgroups, as listed in Annex I. In this context, globally, in 2020, 3 incidents relating to corruption and bribery remained open and, in 2021, 9 new cases were registered. Among the total incidents recorded, the analysis of 2 cases has not yet been completed, 8 were considered unfounded and 2 justified, but without impact on the company. These 2 cases triggered disciplinary actions against the employees involved.

Under the Specific Compliance Programme for the Prevention of Money Laundering and Terrorist Financing, internal regulations and a company-wide whistleblowing procedure for suspicious operations have been defined and in 2021 no suspicious operation was identified at Group level.

Overall, in 2021 under the Integrity/Anti-Corruption Compliance programme group-wide training was delivered to impart knowledge of the cross-cutting procedures published in 2020, which were complemented by specific initiatives developed at local level in accordance with the

identified needs. A total of 23,978 participations in multiple training sessions were accounted, corresponding to a total of 7,706 hours' training (2020: 9,732 employees).

The following are important examples of these training initiatives:

- in Portugal, an awareness session open to all employees on the Global Compliance Programme and Specific Integrity Programme
- in EDP Spain, clarification sessions on Integrity Procedures
- in Brazil, training for strategic suppliers
- in EDP Renewables, the organisation of the Compliance Day event.

Fair competition practices

EDP promotes strict compliance with Competition rules, based on the commitments assumed in its [Code of Ethics](#), its [Integrity Policy](#), its [Commitment to Healthy Competition](#) and its Competition-related Specific Compliance Programme.

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.

The SCP was reviewed and approved during 2019, with a focus on the EDP Group companies operating in Portugal, comprising, in particular, the documents listed in the next page:

2020 was the pilot year for the implementation of the SCP in the companies of the EDP Group operating in Portugal, the results of which were extremely positive, with proven adherence by employees and companies to fair competition practices. The companies presented evidence of their performance in accordance with the competition rules.

Based on the results obtained in the SCP's pilot year, some opportunities for improvement were implemented in the business units during 2021.

SCP

Governance Model with regard to compliance with national and community legislation on competition

EDP Group Competition Manual, of mandatory acknowledgement by employees

Training and awareness-raising actions for EDP Group employees in Portugal on the basic concepts of competition, the main rules of conduct to be observed

Specific e-mail address for confidential reporting of possible infringements

Frequent specific controls for compliance with competition rules in the different business units covered

Internal policies and procedures relating to the activity of the EDP Group, namely in terms of wholesale and retail offers and access to networks, in order to ensure that the principles to be followed in terms of competition are respected

Checklist and standard clause to guarantee compliance of contracts with competition rules. These rules are also explicitly applicable in the context of EDP's participation in business associations

2021 also saw the review and approval of new elements of the SCP, for example:

- Update of the Generation Offers Procedure
- Dissemination of a new training course on the concepts of Competition and the main rules of conduct to be observed by employees
- Revision of the Competition Manual. The Manual was sent electronically to all employees involved, again with the sponsorship of the Chair of the Executive Board of Directors;
- Formalization of the Coordination Procedure for the notification of concentration operations to the Competition Authorities;

Two competition-related court cases are currently open:

- In the first case, EDP, S.A. and EDP Comercial were charged by the Portuguese Competition Authority with entering into an alleged non-compete agreement with Sonae MC - Modelo Continente.

This decision was appealed before the Portuguese Competition, Regulation and Supervision Court (TCRS), which reduced the fines by 10%, to EUR 2.6 million and EUR 23.2 million, respectively. This TRCS decision was appealed before the Lisbon Court of Appeal. In April 2021, this court referred the case back to the Court of Justice of the European Union. The decision is pending.

- In the second case, EDP Produção is accused by the Portuguese Competition Authority of abusing its dominant position in the secondary regulation band market, with the imposition of a fine of EUR 48 million. EDP Produção has appealed against the decision of the Competition Authority to the TCRS. The conclusion of the trial is pending; it is expected to end in the first quarter of 2022.
- The EDP Group is fully convinced that, in neither case, were offences perpetrated

A similar approach to prevention and mitigation of practices that restrict competition is being implemented for the remaining geographical areas, without prejudice to the codes and manuals already implemented.

System for Internal Control over Financial Reporting

Under its financial reporting obligations, EDP has developed an Internal Control over Financial Reporting System (SCIRF). This is a model for evaluating and mitigating the risks of financial reporting that includes analysis and evaluation of existing risks, design of action plans and implementation and monitoring of control activities and identification of potential improvement actions.

The EDP Group's SCIRF 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 entity level controls, and by the Control Objectives for Information and related Technologies ("COBIT") in relation to general information technology controls. In 2021, the SCIRF mapped and monitored a total of 3235 controls that contribute to mitigating the risks of Financial Reporting, including fraud risks.

Annually, the SCIRF undergoes an external audit by an independent body, and since 2010 it has been considered, in all materially relevant aspects, an appropriate and effective internal control system and is certified by the external auditor without conditions and comments.

3.3.1.3. Transparency in communications

Responsible political involvement

The approach to relations with institutions (national, European and international) is managed 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 to political parties, candidates, political campaigns/candidacies or to related people or entities, including 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 regard, although permitted in some of the legal regimes in force in countries where the EDP Group operates, none of the Group's companies have made monetary contributions or contributions in kind to political parties.

Nevertheless, EDP participates in public decision-making processes, and engages in activities with various national, European and international institutions, with a view to conveying to public bodies their legitimate interests and/or those of the sector, which it considers worthy of consideration within the scope of legislative processes.

These activities include:

1. Awareness of specialised people and institutions, in the USA (EDP Renewables)

In accordance with US law, and at the request of US employees, EDP Renewables North America (EDPR NA) provides duly regulated mechanisms for the participation of employees in political processes and has established a policy action committee (PAC) called "EDPR NA PAC". The EDPR NA 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 political campaigns to support are made with the approval of the PAC's Board of Directors, whose members are elected PAC members, also in accordance with US law.

The activities representing the interests of EDPR NA mainly involve the following awareness-raising initiatives, are presented in the table on the next page.

2. Participation in the main European or international Sectoral or Industrial Associations

During 2021 EDP, 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. The EDP Group 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). At the same time, to promote the development of the energy sector, its sustainability and efficiency, EDP strengthened alliances with similar parties 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, the following are of note, i) the argument for putting 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 Group (WBCSD), or at European level such as Eurelectric, or at 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 and others, clearly identify the shared and constructive path that the EDP Group intends to continue to follow.

Active participation in the preparatory work for COP26, involving drafting an EDP all green by 2030 COMPACT with all behaviour and positioning commitments among energy utilities. This ratifies Google's COMPACT 24/7 and COMPACT DK on H2 development, and support the transparent, scrutinized, and constructive positioning of the EDP Group's growth.

3. The direct or indirect Involvement of employees appointed/designated for this purpose.

At 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 in the European Union register and provide up-to-date information on these interests.

Internally, EDP Group has developed a Stakeholder Relationship Policy, with the definition of principles and guidelines for interaction with strategic groups, in particular Employees and Politically Exposed Persons and, based on four guiding commitments: Understand, Communicate, Trust and Collaborate. There is also an internal compliance platform for registration with PEP; another to record actions and contacts established (TRUST) and a shared map of EDP's external representations in society.

For the year 2021, the lobbying costs were around 5 million euros and related particularly to the decarbonisation of the economy, electric mobility, energy efficiency and security of supply.

The focus of lobbying work with the main national energy sector associations (UNESA, Eurelectric, American Wind Energy Association and Toda), above all, concerned matters related to the European Green Deal and the National Climate and Energy Plans of the Member States.

CONTRIBUTIONS TO AMERICA ENERGY ACTION ACTIVITIES	EDP Renewables North America contributes to the activities of America Energy Action, a social welfare organization established 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 must be absolutely independent of specific candidates or campaigns: they can be undertaken for ideas, concepts or public interests.
CONTRIBUTIONS TO NON-GOVERNMENTAL ORGANISATIONS (NGOS)	EDP Renewables North America works with a number of organisations with social or environmental objectives, pursuing goals aligned with support for 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.
PROCUREMENT OF LOBBYING SERVICES	EDP Renewables 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 Renewables, to ensure that their activities never violate the prohibition on making political contributions, established with the EDP Group.

NAME OF THE ASSOCIATION	CATEGORY (EU-ROPEAN OR INTERNATIONAL SECTORAL OR INDUSTRY ASSOCIATIONS, INSTITUTIONS)	DESCRIPTION (MISSION OF THE ASSOCIATION/INSTITUTION)	MAIN ACTIONS OF THE ASSOCIATION/INSTITUTION	EDP'S MAIN ROLE IN THE ASSOCIATION	MAIN ACTIONS DEVELOPED IN 2021 BY EDP	EDP CONTRIBUTION (€)
Asociación Española de la Industria Eléctrica - Aelec (ex-UNESA)	Sectorial/Industrial associations	Professional organization of sectoral nature, for the representation, promotion, management and defence of the general and common interests of its members. Its activity is focused on the disclosure, dissemination and promotion of the technical and regulated aspects of electrical activities. Key player in the energy transition in Spain.	Positioning for an adequate energy transition in Spain. Spanish representative in Eurelectric.	Interest representation	2021 Plan action involvement	839,800
American Clean Power Association (former American Wind Energy Association – AWEA)	Sectorial/Industrial associations	Professional organization of sectoral nature for representing wind power project developers, equipment suppliers, services providers, parts manufacturers, utilities, researchers, and others involved in the wind industry. Dues for Wind Energy Trade Association.	Advocating representation of wind energy around the world. Legislative analysis, bill support, company representation at political events and fundraisers, contribution recommendations.	Interest representation	Legislative analysis and industry advocacy	369,904
Associação portuguesa das empresas do sector eléctrico - Elecpor	Sectorial/Industrial associations	Professional organization of sectoral nature, for the representation, promotion, management and defence of the general and common interests of its members. Acts as an interlocutor in the elaboration of policies, guidelines, and regulation of the electricity sector with Portuguese and international entities.	Eurelectric's Portuguese representative.	Participation in various Eurelectric working groups to defend the electricity sector's positions vis-à-vis European body	Electrification; Electricity prices; Sustainable Finance Taxonomy;	210,000
SC Partners	Awareness of specialized individuals/institutions	Performs business advocacy.	Performs business advocacy. Supports day to day with Federal issues and often represents EDPR Offshore interests in DC. In 2020 particularly involved tax credit matters.	Interest representation	Interests' representation of EDPR Offshore interests in DC	194,516
Solar Energy Industry Association	Sectorial/Industrial associations	Professional organization of sectoral nature, for the representation, promotion, management and defence of the general and common interests of its members. Dues for Solar Energy Trade Association.	Advocating representation of solar energy around the world. Studies, fact sheets, state regulatory filings, legislative analysis, public relations and media, industry advocacy, ISO and PUC engagement.	Interest representation	Legislative analysis and industry advocacy	140,775
WBCSD - WORLD BUSINESS COUNCIL FOR	Sectorial/Industrial associations	World's leading organisation supporting corporate approaches to sustainable development. It is the premier global, CEO-led community of over 200 of the world's leading sustainable businesses working collectively to accelerate the system transformations needed for a net zero, nature positive, and more equitable future.	Performs business advocacy on sustainability issues.	Taking part in some of its high-level projects.	H2Zero; Sustainable finance	128,669

Fiscal transparency

EDP group tax footprint

EDP is a utility present in 20 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 accuracy 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 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, according to the Guidelines of the Organisation for Economic Co-operation and Development (OECD), 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) intra-group transactions are documented according to the applicable transfer pricing legislation in 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 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.

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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.

PRODUCTION ACTIVITY



TRANSPORTATION AND DISTRIBUTION ACTIVITY



MARKETING ACTIVITY

EDP pays tax on income, which is levied on its taxable income



EDP pays taxes on electricity production. It also pays sectoral contributions that are levied on certain generation of electricity assets



EDP pays fees on the use of natural resources

EDP bears charges for the social security contributions of its employees and delivers the tax imposed on salaries paid to the States



EDP pays waste treatment fees and special taxes on the use of fossil fuels as well as CO₂ emission allowances



EDP supports costs inherent to the use and operation of electrical installations



EDP contributes to the achievement of community goals related to energy saving and efficiency, by contributing to energy efficiency funds



EDP bears charges related to the social function of the States (low-income families tariff)

EDP pays tax on the real estate held



EDP bears charges from mechanisms aimed at restoring the competitive balance between electricity producers in the Iberian peninsula



EDP pays sectoral contributions levied on certain energy distribution assets



EDP collects and administers taxes on behalf of the State or third parties, throughout its value chain. The most important of these are the VAT charged on the sale of energy and other special taxes on electricity consumption



EDP pays municipalities rent for energy produced or installed capacity

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 reports

Fiscal contribution

EDP group's global contribution

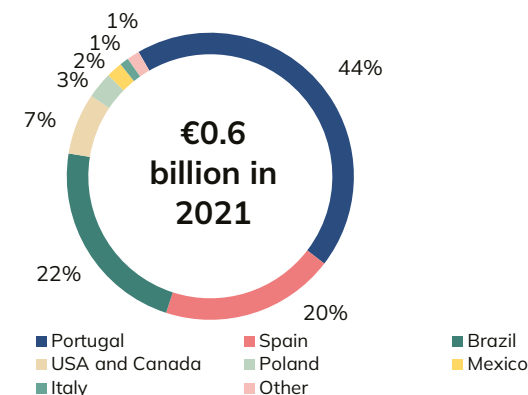
In 2021, the EDP group's global tax contribution to the public revenues of the countries where it is present amounted to approximately 2.3 billion euros, of which 0.6 billion euros correspond to taxes and contributions borne (paid) by the EDP group and 1.7 billion euros to contributions paid to the States 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 higher contribution, accounting for 44% of the total taxes.

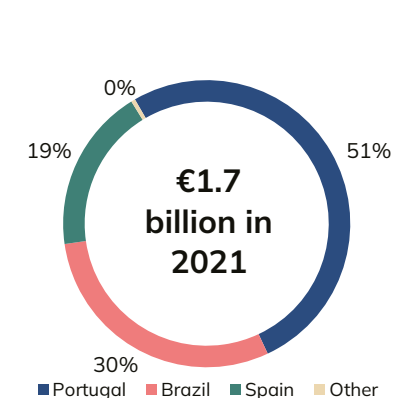
On the other hand, considering the taxes incurred by the EDP group, the most relevant (42%) concerns to specific taxation on the energy sector (including the Extraordinary Contribution to the Energy Sector - CESE -, in Portugal), followed by social security contributions payable by companies (24%). As regards to 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.

In Portugal, the taxes incurred (paid) in 2021 amounted to 250 million euros, emphasizing the weight of the specific taxation on the energy sector (see [next Section](#)), of which 53 million euros refers to CESE and 87.5 million euros to the social tariff. In addition, EDP group of companies incurred (paid) 78 million euros of social security contributions and 40 million euros relating to corporate income tax.

TAXES BORNE (PAID) BY EDP GROUP, BY GEOGRAPHICAL AREA

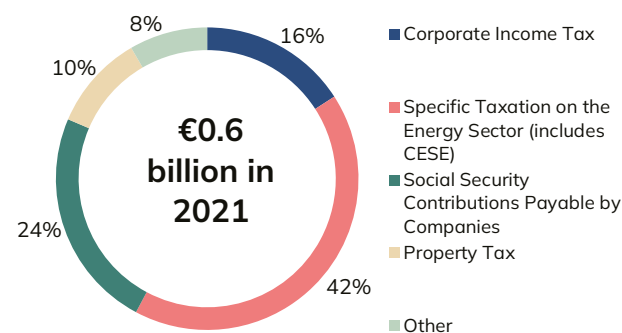


TAXES COLLECTED BY THE EDP GROUP AND DELIVERED TO THE STATES (BURDEN OF OTHER AGENTS), BY GEOGRAPHICAL AREA

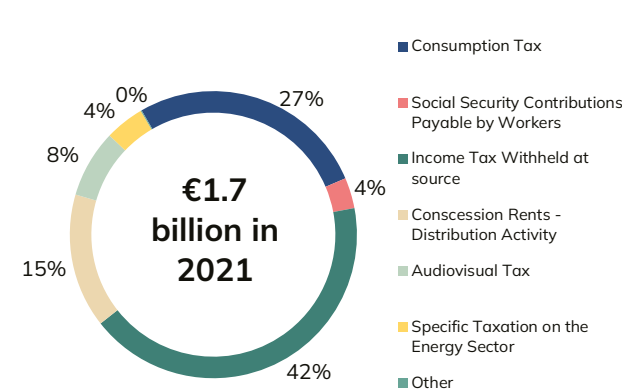


Taxes collected by the EDP group and delivered to the States where it carries out its activity (burden of other agents) amounted to 1.7 billion euros, mostly associated with the collection of consumption taxes (e.g., VAT). The activity of collecting taxes on behalf of the States, absorbs significant resources of the EDP group without any direct compensation, involving relevant costs of context.

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



The simplification of the tax systems reducing the bureaucratic burden and the context costs is desirable, so that they do not constitute an obstacle to the investment and development of the economic activity of the companies.

Specific taxation on the energy sector

As mentioned above, the specific taxation on the energy sector has a significant impact in the EDP group, particularly in Portugal and Spain, which in 2021 represented around 97% of the total amount paid by the entire EDP group in terms of taxes associated with the energy sector.

Given the high impact that the energy sector, in particular the electricity sector, has on the communities (population and environment) and considering its weight on the economies, several countries have introduced specific energy taxes.

Generally, this type of taxation is not related to the performance of the economic activity carried out, however, it is likely to influence the decisions of economic agents in the development of their businesses and in financing, investment and divestment decisions.

In fact, while income taxes are levied on the taxable income, other taxes, levies and contributions of significant

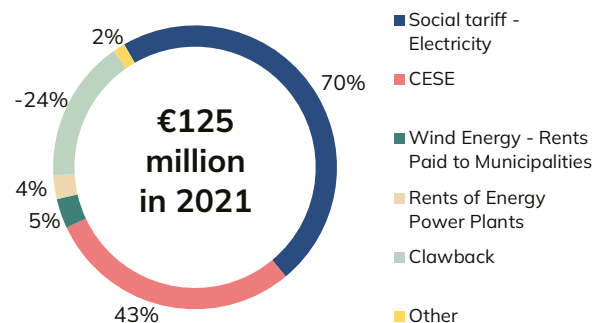
impact are levied, for example, on the amount of energy produced, on the use of natural resources, on the possession of certain assets associated with the generation and distribution of electricity, on the amount of waste produced or on the fossil fuels used.

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.

The year 2021

Considering the countries in which the EDP group operates, Portugal and Spain have the highest level of taxation on energy, not only in terms of the number of taxes but also in relation to the amounts collected. In 2021 these represented a total cost of 232 million euros, as detailed below.

SPECIFIC TAXES AND CONTRIBUTIONS ON THE ENERGY SECTOR BORNE (PAID) BY THE EDP GROUP, IN PORTUGAL, IN 2021



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.

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 electric mobility and the transition to decarbonisation.

- The social tariff consists of a discount on the electricity bill granted 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. In 2021, the amount borne by the EDP Group in this regard amounted to 87.5 million euros.
- In 2021, the EDP Group paid 53 million euros of CESE. Since this tribute taxes the net assets of the generation, transmission, distribution and supply of electricity and considering that, in 2021, the EDP Group sold part of its production assets, the amount borne in 2021 has decreased by 18% compared to the previous year.
- The mechanism designed to restore the competitive equilibrium between the electricity producers operating in Portugal and Spain (generally known as "Clawback") was created following the introduction of the *Impuesto Sobre el Valor de la Producción de la Energía Eléctrica* in Spain. As the latter was suspended in Spain in the 3rd and 4th quarters of 2021, the Portuguese legislator also provided for the suspension of clawback for the same period. We emphasize that the impact of this suspension will only be perceptible, in terms of tax paid, in the year 2022. The graph shows a weight of -16% compared to total taxes paid, which reflects the reimbursement to the EDP Group of the amount paid in excess in the years 2019 and 2020.

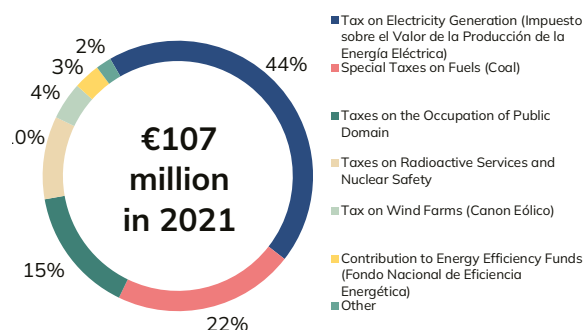
In relation to Portugal, there are two other significant variations in terms of environmental taxes:

- As a result of the legislative option, in 2020, for the gradual reduction of the exemption from the ISP tax applicable to the purchase of natural gas

used in the production of electricity (in 2021, 20% became subject to taxation, maintaining the exemption regarding the addition of CO₂ for facilities covered by the European Emissions Trading Scheme - EU ETS), there was a 79% increase in the ISP charge on natural gas compared to 2020.

- Following the closure of the Sines Thermal Power Station, the EDP Group stopped purchasing coal to produce electricity, so the amount borne as ISP and CO₂ addition component on coal was reduced to 0 (zero) euros.

SPECIFIC TAXES AND CONTRIBUTIONS ON THE ENERGY SECTOR BORNE (PAID) BY THE EDP GROUP, IN SPAIN, IN 2021



- Regarding Spain, as a result of the rise in electricity prices that occurred during 2021, and as a way of minimizing its impact on consumers, tax measures were introduced (and meanwhile were extended to 2022), such as the suspension of the *Impuesto Sobre el Valor de la Producción de la Energía Eléctrica*, as of the 3rd quarter of 2021. As clawback in Portugal, the impact of this measure will only be perceptible, in terms of tax paid, in 2022.
- Contrary to the Portuguese reality, in Spain, coal-fired power stations continue to operate and the

rise in the price of natural gas has led to an increase in the production of electricity using coal. Consequently, we witnessed an increase of 68% in the amount borne by the EDP Group with *Impuestos Especiales sobre combustibles*.

- The tax on the Occupation of Public Domain is due by the electricity distribution and retail companies. Its taxable base is calculated based on the net revenues referring to each municipal area. In 2021, this tax represented a charge of 16 million euros.
- Finally, we would like to highlight the reduction in the tax rate of the *Impuesto Especial sobre la Electricidad*, a tax that is due on the electricity consumption, from 5.1% to 0.5%, which came into force on 16 September 2021. This measure was also intended to mitigate the effect of the increase of electricity prices for consumers.

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 the information disclosed in the Annual Report does not represent the tax paid or received by the EDP group in the period to which it relates.

Instead, in this Sustainability Report, taxes paid and received by the EDP Group are disclosed on a cash perspective, 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 2020).

Management and control of tax risk

The process of management and control of the tax risk begins with the identification and classification 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.

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.

3.3.2. Transforming our business

Alignment with the SDGs	Targets	KPIs 2021	Target 2025
	Investment in R&D+i	€103M	€1,000M
	Investment in digital	€229M	€1,000M

EDP's digital transformation and business innovation are both transformative business approaches that are different though complementary.

Digital transformation mainly relates to the digitization of processes and the integration of digital technologies in daily operations. The challenge of digital transformation is one of execution and EDP solves daily inefficiencies with incremental innovation.

Paradoxically, business innovation is disruptive by nature, yet is associated with an increase in capacity for growth and competition, more extensive reach commercially and greater time efficiencies. The challenge of business innovation is therefore the management of uncertainty.

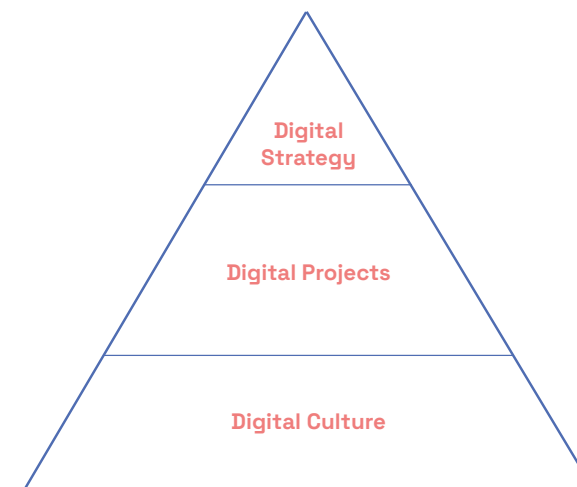
3.3.2.1. Digital transformation

In the EDP Group, digitization is happening in all business and geographical areas. Our aim is to reposition ourselves not only in terms of our operations in the energy sector, but also in terms of our relationships with employees, customers and the communities in which we operate.

In order to ensure effective integration between new digital products and core information technology (IT) systems and to enhance the importance of technological innovation in the Group's strategy, digital transformation in the EDP Group is based on three interdependent areas: (1) Strategy; (2) Digital Projects; and (3) Digital Culture.

The centralisation of the EDP Group's Digital Strategy provides a global vision of the digital roadmap of the various business units and initiatives in the pipeline, ensuring effective alignment and optimisation of synergies.

In order to guarantee the success of EDP's Digital Strategy, ambitious objectives have been set in the Group's different business areas and activities (Digital Business). By 2025, the objective will involve investing a total of 1



billion euros in digital CAPEX, enabling projects to be implemented in the various areas of development. In terms of customer relations, the aim is to increase the quality and speed of customer services through robotisation and automation tools. In Asset & Operations management, the main objective is to increase efficiency through the implementation of predictive maintenance solutions. Within the organisation's own operation, the aim is to simplify and digitise the vast majority of processes, such as check-in for meetings and the signing of contracts.

To make digital transformation a business reality, investment is also needed in the 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 recent years EDP has started its journey to the "Cloud" through an ambitious programme of migrating 80% of its systems and applications by 2022. Investment in the development of application programming interfaces (APIs) and microservices has been a fundamental lever for digital transformation.

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 pandemic merely boosted the acceleration of the transformation that began several years ago in the EDP Group. The means and technology to support new physical and digital hybrid work models are already available and quality and productivity can be ensured.

In 2021, given the recognised alignment of the EDP group's strategy with the vision of the "Digital with Purpose Movement" (DWP) initiative, EDP's ratification of DWP should be highlighted.

"Digital With Purpose" (DWP) is a *Global Enabling Sustainability Initiative (GeSI)* (<https://digitalwithpurpose.org/>). In partnership with governments, associations, NGOs and various international organisations, the DWP movement consists of more than 40 leading technology companies and its main objective is the promotion and advancement of the technology industry, aligned with sustainable practices and calling on governments and policy makers to accelerate fulfilment of the sustainability goals established by the United Nations and the Paris Agreement, by 2030.

EDP's ratification of the DWP is reflected in the following public commitment:

- To contribute to the United Nations SDGs and establish practical and incremental measures so that we can become a purpose-driven business
- To take and report concrete measures on climate change

- To adopt the principles of impact transparency and report them annually.

In November 2021, EDP received the DWP movement's seal of commitment, the first of the initiative's four seals. These commitments are aligned with EDP's strategy to lead the energy transition and with EDP's aim of stopping the production of energy from coal in 2025, and to be carbon neutral in 2030.



Digital projects

Digital projects are mostly oriented towards the optimization of processes and asset management. 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".

"Digital Boosts" are projects developed over between three and nine months, with a significant impact on the organisational structure.

Based on Agile methodologies, the MVPs - Minimum Viable Products - are the type of digital project most frequently developed in the EDP Group. The MVPs enable the basic features of a new product to be tested, with a minimum of financial investment and in the shortest possible time. With an estimated implementation time of about three months and a medium impact on the organisational structure.

KPI 2021

DIGITAL TRANSFORMATION

	TARGET 2025
64% Agile adoption in it	75%
64% Predictive maintenance in generation	90%
84% Digitalized processes	95%
80% Customers selfcare interactions	70%
790 Cybersecurity BitSight rating	740

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 two to four weeks, and are divided into four categories - PowerBI, Design Thinking, MS Teams, Office 365 and Global Communities.

During 2021, more than 70 Quick Wins, more than 90 MVPs and five Digital Boosts were developed. A number of themes that marked the digital acceleration initiatives in the EDP Group during this year can be highlighted:

- Digital Signatures of Documents
- Employee Digital Experience
- Predictive Maintenance of Assets
- Sustainable Customer Relationship through Digital Technology.

Among the various projects carried out in 2021, the "Image Processing 4 Condition Management" stands out.

This MVP involved the creation of a machine-learning model that uses drone images of wind turbine blades to evaluate their condition. The model identifies any existing damage such as erosion, cracks. This model works through continuous learning and improves as new images are introduced. This learning enables EDP Renováveis to increase the efficiency and effectiveness of repair orders on the ground.

Digital culture

Digital transformation is not only reflected in the development of digital projects and the implementation of new disruptive technologies. In fact, digital transformation begins with people and, for this reason, one of the DGU's priorities is the adoption and dissemination of "Digital Thinking", new ways of working and new organisational models which foster cooperation and learning.



EDP has been fixing its sights on enabling the Group's employees to use collaborative and productivity tools, which are increasingly essential in a hybrid work model supported by technology.

In order to provide employees with understanding of the technological ecosystem of the Office 365 tools available at EDP (Teams, SharePoint, OneDrive, Power Platform, among others), 16 sessions were held with 2,181 participants. In these sessions, 21 automation processes were also implemented with EDP teams, and tutorials were made available to support them.

The demand for structured documentation on different collaborative, productivity and automation tools and methodologies was addressed through the creation of Activation Guides (Booklets). The Booklets complement the Group's training courses and harmonize the theoretical and practical know-how available in each of the knowledge areas. In 2021, three Activation Guides were developed for EDP Employees: Digital Workplace Office 365, PowerBI and Design Thinking. These three guides

were added to the existing guide, Robot Process Automation (RPA).

The Office 365 activation booklet, available for all geographical regions in Portuguese, English and Spanish, is aimed at ensuring uniform information about the potential of Office 365 at EDP for all Group employees. With an emphasis on collaborative features (Teams and Share-Point) and process automation (Power Automate and Power Apps), it also includes other tools that are part of the Office 365 ecosystem.

The PowerBI Booklet makes it possible to provide employees with essential knowledge so that, according to their different levels of proficiency, they can use this tool independently. PowerBI has enabled employees to build reports and dashboards that support the monitoring and decision-making of the Group's different businesses, fostering a data-centric culture.

Finally, the Design Thinking Booklet addresses the various aspects of this methodology in general terms, and, in the practical case of EDP, enhances its use in all areas of the Group. This ideation methodology is being made known and is notable for its collaborative character, its creativity and focus on people-centred problem solving. The Booklet aims to help employees find solutions to the Group's main challenges.

Training is increasingly a key element in the development of employees' digital skills and in the organisation's digital culture. In 2021, EDP continued to reinforce the diversity of its training courses in digital topics, complemented by informal on-the-job and collaborative learning, as well as investing in e-learning courses produced in-house.



EDP has been a partner of MUDA – Movement for Digital Utilization – since its launch in 2017. Promoted by several private organisations and the Portuguese State, it has been recognised by the European Commission since 2018 on the DESI (Digital Economy & Society Index). In particular, for the actions taken to provide all citizens with access to information (reduction of info-exclusion) and the benefits of digital transformation through the acquisition and development of digital skills (inclusive and participatory).

In 2021, the following themes, developed or supported by MUDA, in which EDP actively collaborated, were of note:

- Digital and social inclusion with democratisation of access and skills acquisition. Examples of initiatives in this area: collaboration in EUSUDIGITAL (a program launched by the Portuguese State for the digital training of one million adults)
- Support for mass adoption of the Digital Mobile Key by citizens and the extension of its use in corporate services, in which EDP was a pioneer
- Promotion of webinars to encourage the use of new technologies (e.g., voice technologies)
- Encouraging the use of online services by companies and the State (MUDAR É GANHAR contest, e-Health webinar, among others)
- Promotion of digital friendly legislation through the Digital by Default Initiative, with a

The training courses, made available by EDP University with the support of the DGU, respond to the range of needs of four levels of digital expertise (“aware”, “sav-vy”, “skilled” and “expert”). Each course is included in one of three digital training areas (Digital Business@EDP; New Ways of Working and Collaborating; Innovation & Technology).

Topics such as digital transformation, Agile culture, information security, Design Thinking, the Cloud and advanced analytics, have become priorities in the portfolio and made a decisive contribution to the 2021’s high performance levels in the area of digital training for EDP employees. This year, 10,107 employees received training in digital topics, 42% more than in the previous year. Of the approximately 56,000 hours of training, 93% were delivered remotely (live online or e-learning), demonstrating our ability as an organisation to adapt to the pandemic situation and the different needs of trainees.

The expectation for 2022 that these digital themes will be consolidated and acquired in greater depth, through increasingly diversified teaching formats tailored to the needs of the employee, the business units and talent management.

In 2021, the pace of communication was also intensified, in the organisation of interactive sessions and online talks. The themes presented follow the trends imposed by the pandemic and hybrid work routines. During 2021, 41 talks were organised, addressing topics such as artificial intelligence, cybersecurity and automation, with a focus on some projects developed in the EDP Group.

2021 was a year of strategic review for the positioning and goals of the nine Virtual Communities launched in 2019. This review is rooted in our ambition to drive the dynamism and participation of the experts who make up

the virtual communities, and the creation of a new cybersecurity community. 2021 was the year of opening up the communities, beyond their actual members, to involve the entire organisation through dissemination initiatives for EDP employees. New dynamics were created in the communities which combined with pre-existing initiatives to drive an increase in participation as well as an increase in the number of participants of around 60%, about 1,300 members.

Additionally, the increase in the number and degree of sophistication of security threats has put greater pressure on the role of each individual, both in their individual protection and in the protection of corporate systems. It is now essential to raise awareness and train the organisation to adopt best practice and provide alerts about potential risks and vulnerabilities. In addition to specific training, information and awareness initiatives, and internal communication campaigns throughout the year, in November 2021, the EDP Group promoted security month, a global campaign in all the Group’s geographical areas.

Digital inclusion

The digital projects developed for the different EDP Group business units resulted in the creation of a number of products contributing to the digital inclusion of customers: Availability of online services, electronic invoicing, interaction via mobile apps and customer service virtual assistants are all examples of products that improve service efficiency and speed, and customer satisfaction.

paradigm shift away from the obligatory use of paper and encouraging new online models, to reduce the use of paper and contribute to more agile and sustainable services.

3.3.2.2. Business innovation

The Group's research and development (R&D) and innovation areas work together towards a common goal: to create conditions for EDP to lead the energy transition. They do so, however, in different ways.

The R&D area covers the exploration of new technological areas, the application of new knowledge, the testing of technologies and processes in a laboratory environment in a first phase, and in EDP assets, later on. In turn, the activity of the innovation area is typically downstream of the R&D activity and works with technologies/concepts of higher maturity and with a greater focus on impact. Both areas contribute to EDP's purpose in terms of innovation: accelerating new businesses that create impact and promote the rapid adoption of innovative solutions to lead the energy transition.

Achieving carbon neutrality in 2050 requires that the energy transition includes the decarbonization of electricity generation, along with the electrification of consumption. To this end, it is necessary to induce changes in the way energy is consumed without impacting the economy. Added to this challenge is the fact that this change will take place while the world population continues to grow, at around 30%. And that is why innovation is fundamental.

Innovation is at the heart of the energy transition and is a fundamental part of EDP's growth.

For EDP it is not enough to launch inventions, it is essential to develop and implement them, on a massive scale. Innovation is the centrepiece of the energy transition needed for a decarbonized society.

Impact - review of the innovation system and operating model

The EDP Group's strategy update, in the form of the Strategic Plan 2021-2025, defined an ambitious growth plan, which foresees an unprecedented acceleration in the adoption of renewable energies. Additionally, the strategic update established the goal of the Group becoming a 100% green company by 2030.

This is a challenge of great magnitude that depends on a strong investment in innovation, directed towards a substantial increase in the capacity of development and rapid adoption of innovative solutions. Recognizing this urgency, EDP's most recent Strategic Plan recommends the investment of 1 billion euros in innovation by 2025, doubling the resources allocated to this area and prioritizing the focus on innovation opportunities.

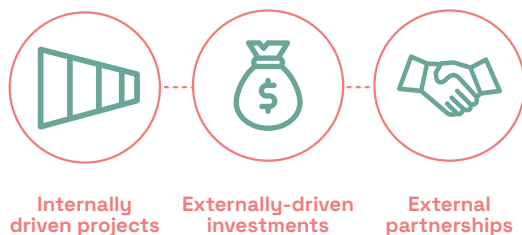
The strategic update has thus significantly reinforced the commitment to innovation in relation to the previous strategic plan. Naturally, this reinforcement led to the need to rethink the strategy and the operating model of innovation of the Group, in order to increase the delivery capacity, in terms of speed and impact.

The revision of the model, materialised by the Impact project, addressed opportunities for improvement in terms of sharing knowledge about innovation in the Group, leveraged the potential for capturing synergies between projects and boosted the alignment of processes and best practices between countries.

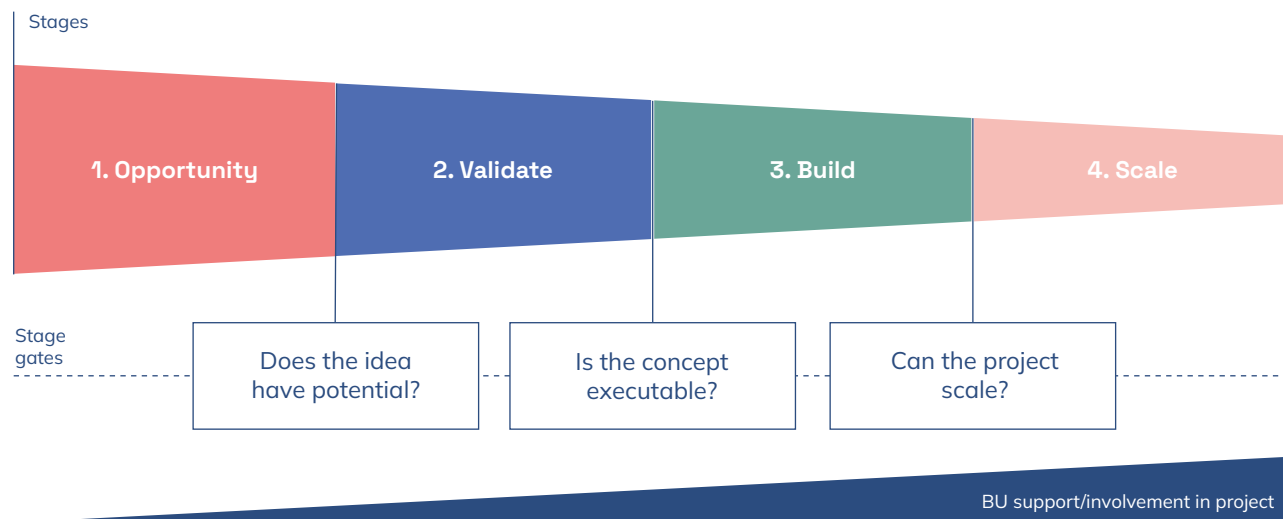
EDP's innovation operating model is based on a fast-adopter logic with a well-defined purpose of accelerating new businesses with impact and promoting the rapid adoption of innovative solutions to lead the energy transition. Based on this strategic alignment, the model favours three innovation paths (one internal and two external) that act parallel and complementary, fed by a transversal sourcing process. The pathways are:

- Internal projects: implementation of an innovation portfolio developed internally, through a process in a metered financing logic, with gradual risk reduction between the stages of the process and with the aim of achieving scale-ups
- External investments: implementation and management of venture capital investments in external opportunities / start-ups, in order to accelerate the adoption of innovative solutions and businesses
- External partnerships: implementation of external partnerships (start-ups, corporates, universities, among others) in the same way to accelerate the adoption of innovative solutions and businesses.

WAYS FOR INNOVATION



The revision of the innovation system and operating model redefined and formalised the internal innovation pathway, broadening the scope and value of the external investment pathway and the scope and ramifications of the external partnerships pathway.



Source: EDP/BCG Team

The internal innovation pathway is supported on a pipeline model consisting of four phases, fed every two months. In each phase, characterised by well-defined objectives, the innovation opportunity (idea/project) is evaluated, based on its merit, in approval gates. The approval gates are moments of decision making regarding the advancement or not of the innovation opportunity to the next phase. The dynamics of the approval gates are supported by a meeting called "Global Innovation Steering" where elements from all business units and geographies participate.

The four phases are: Opportunity, Validate, Build and Scale. Each of the phases of the pipeline model requires the evolutionary preparation of the idea/project, which starts in the opportunity phase, by the basic evaluation of the idea, until its potential scale-up. Scale-up provides the hand-over to, for example, a business unit of the Group, or even the creation of an autonomous business.

In each phase, what is sought is the identification of the minimum investment necessary to eliminate the greatest

risk/certainty of the opportunity. As risk is removed along the pipeline, the investment will also become larger.

In fact, a commercial pre-launch or a scale-up pilot is only conducted after ensuring that a large part of the opportunity's uncertainties have already been validated and that the results create comfort for a higher level of investment, either financial, of time or of human resources.

In each of the four phases of this internal innovation process, the opportunity's potential for leverage is assessed in parallel, through the two remaining external innovation routes. Namely, through external investment, through value creation supported in Ventures or, through external partnerships, in order to create accelerators that promote, whenever possible, the quick adoption of solutions that meet the identified opportunities.

Thus, the distinction of the value generating mechanism in three innovation paths does not invalidate in any way the interconnection between them. Although the pipeline

model described is restricted to the internal value generation pathway, every time there is a "green light" for an idea, ways of acceleration are assessed to leverage that same opportunity. There is an effective and active search to continuously create these synergies.

The Impact project has also reformulated the internal relationship between the business units and innovation. The business units have active participation in the selection of innovation opportunities of high uncertainty, through the approval gates and work closely with the innovation teams in projects and pilots. Although the opportunities are managed by EDP Inovação, the participation of the business units is constant and with incremental allocation as the opportunities are validated and the risk for the appropriation of the business unit decreases.

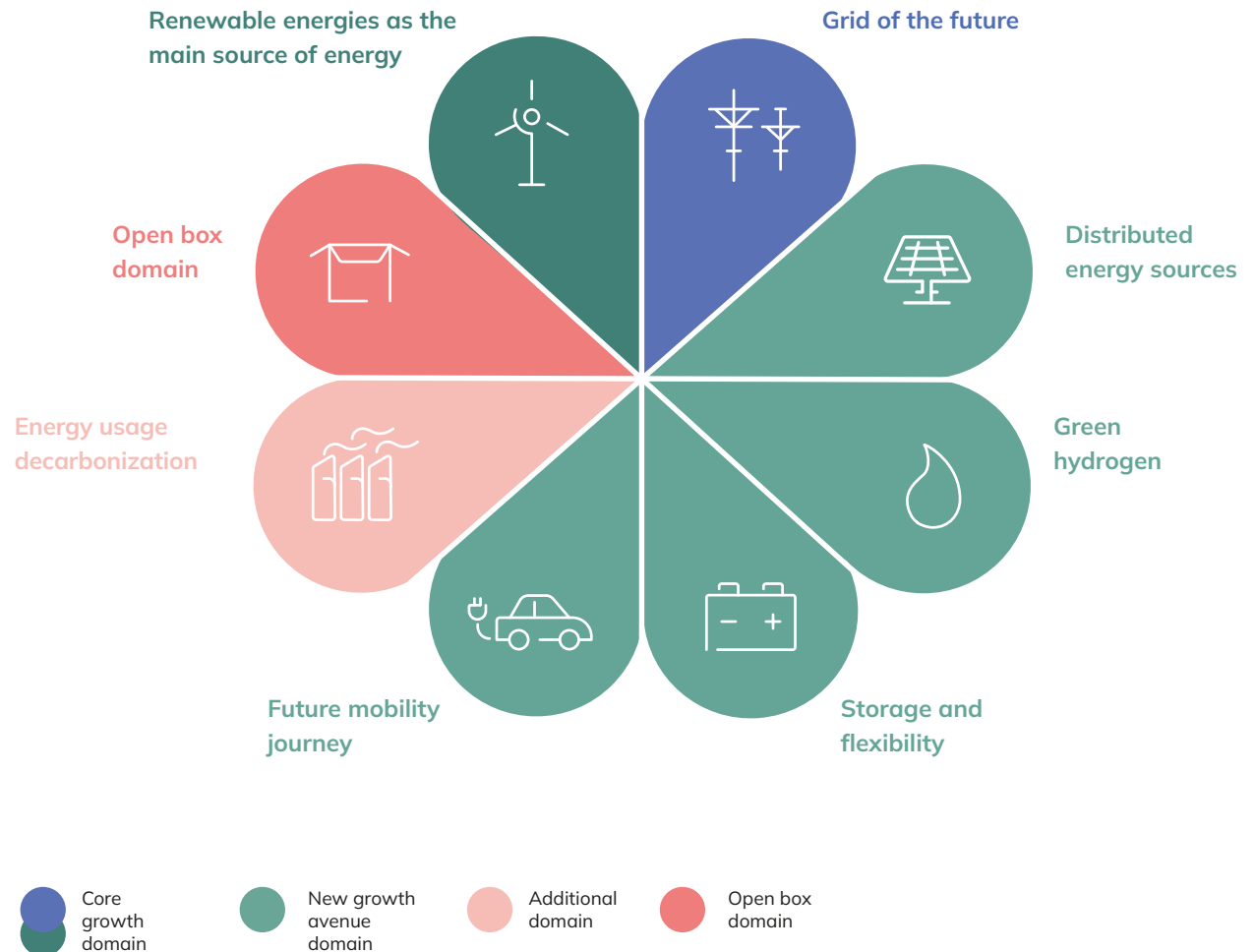
Innovation has long been a traditional investment area for EDP. Incremental innovation is developed and managed by the various business units with their own teams focused on continuously improving the competitive positioning of the businesses in the market. Incremental innovation represents 70% of total investment in innovation and a significant part of the resources globally allocated to innovation. More disruptive innovation is managed by dedicated innovation teams that are part of the global innovation platform. The relationship between the innovation teams of each business unit and the EDP Inovação teams is continuous and in several ways: in terms of scouting and analysis of opportunities (regular sessions by area called Heads-Up Innovation), in terms of evaluating opportunities (through the Global Innovation Steering where all business units are represented) and in the phase of preparing the delivery of projects to the business units.

The new innovation operating model began in 2021 and included the revision of the innovation system and operating model in order to redefine and broaden the context in which innovation operates.

Seven domains were identified in accordance with EDP's business strategy, which positions itself at all stages of the energy industry value chain, particularly in the main pillars of growth (renewable energies, networks), new

domains of growth (distributed energy systems, green hydrogen, energy storage and flexibility, and sustainable mobility) and main trends in the sector (decarbonization).

An "Open Box" domain was also contemplated, which aims to open space for the continuous effort of searching for new solutions, which may originate both within and outside the energy industry, given its fundamental role for other critical sectors and for society in general.



The domains are broad innovation themes that can be worked on by different EDP business units. The activities and projects of the areas of innovation and technology-based R&D are thus structured into seven domains (7+1) of the energy transition:

- **Renewable energies, their integration and flexibility**, to develop the solutions that will help EDP achieve its renewable energy installed capacity targets
- **Networks**, which enables energy transition through smart grids - the numerous sensors installed along its length allow instant control of the state of the entire network, load balancing and preventing breakdowns before they happen
- **Distributed energy systems** that support B2B and B2C customers in developing their distributed generation solutions
- **Green hydrogen** in order to support the energy transition in sectors whose activity is preponderantly dependent on carbon-emitting solutions
- **Energy storage and flexibility**, which tests new storage technologies, flexibility management
- **Sustainable mobility**, which supports EDP customers in their transition to electric mobility and provides associated services
- **Decarbonisation of energy uses**, which supports EDP customers' decarbonisation efforts by developing new solutions and speeding up their adoption.

The **"Open box" domain** also appears as an additional domain that creates space for ideas/projects to be developed that do not fit rigidly into any of the other domains.

Innovation: a growth driver

EDP Inovação appeared in 2007, within the scope of a set of commitments associated with decarbonisation, but also due to the search for optimisation of the various business units. Since then, it was sought to have a dedicated innovation team that focused beyond the time horizon that the business units would naturally be addressing. EDP Inovação's mission was, from early on, to try to ensure that the "day after" the operation of the various business units was taken care of, safeguarding some business models and technologies.

Entrepreneurship and innovation are, in fact, areas in which EDP has been investing and where it currently has an expressive participation in the ecosystem, namely through various instruments to support entrepreneurship.

According to António Coutinho, CEO of EDP Inovação, EDP Inovação's mission is to "think about what things we are going to be able to do to deliver the growth" that the company has committed to in the long term - 2024, 2025, 2030. Its role is to "dwell on the projects that, for now, sound like a strange idea, but which could actually become reality." When it came about, Windfloat Atlantic was one such project.

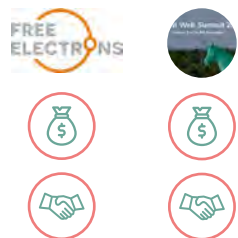
Windfloat Atlantic is an innovation project led by Windplus, a consortium comprising EDP Renováveis (54.4%), Engie (25%), Repsol (19.4%) and Principle Power Inc. (1.2%). The project's main objective was to demonstrate the technical feasibility of a full-scale floating wind platform, with installation in an area deeper than 50 metres, located in Portuguese territorial waters.

Windfloat is being implemented through incremental steps: prototype, pre-commercial phase and commercial phase, which enabled significant know-how to be obtained at an early stage of the technology. Several

partnerships have been entered into in order to move forward with the implementation of the project, which have included design, production, installation and operation of offshore wind turbines.

After successfully testing the technology for five years, in 2020, the floating offshore wind farm - Windfloat Atlantic - came into operation with 25 MW of power, installed 20 kilometres off the coast of Viana do Castelo, where the waters reach a depth of 100 metres. WindFloat Atlantic uses advanced technology based on the experiences of the oil and gas industry, to support multi-MW wind turbines in offshore applications.

Growth drivers



Context

EDP Ventures, created in 2008, has already invested about 45 million euros in 35 startups with innovative solutions interesting to EDP, inserted or related to the energy transition. Initiatives such as EDP Starter, Starter Acceleration Programs, Free Electrons, as well as hackathons & challenges, conferences and summits bring startups closer to the EDP Group, promoting projects, investments and roll outs of solutions. EDP's Climate Change Pitch has de-so-called entrepreneurs presenting their ideas or

The Smart Energy Lab – SEL – is a Collaborative Laboratory (CoLab), in the area of energy services. It was developed under the aegis of the Ministry of Science and Higher Education, aiming at the creation of highly qualified scientific employment in specific areas – energy services. It has fct/ani funding, in parallel with competitive financing for R&D and

The NEW – Centre for New Energy Technologies is a subsidiary of the EDP Group, fully dedicated to the development of applied R&D in the energy area. It is an R&D centre, currently with 40 researchers, which is about creating possibilities for

business in a minute, while they were faced with the impact climate change can have on our cities if nothing is done to stop them. In the event, 323 start-ups were auscultated, of which 93 passed the first screening. The 2021 edition was particularly because of the high number of start-ups focused on the theme of energy and sustainability that it brought. Since the first edition of the Web Summit, more than 800 startups have been heard from around the world, having held more than 200 business meetings, which resulted in 12 pilot

own financing (in equity and "in kind") of its Associates. In addition to EDP and Accenture, it also has six national academic reference partners. EDP is the largest associate, holding 40% of the capital, implemented through EDP Comercial. CoLabs has a general objective of fostering close cooperation between industry and academia, with a view to

leading the energy transition, working on all 7(+1) technological domains that contribute to the energy transition. It works primarily with competitive financing for R&D, and is the largest Portuguese private institution accessing horizon 2020

projects and four investments. EDP's innovation and R&D is positioned as well as open innovation, focusing on collaboration with start-ups, innovation stakeholders such as incubators, accelerators, technology companies, utilities, universities, R&D centers, among others. EDP continues to focus on partnerships and the balance between self-financing and competitive public funding for its innovation activity. Also in this context, smart energy lab (SEL) and NEW/CNET can be highlighted as R&D boosters.

developing value-added products and services. In addition, SEL eventually integrates the edp Group's global innovation ecosystem, along with other CoLabs in which EDP also participates (HyLab – Green Hydrogen; Vasco da Gama - Energy Storage; Foreswise – forest management), contributing to the effort to develop new innovative solutions.

and Horizon Europe financing. It has around 30 R&D projects underway, which mobilise more than 400 European referral partners, which it co-develops through its network of partnerships and in close collaboration with the EDP Group's UNs.

BEHYOND: synergies between hydrogen and offshore wind

At the same time as Windfloat is increasing its maturity, EDP Inovação is giving way to other projects. One of these projects is BEHYOND which aims to evaluate the production of hydrogen in offshore wind farms.

The BEHYOND project is coordinated by EDP (through EDP NEW R&D and EDP Inovação), in consortium with TechnipFMC, CEiiA, WavEC and the Norwegian University USN.

The new project will include the integration of equipment for production and conditioning of green hydrogen and an infrastructure that allows its transportation to the coast. Due to its innovative character, this project was selected to be supported by the Blue Growth Programme of the European Economic Area Financial Mechanism (EEA Grants).

BEHYOND's main objectives are:

- Build an engineering design of an offshore hydrogen production module (electrolysis) and the corresponding infrastructure using the electricity produced by offshore wind farms during periods of energy need.
- Create an innovative system to address the imminent challenges in the energy system, the growing penetration of renewables in the energy system, which are highly intermittent and dependent on the capital gains generated in the market.
- Offer a solution to wind farm owners that increases the competitiveness of offshore wind

auctions, ensuring access to a new energy vector that is affordable and reliable.

- And increase the share of hydrogen in the final energy demand in order to expand the share of clean energy resources in the global energy consumption and promote energy sustainability.

At the end of 2021, the BEHYOND project finalised the techno-economic feasibility study to produce green hydrogen from wind produced offshore.

An analysis of different configurations was also developed for an offshore hydrogen production module, whose electrolysis is carried out using energy produced by wind farms installed offshore.

This first phase of the project concluded that economic viability will be achieved with the maturity of the green hydrogen industry and value chain, and with investment from companies that are positioning themselves in the

hydrogen market, complemented by funds to support innovation. "Green hydrogen will become one of the main levers of decarbonization, while mitigating the intermittency of renewable energy sources," says Sofia Ganilha, BEHYOND project manager.

The module configuration studied in the project can be implemented worldwide, producing and transferring hydrogen on a large scale.

The BEHYOND project proves that there is potential for dual renewable production on the same site, creating synergies in infrastructure, cables carrying energy to ground and network points.

This technological development is pioneering the emergence of the hydrogen value chain in the context of a blue economy and this could be a solution to increase the competitiveness of offshore wind farms.





Parceiros:



Promotor:



3.3.3. People experience

Alignment with the SDG	Targets	KPIs 2021	Target 2025
	Employee Engagement	76%	High performance company
	Female employees	27%	30%

EDP is committed to evolving as a global, agile and efficient organisation, with an people-centred approach that seeks to attract, develop and retain the skills needed to meet the challenges of the future.

In order for EDP to be a truly *future-proof organisation*, an ambitious People and Organisation strategy has been defined, with the intention of fulfilling, by 2025, the following:

- To provide its people with a human and meaningful experience, revisiting EDP's purpose and values and defining and implementing specific measures in relation to physical health, well-being, flexibility and new ways of working (e.g. 60% of employees in a hybrid working model), through an active listening strategy to enable continuous improvement and a positioning above the *high performing companies* in employee involvement and commitment (*engagement*) and perception of organisational support (*enablement*)
- To invest in valuing and retaining internal talent, with a voluntary staff *turnover* rate of less than 2% (3% in the case of the global workforce) and a succession rate of 90%, positioning itself above the

high performing companies in *performance* management and compensation and benefits

- Provide all EDP people and leaders with development opportunities that foster engagement (90% learning satisfaction) in an *on-demand* model, positioning itself above the *high performing companies* in development matters
- Invest in collaboration and promotion of mobilities, as a way of sharing knowledge, individual and organisational development, with at least 30% of the people collaborating through global communities and/or mobilities or short-term projects
- Address diversity and inclusion as accelerators and indispensable elements for innovation, promoting the attraction and retention of women (30% globally and in leadership positions) and people with disabilities (2% of the global workforce), with the capacity to adapt its workforce to the challenges of energy transition leadership, through generational renewal (40% of generation Y in leadership positions), reconversion of profiles and growth of digital functional families

- Promote agility and efficiency by upgrading digital processes for a reduction in decision-making time, implementation of a digital *upskill* programme and increasingly digital attractiveness initiatives, so that we can reach more people worldwide
- Use of People Analytics tools covering all the EDP Group's geographical areas, such as the *People Scorecard*, as an instrument for decision-making, strategic planning in various areas, identification of *gaps* and risks, analysis and description of processes, reporting, among others.

In 2021, the effects of the COVID-19 pandemic continued to be reflected around the world in people management, with the USA, for example, experiencing high rates of voluntary *turnover* this year, a phenomenon dubbed "*The Great Resignation*" by experts. The reasons behind these mass resignations are not yet entirely clear, but the desire for a new purpose, the need for recognition and the search for flexible working conditions offering a better work-life balance are some of the factors that have been mentioned. This situation is not yet visible at EDP, but it underlines the importance of providing the best possible experience for employees, while maintaining capacity to attract and retain talent.

EDP has therefore sought to listen to its people through different surveys, for example during the most intense period of the pandemic or in annual climate studies, to gauge perceptions and make more informed decisions. These processes are components of an active listening strategy which seeks to ensure that employees feel involved the decision-making processes which have an impact on their work experience.

To improve the work-life balance, flexibility and enablement of its people, EDP implemented a hybrid working model in 2021. Continuing to leverage current technological advances and globalisation itself, new global communities have also been developed, through which it is intended that at least 30% of employees are involved, facilitating global collaboration and promoting mobility opportunities within the group.

EDP's concern for the well-being of its people was also reinforced through the development and implementation of a global well-being strategy, involving 26 initiatives based on five fundamental aspects well-being: physical, emotional, social, professional and financial.

Based on a results-oriented approach, EDP also revised its performance management model, to promote the autonomy and accountability of its people and an environment in which employees feel safe, valued and empowered.

To meet development needs, EDP's positioning as a training hub was boosted through a strategic review of its corporate university and investment in a series of internal and external initiatives to promote the reskilling and upskilling of employees.

The COVID-19 pandemic forced people and companies to adapt quickly, with clear economic, social, environmental and organisational impacts. In an unprecedented

situation, EDP seized this opportunity to assume a strong position that enables it to retain its talent to start changing tomorrow now.

3.3.3.1. Attracting and recruiting

EDP intends to attract and recruit different staff profiles, embracing diversity as an enhancement and a fundamental competitive advantage for innovation.

Talent attraction

Despite the ongoing difficulties of the pandemic, during 2021 EDP continued to adapt and strengthen its employer branding strategy, consolidating its presence among candidates and employees, fully remotely, in more than 165 initiatives, which had the cooperation of more than 80 employees.

Overall, in 2021, the EDP Group impacted more than 34 thousand people through various initiatives:

INITIATIVES	NUMBER OF ACTIVITIES	PEOPLE IMPACTED
Workshop/Business Project	39	1,782
Speed Recruitment/Pitch	31	3,603
Job Fairs	52	24,873
Networking/Round Tables	23	1,987
Open Days/Presentations	21	2,115
Total	166	34,360

To complement these initiatives, various communications were also posted on EDP's main social networks:

- **LinkedIn:** network that establish greater proximity to candidates, resulting in around 1,479,263 vacancy views, more than 325,326 EDP Group page hits and a 16% increase in new followers. EDP continues to be the Portuguese company with the largest number of followers, having already exceeded 340,000
- **Instagram:** used to leverage some employer branding initiatives, leading to more than 30 publications on the topic, an increase of 158% compared to the previous year.

These figures corroborate the growing importance of digital communication for attracting talent. Nevertheless, in 2021, EDP used other digital tools to strengthen its relationship with candidates - for example, a monthly newsletter with 7 editions and around 100,000 mail shots.

The EDP Ambassador programme also continued, providing 15 young university students with the opportunity to disseminate EDP's mission, vision and values to national and international universities in a close, win-win relationship.

In the search for an increasingly targeted strategy, in 2021, deeper relationships were established with a range of internal and external *stakeholders* (companies, business areas, employees, organisations, employability offices and inclusive employability offices, junior enterprises, etc.), highlighting the synergies established with *Innoenergy - Knowledge Innovation Community* and with *CEMS - The Global Alliance in Management Education*, where students were challenged with innovative projects and business challenges.

EDP also sponsored and took part in the *Global Management Challenge* involving 34 employees, with one of the teams coming second in the national final, and in the *IST Management Challenge*, with the participation of 56 students from the engineering areas. In Portugal, the *Corporate Partners* partnership with the *Spark Agency* resulted in the participation of almost 20 EDP employees in 20 *Pitch Bootcamps*, impacting on approximately 4,500 university students. EDP also participated in 5 Fire-Side Talks, for sharing good practices with around 1,300 people.

In 2021, the EDP Group's *employer branding* strategy resulted in several awards/recognitions.

After a demanding and extensive certification process, EDP was recognised as a *TOP Employer* in Portugal for the first time. In addition to EDP, EDP Renováveis also gained this recognition in Portugal and was considered one of the best companies to work for in another five markets where it operates - Spain, France, Italy, Poland and Romania - thus gaining European *TOP Employer* certification.



Universum, Randstand Employer Brand Research 2021 and Spark Agency also considered EDP to be the best company in its sector to work for in Portugal.

These awards demonstrate the EDP Group's strong position with candidates and employees and its dedication and commitment to guaranteeing the implementation of the best people management policies and practices.

Recruitment

During 2021, the attractiveness strategy gave rise to around 55,000 applications EDP's different markets, resulting in a 21% decrease compared to the previous year, with 1597 recruitments and 645 internships, mostly using fully digital recruitment processes.

EDP also promotes bringing young people closer to the labour market through experiences that fosters a practical, multidisciplinary education and allows the creation of a more diversified talent *pipeline*. To this end, in 2021, the EDP Group provided the following internships, mostly in hybrid or fully remote format, as it is possible to see in the table next page.

As part of the **EDP Trainee Programme**, 25 young people of 11 nationalities were also integrated in 2021, fully remotely, and the recruitment campaign for the new version of the programme was launched. This global initiative aims to reinforce EDP's commitment to integrating and valuing diversity as a source of organisational richness. For the second consecutive year, the recruitment process was entirely digital.

	TOTAL INTERNSHIPS	PROFESSIONALS	CURRICULAR	SUMMER
Portugal	364	253	59	52
Spain	112	-	112	-
South America	129	129	-	-
North America	38	-	-	38
Rest of the World	2	-	-	2
Total	645	382	171	92

Finally, and in line with the objective of providing development experiences to young people not recruited by EDP, **EDP Recall** had 3 editions, guaranteeing a second opportunity to more than 200 young people and involving more than 30 employees.

To attract and leverage national talent, in 2021 EDP invested in the creation of a centre of excellence based in Portugal that will provide specialised services to EDP Renováveis in the USA, with the aim of recruiting over 150 employees with different academic backgrounds (Engineering, IT, Finance, Human Resources).

In this sense, despite the unprecedented challenges of the current context, the attraction and recruitment strategy continued to evolve, ensuring that the experience of EDP candidates and employees is increasingly positive, impactful, differentiating, inclusive and human.

3.3.3.2. Talent development and management

The development experience at EDP seeks to respond to new forms of learning, ensuring upskilling and reskilling in areas of critical need for the organisation's short, medium and long-term goals, and, of course, in line with the individual needs of its people.

EDP's development model is implemented through a package of actions and programmes based on the 70-20-10 methodology of training (10%), learning initiatives through knowledge sharing and the development of relationships (20%) and through on-the-job experience (70%).

Training and other development initiatives

In 2021, a new, more flexible and person-centred development model was designed, aligned with strategic business cycles and coordinated with the people management ecosystem, supported by a more integrated, digital and accessible platform. Accordingly, the EDP corporate university reworked the Group's learning experience, based on the following action lines:

- Evolve to a new learning mindset, in which the intention is for employees to see development as an opportunity for continuous, on-demand learning, at their own pace, with access to training related to their duties and to other training content in new skills to prepare them for EDP's future challenges
- Substantial use of digital training content, providing employees with continuous access and a differentiated learning experience, supported by new digital formats, such as virtual reality, immersive experiences, gamification, *e-books*, interactive experiences, among others
- Provide support for the growth and transformation of employees and business, ensuring training courses that ensure employee upskilling and re-skilling
- Strengthen relationships with academia and the training ecosystem, in line with the sector and the transformation of the business, to promote constant skills upgrading and close connections between the company and the academic world, to prepare current and future generations of employees for the sector's future skills.

Based on these areas and on the business strategy, the remit of the EDP University and the alignment of some training areas with EDP's business platforms were reviewed, giving rise to an organisation of business schools per platform: *Network, Generation, Commercial, Energy Management and Renewables*.

Also, the overarching structure of the EDP University was reorganised into four key areas to support the organisation's growth and culture - *Leadership, People and Culture; Business Fundamentals; Digital and Innovation*. In 2022, it is planned to introduce new contents that will facilitate the energy transition and the goal of future-



proofing EDP: hydrogen, digital, sustainability, electric mobility, green economy, smart grids, among others.

In 2021, EDP employees participated in 9,012 training courses, a total of 212,613 participations and 337,296 training hours. In line with the previous year, the reduction in the number of hours is explained by the pandemic that forced the conversion of a large amount of content to digital format. Despite this reduction, digital formats make it possible to reach more employees at the same time, thus facilitating more frequent training. A significant proportion of EDP's training is provided by in-house trainers who share their knowledge with other Group employees in the areas in which they are considered specialists. In 2021, the Group had around 400 internal trainers, registered on the training management platform.

The various global, strategic and business-related programmes and initiatives, included the following:

- Well-being Programme: Although well-being is already a theme of several training initiatives, the pandemic brought new challenges that required other tools. Well-being Talks reached more than 4,700 people at EDP and provided stimulation for literacy and awareness about different aspects of well-being
- Mandatory Group-wide eLearnings: Throughout 2021, a package of Group-wide eLearning courses was launched. The courses addressed skills, policies and regulations critical to EDP, so were considered fundamental (e.g.: Ethics, Compliance, Sustainability, Digital). The completion percentage was 55 %

- English for all: Negotiation of an English language app for the entire EDP Group, to support the development of employees' language skills and company's globalisation.

In EDP's different businesses, programmes aligned with the strategic cycles of Generation, Networks, Commercial, Renewables and Energy Management have been developed. These include:

- Generation: **creation of seminars and workshops** to facilitate in-depth reflection on the current and future challenges of this business
- Networks: **completion of the Technical Programme** - 11 mandatory courses for the exercise of functions, delivered face-to-face despite the pandemic
- Commercial: investment in a **programme on ethical risks** in customer relations
- Energy Management: creation of an **eLearning onboarding course on the** main energy management issues in Portugal and Spain
- Renewables: development of the **Virtual Office programme**, supporting the induction of new employees and networking, by sharing the company's core values; **40five' Webinars**, more than 14 sessions to share the organisation, responsibilities and stakeholders and the different contributions of the business and the different departments and directorates; Webinars, globally or locally presented by directors, where everyone was invited to participate and ask questions; the **H₂ contents** workshops for directors to present EDP Renováveis with the role of green hydrogen and current and future projects and challenges, with over 50 participants.

Training investment in 2021 can be analysed in four main areas, as it is possible to check in the table. In turn, the main training areas of EDP's business are represented by:

- Technical Training in EDP's core competencies (Networks, Generation, Renewable), with 225,715 hours of training
- Leadership and personal development, with 26,874 hours of training
- Digital, with 56,951 hours of training
- Prevention and Safety, with 92,354 hours of training.

In line with the strategy of universal remote access to learning, 93 *eLearning* courses were produced, of which 23 are new courses, 5 are updates and 65 represent localisations. EDP's training platform also currently has more than 200 *on-demand* training contents for consultation, with more than 40,000 views.

In 2021, inclusion in training was also boosted with 20 *eLearning* courses being produced a multilingual format: 14 courses in 4 languages (Portuguese of Portugal, English, Spanish and Brazilian Portuguese); 3 courses in Portuguese of Portugal, English and Spanish; 2 courses in Portuguese of Portugal and Spanish; 1 course in Portuguese of Portugal and Brazilian Portuguese.

The experience and quality of training are also increasingly important to ensure the appropriation of knowledge, and in 2021, training had an average satisfaction score of 3.4 (on a scale of 0 to 5).

As EDP evolves towards a more fluid and continuous learning mindset, online and on-demand training rare key components in support of employee development. Accordingly, in 2022, the EDP Group will invest in defining recommended learning paths for its functional families, to ensure genuine global democratisation of learning, through equal access to learning opportunities.

In 2021, another cycle the **Corporate Mentoring** programme began, with 53 pairs formed, in which various *human skills* are worked on through *mentoring* relationships. This version emphasises the diversity of the participants (mentors and *mentees*), representing more than 10 EDP Group companies, aged between 25 and 65 and 34% female.

The pairing process was implemented through an evaluation of the participants' profiles and the *mentee's* development needs, with satisfaction rates of 95% and 100% in the two *matching* rounds, respectively. As in previous versions, participants are accompanied throughout the process by:

- Mentoring sessions (about 6 to 8 sessions per *mentee*)
- Individual Workshops and Follow-up Sessions to support the mentors
- *Mentoring Circles* so that the pairs can share their experiences in the programme.

In terms of global development projects, it is important to highlight the **Your Board** programme that, in 2021, began new version, after the success and impact of the first version. Your Board is a global programme, representing a unique opportunity for development, networking and exposure to top management.

Through a rigorous selection process that promoted diversity, 18 employees of 9 different nationalities and from 8 EDP business units were selected for the second edition. These participants were challenged to form two teams that will bring new perspectives and visions for decision-making as part of EDP's business plan (*Business Plan Challengers*) and innovation and digital strategy (*Innovation & Digital Challengers*).

Throughout the one-year programme, participants can count on the support and close monitoring of members of the Executive Board of Directors. In order to enrich the participants' experience, this edition also includes a Learning & Development Journey, based on the 70-20-10 model, consisting of a set of contents, actions and development initiatives.

	UN	BEHAV- IOURAL	CORPORATE	MANAGE- MENT	TECHNICAL	TOTAL
Volume of training	h/t	26,174	54,583	30,823	225,715	337,296
Participations by area	#	25,399	77,804	13,334	96,076	212,613
Investment by area	€	351,760	264,812	906,065	2,025,158	3,703,747

Digital Upskill

The development of digital skills and know-how is one of EDP's priorities, realised through a digital upskilling roadmap, which is being adjusted to new needs and trends.

During 2021, 261 courses were launched, totalling 56,951 hours of training, 58,427 participations and an average satisfaction rate of 3.4 (on a scale from 0 to 5). Considering the training included in this digital *roadmap*, it can be stated that 84% of the employees have taken at least one training course on digital in the last two years.

Nine *Digital Random Coffee* sessions were also held, with the participation of 112 employees, in order to promote informal conversations to increase knowledge on a digital theme, facilitated by an employee with expertise in the

topic, and with a 100% rate regarding the applicability of the session in day-to-day work. Six digital projects were also launched on EDP's internal *marketplace* platform (*Grow*), as well as a skills volunteering project in the digital area.

To support this digitisation process, in 2021 a specific type of *mentoring* was also created for the development of digital skills (*Digital Mentorship*), with 22 pairs of digital *experts* and employees interested in developing skills in IoT, Collaborative Tools, Automation and Robotisation, *Design Thinking*, Cybersecurity, *Agile*, *Analytics*, *Big Data* and Emotional Intelligence.



Leadership development and succession

The development of management and leadership skills is key to EDP's success, so it continued to create a major impact among EDP leaders globally, despite the challenges imposed by the current situation. Thus, in 2021, customised programmes were developed for leaders in a total of 937 events, 12,581 hours of training and 5,373 participations. The following programmes and initiatives were of note:

- Meaningful Conversations 1-to-1, an initiative that involved EDP's top management, managers and macro-structure without a team to work on a framework for meaningful conversations, with a total of 220 participations and an average recommendation score of 9 (on a scale of 0 to 10)
- The 8th Energizing Program, aimed at EDP's specialists, identified as change agents, which involved 192.75 hours of training
- 8th and 9th Lead Now Program, for employees who have recently taken on leadership positions, with the new challenges of managing hybrid teams

- 4th Leading Others Program for managers and macro-structure with a team, with some experience, to update their knowledge, including the new challenges and trends in leadership. With a total of 313 participations, this program achieved an average recommendation score of 8.7 (on a scale of 0 to 10)
- 1st Leading Through Others Program, for senior management segment, focused on the skills of a leader of the future, included responding to a challenge with an NGO in which personal and social transformation skills (agility, flexibility, curiosity, influence) were worked on. This program achieved an average recommendation score of 8 (on a scale of 0 to 10)
- *Leadership Talks*, addressing leaders globally and approaching leadership topics directly related to social isolation issues, registering 2,581 participations
- Sharing of more than 30 online contents useful for remote team management, through the internal communication channels and accounting for about 12 thousand views
- At EDP Renováveis, the Management & Leadership Essentials Program was held, for over 100 managers in seven markets, with the goal of developing management and leadership skills as part of their career plan. A programme spanning 50 hours, involving online modules, live webinars and individual coaching sessions

During 2021, a Succession Plan was also designed for the EDP Group's top positions, to ensure a global and diverse *pool* of successors and seeking to capitalise on their skills and aspirations. Given its critical nature, this plan was devised with the significant involvement of the members of

the Executive Board of Directors, through an ongoing collaboration process supported by clear criteria and global and diversified information sources.

As a result of this exercise, 153 successors were mapped out (51% more than in the previous succession plan), with representation in terms of gender, generation, nationality and academic and professional *background*. It should be noted that 30% of this *pool* are women, which is fully in line with the goal of female representation in leadership positions defined for 2025. With regard to generations, around 30% of successors are *millennials*, which demonstrates that young talent is increasingly represented in the company. Also, 6 nationalities are represented, with a greater predominance of Portuguese.

Top Management Successor Pool



28% Gen Y
69% Gen X
3% Gen BB

44 years - mean age
12 years - job tenure



30% Women
70% Men



6 Nationalities

57% Portuguese
24% Spanish
10% American
7% Brazilian
1% Indian
1% Greek

For total successors, 273 potential movements were mapped (48% more than in the previous succession plan). These movements to *Top Management* positions represent intra- and inter-company/geographical mobility and also consider the level of readiness of successors to assume these positions. Thus, for 60% of the movements identified, the successor person is ready to assume the position immediately. For the remaining movements, the successors will be ready within 2-3 years, which means that there are still development needs to be addressed, already analysed and with short- and medium-term initiatives and actions designed.

Mobility and new ways of working

The internal mobility of employees, whether permanent or temporary, is one of EDP's priorities and is one of the most impactful tools in the development process, allowing diversification of experiences as a lever for the development of skills, gain of global perspective and democratisation of internal talent. The mobility processes also allow mean that supply and demand for skills can be met by satisfying the profile needs that business challenges demand.

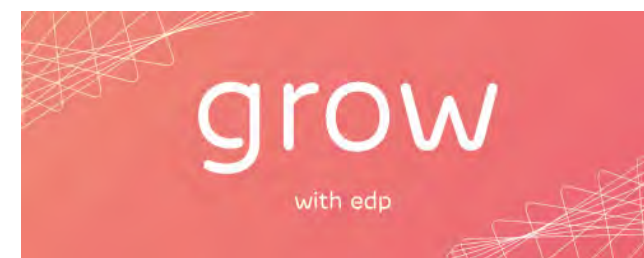
At EDP, internal mobility is leveraged through the **Grow** platform, which promotes collaboration and talent retention, providing information on the internal job market and allowing employees to apply for existing opportunities throughout the Group, whether long-term (change of function) or short-term (participation in projects and activities). In 2021, this platform had about 13,000 visits.

In 2021, 947 positions were filled through internal mobility, representing a functional, area of action and/or geographical change for almost 82% of all EDP Group employees eligible for mobility in December 2020.

Within the range of short-term opportunities, in which employees have the option of exercising a temporary role (up to 6 months full-time or 12 months part-time) or participating in an activity in another area for up to 40 hours, 25 initiatives were launched.

More than a development opportunity, internal mobility is also a stimulus to new and more collaborative ways of working, where the project ecosystem becomes a clear talent retention strategy.

Taking advantage of current technological advances and globalisation itself, EDP also continues to invest in the development of global and virtual communities, improve employee experience and collaboration and sharing between different business units and markets. In these communities, several initiatives are tailored to the members of each community, including *live events* and *talks* with experts, access to mobility opportunities and to a training course tailored to the profiles involved, as well as the provision of practical and informative content inherent to the topics covered in each community. In 2021, the following communities were launched: ESG Global Community, People & Organization Global Community and Global Energy Management Community. Three more



communities are expected to be created by early 2022: Brand & Communication Global Community, Digital Global Community and Innovation Global Community.

Performance and talent management

Effective and consistent performance management, as well as a clear and actionable talent strategy, are key components of the transformation that EDP is seeking in the coming years, as a future-proof organisation. To this end, with alignment with the People & Organisation strategy 2021-2025, a project was developed to design the new performance management and talent management models.

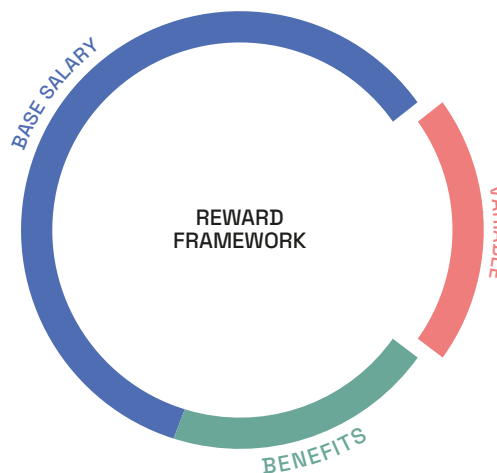
The new global models were designed collaboratively, considering the contributions of the EDP Group's various people management areas, and are positioned as essential drivers of EDP's ambition to become a more meritocratic, development-oriented organisation with an active feedback culture.

These models, which will be implemented in 2022, will be included in a new people management cycle, to provide a more integrated, clear and consistent experience for employees and leaders, to ensure greater *engagement* and retention of talent at EDP.

3.3.3.3. Rewards and benefits

In 2021, a global cross-cutting compensation strategy was defined for the entire EDP Group, in order to strengthen transparency, accompany the transformation of the labour market and ensure alignment with best practices. Although the implementation of this project carries over to the following year, some actions have already taken place in 2021.

Recognition policies play a key role in attracting and retaining talent. Therefore, in order to meet EDP's needs and in line with market practices, a compensation structure with a global perspective was reinforced, which aims not only to meet fixed remuneration, but also benefits and variable remuneration (short and long-term) directly related to the individual *performance of employees* and EDP's results.



Therefore, based on a careful look at the best market practices, it was felt that a Long-Term Incentive Programme (LTI) needed to implement on a global scale, exclusively for Top Management. This programme makes

the compensation policy very competitive and recognises the contribution of employees to business results. The programme is based on the Group's main objectives, aligned with the Business Plan defined for 2021-2025 and aims not only to leverage EDP's human and social capital, by attracting and retaining its employees, but also to create a package of incentives to reward the achievement of ambitious goals while committing to the EDP Group's overall performance.

In line with this approach, work has been underway on a new sales incentives project, specific to a number of commercial roles, which will be developed in 2022.

Moreover, EDP continues to promote a culture of meritocracy, where the differentiation of performance and the contribution of its people are supported by evaluation and recognition processes and tools. In this context, the corporate performance model saw change in 2021, towards valuing a culture of continuous feedback, which is fundamental in supporting the business challenges and the employees' follow-up, boosting their permanent involvement with the Group's objectives and performance. This model, aligned with EDP's current Business Plan, has a triangular configuration (Attractive Returns, ESG Excellence and Future-Proof People & Organization), consisting of the Group's objectives, Business Units/Platforms, Areas and Individual Contribution (measured by Global Appreciation).

Given the need to constantly adapt to the current challenges of corporate structures and business, we have defined the positioning of all Top and Senior Management roles globally; to this end, we are working on the (re)definition and updating of an organisational matrix, essential to guarantee the success of the company. This matrix will be built taking account of the evaluation of each role, to clarify the differentiation between functional

families, organisational groups, functions and competencies, with the aim of becoming the basis for all human resource strategies, as it will allow a broader view of the distribution of resources by areas and thus facilitate the fulfilment of the strategic objectives defined by EDP.

Considering the motivation and expectations of its employees, as well as EDP's needs, the focus on the career management model was renewed, allowing the employee to evolve in the company in technical and management roles, promoting greater autonomy and appreciation and, consequently, the best fit between their profile and their task performance (Y-career).

EDP also continues to reward employees extraordinarily in particular situations, such as with the special bonus for the performance of duties during the pandemic, a cross-cutting Group award.

Also under the compensation policy, and in line with EDP's commitment to promoting diversity and inclusion, work continues on *Equal Pay* matters. This is a global work, whose objective will be to respond not only to the challenges in each legislation, but above all to guarantee the monitoring of performance evaluations, promotions, salary reviews and voluntary departures, in order to ensure appropriate management of processes in equality and non-discrimination.

Benefits

A EDP offers all its employees a set of benefits in line with their needs and those of their families throughout the employee's time in the company, including access to protection and health care systems that complement the public health services in each country, complementary retirement plans and personal accident and life insurance.

There are also benefits indexed to Collective Labour Agreements or flexible plans tailored to the legislation of each country.

In **Portugal**, through 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 consultation of the measures that the company makes available to them through the Conciliar programme. In 2021, this platform was also launched in Spain, to provide all employees with a better experience in this market.

In line with the global well-being strategy, EDP Flex benefits began to reflect the priorities defined by the company in this matter. A new benefit (wi-fi at home) was added to the 17 benefits of existing flexible component, to enable employees to support their fixed Internet access expenses. The extension of the benefit of technology to the home office was also introduced, to enabling some company-approved technological equipment to be purchased.

On the other hand, in the area of EDP's sustainability policy, a sustainable mobility measure was launched through the Conciliar programme, involving the attribution of advantageous conditions for the purchase or renting of 100% electric vehicles (BEV), as well as discounts on electric vehicle charging solutions. This measure is committed to EDP's sustainable mobility and decarbonisation strategy, where the ambition is to electrify 100% of its fleet by 2030, as well as the installation of 100,000 electric charging points in the same timeframe.

In **EDP Spain**, the negotiation of the Collective Agreement and the inclusion of the Viesgo companies in the EDP Group took place this year.

EDP Renováveis offers an bespoke benefits package tailored to the life cycle of its employees (generation and family situation). There was also the extension, in 2021, of the restaurant tickets to Italy, Colombia and Greece.

EDP Brasil, considering the importance of the physical and emotional well-being of its employees, ran several awareness programmes (e.g., "Conversation cycles on Mental Health", "Healthy Electrician", "Recupera COVID", "Gerando e Transmitindo Saúde"), which were monitored by nutritionists, orthopaedists and psychologists. These projects paid special attention to employees in field roles whose

MEASURES	EDP PORTUGAL	EDP SPAIN	EDP RENOVÁVEIS	EDP BRASIL
Pension plan	✓	✓	✓	✓
Life and work accidents insurance	✓	✓	✓	✓
Health insurance	✓	✓	✓	✓
Flexible compensation plan	✓	✓	✓	*

* Designed in 2021, expected to be implemented in 2022

work cannot be converted to remote modes. Regarding the monitoring of COVID-19 protection measures, EDP Brasil also launched a medical surveillance programme for employees with possible aftereffects of the virus.

3.3.3.4. Employment rights

EDP maintains a constructive and collaborative relationship with official bodies and employee representatives - workers' committees and trade unions - to intensify the transmission of information and cooperation, which in 2021, has resulted in a climate of concerted action and social peace.

This relationship is put into practice in each market by local teams that guarantee contact and proximity to those entities, by communicating, among other things, organisational changes with an impact on employees, both to the employees themselves and to their representative bodies.

Trade Union representation in the EDP Group

At the end of 2021, **30.4%** of EDP Group employees were unionized. The largest number of union members is in Portugal and South America, respectively with 1,957 and 1,338 employees, followed by Spain with 430 union members. The below table details this information.

UNIONIZED EMPLOYEES BY POPULATION SEGMENT

SEGMENTS	UN	SPECIALISTS	SUPERVISORS	SENIOR MANAGEMENT	TECHNICIANS	TOTAL
Unionized employees	%	5.0	0.9	0.4	24.2	30.4
Portugal	#	259	65	39	1,594	1,957
Spain	#	99	31	2	298	430
South America	#	255	13	3	1,067	1,338
Total	#	613	109	44	2,959	3,725

Activity in Portugal

In 2021, the Collective Labour Agreement (CLA), signed at the end of 2014, remained in force in the EDP Group companies in Portugal that ratified or adhered to it.

In relations with trade unions, notable initiatives were the negotiation of the wage scale increase, achieved exclusively by remote means (videoconference), due to the limitations imposed by the pandemic.

The social consultation process for the revision of the salary scale began in January and ended in May. 12 plenary meetings were held with the participation of representatives from 9 negotiating committees. An agreement was reached with the majority of the union negotiating committees, with a base entry salary set at a minimum of 1,020€ for technical employees and 1,520€ for senior employees, positioning EDP's lowest salary in Portugal 53% above the national minimum wage.

Solutions were also developed to improve the application and interpretation of the collective agreement, with negotiations being opened on the different matters contained.

From June to October, under the negotiating protocol signed between the EDP Group Negotiating Committee and the Trade Union Negotiating Committees, a negotiation process was initiated with wide-ranging discussion in regular bilateral and plenary meetings on various aspects of the collective labour agreement, particularly professional conditions and careers.

Supporting legislative changes in labour matters, of a social and prevention nature and with adaptation to the constraints of the pandemic, about 130 meetings were held with official entities, workers' committees and trade unions. These contacts took place as part of permanent dialogue and monitoring of the evolution of the pandemic and its consequences in labour relations, with changes in the organisation and performance of work, introduction and implementation of specific regulations and their adaptation to collective regulation.

Under the remit of industrial relations, support and dialogue continued with employees' organisations for recreational, cultural and social purposes - the EDP Staff Club, the Retirees and Pensioners Association and the Blood Donors Association.

Activity in Spain

2021 was a very intense year, with a lot of activity in Labour Relations. This included the setting up of a **Covid Coordination Committee** with representatives of the various areas of the company and the creation of a "**Liaison Committee**" with the unions representing the workers of all the EDP Group companies in Spain, in order to keep up-to-date information on the preventive measures to be applied and to ensure proper co-ordination in implementing those measures.

A Remote Working Agreement was signed with the unions, to regulate the situation for the post-pandemic

period. This agreement was signed by all the unions of EDP Spain and Viesgo.

One of the most important milestones was the signing of the IV Viesgo Collective Bargaining Agreement in August 2021 with Viesgo's representatives. The signing of this Agreement is a very important milestone in the integration of this Company into EDP Spain, as it unifies working conditions in both companies, in accordance with the III EDP Spain Collective Labour Agreement, which expires in 2025. The signing of the agreement completes the integration of Viesgo employees into EDP's pay structure and professional classification.

In 2021 **union elections** were also held **in the two companies with most representation in the EDP Spain Group, EDP Spain and Hidrocarbónico Distribución Eléctrica**, and the **elections began in the company EDP Clientes**, for representation on the Company Committee, which will conclude on 17 February.

Elections were also held **for the Pension Plan Control Committee**, using a digital platform for online voting, due to the pandemic. The digital election was part of an initiative by the Digital Global Unit (DGU).

Despite the pandemic and mobility restrictions, there was the same percentage of participation as in previous years (5% of votes in person and 38% of votes via the Digital Platform) without no complaints, providing a benchmark for future elections and other types of voting.

Several **negotiation processes** were also held **with the workers' representatives**, some to change the collective labour agreement to introduce issues pending regulation, and to adjust scales/hours in the Generation area, to adapt them to organisational needs, and in the Distribution area as a result of the integration process for the centralisation of the Faults Service.

The **Labour Affairs Committee** worked throughout the year, dealing with labour issues in continuous dialogue with employee representatives.

Activity in Brazil

In 2021, the country's political and economic issues, as well as the COVID-19 health crisis caused, drastically affected the economy and the labour market. This situation required unions to intensify mobilisations in search of wage restoration, job guarantees and health conditions for the employees.

However, EDP organised and mobilised itself for meetings in person and by telematic means, ensuring compliance with all the defined safety and prevention procedures. In addition to the previously scheduled bi-monthly meetings, an average of five monthly meetings were held with seven unions. In these meetings, subjects related to Collective Labour Agreements (annual), participation in profits and/or results and other employee claims were discussed.

EDP Brasil was active in various labour issues, discussing economic and health issues with the trade unions and positively demonstrating the importance of its employees' well-being. The progress of collective negotiations was communicated, at the same time, by EDP Brasil and by the trade unions, with the objective of clarifying any doubts and demonstrating transparency in the negotiation process. Collective negotiations are held annually, in accordance with the rules set out in national labour legislation.

3.3.3.5. Organizational climate

The organisational climate is a fundamental indicator for EDP, reflecting the feedback of its employees, particularly in on involvement and commitment (*engagement*) and their perception of organisational support (*enablement*), aspects that directly affect their well-being and productivity.

The organisational climate is studied through the launch of an annual questionnaire sent to the whole organisation. A longer and more exhaustive questionnaire is sent one year and a shorter, follow-up questionnaire the next. This methodology uses a digital platform to analyse annual trends in indicators, internal comparisons, and comparisons with the sector, market and high performance companies.

The results of this study are referenced against an international *benchmark*. In the main study areas, EDP has led its sector and is aligned with the best performing companies in the global market. Notwithstanding these good results, the EDP Group's objective is to continue to improve. Hence, climate management does not end with the results of the study, as 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, with measures implemented to improve specific issues identified in the study.

In the corporate plan arising from the results of previous years, and despite the constraints imposed by the pandemic, in 2021 the global implementation of a hybrid working model is highlighted - this model includes up to two remote working days a week, for compatible roles.

In relation to the Climate Study 2021, in addition to the main aspects of *engagement* and *empowerment*, two new areas were also assessed, which aim to gauge: i) the holistic well-being of EDP Group employees; and ii) their adaptation to the hybrid working model, for compatible roles.

This study, in which 94% of EDP Group employees took part, obtained a response rate that was 13% above the general market, 11% above *utilities* and 8% above *high performing companies* (HPC).

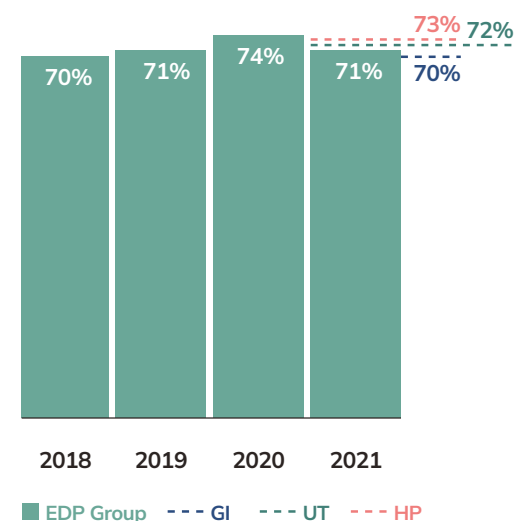
In terms of engagement, 76% of employees felt involved with the company, 1% below the results obtained by HPCs, 4% above *utilities* and 6% above the market in general. In this area, the intention to stay in the company is of note - with the intention to stay 3 or more years in EDP, as well as the employees' sense of pride in the company, both with an 85% favourable rating.

In enablement, it was also concluded that 71% of employees have a positive perception of organisational support, below the results obtained by HPC, 1% below *utilities* and 3% above the general market. In this context, the opportunity that the company provides for employees to carry out challenging and interesting tasks is of note (81% favourability), a result that is three percentage points above the results obtained by HPC.

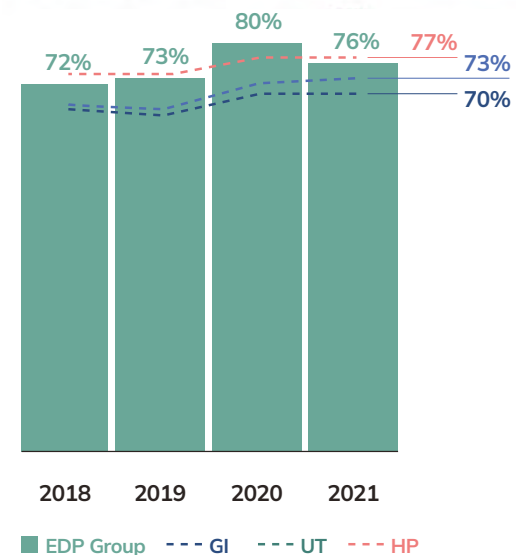
For well-being, which includes emotional, financial, physical, professional and social well-being, a sense of respect as an individual and for line managers is evident, 91% and 93% of favourable, respectively. On the other hand, it can be seen that 26% of employees consider that the level of *stress* of their work has a negative impact on their well-being, something identified as an opportunity for improvement. As this is a new internally driven aspect, there are no *benchmark* results. However, despite the absence of this comparison, this analysis and consultation with

employees is fundamental for EDP to act on the experience provided to its people.

% HIGHLY ENABLED EMPLOYEES



% HIGHLY ENGAGED EMPLOYEES



Regarding the hybrid working model, and considering its global implementation in the second half of 2021, it was possible to verify a very positive reaction to it. The perception of employees regarding their productivity in a hybrid working environment is very high (96% favourable), as does the ability of teams to collaborate and the digital collaboration tools made available by the company, both rated 94% favourable. The need to adapt physical facilities to the model is also identified (78% favourable). The questions in this area applies only to employees with functions compatible with remote working.

3.3.3.6. Stability in employment

The EDP Group Climate Study 2021 revealed that 85% of employees consider that, in the current context, EDP provides job stability, an increase of 3 percentage points compared to 2019. According to the *benchmark*, this is 12 percentage points above the market average.

Beyond this perception, EDP has committed, since the beginning of the pandemic, to not cutting any jobs or to resorting to any *lay-offs* due to the pandemic.

3.3.3.7. Reconciliation and social protection measures

The COVID-19 pandemic led EDP to activate a Contingency Plan, adopting rules and procedures for protection and prevention, with the aim of managing the impact of the pandemic on employees, service providers and the EDP Group's own business. In addition to this plan, in 2021 EDP continued to provide other measures to prevent and combat the pandemic.

In Portugal, in addition to the telephone line set up for medical support and a special psychosocial support programme for the current pandemic, a voluntary, completely free anti-flu vaccination programme was again promoted, recommended for employees over 50 years old, chronically ill or immunosuppressed.

At EDP Brasil the "Recupera COVID" programme was developed to provide medical support to employees with COVID-19 aftereffects, through the application of a questionnaire consisting of items assessing symptoms, mental health and the presence of sequelae.

The pandemic has also increased the importance of caring for people holistically, so the promotion of employees' well-being at EDP has gained increasing importance.

Faced with this situation, EDP has reinvented and adapted some of its work-life balance measures to better meet its employees' current well-being needs.



Family-friendly company

EDP, recognised and certified in Portugal and Spain as a "Family-Friendly Company" by the Fundación +Familia, considers work-life balance to be a priority. This certification relates to the evaluation of the set of measures and programmes that the company makes available, and the respective impact and return that result from it. EDP is therefore a recognised organisation in this field, with a reputation as a more competitive and fairer company, basing its vision on flexibility, respect and equal opportunities.

Over the years, it has implemented various measures to reconcile employees' personal and professional lives, promoting an essential work-life balance for employees. EDP in Portugal and EDP Renováveis Spain have the level of excellence as a family-responsible company through the efr model since 2019 and 2020, respectively. In 2021, EDP Spain improved and renewed this certification in work-life balance and well-being for another three-year period, reinforcing the importance that these measures have for its people.

Comprehensive Well-being Strategy

In 2021, EDP defined a global well-being strategy with the sponsorship of the CEO, Miguel Stilwell d'Andrade, allowing work on processes, benefits and behaviours to improve the quality of life of employees in the coming years. Through this strategy, five strategic objectives are to be fulfilled:

- **To promote an overall well-being experience** through a holistic approach, clear responsibilities and a well-being ecosystem
- **Leadership by example**, generating business results through empathetic, authentic and conscious leadership of the well-being of its people
- **Focus on and promotion of physical and mental well-being** as the key to a healthy and productive workplace (post pandemic)
- **Ensure a useful, balanced and easily accessible well-being service**, tailored to the needs of our people in the 5 pillars of wellbeing
- **Communicate a vivid and engaging story**, aligned with the business, brand and people narrative.

In this sense, by 2025, we intend to promote a healthy, energised and prosperous work environment, fostered by

a people-centred experience that allows all employees to give their best.

Considering the personal and professional challenges, this strategy is based on a holistic approach and grounded in 5 key dimensions of well-being: physical, social, professional, financial and emotional.

A preventive and interventive approach is promoted in each area, with the goal of, on the one hand, raising awareness and training among EDP employees in behaviours that promote well-being and, on the other hand, providing internal responses that allow the identification and resolution of possible situations and critical cases. In order to promote this culture of well-being, an ecosystem involving all employees, from the CEO to the individual employee, is being implemented as the first line of responsibility for their well-being. In 2022, it is intended to continue the implementation of this strategy, with a special focus on acting on the results of the Climate Survey regarding well-being, the stabilisation of a global offer, the definition of action plans that continue to promote psychological safety in a hybrid format and alignment with EDP's purpose and people management narrative.



Emotional well-being

Attitudes and reactions to daily events. Navigate through the ups and downs of life, understand how to own and regulate them.



Physical well-being

Maintain a healthy quality of life to complete daily tasks without excessive fatigue or physical stress.



Social well-being

Quality connections with others, positive impact on the environment and the community around us.



Professional well-being

Positive work experience that results in satisfaction, pride and value. Develop new skills or refine skills already acquired.



Financial well-being

Managing your financial life in the present, while preparing for the future and responding to unexpected events.

Belonging	Nutrition	Community	Training and Development	Preparation
Purpose	Sleep	Family	Flexibility	Planning
Resilience	Movement	Colleagues	Engagement and Performance	Protection
Gratitude	Energy	Friends	Goals and recognition	Sustainability

Mind Your Mind

The awareness-raising initiative on the topic of mental health promoted by EDP during the month of October, associated with World Mental Health Day, promoted by the World Health Organisation (October 10th), was launched globally for the first time.

The 2021 event was marked by appealing challenges, informative talks, vibrant testimonials and many intimate shares, with the development of several initiatives that impacted more than 3,000 employees in 10 markets.

In **Portugal**, conversations and debates rich in testimonies were promoted, where the stories of EDP employees combined with those of external guests:

- *You Are Not Alone*, a session in which personal stories of overcoming everyday adversity were shared
- *Healthy Mind, Healthy Body*, this session addressed the importance of a holistic view on physical, mental and social health

- *STOP & ReSTART*, an intimate conversation in which, through humour, it was possible to hear honest testimonies about *burnout* and the importance of mental health.

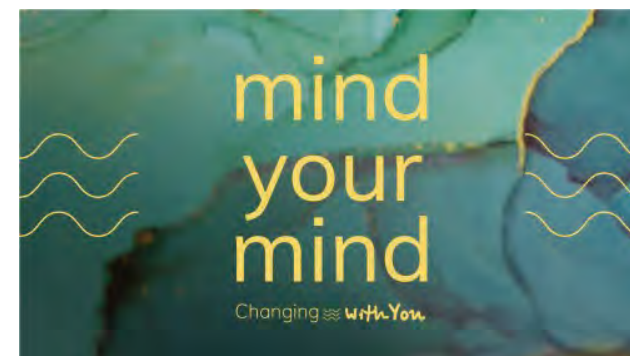
In parallel, challenges related to work-life balance, physical exercise and *mindfulness* were launched for employees with a charitable purpose. At the end of the project, the comments, appraisals and views were converted into energy, and €1,500 in energy was donated to the NGO *Fundação Romão de Sousa*.

EDP Spain has prepared the launch of the Culture Committee as a lever for the development of various local actions related to the Mind Your Mind campaign, including:

- Organising a conference on managing change
- *Mindfulness* sessions.

At **EDP Renováveis**, local and proximity activation was promoted, with different initiatives being launched in the various markets where the company is present:

- In Spain, a range of issues related to mental health, such as intelligent optimism and resilience, were discussed



- In Portugal, the aim of the Mind at Work initiative was to launch awareness-raising actions to combat the stigma associated with mental health
- In France, yoga classes with a specialised teacher were promoted
- In Italy, a mindfulness workshop was organised
- In Romania and Poland, a webinar was held to raise awareness about mental health
- In Greece, a conversation was held on stress and nutrition and their impact on physical and mental health
- In Brazil, yoga and meditation sessions were promoted to strengthen the relationship between body and mind
- In Colombia, a session was held to help work through fears, increase self-esteem, productivity, facilitate positive relationship building and help reduce emotional and work-related stress
- In the United States, two Wellness Committee webinars were held on the science of mindfulness and emotional intelligence

At **EDP Brasil**, the session on "The importance of self-confidence for mental health" was held and a series of videos and *podcasts* were produced on mental health care, inside and outside the work context, also giving voice to social projects. In the session "Trust in yourself!", they talked about the importance of positive, motivational and optimistic messages in daily life that contribute to the promotion of mental health.

The EDP campaign for mental health is another important response by EDP and is part of its global wellbeing strategy. Through this initiative, EDP intends to continue to

approach this subject openly, appealing to preventive behaviour, but also ensuring answers and support services in all the markets where it is present.

In order to continue to promote mental health among employees, a partnership was also established with the José Neves Foundation, through the *29k* app, which provides a set of scientific tools, such as training videos, meditations, audios and exercises. The *Headspace* application (free version) is also available in EDP's technological tools.

EDP Social Support

EDP provides all employees with a psychosocial monitoring service that makes a social diagnosis of critical situations and proposes an individual action plan that may include the application of various EDP and/or community responses. These social responses may be of various extents (social support, psychological support, financial and/or legal consultancy) and their purpose is to contribute to the improvement of situations that impact the personal, social and/or professional life of employees, through empowerment and promotion of autonomy. This support and social support are provided with total confidentiality and secrecy by specialised professionals.

In 2022, we intend to increase the proximity of these help channels to EDP's employees, communicating more closely, extending and complementing the existing social responses in accordance with current needs, which will play a fundamental role in preventing problems and promoting health and well-being.

Additional days off

EDP has several initiatives for its people that prove flexibility in the different regions where we operate, such as days that employees are allowed by the Company to take off, for example:

- Birthdays (EDP Spain included birthdays in the leave days available to the individual)
- Christmas Eve or New Year's Eve
- Carnival and half day at Easter (in Portugal)
- Energy Day - marked on the 29th of May and celebrated on the first Monday of June in some regions, as is the case with EDP Spain and EDP Renováveis (at EDP Spain it can be moved to another working day)
- Exemption for pregnant women in the 15 days before delivery, as we know that this is a special time for mothers - a measure reinforced with other parenting support
- First day of school for children and/or grandchildren for employees in Portugal
- In Portugal, employees have an annual leave entitlement of 24 working days (i.e., EDP employees in Portugal are entitled to 2 days more leave than provided for in the Labour Code for most employees).

New ways of working and workspaces

The approval of a hybrid working model in 2020 reinforces EDP's commitment to the flexibility, well-being and productivity of its people, through which it is possible to work remotely two days per week for employees in compatible roles.



In 2021, because of the pandemic, it was only possible to start the implementation of this model in the second half of the year, and in October approximately 60% of EDP's workforce was working in hybrid mode.

Although this return to the facilities took place at different times given the pandemic in each market, the gradual return to the facilities also gave rise to physical (e.g., gift-giving) and digital activation occasions. In Portugal, the return took place in October and was marked by the #BackTogether campaign.

In this context, attractive buildings and a commitment to making teams feel comfortable and safe in the office space, to ensure adaptation to the current unpredictability, is another focus of EDP. Through biophilia solutions and greater humanisation, it is possible to create spaces that encourage greater flexibility and spontaneity in team dynamics, in line with the hybrid working model, hotdesk and cleandesk concepts and the standardisation of workstations.

Thus, the EDP *Workplace* Concept was approved in 2021: definition of more humanised work environments, focused on people's well-being and aligned with the hybrid working model, ensuring alignment with the criteria of the WELL Certification (quality standard requiring universal well-being measures).

This new identity of spaces is being implemented gradually, and more than 21,000 m² have already been adapted, impacting the daily lives of around 3,000 employees.

EDP has also made progress with various building certifications, having already obtained LEED® (Leadership in Energy and Environmental Design) certification for the following buildings: Headquarters I Lisbon (Portugal), Houston (USA), Madrid (Spain), Oviedo (Spain), EDPR

São Paulo (Brazil). In addition to this certification, Headquarters II Lisbon (Portugal) will also have WELL Certification. The New EDP Brasil Headquarters was also awarded the Fitwell Seal in recognition of the quality of its workspaces.

3.3.3.8. Diversity and equal opportunity

In line with the previous year's review of the EDP Group's Diversity and Inclusion (D&I) strategy and action plan, in 2021 the Inclusion Office continued its mission to:

- Define the global guidelines for D&I action with regard to achieving the mission, brand positioning and the internal and external communication plan for the commitments undertaken, and by reviewing and strengthening internal recruitment, selection and development processes, to ensure equal access to opportunities for candidates and employees
- Facilitate and deliver the action plan, accelerating global projects with an impact on the promotion of a more diverse and inclusive company and work environment through the involvement of internal stakeholders - teams and employees
- Create alignment between D&I initiatives of the various business units, in projects and initiatives that aim to meet global commitments
- Manage EDP's global D&I partnerships and commitments.

This mission was also complemented with the review and update of the public targets in the field of D&I until 2025:

- 30% female representation, both globally and in leadership positions
- 2% representation of people with disabilities globally.

In this area we the following milestones are of note in the development and acceleration of global projects that are fundamental for an inclusive organisation and working environment:

- Review of the [Diversity Policy](#) to reinforce the importance of the concepts of equity and sense of belonging, consolidating the commitments undertaken, the responsibilities of the various *stakeholders* and their implementation and reporting mechanisms, in order to create a global alignment of EDP towards Diversity & Inclusion
- Continuous monitoring of recruitment and selection (R&S), with a special focus on gender representation and the inclusion of people with disabilities, guaranteeing equal opportunities and making the necessary adaptations. To reinforce internal awareness among operational recruitment teams, people management teams and managers, guides for **Inclusive Recruitment** were developed to facilitate understanding about diverse talent, the importance of deconstructing stereotypes and/or promoting inclusive R&S practices
- **Global Diversity Census**, an initiative under the motto "Getting to know you so we can know ourselves" to find out about EDP employees' diversity and perceptions of inclusion, with over 2,000 anonymous, voluntary responses
- **Equal Pay Project**, to consolidate all internal practices to guarantee pay fairness and which deliver, during 2022, a package of cross-cutting practices to maintain these initiatives or mitigate situations that may lead to pay gaps.

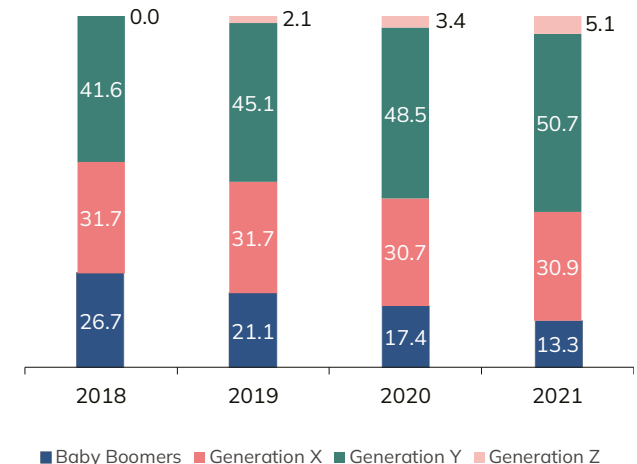
Additionally, projects were developed to strengthen complementary dimensions of D&I, for example in:

- **Awareness and Capacity Building:** Diversity Month, dedicated to Diversity & Inclusion (Gender Equality, Inclusion of Disabled People, Generational and Multicultural Diversity), consisting of 17 initiatives (*workshops*, *partnerships*, *networking sessions*, inclusive *talks*) and with more than 800

participants. During this period a skills volunteering project was also launched in partnership with the SPEAK - Share Your World start-up, giving EDP employees the opportunity to teach a language to migrants, expatriates and refugees, in an intercultural experience and sharing of experiences. As part of the International Day for Tolerance, a global sharing session ("*Tolerance for a More Inclusive Workplace*") was also organised to promote knowledge about skills and practices of respect, well-being and appreciation for a more inclusive world, as well as the importance of understanding diversity within the company

- **Development and Training:** launch of the first *Inclusive Leadership Program* (29 participants), developed in partnership with NOVA School of Business and Economics, the first leadership development training totally dedicated to reflecting on the challenges and opportunities of D&I. The first eLearning training course on Unconscious Bias was also launched, developed in 4 languages and already completed by over 4 thousand employees
- **New Commitments:** strengthening of public commitments to inclusion and promotion of equal opportunities such as joining The Valuable 500, a global movement that brings together the efforts of companies to promote a more inclusive society, seeking to integrate people with disabilities into the labour market.

GENERATIONS AT EDP GROUP (%)



- **Recognition** - EDP and EDP Renováveis are included in the *Bloomberg Gender Equality Index 2022*, a benchmark index that selects the listed companies worldwide most involved in the development of gender equality, from a total of 418 companies recognised, in a wide range of areas: female leadership and promotion of talent, inclusive culture, salary parity, policies to prevent sexual harassment and communication practices, brand and services that support female participation and development in the value chain and in the community.

Definition and evolution of diversity indicators

In 2021, in terms of gender diversity, female representation is currently 26.6%, an increase of about one percentage point. In terms of new recruits, women accounted for 34.4%, an increase of about three percentage points compared to 2019. The presence of women in management positions is 26%. These indicators are therefore contributing to movement towards the target of 30% female representation that the EDP Group has set for 2025, both in the total number of employees and in leadership roles.

In generational terms, there is greater representation of the Y and Z generations, at the expense of the X and *Baby Boomers* generations. Although the presence of generation Z (born from 1996 onwards) has increased to 5%, generation Y was the generation whose presence grew most in 2021 in the EDP Group, with current representation close to 51% of the organisation.

In diversification of nationalities, EDP currently has 46 different nationalities, 5 more than in 2020. This diversity continues to be the result of the development of more global attractiveness initiatives, through digital recruitment channels and strategies, as with the *EDP Trainee Programme*. The percentage of people working outside their country of origin remains at 2%, with a target of 5% by 2025 for this indicator.

EDP currently has 1.6% of employees with specific needs⁵, maintaining the target of reaching 2%, in line with the revision of objectives for 2025.

⁵ Specific needs means the level or degree of disability formally declared by medical services, and in accordance with the legal

Diversity and inclusion initiatives

The renewed diversity and inclusion strategy and action plan is implemented through specific initiatives tailored to the various businesses and geographical areas where EDP operates. These initiatives develop a disruptive approach that questions assumptions and increases employees' openness to diversity and inclusion, by extending previous actions that have achieved better results.

In **Portugal**, the initiatives undertaken continue to reinforce the importance of awareness-raising initiatives for different Diversity & Inclusion topics, but also of the maintenance of key partnerships for development programmes, reinforcing and consolidating the Group's global commitments.

Accordingly, for the International Day of People with Disabilities, an internal sharing session was organised, which led to the publication of a Guide to the Deconstruction of Ableism, available and accessible to all employees in different languages.

With regard to partnerships and investment in capacity building and leadership equality initiatives, EDP maintained its association with PWN Lisbon, involving 25 female employees in the PWN Global network, with access to specialised content, *workshops* and mentoring, entrepreneurship and leadership development programmes.

EDP also supported the second Promova Project, with the enrolment of two female employees, one male and one female mentor, aimed at promoting gender equality in access to senior management positions in private

provisions in each country where EDP operates in matters of inclusion of people with disabilities.

organisations. The main objective of this project is to identify and develop female talent with leadership potential to promote them to top management positions in companies, thereby contributing to reducing the gender equality gap.

In line with its strategic positioning, EDP renewed its partnership with the GirlMove association, an organisation that aims to impact the lives of Mozambican girls and women by giving them access to quality education. For the fifth consecutive year, the *Exchange Lab* of a young woman was provided under this association's *Change* programme, for the second time, in a 100% virtual format. Eight EDP employees also participated in the *Change-maker* LAB, a solution co-creation laboratory to test and validate ideas to respond to social challenges in Mozambique, finding impact solutions with the potential to be up-scaled and replicated, aligned with the Sustainable Development Goals (SDGs). This co-creation process brings together *Girl Movers* and multilateral stakeholders (companies and organisations), connecting multiple actors in a single methodology based on an iterative learning process and using *design thinking*, management and strategy, innovation and social entrepreneurship tools.

For the third consecutive year, the Plan for Gender Equality was published, which sets out the measures adopted by EDP under the terms of the Guide for the Preparation of annual Plans for Equality, drawn up in light of the provisions of Normative Order no. 18/2019, of 21 June, of the Commission for Equality in Labour and Employment (CITE), in Portugal.

Following the establishment of the Portuguese Association for Diversity and Inclusion (APPDI) in 2018, EDP continued to develop its role as Chair of the Steering

Committee, with its mandate renewed for the period 2021-2023, and coordinator of a working group for the topic of Education. APPDI was created to promote diversity and inclusion within various organisations and in Portuguese society in general, by cooperating with the relevant national and European institutions in pursuit of its activities, as well as ensuring the sustainability and development of the Portuguese Charter for Diversity.

With regard to commitments to gender equality, EDP has strengthened its position in Portugal by adopting the following targets: 1) National *Target for Gender Equality*, an initiative of the *Global Compact Network Portugal*, under the *Target Gender Equality* accelerator programme that challenges Portuguese companies to achieve 40% of women in decision-making positions by 2030; and 2) Alliance for Equality in Information and Communication Technologies (ICT), which aims to strengthen and consolidate the partnership network of the Engineers for a Day programme, by sharing good practices and reflection on the participation of girls and women in these areas.

EDP Brasil, since the launch of the Inclusion & Diversity Programme in 2019, has been consolidating and complementing its action in six strategic pillars (Gender Equity, Race, LGBTI+, People with Disabilities, Generations and Cultures & Spiritualities), with a special focus on strengthening an inclusive culture and an environment of psychological safety. In 2021, the main initiatives related to:

- Promotion of an inclusive culture:
 - Racial Literacy, a programme of 9 meetings with historian and educator Suzane Jardim, promoting anti-racism education by understanding historical, cultural, political and economic aspects around structural racism and its different manifestations in society;

- LGBTQIAP+ Training, a programme held over 4 meetings with Pri Bertucci, CEO of *Diversity Bbox*, enabling a learning and awareness experience that broadens understanding about LGBTQIAP+ diversity and its intersectionalities. This initiative resulted in two distance learning tools ("The Value of Diversity" and "Unconscious Biases") and the LGBTQIAP+ Inclusive Communication Guide, made available to all EDP employees in Brazil and Suppliers, through the Partner Academy;
- The 3rd Diversity Week 2021, with a focus on undoing stereotypes and 4 sharing sessions with external and internal guests. During this week the first School of Electricians for Trans People was also announced.
- **Accelerated commitments to gender equality and inclusion of under-represented groups** by targeting at least 50% of hiring to professionals from under-represented groups (women, black people, people with disabilities, LGBTQIAP+ and people aged +50):
 - EDP Peripheral Entrepreneurship Challenge, an acceleration project focusing on black, indigenous women, over 35 years old, single-parent families and the LGBTQIAP+ population. The project was delivered in partnership with the Instituto das Pretas and ELO. 185 women applied, from which 20 peripheral entrepreneurs were selected and participated in an immersive journey of *design thinking* training (12h), business immersion (25h), creative solution co-creation (60h) and mentoring (36h);
 - EDP Women Connection Programme, directed to the development of women at EDP, consisting of: 1) Leadership Academy, which involved 31

women leaders in 4 *workshops on the* topics "Strategic female leadership", "Overcoming the impostor syndrome", "How do they get to the top" and "Gender bias and protagonism"; 2) Development Trail, which involved 66 EDP female employees and 4 *workshops on the* topic "How do they get to the top?"; 3) Mentoring Stage, consisting of 2 *workshops* complementary to the Development Pathway, which involved 22 pairs, where the employees were accompanied by 17 EDP women leaders and 5 ambassador leaders;

- 1st School of Electricians for Trans people, a pioneering initiative among companies in the electrical sector in Brazil. This school, exclusive for trans people, is a partnership with Integra Diversity and Senai, with the first two classes expected to graduate in the first half of 2022. In addition to technical training, a module aimed at the development of behavioural skills is planned, guided by Maite Schneider, co-founder of the recruitment platform *TransEmpregos* and Inclusion and Diversity consultant. EDP will also make its Social Assistance Programme (PAS) available to students on the course, offering monitoring through a channel available 24/7, free of charge and confidential. The programme offers psychological, social, welfare and legal support.

EDP Renováveis, following the creation of a Diversity, Equity and Inclusion Committee (DEI) in 2020, has consolidated its strategy and action plan, including monitoring the evolution of diversity indicators and working groups of employees from various markets that contribute to the realisation of Diversity & Inclusion initiatives.

Although it is the business area of the EDP Group with the highest female representation (33%), the attraction of female talent and the increase of women in leadership positions continue to be some of the main challenges and priorities of the business in the coming years. Some measures have been implemented, such as the development of a programme to motivate young girls to choose STEAM careers or the participation in forums such as *Women's Talent in Spain* or *Top Employer for ED&I* in Houston. The company has also had a Gender Equality Plan since 2020, which is currently in force and will be reviewed in 2022.

In the area of inclusion of people with disabilities, EDP Renováveis joined a campaign by *Fundación Eurofirms* (*#IguaisDiferentes #IguaisProfissionais*), which seeks to give visibility to the talent and abilities of people with disabilities, through a series of illustrations that use humour to deconstruct stereotypes and empowerment.

EDP Spain, meanwhile, has strengthened its gender equality initiatives with the following projects:

- *Mujeres Asturianas STEAM* (MASSTEAM), an educational project of immersive guidance through *mentoring* actions in companies. This initiative involved 22 students from the MASSTEAM programme, accompanied by 5 mentors from EDP Spain. The students on the programme are mentored by STEAM professionals to learn about their experience and the real application of their school studies
- *VocationsSTEAM*, an initiative developed by the *Club de Calidad* and the *Consejería de Ciencia, Innovación y Universidad del Principado de Asturias* to promote the scientific-technological vocation in young Asturian women in their 4th year of ESO and Baccalaureate levels, with a practical presentation

of the professional experience of women in STEM areas in Asturias

- *Asociación Española de Mujeres de la Energía* (AEMENER), ongoing collaboration in the association's activities to value and give visibility to the role of women in the energy sector
- *Futuro En Feminino*, participation in workshops of the project promoted by the "El Comercio" journal, in the opening session and in the talk on equality for 11-year-old boys and girls (6th year) of the *Colegio Escola Codema de Gijón*, with the participation of the EDP Spain people management team.

With regard to the inclusion of people with disabilities, EDP Spain promoted solidarity sales initiatives as part of the EDP Volunteering and Christmas Campaign supporting the ASPACE Confederation and its beneficiaries, organising a delivery of 3 laptops to the Down's Syndrome Association in Cantabria.

EDP Spain has also published its Equality Plan 2025, and the development of the Equality Plan for EDP Solar and the Viesgo companies is planned for 2022 under the same parameters as the Equality Plan for the other EDP companies.

3.3.3.9. Organisation

EDP seeks to respond to new ways of working tailored to the needs of people and organisation, by promoting sharing best organisational practices and ensuring the delegation of skills and digital tools suitable for the fulfilment of its objectives.

EDP's organisational development is implemented through a series of models that evolve continuously and various initiatives that promote global leaps in EDP's management and operation, to ensuring agile processes and the mobilisation of people for the development of a sustainable organisation.

Corporate Management

Management Committees

The EDP Group's management model establishes corporate Management Committees to promote the alignment of the Group companies' objectives and the sharing and capitalisation of knowledge, to promoting more efficient management. In 2020 an initiative was developed to streamline these committees, by simplifying administrative processes and procedures and creating different operating models adapted to the specific focus of each committee, avoiding waste of resources and improving participant satisfaction. In 2022 it is planned to put these models into operation on a better digital medium.

Overall organisational structure

The goal of an increasingly global, real-time and shared vision of the group's organisational structure was achieved in 2021 with the inclusion of the organisational structure of EDP Renováveis on the corporate digital platform. By 2022, *online* access to the EDP group's

organisational structure is planned for all group employees, thus leaving behind a semi-manual system.

In 2021, the process of improving organisational information also began. This will facilitate the analysis and design of a more efficient and structurally balanced organisation. In 2022, the improvement of the quality of organisational information will continue.

Platform Management

In 2021, the management model by Platform was launched and Business and Global Functions Platforms were defined, to ensure full alignment of activity with the strategy defined for EDP. These platforms allow strategic initiatives to be focused, synergies to be created and best international practices to be addressed, always by complying with the regulatory frameworks and specific circumstances in force in each geographical area.

The new platform management model is being implemented by functional area, in various initiatives that will extend to 2022, mobilising everyone in the group in the definition of a sustainable organisation.

Collaborative organisational structures

During 2021, several reorganisations accommodated new models of collaborative organisational structures:

- Pool management, with 3 companies and 3 corporate boards adhering to this model
- Co-management, involving 3 corporate departments.

These organisational models allow for management responsibilities to be shared, making management more multifaceted and resilient, challenging and consolidating the *managers'* collaborative capacity. It also widens the

diversity and challenges available to employees working in pools, by leveraging their learning and development.

Delegation of powers

In 2021, several initiatives were developed to streamline decision-making and promote the empowerment of the various levels of organisation. These initiatives, in addition to speeding up processes, are a fundamental factor in employee satisfaction, as they grant autonomy and develop their skills:

- Review of the delegation of powers in human resource management: already operational digitally, allowing a 33% acceleration in the decision-making processes involved and a saving of more than 700 hours of top decision-makers' time, made possible by delegation to the more operational tiers of EDP;
- Revision of the delegation of competencies for the Iberia Generation Platform: definition of a model for the delegation of agile competencies at Platform level, capturing the best practices of the different geographical areas, with alignment of the decision-making powers of the management structure and the platform employees. Implementation is planned for 2022.

In 2022, the roll-out of these initiatives will continue, covering other business platforms and cross-cutting roles.

Reorganisations

The dynamism of the sector and the EDP Group's ambitious business plan led to a rethinking of the organisational model and the reflection in its structure of objectives of efficiency, agility and alignment on a global scale. Thus, the volume of reorganisation processes was considerably higher than in previous years, with structural changes, moving towards management by business

platforms, as exemplified by the creation of the generation platform, the consolidation of the commercial platform and the consolidation of corporate responsibilities.

In this work, it is fundamental to ensure principles of organisational sustainability, to promote efficiency and, consequently, the well-being of all employees, by addressing indicators such as *span of control*, management levels, internal and external benchmarks, level of centralisation of decision-making powers, formal and functional reporting models, and the promotion of flexible working models.

3.3.3.10. Conclusion

2021 was an intense year for EDP, marked by a new business plan, new ways of working and the urgency of changing tomorrow today. A set of new challenges that demanded answers from a more global, agile and efficient organisation, with a people-centred approach.



In 2022, the People & Organizational Development Global Unit (P&OD) intends to continue the projects started in 2021, with an emphasis on the review of EDP's purpose and behaviours, to inspire a new mindset and strengthen the sense of belonging to a single company among all employees (*One Company Program*).

On the other hand, in line with the results of the climate study, P&OD will focus on the following areas:

- **Organisation:** definition and implementation of an organisational design strategy that supports management by platforms
- **Performance and talent management:** focus on a results-oriented approach, with continuous feedback and development paths for the talent pool
- **Learning and development mindset:** promoting autonomy and accountability, making the employee responsible for his/her own development
- **Compensation:** implementing the global compensation model, reducing the gender pay gap and continuing the career management model (Y)
- **Diversity & inclusion:** enhancing the attraction and retention of women and people with disabilities
- **New ways of working:** boosting collaboration and mobility within the EDP Group and consolidating the implementation of the hybrid model, building psychological security and implementing well-being initiatives to prevent burnout.

With people at the centre of its strategy, EDP will thus continue to work towards an increasingly human and meaningful experience for all its employees.

3.3.4. Safety and health at the core

Alignment with the SDGs	Targets	KPIs 2021	Target 2025
	Severity index (employees and contractors)	99	< 150
	Fatal accidents (employees and contractors)	7	0

EDP uses Humanisation as one of its fundamental values and places people at the heart of its strategic agenda. Safeguarding the health and safety of employees, both inside and outside the Group, suppliers, external service providers (ESP), customers or other stakeholders, is an EDP Group priority. **For the Group, no situation or urgent service can justify endangering a person's life.**

In fact, EDP's approach is guided in this area by the principles established in the [Policy on Health and Safety at Work](#) – a document that is binding on all the Group's Companies. The policy's principles include the following:

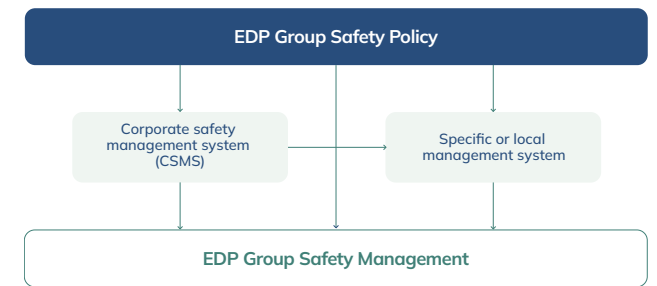
- Safety is an inherent element of line management - line managers are responsible for enforcing regulations, for undertaking a visible, permanent personal commitment, for promoting training and the provision of information to their employees and for controlling the environment in which work takes place.
- At all times and under any circumstances, each company performs its activities with the aim of "zero accidents" through continuous improvements in safety management and performance and the definition of specific goals for progress

To this end, the EDP Group requires everyone to adopt practices in line with the principles of this policy, in order to ensure continuous improvement.

A further means of guaranteeing the objectives defined in the Health and Safety Policy is EDP's adoption of a Corporate Safety Management System (CSMS). The CSMS upholds the model and principles recommended in ISO 45001: 2018, and the recommendations of the International Labour Organisation, set out in document ILO-OSH 2001 and convention no. 155 on Occupational Health and Safety (OHS). The Corporate Safety Management System (CSMS) is certified by LRQA.

Companies can choose to adopt the CSMS or use it as a reference for the development of their own specific safety management system, taking into account their activity.

The links between the CSMS and health and safety management in the Group's companies can be illustrated as follows:



In 2021, ISO 45001: 2018 certification covered 82% of employees and 100% of installed power in production activities.

3.3.4.1. Physical safety in facilities

The Occupational Health and Safety objectives and action programmes for achieving them were established in the 2021 annual programme in accordance with the internal procedure “Management Objectives and Programmes”.

EDP's annual occupational health and safety programme was delivered based on actions aimed at preventing occupational accidents, including the following

- training, education and awareness-raising of EDP workers and service providers
- audits, safety inspections and observations
- drills to test the efficacy of the planned response to potential emergencies
- measures to increase knowledge about incidents (accidents and near misses) and dangerous situations.

The implementation of these objectives is monitored every quarter through the Prevention and Safety Department, which analyses the progress of actions and proposes adjustments where necessary. There exists, therefore, proactive and continuous identification of hazards and assessment of risks and opportunities.

Training, audits, inspections, visits and safety observations covered both EDP employees and external service providers.

KPI 2021 PHYSICAL SAFETY IN FACILITIES

151,223 hours' training for all the employees of EDP and its External Service Providers

30,945 audits, inspections, visits and observations for all the employees of EDP and its External Service Providers

484 drills, covering various industrial and administrative facilities and ongoing works

These drills included the participation of the civil defence force, the fire brigade, police and public safety authorities, as well as employees, service providers and the surrounding communities.

In order to prevent electrical accidents involving third parties not involved in the Group's activity, EDP ensures that the risks associated with its facilities and equipment are identified and communicated.

In addition to these actions, EDP strengthened its practices in OSH leadership, organisation and processes with the implementation of the *Playitsafe* safety culture programme in 2021. This is a cross-cutting programme, covering the whole Group, which will last four years. During this period, the programme will emphasize continuous improvement in accident prevention procedures.

In order to achieve the objectives of lower accident rates, the specific actions underpinning *Playitsafe* will be implemented around six priority areas:

- The commitment and involvement of leaders in Prevention and Safety
- Promotion of safe behaviours and learning from mistakes
- Digitization of processes and operations
- Enhanced prevention and safety skills
- Communication and involvement with Prevention and Safety
- Management of the procurement chain.

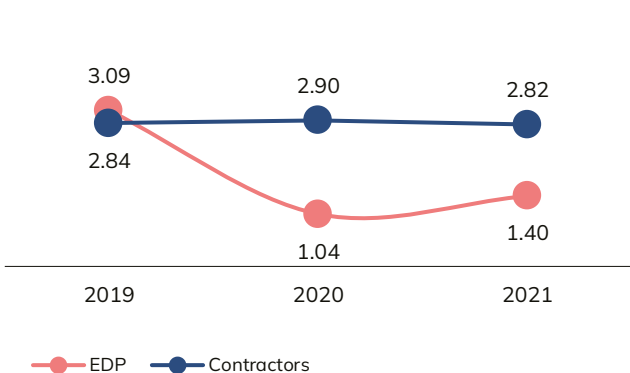
3.3.4.2. Occupational illnesses and diseases

EDP defines a workplace accident as any unforeseen event, during working time, that causes physical or mental damage involving absence from work of more than one day, or death. In 2021 there were 151 workplace accidents with absence and seven fatal workplace accidents in the EDP Group:

Accidents are considered "recordable" if they do not require sick leave but do involve additional medical treatment, vaccinations or lead to temporary loss of consciousness, require leave due to Absolute Temporary Disability (ATD) or Partial Permanent Disability (PPD); or if they are fatal. In 2021, the EDP Group logged 217 recordable accidents for all EDP and ESP workers.

The "recordable" frequency rate is the number of workplace accidents per million hours worked, in the period in question.

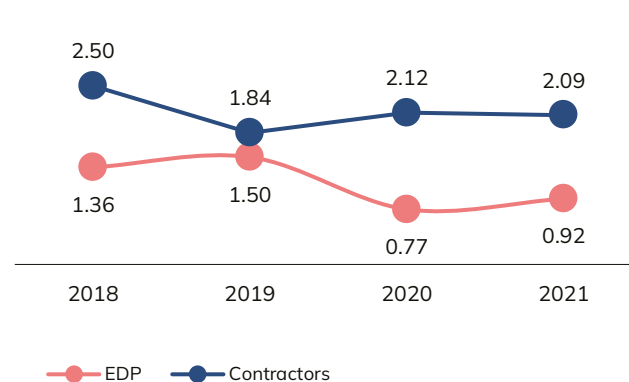
RECORDABLE FREQUENCY RATE (RFR)



Of the 407 accidents in 2021, 217 were recordable - 151 with absence, 249 with no absence and 7 fatalities

The number of accidents limited to fatal workplace accidents and non-fatal accidents with absence due to ATD, per million hours worked, is reflected in the frequency rate (Fr). In 2021, the Group set the target of achieving a FR of 1.74.

FREQUENCY RATE (Fr)

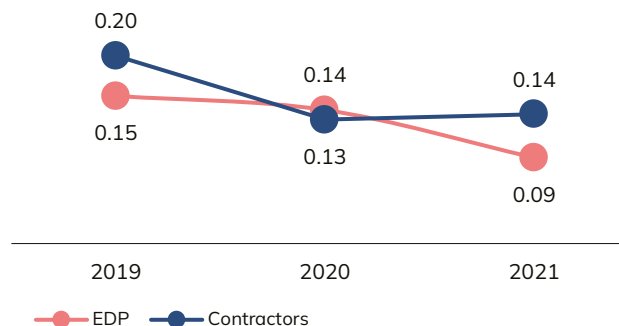


The FR for 2021 was 2% below the stated target due to a 14% increase in accidents with absence and a 100% increase in fatal accidents.

The severity and types of injuries caused by accidents are also essential in the understanding of the nature of corrective measures.

The severe frequency rate (SFr) is the number of workplace accidents per million hours worked, in the period in question

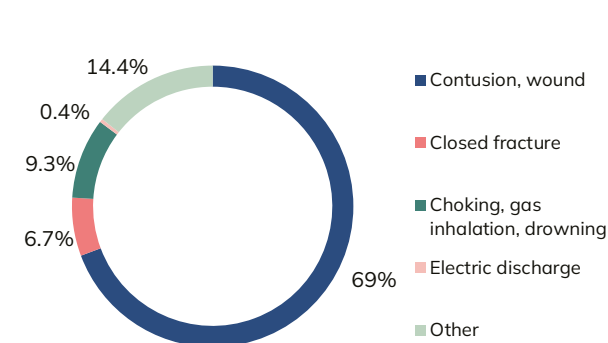
HIGH CONSEQUENCE FREQUENCY RATE (HFfr)



The 50% increase in electrical accidents and the 100% increase in accidents with falls from a height contributed to the SFr in 2021.

In 2021, injuries were mostly bruises, wounds, sprains, torn ligaments and closed fractures, for EDP and Contractors.

TIPOLOGY OF OCCUPATIONAL ACCIDENT INJURY (%)

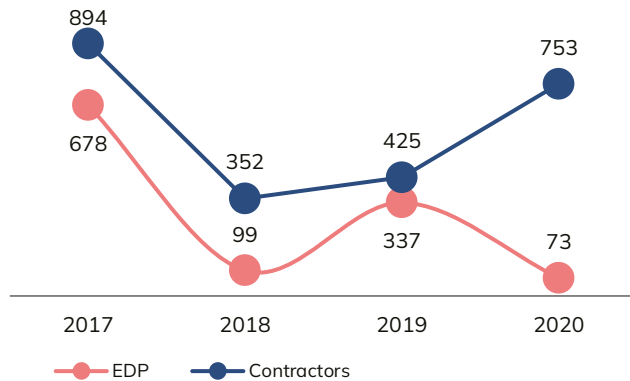


The overall severity index (oSr) reflects the number of (calendar) days lost as a result of a workplace accident,

per million hours worked, in the period in question, including days due to permanent disability and a block of 6,000 days for each fatal accident

In 2021, the oSr deteriorated due to 7 fatal accidents, an increase of four fatal accidents compared to 2020. Of these accidents, four are related to the construction of transmission lines in Brazil.

OVERALL SEVERITY RATE (oSr)



Most accidents in 2021 were the result of interactions with objects and falls from heights and levels

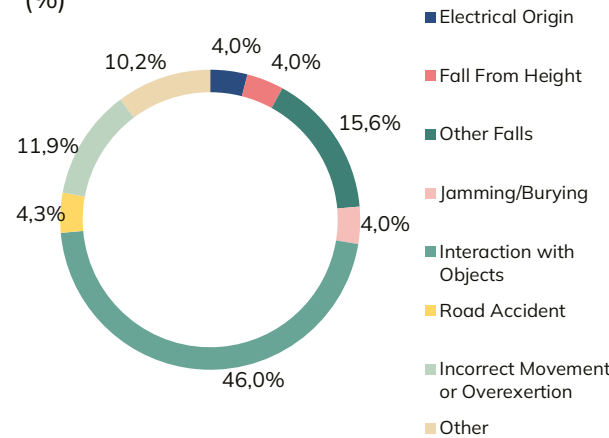
However, in 2021, there were 39 accidents involving electricity with third parties (non-EDP employees) in EDP Group facilities or equipment, which caused the deaths of 18 people. These accidents were the result of civil construction activities, tampering with the grid, leisure, among others.

EDP monitors and follows up the occurrence of occupational diseases. In 2021, one case of occupational sickness was recorded.

Additionally, the EDP Group believes that in undertaking its activities and in the proper implementation of existing

control measures, workers are not exposed to occupational or work-related diseases, which can be considered high incidence or high risk.

TIPOLOGY OF ACCIDENTS AT WORK (%)



3.3.4.3. Health promotion

The health and well-being of the Group's employees are promoted and protected through compliance with occupational health monitoring requirements, in accordance with applicable legislation.

KPI 2021 HEALTH PROMOTION

7,918 medical examinations

594 with employees on nutrition programmes

348 screenings for cardiovascular risk

1,871 influenza, hepatitis B and yellow fever vaccination programmes, covering 6% of employees

Health monitoring programmes guarantee fulfilment of the regular medical examinations plan, workplace inspections, participation in the Occupational Health and Safety and Internal Accident Prevention Committees, and the implementation of a range of preventive campaigns.

Health monitoring programmes are grouped into three areas:

- Workers' fitness assessment
- Assessment of working conditions
- Training and health promotion campaigns.

Training and health promotion campaigns aiming at the adoption of healthy habits and lifestyles by workers in order to reduce substantially the risk of preventable diseases (cardiovascular, pulmonary, metabolic and neoplastic).

During 2021, in addition to the various activities carried out in the field of workplace medicine, 321 health education actions were carried out.



Mental health: psychosocial risk assessment

The economic and employment situation has become increasingly competitive and demanding. At the same time, there are potentially harmful effects on mental health. Lower quality of life, loss of professional motivation, productivity, or even absenteeism, are some manifestations of the imbalances caused by the increasingly demanding economic and labour context.

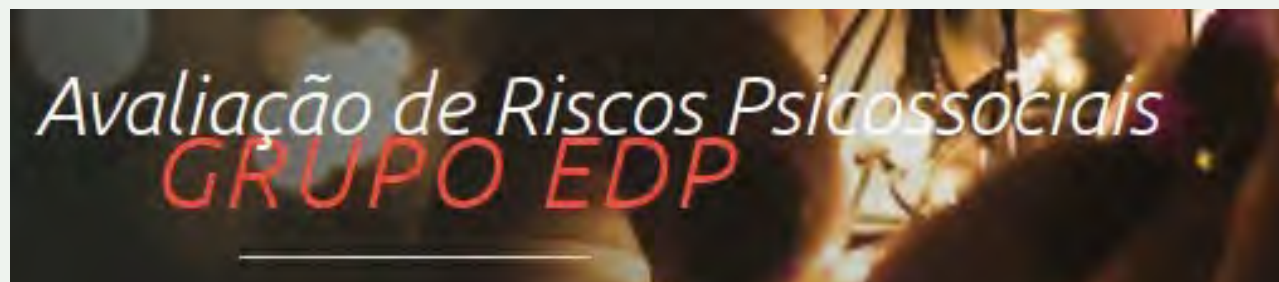
Additionally, last year's pandemic period brought an added challenge to EDP's corporate culture. In this regard, the Prevention and Safety area once again signed a protocol with the Faculty of Psychology of the University of Lisbon, for the preparation of a cross-cutting "Psychosocial Risks and Well-Being Assessment" involving all Group business units and geographical areas.

In this context, employees were invited to answer an online questionnaire, between March and April 2021; the response rate was around 60%.

The questionnaire had two main objectives: the identification of factors associated with the emergence of stress and well-being in the organisation, and the implementation of guidelines for intervention in order to establish a safer and healthier work environment.

Regarding the onset of stress, the questionnaire put a particular focus on the burnout syndrome.

Burnout, recognised as an occupational disease by the World Health Organisation, is a form of chronic stress that occurs more frequently in the workplace. It is characterized by physical, cognitive and relational exhaustion.



The questionnaire identified approximately 12% of EDP employees with a pattern of malaise, i.e., symptoms of burnout and low engagement. This burnout percentage means that the EDP Group is below the European average for this occupational disease.

The Psychosocial Risks and Well-Being Assessment defined engagement as positive feelings triggered by professional activity (positive, persistent and work-related cognitive-affective state).

Approximately half of the Group's employees exhibited a pattern of well-being, characterized by a high level of engagement and absence of burnout.

The questionnaire results enabled us to assess, generally, an overall pattern of well-being among the Group's employees within parameters that are considered healthy. The action plans following 2018's psychosocial risk assessment made a major contribution to these results.

Lack of overwork, decision-making independence in professional activity and the absence of employment insecurity also contributed generally to the well-being of employees.




The pandemic also ushered in new dynamics at work, with added challenges in relationships with colleagues and supervisors. Nevertheless, 90.2% of employees felt

supported by colleagues and managers, reflecting a very positive social climate.

Finally, remote working has made it difficult to define boundaries between the domains of work and family (personal) life. In fact, one of the challenges of remote working has been difficulties in managing this work-life balance by maintaining separation between work and family time. In this regard, the questionnaire responses showed that the majority of EDP employees did not believe that work had interfered with their family life. Most employees maintained frequent contact with their colleagues, which mitigated the social isolation that is considered one of the main downsides of remote working.

EDP's corporate culture made a significant contribution to the ability of workers to adapt in a particularly challenging context. The Group managed to unite its employees around its values, albeit at a distance.

3.3.5. Crisis management

Alignment with the SDGs	Targets	KPIs 2021	Target 2025
	BitSight rating	790	≥740
 	Climate change adaptation plans implemented	40%	100%

Companies and organisations face a vast range of adverse situations that accentuate their exposure and vulnerability. However, awareness of these events enables precautions to be taken continually against possible global crises that could result in significant, tangible and intangible negative impacts for companies.

Accordingly, crisis management is an important tool for the EDP Group, as it enhances its strategic and operational capacity to respond to atypical and unstable situations that may have a negative impact on the viability and reputation of the business, as well as its strategic objectives and commitments.

Although the Group has adopted practices and plans in the context of crisis management, 2021 saw the approval of the company-wide Crisis Management Plan, based on the Crisis Management Policy (OS 4/2021/CAE), arrived at by harmonising and formalising existing practices; at the same time, the Crisis Communication Plan, a critical crisis response initiative, was also approved.

The EDP Group's cross-cutting and markedly strategic Crisis Management Plan defines roles and responsibilities to ensure timely and appropriate decision-making and action, in a range of crises of differing types and levels of complexity. In turn, the Crisis Communication Plan, in

conjunction with the Crisis Management Plan, defines flows and actions to ensure fast and effective communication in a crisis, given that the success of this communication depends on the organization's capacity to develop and deliver a transparent, coherent and consistent message on the subject at hand, thus helping to mitigate potential negative impacts

It should be noted that, in conjunction with the business units and the Risk Management Department, the Communication Department has developed communication

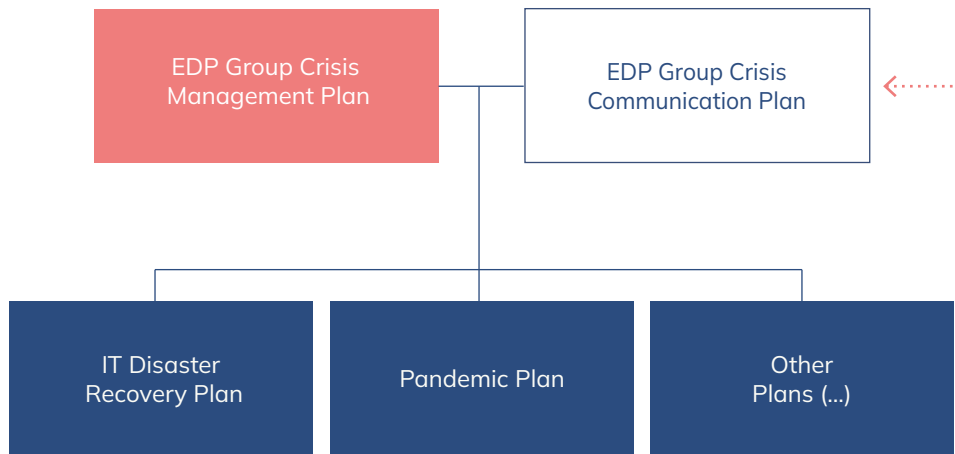
Regardless of the nature and origin (internal or external), timely identification and mitigation of weaknesses makes it possible to reduce the likelihood of major incidents that lead to disruptions, including extreme events.

kits to facilitate the preparation of communication documents in the event of activation of the crisis management and communication plans, comprising content of different types, to support communication in different scenarios identified as relevant.

In addition to the above-mentioned plans, in order to enable the different Business Units to manage crisis situations, each Unit has, or is developing or updating, its crisis management plans and its response and recovery plans. The latter are more operationally oriented to enable a faster, more dedicated and more effective response to disruptive events. These plans include the Business Continuity Plans, which are more comprehensive in scope, and focus on the replacement of a particular critical process, and contingency and emergency plans, among others. Note that these plans are often coordinated with one another (see figures next page) and with the policies and procedures of both the Group as a corporation and those of the business units (e.g., supplier management, prevention and safety, etc.).

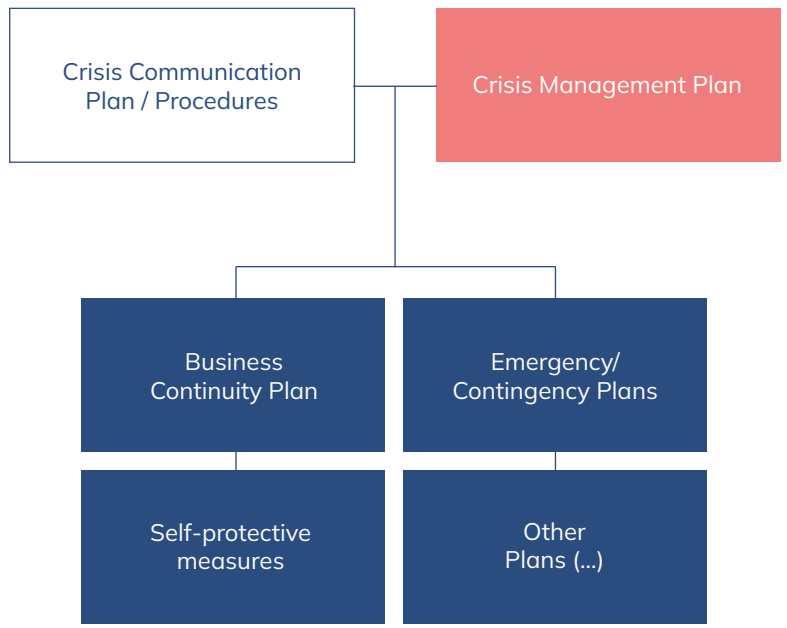
EDP Group level of responsibility

Strategic



Business Units and Shared Services level of responsibility

Operational

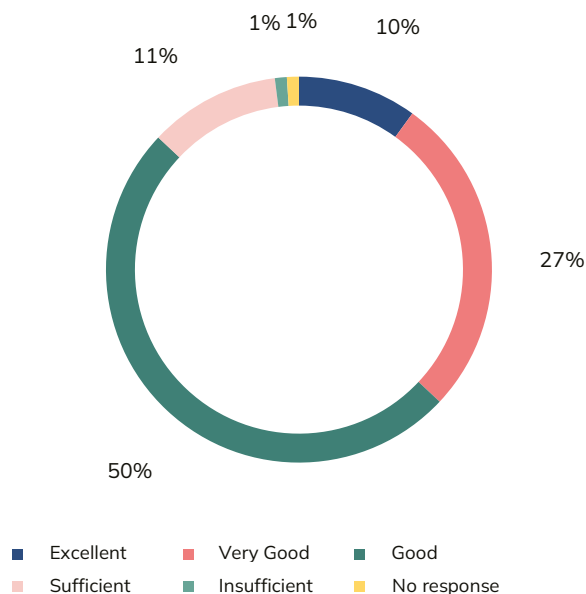


The approval of the Crisis Management Plan was followed by initiatives to reinforce and raise awareness of the importance of crisis management at EDP. This included the first cross-cutting exercise in crisis management, based on the guidelines of the Crisis Management and Communication Plans, with the participation of several Business Units, a member of the Executive Board of Directors (responsible for Business Continuity), the Risk Management Department and the Communication Department. The scenario addressed in this exercise was extensive damage resulting from a hurricane which hit the Iberian Peninsula in the northern region of Portugal and Spain, with repercussions in terms of reputation and in operations for the acquisition or sale of assets in Brazil.

In 2021, the Resilience, Operational Risk and Business Continuity eLearning course was launched to raise awareness of these issues, by increasing resilience and introducing the way in which they are managed in the EDP Group. The Business Continuity Management component included Crisis Management content.

The eLearning course was made available across the EDP group, in all geographical areas and companies - a total of 3,732 participants.

According to the EDP University, the feedback received from 2,158 participants, considered the content to be relevant and the delivery simple and clear. Overall, participants scored the course very positively, with 87% rating it Good, Very Good and Excellent.



3.3.5.1. 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.

Information Security Governance in the EDP Group is managed by the Digital and Information Technologies Committee, which met every six months until 2021 and will meet quarterly from 2022. 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 cybersecurity risks, monitoring scenarios of serious incidents in the energy sector and the organization's cybersecurity risk profile. Every month the Executive Board of Directors 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 cybersecurity risk is presented annually to the members of the General and Supervisory Board.

As a result of 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. Furthermore, to address the new challenges posed by cybersecurity and to provide robust support for the digital transformation of the EDP Group in this new situation, the skills and resources of the security team have been upgraded, and the new information security master plan 2021-2023 based on a Zero Trust philosophy, is currently being approved.

Also with regard to security operations, ISO 27001 recertification is highlighted, which focuses on the management and operation process of the Security Operation Centre, 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 2021 in national and international cybersecurity 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

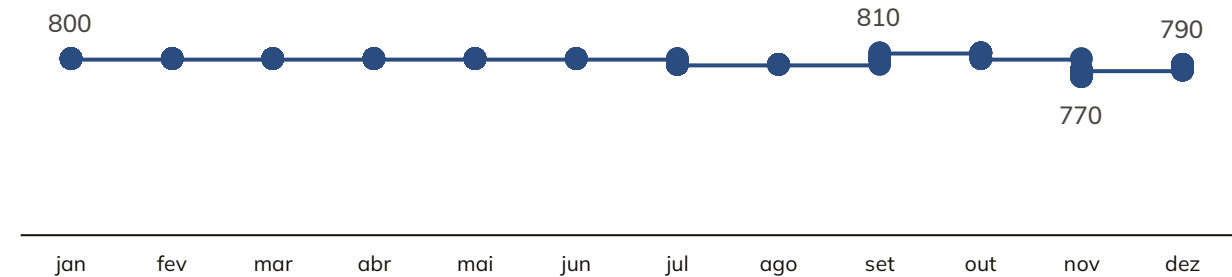
With regard to awareness and training, again because of the pandemic, which made face-to-face training impossible, the training schedule in EDP's "cyber range" (a unique cyber security training infrastructure in Portugal, which simulates, in the classroom, and with real equipment, the power grid's control systems), was adapted to remote format and was delivered to 218 trainees in 2021. There is also an integrated security training and eLearning programme, for delivery across the entire EDP Group, which was delivered to 7,600 employees in 2021. 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 ended in the first quarter of 2021, leaving EDP with an important value of reinforced training to operate remotely.

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. During 2021, the rating fluctuated between 770 and 810 points, the highest recorded to date, which puts it in the advanced category, well above the sector average.

BITSIGHT SECURITY RATING



Regarding the communication of the risk of security with their stakeholders EDP adopted as its main indicator a metric based on the

BitSight Security Rating

3.3.5.2. Critical infrastructures

Critical infrastructure is "the element, system or part of it situated in the Member States which is essential for the maintenance of vital functions for society, health, safety and economic or social well-being, and the disturbance or destruction of which would have a significant impact on a Member State, given the impossibility of continuing to perform those functions" (Directive 2008/114/EC).

EDP is responsible, in Spain and Portugal, for a set of critical infrastructures, which include electricity production and distribution infrastructures (physical and control facilities), as well as related customer service activities, which were identified in the transposition of Directive 2008/114/EC into Spanish and Portuguese legislation.

These critical infrastructures are exposed to a range of risks - physical risks such as fires, earthquakes, atmospheric and extreme events and technological risks such as risks to operational and information systems. EDP has, therefore, adopted measures and tools for physical security (Safety and Security areas), technological security and cybersecurity, to mitigate the above-mentioned risks,

with adaptation to each infrastructure and its specificities. Each of them has an operator safety plan established in accordance with Directive 2008/114/EC.

Furthermore, to complement the adoption of good practices in the management of critical infrastructures, EDP organises, participation in exercises and workshops on this issue for its employees and external providers.

In 2021, EDP participated in the European Forum for Disaster Risk Reduction, chaired by the UNDRR, the EC and the Council of Europe, with the aim of establishing the framework for Europe's regional platform for Disaster Risk Reduction, where a range of stakeholders assume shared responsibilities and viable commitments to reduce disaster risk.



3.3.5.3. Infectious diseases

Preparation for crisis situations, in particular with a focus on people's health and protection, is part of EDP's action and commitment.

The EDP Group's Contingency Plan was created in the course of infectious disease situations with the aim of preparing the company for similar or more serious future situations, such as pandemics.

This history of continuous monitoring of epidemiological situations through the implementation of Contingency Plans enabled EDP to be more prepared when the COVID-19 Pandemic was decreed in 2020.

The Contingency Plans define EDP's way of acting for the adequate management of the impacts adjacent to these situations that may affect employees and service providers, as well as the business of the Group's companies, which includes:

- Safeguarding people's lives, in order to reduce the risk of contamination in workplaces, reinforcing employees' information and knowledge by favouring self-protection
- Implementation of a decision-making and coordination structure at EDP and in the Group's companies
- Activation of the Business Continuity Plans, in order to guarantee a suitable operational response capacity that simultaneously minimises the pandemic's propagation conditions and ensures the functioning of essential services
- Monitoring the progress of the disease, the effectiveness of the measures taken and the need for new ones, depending on the context within and outside EDP



- Responding to internal and external notification and communication needs
- Resuming activity under safe conditions as soon as the country/region allows.



ESG EXCELLENCE AND ATTRACTIVE RETURNS

HIGHLIGHTS 2021




1. EDP increases investment to €22.5 million over the next five years in energy access projects in developing countries linked to A2E.
2. EDP issues €2 billion in green bonds in 2021, reaching a total value of €6.4 billion over the last 3 years.
3. New EBD remuneration policy which reinforces ESG metrics on variable components.

CHALLENGES 2022

1. Prioritize Just Transition in a context of the end of fossil fuels.
2. Review EDP's green finance framework, supporting new debt issuance.

3.4. ESG Excellence and Attractive Returns

3.4.1. Business Sustainability

Alignment with the SDGs	Objectives	KPIs 2021	Target 2025
 	Profits in line with the EU's Taxonomy	63%	>70%
	Sustainable financing	39%	50%

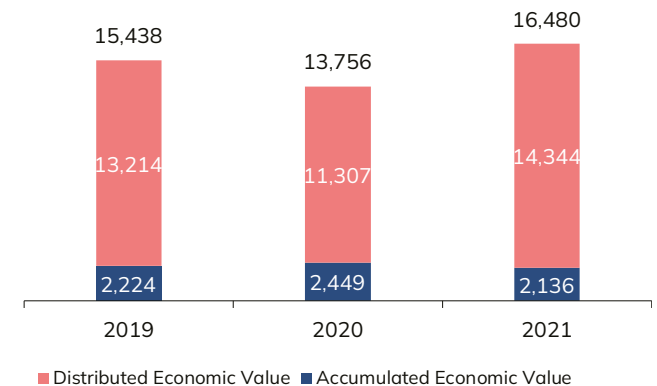
3.4.1.1. Economic sustainability of the business

Creation of a long-term value

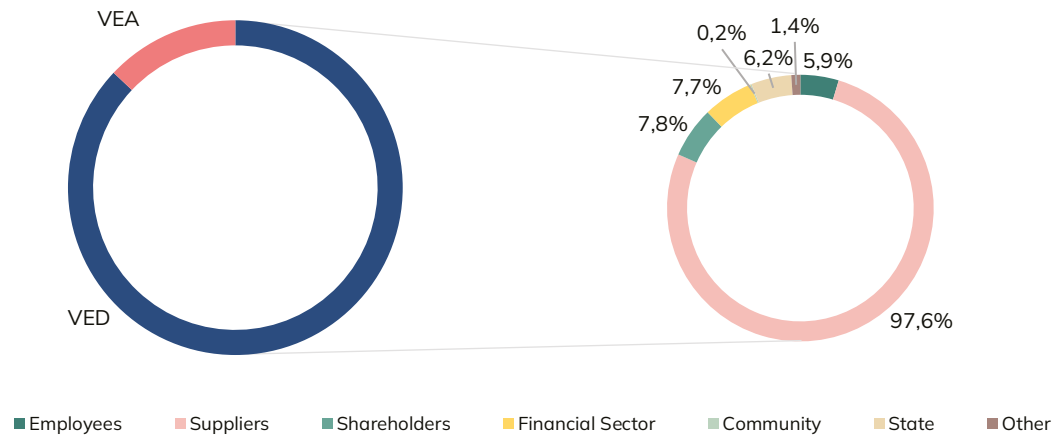
In recent years, EDP has integrated environmental and social issues into its strategy and into its business model through the definition and implementation of corporate policies. Consistent with this long-term value creation approach, EDP has a corporate governance model that aims to meet the expectations of its various stakeholders.

In 2021, the economic value generated by EDP was 16,480 million euros, compared to 13,756 million euros in 2020. This value includes turnover and other income. In 2021, 87% of the Generated Economic Value (GEV) was distributed in a total amount of 14,344 million euros. The aggregated economic value (AEV), the difference between the GEV and the Distributed Economic Value (DEV) corresponds to the remaining 13% and includes retained earnings and non-payable costs.

ECONOMIC VALUE



HOW THE ECONOMIC VALUE IS DISTRIBUTED



AVAILABLE LIQUIDITY

12-24
months

of refinancing needs

Reinforcement of EDP's Credit Metrics

>20%

FFO/Net debit in 2025

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. At the same time, EDP guarantees permanent access to the capital market and maintains relationships with a large number of blue-chip, financially robust, international banking counterparts. At the end of 2021, the available liquidity was 9 billion Euro, which covered refinancing needs beyond 2024. 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. In late 2021, the EDP Group's net debt was 11,6 billion euros, the FFO/Net Debt ratio⁶ increased to 21% and the average cost of debt was 3,5%.

With a view to improving its financial risk profile, EDP aims to achieve an FFO/Net Debt ratio of over 20% in 2025, through sustained growth in operational cash-flow and the optimization of its asset portfolio.

Solvency and financial management

Financial stability is seen by EDP 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 compliance with 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

⁶ Calculation of FFO/Net Debt in line with the methodologies adopted by rating agencies, considering the definition of EDP's Recurring EBITDA.

EDP achieved a “BBB” rating

In 2021, EDP was rated “BBB” by S&P and Fitch, an objective defined for the period 2021-25. Additionally, Moody's revised the Outlook to positive, while setting the rating at “Baa3”. This result, recognised by the ratings agencies, reflects the improvement in the company's credit metrics, combined with the maintenance of a low-risk business profile.

EDP recognized as the most sustainable electric company in the world in the Dow Jones Sustainability Index

EDP was again recognised by the S&P Dow Jones Sustainability Index (DJSI) as one of the global companies with the best sustainability practices, occupying first place in the list of 103 evaluated electric utilities, with 91 points (out of 100), an increase of 3 points compared to 2020 and 53 points more than the electrical industry average.

Among the sustainability dimensions (ESG) that contributed most to this good performance, Governance & Economic (up seven points) and Social (up four points) are of note. Additionally, the absence of ESG incidents resulted in an increase of 1.8 points compared to 2020.

3.4.1.2. Sustainable finance

EDP ESG performance assessment

During 2021, EDP provided ESG data (qualitative and quantitative) to several ESG analysts who, following the respective in-house methodologies, evaluated the Group's performance. The scores and/or level of risk obtained based on different ESG criteria used by the different analysts are not comparable with each other.

EDP's performance has increased by 42 points since it started completing the questionnaire in 2004.

In 2021, EDP achieved consistent performance in all areas of the DJSI, having reached the Top 2 in environment, the Top 3 in governance and economic and the Top 4 in social. It also scored more than 95 points in more than 16 of the 27 criteria evaluated, with “Best in Class” score in 8 criteria, in which it obtained the maximum score.

This recognition highlights EDP's commitment to good sustainability practices in its different areas and the positive impact they generate, not only in its operation, but in different areas of the economy and society.

EDP achieved its objective of inclusion in the upper quartile in performance against the ESG ratings established for 2025, in the Dow Jones Sustainability Index, Sustainalytics, FTSE4Good Index Series, and MSCI ESG Indices.

It should also be noted that the Group has responded to questionnaires that grant recognition in the areas of climate change and water management (WBA Electric Utilities Benchmark, CDP Climate Change and CDP Water Security), in sustainability (GRESB) and in ethics (Ethisphere Institute). However, the ratings obtained are not expressed as stock indices

As a leader in the energy transition, EDP remains aligned with sustainable development and the fight against climate change, which are fundamental practices for ensuring the protection of the environment and the creation of value (data 12 November 2021).

Equity

Performance in 2021

Historic performance

Context



Analyst: S&P Global
Indexes: DJSI World and Europe

#1 Global Utilities
(Score 91 out of 100)



Analyst: Sustainalytics
Index: Stoxx ESG & Sustainability

Low Risk
Current rating: 19.4



Analyst: FTSE Russel
Indexes: FTSE4Good Index Series

Top 6% Global Utilities
Score: 4.2 (out of 5)



Analyst: Morgan Stanley
Capital Internacional
Indexes: MSCI ESG

'AAA' Rating Top 7% Utilities
Score: 7.5 (out of 10)



Analyst: V.E
Indexes: Euronext World 120, Euronext Europe 120 and Euronext Eurozone 120

#3 Utilities
Score: 71
(out of 100)



Analyst: ISS Corporate Solutions
Index: GCX (Global Challenges Index)

Rating 'B+'

2009 - 2021

2018 - 2021

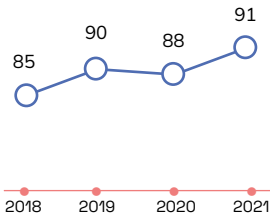
2014 - 2021

2017 - 2021

2012 - 2021

2009 - 2021

#1 or #2 for 12 years
Average Score: 87
(out of 100)

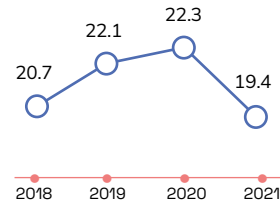


In 2021, EDP obtained an overall score of 53 points more than the average for the electricity industry, and ranked

- Top 2 in the environmental dimension
- Top 3 in the Governance & Economics dimension
- Top 4 in the social dimension.

For more details regarding the DJSI Index Family visit [here](#)

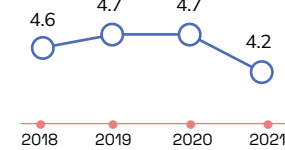
2019: 35th
2021: 60th (673 Utilities – 10th Percentile)



In 2021, EDP obtained a result of 19.4 (22.3 in 2020), which corresponds to the Low risk category (10-19.99 interval).

For more details on the ongoing risk, visit [here](#).

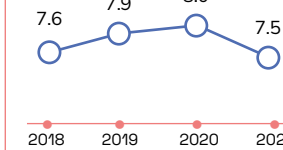
Average Score: 43
(out of 5)



The decrease observed in 2021 is explained by a reduction in the scores of the three ESG pillars, in particular in the environmental dimension, associated with the climate change topic.

For more details see [here](#).

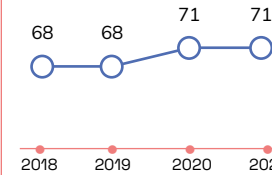
'AAA' since 2017
Average Score: 77
(out of 10)



EDP has had 'AAA' rating since 2012.

For more details, visit <https://www.msci.com>.

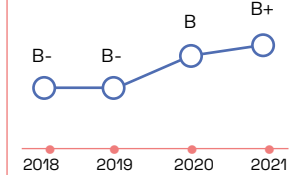
#5 (in 2012/2016) and #9 (in 2014)
Average Score: 63
(out of 100)



In 2021, EDP maintained the evaluation assigned during the 2020 bi-annual assessment process.

For more details, visit [here](#).

Prime status since 2009



In 2021, EDP obtained the rating 'B+' for the first time. The ISS ESG Corporate Rating score varies between 'D-' (poor performance) and 'A+' (excellent performance).

More details are available at www.iss-governance.com.

Objective 2025: Top quartile in ESG rating performance ✓

Equity

Performance in 2021



Analyst: Forum Ethibel
Indexes: Index Solactive Global and Europe Corporate Social Responsibility Index

Included in the Global and Europe Corporate Social Responsibility indexes



Analyst: ECPI
Index: ECPI Index

Included in the ECPI indexes



Analyst: Standard Ethics
Indexes: SE European Utilities Index
SE European Multi-Utilities Index

'E+' Rating
Level of alignment not adequate



Analyst: S&P Global
Indexes: S&P Global Clean Energy Index

Top 10



Analyst: Bloomberg
Index: Bloomberg Gender-Equality Index (GEI)

Included in the GEI 2022
Score: 76.12
(out of 100)

Historic Performance

2015 - 2021

Integrates since 2015

Ethibel Register Forum - EDP is included in the group of companies that perform above the average in their sector of activity. EDP is also part of the Solactive Global and Europe Corporate Social Responsibility Index.

For more details, visit [here](#).

2013 - 2021

Integrates since 2013

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.

More details on the ECPI index family are available at www.ecpigroup.com.

2020 - 2021

Integrates European Utilities Index since 2020.
Rating E+ since 2018

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' and 'EEE' (9 levels). A rating higher than 'EE-' indicates good compliance.

More details are available [here](#).

2021

Integrates in 2021

The S&P Global Clean Energy Index is designed to measure the performance of companies in global clean energy-related businesses from both developed and emerging markets, with a target constituent count of 100.

For more details see [here](#).

2020- 2021

Average score:
73 (out of 100)

The Bloomberg Gender-Equality Index tracks the performance of companies committed to disclosing their efforts to support gender equality, in 5 pillars:

- Female leadership & talent pipeline
 - Equal pay and gender pay parity
 - Inclusive culture
 - Anti-sexual harassment policies
- Pro-women brand
This index includes 418 companies.

For more details see [here](#).

Context

Ratings and rankings are not expressed as stock indices

Performance in 2021



Analyst: Corporate Knights

Not on the Global 100 list of most sustainable companies



Analyst: World Benchmarking Alliance

#5 Global Utilities
Score: 77.1 (out of 100)



Analyst: CDP

CDP 'A-' Classification
WDP 'A-' Classification
(from 'D-' to 'A')



Analyst: Gresb

#1 Global Infrastructure
(Score: 94 out of 100)



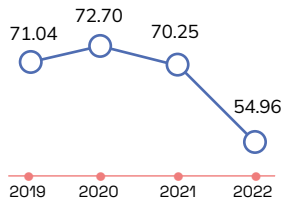
Analyst: Ethisphere Institute

Top most ethical companies in the world

Historic performance

2005 - 2022

Average score: 67 (out of 100)

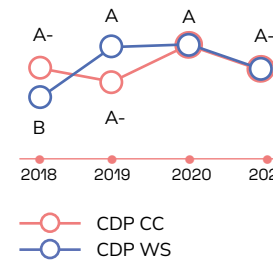


2020 - 2021

2020: 3rd place (50 utilities)
2021: 5th place (50 utilities)

2009 - 2021

'CPD A List' (2015, 2016 and 2020)
'WPD A List' (2019 and 2020)



2020 - 2021

#1 for 2 years (Average score of 93 out of 100)

2012 - 2021

Recognized for the **10th consecutive year**

Context

The assessment methodology covers topics such as financial management and clean revenue and investment, resource management, supplier and human resources management. The companies with the best performance in these KPIs, within each industry group, form the Global 100 list. For details visit [here](#).

The World Benchmarking Alliance (WBA), in collaboration with CDP, launched, for the 2nd consecutive year, a Climate and Energy benchmark to 50 electric companies. The Assessment Low-Carbon Transition (ACT) methodology evaluated EDP in three components:

- Performance with 15.4/20
- Narrative with 'B' (max. 'A') and
- Trend with '+'

For details see [here](#).
In parallel with the ACT assessment, the WBA launched the "Just Transition" pilot to 180 companies, 50 of which are electrical companies. For details see [here](#).

The CDP classifies companies from 'D-' to 'A' according to aspects covering information disclosure, the management of environmental risks and best sustainability practices. For more details, visit www.cdp.net

EDP participated for the second time in 2021, having responded in the Public Disclosure Infrastructure Asset category and obtained the Logo A Public disclosure ESG Index 2021. 162 companies were evaluated, with average just over 50 points. More details are available [here](#).

For more details, visit [here](#).

Sustainable finance

Sustainable Finances are responsible for the new paradigm in the financial market, which redirects financial flows towards sustainable investments, and a financing policy defined by the expected sustainable return, where agents internalize externalities and present a long-term vision.

Investors, regulators and companies support their performance in ESG (environmental (E), social (S) and governance (G)) and give substance to the implementation of the concept of creating value for all stakeholders (stakeholder capitalism approach). The main objectives of this approach are to facilitate long-term investment in companies and shift the short-term focus (shareholder view) in order to satisfy other priorities (e.g., employees, suppliers, customers and society in general).

Market direction pushes the financial system to go beyond financial returns and include ESG considerations in its capital allocation and financial valuation models. Governments, investors, regulators, credit rating agencies and companies all monitor this transformation.

Governments

In this new financial system environment, ESG issues, such as fair transition, have been gaining importance and are increasingly being equated with other themes, such as ensuring the transition to carbon neutrality.

New commitments are emerging, such as those announced during COP 26, for the gradual elimination of funding for projects linked to fossil fuels by 2022, signed by 20 countries, including the USA, the United Kingdom

⁷ An organization created within under the auspices of the United Nations that currently has 3,826 signatories, representing more than 121.3 billion dollars in Assets under Management (AuM) whose objective is to support an international network of investors that include ESG factors in their

and Portugal, and five development institutions, including the European Investment Bank.

Investors

From a risk perspective, the debate on sustainable finances was extended to the three areas of sustainability in 2006 with the disclosure of the Principles for Responsible Investment (PRI)⁷.

Globally, the Socially Responsible Investment (SRI) is worth 35.3⁸ billion US Dollars (Assets under Management (AuM)), i.e., 36% of the total market, an increase of 2.5% compared to 2018.

Europe and the US continue to hold the largest shares of total SRI assets.

Additionally, private financing will help companies realign their business models towards net-zero ambitions. In April 2021, two new alliances for the financial sector were launched. The Glasgow Financial Alliance for Net Zero (GFANZ) and the Net-Zero Banking Alliance (NZBA) will coordinate commitments within the financial system. These commitments are subject to transparent reporting and accounting, in line with the Race to Zero criteria - a United Nations-led initiative aiming to achieve net zero carbon emissions by 2050.

Regulation

Regulators make the private sector more accountable by standardizing sustainability information reporting and accountability for the negative impacts of activities.

investment decisions. Further details on responsible investment principles can be found [here](#)

⁸ 2020 Global Sustainable Investment Alliance

Regulators make the private sector more accountable by standardising the reporting of sustainability information and accountability for the negative impacts of activities.

Some of the key elements shaping the current regulatory framework include:

Growing concern about the financial impact of ESG risks, which justified, in 2015, the decision of the G20 to set up a working group for the dissemination of climate (TCFD⁹).

The search for sustainability information relevant to the creation of globally consistent, comparable and reliable value led to the release of a joint statement supporting the creation of a common reporting system, with the participation of the CDP, the CDSB, the GRI, IIRC and SASB, in September 2020, and the creation of the International Sustainability Standards Board (ISSB), a new IFRS governance structure (which has the support of the FSB and IOSCO), announced at COP 26, in November 2021. The latter will initially focus on climate-related matters and aims to develop a sustainability framework for listed companies.

⁹ The Task-Force on climate-related Financial Disclosures

Carbon neutrality, as a priority for the European Union, includes Sustainable Finance as one of its priorities. By defining the Sustainable Finance Action Plan, the European Union is creating the regulatory conditions that enhance the transition to a decarbonised economy, guaranteeing the stability of the financial market, in particular through two major levels introduced by regulation:

- definition of a common language – the Taxonomy – the key element of the Sustainable Finance Action Plan
- obligation to disclose information related to sustainability in the financial services sector (SFDR).

Credit rating agencies

Credit rating agencies have been monitoring changes in the financial market around ESG topics in preparing information for investors and issuers. In 2021, EDP followed the development of methodologies for integrating ESG topics by Fitch, Moody's and S&P, after interaction with the three credit rating agencies in the public consultation processes launched and in the validation of the information provided.

Company

Unfavourable investor perceptions of the sustainability performance of companies can result in increased financial risk and a decrease in the ability to finance at more favourable rates. Additionally, good sustainability performance can translate into a greater ability to retain and attract new investors and increase stakeholder confidence in the company. There is, therefore, a tendency, on the part of companies, to bet on the standardisation of sustainability information reporting.

EDP

Over the years, EDP has invested in the involvement of various players in the ESG market.

In 2021, EDP, through the Corporate Investor Relations Department, was asked about ESG topics. The topics that dominated this assessment the ESG exam were the controversial topics related to the 2017 and 2018 fires and the case of Contractual Balance Maintenance Costs (CMECs), the energy transition, qualitative and quantitative climate-related performance indicators and environment and green bonds.

Currently, 25% of the capital of EDP's shareholder structure comes from SRI investors. EDP has demonstrated its expertise in ESG matters and its ability to manage disputes to SRI investors who follow active and passive investment approaches. On the other hand, with regard to the financing component, the Group has responded to requests from investors, who are increasingly demanding in terms of mitigating the risks inherent in ESG factors.

In order to promote greater alignment of the company's financing policy with its strategy, focused on sustainability, and in parallel with that in October 2018, EDP entered the Green Bonds market and since then has already issued around 6.4 billion euros of this type of bonds.

At the same time, the Group has been following regulatory developments in sustainable finance, given its implications for the sector in which it operates, and where climate change is seen by investors as both a risk and an opportunity. In this regard, the company has provided responses to public consultations and adopted legislation represented by associations such as Eurelectric, the Conseil de Cooperation Économique - Sustainable Finance Task Force, the WBCSD Shaping Sustainable Finance

Policy Working Group, and the Corporate Forum on Sustainable Finance.

This involvement allowed EDP during 2021 to sign up to some initiatives that support its positioning.



UN Global compact CFO Task Force for the SDGs

It is a challenge for companies to put the Sustainable Development Goals (SDGs) at the heart of their corporate strategies, increase the amount of business investment in line with sustainability goals and publicize their progress.

EDP believes in the potential of creating synergies that contribute to the SDGs. Accordingly, EDP has promoted collaboration with other companies to support the realignment of business models towards net-zero and participation in actions that will serve as a laboratory for the design of innovative financial instruments. As a result, in June 2021, EDP joined the UN Global compact CFO Task Force for the SDGs, created in 2019, and is now a member of the group of more than 60 companies, which have committed to investing more than 500 billion dollars to contribute to the SDGs over the next five years.

Through this initiative, EDP has made a global commitment to link close to 50% of all corporate funding to its sustainability performance, with plans to issue hundreds of billions in new sustainable financial instruments, including bonds linked to sustainability. Furthermore, the group has also committed to the public disclosure of its progress in implementing the Ten Principles of the UN Global Compact and the SDGs as part of the CFO Principles.

EDP's participation in 2021:

- It produced the industry case study on its thesis of impact on SDGs, investment and measurement;
- It provided data on KPIs and performance targets against the SDGs, and investment and corporate finance aligned to the SDGs;
- It participated in the Laboratory meetings of working groups 1, 2¹⁰ and 3¹¹;
- It contributed to the UN Private Sector Forum's September 20 CFO event, for the participation of the CFO, who spoke about the company during the event.

Expectations for 2022:

- Internal dissemination of the language of the SDGs alignment with strategy, corporate investment and specific KPIs;
- Conduct a specific audit of the KPIs associated with the SDGs and external verification of the alignment of the specific KPIs with the SDGs;
- Continue to participate in meetings to develop knowledge and collaborate with other members;
- Empower employees on these urgent topics to take a better approach to the "G" through better accountability
- Increase our EDP advocacy policy in target areas and joint actions, so that companies publicly support political positions;

European taxonomy

The European Union taxonomy regulation establishes the criteria for an activity to be qualified as environmentally sustainable and is the key instrument for achieving the path of carbon neutrality proposed by the European Commission and adopted in 2019 with the European Ecological Pact.

In accordance with the legislation in force and given the fact that EDP is covered by the Directive on Corporate Sustainability Reporting, as of 1 January 2022, the Group must report the degree of eligibility of its activities, in view of the two objectives and report alignment with the European taxonomy, namely the proportion of income, operating expenses (OPEX), and capital expenditures (CAPEX) associated with environmentally sustainable economic activities.

Adoption of the Taxonomy by the EDP Group

EDP welcomes this new classification of economic activities, which brings visibility to companies such as EDP, which develop solutions to reinforce the low carbon economy and meet the goals of the 2030 agenda.

Since 2020, the EDP Group has positioned itself at the forefront of these initiatives, publicly disclosing not only eligibility, but also the degree of alignment of its economic activities with the taxonomy's climate objectives. This anticipation was motivated by the aim of improving investors' understanding of EDP's portfolio of sustainable solutions.

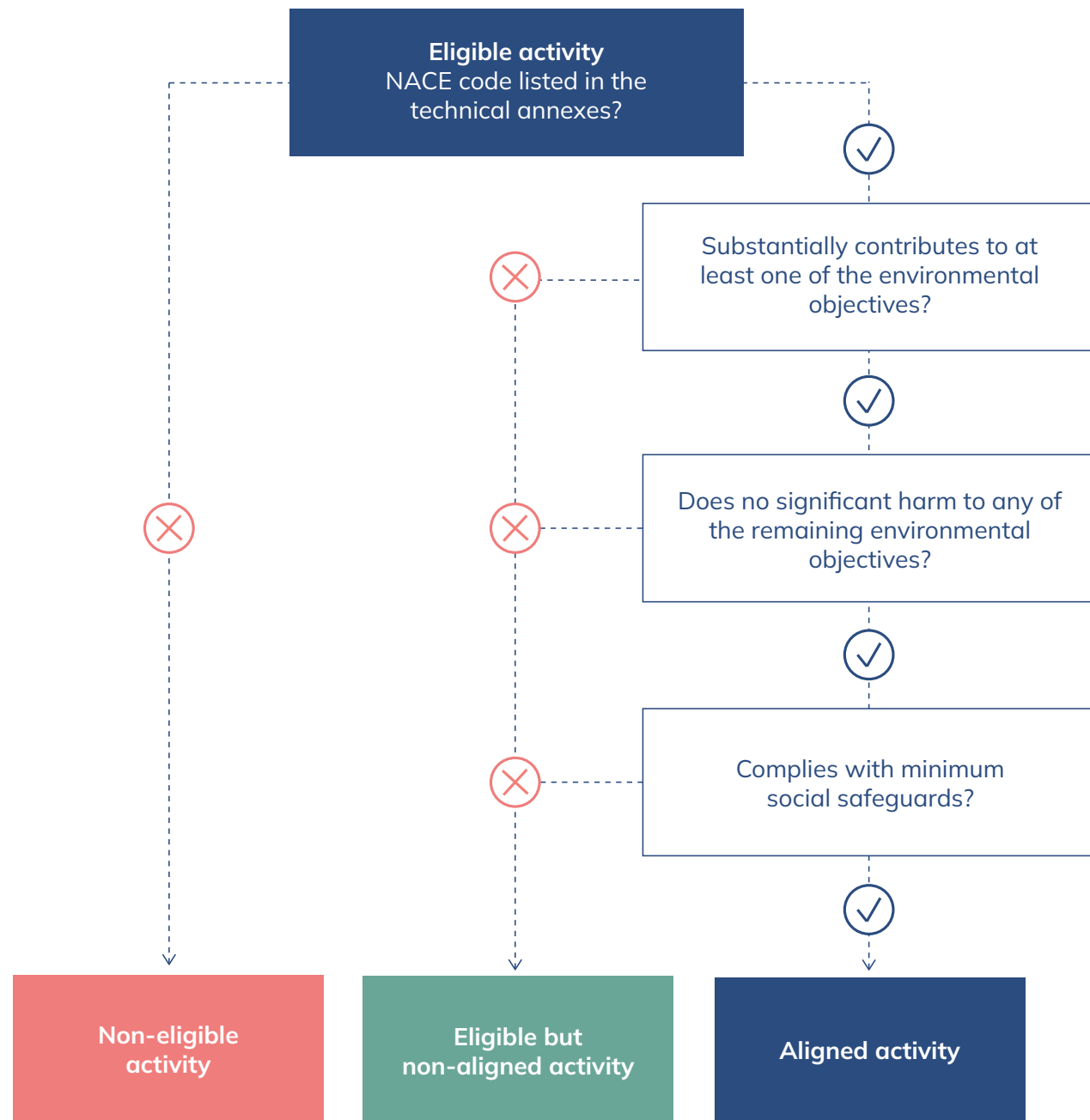
¹⁰ Principle 3. Integrated corporate SDG Finance

¹¹ Principle 4. Integrated SDG communication and reporting

In 2021, EDP disclosed eligibility information (amount and proportion) for its income, operating expenses (OPEX) and capital expenditures (CAPEX), and its alignment with the Taxonomy (amount and proportion) in income and capital expenditures, with operational expenses expected to be aligned in 2022 because it involves a more complex data collection process. These environmental financial indicators meet the criteria for evaluating the taxonomy of activities that contribute to the mitigation of climate change, and the accounting policies applied are described in the [Annual Report 2021](#), point 2 of the notes to the consolidated and individual financial statements.

To demonstrate the alignment, EDP revisited the economic activities that, in 2021, contributed substantially to the mitigation of climate change, and assessed the possibility that they could cause significant damage to the other environmental objectives and comply with the minimum social safeguards, in accordance with the process presented in the figure on the right.

The European Taxonomy represents challenges for the Group, with emphasis on demonstrating the alignment of facilities outside Europe, where EDP has a strong presence, and the need to adapt the current accounting and reporting systems and respective internal structures.



Main eligibility and alignment assumptions

The regulation has not yet defined the technical evaluation criteria for electricity trading activities. However, EDP believes that these should be classified as enabling activities, as they allow carbon emissions to be reduced in other activities. EDP used the composition of the electricity consumption mix in Portugal and Brazil as an eligibility criterion.

EDP also considered gas production and nuclear energy activities to be ineligible.

EDP guarantees that its activities do not significantly damage the environmental objectives defined by the European Union. Through its [Environment Policy](#), EDP has undertaken a set of commitments in three strategic action areas: climate change, the circular economy and biodiversity (see respective chapters).

Moreover, the Group's main corporate documents, such as its [Code of Ethics](#) and its [Principles for Sustainable Development](#), as well as its [Human and Labour Rights Policy](#) in application of the Universal Declaration of Human Rights, the International Labor Organisation Conventions, the United Nations Global Compact and the Guiding Principles for Companies – the Ruggie Framework all form the basis for compliance with minimum social safeguards. For more details on the specific commitments undertaken, see the chapter [Ethics and Compliance](#) in this report.

Positioning in relation to the Draft of the Complementary Delegated Act of the EU Taxonomy regarding nuclear and natural gas activities as of January 2022

Given the relevance of this issue for the Group, whose strategy is fundamentally based on investments in renewable energies, the main messages from EDP in this regard are the following:

1. The draft complementary delegated act **is not in line with the scientific evidence-based approach** under the EU Taxonomy Regulation, as it considers sustainable activities to be those with carbon emission thresholds above the value that enables a substantial contribution to climate mitigation objectives (100 gCO₂e/kWh).
2. The draft complementary delegated act **is inconsistent with other items of legislation in the sustainable financial package**, particularly the EU Green Bond standard. There is no space for financing activities related to electricity generation using nuclear energy or electricity generation from natural gas (because they are not considered sustainable investments), unless the GHG emissions in the life cycle of the natural gas technology are less than 100 gCO₂e/kWh.
3. The draft complementary delegated act has an **ambiguous definition of transitional activity**, insofar as it ends up being phased out of the taxonomy regulation as more sustainable alternatives become available.
4. Rather than including gas and nuclear activities, a framework outside the EU Taxonomy Regulation is preferred, because defining natural gas and nuclear activities as sustainable activities is

in conflict with the principle of the EU Taxonomy Regulation. This principle underlines that activities and investments are sustainable if they contribute to climate objectives and do not cause significant damage to other environmental objectives.

5. The EU Taxonomy Regulation is a key instrument for increasing green finance. Accordingly, including natural gas and nuclear activities in the taxonomy **poses a threat to the credibility of sustainable investments.**

Impacts at EDP Group level:

- a) In the business plan for 2021-2025, nuclear and gas technologies represent less than 1% of investment, compared to renewables, which account for 80%.
- b) EDP is one of the European Integrated Utilities with the least exposure to nuclear and gas and greater exposure to renewables, so the exclusion of these activities from the European taxonomy will enhance the Group's financing competitiveness in the next decade.
- c) In the event of inclusion in the regulation, the Group will:
 - Increase its eligibility, under the terms of the taxonomy regulation, by including the above-mentioned activities.

- Maintain its level of alignment with the taxonomy, as reported to date in terms of the taxonomy regulation, because combined cycle activities do not meet the requirements on assessment of emissions below 270 gCO₂e/kWh.
 - Will not have the means to demonstrate alignment with the Taxonomy of nuclear activity, in addition to having never reported environmental indicators for this activity, as it has never considered it sustainable.
 - Will see its presence in sustainability indices such as the FTSE, or the DJSI threatened,
- d) Will have to adapt its sustainability reporting in 2022 in light of the regulation in force.

Stakeholder Strategy:

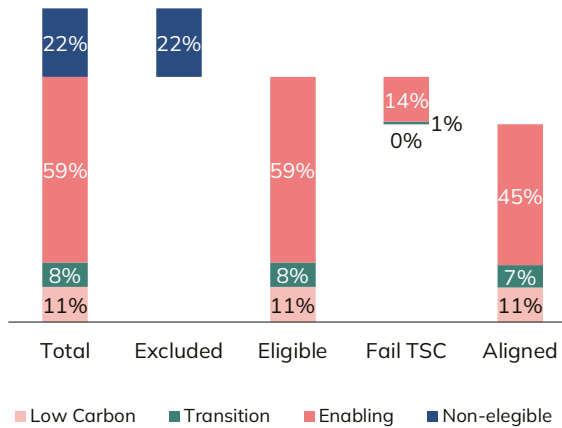
Between February and May 2022, the European Parliament and the European Council will have four months to review and discuss the delegated act. Accordingly, and based on its positioning, the EDP Group has drafted a general Stakeholders Plan

Eligibility and alignment

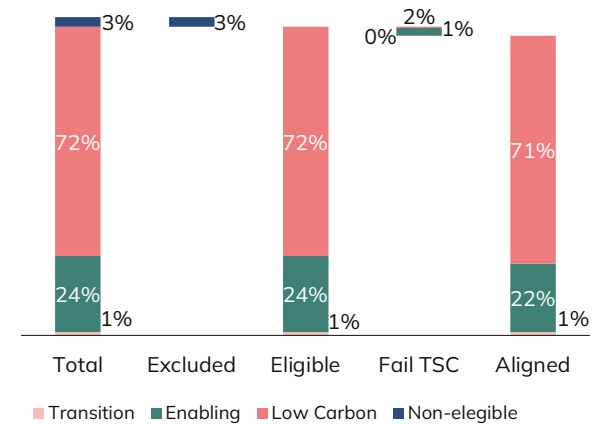
Eligibility

The tables on annex 4.4 present information on eligible and ineligible economic activities in accordance with the European taxonomy regulation, in particular the delegated acts relating to climate and Article 8.

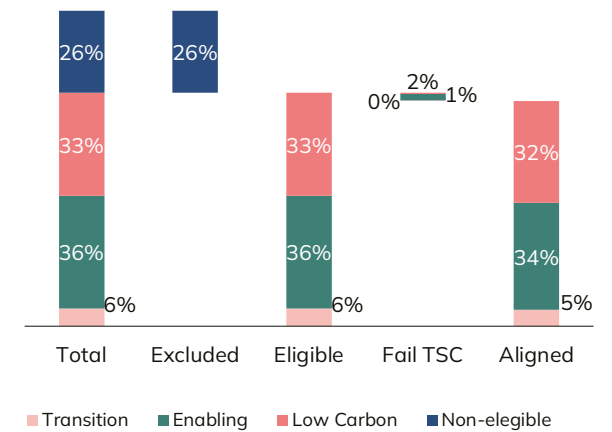
TURNOVER



CAPEX



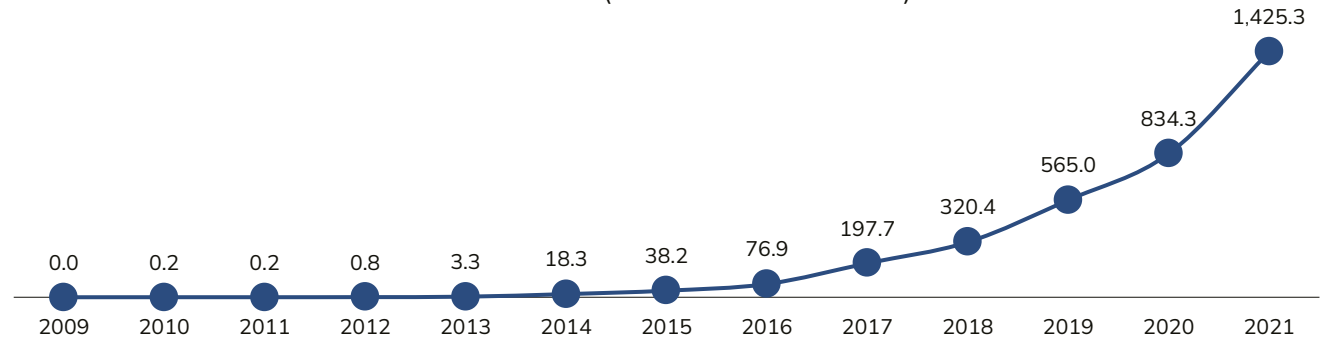
OPEX



Sustainable Financing

The topic of "Sustainable Financing" continues to attract increasing attention from investors, issuers (public and private) and regulators, and is playing a key role in mobilizing the capital needed to meet the 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 find credit investors increasingly demanding in assessing the sustainability performance of companies and their respective reporting. In this context, the capital market is expressing a growing preference for more sustainable financing. 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.

EVOLUTION OF THE GREEN BONDS MARKET (BILLIONS OF DOLLARS)



Initially introduced by the European Investment Bank in 2007, Green Bonds have grown rapidly in recent years, demonstrating the inevitability of using sustainable financing instruments to support the channelling of the volume of investments needed arising from pressure from climate change and other pressing environmental needs

The market for green bonds in the Utilities sector accounts for 18% 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 USD 139 trillion).

In 2021, according to data released by Bloomberg, the cumulative value of green bond transactions was USD 1,425 billion. In annual average terms, this corresponds to a 151% growth in the period between 2008 and 2021.





By the end of 2021, EDP has issued around EUR 6.4 billion in green bonds: four senior debt issuances, one of which in US dollars, and two issues of subordinated debt (hybrid).

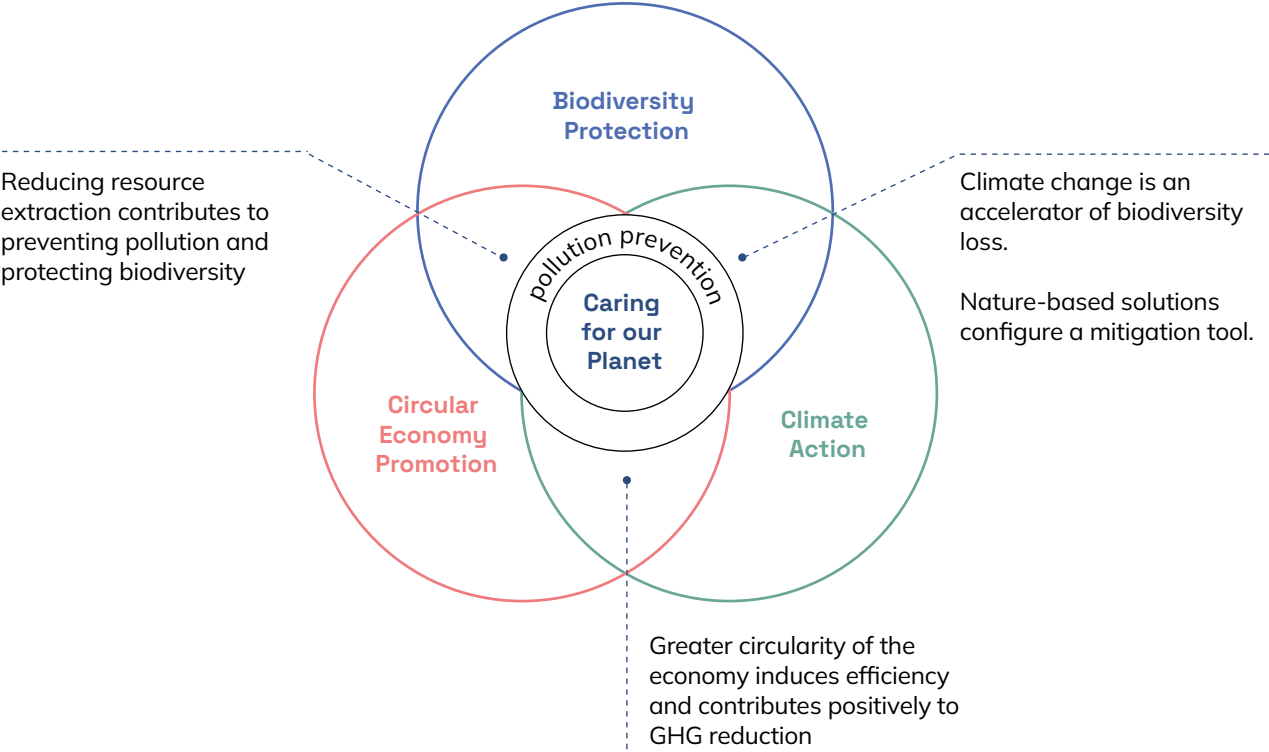
EDP's green bond issuances are supported in its Green Bond Framework. This document presents the set of principles that support the process of issuing this type of bond and that follow the international standard of Green Bond Principles (GBP), voluntary principles developed by the International Capital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

EDP has committed to generating 50% of its financing structure from sustainable sources by 2025 (in December 2021, this percentage was 39%).

The Group continues to work on updating its framework of principles for green issuing, in order to consider alignment with European taxonomy regulation, and to analyse the use of other financial instruments, such as sustainable green loans.

3.4.2. Caring for our planet

Alignment with the SDGs	Objectives	KPIs 2021	Target 2025
	Reducing the intensity of CO ₂ emissions (scope 1 and 2)	-51%	-70%
	Recycling of waste from activities	17%	85%



By recognising the Environment as a strategic management element, EDP seeks to reduce the impacts and dependence of its activity. To this end, through its Environmental Policy, the Group assumes a set of commitments that safeguard the implementation and maintenance of appropriate and effective environmental management systems, and that contribute towards Sustainable Development. Within the scope of this policy, EDP presents specific objectives in the environmental areas most relevant to the Group's strategy, specifically the Protection of Biodiversity, Promotion of the Circular Economy and Climate Action.

By promoting the efficient use of natural resources in its activities, from a life cycle analysis perspective, Circular Economy allows the prevention of Pollution and protection of Biodiversity, since it contributes positively to reducing Greenhouse Gases (GHG) and mitigating the effects of Climate Change, which are an accelerator of Biodiversity loss.

Pollution Prevention is assumed by EDP as a routine operational activity, to the extent that it is always considered, regardless of the activity in question. In this way, EDP is able to prevent impacts on the environment

and make a positive contribution to the protection of biodiversity, mitigate the effects of climate change and promote the Circular Economy.

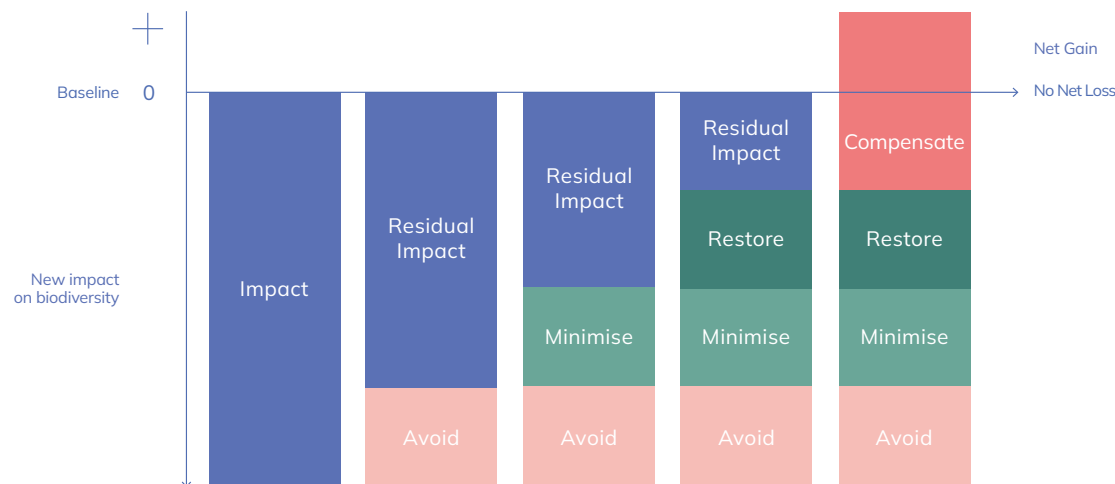
The mitigation of environmental impacts, an integral part of EDP's [Environmental Policy](#), is ensured by environmental management systems certified in accordance with ISO 14001:2015, aligned in a Corporate Environmental Management System (SIGAC), certified since 2008 by Lloyd's Register Quality Assurance (certificate no. ISO 14001 - 0030519).

EDP set the objective of achieving 100% ISO 14001:2015 environmental certification of any group activities with significant environmental aspects, and 90% has been achieved.

In 2021, as far as monitoring is concerned, 116 near-miss accidents were recorded and 481 simulations were carried out, for which the respective corrective and preventive measures were implemented. 1 accident involving environmental damage was recorded, due to the loss of the "Mexican pine snake" protected species. Additionally, emergency response training and awareness-raising activities are also provided to employees, service providers and other stakeholders such as the local community (when applicable).

Similarly, EDP is still investing heavily in having a positive effect on the environment, with a total of EUR 88.2 million in improving technologies and in initiatives to prevent and mitigate the environmental impacts arising from operations. Around 27% of this investment was related to biodiversity protection.

MITIGATION HIERARCHY



3.4.2.1. Protection of biodiversity

Biodiversity is under threat and the goal of halting its accelerating loss depends on the active contribution of all sectors of society. The decade 2021-2030 is considered by the UN as the "decade on ecosystem restoration".

In order to protect the environment and value natural capital, EDP assumes a responsibility to protect biodiversity through specific commitments in its [Environmental Policy](#):

- Contribute to reducing biodiversity loss, prioritise the mitigation hierarchy and aim for a positive outcome on the biodiversity balance sheet in the long term
- Contribute to deepening scientific knowledge of biodiversity and ecosystem services, particularly by establishing partnerships.

At the same time, EDP undertakes to "not build new generation facilities in areas classified as Natural Sites on the UNESCO World Heritage List", to ensure it continues to have no presence in these territories and sets No Net Loss of biodiversity goal for all new projects with significant residual impacts, by 2030, and a related commitment of No Net Deforestation, based on a mitigation hierarchy approach.

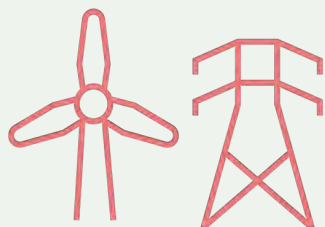
The mitigation hierarchy allows EDP to anticipate and avoid potential impacts; to minimise, when it is not possible to avoid them totally; to restore, when impacts occur; and to compensate, when residual impacts remain. It is a gradual and cumulative action with the main aim of reducing the impact until there are no adverse effects on biodiversity, achieving at least a No Net Loss level, but always aiming for (Net Gains).

EDP's activities of generation (hydroelectric, thermal, wind and solar) and transport and distribution of electricity have the greatest impact on biodiversity, through disturbances caused by alteration/conversion of land uses resulting in habitat fragmentation, alteration and

destruction with a direct or indirect impact on species. However, potentially impacted habitats and species are the target of conservation and mitigation measures for the described impacts in three areas: ecological flows,

bird life and natural capital. In 2021, emphasis should be placed on the following:

Protection of bird life



Portugal

In 2021 actions continued to be carried out under the Bird Life VIII Protocol, LIFE Projects and the National Specific Wild Birds Program (PENAS). The actions set out in the Protocol continued the field survey work in some power lines, and the compilation and validation of information regarding risk maps of threatened species. The corrections to the medium and high voltage (MV/HV) overhead power lines were made by applying mitigating technical solutions, such as rotating and tape-type firefly to minimise collision, changing horizontal disconnectors to vertical ones and a combined solution to minimise electrocution, on about 35 km.

Spain

According to Royal Decree 1432/2008, in 2021 a total of 6,376 km of EDP Redes España lines have been identified in bird protection areas, which will have to be adapted. E-Redes and Viesgo are drawing up joint Bird Life Plans, in which a number of lines to be adapted each year will be determined.

Ecological flows



Portugal

In 2021, out of the 16 identified hydroelectric power stations, 15 have already implemented an EFR, and the respective monitoring programmes to evaluate their effectiveness are under way. Only in the case of Alto Cávado, given the poor quality of the water in the reservoir and the good quality of the stretch downstream of the reservoir, it was decided not to launch an EF since it could have negative effects on the body of water downstream.

Spain

Following the notification in 2019 from the Cantabrian Hydrographic Confederation (CHC) for mandatory and strict compliance with the aforementioned ecological flows by December 2021, the current situation is that ecological flows are being complied with in Miranda, Caño, La Barca, Priañes, Laviana and San Isidro. In Proaza, Tanes, Florida and Priañes there are projects under way or awaiting approval aimed at hydroelectric exploitation and adaptation of drainage elements.

Natural Capital



Spain

As part of the working group on Natural Capital in the energy sector, an app was developed for the rapid assessment of environmental impacts produced by electricity distribution lines on habitats, species and ecosystem services.

EDP Spain has become a member of the Technical Committee for Standardisation in Biodiversity, with the aim of adapting its natural capital and biodiversity advances to standards defined at a national and international level.

In addition, in 2021, EDP continued to increase its public commitments in this area through:

- participation in a partnership with the International Union for Conservation of Nature (IUCN) in the development of a mitigation hierarchy application guide, identifying best available practices to reduce biodiversity impacts associated with on-shore and off-shore wind and solar power projects. The report draws on the experience of three energy companies, as well as BirdLife International, Fauna & Flora International, The Nature Conservancy and Wildlife Conservation Society, whose main objective is to guide all stakeholders through understanding and managing the biodiversity risks associated with the described projects, with an emphasis on science-based best practices. They also provide over 30 globally representative examples and case studies
- joining Act4Nature-Portugal, an initiative led by BCSD-Portugal, in which EDP joined the Steering Committee and Advisory Board and subscribed to the 10 common commitments and 12 individual commitments for 2030. By 2021, 10 of the 12 individual commitments have been achieved or are under way, and two are yet to start.

Three new initiatives stand out from EDP's biodiversity agenda in 2021:

- A project by EDP Brasil to recover 10 springs with the aim of promoting the recovery and conservation of water resources through the forest restoration of springs and installation of five mini sewage treatment plants in rural properties in the municipality of Baixo Guandu in the state of Espírito Santo

- The LIFE *Águeda* Project being implemented by EDP Produção, with the aim of carrying out conservation and management actions for migratory fish in the Vouga Ribeiradio-Ermida river basin
- The *Hectarea Natura* Project, which aims to restore and enhance ecosystem services and natural capital, with EDP Spain undertaking to eliminate all eucalyptus trees and encourage the spontaneous growth of native species over the next five years.

Pollution prevention

Preventive operational actions relating to pollution in the context of biodiversity protection concerning the mitigation of the impacts of electricity generation and distribution activities, specifically:

- Vegetation analysis using satellite images
- Diversion of line routes to less sensitive ecological areas
- Preparation of standard projects for adapting lines to the requirements of bird life
- Use of technology that prevents birds and animals from approaching electrical system structures
- Prevention of the production and hazardous nature of waste. Sorting, storage and ensuring the appropriate final destination of the waste that is produced
- Replacement of mineral oil in transformers, which generates hazardous waste, with vegetable oil
- Analysis of the causes of occurrences with an environmental impact and identification of rapid corrective and preventive measures

- Implementation of noise minimisation measures
- Contractual environmental requirements to external service providers, with the application of penalties if these requirements are not met
- Environmental training for employees involved in activities that impact the environment.

EDP Professorship in Biodiversity II (2018-2021)

In alignment with EDP's commitment to contribute to deepening scientific knowledge of biodiversity and ecosystem services, the Professorship II, which began in 2018, has directed the scope of its actions towards the development of knowledge applied directly to business, in the dimension of environmental genomics, and to collaborating with distribution activity, through the scientific publication of data accumulated by E-REDES as part of the project for the Technical Commission for Monitoring Overhead Power Lines (CTALEA).

The following developments achieved in 2021 stand out in each of the research pillars of the Professorship II achieved in 2021:

Objective

Actions

Environmental genomics



To develop new methods of taking inventories and monitoring biodiversity, based on environmental DNA and promoting the transfer of technology and knowledge to LABLEEC.

Development of the MinION handheld device based on the lowest cost and fastest molecular techniques for the early detection of invasive and other species.

ZEBRA MUSSEL: INVASIVE SPECIES

Early detection of invasive species, the zebra mussel, an environmental and operational threat in hydroelectric generation. Implementation of the quantitative real-time PCR technique at Labeledec.

Development of protocols based on the eDNA technique to demonstrate equivalent methodology and its recognition by the national authority as an alternative to conventional methodologies.

Distribution

Mitigation of environmental impacts



To support E-REDES in the consolidation of scientific knowledge associated with the impact of power lines on bird life.

ORGANISATION INFORMATION

Collection and systematisation of biological information, essentially for work to model the Bonelli's eagle population.

EFFECTIVENESS OF MITIGATION MEASURES ON BIRD MORTALITY

Research lines combined and worked around available and consistent data (population of Bonelli's eagle - Aquila fasciata- in Southern Portugal). Statistical modelling and publication of scientific papers in international journals related to the speciality.

MODELLING THE IMPACTS OF MEASURES ON POPULATION DYNAMICS

Analysis of the interaction with power lines (behavioral and demographic component), which demonstrated a behavioural idiosyncrasy of the species in relation to the lines (staying away or attraction), resulting in a significant reduction effect. However, measures should be applied on a case-by-case basis.

3.4.2.2. Circular economy

The Circular Economy is one of the axes of the EDP Group's sustainability strategy and is an important pillar of its [Environmental Policy](#). In EDP's business, Circular Economy takes the form of the efficient use of natural resources, from a life cycle analysis perspective, specifically:

- Minimising the use of natural resources required for the proper execution of its activities
- Optimising and efficiently managing internal products and services, promoting a circular economy among our customers
- Maximising the recovery of waste and its reintroduction into the economy as by-products.

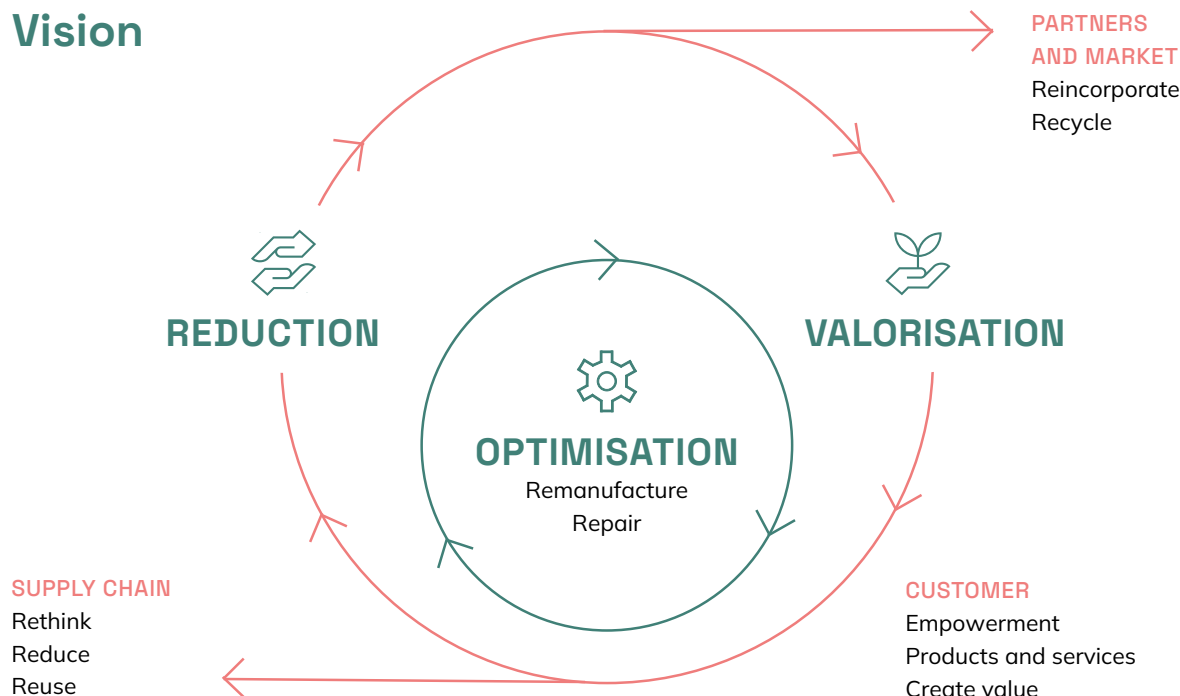
In 2021, EDP's **Circular Economy Strategy (CES)** was approved, based on six major guiding principles, promoting:

- systemic approaches
- innovative solutions
- optimising the use of resources
- strategic partnerships
- efficiency in the value chain
- transparent communication.

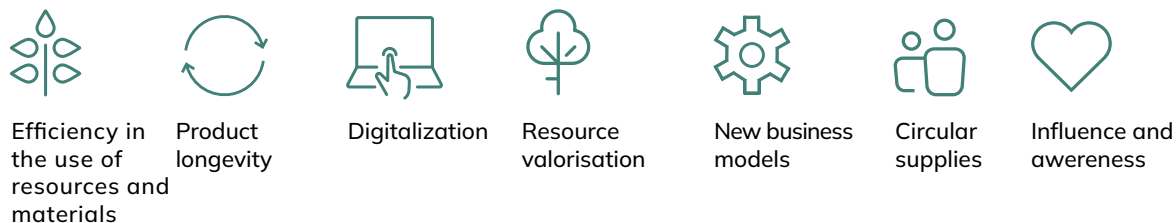
EDP's Circular Economy Strategy vision is based on three fundamental pillars: Reduction, Enhancement and Optimisation, as a way to promote greater circularity in the business, implemented through seven priority areas of action - as identified/demonstrated in the following figure.

CIRCULAR ECONOMY STRATEGY

Vision



Action Priority



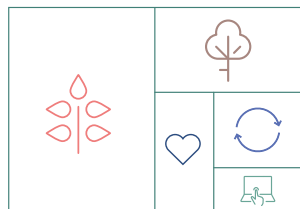
EDP has set four ambitious goals for 2025, in line with SDGs 8 and 12 - promoting decent work and economic growth, and sustainable production and consumption, respectively.

In order to achieve these objectives, EDP has defined a Corporate Plan that brings together several operational plans developed by the business units, in which the areas

for priority action take on different relevance depending on their activity.

EDP Global Solutions

Priority Axes of Action

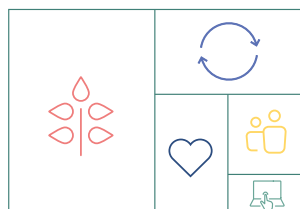


Initiatives

Waste management strategy

Implementation of a transversal strategy to the installations in order to harmonize practices with the objective of reducing the production of waste.
CE Strategy Axis: Efficiency in the use of resources and materials

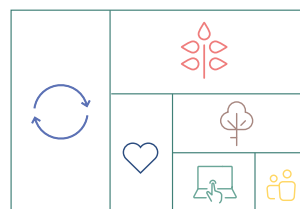
EDP Renováveis



R3FIBER

In partnership with TRC, development of alternatives for recycling wind turbine blades that are not in use.
CE Strategy Axis: Efficiency in the use of resources and materials

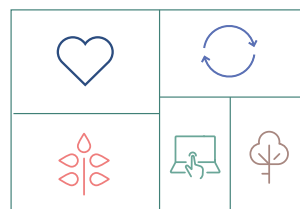
E -Redes



CONSTRUCTION OF THE ACTION PLAN FOR THE E-REDES CE

Use of the CTI Tool to analyze the circularity of the main materials and equipment in the network (EMI, transformers, cables and concrete posts) in their use phase and end of life.
CE Strategy Axis: Product Longevity

EDP Produção



DIGITALIZATION OF PROCESSES

Equipment monitoring through machine learning to predict possible malfunctions or failures.
CE Strategy Axis: Digitalization

■ On-going
■ Planned

KPI 2021

PROMOTING CIRCULAR ECONOMY

Target 2025

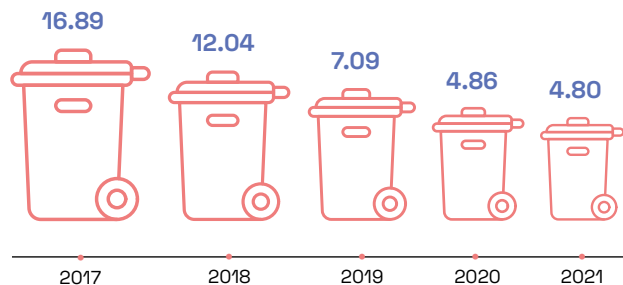
77% Accelerating circularity in renewables in terms of operational waste and decommissioning	>80%
-81% Reduction in operational waste	-82%
17% Increase the recyclability rate in the operation	85%
-70% Reduction in water consumption	-78%

Pollution Prevention

EDP makes every effort to develop solutions to allow its main waste materials to be used as by-products and raw materials for other industries, specifically fly ash and coal slag, as well as gypsum, which made up around 87% of the total waste materials recovered (249,546 tonnes).

As regards construction activities, operation and maintenance of facilities, reuse is prioritised so that when it comes to disposal, recycling is always considered as the primary solution.

SPECIFIC PRODUCTION OF RESIDUAL MATERIALS (T/GWH)



Therefore, contracts are established with licensed operators who send the waste to the preferred recovery destination. Efficient waste management goes beyond the suitable disposal of waste and its incorporation into the economic circuit, by promoting its reintegration whenever possible. This management starts upstream, in the design and in the choice of materials necessary for the suitable functioning of operations.

Water management

EDP recognises access to drinking water and sewerage as a universal Human Right and assumes its responsibility in pursuit of SDGs, in particular SDG 15, contributing to the sustainable use of freshwater ecosystem services, and SDG 7, seeking to ensure the supply of clean and affordable energy for all.

Under its [Environmental Policy](#), EDP is committed to mitigating its impacts, managing risks and promoting the continuous improvement of processes, practices and performance through a collaborative approach with *stakeholders* for the sustainable management and efficient use of water.

Water is a vital resource for electricity generation, particularly hydroelectricity, which is a major part of EDP's renewable generation portfolio and is crucial to its strategy of reducing CO₂ emissions and mitigating climate change.

EDP's activities can have both negative and positive impacts on water resources and ecosystems:

IMPACTS

DESCRIPTION

The use of water by thermal power plants results in a wastewater output and can increase the temperature of water bodies receiving cooling water discharges

The presence of dams transforms lotic systems into lentic systems with very different hydraulic characteristics

The reservoirs of hydroelectric power stations increase access to water for other uses, such as agriculture, water consumption and leisure, serving as strategic water reserves and helping to regulate floods downstream

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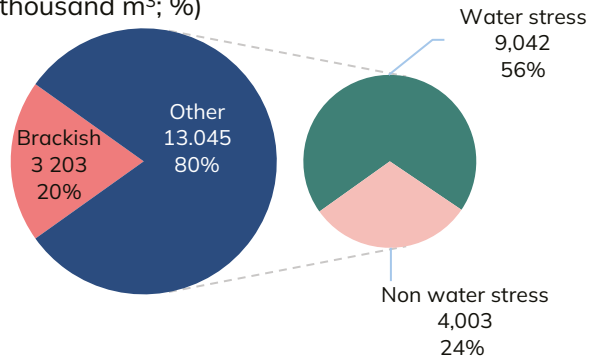
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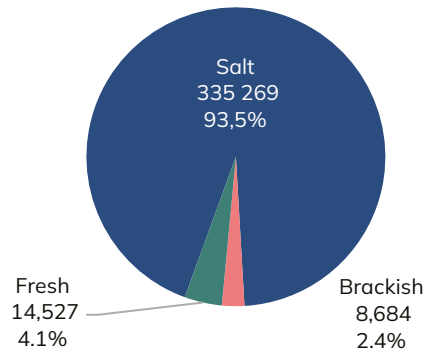
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however, and unlike the organisation's other activities, the use of water in hydroelectric generation is not considered consumption. EDP monitors the volume of water managed in these assets, which reached 199 million cubic metres, -2% compared to 2020. This indicator heavily depends on the hydroelectric productivity index that in Portugal, in which the hydro portfolio is most relevant, is 0.97 (compared to 0.97 in 2020), 3pp below the average hydrological year.

WATER CONSUMPTION 2021
(thousand m³; %)



WATER WITHDRAWAL 2021
(thousand m³; %)



The specific consumption of fresh water changed in 2021 (+35% compared to 2020), which is justified by the increase in coal-fired electricity generation in some regions of the EDP group (40% compared to 2020). In 2021, the main use of freshwater was as cooling water.

EDP monitors the potential scarcity and quality of water and sediments and the impact on biodiversity of managing this resource. To do this it ensures minimisation activities, such as the release of ecological flows, the transposition and transport of fish, and support for scientific research related to these matters.

It is important to mention the fact that the Pecém thermoelectric power station in Brazil is located in an area of water stress, and that EDP therefore uses the World Resources Institute's Aqueduct to assess its exposure to water risk on a river basin scale. A local analysis is subsequently conducted, considering quantitative information from national institutions and the experience of internal operations teams.

Since 2010, EDP has responded to the CDP Water Security, where it provides a detailed description of its ongoing initiatives. In 2021, EDP achieved the highest performance level of this index (leadership) with a rating of A-.

In 2021, EDP reached the level of higher performance (leadership) with the rating

A-
(CDP Water Security)

The last quarter of 2021 was marked by a severe drought in Brazil, which impacted the production of electricity from hydro-electrolyc plants

Pollution prevention

Thermoelectric power plants are covered by stringent environmental permits, which establish continuous monitoring, taking into account parameters and sensitivity to the environment in which they are integrated. These have physical-chemical wastewater treatment processes, ensuring that they are discharged in accordance with the limit values established for each parameter. Similarly, there are also measures for reusing treated effluent for example for irrigation; increasing the concentration cycles in the cooling towers; and carrying out industrial cleaning inside the cooling towers.

EDP also monitors the quality of ground water in the area surrounding the landfills using a piezometer network.

3.4.2.3. Climate Action

Well known for its position at the forefront of the energy transition (page [Commitment to the Energy Transition 2030](#)), EDP recognises the importance of the electricity sector, and its contribution to a low-carbon economy, as a solution for tackling climate change. Anticipating the severity of climate risks, and in awareness of the exposure of the business, under its [Environmental Policy](#), in February 2021 EDP assumed the responsibility of achieving the carbon neutrality of its activity (scopes 1 and 2) through:

- Increasing the renewable portfolio
- An ongoing reduction of direct and indirect greenhouse gas emissions
- Providing low carbon energy solutions to its customers, promoting the electrification of consumption and energy efficiency.

And promote adaptation, to maximise the resilience of its assets to the effects of climate change

Given the current climate emergency situation, as well as meeting the global commitment, established by the Paris Agreement and reinforced by the Glasgow Pact, to limit the increase in the global average temperature to 1.5°C, EDP's contribution to combating climate change is takes the form of its Climate Action approach.

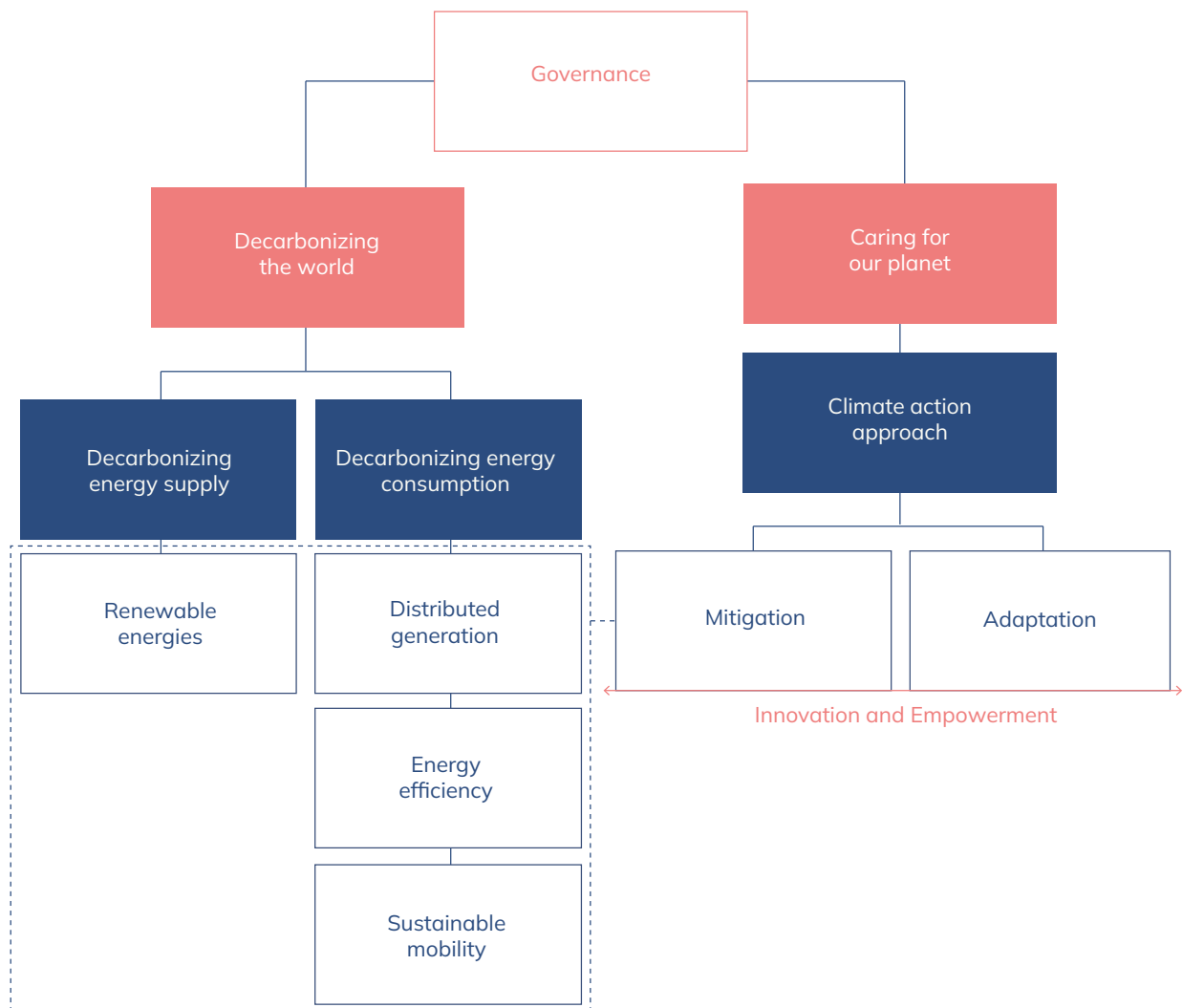
EDP's Climate Action approach focuses on mitigation actions - with the aim of reducing greenhouse gas (GHG)-emissions, and adaptation actions - by adopting climate change adaptation plans in all geographical areas and business units exposed to significant climate risks. These actions are supported throughout the company by innovation - which aims to promote the development of

carbon-neutral technologies and increase energy efficiency; and by training to increase awareness and transparency on climate change, both within and outside the EDP group.

This approach is the responsibility of corporate governance, which takes on a strategic role in the proper man-

agement of climate responsibilities and action plans, including the identification, analysis and management of climate-related risks and opportunities (see chapter [Risk Management](#)).

EDP has publicly committed to a set of short, medium and long-term objectives and targets that support its decarbonisation strategy, approved by the Science Based



Target initiative (SBTi) as being aligned with a 1.5°C decarbonisation trajectory and the Business Ambition for 1.5°C - Our Only Future initiative, which EDP signed up to in 2019.

In 2021, with the disclosure of the new business plan ([Strategic Update 2021-2025](#)), the Group made an even more ambitious commitment, specifically that of achieving carbon neutrality in 2030, with regard to its scope 1 and 2 emissions. Despite ongoing efforts to reduce GHG emissions, there are residual emissions that cannot be eliminated. EDP will offset these through the use of carbon credits.

Since 2018, EDP has also undertaken to follow the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) by disclosing information on governance, strategy, risk and opportunity analysis, metrics and the financial impact of climate change on the Company ([Annex EDP Alignment with TCFD Recommendations](#)).

The EDP Group publicly discloses its response to the CDP Climate Change questionnaire, in which it details its strategy and performance in the fight against climate change in line with the TCFD (CDP Climate Change EDP 2021). In 2021, EDP obtained the highest level of this index (Leadership), with an A- rating. In addition, EDP Brasil, which acts independently, achieved the maximum rating of Leadership A for the first time.

In 2021, EDP also joined other initiatives in the field of climate action, of which the following should be emphasised:

- Signing a corporate letter of support for the Biden-Harris Administration
- Joining GeSI's "Digital with Purpose Movement

KPI 2021

CLIMATE ACTION

	TARGET 2025	TARGET 2030
-51% Scope 1 and 2 specific emissions reduction vs. 2015	-70%	-98%
-30% Scope 3 absolute emissions reduction vs. 2015	-30%	-50%

- Signing the open letter to G20 leaders
- Adherence to the 24/7 Carbon-free Energy Compact
- WBCSD Business Manifesto for Climate Recovery.

As a result of these operating conditions, there was an increase of only 5% in emissions associated with electricity generation. The only reason why this figure was not more accentuated was the closure of the Sines power station.

Mitigation

Mitigation is directly linked to EDP's Business Plans, both on the supply side and on the demand side, with the aim of reducing global GHG emissions by implementing solutions based on four main axes:

However, compared to 2020 there was a significant increase (+40%, +4.4 TWh) in electricity generation from coal-fired power stations in Spain and Brazil, as a result of the increase in natural gas prices on international markets and the extreme drought in Brazil.

In contrast, natural gas combined cycle power stations (CCPS) saw a 34% reduction in production (-3.3 TWh) compared to 2020.

On the Iberian Peninsula, the Hydroelectric Capability Index (HCI) was slightly below 1 (average year) and, with the sale of 6 power stations in northern Portugal, hydroelectric output fell by 18% (-3.5 TWh) compared with the previous year.

Continued reduction of production from coal (until 2025) and natural gas (until 2030) power stations.

Increase in renewable installed power, with the public objective committed to by EDP of achieving 100% renewable installed capacity by 2030.

Reinforce electrification and promoting energy efficiency by prioritising renewable energy supply and demand

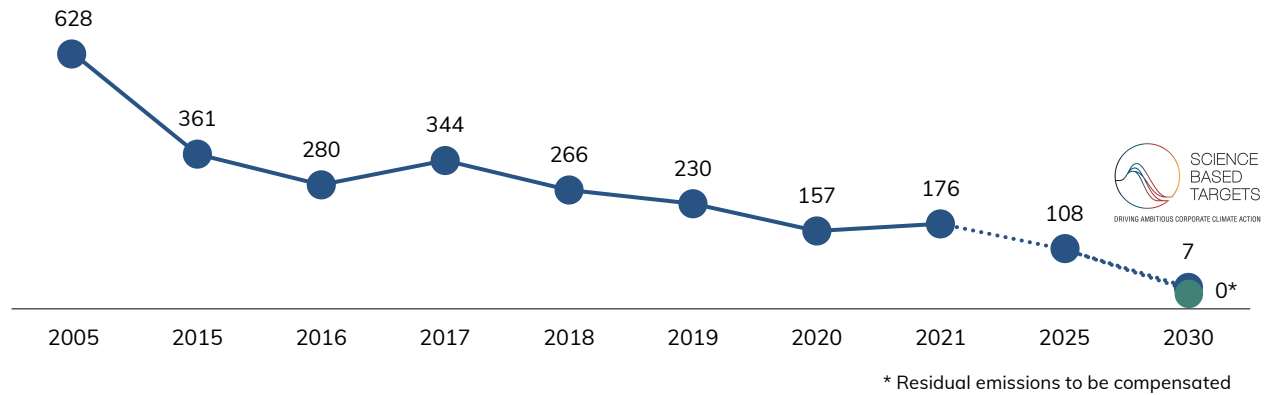
Promote innovation that contributes to mitigating the effect of climate change, contributing to the energy transition to a low carbon economy

EDP reports its GHG emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (categories detailed on the Annex 'ESG Indicators, 'Climate Change' tables). In short:

- **Scope 1 emissions:** including stationary emissions from thermoelectric power stations, which account for 99.8% of the total, as well as emissions from the vehicle fleet, fugitive emissions (SF₆) and those corresponding to natural gas consumption in buildings. In 2021, they totalled 9.8 MtCO₂e.
- **Scope 2 emissions:** this refers to electricity consumption, including losses in transport and distribution networks (the part produced by third parties), self-consumption in power plants and consumption in administrative buildings, supplied by third parties. In 2021, they totalled around 0.8 MtCO₂, increasing by 33% compared to 2020, particularly as a result of the greater contribution of network losses due to the fact that we distributed more electricity produced by third parties.
- **Scope 3 emissions:** these comprise all remaining indirect emissions upstream and downstream of the value chain, not accounted for in the other scopes. In 2021, EDP revised the methodology for calculating these emissions, particularly with regard to the categories associated with the supply chain, in order to make the inventory more complete and robust, and also updated the 2020 results at the same time. The total value of scope 3 emissions amounted to 10.3 MtCO₂e, 3% less than in 2020, essentially due to the reduction in gas sales to end customers.

The 7% increase in Scope 1 and 2 emissions, combined with the slight reduction in electricity produced (-5%), meant that specific Scope 1 and 2 emissions increased by around 14% compared to 2020, settling at

SCOPE 1 AND SCOPE 2 SPECIFIC EMISSIONS (gCO₂/kWh)



176gCO₂/kWh. It should be noted that this situation is merely due to the circumstances, and in no way alters the decarbonisation strategy announced for 2025 and 2030.

The generation of electricity at renewable energy power stations, as they replace fossil-based thermoelectric generation in the country where they operate, avoids the emission of a quantity of greenhouse gases corresponding to those that would be emitted by a mix of the existing thermoelectric portfolio in that country producing the same electricity. In 2021, avoided emissions amounted to 23.8Mt CO₂, 6% less than in 2020.

The decarbonisation strategy also has an impact on improving energy efficiency throughout the value chain, contributing to reducing upstream primary energy consumption and, on the other hand, to greater efficiency in the end use of energy, avoiding GHG emissions, particularly in the vehicle fleet, for which purpose EDP has committed to electrifying more than 40% of the fleet of light vehicles by 2025 and 100% by 2030.

By 2021, despite the greater use of coal in power stations, primary energy consumption has reduced by about 3,000 TJ. Regarding the vehicle fleet, the percentage of electrification in light vehicles increased to 13.2%, compared to 11% in 2021.

Adaptation

Ensuring the resilience of its electricity generation and distribution infrastructures is one of the priorities of EDP's climate action. Therefore, the Group has taken on the goal of having climate change adaptation plans in place in its business units by 2022, to ensure the resilience of infrastructure that may be exposed to extreme events of greater intensity and frequency, compared to reality as we know it today.

In 2021 the Group companies moved forward with the development of their climate change adaptation plans and some of them also started their implementation, the overall commitment being to achieve 100% implementation of the plans by the end of 2025.

To this end, the common corporate methodology supports the Business Unit plans already in place and the evaluation and quantification of physical risks are consolidated at the corporate level in accordance with EDP's risk taxonomy, in line with the TCFD's Recommendations.

Further information can be found at www.edp.com



Pollution Prevention

The coal-fired power stations in operation have been installed with equipment to minimise pollution from gas emissions into the atmosphere: electrostatic precipitators or bag filters to retain solid particles; gas desulphurisation systems with chemical neutralisation reactions using hydrated calcium hydroxides and a denitrification system, as well as a low NO_x burner system, with flame temperature control and stoichiometric control of the burning air.

Despite the closure of the Sines power station, output from coal-fired power stations in the Iberian Peninsula and Brazil was up significantly on the previous year (+57%), resulting in an increase in atmospheric emissions of sulphur dioxide (SO₂), nitrogen oxides (NO_x) and particulates. In 2021, SO₂, NO_x and particulate emissions were 12.1 kt (+48% than in 2020), 8.9 kt (+44% than in 2020) and 1.3 kt (+37% than in 2020), respectively.

Regarding the electricity distribution activity, to reduce accidental emissions of sulphur hexafluoride (SF₆) in substations, SF₆ switches have been replaced by vacuum switches.

3.4.3. Respect and Promotion of Human Rights

Alignment with the SDGs	Objectives	KPIs 2021	Target 2025
	Protect Human Rights in the supply chain, according to the Ruggie methodology through Due Diligence, audits and performance assessment	100%	100%
	Carry out human rights impact assessments on the development of infrastructure projects, following the Ruggie methodology	100%	100%

3.4.3.1. Human and Employment Rights

Human rights at the top of the international agenda

Human and Labour Rights have risen to the top of the international agenda again during 2021. In particular, several dimensions of the Social pillar of Sustainability have become more frequently referred to within the concept of Human and Labour Rights, introducing a deeper sense of purpose and responsibility, but new dimensions have also become part of the theme such as the recognition of Climate as a human right and the consolidation of the Just Transition concept.

The epidemic crisis, with an acknowledged impact on work and employment, the increase in temporary work linked to the digital economy and globalisation, the disruption in logistics chains and the price crisis in the energy sector, as well economy decarbonisation strategies, have contributed decisively to this evolution. Similarly, geopolitical tensions have emphasised the need to in-

crease corporate scrutiny and accountability on human and labour rights practices in supply chains.

On the other hand, at the United Nations level it is of the utmost significance that on 8 October, the main UN human rights body approved the recognition of the right to a safe, clean, healthy and sustainable environment as a human right. Less than a month later, Portugal approved Climate as a Common Heritage of Humanity.

At the European Union level, on 10 March 2021 the Parliament and the Council adopted the resolution on "Corporate due diligence and corporate accountability", which the Commission will transform into a directive forcing member countries and large companies to demonstrate the application of the conventions and standards approved by the United Nations, the ILO and the OECD. While the scope is the whole corporate value chain and issues of integrity, good governance and the environment, the directive is particularly focused on supply chains and human and labour rights. In this exact sense, the German parliament and council, anticipating the European directive, approved the Supply Chain Due Diligence Act on 11 July 2021. This legislative dynamic,

which includes several other countries and regulatory bodies, shows the new level of accountability attributed to companies.

Human rights have also risen in importance in terms of sustainability and investor benchmarks, and scrutiny of business practices has become more frequent. Undoubtedly, the work of NGOs has gained greater visibility and impact, in particular through benchmarking exercises and the setting of expectations and benchmarks for human and labour rights, such as the World Benchmarking Alliance and Business Human Rights.

In general, in the 2020-2021 period, major companies in the European electricity sector have revised and updated their policies on respect for human rights, increasing management requirements, becoming more prescriptive and less generic, detailing information on their procedures and organisation and publishing key indicators. In this area, not all companies have followed the same approach to the topic. However, companies that are internationally active and operate more vertically in the value chain have chosen to clearly distinguish between the dimension of respecting internationally recognised fundamental human and labour rights and the dimension of voluntarily promoting human rights more specific to

each company poverty or more oriented towards access to energy and fighting energy poverty.

The challenge of tracing the origin of materials and equipment

Identifying the route and the players in the supply chains for materials and equipment is a major challenge for companies and states. However, the year 2021 has made it clear that achieving this goal is of fundamental importance from multiple perspectives. On the one hand, it is indispensable for the scope 3 objectives of reducing CO₂ emissions, reducing the material footprint, protecting biodiversity and ensuring the circular economy. On the other hand, for combating corruption and bribery and ensuring respect for internationally recognised human and labour rights.

However, to achieve these objectives, particularly those related to human rights, it is indispensable that companies are able to operate within a legal framework that puts the obligation on all companies to be transparent and demonstrate compliance. Supply chains are increasingly longer, with more players, and are radial.

The [Suppliers section](#) of this report elaborates on this issue, which will also be covered in greater detail in the specific [report on Human and Labour Rights](#).

EDP Group positioning and reporting

The EDP Group pursues a policy of full respect for human and labour rights and, at the same time, of the active promotion of universal human values.

The commitments are set out in the [Human and Labour Rights Policy](#), which was updated in 2021.

This policy is coordinated with the [Code of Ethics](#), the [Stakeholder Relations Policy](#) and the [Supplier Code of Conduct](#).

The Policy has a prescriptive nature, it identifies the international benchmarks, standards and conventions to which it is subject, establishes the strategic principles, specifies the principles of action, assigns responsibilities, and defines obligations and management bodies. The Policy details the operational commitments, work methods, complaint channels and reporting and training obligations. In particular, the Policy sets out the Due Diligence procedures, implementing the Ruggie methodology.

In addition, the EDP Group also has [Diversity](#) and [Voluntary Investment in the Community policies](#).

The [report on Respect for Human and Labour Rights](#) is drafted in an integrated manner through a specific annual report. In this report, the subject of human rights is separated into several chapters, namely this chapter

should be read in conjunction with the chapters on [Ethics](#), [Suppliers](#), [People](#) and [Prevention and Safety](#).

The country and activity risk maps are published in the Human and Labour Rights report, along with details of the specific risks of each stakeholder group.

EDP's approach is split into **five axis** (see below).

Risk identification and management

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 violating or colluding with violations of human and labour rights. In general, in the OECD countries, the legal protection of local communities and individuals, the effectiveness of the rule of law, local standards and the level of economic, social and cultural development of the populations ensure that operations take place in a context favourable to respecting human and labour rights. However, particular attention should always be paid to the possibility of impacts, even within the OECD framework. In addition, beyond this economic space, added challenges arise that make the processes of identifying risks, drawing up action plans, selecting business partners and monitoring activities more demanding.

Due to the diverse nature of operational situations, risks related to respect for human and labour rights are analysed through the assessment of country risk, local risk and risk specific to each activity according to the nature



of the project. Depending on whether new investments, the creation or modification of infrastructures, contracting suppliers and other counterparties, or operations with customers and employee management are under consideration, 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. Firstly, property rights, which are typically rights of use that are not embodied in full ownership, as is the case of indigenous territories, fishing or hunting areas, and landscape rights. In these cases, the construction right authorised by the public authorities can be substantially challenged by the communities. Similarly, the installation or modification of infrastructure can have effects on local social dynamics or on ecosystems. For these reasons, the EDP Group normally conducts social and environmental impact studies and opens communication channels to ensure the proper management of projects, including full consultation with stakeholders, as set out in its policies.

Also, in the case of new investments and infrastructures there are risks related to operations and construction work, especially when they involve the travel of company workers or service providers, both with regard to general working conditions and the risk of accidents. When contracting suppliers, the EDP Group always ensures full prior verification of compliance with the fundamental conventions of the International Labour Organisation, as well as requiring proof of meeting remuneration conditions, and monitors compliance with the [Supplier Code of Conduct](#) throughout the contract, as detailed in the chapter of this report on [Engaging our suppliers](#).

Respect for human and labour rights is guaranteed not only by the management procedures associated with decision-making, policies, consultation and complaint

channels, but also by the organisational model which includes a Human and Labour Rights Committee and the ethical, compliance and audit structures.

NEGATIVE EVENTS

The established procedures ensured that, throughout 2021, as in previous years, the EDP Group was not subject to accusations or suspicions of violations of fundamental human and labour rights.

However, occasional occurrences, which were neither structural nor recurrent, were recorded and dealt with, often related to individual behaviours, and translated into individual complaints that were endorsed and solved within the framework of the ethical process and, when justified, gave rise to corrective measures, penalties or reinforcement of procedures.

Respect for local and 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 impacts arising from interference in the territories historically used by the Kayabi, Mundurucu and Apiaká ethnic groups, made up of around 1,400 people living in 19 villages on the banks of the Teles Pires River.

In order to mitigate the negative impacts, but also to enhance the positive effects of the São Manoel power station, EDP developed long-term programmes for the territorial and socio-economic enhancement of these communities, in full compliance with the obligations arising from the socio-environmental licensing, acting with full respect for the legislation and indigenous rights protection standards, and implementing all of the programs, projects and assumed commitments with the assumed proactiveness, dialogue and commitments.

In 2020-2021, the covid pandemic forced local authorities to promote isolation and establish restrictions on access to indigenous territories to protect populations from infection. For this reason, certain local programmes were temporarily halted, notably the construction of facilities and the commercialisation of indigenous products.

In January 2021, after the suspension of activities that depended on technical guidance or execution by non-indigenous labour, due to the Covid-19 pandemic, FUNAI authorised the resumption of priority actions, which involved communication systems maintenance services, the delivery of equipment for the operation of the Health Units and food security actions. The following programs were listed:

- Program for the Identification and Management of New Forests for Non-Timber Forest Products
- Program to Strengthen Indigenous Organisations in direct interface with the Program to Support Traditional Farms and Productive Activities
- Indigenous Environmental Education Program, especially the Environmental Management and Conservation Project for the Yellow-Spotted River Turtle and the Monitoring Programme for Turtles and their Reproductive Habitats.

We also continued to grant of scholarships for higher and technical studies, as part of the Program to Strengthen Indigenous Organisations. Out of a total of 39 scholarships to be offered by the Program, 36 have already been granted. The scholarships cover the payment of tuition and registration fees, support for travel from the village to the municipality where the educational institution is based, the donation of electronic equipment necessary for studies and psycho-educational monitoring, as well as a financial transfer to each student, amounting to 2.5 minimum wages for other expenses.

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 has identified stakeholders, including local authorities, trade unions, employment and professional qualification institutions, and service providers. EDP presented its direct employees with proposals for early retirement and transfer to other company activities, always guaranteeing their social protection. 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 EN-TAMA programme which is promoting local entrepreneurship (espana.edp.com). 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 for each euro invested by EDP.

EDP is also studying opportunities for reconversion and reinvestment in the region, with a view to maintaining its local operations and safeguarding investment and employment.

As a result of the acquisition of Viesgo in late 2020, EDP incorporated and managed coal-fired power plants in the decommissioning phase that formed part of the portfolio. Also, in this context, the respective plans for closure and protection of workers were contracted with national and

local stakeholders, including their integration in the later life stages of these production centres.¹²

Promotion of Human and Labour Rights

The active promotion of human and labour rights is a fundamental part of EDP's strategy that has made a distinctive contribution to its prestige and value. The approach and programs to promote human and labour rights are covered in depth in the [People Experience](#) chapter and the [Communities](#) chapter.

Through its [Social Investment Policy](#), in alignment with the United Nations global priorities set out in the Sustainable Development Goals, EDP gives priority to social inclusion programs, particularly those directed at fragile and vulnerable communities, skills development, and energy inclusion, both through measures to combat energy poverty or through energy access programs for populations not connected to electricity grids.

As part of the Fair Energy Transition, the EDP Group made public commitments and drew up action plans in order to make a positive contribution to job creation and the well-being of local communities impacted by the closure of coal-fired power stations.

Within the scope of the promotion of diversities and cultural aspects, the EDP Group has established objectives for making progress with gender balance, both at the overall company level and at the leadership level. The dimension of inclusion of people with special needs, and from different nationalities and cultures, is also addressed through action programmes and objectives.

¹² This JT strategy and commitments are informed by international methodologies set by UNDP/WRI, WBA, JTC, SDGs and implement EDP's

JUST TRANSITION COMMITMENTS

Plan the closure of coal plants in order to mitigate negative social impacts on their affected stakeholders

Promote gender balance and the inclusion of vulnerable people in employment opportunities generated by renewable investment

Invest in new job-creating renewable projects for affected stakeholders

Defend public policies for social protection and retraining of the direct and indirect workers affected

Support social sector projects in the energy conversion of buildings

Support programs for accessing renewable energy to communities that are not connected to the electricity grid

Defend public policies for financing energy efficiency and decarbonization of buildings for vulnerable people

Ensuring social protection for unemployed direct and indirect workers

Promote the redeployment of affected workers to new employment opportunities, ensuring their retraining and mitigating their relocation

Promote social dialogue and joint action with stakeholder groups impacted by the closure of coal plants

35% of employees are women

First School of Electricians for Trans people

EDP Brasil, launches the first school of electricians exclusively for trans people. The Vice President of People and ESG, Fernanda Pires, describes the reason and importance of this initiative as:

Motivation

"We know that the trans population faces numerous obstacles in entering the market. Besides prejudice there is a lack of training. So, we decided to open the very first school of electricians for trans people.

Promoting education through intentional and progressive actions is fundamental for creating opportunities for the most vulnerable populations. By promoting a pathway for professional development and training, the school will represent an achievement for citizenship, employability and acceptance of the trans population."

Diagnosis

"By studying this group, we realised that the trans community is one of those who suffer the most from structural invisibility. This is one of the reasons why the life expectancy of these people is under 35 years.

Objective

"According to the diversity survey conducted in 2020, 2% of EDP Brasil's staff is made up of trans people. This initiative is an opportunity for us to broaden representation and specifically address the goal that at least 50% of all vacancies are filled by professionals from under-represented groups, such as women, black people, people with disabilities, LGBTQIAP+ and 50+."

Action

"There will be two classes with 16 participants each, in Guarulhos (SP) and Serra (ES), in partnership with Senai. In addition to technical training, there will be a module for the development of behavioural skills, taught by Maite

[Human and Labor Rights Policy](#), [Social Investment Policy](#), [Stakeholders Policy](#) and the [Code of Ethics](#)

Schneider, co-founder of the recruitment platform *TransEmpregos* and Inclusion and Diversity consultant at Integra Diversity.

Upon completion, students receive a certificate and will be able to participate in selection processes for effective vacancies in the company."

In addition, EDP will also make available its Social Assistance Program to course students, for the purpose of providing support through a channel that operates 24 hours a day, seven days a week, with a free and confidential call. The program offers psychological, welfare and legal support as well as social protection.

"It is a source of pride for EDP to lead another affirmative action in favour of inclusion. We want an increasingly diverse team on our staff that reflects the plurality of society, to allow us to achieve greater proximity with our customers, meet their needs and provide an excellent service", says Cristiane Fernandes, general manager of EDP in São Paulo.



VALUE FOR THE BENEFICIARIES	NUMBER OF PROJECTS	k€
Improving facilities	93	4,067
Management capacity	21	844
Asset Enhancement	72	2,813
Maintenance/increase in activity	295	5,238
Other	90	8,313
Total	571	21,275

VALUE FOR THE EDP GROUP	NUMBER OF PROJECTS	k€
Compensation for adverse impacts	12	55
Attracting/motivating employees	14	1,367
Promoting the EDP brand	5	196
Good image with stakeholders	422	17,125
Enhanced reputation in causes supported by the company	100	2,273
New business opportunities	5	38
Other	13	221
Total	571	21,275

BENEFICIARY ENTITIES

994

FINAL BENEFICIARIES

1.01M

3.4.3.2. Voluntary investment in the community

EDP group 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's Social Investment Policy](#) which 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 Group 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 B4SI methodology

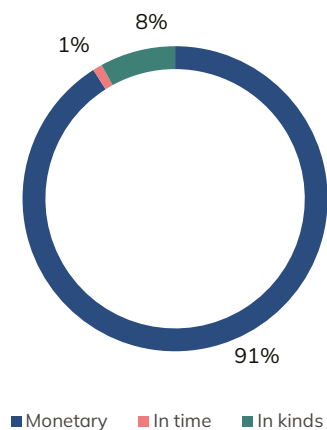
EDP uses the international B4SI – Business for Societal Impact - methodology to characterise and assess its voluntary investment in the community. This model promotes alignment between the purpose of companies and social needs, facilitating the structuring of priorities and reflecting on their results and benefits for the communities.

In 2021, from the B4SI perspective, voluntary investment in the EDP Group's communities amounted to € 22.6 million, benefiting the projects of 994 entities. From this amount, 92% was classified as **strategic** and 8% as **non-strategic**. **Monetary** contributions were the main form of contribution (91%), followed by **in-kind contributions** (8%) and **time contributions** (1%). Time contributions, equivalent to €211,000, correspond to EDP volunteer work initiatives carried out **during working hours**.

Voluntary investment in the community of the EDP Group in 2021

€22.6M

TYPE 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](#)).

Investment in **Health** (3%) was directed towards supporting health institutions and health professionals and investment in Response to Emergency Situations (1%), through the +Closer program, to alleviating the consequences of the COVID-19 pandemic and to improve the means available to emergency teams.

The investment in **Economic Development** (3%) 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** (29%) through social inclusion projects and projects combating energy poverty.

Voluntary investment in the **Environment** (5%) 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** (40%) 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.

NATURE OF THE CONTRIBUTION	k€	%
Education	1,679	8
Health	535	3
Economic Development	686	3
Environment	1,125	5
Art and Culture	8,474	40
Social Welfare	6,271	29
Responses to emergencies	304	2
Other types	2,201	10
Total	21,275	100
Management Costs	1,283	-
Total + Management Costs	22,558	-

Previously known as LBG, this methodology will be re-named B4SI from 2021 onwards, following its expansion to recognise additional ways in which companies can strengthen their positive impact on the community. B4SI therefore consists of a more impact-oriented methodology, reinforcing the objective of contributing to the resolution of social needs and to causes and organisations, in line with the strategy of each business.

This new approach was the result of a consultation with a number of companies operating around the world that develop and adapt their products, services, supply chains and business models in order to increase their positive social impact while meeting their business objectives. As part of its association with B4SI, EDP actively contributed to the development of this new approach.

CONTRIBUTION TO THE SDGS	k€	%
SDG 5: Gender equality	70	0
SDG 7: Renewable and accessible energy	615	3
SDG 8: Decent work and economic growth	1,874	9
SDG 9: Industry, innovation, and infrastructure	45	0
SDG 11: Sustainable cities and communities	5,221	25
SDG 12: Sustainable production and consumption	-	-
SDG 13: Climate action	177	1
SDG 15: Protecting life on land	384	2
SDG 17: Partnerships for SDG implementation	214	1
SDG 4 ¹ : Quality education	102	0
SDG 10 ¹ : Reduced inequalities	3,308	16
Total	12,010	56

¹ nonpriority SDGs for the EDP group

Contribution of voluntary investment in the community for the SDGs in 2021

€12M

Contribution to the SDGs

In addition to the contribution through its operations/business, the EDP group also voluntarily contributes to the United Nations **Sustainable Development Goals (SDGs)** through its social investment programmes, prioritising the objectives **5, 7, 8, 9, 11, 12, 13, 15** and **17**, in accordance with the [Social Investment Policy](#),

EDP reports on its contribution to the SDGs not only in terms of the SDG's objectives and targets, but also in terms of the indicators established by the United Nations. Thus, not all initiatives and projects evaluated using the B4SI methodology correspond to SDG indicators. To do this, EDP uses the following method:

- A project is considered to contribute to a given SDG indicator if it has an immediate impact on the indicator's result (direct effect), changes the context determining the indicator's result (leverage effect) or promotes knowledge/awareness on a certain topic that influences the indicator's result (indirect effect)
- In order to be able to apply them at the scale of social investment projects/initiatives, we have converted the definition of SDG indicators where necessary using the following equivalences:
 - GDP to GVA
 - Legislation to company standards
 - Population to local communities/employees/customers
 - Developing countries is extended to developing regions/areas.

Thus, of the total contributions recognised by the B4SI methodology, in 2021, EDP supported 437 projects that contributed to the SDGs with an investment of € 12 million (56% of total contributions).

Through the + **Cultural Heritage** programme, EDP supports projects to enhance and protect the cultural heritage of local communities, contributing with 23 projects and €1.175 million to **SDG 11** in 2021.

With the + **Close** program, EDP aims to support the most disadvantaged groups in communities, ensuring greater proximity to people, promoting their dignity, social inclusion and alleviating the effects of emergency situations such as the recent case of the Covid-19 pandemic. This year, €3.308 million was invested in 125 projects and € 2.893 million in 74 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 2021, under this programme, EDP supported 17 projects with €102 thousand that contributed to **SDG 4**, 8 projects with €70 thousand that contributed to **SDG 5**, 62 projects with €1.855 million that contributed to **SDG 8** and 16 projects with €214 thousand 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 2021, EDP invested €409 thousand in 17 projects and €840 thousand in 36 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 2021, EDP invested €313 thousand in 12 projects that contributed to **SDG 11** and €384 thousand in 24 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. In this context, in 2021 EDP invested €206,000 in 3 projects that contributed to **SDG 7**, €45,000 in 2 projects that contributed to **SDG 9** and €177,000 in 9 projects that contributed to **SDG 13**.

Strategic review of the EDP Group's social investment

In 2021, following a strategic reflection on social investment, the EDP Group strengthened its social investment strategy by creating a new department - Social Impact Coordination Office (SICO) - whose mission is to define, lead and coordinate the EDP Group's global social investment strategy to maximise social impact on the community. The aim is to make social impact a strategic pillar of the EDP Group, aligned with its long-term business vision and supported by a more robust governance model.

A key mechanism for the success of the overall coordination of social investment is to ensure proximity to local situations, which is achieved by setting up teams with geographical proximity. These groups will enable the alignment of the different visions and needs of the communities in countries where EDP is present, creating joint and effective solutions that maximise the return on social investment, both for society and for EDP.

The EDP Group's new strategy for social investment reinforces two major themes - Fair Energy Transition and Culture - with specific objectives defined for the allocation of social investment to each of these themes.

Emphasis should be placed on the Fair Energy Transition, which includes energy access support for projects to combat energy poverty, as well as support for communities impacted by the closure of thermal power stations, to mitigate the impacts of the accelerated energy transition. This themed focus ensures greater alignment with EDP's business matters and, at the same time, more efficient use of EDP's skills as a company in the energy sector, contributing more effectively to communities.

The EDP Group's investment in Culture is currently already acknowledged for the positive impact it has on the community, as a result of consistent support for various projects over the years, specifically through the Foundations in Portugal and Spain and the EDP Institute in Brazil.

At the same time and recognising the need to continue to support projects that meet other social needs of the communities where EDP is present, the remaining annual budget will be allocated to investment in various matters such as health, social inclusion and response to emergency situations, among others.

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 Volunteering Programme's areas of intervention are aligned with [EDP Group's Social Investment Policy](#) and focus on social inclusion, capacity building, energy inclusion, biodiversity and climate action.

Over the years, the Volunteering Programme has attracted a growing number of participants, in particular because it makes it possible to allocate hours to the different initiatives during working hours, thereby reinforcing the important role of volunteering for the EDP Group. The aim is to reach a 30% share of the EDP Group's Headcount (HC) by 2022.

In all the different actions and projects promoted throughout the year, 3,681 employees took part as unique volunteers (30% of the company's HC), contributing with 11,307 hours during working hours and 2,183 hours outside working hours. Given the inclusive nature of the Volunteering Programme, 123 EDP Friend volunteers (company retirees, friends, family and partners) were also involved, who contributed 321 volunteer hours. In total, in 2021, the EDP Group Volunteer Work Programme involved 3,804 volunteers, to make a total of 13,811 volunteer hours.

	UN	2021	2020	2019	2018
Unique EDP volunteers ¹	#	3,681	2,482	2,833	2,469
EDP Volunteer Work Hours - Working hours ¹	h	11,307	14,457	23,258	19,375
Beneficiary Organizations	#	576	581	792	642
SKILLS-BASED VOLUNTEERING					
Hours of Skills-based Volunteering - Working Hours	h	3,316	9,133	8,907	5,193
EDP Skills-based volunteering projects	#	31	152	16	12

¹Includes all employees from all EDP group companies

²Skills-based volunteering projects during working hours, promoted by the company.

With the awareness that skills-based volunteering puts employees' individual talents and skills at the service of the community and has the potential to cause the greatest social impact, the EDP Group has been investing in this form of volunteering and intends to increase the number of projects/initiatives based on it.

Currently, 25% 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 2021, worthy of mention was the 3,316 hours in skills-based volunteering projects carried out by EDP employees, of which 3,117 hours took place during working hours.

With the effects of the Covid-19 pandemic still being felt in 2021, the Volunteering Program managed to keep its initiatives going by adapting them to this situation through virtual and/or hybrid models, ensuring the safety

of the volunteers and beneficiaries of the actions and that the impact on the community was not compromised. Actions such as the traditional Christmas Campaign, which plays such a relevant humanisation role at this time of year by responding to social needs, aggravated by the pandemic, such as combating hunger, poverty and social isolation, managed to continue to accomplish their mission in a hybrid format.

In 2021, the design of the new Volunteering strategy for 2022-2025 should also be noted, which sought to continue to respond to the countless challenges present in the communities where EDP operates, in a more concerted manner and in alignment with the EDP Group's new social investment strategy.

It should also be noted that in 2021, EDP celebrated the 10th anniversary of this Program and therefore, throughout the year, organised a series of initiatives that promoted and boosted volunteering, including the launch of the first [EDP Volunteering impact report](#), and organised an international event - The Role We Can Play - which promoted issues related to corporate volunteering and its importance for communities and talent management in companies.

Social Investment Programmes

In 2021, 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 [Sustainable Development Goals](#) (SDGs).

+ Contemporary Culture

With the + Contemporary Culture programme, EDP aims to promote access to contemporary art and culture through its own production and institutional partnerships.

EDP sponsors contemporary culture through its Foundations in Portugal, Spain and Brazil, supporting projects by several institutions in the areas of the plastic arts, dance, music, architecture, *design*, artistic education and publishing. In 2021, in Portugal, emphasis should be placed on cultural projects such as the Lisbon Architecture Triennial, the Casa da Música Piano Cycle, exhibitions at the *Serralves* Foundation, the National Ballet Company and support for the programming of the *Arpad Szenes - Vieira da Silva Foundation*.

PROGRAMME	UN	
+ CONTEMPORARY CULTURE		
Contributions	k€	7,299
Percentage of total contributions	%	34
SDG 8 contribution	k€	20
Projects	#	71
Beneficiary entities	#	57
Final beneficiaries	#	569,349

In Spain, emphasis should be placed on the support given to the Guggenheim Museum, the Kursaal Foundation, the *Princesa de Asturias Foundation*, the *Oviedo Opera* and the Public Art project in Ribera de Arriba. In Brazil, support was given to the Carlos Gomes Theatre in the city of Vitória, the Chamber Orchestra of the University of São Paulo, the MOV.Cidade project in São Gonçalo do Amarante and São José da Lagoa Tapada and the Villa Workshops - Music project, also in São Gonçalo do Amarante. This last project consists of running artistic music

workshops for students to lay the foundations for the artistic development of the group and each individual.

In particular, the EDP 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, a highlight was the publication of *Electra*, an international magazine published by the EDP Foundation, which focuses on current cultural, social and political criticism and reflection. Emphasis should also be placed on the EDP Foundation Art Grand Prize, a three-year initiative that aims to honour a plastic artist with a consolidated and historically relevant career. In the 2021 edition, the artist Luísa Cunha was singled out for the way she works with space and sound based on verbal language, in a permanent game of construction and deconstruction of meanings.

+ Cultural Heritage

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 2021, 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 2021, it donated €624,000 to the University of São Paulo Foundation, the museum's management body. The work is expected to last 30 months and the reopening is scheduled for 2022, the bicentennial year of Brazil's Independence.

PROGRAMME		UN	
+ CULTURAL HERITAGE			
Contributions	k€	1,175	
Percentage of total contributions	%	6	
SDG 11 contribution	k€	1,175	
Projects	#	23	
Beneficiary entities	#	21	
Final beneficiaries	#	110,549	

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. In 2021, in its 4th edition, it supported the projects of 10 entities with around 40 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

PROGRAMME	UN	
+ ENERGY INCLUSION		
Contributions	k€	1,249
Percentage of total contributions	%	6
SDG 11 contribution	k€	409
Projects	k€	840
Beneficiary entities	#	53
Final beneficiaries	#	54
Contributions	#	84,805

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 2021, of note were the projects carried out in Kenya, Tanzania, Mozambique, Nigeria, Angola, Rwanda and Malawi, which received support from the A2E.

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 Solidaria* (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 2021, 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. This project aims to renew run-down private homes or institutions in urban areas. In 2021, this partnership was reinforced through the financial support of € 47.5 thousand, earmarked for thermal insulation, efficient equipment, and energy certifications.

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. 30 volunteer employees participated in 2021, carrying out a total of 13 actions including work, repairs and energy efficiency checks, benefiting a total of 10 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 2021, the 3rd edition of the A2E Fund took place, aimed at projects in Mozambique, Malawi, Nigeria, Angola, and Rwanda. As part of this, EDP supported eight clean energy community projects in these countries, with an investment of € 500,000. From the installation of solar panels to the use of refrigeration systems using renewable energy, 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 30,000 people in the five countries. This investment is in line with the commitment established to reach the target of 20 million euros of investments in access to energy by 2025.

+ Skills

PROGRAMME + SKILLS	UN	
Contributions	k€	2,240
Percentage of total contributions	%	11
SDG 4 contribution	k€	102
SDG 5 contribution	k€	70
SDG 8 contribution	k€	1,855
SDG 17 contribution	k€	214
Projects	#	103
Beneficiary entities	#	108
Final beneficiaries	#	31,543

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 “Include to Enlighten” project in Portugal seeks to meet the need to supplement the education offered to young people attending professional secondary education courses with training in technical skills and their practical application, through internships in the Company's technical areas. Through the Workplace Training component, which is part of the Electrical Network Technician Professional Course, the company provides educational content and trains young

people from secondary education to join the labour market. In 2021, the programme covered 6 secondary schools (in the municipalities of Seia, Maia, Condeixa, Lisbon, Loulé and Vila Real de Santo António), with around 60 young people and was supported by 12 employees.

Also, in Portugal, emphasis should be placed on the Junior Achievement Portugal and Lean Volunteering projects. 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 the case of Lean Volunteering, training courses are organised for NGOs, through the conveyance of knowledge of Lean methodologies by EDP volunteer employees, in order to identify and eliminate inefficiencies and improve the efficiency of these organisations' processes and management.

In 2021, EDP closed the largest Portuguese coal-fired power plant - the Sines power plant - in line with the company's and national economy's decarbonization and energy transition commitments. However, after the closure, the company intends to maintain its connection to the local communities with which it has actively collaborated in the last decades.

Subsequently, EDP launched the *Futuro Ativo Sines* project, through which it developed a series of initiatives to promote the reconversion of the economy and employment in this region. The EDP *Solidária Sines* was one of the actions carried out within the *Futuro Ativo Sines*, involving various initiatives of social dynamism, training,

and entrepreneurship in the territory. Of note was the creation of a Local Office for Social Forwarding (GLES), in partnership with the Sines City Council and the Institute for Employment and Vocational Training, which initially intended to provide direct support to workers at the Sines Power Station, including their families, and extend this support to the rest of the local population at a later stage.

In Brazil, the EDPR Rural project took place, whose main objective is to increase the income of rural producers and their families belonging to local communities close to the wind farms. In this project, social interventions and training actions are carried out that allow them to better organize the production and marketing of their products, ensuring a diversified and secure supply. This program has been promoting profound changes in the lives of these families, who have come to enjoy a more varied and healthy diet and higher incomes.

EDP Foundation Academy

The 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

+ Closer to you

PROGRAMME + CLOSER TO YOU	UN	
Contributions	k€	6,452
Percentage of total contributions	%	30
SDG 10 contribution	k€	3,308
SDG 11 contribution	k€	2,893
Projects	#	233
Beneficiary entities	#	187
Final beneficiaries	#	137,865

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 2021 was still marked by the consequences of the 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. In Portugal, the EDP Volunteering Program supported the projects of the Serve the City and EMBALAR organizations, challenging EDP volunteer employees to maintain regular contact via telephone and/or computer with people who are in a situation of social isolation, namely seniors, promoting the encounter and stimulation of belonging.

In 2021, in Brazil, EDP's contribution to the fight against the pandemic was recognized by the Government of the State of São Paulo, through the company's decoration with the Solidarity Company medal. The main initiative took place with the support of *Hospital das Clínicas da Faculdade de Medicina da USP* (HCFMUSP) in hiring health professionals to reinforce care for patients with Covid-19.

EDP joined forces with three other companies to hire 386 professionals, including doctors, nurses, physiotherapists and nursing assistants, enabling the opening of 56 new intensive care beds and 75 infirmary beds. On the other hand, it supported the Solidarity Food Program with the donation of 3,400 baskets to families in extreme vulnerability.

In total, in Brazil, since the beginning of the pandemic, EDP has invested more than R\$15 million (about 2.5 million euros) to combat Covid-19 in the states of São Paulo, Amapá, Ceará, Espírito Santo, Maranhão, Mato Grosso, Pará, Rio Grande do Sul and Tocantins. The resources benefited institutions, people in situations of social vulnerability, hospitals and health professionals.

Also, in Brazil, there are several initiatives to support children and young people in situations of vulnerability. Examples of this are the *Empresa Amiga da Criança* project and the *EDP nas Escolas* project. The *EDP nas Escolas* program contributes to improving the quality of training for basic education students in municipal public schools. The initiatives include actions for citizenship and improvement of the school environment, such as the delivery of school kits, theater and cultural competitions in schools, teacher training or oral health campaigns and awareness campaigns for the safe use of electrical energy.

The *Empresa Amiga da Criança* project, developed by *Fundação Abrinq*, was created in 1995 with the aim of involving the business sector in preventing and combating child labour, as well as promoting actions for the education of children and teenagers. The companies that support this project, including EDP, participate in events, meetings and work groups focused on combating child labour and organizing initiatives for the benefit of children and teenagers.

In Portugal, the EDP *Solidária* project - one of the main private lines of social investment in the country - aims to support initiatives that improve the quality of life of socially disadvantaged people and to promote the integration of communities at risk of social exclusion. In 2021, through this program, EDP supported the digital training of teaching, by donating one million euros in computers to public schools. The schools and the students who received these equipments were identified together with the Ministry of Education, being in economically and socially disadvantaged territories, marked by poverty and social exclusion. This amount made it possible to acquire around 3000 computers that contributed to support the teaching of students in situations of economic and social vulnerability, from the 1st to the 3rd grades.

The 11th edition of the EDP Group Christmas volunteering campaign was held in 2021 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. In 2021, EDP involved 2,017 EDP volunteer employees and 77 EDP Friends volunteers, in a total of 2,961 working hours and 1,336 hours outside working hours in initiatives focused, for the most part, on combating hunger, poverty and social isolation. Thanks to this support it was able to help

326 ONG and provide a more humane Christmas to about 21,853 people.

+ Biodiversity

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.

PROGRAMME + BIODIVERSITY	UN	
Contributions	k€	697
Percentage of total contributions	%	3
SDG 11 contribution	k€	313
SDG 12 contribution	k€	-
SDG 15 contribution	k€	384
Projects	#	36
Beneficiary entities	#	32
Final beneficiaries	#	5,274

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.

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* and the *Associação dos Pescadores de Fuentes del Narcea*. Another example is support for the "Asturias Bear" Foundation, a private non-profit organisation that intends to promote activities aimed at scientific research and the conservation of Cantabrian brown bear populations and their habitat, in the general context of the conservation and sustainable use of biodiversity in the Cantabrian mountain region. These projects help raise people's awareness of the importance of respecting, improving and restoring the environment.

Also, in this country, EDP supported various tree-planting projects in Seville, Madrid and Zaragoza, involving EDP volunteers who took part in these initiatives. These ecosystem-oriented plantations will improve soil quality, absorb CO₂, retain moisture and reduce the possibility of fires.

In Portugal, through the "Preserve Nature" project, EDP contributed to projects that aim to protect natural heritage and biodiversity a. In this project, initiatives focused on the application of mechanisms to value and enhance ecology, as is the case of the projects of the VERDE and Montis associations, in 2021. Also, as part of this project, trees were donated to the municipalities of the Portuguese districts most affected by the fires of 2017 and 2018 and which applied to take part in this action. Given the Covid-19 pandemic situation, planting actions were planned for 2022.

In Brazil, emphasis should be placed on EDP's support for "Capixabas Fresh Spring Water" project run by the Terra Institute. This project began in 2020 and its main objective is the recovery and conservation of 10 springs in the Guandu River basin region. Part of the Atlantic Forest biome, this hydrographic basin has been suffering from

advances in environmental degradation, accentuated periods of drought and the increase in water consumption. In addition to the recovery of springs, this project also promotes awareness among small rural producers and their families of the importance of environmental preservation and the correct use of natural resources.

+ Climate action

PROGRAMME + CLIMATE ACTION	UN	
Contributions	k€	427
Percentage of total contributions	%	2
SDG 7 contribution	k€	206
SDG 9 contribution	k€	45
SDG 13 contribution	k€	177
Projects	#	14
Beneficiary entities	#	25
Final beneficiaries	#	31,046

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.

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 has run several projects aimed at the youngest members of society, such as the Kits Energía and Your Energy projects which, in 2021, took place in Spain and Poland respectively.

In these projects, EDP volunteers go to schools to talk to children about renewable energies and sustainable ways

of living. During the lessons, students embark on a journey through the world of renewable energies, accompanied by characters representing each type of energy: solar, hydro, wind, geothermal and biomass. Through experiences, animations and stories, children acquire knowledge about energy sources and learn to care for the environment in their daily activities. 31 EDP volunteers participated in the Kits Energía program, with a total of 93 hours of volunteering time, impacting a total of 1000 students.

Another example is the KidWind project in the United States. In this project, EDP brings wind turbines and solar panels from the production centres directly into the classrooms by giving students the opportunity to build their own small-scale functional wind turbine or solar structure and compete in challenges to create the most efficient mini wind or solar facility. Due to the pandemic situation, it was necessary to adapt this initiative in order to comply with public health recommendations. Therefore, students were invited to build their renewable energy structures at home and present their projects remotely, using online tools.

Thanks to this initiative, many children had the opportunity to learn how wind turbines and solar panels work and how 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 program has been in existence for twelve years and has reached over 290,000 students in the Autonomous Communities of Asturias, Murcia, Cantabria, the Basque

Country, Castilla y Leon, La Mancha, Navarra, Extremadura and Madrid. Since 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.

In Portugal, the “Include to Enlighten” project seeks to meet the need to supplement the education offered to young people attending secondary school vocational courses with training in technical skills and their practical application. In 2021, as part of this program, a pilot academy was created with the collaboration of the Youth Climate Leaders Environmental Association to address the topics of energy transition and, in particular, the central role of the Distribution Network Operator in this transition, and climate action in the future of work. Training was given to 25 young people from the 12th grade.

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.

Through the Volunteering Program, company employees help to highlight the positive way in which we all relate to energy, and made their presence felt in schools, social organisations and local communities.

In 2021, as in the previous year, the Energy Campaign was adapted to the pandemic situation, with an emphasis on the adoption of virtual resources to run the

campaign. In total, 351 EDP volunteers were involved this year, contributing 928 hours during working hours and 350 hours outside working hours, reaching 20,579 people in the different countries where this campaign was held.

3.4.4. Engaging our suppliers

Alignment with the SDGs	Objectives	KPIs 2021	Target 2030
	Volume of Purchases to Suppliers with Decarbonization Objectives	40%	75%
	Volume of Purchases to Suppliers with Gender Equality Objectives	15%	75%
	Volume of Purchases to Suppliers with Sustainability Reports	50%	75%

2021: A transformative and challenging year

Two fundamental and transformative events marked 2021. First, the disruption of material and equipment logistics chains with an extraordinary global impact and, necessarily, with an impact on EDP's business plan and its supply chain. Then, the extension of the responsibility of companies beyond their direct suppliers and subcontractors, both in terms of human and labour rights and in terms of integrity, cybersecurity and the environment.

Turmoil in supply chains

Directly explained by the contraction of the economy and world trade during the initial phase of the pandemic, the disruption of logistics chains combined additional unforeseen factors whose effects, including structural impacts, are ongoing. There was an acceleration of business on digital platforms, with an increase in demand for support technologies, an expansion in health-related business and distancing with changes in consumption preferences,

a reduction in services and industries linked to other sectors, an accumulation of orders in international markets with the consequent inability of industries, logistics and transport to respond. Essentially, an efficiently functioning global logistics network was broken into several key nodes and the delay in delivering specific materials and equipment caused delays in the assembly of final products and in the satisfaction of essential services.

At the same time, the huge push towards digitization uncovered weaknesses in communications networks, requiring the development of remote communication applications, systems integration, enhanced bandwidth and, in particular, it exposed companies to cybersecurity risks, increasing the need to work with suppliers in an increased demand plan.

The asynchronous response of government policies to managing the pandemic and the overlapping of internal priorities with external commitments added complexity to the disruption, increasing uncertainty and management difficulties for companies. Inevitably, global markets reacted with stress, which first manifested itself in the increase in prices in logistics and then spread to product

prices, due to insufficient supply in relation to demand deadlines. The energy markets also reacted, in a second phase, first to replenishment of stocks of fuels needed for the winter, that had dwindled to critical levels during the first pandemic cycle.

Against this backdrop, the fight against climate change gained momentum, first due to the European Green Deal strategy, which came to light at the same time as the pandemic, and then with the American presidential elections that put decarbonisation at the core of USA domestic and foreign policy. The consolidation of the neutrality agenda, which has a huge impact on financial markets and on the allocation of capital to infrastructure and innovation, gave a powerful stimulus to increased international demand and contributed to an additional structural modification of supply chains. However, at the same time, fuel prices continued to rise on the international market, as a result of strategic factors.

Altogether, these trends defined a new framework of geostrategic positioning with increased political tensions between blocs, with the exploitation of internal discontent through growing external tension and the development of policies to reduce external dependencies,

for the development of industries within the boundaries of blocs and a profound reconfiguration of supply chains

The legal obligation of Due Diligence of suppliers

2021 was also marked by a turning point in the accountability of companies for the performance of direct and indirect suppliers in their supply chain. Although this responsibility is one of corporate sustainability's founding principles and is explicit in the standards of the United Nations, the OECD and the International Labour Organization, states had never previously committed to a systematic and integrated endorsement of this principle, in their domestic legislation. However, through a separate legislative process, strategic action plans, or through pressure from non-governmental organizations, or business organizations, everything pointed to this new legislative approach. Since the 2008 financial crisis and the development of sustainable investment policies by asset managers, in conjunction with the work initiated in the European Parliament with the non-financial reporting directive, a major legislative breakthrough had been expected. In fact, the rules for listed companies, also implemented by market regulators, already adopt this principle.

The turning point in the legislative process came with the European obligation of counterparty Integrity Due Diligence and, in 2021, with the European Parliament's approval of the resolution of 10 March 2021 mandating the European Commission to establish the Due Diligence Directive for companies throughout the value chain (suppliers, in-house operations, customers). This directive follows the French legal regulations (27 March 2017) but goes further in its definition of value chain. As of 16 July 2021, the German parliament, without waiting for the publication of the directive, enacted a special law for supply chains, which will apply in full at the beginning of

2023. The European Commission is expected to publish the directive during February 2022.

This legislative initiative is taking place at the same time as the disruption of supply chains and in a context of geopolitical tensions, which somehow make it especially timely. It is important to emphasise that companies lack a proper legislative framework, which is essential for successful pursuit of the implementation of their sustainability strategies. Especially insofar as the supply chains for materials and equipment are particularly complex and involves several layers of actors.

Main events in the management of the EDP Group's suppliers

In its 2021 performance, EDP highlights the following:

Sustainable Purchasing Strategy

- Definition of strategic purchasing objectives and targets related to decarbonisation, gender equality and transparent reporting
- Start of the introduction of clauses related to the objectives in the new contracts
- Strategic Suppliers action plan
- Updates to methodologies and calculation of Scope 3 emissions.

Organisational Model

- Creation of the Specialized Committee on Sustainable Procurement, a member of the Sustainability Committee, comprising the areas of sustainability, procurement and supplier management, ethics, auditing, compliance, business continuity.

Sustainability Capacity Building

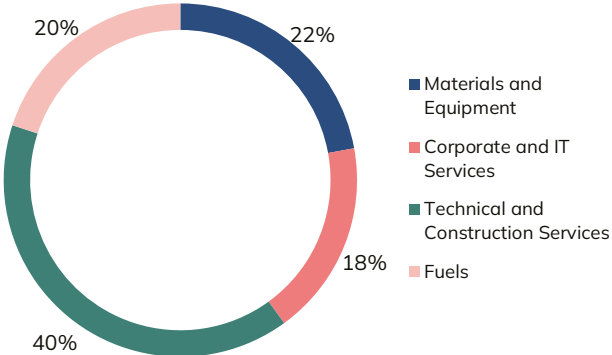
- Ethics: training for service providers (contractors)
- Partners Academy: thematic pedagogical modules for supplier companies
- ESG Assessments: enabling partner audits
- Leadership of the Charter of Sustainable Principles applicable to Portuguese companies.

Human Rights

- Approval of a new prescriptive policy applicable to all business decisions and operations, including the supply chain
- Participation in the Human Rights working groups of Solar Power Europe and the Global Alliance for Sustainable Energy
- Launch of the School of Electricians for Trans people (see chapter [Promotion and Respect of Human Rights](#)).

In 2021, total purchasing volume was 5,724 million euros, and 577 critical suppliers were identified from the perspective of geography analysis.

2021 VOLUME OF PURCHASES (€5.7B)



KPI 2021

ENGAGING OUR SUPPLIERS

2025 TARGET

7 Systematically reduce the accidents of contractors and service providers	0 fatalities
100% Protect Human Rights in the supply chain, according to the Ruggie Global Compact methodology	100%
45% Audit contractors and service providers with sustainability risks	100%
Evaluate 100% of suppliers critical to Sustainability criteria (KPI to be announced by March 2022)	100%
25% ISO 45001 (P&S) certification of suppliers exposed to high risk	100%
36% ISO 14001 (environment) certification of suppliers exposed to high risk	100%

CRITICAL SUPPLIERS

6%

Total suppliers

CRITICAL SUPPLIERS

92%

Volume of purchases

3.4.4.1. Supplier management process

As a strategic driver of EDP's business, the promotion of sustainability in its relationships with suppliers is based on the establishment of relationships of trust, a partnership perspective, and guided by the sharing of principles such as ethics, transparency and cooperation. Sustainability as a core value of the EDP Group defines the management approach, by recognizing that suppliers are essential in working towards increased sustainability and that EDP has, in the long term, the ability to improve its supply chain.

EDP has therefore adopted seven major action areas as sustainability priorities in supplier manager, as indicated below.

EDP's supplier management approach is based on a holistic view of the sustainable supply chain which, through the EDPartners programme, enables the Group to ensure the integrated coordination of activities.

Through criticality analysis, the EDP group defines minimum and specific sustainability requirements for each contract, which all suppliers must accept and comply with. These requirements are not subject to negotiation and, depending on the specific risk of supply, audits and certifications of systems management (quality, environment and safety at work) are required. The minimum sustainability requirements are defined in the Code of Conduct, General Conditions for the Procurement of Goods and Services and Contract Terms.

Each contracted activity is typified in relation to the supplier's access to EDP customers, EDP's technical equipment/workplaces, sensitive data, exposure to Health and Safety risks, Environmental risks and Ethical, Employment 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.

EDPartners is a structured, systematic programme that enables suppliers to continually improve, by identifying areas for action. In the long term, the implementation and combination of EDPartners Supplier Registration System, EDPartners Qualification Systems, EDPartners Assessment Program and EDPartners Supplier Evaluation, will mean that EDP can gradually improve the level of sustainability of its supply chain.

In relationship management, EDP continued to listen to its suppliers, in order to ascertain their view on how the EDP group operates in different areas, and to identify opportunities for improvement, for further analysis and possible implementation. In 2021, two online surveys were undertaken, and 26 sessions were promoted in the EDPartners Talks initiative.





EDPartners Programme

CRITICALITY ANALYSIS

Defines minimum, specific sustainability requirements for each contract, that suppliers must accept and fulfil.

- Risk analysis of the suppliers to be consulted;
- Evaluation of suppliers
- Results of associated companies
- Information on Corporate Social Responsibility;
- Experience / results of similar contracts with other organisations;



EDP does not work with high-risk suppliers due to its Low-Risk Policy. Suppliers excluded from the consultation process.



EDP encourages **continuous improvement in suppliers**, which leads to **gradual long-term improvement in the sustainability of its supply chain**.

EDPartners Supplier Registration System

Platform that aggregates information relevant to Procurement activity, collects financial, economic, environmental and social data, to provide a real-time risk profile of suppliers and make faster and better-informed decisions.

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

This Platform is used to assess the profile, capacity and suitability of the supplier and its supply of goods and services for the EDP group's procurement needs.

To this end technical, environmental and financial criteria are determined and published in official bodies, thus ensuring that the selection of suppliers is based on the principles of equality and transparency of candidates.

EDPartners Assessment Program

his programme involves audits conducted on site, at the supplier's premises, with the aim of ascertaining the degree of compliance with the principles and policies set out in the EDP Supplier Code of Conduct. All the plans defined are monitored and supported by EDP with the aim of continuous improvement.

ESG assessments are therefore a key tool for engagement and the sharing of new objectives and good practices in supply chain sustainability.

EDPartners Supplier Evaluation

This programme enables the EDP Group to measure and quantify the contractual performance of its suppliers, in line with the Sustainability in the Supply Chain - Protocol of Procedures document, whose implemented model addresses the evaluation of criteria related to sustainability and operational criteria.

With the aim of strengthening involvement and partnership with its supply chain, this decentralised process is used to motivate contract managers, together with their suppliers, to identify areas for improvement and development in order to create a positive impact on improvement throughout its value chain.

In 2021, EDP continued EDPartners Talks, an initiative that aims to establish strategic partnerships with its suppliers, to contributing to the improvement of their experience and business results for both parties.

In order to represent all the Procurement categories of the EDP Group, partners were invited for individual consultations, in 26 sessions that stood out for the detailed feedback obtained on all the topics discussed (Market trends, Relationship with EDP, Innovation, Supplier Relations, Ethics & Corporate Responsibility, Sustainability).

During the sessions, one of the areas for improvement suggested by the suppliers focused on clarifying the communication channels with EDP. So, in mid-2021, a thorough survey, analysis and development of content was conducted for a total reformulation of the supplier areas on the edp.com website, i.e., better guided, more appealing and focused on the supplier's experience.

1. Promoting ESG leadership in the supply chain

Deepening the monitoring and analysis of relevant indicators of sustainability, outlining trends to enable the continued application of international best practices, enabling EDP to continue to play a leading role in ESG issues in the supply chain.

Additionally, the opportunity to foster innovation relationships was identified; communication of purchase planning; supplier performance assessments and alignment of practices within the EDP group.

The forum was described as an extremely innovative and meritorious EDP initiative. It will therefore be held annually, with the company being seen as an example in ethics, transparency and credibility, in the competence and professionalism of its contacts, and in the payment process.

2. Develop efficient global approaches

Aligning practices between different geographical areas, as a result of the geographical dispersion of the EDP Group's operations, in particular in areas where the level of scrutiny and ESG sources are more limited. Furthermore, responding to the challenging concerns of the world requires a focus on innovation and continuous improvement of processes, in constant alignment with international standards recognized by the industry's main stakeholders.

Challenges and opportunities in sustainable supplier management

Through the new 21-25 strategic plan, EDP has expanded its sphere of ESG commitment, where consolidation in excellence presupposes the promotion of sustainable partnerships with its supply chain, through the commitment of suppliers to adoption of the best ESG practices and extending the approach to Tier n suppliers in the strategic objectives of decarbonisation, gender equality and transparency

3. Contributing to supply chain risk management

Increase active risk management by separating the type of supply from the respective criticality assessment to support integrated analysis of suppliers and the recognition of best practices in Innovation, Sustainable Development, Health and Safety, etc. All this work to minimize supply chain impacts will also require broader knowledge of the entire supplier base (tier n), which will involve more demanding, complex and accurate scrutiny of all risks to which EDP is exposed.

Lessons learned from a pandemic: the impact on the supply chain

The main lesson learned from the impact of the pandemic in 2020 was the increasingly urgent need to understand the entire chain, from the production site to the distributor, in detail. Accordingly, in conjunction with the local purchasing areas of the different Business Units, EDP managed throughout 2021 to continue to identify, in advance, potential difficulties in the supply of raw materials, and to develop contingency measures for them. Meanwhile, consulting suppliers about the impacts that they foresaw in their production meant that potential operational constraints could be anticipated.

Despite all the uncertainties, EDP managed to maintain proximity with its suppliers and ensure open communication channels in 2021. Taking advantage of all the experience of the previous year, the initiatives moved to a fully remote structure to adapt to the pandemic.

Assessments also kept the remote format in all geographical areas. Depending on how the pandemic evolves, it is expected that the face-to-face model will be resumed for strategic suppliers.

The remote model was adopted without major constraints, as a result of the total digitization that the process already supported, given that everything runs on a single platform. However, it is important to note that, in some cases, lack of digital literacy in many smaller suppliers impacted on the success and ease with which the audited party could access and provide evidence by video, tablet or computer, or on the degree of digitization of supporting documentation requested during the assessment.

The main difficulties during 2021 related to the scarcity of raw materials on world markets. Combined with the uncertainty and lack of predictability caused by the pandemic, this led to difficulties in the supply of materials, only mitigated by the follow-up actions developed by EDP.

This pandemic has shown the difficulties posed by increasingly longer supply chains in which EDP has less and less control visibility. So, the challenge will be to deepen the knowledge and management of the entire supply chain in the segments at greatest risk.



Lisbon, February 22nd, 2022

The Executive Board of Directors

Miguel Stilwell d'Andrade (President)

Miguel Nuno Simões Nunes Ferreira Setas

Rui Manuel Rodrigues Lopes Teixeira

Vera Pinto Pereira

Ana Paula Garrido de Pina Marques



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HUMAN

Diverse and inclusive,
for generations to come.

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4.1 Principles and policies

- [EDP Statutes](#)
- [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](#)
- [Human and Labour Rights Policy](#)
- [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 61](#)) 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 2021.

Reliability

The internal process verification is described in this page, under 'Internal and external assurance'. External verification is an additional guarantee of the reliability of the content, regarding the indicators included in GRI Table ([page 287](#) onwards).

Verification according to AA1000 AP (2018)

Material topics ([page 61](#)) are identified within the framework defined by AA1000 AP (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 2021, like in previous years, EDP was subject to verification of its compliance with the AA1000 AS (2018) type standard by the audit firm PwC, in particular, the principles of inclusion, materiality, responsiveness and impact.

Stakeholders' inclusiveness

O 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 59](#), the EDP's Goals and Targets are listed, and on [page 61](#) the group's materiality matrix for 2021, 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 287](#). Except for the emission indicators which are appropriately flagged with "Reasonable assurance". In this case, the verification statement will be issued later to this Report, after

concluding the Annual Emissions Reports (CELE) verification process by an entity registered for this purpose.

GRI and Global Compact

The table on [page 287](#) 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.

WE SUPPORT



4.3. Main indicators

4.3.1. ESG indicators

DECARBONIZING THE WORLD	UN	2021	2020	2019	2018
NEW ENERGY SERVICES					
Energy efficiency services revenues	000€	261 415	244 573	158 376	151 468
SUSTAINABLE MOBILITY					
Fleet electrification	%	13.2	11.0	9.0	7.5
Fleet electric vehicles	#	501	393	283	278
Electric charging points	#	3 804	1 811	772	467
Customers with electric mobility solutions	#	43 500	18 747	10 100	5 546
ENERGY EFFICIENCY					
Internal Energy Efficiency					
Thermal Efficiency					
	%	45.9	45.5	45.9	45.1
Coal plants	%	34.1	34.5	35.6	35.1
Natural gas combined cycle plant	%	53.9	54.4	54.4	53.1
Energy Intensity					
	MJ/€	9.2	11.4	13.8	15.4
Electricity Distribution Grid Losses					
Technical losses	%	5.4	5.7	5.6	5.4
Total losses	%	8.2	9.3	8.9	8.8
External Energy Efficiency					
Savings in energy efficiency services ¹	TWh	5.1	4.6	4.0	3.4
CO ₂ avoided emissions in the final customer ¹	ktCO ₂	8 950	8 531	7 619	6 553
Energy consumed outside the organization ²	TJ	244 462	350 433	290 331	304 391

¹ Reviewed and harmonized methodology for all geographies, applied since 2015. Includes Consumption Efficiency Promotion Plan (PPEC) projects. ² Consider only the category "Use of sold products" of GHG Protocol Corporate Value Chain (Scope 3).

RENEWABLE ENERGIES	UN	2021	2020	2019	2018
TOTAL INSTALLED CAPACITY	MW	24 495	23 524	26 525	26 996
Renewable installed capacity	%	80	79	74	74
Renewable installed capacity	MW	19 617	18 626	19 597	20 093
Wind	MW	11 845	11 155	10 667	11 156
Hydro	MW	7 070	7 069	8 728	8 728
Mini-hydro	MW	57	57	57	65
Solar	MW	645	345	145	145
Non-renewable installed capacity	MW	4 879	4 898	6 928	6 902
CCGT	MW	2 886	2 886	3 729	3 729
Coal	MW	1 970	1 970	3 150	3 124
Cogeneration and waste	MW	23	42	49	49
TOTAL NET GENERATION¹	GWh	60 166	63 677	66 231	71 614
Generation from renewable sources	%	76	74	67	67
Generation from renewable sources	GWh	45 608	47 330	44 137	47 655
Wind	GWh	29 592	28 272	29 768	28 133
Hydro	GWh	15 152	18 656	13 958	18 899
Mini-hydro	GWh	131	137	138	397
Solar	GWh	733	265	273	226
Generation from non-renewable sources	GWh	14 558	16 347	22 095	23 959
CCGT	GWh	6 435	9 759	10 183	5 333
Coal	GWh	7 569	5 821	10 856	17 471
Cogeneration, Waste and Heat	GWh	555	767	1 055	1 155
Capacity under construction	MW	1 824	2 051	664	344
Avoided CO ₂ emissions ²	ktCO ₂	23 752	25 167	24 725	29 221

¹The total net generation includes steam. ²Calculation methodology of scope 2 was revised to avoid emissions duplication with scope 1.

CUSTOMER SATISFACTION	UN	2021	2020	2019	2018
NUMBER OF CUSTOMERS					
Electricity	000	8 654	8 615	9 828	9 849
Regulated market	000	4 609	4 565	4 786	4 797
Liberalised market	000	4 045	4 050	5 042	5 052
Gas	000	686	691	1 599	1 595
Regulated market	000	32	34	89	92
Liberalised market	000	654	657	1 510	1 503

CUSTOMER SATISFACTION	UN	2021	2020	2019	2018
CUSTOMERS SATISFACTION¹					
Overall customers satisfaction	%	In clearance	79	77	78
Portugal	%	In clearance	79.3	78.3	77.8
Spain	%	In clearance	n.a.	78.9	77.5
South America	%	In clearance	79.6	76.3	80.2
CUSTOMERS BY TYPE OF USE					
Electricity customers					
Domestic	%	86	88	87	87
Industrial	%	1	1	1	1
Commercial	%	8	8	8	8
Agriculture	%	3	3	3	3
Other	%	1	1	1	1
Gas customers					
Domestic	%	95	97	97	97
Industrial	%	1	0	0	0
Commercial	%	2	1	1	1
Agriculture	%	0	0	0	0
Other	%	3	1	1	1
CUSTOMERS WITH SOCIAL TARIFF					
Electricity	#	935 772	763 831	818 922	813 614
Portugal	#	553 304	555 361	587 997	615 183
Spain	#	n.a.	n.a.	51 132	38 560
South America	#	360 305	194 052	163 896	143 871
Gas	#	22 163	14 418	15 897	16 000
Portugal	#	22 163	14 418	15 897	16 000
PRIORITY CUSTOMERS²					
Electricity	#	3 022	3 711	3 077	3 235
Portugal	#	2 527	3 329	3 077	3 235
Spain	#	n.a.	n.a.	n.a.	n.a.
South America	#	495	382	n.a.	n.a.
SPECIAL NEEDS CUSTOMERS³					
Electricity	#	772	1 049	1 040	964
Portugal ⁴	#	287	257	265	270
Spain	#	n.a.	n.a.	n.a.	n.a.
South America	#	485	792	775	694
CUSTOMER OMBUDSMAN					
Ombudsman's answer orientation⁵					
Concordant	%	46	47	35	45

CUSTOMER SATISFACTION	UN	2021	2020	2019	2018
Discordant	%	29	18	27	23
Partial concordant	%	5	15	8	9
Resolved issues	%	20	20	31	23
SERVICE QUALITY					
Portugal					
Installed capacity equivalent interruption time ⁶	Min	50	60	56	61
Spain					
Installed capacity equivalent interruption time ⁶	Min	20	15	26	17
South America					
Average interruption duration per consumer					
EDP São Paulo	Hours	6.35	7.18	7.06	7.75
EDP Espírito Santo	Hours	7.56	7.85	8.19	8.24
Frequency of interruptions per consumer					
Bandeirante	#	4.13	4.62	4.53	4.83
Escelsa	#	3.92	4.01	4.84	4.76
SERVICE RECONNECTION					
Electricity supply reconnection after payment of debt by customer					
Portugal⁷	#	62 935	186 139	292 142	265 268
< 4h (urgent)	#	16 281	47 806	63 236	32 105
< 8h (other clients)	#	476	630	819	1 041
< 12h (clients NVL)	#	46 178	137 703	228 087	232 122
Spain⁸	#	16 674	3 533	8 311	6 445
≤ 24 hours	#	16 561	3 509	4 974	2 561
> 24 hours	#	113	24	4 235	3 210
South America	#	175 463	180 257	453 237	539 318
< 24h	#	114 129	157 022	404 344	490 670
< 1 week	#	37 585	21 507	43 731	45 628
> 1 week	#	23 749	1 728	5 162	3 020
E-voicing					
Portugal	%	47	44	39	44
Spain	%	48	21	47	38
South America	%	27	26	23	38
Fines paid for failure in supply and use of products and services	000€	5 365	4 113	4 466	4 140

¹In 2018, customer satisfaction was revised to include satisfaction surveys and Voice of Customer (VoC) at the Iberian level. ²Customers 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). ³Customers with limitations in the field of vision (total blindness or hypo vision), 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). ⁴As 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. ⁵Does not include gas in Portugal. ⁶TIEPI in the MT network, excludes extraordinary events. ⁷The values consider service reconnections within the deadlines defined by the regulator, representing 99% of the total reestablishments. ⁸The 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.

ECONOMIC BUSINESS SUSTAINABILITY	UN	2021	2020	2019	2018
ECONOMIC VALUE GENERATED	000€	16 479 886	13 755 853	15 437 724	16 307 865
Turnover	000€	14 982 909	12 448 205	14 333 009	15 278 085
Other income	000€	1 496 976	1 307 648	1 104 715	1 029 780
ECONOMIC VALUE DISTRIBUTED	000€	14 344 023	11 307 190	13 213 652	14 470 560
Employees	000€	666 459	667 313	620 196	651 540
Suppliers	000€	11 036 972	8 213 006	10 013 401	11 135 864
Shareholders	000€	884 821	690 924	690 924	690 924
Financial sector	000€	875 816	897 326	1 057 592	1 010 390
Community	000€	22 544	21 208	25 972	27 805
State	000€	700 696	630 723	658 553	822 140
Other	000€	156 715	186 690	147 014	131 897
ECONOMIC VALUE ACCUMULATED	000€	2 135 863	2 448 663	2 224 072	1 837 305
GROSS VALUE ADDED PER EMPLOYEE	000€/#	350	397	370	341
CAPEX	000€	3 492 673	2 909 191	2 258 386	2 031 167
EBITDA	000€	3 723 050	3 949 963	3 705 617	3 317 129
NET DEBT/EBITDA	x	3.1	3.1	3.7	4.1
LIBERALISED EBITDA VS. REGULATED	%	90	72	77	77
NET PROFIT ATTRIBUTABLE TO EDP SHAREHOLDERS	000€	656 717	800 692	511 751	519 189

CARING FOR OUR PLANET	UN	2021	2020	2019	2018
ISO 14001 CERTIFICATION					
ISO 14001 certification ¹	%	90	94	96	96
PREVENTION OF POLLUTION					
Total NO_x emissions	kt	8.9	6.2	10.8	14.3
Portugal	kt	0.6	1.7	2.8	4.6
Spain	kt	3.7	3.0	3.9	5.7
Brazil	kt	4.7	1.5	4.1	3.9
Total SO₂ emissions	kt	12.1	8.2	16.3	21.3
Portugal	kt	0.0	0.8	2.0	3.8
Spain	kt	1.6	1.5	1.5	6.0
Brazil	kt	10.5	6.0	12.8	11.4
Total particulate matter emissions	kt	1.3	0.9	1.7	2.0
Portugal	kt	0.01	0.03	0.04	0.09
Spain	kt	0.15	0.08	0.10	0.24
Brazil	kt	1.10	0.81	1.52	1.72

CARING FOR OUR PLANET	UN	2021	2020	2019	2018
WASTE MATERIALS	t	216 164	309 451	523 302	862 060
Waste	t	173 769	174 594	232 180	349 329
Hazard waste	t	6 728	5 810	5 094	5 409
Non-hazard waste	t	167 042	168 784	227 086	343 920
Recovered waste	t	136 025	150 406	210 846	272 964
Hazardous waste	t	4 334	3 564	n.a.	3 385
Recycled waste	t	2 099	1 443	n.a.	1 459
On site	t	0	n.a.	n.a.	n.a.
Off site	t	2 099	n.a.	n.a.	n.a.
Other	t	2 235	2 122	n.a.	1 926
On site	t	17	n.a.	n.a.	n.a.
Off site	t	2 218	n.a.	n.a.	n.a.
Non-hazardous	t	131 690	146 841	n.a.	269 579
Recycled waste	t	34 147	113 965	n.a.	218 507
On site	t	0	n.a.	n.a.	n.a.
Off site	t	34 147	n.a.	n.a.	n.a.
Other	t	97 543	32 876	n.a.	51 072
On site	t	10	n.a.	n.a.	n.a.
Off site	t	97 533	n.a.	n.a.	n.a.
Non-recovered waste	t	37 744	24 188	21 334	76 365
Hazardous waste	t	2 393	2 245	n.a.	2 024
Landfilling	t	562	398	n.a.	250
On site	t	0	n.a.	n.a.	n.a.
Off site	t	562	n.a.	n.a.	n.a.
Other disposal operations	t	1 831	1 848	n.a.	1 774
On site	t	0	n.a.	n.a.	n.a.
Off site	t	1 831	n.a.	n.a.	n.a.
Non-hazardous	t	35 351	21 943	n.a.	74 341
Landfilling	t	33 682	21 231	n.a.	72 276
On site	t	28 843	n.a.	n.a.	n.a.
Off site	t	4 839	n.a.	n.a.	n.a.
Other disposal operations	t	1 669	711	n.a.	2 065
On site	t	0	n.a.	n.a.	n.a.
Off site	t	1 669	n.a.	n.a.	n.a.
Main waste categories					
Fly ash	%	87.53	82.76	82.69	79.60
Slag	%	10.11	10.34	13.21	16.33
Gypsum	%	0.28	4.45	1.81	2.28
Used oils	%	0.43	0.24	0.10	0.13
PCB	%	0.00	0.01	0.01	0.01
Metals	%	1.65	2.20	2.19	1.66

CARING FOR OUR PLANET	UN	2021	2020	2019	2018
By-products	t	42 395	134 858	291 122	512 731
Gypsum	t	39 053	45 049	99 787	165 785
Fly ash	t	3 071	86 929	157 253	311 234
Slag	t	271	2 880	34 082	35 712
Specific production of waste materials	t/GWh	4	5	8	12
Recovered waste materials	%	83	92	96	91
NATURAL RESOURCES					
Total water withdrawal	10 ³ xm ³	358 480	602 909	996 309	1 537 614
Freshwater	10 ³ xm ³	14 527	11 944	18 315	19 544
Salt and estuarine water	10 ³ xm ³	343 953	590 965	977 994	1 518 069
In water-stressed regions²	10³xm³	9 042	6 294	11 774	10 326
Pecém	10 ³ xm ³	9 042	4 260	n.a.	n.a.
Castejón	10 ³ xm ³	0	2 035	n.a.	n.a.
Total water discharge	10 ³ xm ³	343 836	589 375	976 299	1 517 950
Discharge into inland water	10 ³ xm ³	1 554	1 891	1 783	1 471
Discharge into estuary water and sea	10 ³ xm ³	342 282	587 484	974 516	1 516 478
Municipal treatment	10 ³ xm ³	3.52	4.25	2.27	2.67
In water-stressed regions	10 ³ xm ³	0	867	1 255	848
Total water consumption	10 ³ xm ³	16 248	14 967	21 736	21 800
Total freshwater consumption	10 ³ xm ³	13 045	10 252	16 817	18 372
In water-stressed regions²	10³xm³	9 042	5 847	11 192	10 130
Pecém	10 ³ xm ³	9 042	4 260	n.a.	n.a.
Castejón	10 ³ xm ³	0	1 594	n.a.	n.a.
Specific freshwater consumption	m ³ /GWh	217	161	254	257
Fuel					
Coal	TJ	71 109	55 515	101 514	165 982
Natural gas	TJ	45 334	67 447	70 823	40 425
Diesel	TJ	69	127	173	202
Fuel oil	TJ	21	220	337	297
Waste gas	TJ	11 158	7 046	11 836	14 509
Chemical's consumption					
Sodium hydroxyde	t	462	608	892	178
Hydrochloric acid	t	710	1 236	1 008	1 247
Sodium hypochlorite	t	2 094	3 087	4 175	3 673
Ammonia	t	2 368	6 063	10 557	16 562
Calcareous	t	24 327	27 254	54 267	71 807
Acquired oils	t	155	140	229	138
Environmental fines	000€	40	11	4	3

¹ Aggregated certification indicator due to assets with potential environmental impacts. ² ≤1,000 mg / L of total dissolved solids.

CLIMATE CHANGE	UN	2021	2020	2019	2018
HYDROELECTRIC PRODUCTIVITY INDEX					
Portugal	#	0.93	0.97	0.81	1.05
Spain	#	0.91	1.03	0.90	1.28
EMISSIONS					
Specific CO₂ emissions¹					
Global	g/kWh	164	146	216	257
Thermal	g/kWh	673	567	649	768
CO₂ equivalent emissions					
Scope 1	ktCO₂eq	9 805	9 304	14 363	18 429
Stationary combustion	ktCO ₂ eq	9 781	9 273	14 338	18 404
SF ₆ Emissions	ktCO ₂ eq	11	17	9	10
Company fleet	ktCO ₂ eq	14	13	15	15
Natural gas consumption	ktCO ₂ eq	0	0	0	0
Scope 2 (location-based²)⁴	ktCO₂eq	792	594	846	602
Electricity consumption in office buildings	ktCO ₂ eq	2	1	1	2
Electricity losses in distribution	ktCO ₂ eq	766	568	824	577
Renewable plants self-consumption	ktCO ₂ eq	24	25	21	23
Scope 2 (market-based³)⁴	ktCO₂eq	773	574	829	585
Electricity consumption in office buildings	ktCO ₂ eq	0	0	0	0
Electricity losses in distribution	ktCO ₂ eq	766	568	824	577
Renewable plants self-consumption	ktCO ₂ eq	7	6	5	8
Scope 3⁵	ktCO₂eq	10 304	11 572	11 730	11 334
Purchased goods and services (C01)	ktCO ₂ eq	721	18	28	49
Capital goods (C02)	ktCO ₂ eq	2 610	335	349	330
Fuel and energy related activities (C03)	ktCO ₂ eq	5 185	6 807	6 784	6 399
Upstream transportation and distribution (C04)	ktCO ₂ eq	66	933	611	675
Waste generated in operations (C05)	ktCO ₂ eq	18	n.a.	n.a.	n.a.
Business travels (C06)	ktCO ₂ eq	3	2	7	10
Commuting (C07)	ktCO ₂ eq	12	n.a.	n.a.	n.a.
Use of sold products (C11)	ktCO ₂ eq	1 688	3 478	3 951	3 871
SF₆					
Portugal	kg	399	724	394	440
Spain	kg	195	206	194	246
South America	kg	45	298	54	100
North America	kg	159	217	140	92
Rest of the Europe	kg	0	0	6	0
APAC	kg	0	3	0	3
APAC	kg	0	0	0	0

¹The 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. ²Based on global emission factors of each geography.

³Based in the suppliers' emission factors. ⁴Calculation methodology of Scope 2 was revised to avoid emissions duplication with scope 1. ⁵Methodological review conducted in 2021.

REACHING OUR COMMUNITIES	UN	2021	2020	2019	2018
INVESTMENT IN THE COMMUNITY¹					
Category	000€	21 275	20 654	23 650	26 798
Nonstrategic investment	000€	1 735	980	1 534	286
Strategic investment	000€	19 531	19 674	20 652	24 443
Commercial initiative	000€	9	0	1 464	2 069
Nature	000€	21 275	20 654	23 650	26 798
Education	000€	1 679	1 574	2 002	3 580
Health	000€	535	1	1 545	1 565
Economic development	000€	686	756	3 576	5 795
Environment	000€	1 125	787	1 616	1 057
Art and culture	000€	8 474	7 647	10 585	10 749
Social welfare	000€	6 271	2 432	2 907	3 231
Emergency response	000€	304	6 144	120	19
Other	000€	2 201	1 313	1 299	802
Type	000€	21 275	20 654	23 650	26 798
Cash contributions	000€	19 299	17 486	19 320	24 283
Kind contributions	000€	1 764	2 858	3 768	61
Working time contributions	000€	211	310	562	2 454
Management costs	000€	1 283	554	2 322	1 007
Total value of contributions (including management costs)	000€	22 558	21 208	25 972	27 805
Beneficiary entities	#	994	1 051	2 490	2 066
CORPORATE VOLUNTEERING					
EDP Volunteers	#	3 681	2 482	2 833	2 469
EDP time used in volunteering	h	11 307	14 457	23 258	19 375
Beneficiary entities	#	576	581	797	642

¹ Determined according to the B4SI methodology. Not yet validated by Corporate Citizenship.

ENGAGING OUR SUPPLIERS	UN	2021	2020	2019	2018
SUPPLIERS GLOBAL ACQUISITIONS					
Suppliers	#	13 377	13 175	16 644	16 040
Portugal	#	3 646	3 919	4 189	4 597
Spain	#	1 414	2 547	1 936	1 966
South America	#	3 748	4 719	4 352	4 821
North America	#	654	594	763	527
Rest of the World	#	3 915	1 559	5 404	4 129

ENGAGING OUR SUPPLIERS	UN	2021	2020	2019	2018
Volume of purchases	M€	4 581	4 329	4 157	3 143
Portugal	M€	886	819	757	795
Spain	M€	380	382	214	225
South America	M€	633	587	673	526
North America	M€	1 268	1 376	1 182	785
Rest of the World	M€	1 414	1 165	1 331	812
Local Suppliers volume of purchases					
Portugal	%	91	90	92	93
Spain	%	96	93	88	100
South America	%	99	99	99	99
North America	%	100	100	100	100
Rest of the World	%	100	45	92	100
Certified Critical Suppliers¹					
ISO 14001 or equivalent	%	20	52	82	68
OHSAS 18001 or equivalent	%	34	68	65	62
FUEL²					
Suppliers by purchasing region³	#	8	10	42	41
Portugal	#	3	4	11	15
Spain	#	7	5	30	25
South America	#	1	1	1	1
North America	#	0	0	0	0
Rest of the World	#	2	0	0	0
Volume of purchases by region	M€	1 143	409	1 234	1 256
Portugal	M€	509	146	322	478
Spain	M€	342	233	833	632
South America	M€	255	30	80	147
North America	M€	0	0	0	0
Rest of the World	M€	38	0	0	0
Volume of purchases to local suppliers	%	0	0	47	50
Portugal	%	0	0	51	38
Spain	%	0	0	50	71
South America	%	0	0	0	0
North America	%	0	0	0	0
Rest of the World	%	0	0	0	0
Certified fuel suppliers¹					
ISO 14001 or equivalent	%	100	90	64	76
OHSAS 18001 or equivalent	%	88	90	57	76

ENGAGING OUR SUPPLIERS	UN	2021	2020	2019	2018
COAL ORIGIN					
Colombia	%	100	100	76	79
USA	%	0	0	13	10
South Africa	%	0	0	0	2
Russia	%	0	0	8	9
Spain	%	0	0	0	-
Ucrain	%	0	0	3	-
GAS ORIGIN					
USA	%	81	n.a.	n.a.	n.a.
Russia	%	12	n.a.	n.a.	n.a.
Equatorial Guinea	%	5	n.a.	n.a.	n.a.
Nigeria	%	2	n.a.	n.a.	n.a.

¹ Critical Suppliers exposed to environmental or health and safety risks. ² In the total number of Group EDP 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; the same supplier can supply more than one region.

ETHICS AND COMPLIANCE	UN	2021	2020	2019	2018
CLAIMS					
Total claims ¹	#	344	464	588	465
Claims before the Ethics Commission ²	#	146	147	150	125
Client	#	10	8	7	17
Citizen	#	20	22	16	8
Employee	#	33	27	25	29
Supplier	#	9	8	2	4
Anonymous	#	74	82	100	67
Proceeding Actions by category					
Fairness of solutions	#	n.a.	19	7	1
Neglect or disrespect	#	n.a.	103	111	93
Transparency	#	n.a.	0	10	7
Use of information or assets	#	n.a.	8	10	10
Environment and responsibility towards society	#	n.a.	0	1	1
Fraud, corruption and bribery	#	n.a.	17	11	13
Employee well-being	#	46	n.a.	n.a.	n.a.
Health and Safety	#	6	n.a.	n.a.	n.a.
Company Representation	#	0	n.a.	n.a.	n.a.
Diversity and Inclusion	#	4	n.a.	n.a.	n.a.
Harassment	#	24	n.a.	n.a.	n.a.

ETHICS AND COMPLIANCE	UN	2021	2020	2019	2018
Human Rights	#	2	n.a.	n.a.	n.a.
Relationship with Shareholders	#	0	n.a.	n.a.	n.a.
Relationship with Customers	#	4	n.a.	n.a.	n.a.
Relationship with Suppliers	#	3	n.a.	n.a.	n.a.
Relationship with Communities	#	3	n.a.	n.a.	n.a.
Competition	#	1	n.a.	n.a.	n.a.
Environment	#	1	n.a.	n.a.	n.a.
Energy Transition	#	0	n.a.	n.a.	n.a.
Digital Revolution	#	0	n.a.	n.a.	n.a.
Entrepreneurship and Cooperation	#	0	n.a.	n.a.	n.a.
Personal Data Protection and Privacy	#	0	n.a.	n.a.	n.a.
Use of Company Information	#	18	n.a.	n.a.	n.a.
Conflict of Interests	#	17	n.a.	n.a.	n.a.
Corruption and Bribery	#	12	n.a.	n.a.	n.a.
Money laundering and Countering the Financing of Terrorism	#	1	n.a.	n.a.	n.a.
Use of assets	#	4	n.a.	n.a.	n.a.
Gifts and Entertainment	#	0	n.a.	n.a.	n.a.
Actions deliberated/determined by the Ethics Commission	#	52	39	58	40
Revisions/improvements of procedures	#	26	14	40	16
Compensation of damages	#	1	0	2	3
Disciplinary action	#	13	25	16	8
Training	#	12	0	0	4
Other	#	0	0	0	9

¹Entries registered in the complaint channels Ethics of EDP Group. ²The other claims were quickly and efficiently processed with the Business Units involved.

RESPECT AND PROMOTION OF HUMAN RIGHTS	UN	2021	2020	2019	2018
Human Rights Policy	y/n	y	y	y	y
Human Rights due diligence process	y/n	y	y	Y	y

TRANSPARENCY IN COMMUNICATION	UN	2021	2020	2019	2018
Current tax	000€	191 433	139 751	145 858	245 613
Support from public authorities	000€	63 211	42 767	103 105	47 958

INNOVATION AND DIGITAL TRANSFORMATION	UN	2021	2020	2019	2018
DIGITAL TRANSFORMATION					
Smart meters¹					
Portugal	#	3 983 104	3 208 209	2 578 167	1 922 991
Spain	#	1 372 720	1 368 843	666 478	658 632
South America	#	332 980	25 745	16 000	16 800
Clients with RE:DY	#	27 350	13 143	13 097	12 329
Number of meetings per videoconference					
Number of meetings	#	287	409	409	401
Use of the videoconference service	h/year	7 506	17 812	123 919	115 130
Robotisation¹					
Number of robotised activities	#	1 686	1 132	845	546
Robotised hours/year	h/year	1 310 813	927 568	658 323	442 643
Minimum viable products	#	286	192	92	18
INNOVATION AND RESEARCH					
Investment in RDI	000€	102 794	110 936	162 040	75 366
Investment in RDI/Turnover	%	0.69	0.89	1.13	0.49
Number of employees in RDI	#	321	212	158	99

¹ Amounts presented in accumulated.

PEOPLE MANAGEMENT	UN	2021	2020 ¹	2019	2018
EMPLOYEES					
	#	12 236	12 180	11 660	11 631
Female	%	27	25	25	25
Male	%	73	75	75	75
EMPLOYEES DISTRIBUTION BY PROFESSIONAL CATEGORY					
EBD					
	#	5	9	9	9
Female	#	2	2	2	2
Male	#	3	7	7	7
Senior Management					
	#	962	861	827	709
Female	#	265	215	199	154
Male	#	697	646	628	555
Supervisors					
	#	865	777	783	754
Female	#	218	188	199	207
Male	#	647	589	584	547

PEOPLE MANAGEMENT	UN	2021	2020 ¹	2019	2018
Specialists	#	5 276	4 717	4 528	4 369
Female	#	2 010	1 773	1 649	1 552
Male	#	3 266	2 944	2 879	2 817
Technicians	#	5 128	5 246	5 513	5 790
Female	#	767	790	876	951
Male	#	4 361	4 456	4 637	4 839
EMPLOYEES DISTRIBUTION BY AGE GROUP					
≥ 50	#	2 971	3 117	3 445	3 919
Female	#	649	652	683	757
Male	#	2 322	2 465	2 762	3 162
[30-50[	#	7 213	6 556	6 324	5 949
Female	#	1 973	1 750	1 709	1 624
Male	#	5 240	4 806	4 615	4 325
< 30	#	2 052	1 937	1 891	1 763
Female	#	640	566	533	485
Male	#	1 412	1 371	1 358	1 278
PERCENTUAL DISTRIBUTION OF EMPLOYEES					
Age Group					
≥50	%	24	27	30	34
[30-50[	%	59	56	54	51
<30	%	17	17	16	15
Geography					
Portugal	%	47	50	50	52
Spain	%	17	13	15	15
South America	%	26	28	27	26
North America	%	7	7	6	5
Rest of the Europe	%	3	2	2	2
APAC	%	0	0	n.a.	n.a.
Employees with special needs	%	1	1	1	1
FEMALE EMPLOYEES IN MANAGEMENT POSITIONS					
In the total workforce	%	26.5	24.6	24.7	24.7
In EBD and Senior Management positions	%	27.6	23.5	22.1	n.a.
In Supervisory positions	%	25.2	24.2	25.4	n.a.
In revenue-generating positions	%	15.8	14.5	16.2	n.a.
In STEM positions ²	%	31.1	32.7	32.2	n.a.

PEOPLE MANAGEMENT	UN	2021	2020 ¹	2019	2018
ELIGIBLE EMPLOYEES FOR RETIREMENT					
EBD					
next to 5 years	#	0	3	3	1
next to 10 years	#	0	5	5	5
Senior Management					
next to 5 years	#	85	88	104	109
next to 10 years	#	146	162	165	268
Supervisors					
next to 5 years	#	39	42	53	47
next to 10 years	#	90	84	91	221
Specialists					
next to 5 years	#	292	326	322	354
next to 10 years	#	476	518	526	1 475
Technicians					
next to 5 years	#	967	1 188	1 370	1 511
next to 10 years	#	1 258	1 450	1 713	2 341
RATIO EDP MINIMUM WAGE/NATIONAL MINIMUM WAGE					
Portugal	x	1.79	1.84	1.75	1.45
Spain	x	1.17	1.19	1.24	1.28
South America	x	1.09	1.15	1.41	1.41
North America	x	2.21	2.21	2.07	2.48
Rest of the Europe	x	n.a.	n.a.	n.a.	n.a.
APAC	x	n.a.	n.a.	n.a.	n.a.
TYPES OF ENTRIES					
New entries		1 599	1 282	1 255	1 217
Gender					
Male	#	1 047	885	897	865
Female	#	552	397	358	352
Age Group					
<30	#	749	598	636	673
[30-50[	#	777	633	568	508
≥50	#	73	51	51	36
Professional category					
Technicians	#	443	403	n.a.	n.a.
Specialists	#	1 104	809	n.a.	n.a.
Supervisors	#	18	30	n.a.	n.a.
Senior Management	#	34	40	n.a.	n.a.

PEOPLE MANAGEMENT	UN	2021	2020 ¹	2019	2018
Geography					
Portugal	#	471	432	415	462
Spain	#	229	185	150	107
South America	#	434	366	466	397
North America	#	316	229	176	183
Rest of the Europe	#	137	84	80	68
APAC	#	12	0	0	0
Employees with special needs (new entries)	#	25	0	3	0
Vacancies filled by internal candidates	#	947	1 186	n.a.	n.a.
Gender					
Male	#	690	850	n.a.	n.a.
Female	#	257	336	n.a.	n.a.
Age Group					
<30	#	130	159	n.a.	n.a.
[30-50[	#	564	625	n.a.	n.a.
≥50	#	253	402	n.a.	n.a.
Professional category					
Technicians	#	341	413	n.a.	n.a.
Specialists	#	381	472	n.a.	n.a.
Supervisors	#	115	149	n.a.	n.a.
Senior Management	#	110	152	n.a.	n.a.
Geography					
Portugal	#	280	973	n.a.	n.a.
Spain	#	329	77	n.a.	n.a.
South America	#	168	100	n.a.	n.a.
North America	#	168	30	n.a.	n.a.
Rest of the Europe	#	2	6	n.a.	n.a.
APAC	#	0	0	n.a.	n.a.
Employees with special needs	#	0	0	n.a.	n.a.
REASONS FOR LEAVING					
End of fixed-term contracts	%	2	2	2	3
Terminated by mutual agreement	%	9	4	4	5
Terminated by employee	%	34	20	26	19
Dismissals	%	24	14	18	19
Early retirements	%	21	21	39	42
Age/invalidity retirement	%	7	5	6	8
Other reasons for leaving	%	4	35	5	5

PEOPLE MANAGEMENT	UN	2021	2020 ¹	2019	2018
SALARY RATIO F/M BY PROFESSIONAL CATEGORY					
Technicians					
Portugal	x	1.29	1.25	1.23	1.19
Spain	x	0.87	0.83	0.80	0.77
South America	x	0.97	0.96	0.98	0.97
North America	x	1.00	1.04	1.08	1.07
Rest of the Europe	x	n.a.	1.70	1.11	1.01
APAC	x	n.a.	n.a.	n.a.	n.a.
Specialists					
Portugal	x	0.93	0.92	0.94	0.92
Spain	x	0.91	0.92	0.93	0.94
South America	x	0.81	0.82	0.81	0.78
North America	x	0.97	0.93	0.92	0.92
Rest of the Europe	x	0.89	0.91	0.90	0.90
APAC	x	0.75	n.a.	n.a.	n.a.
Supervisors					
Portugal	x	0.98	0.99	0.97	1.01
Spain	x	0.86	0.87	0.84	0.85
South America	x	1.05	1.05	1.03	0.99
North America	x	0.97	1.06	0.96	0.95
Rest of the Europe	x	0.88	1.26	1.03	0.83
APAC	x	n.a.	n.a.	n.a.	n.a.
Senior Management					
Portugal	x	0.94	0.92	0.93	0.93
Spain	x	0.82	0.85	0.83	0.82
South America	x	0.89	0.93	0.87	0.92
North America	x	0.99	0.95	1.00	1.04
Rest of the Europe	x	0.79	0.75	0.92	0.61
APAC	x	n.a.	n.a.	n.a.	n.a.
EMPLOYEES SATISFACTION					
Engagement	%	76	80	73	72
Gender					
Female	%	78	83	74	72
Male	%	76	79	73	73
Age Group					
<30	%	76	79	72	0
[30-50[	%	76	81	75	0
≥50	%	76	78	71	0

PEOPLE MANAGEMENT	UN	2021	2020 ¹	2019	2018
Professional category					
Technicians	%	75	78	75	0
Specialists	%	74	79	69	0
Supervisors	%	81	86	78	0
Senior Management	%	88	90	84	0
Geography					
Portugal	%	73	76	67	0
Spain	%	71	78	71	0
South America	%	84	86	86	0
North America	%	79	84	74	0
Rest of the Europe	%	73	76	64	0
APAC	%	90	0	0	0
Employees with special needs	%	0	74	71	0
Enablement	%	76	80	71	70
Gender					
Female	%	71	75	69	67
Male	%	71	73	72	70
TURNOVER	%	13	11	11	10
Gender					
Female	%	13.15	11.29	10.57	10.67
Male	%	11.13	11.99	10.36	9.25
Age group					
< 30	%	12.72	9.86	8.46	8.00
[30-50[	%	7.85	8.76	5.55	4.96
≥ 50	%	24.10	18.19	20.75	19.49
Professional category					
Technicians	%	12.85	11.48	12.62	0.00
Specialists	%	12.24	11.89	9.43	0.00
Supervisors	%	5.78	10.94	6.26	0.00
Senior management	%	6.65	9.66	6.53	0.00
Geography					
Portugal	%	9.97	7.94	10.77	n.a.
Spain	%	14.84	24.87	5.35	n.a.
South America	%	14.10	8.65	10.99	n.a.
North America	%	20.13	15.28	16.89	n.a.
Rest of the Europe	%	9.94	36.65	16.85	n.a.
APAC	%	0.00	0.00	n.a.	n.a.
Employees with special needs	%	13.97	24.46	15.34	0.00

PEOPLE MANAGEMENT	UN	2021	2020 ¹	2019	2018
VOLUNTARY EMPLOYEE TURNOVER	%	4.13	2.27	2.70	1.98
Gender					
Male	%	3.94	2.70	2.40	0.00
Female	%	4.63	2.13	3.59	0.00
Age group					
< 30	%	8.58	4.34	6.03	0.00
[30-50[	%	4.34	2.58	2.94	0.00
≥ 50	%	0.54	0.35	0.46	0.00
Professional category					
Technicians	%	2.13	1.30	1.31	0.00
Specialists	%	6.67	3.65	4.59	0.00
Supervisors	%	2.89	1.42	2.68	0.00
Senior management	%	1.87	1.49	1.81	0.00
Geography					
Portugal	%	1.75	0.91	1.09	0.00
Spain	%	1.68	1.44	1.10	0.00
South America	%	5.73	2.92	3.26	0.00
North America	%	18.70	10.75	14.93	0.00
Rest of the Europe	%	4.54	4.38	11.79	0.00
APAC	%	0.00	0.00	0.00	0.00
Employees with special needs	%	5.73	2.92	3.26	n.a.
HC ROI	€	5.92	6.46	6.96	6.35
TRAINING VOLUME	h	337 296	273 873	400 504	398 394
Volume of mandatory training per employee	h	245 716	176 196	n.a.	n.a.
Gender					
Male	h	201 172	133 234	n.a.	n.a.
Female	h	44 544	42 962	n.a.	n.a.
Age group					
< 30	h	47 126	n.a.	n.a.	n.a.
[30-50[	h	152 358	n.a.	n.a.	n.a.
≥ 50	h	46 232	n.a.	n.a.	n.a.
Professional category					
Technicians	h	124 967	77 486	n.a.	n.a.
Specialists	h	78 194	69 560	n.a.	n.a.
Supervisors	h	23 556	15 417	n.a.	n.a.
Senior Management	h	18 999	13 732	n.a.	n.a.

PEOPLE MANAGEMENT	UN	2021	2020 ¹	2019	2018
Geography					
Portugal	h	120 518	117 444	n.a.	n.a.
Spain	h	36 056	20 415	n.a.	n.a.
South America	h	79 648	27 981	n.a.	n.a.
North America	h	5 401	7 848	n.a.	n.a.
Rest of the Europe	h	3 998	2 508	n.a.	n.a.
APAC	h	95	0	n.a.	n.a.
Volume of non-mandatory training per employee	h	91 580	97 677	n.a.	n.a.
Gender					
Male	h	64 749	73 782	n.a.	n.a.
Female	h	26 831	23 896	n.a.	n.a.
Age group					
< 30	h	10 395	n.a.	n.a.	n.a.
[30-50[	h	64 642	n.a.	n.a.	n.a.
≥ 50	h	16 543	n.a.	n.a.	n.a.
Professional category					
Technicians	h	20 110	33 842	n.a.	n.a.
Specialists	h	44 496	40 625	n.a.	n.a.
Supervisors	h	11 314	11 383	n.a.	n.a.
Senior Management	h	15 660	11 828	n.a.	n.a.
Geography					
Portugal	h	28 064	27 386	n.a.	n.a.
Spain	h	30 994	23 374	n.a.	n.a.
South America	h	12 590	31 549	n.a.	n.a.
North America	h	15 107	11 434	n.a.	n.a.
Rest of the Europe	h	4 821	3 935	n.a.	n.a.
APAC	h	4	0	n.a.	n.a.
DIRECT INVESTMENT WITH TRAINING BY EMPLOYEES	€/p	303	280	322	348
Investment in mandatory training per employee	€	1 635 444	1 325 491	n.a.	n.a.
Gender					
Male	€	1 213 787	983 598	n.a.	n.a.
Female	€	421 657	341 892	n.a.	n.a.
Age group					
< 30	€	174 975	n.a.	n.a.	n.a.
[30-50[	€	1 134 684	n.a.	n.a.	n.a.
≥ 50	€	325 785	n.a.	n.a.	n.a.
Professional category					
Technicians	€	308 374	275 175	n.a.	n.a.
Specialists	€	650 960	493 354	n.a.	n.a.
Supervisors	€	336 156	214 700	n.a.	n.a.
Senior Management	€	339 954	342 261	n.a.	n.a.

PEOPLE MANAGEMENT	UN	2021	2020 ¹	2019	2018
Geography					
Portugal	€	737 557	593 235	n.a.	n.a.
Spain	€	595 895	430 401	n.a.	n.a.
South America	€	113 752	52 692	n.a.	n.a.
North America	€	125 667	230 805	n.a.	n.a.
Rest of the Europe	€	62 573	18 357	n.a.	n.a.
APAC	€	0	0	n.a.	n.a.
Investment in non-mandatory training per employee	€	2 068 303	1 924 421	n.a.	n.a.
Gender					
Male	€	1 383 758	1 340 749	n.a.	n.a.
Female	€	684 545	583 672	n.a.	n.a.
Age group					
< 30	€	231 019	n.a.	n.a.	n.a.
[30-50[	€	1 519 167	n.a.	n.a.	n.a.
≥ 50	€	318 117	n.a.	n.a.	n.a.
Professional category					
Technicians	€	356 821	292 106	n.a.	n.a.
Specialists	€	977 110	964 897	n.a.	n.a.
Supervisors	€	359 099	295 390	n.a.	n.a.
Senior Management	€	375 273	372 027	n.a.	n.a.
Geography					
Portugal	€	593 859	709 309	n.a.	n.a.
Spain	€	862 803	570 044	n.a.	n.a.
South America	€	184 642	279 986	n.a.	n.a.
North America	€	351 541	336 283	n.a.	n.a.
Rest of the Europe	€	75 458	28 800	n.a.	n.a.
APAC	€	0	0	n.a.	n.a.

¹ The total number of employees and the F/M ratio include 570 VIESGO employees. The remaining indicators do not include these employees and refer only to the remaining 11 610 employees. ² STEM Positions (Science, Technology, Engineering e Mathematics).

HEALTH & SAFETY THE CORE	UN	2021	2020	2019	2018
EMPLOYEES					
Accidents at work ¹	#	21	17	29	29
Fatalities	#	0	0	0	2
Frequency rate ²	Tf	0.92	0.77	1.50	1.36
Severity rate ³	Tg	69	60	90	110

HEALTH & SAFETY THE CORE	UN	2021	2020	2019	2018
CONTRACTORS					
Accidents at work ¹	#	132	115	82	106
Fatalities	#	7	3	2	5
Frequency rate ²	Tf	2.09	2.12	1.84	2.50
Severity rate ³	Tg	109	100	88	116

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.

CRISIS MANAGEMENT	UN	2021	2020	2019	2018
INFORMATION SECURITY / CYBER SECURITY					
Information security incidents ¹	#	4 043	3 397	4 63	1 260
Fines for breach of privacy and loss of customer data	#	0	4	3	5
Fines for breach of privacy and loss of customer data	000€	0	51	36	48

¹ The evolution is explained by the greater robustness in the detection capacity of this indicator and the larger number of cyberattacks.

CORPORATE GOVERNANCE	UN	2021	2020	2019	2018
NUMBER OF MEMBERS					
EBD ¹	#	5	7	9	9
GSB ²	#	16	21	21	20
NUMBER OF INDEPENDENT MEMBERS					
GSB ²	#	9	11	11	10
NUMBER OF WOMEN					
EBD	#	2	2	2	2
GSB	#	6	5	5	4

4.3.2. GRI indicators

4.3.2.1. Environmental indicators

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
ENVIRONMENTAL CERTIFICATION								
ISO 14001 Certification ¹	%	90	100	66	89	96	74	n.a.
TOTAL ENERGY CONSUMPTION								
	TJ	138 355	34 742	65 459	37 886	197	71	0
PRIMARY ENERGY CONSUMPTION								
	TJ	127 897	27 445	63 944	36 494	9	6	0
Coal	TJ	71 109	0	34 727	36 382	n.a.	n.a.	n.a.
Fuel oil	TJ	21	0	21	n.a.	n.a.	n.a.	n.a.
Natural gas	TJ	45 334	27 352	17 977	0	5	0	0
Blast furnace gas	TJ	10 891	n.a.	10 891	n.a.	n.a.	n.a.	n.a.
Coke gas	TJ	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
Diesel oil	TJ	69	1	38	31	n.a.	n.a.	n.a.
Iron and steel industry gas	TJ	266	n.a.	266	n.a.	n.a.	n.a.	n.a.
Fuel for fleet	TJ	198	92	23	73	5	5	0
ENERGY INTENSITY²	MJ/EUR	9.2	5.0	16.5	12.6	0.3	0.2	0.0
THERMAL POWER PLANT EFFICIENCY (capacity based)	%	45.9	53.8	42.0	34.6	n.a.	n.a.	n.a.
ELECTRICITY CONSUMPTION								
Generation self-consumption	MWh	2 872 023	2 002 784	418 907	381 551	50 615	18 164	0
Administrative service	MWh	32 975	24 111	1 978	5 136	1 626	125	0
Grid losses	%	8.2	8.2	4.7	10.0	n.a.	n.a.	n.a.
GHG EMISSION								
Direct emissions (scope 1)	ktCO_{2eq}	9 805	1 532	4 251	4 022	1	0	0
Stationary combustion ³	ktCO _{2eq}	9 781	1 519	4 248	4 013	0	0	0
SF ₆ Emissions	ktCO _{2eq}	11	5.64	1.24	3.74	0.00	0.00	0.00
Company fleet	ktCO _{2eq}	14	7	2	5	0	0	0
Natural gas consumption	ktCO _{2eq}	0	0.00	0.00	0.00	0.22	0.01	0.00
Indirect emissions (scope 2)⁴	ktCO_{2eq}	792	527	11	228	19	7	0
Electricity consumption in office buildings	ktCO _{2eq}	1.5	0.0	0.0	0.0	1.5	0.0	0.0
Electricity losses	ktCO _{2eq}	766.0	527	11	228	0	0	0
Renewable plants self-consumption	ktCO _{2eq}	24.3	0.0	0.0	0.0	17.4	6.9	0.0
Other indirect emissions (scope 3)	ktCO_{2eq}	10 400	2 913	1 748	3 942	1 335	403	59
Purchased goods and services (C01)	ktCO _{2eq}	818	343	343	72	43	17	1

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Capital Goods (C02)	ktCO _{2eq}	2 610	168	58	652	1 291	382	58
Fuel and energy related activities (C03)	ktCO _{2eq}	5 185	1 426	556	3 203	0	0	0
Upstream transportation and distribution (C04)	ktCO _{2eq}	66	66	0	0	0	0	0
Waste generated in operations (C05)	ktCO _{2eq}	18	1	4	12	0	0	0
Business Travels (C06)	ktCO _{2eq}	3	1	1	1	1	0	0
Commuting (C07)	ktCO _{2eq}	12	4	2	3	0	3	0
Use of sold products (C11)	ktCO _{2eq}	1 688	904	784	0	0	0	0
GHG EMISSIONS INTENSITY⁵	kgCO₂/EUR	0.7	0.3	1.1	1.4	0.0	0.0	0.0
CO2 AVOIDED EMISSIONS⁶	ktCO₂	23 752	4 579	2 354	2 565	11 383	2 853	18
TOTAL EMISSIONS								
CO ₂ ³⁷	kt	9 798	1 519	4 265	4 013	n.a.	n.a.	n.a.
NO _x	kt	8.9	0.6	3.7	4.7	n.a.	n.a.	n.a.
SO ₂	kt	12.1	0.0	1.6	10.5	n.a.	n.a.	n.a.
Particulate matter	kt	1.26	0.01	0.15	1.10	n.a.	n.a.	n.a.
Mercury	kg	42	0	42	0	n.a.	n.a.	n.a.
SF ₆	kg	399	195	45	159	0	0	0
SPECIFIC OVERALL EMISSIONS								
CO ₂ ³⁷	g/kWh	164	95	340	372	n.a.	n.a.	n.a.
NO _x	g/kWh	0.1	0.0	0.3	0.4	n.a.	n.a.	n.a.
SO ₂	g/kWh	0.2	0.0	0.1	1.0	n.a.	n.a.	n.a.
Particulate matter	g/kWh	0.02	0.00	0.01	0.10	n.a.	n.a.	n.a.
SPECIFIC THERMAL EMISSIONS								
CO ₂ ³⁷	g/kWh	673	384	627	1 175	n.a.	n.a.	n.a.
NO _x	g/kWh	0.6	0.1	0.5	1.4	n.a.	n.a.	n.a.
SO ₂	g/kWh	0.8	0.0	0.2	3.1	n.a.	n.a.	n.a.
Particulate matter	g/kWh	0.09	0.00	0.02	0.32	n.a.	n.a.	n.a.
TOTAL WATER WITHDRAWAL BY SOURCE								
Ocean ⁸	10 ³ x m ³	335 269	0	335 269	n.a.	n.a.	n.a.	n.a.
Surface	10 ³ x m ³	12 936	8 684	4 244	7	n.a.	n.a.	n.a.
Fresh water	10 ³ x m ³	4 252	n.a.	4 244	7	n.a.	n.a.	n.a.
Other water	10 ³ x m ³	8 684	8 684	n.a.	n.a.	n.a.	n.a.	0
Water hole ⁹	10 ³ x m ³	142	142	0	0	n.a.	n.a.	n.a.
Well ⁹	10 ³ x m ³	3	0	0	0	2	1	0
Municipal water supplies ⁹	10 ³ x m ³	9 794	107	605	9 080	1	0	0
Other private entity ⁹	10 ³ x m ³	337	115	222	0	0	0	0

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
MAIN USE OF WATER								
Cooling water	10 ³ x m ³	355 935	8 696	339 100	8 138	n.a.	n.a.	n.a.
Row water	10 ³ x m ³	2 212	225	1 082	904	n.a.	n.a.	n.a.
Potable water	10 ³ x m ³	156	77	25	46	7	0	0
WASTEWATER								
Wastewater from generation with treatment	10 ³ x m ³	972	110	765	97	n.a.	n.a.	n.a.
Discharge into estuarine water and sea ⁸	10 ³ x m ³	342 282	5 558	335 660	1 065	n.a.	n.a.	n.a.
Discharge into inland water ⁹	10 ³ x m ³	1 554	2	1 552	n.a.	n.a.	n.a.	n.a.
WASTE MATERIALS								
	t	216 164	13 711	65 756	135 180	1 311	207	0
Waste								
Hazard waste	t	6 728	2 292	1 456	2 257	637	85	0,0
Non-hazard waste	t	167 042	8 077	25 246	132 923	674	121	0,0
Recovered waste	t	136 025	7 867	17 324	109 775	886	173	0
Hazardous waste	t	4 334	1 308	702	1 669	576	79	0
Recycled waste	t	2 099	0	72	1 612	409	7	0
On site	t	0	0	0	0	0	0	0
Off site	t	2 508	0	72	1 612	409	7	0
Other	t	2 235	1 308	631	57	168	72	0
On site	t	17	0	17	0	0	0	0
Off site	t	2 218	1 308	614	57	168	72	0
Non-hazardous	t	131 690	6 559	16 622	108 106	309	94	0
Recycled waste	t	34 147	3 170	15 114	15 563	281	20	0
On site	t	0	0	0	0	0	0	0
Off site	t	34 147	3 170	15 114	15 563	281	20	0
Other	t	97 543	3 389	1 508	92 543	29	74	0
On site	t	10	0	0	10	0	0	0
Off site	t	97 533	3 389	1 508	92 533	29	74	0
Non-recovered waste	t	37 744	2 502	9 378	25 405	426	34	0
Hazardous waste	t	2 393	983	754	588	61	7	0
Landfilling	t	562	120	367	14	61	0	0
On site	t	0	0	0	0	0	0	0
Off site	t	562	120	367	14	61	0	0
Other disposal operations	t	1 831	863	387	574	0	7	0
On site	t	0	0	0	0	0	0	0
Off site	t	1 831	863	387	574	0	7	0
Non-hazardous	t	35 351	1 518	8 624	24 817	365	27	0
Landfilling	t	33 682	0	8 489	24 812	365	16	0
On site	t	28 843	0	4 581	24 262	0	0	0

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Off site	t	4 839	0	3 908	550	365	16	0
Other disposal operations	t	1 669	1 518	136	4	0	11	0
On site	t	0	0	0	0	0	0	0
Off site	t	1 669	1 518	136	4	0	11	0
By-products	t	42 395	3 342	39 053	n.a.	n.a.	n.a.	n.a.
Gypsum	t	39 053	0	39 053	n.a.	n.a.	n.a.	n.a.
Fly ash	t	3 071	3 071	n.a.	n.a.	n.a.	n.a.	n.a.
Slag	t	271	271	n.a.	n.a.	n.a.	n.a.	n.a.
Recovered waste materials	%	83	82	86	81	68	84	n.a.
DISTRIBUTION IN PROTECTED AREAS								
High voltage distribution grid in protected areas	km	1 493	915	209	369	n.a.	n.a.	n.a.
Overhead	km	1 477	899	209	369	n.a.	n.a.	n.a.
Underground	km	16	16	0	0	n.a.	n.a.	n.a.
Medium voltage distribution grid in protected areas	km	16 858	9 196	1 776	5 886	n.a.	n.a.	n.a.
Overhead	km	15 717	8 208	1 632	5 877	n.a.	n.a.	n.a.
Underground	km	1 141	989	144	9	n.a.	n.a.	n.a.
Substations in protected areas	#	70	29	28	13	n.a.	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.	n.a.
Overhead	km	127	n.a.	n.a.	127	n.a.	n.a.	n.a.
Underground	km	0	n.a.	n.a.	0	n.a.	n.a.	n.a.
Substations in protected areas	#	0	n.a.	n.a.	0	n.a.	n.a.	n.a.
FLOODED AREAS BY RESERVOIRS	ha	2 919	2 585	329	5	n.a.	n.a.	n.a.
ENVIRONMENTAL COMPLAINTS	#	261	42	34	113	27	45	0

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.

2020	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
ENVIRONMENTAL CERTIFICATION								
ISO 14001 Certification ¹	%	94	98	96	96	89	93	0
TOTAL ENERGY CONSUMPTION								
	TJ	156 251	75 574	57 375	21 473	1 512	317	0
PRIMARY ENERGY CONSUMPTION								
	TJ	130 663	58 507	55 333	16 797	22	4	0
Coal	TJ	55 515	18 768	20 112	16 634	n.a.	n.a.	n.a.
Fuel oil	TJ	220	205	15	n.a.	n.a.	n.a.	n.a.
Natural gas	TJ	67 447	39 322	28 119	2	4	0	0
Blast furnace gas	TJ	6 296	n.a.	6 296	n.a.	n.a.	n.a.	n.a.
Coke gas	TJ	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
Diesel oil	TJ	127	5	30	92	n.a.	n.a.	n.a.
Iron and steel industry gas	TJ	750	n.a.	750	n.a.	n.a.	n.a.	n.a.
Fuel for fleet	TJ	309	207	10	69	18	4	0
ENERGY INTENSITY²								
	MJ/EUR	11.4	10.6	21.1	7.0	0.3	0.2	0.0
THERMAL POWER PLANT EFFICIENCY (capacity based)								
	%	45.5	47.6	45.6	35.0	n.a.	n.a.	0.0
ELECTRICITY CONSUMPTION								
Generation self-consumption	MWh	3 083 416	2 474 165	344 036	211 494	39 555	14 165	0
Administrative service	MWh	27 907	21 385	1 665	4 493	328	37	0
Grid losses	%	9.3	9.8	3.8	10.5	n.a.	n.a.	0.0
GHG EMISSION								
Direct emissions (scope 1)								
Stationary combustion ³	ktCO _{2eq}	9 311	3 984	3 499	1 827	2	0	0
SF ₆ Emissions	ktCO _{2eq}	17	4.83	6.99	5.10	0.00	0.08	0.00
Company fleet	ktCO _{2eq}	20	13	1	4	1	0	0
Natural gas consumption	ktCO _{2eq}	0.28	0.01	0.00	0.07	0.19	0.01	0.00
Indirect emissions (scope 2)⁴								
Electricity consumption in office buildings	ktCO _{2eq}	0.9	0.0	0.0	0.0	0.9	0.0	0.0
Electricity losses	ktCO _{2eq}	568	419	0	150	0	0	0
Renewable plants self-consumption	ktCO _{2eq}	25.1	0	0	0	19.6	5.5	0
Other indirect emissions (scope 3)								
Purchased goods and services (C01)	ktCO _{2eq}	18	6	6	6	0	0	0
Capital Goods (C02)	ktCO _{2eq}	335	36	63	13	183	40	0
Fuel and energy related activities (C03)	ktCO _{2eq}	6 807	2 150	1 793	2 864	0	0	0
Upstream transportation and distribution (C04)	ktCO _{2eq}	933	212	25	696	0	0	0
Business Travels (C06)	ktCO _{2eq}	2	0	0	0	1	0	0
Use of sold products (C11)	ktCO _{2eq}	3 478	875	2 603	0	0	0	0

2020	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
GHG EMISSIONS INTENSITY⁵	kgCO ₂ /EUR	0.8	0.7	1.3	0.8	0.0	0.0	0.0
CO2 AVOIDED EMISSIONS⁶	ktCO ₂	25 167	6 098	2 060	1 844	12 693	2 473	0
TOTAL EMISSIONS								
CO ₂ ^{3,7}	kt	9 224	3 965	3 441	1 817	n.a.	n.a.	0
NO _x	kt	6.2	1.7	3.0	1.5	n.a.	n.a.	0.0
SO ₂	kt	8.2	0.8	1.5	6.0	n.a.	n.a.	0.0
Particulate matter	kt	1	0.03	0.08	0.81	n.a.	n.a.	0.00
Mercury	kg	16	3	13	0	n.a.	n.a.	0
SF ₆	kg	724	206	298	217	0	3	0
SPECIFIC OVERALL EMISSIONS								
CO ₂ ^{3,7}	g/kWh	146	174	296	221	n.a.	n.a.	0
NO _x	g/kWh	0.1	0.1	0.2	0.2	n.a.	n.a.	0.0
SO ₂	g/kWh	0.1	0.0	0.1	0.7	n.a.	n.a.	0.0
Particulate matter	g/kWh	0.01	0.00	0.01	0.10	n.a.	n.a.	0.00
SPECIFIC THERMAL EMISSIONS								
CO ₂ ^{3,7}	g/kWh	567	520	523	1 146	n.a.	n.a.	0
NO _x	g/kWh	0.4	0.2	0.4	0.9	n.a.	n.a.	0.0
SO ₂	g/kWh	0.5	0.1	0.2	3.8	n.a.	n.a.	0.0
Particulate matter	g/kWh	0.06	0.00	0.01	0.51	n.a.	n.a.	0.00
TOTAL WATER WITHDRAWAL BY SOURCE								
Ocean ⁸	10 ³ x m ³	580 133	301 897	278 236	n.a.	n.a.	n.a.	0
Surface	10 ³ x m ³	16 152	10 833	5 313	6	n.a.	n.a.	n.a.
Fresh water	10 ³ x m ³	5 319	n.a.	5 313	6	n.a.	n.a.	0
Other water	10 ³ x m ³	10 833	10 833	n.a.	n.a.	n.a.	n.a.	0
Water hole ⁹	10 ³ x m ³	161	161	0	0	n.a.	n.a.	0
Well ⁹	10 ³ x m ³	3	0	0	0	2	1	0
Municipal water supplies ⁹	10 ³ x m ³	5 577	794	474	4 307	2	0	0
Other private entity ⁹	10 ³ x m ³	884	259	624	0	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.	0
Row water	10 ³ x m ³	2 954	1 128	1 401	426	n.a.	n.a.	0
Potable water	10 ³ x m ³	152	77	16	55	4	0	0
WASTEWATER								
Wastewater from generation with treatment	10 ³ x m ³	1 368	371	955	42	n.a.	n.a.	0
Discharge into estuarine water and sea ⁸	10 ³ x m ³	587 484	308 426	278 640	418	n.a.	n.a.	0
Discharge into inland water ⁹	10 ³ x m ³	1 891	3	1 887	n.a.	n.a.	n.a.	0

2020	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
WASTE MATERIALS	t	309 451	132 191	91 501	84 955	755	49	n.a.
Waste								
Hazard waste	t	5 810	2 756	1 472	1 272	273	36	n.a.
Non-hazard waste	t	168 784	14 754	69 852	83 683	482	13	n.a.
Recovered waste	t	150 405	15 748	68 295	65 804	519	39	n.a.
Hazardous waste	t	3 564	1 106	917	1 265	247	29	n.a.
Recycled waste	t	1 443	2	597	843	0	0	n.a.
On site	t	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Off site	t	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other	t	2 122	1 104	320	421	247	29	n.a.
On site	t	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Off site	t	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Non-hazardous	t	146 841	14 645	67 374	64 540	272	10	n.a.
Recycled waste	t	113 965	13 946	66 877	33 141	n.a.	1	n.a.
On site	t	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Off site	t	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other	t	32 876	699	501	31 668	n.a.	9	n.a.
On site	t	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Off site	t	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Non-recovered waste	t	24 188	1 762	3 028	19 150	236	11	n.a.
Hazardous waste	t	2 245	1 650	554	7	26	7	n.a.
Landfilling	t	398	3	389	5	0	0	n.a.
On site	t	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Off site	t	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other disposal operations	t	1 848	1 647	165	0	28	7	n.a.
On site	t	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Off site	t	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Non-hazardous	t	21 943	112	2 474	19 143	210	4	n.a.
Landfilling	t	21 231	0	1 765	19 465	n.a.	0	n.a.
On site	t	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Off site	t	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other disposal operations	t	711	109	600	0	n.a.	3	n.a.
On site	t	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Off site	t	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
By-products	t	134 858	114 681	20 177	n.a.	n.a.	n.a.	n.a.
Gypsum	t	45 049	24 872	20 177	n.a.	n.a.	n.a.	0
Fly ash	t	86 929	86 929	n.a.	n.a.	n.a.	n.a.	0
Slag	t	2 880	2 880	n.a.	n.a.	n.a.	n.a.	0
Recovered waste materials	%	92	99	97	77	69	79	0

2020	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
DISTRIBUTION IN PROTECTED AREAS								
High voltage distribution grid in protected areas	km	1 423	912	119	392	n.a.	n.a.	n.a.
Overhead	km	1 407	896	119	392	n.a.	n.a.	0
Underground	km	16	16	0	0	n.a.	n.a.	0
Medium voltage distribution grid in protected areas	km	15 733	9 204	875	5 654	n.a.	n.a.	n.a.
Overhead	km	14 687	8 215	824	5 648	n.a.	n.a.	0
Underground	km	1 046	989	51	6	n.a.	n.a.	0
Substations in protected areas	#	49	19	17	13	n.a.	n.a.	0
TRANSMISSION IN PROTECTED AREAS								
High voltage transmission grid in protected areas	km	127	n.a.	n.a.	127	n.a.	n.a.	0
Overhead	km	127	n.a.	n.a.	n.a.	127	n.a.	n.a.
Underground	km	0	n.a.	n.a.	n.a.	0	n.a.	n.a.
Substations in protected areas	#	761	n.a.	n.a.	761	0	n.a.	n.a.
FLOODED AREAS BY RESERVOIRS								
	ha	5 999	5 666	329	3	n.a.	n.a.	0
ENVIRONMENTAL COMPLAINTS								
	#	323	72	0	144	103	4	0

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

4.3.2.2. Social indicators

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
EMPLOYMENT								
Employees	#	12 224	5 716	2 021	3 226	909	352	12
Executive Board of Directors	#	5	5	0	0	0	0	0
Senior Management	#	962	519	208	89	117	29	0
Supervisors	#	865	332	285	127	85	36	0
Specialists	#	5 264	2 414	961	1 144	463	282	12
Technicians	#	5 128	2 446	567	1 866	244	5	0
Male employees	%	73	73	72	76	71	62	75
Female employees	%	27	27	28	24	29	38	25
Females in management position	%	26	29	27	20	24	22	0
Senior management hired from the local community	%	92	100	76	89	64	67	0
Employees by types of contract	#	12 236	5 716	2 021	3 226	909	352	12
Executive bodies	#	58	33	0	25	0	0	0
Male	#	42	22	0	20	0	0	0
Female	#	16	11	0	5	0	0	0
Permanent workforce	#	12 126	5 650	2 010	3 201	909	344	12
Male	#	8 898	4 153	1 454	2 423	646	213	9
Female	#	3 228	1 497	556	778	263	131	3
Fixed-term contracts	#	52	33	11	0	0	8	0
Male	#	34	20	10	0	0	4	0
Female	#	18	13	1	0	0	4	0
Employees by occupational contract	#	12 236	5 716	2 021	3 226	909	352	12
Full-Time	#	12 189	5 710	1 990	3 226	909	342	12
Male	#	8 967	4 193	1 460	2 443	646	216	9
Female	#	3 222	1 517	530	783	263	126	3
Part-time	#	47	6	31	0	0	10	0
Male	#	7	2	4	0	0	1	0
Female	#	40	4	27	0	0	9	0
Employees with special needs	#	179	71	17	67	21	3	0
Male	#	98	40	10	34	12	2	0
Female	#	81	31	7	33	9	1	0
Foreign employees	#	263	70	104	22	42	24	1
New employees¹	#	1 599	471	229	434	316	137	12
Direct admissions to permanent workforce	#	1 497	405	215	418	316	131	12
Admissions with fixed-term contracts	#	60	44	11	0	0	5	0
Other admissions	#	42	22	3	16	0	1	0

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Male	#	1 047	306	153	291	213	75	9
Female	#	552	165	76	143	103	62	3
<30 years	#	749	302	86	186	123	51	1
[30-50 years[	#	777	157	129	236	168	76	11
≥50 years	#	73	12	14	12	25	10	0
F/M new admissions rate	x	0.53	0.54	0.50	0.49	0.48	0.83	0.33
Employees leaving	#	1 543	570	300	455	183	35	0
Male	#	1 180	430	256	333	136	25	0
Female	#	363	140	44	122	47	10	0
<30 years	#	261	90	20	89	54	8	0
[30-50 years[	#	566	80	56	293	113	24	0
≥50 years	#	716	400	224	73	16	3	0
Turnover	%	12.61	9.97	14.84	14.10	20.13	9.94	0.00
Male	%	13.15	10.25	17.49	13.63	21.05	11.52	0.00
Female	%	11.13	9.20	7.90	15.58	17.87	7.41	0.00
<30 years	%	12.72	9.35	11.90	14.64	23.08	10.26	0.00
[30-50 years[	%	7.85	2.75	4.61	12.92	20.29	9.60	0.00
≥50 years	%	24.10	21.73	35.16	20.80	13.56	12.50	0.00
Average age of workforce	years	42	43	45	38	37	37	36
Average age of new admissions	years	33	30	35	33	34	35	36
Average age of leaving	years	47	53	55	39	36	37	0
Average seniority of employees	years	13	17	14	9	4	3	1
Average seniority of leaving	years	19	27	28	8	4	3	0
Absenteeism rate	%	2.66	3.02	2.95	2.00	2.50	n.a.	n.a.
Employees entitled to parental leave	#	504	218	60	165	48	13	0
Male	#	350	152	36	115	37	10	0
Female	#	154	66	24	50	11	3	0
Employees that took parental leave²	#	320	149	60	50	48	13	0
Male ²	#	167	84	36	n.a.	37	10	0
Female	#	153	65	24	50	11	3	0
Retention rate of employees who took parental leave	%	94	100	100	82	100	100	0
Male ²	%	100	100	100	n.a.	100	100	0
Female	%	94	100	100	82	100	100	0
Annualized average base salary								
Male	€	3 133	3 154	4 513	1 139	7 025	4 202	5 191
Female	€	3 316	3 527	3 963	1 232	6 905	3 359	3 893
Pay ratio by gender (F/M)	x	1.06	1.12	0.88	1.08	0.98	0.80	0.75

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
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	5.55	20.05	5.09	3.66	2.23
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)	%	1.00	0.00	-8.34	0.00	-15.62	-41.81	0.00
TRAINING								
Total hours of training	hours	337 051	148 582	67 050	91 993	20 508	8 819	99
Sustainability								
Environment	hours	3 513	1 160	1 457	448	75	372	1
Social and Economic	hours	414	363	31	0	0	20	0
Ethics	hours	6 892	2 749	1 402	1 699	871	162	8
Quality	hours	3 049	1 021	683	645	504	193	3
Languages	hours	15 937	3 220	10 358	1 486	0	874	0
Information systems	hours	37 687	22 078	10 296	3 273	941	1 078	20
Other	hours	269 560	117 990	42 824	84 442	18 117	6 120	67
Average total training	h/p	28	26	33	29	23	25	8
Executive Board of Directors								
Male	h/p	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
Female	h/p	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
Senior Management								
Male	h/p	23	20	39	14	9	34	0
Female	h/p	24	22	41	14	10	36	0
Supervisors								
Male	h/p	55	89	38	41	18	25	0
Female	h/p	53	84	37	41	20	23	0
Specialists								
Male	h/p	7	104	40	42	10	30	0
Female	h/p	23	25	33	15	11	24	8
Technicians								
Male	h/p	25	26	35	18	13	29	10
Female	h/p	20	24	30	12	7	17	4
Employees with training								
Male	h/p	28	19	28	37	53	16	0
Female	h/p	30	20	29	40	63	0	0
Female	h/p	17	17	24	13	20	16	0
Employees with training	%	100	97	100	100	100	85	100
LABOUR RELATIONS								
Collective employment agreements	%	83	99	56	98	1	46	0
Trade union membership	%	30	34	21	42	0	0	0
Union Structures	#	29	15	5	8	0	1	0
Hours lost due to strikes	hours	734	734	0	0	0	0	0
Staff engaged in further study	#	70	70	0	0	0	0	0

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Professional internships	#	382	253	0	129	0	0	0
Academic internships	#	171	59	112	0	0	0	0
HEALTH AND SAFETY (H&S)								
Certification (installed capacity)	MW	26 041	9 603	4 716	2 755	7 564	1 403	0
Certification (installed capacity)	%	100	100	100	100	100	100	0
Employees								
Covered by certification	#	10 441	5 921	1 644	1 738	874	257	7
Covered by certification	%	82	100	80	29	100	98	100
Work-related injuries³								
Recordable work-related injuries ⁴	#	32	18	4	2	6	2	0
High-consequence work-related injuries ⁵	#	2	2	0	0	0	0	0
Fatal work-related injuries	#	0	0	0	0	0	0	0
Work-related ill health								
Recordable ill health	#	1	1	0	0	0	0	0
Fatalities as a result of ill health	#	0	0	0	0	0	0	0
Accidents with lost workdays⁶								
Male	#	20	12	3	0	3	2	0
Female	#	1	1	0	0	0	0	0
Total lost days due to accidents ⁷	#	1 567	1 095	110	0	356	6	0
Hours worked	hours	22 832 738	9 995 959	3 545 053	7 073 065	1 732 120	477 317	9 224
Rates								
Frequency rate⁸								
Male	Tf	0.92	1.30	0.85	0.00	1.73	4.19	0.00
Female	Tf	0.18	0.37	0.00	0.00	0.00	0.00	0.00
Severity rate⁹								
Male	Tg	69	110	31	0	206	13	0
Female	Tg	3	5	0	0	0	0	0
Overall severity rate¹⁰								
Male	Tgt	73	121	31	0	206	13	0
Female	Tgt	3	5	0	0	0	0	0
Work-related injuries³								
Recordable frequency rate	Tfr	1.40	1.80	1.13	0.28	3.46	4.19	0.00
High-consequence frequency rate (excluding fatalities)	Tfg	0.09	0.20	0.00	0.00	0.00	0.00	0.00
Fatal frequency rate	Tff	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contractors								
Covered by certification	#	27 529	7 504	2 002	5 966	2 065	887	50
Covered by certification	%	82	100	80	29	100	100	100

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Work-related injuries³								
Recordable work-related injuries	#	187	49	32	86	14	6	0
High-consequence work-related injuries (excluding fatalities)	#	9	6	0	2	0	1	0
Fatal work-related injuries	#	7	1	1	5	0	0	0
Work-related ill health								
Recordable ill health	#	0	0	0	0	0	0	0
Fatalities as a result of ill health	#	0	0	0	0	0	0	0
Accidents with lost workdays ⁶	#	132	45	18	57	6	6	0
Hours worked	hours	66 388 297	14 830 005	4 945 024	40 648 122	4 128 270	1 787 334	49 542
Rates								
Frequency rate ⁸	Tf	2.09	3.10	3.84	1.53	1.45	3.36	0.00
Severity rate ⁹	Tg	109	225	221	41	147	316	0
Overall severity rate ¹⁰	Tgt	753	680	1 435	779	143	316	0
Work-related injuries⁴								
Recordable Frequency Rate	Tfr	2.82	3.30	6.47	2.12	3.39	3.36	0.00
High-Consequence Frequency Rate	Tfg	0.14	0.40	0.00	0.05	0.00	0.56	0.00
Fatal Frequency Rate	Tff	0.11	0.07	0.20	0.12	0.00	0.00	0.00
EDP employees and contractors								
Rates								
Frequency rate ⁸	Tf	1.79	2.38	2.59	1.30	1.54	3.53	0.00
Severity rate ⁹	Tg	99	178	142	35	164	252	0
Overall severity rate ¹⁰	Tgt	579	455	849	663	165	252	0
Near accidents	#	565	105	88	183	169	19	1
People outside the activity								
Electrical accidents involving third parties ¹¹	#	39	19	0	20	0	0	0
Fatal electrical accidents involving third parties ¹²	#	18	6	0	12	0	0	0
Representatives elected in H&S Commissions								
EDP employees represented ¹³	%	81	86	41	61	51	75	22
Employees representative	#	310	70	11	147	71	11	1
H&S TRAINNING								
Employees								
Awareness actions	#	1 501	186	484	154	594	81	2
Employees	#	33 622	11 493	4 399	5 243	12 136	341	10
Training hours	hours	92 357	9 534	15 126	55 201	10 581	1 905	9

2021	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Contractors								
Awareness actions	#	5 845	4 510	58	1 132	0	144	1
Employees	#	24 684	9 283	1 871	12 965	0	558	7
Training hours	hours	58 870	2 218	116	56 334	0	146	56

¹Net values of the employees transfer from fixed-term contracts to permanent workforce. ² These values do not include information about male employees that took parental leave at South America. ³ 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. ⁴ 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. ⁵ 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. ⁶ Accidents occurred at the place and working time or on a journey, with 1 or more days of absence and fatal accidents. ⁷ 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. ⁸ Number of accidents at work in service with absence/fatalities, per million hours worked. ⁹ Number of calendar days lost due to work accident per million hours worked, in the reference period. ¹⁰ 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. ¹¹ Accidents involving persons outside EDP's activity, including fatal accidents. ¹² Accidents involving persons outside EDP's activity. It should be noted that in 2021, there were 14 fatal accidents, two of which had two victims. ¹³ Numbers of EDP employees represented by the total number of EDP employees.

2020	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
EMPLOYMENT								
DATA INCLUDING VIESGO¹								
Employees	#	12 180	5 826	2 083	3 248	772	251	n.a.
Male employees	%	75	74	75	77	73	68	n.a.
Female employees	%	25	26	25	23	27	32	n.a.
DATA EXCLUDING VIESGO								
Employees	#	11 610	5 815	1 524	3 248	772	251	0
Executive Board of Directors	#	9	9	0	0	0	0	0
Senior Management	#	861	477	168	88	96	32	0
Supervisors	#	777	341	213	125	75	23	0
Specialists	#	4 717	2 326	717	1 104	379	191	0
Technicians	#	5 246	2 662	426	1 931	222	5	0
Male employees	%	74	74	72	77	73	68	0
Female employees	%	26	26	28	23	27	32	100
Females in management position	%	25	27	24	15	23	24	0
Senior management hired from the local community	%	89	99	77	86	60	20	0
Employees by types of contract	#	11 610	5 815	1 524	3 248	772	251	0
Executive bodies	#	59	33	0	26	0	0	0
Male	#	53	29	0	24	0	0	0
Female	#	6	4	0	2	0	0	0
Permanent workforce	#	11 500	5 741	1 521	3 222	772	244	0
Male	#	8 556	4 262	1 101	2 463	563	167	0
Female	#	2 944	1 479	420	759	209	77	0
Fixed-term contracts	#	51	41	3	0	0	7	0
Male	#	33	26	3	0	0	4	0
Female	#	18	15	0	0	0	3	0
Employees by occupational contract	#	11 610	5 815	1 524	3 248	772	251	0
Full-Time	#	11 568	5 811	1 491	3 248	772	246	0
Male	#	8 638	4 317	1 101	2 487	563	170	0
Female	#	2 930	1 494	390	761	209	76	0
Part-time	#	42	4	33	0	0	5	0
Male	#	4	0	3	0	0	1	0
Female	#	38	4	30	0	0	4	0
Employees with special needs	#	139	69	17	53	0	0	0
Male	#	75	36	11	28	0	0	0
Female	#	64	33	6	25	0	0	0
Foreign employees	#	241	59	79	22	47	34	0
New employees ²	#	1 296	432	185	366	229	84	0
Direct admissions to permanent workforce	#	1 181	379	177	346	206	73	0

2020	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Admissions with fixed-term contracts	#	43	34	5	0	0	4	0
Other admissions	#	72	19	3	20	23	7	0
Male	#	885	273	115	265	174	58	0
Female	#	397	153	64	101	55	24	0
<30 years	#	598	268	75	136	99	20	0
[30-50 years]	#	633	152	99	216	109	57	0
≥50 years	#	51	6	5	14	21	5	0
F/M new admissions rate	x	0,45	0,56	0,56	0,38	0,32	0,41	0
Employees leaving	#	1 332	462	379	281	118	92	0
Male	#	976	374	229	215	92	66	0
Female	#	356	88	150	66	26	26	0
<30 years	#	191	41	50	41	39	20	0
[30-50 years]	#	574	70	215	154	66	69	0
≥50 years	#	567	351	114	86	13	3	0
Turnover	%	11.47	7.94	24.87	8.65	15.28	36.65	0.00
Male	%	11.29	8.66	20.74	8.64	16.34	38.60	0.00
Female	%	11.99	5.87	35.71	8.67	12.44	32.50	0.00
<30 years	%	9.86	4.40	38.17	6.51	20.00	40.82	0.00
[30-50 years]	%	8.76	2.54	24.10	6.84	13.89	37.50	0.00
≥50 years	%	18.19	16.49	22.75	23.37	12.75	16.67	0.00
Average age of workforce	years	42	44	45	38	38	38	0
Average age of new admissions	years	32	30	33	34	34	36	0
Average age of leaving	years	46	55	44	42	36	35	0
Average seniority of employees	years	14	18	15	9	4	5	0
Average seniority of leaving	years	18	30	14	12	3	0	0
Absenteeism rate	%	2.83	3.02	3.11	2.55	2.59	n.a.	0.00
Employees entitled to parental leave	#	462	223	54	124	48	13	0
Male	#	353	177	32	97	37	10	0
Female	#	109	46	22	27	11	3	0
Employees that took parental leave³	#	309	167	54	27	48	13	0
Male ³	#	200	121	32	n.a.	37	10	0
Female	#	109	46	22	27	11	3	0
Retention rate of employees who took parental leave	%	99	99	100	96	100	100	0
Male ³	%	99	99	100	n.a.	100	100	0
Female	%	99	100	100	96	100	100	0
Annualized average base salary								
Male	€	3 029	3 162	4 583	1 123	7 038	4 134	0
Female	€	3 185	3 481	3 930	1 174	6 817	3 394	0
Pay ratio by gender (F/M)	x	1.05	1.10	0.86	1.04	0.97	0.82	0.00

2020	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
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	0.00
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	0.00
TRAINING								
Total hours of training	hours	273 873	144 830	43 789	59 529	19 282	6 443	0
Sustainability								
Environment	hours	1 667	620	375	258	279	135	0
Social and Economic	hours	794	786	8	0	0	0	0
Ethics	hours	4 329	2 158	1 147	454	502	67	0
Quality	hours	2 308	1 913	223	35	54	85	0
Languages	hours	16 744	4 156	10 117	1 809	2	660	0
Information systems	hours	32 158	20 250	8 469	1 506	1 123	810	0
Other	hours	215 872	114 947	23 451	55 467	17 321	4 687	0
Average total training	h/p	24	25	29	18	25	26	0
Executive Board of Directors								
Male	h/p	5	5	n.a.	n.a.	n.a.	n.a.	0
Female	h/p	5	5	n.a.	n.a.	n.a.	n.a.	0
Senior Management								
Male	h/p	30	38	33	5	7	30	0
Female	h/p	26	34	29	6	7	32	0
Supervisors								
Male	h/p	34	39	38	24	21	27	0
Female	h/p	35	41	36	26	22	28	0
Specialists								
Male	h/p	34	34	46	15	21	24	0
Female	h/p	23	29	31	8	15	25	0
Technicians								
Male	h/p	24	29	31	11	16	27	0
Female	h/p	22	29	32	4	13	22	0
Employees with training								
Male	h/p	21	17	18	24	51	5	0
Female	h/p	22	17	14	26	60	0	0
Female	h/p	17	17	31	12	14	6	0
Employees with training	%	100	100	100	100	100	100	0
LABOUR RELATIONS								
Collective employment agreements	%	86	99	54	99	0	56	0
Trade union membership	%	34	39	15	45	0	0	0
Union Structures	#	27	16	3	7	0	1	0
Hours lost due to strikes	hours	7	0	7	0	0	0	0
Staff engaged in further study	#	75	75	0	0	0	0	0

2020	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Professional internships	#	213	213	0	0	0	0	0
Academic internships	#	360	62	193	97	1	7	0
HEALTH AND SAFETY (H&S)								
Certification (installed capacity)	MW	23 377	9 547	4 308	2 650	5 572	1 300	0
Certification (installed capacity)	%	95	100	92	96	89	93	0
Employees								
Covered by certification	#	9 973	5 996	1 766	1 575	426	210	0
Covered by certification	%	84	100	100	48	54	95	0
Work-related injuries⁴								
Recordable work-related injuries ⁵	#	23	15	3	1	4	0	0
High-consequence work-related injuries ⁶	#	3	2	0	1	0	0	0
Fatal work-related injuries	#	0	0	0	0	0	0	0
Work-related ill health								
Recordable ill health	#	0	0	0	0	0	0	0
Fatalities as a result of ill health	#	0	0	0	0	0	0	0
Accidents with lost workdays⁷								
Male	#	17	13	2	1	1	0	0
Female	#	0	0	0	0	0	0	0
Total lost days due to accidents ⁸	#	1 331	1 045	202	0	84	0	0
Hours worked	hours	22 078 157	10 181 275	3 079 539	6 966 657	1 494 544	356 142	0
Rates								
Frequency rate⁹								
Male	Tf	0.77	1.28	0.65	0.14	0.67	0.00	0.00
Female	Tf	1.02	1.72	0.93	0.19	0.67	0.00	0.00
Female	Tf	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Severity rate¹⁰								
Male	Tg	60	103	66	0	76	0	0
Male	Tg	80	138	94	0	56	0	0
Female	Tg	0	0	0	0	0	0	0
Overall severity rate¹¹								
Male	Tgt	337	113	66	861	56	0	0
Male	Tgt	445	152	94	1 140	56	0	0
Female	Tgt	0	0	0	0	0	0	0
Work-related injuries⁴								
Recordable frequency rate	Tfr	1.04	1.47	0.97	0.14	2.68	0.00	0.00
High-consequence frequency rate (excluding fatalities)	Tfg	0.14	0.20	0.00	0.14	0.00	0.00	0.00
Fatal frequency rate	Tff	0.00	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	0
Covered by certification	%	67	100	100	48	54	95	0

2020	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Work-related injuries⁴								
Recordable work-related injuries	#	161	46	28	67	18	2	0
High-consequence work-related injuries (excluding fatalities)	#	7	4	3	0	0	0	0
Fatal work-related injuries	#	3	1	0	2	0	0	0
Work-related ill health								
Recordable ill health	#	0	0	0	0	0	0	0
Fatalities as a result of ill health	#	0	0	0	0	0	0	0
Accidents with lost workdays ⁷	#	115	43	17	46	7	2	0
Hours worked	hours	55 601 278	14 948 629	5 463 813	29 196 102	5 164 448	828 285	0
Rates								
Frequency rate ⁹	Tf	2.12	2.94	3.11	1.64	1.36	2.41	0.00
Severity rate ¹⁰	Tg	100	230	178	26	58	133	0
Overall severity rate ¹¹	Tgt	425	635	178	437	58	133	0
Work-related injuries⁵								
Recordable Frequency Rate	Tfr	2.90	3.08	5.12	2.29	3.49	2.41	0.00
High-Consequence Frequency Rate	Tfg	0.13	0.27	0.55	0.00	0.00	0.00	0.00
Fatal Frequency Rate	Tff	0.05	0.07	0.00	0.07	0.00	0.00	0.00
EDP employees and contractors								
Rates								
Frequency rate ⁹	Tf	1.74	2.27	2.22	1.35	1.20	1.69	0.00
Severity rate ¹⁰	Tg	89	178	138	21	57	93	0
Overall severity rate ¹¹	Tgt	400	424	138	519	57	93	0
Near accidents	#	375	56	51	83	170	15	0
People outside the activity								
Electrical accidents involving third parties ¹²	#	37	12	0	25	0	0	0
Fatal electrical accidents involving third parties ¹³	#	14	3	0	11	0	0	0
Representatives elected in H&S Commissions								
EDP employees represented ¹⁴	%	86	86	53	100	62	79	0
Employees representative	#	292	73	9	140	59	11	0
H&S TRAINNING								
Employees								
Awareness actions	#	920	164	147	77	42	490	0
Employees	#	30 442	21 452	1 954	3 257	176	3 603	0
Training hours	hours	51 338	10 810	5 253	25 896	879	8 499	0

2020	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Contractors								
Awareness actions	#	21 031	1 066	0	19 914	0	51	0
Employees	#	13 476	3 097	0	10 364	0	15	0
Training hours	hours	740 992	812	0	740 173	0	7	0

¹Data including 570 employees of VIESGO companies acquired in December by the EDP Group. ²Net values of the employees transfer from fixed-term contracts to permanent workforce. ³These values do not include information about male employees that took parental leave at South America. ⁴Accidents 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. ⁵Includes 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. ⁶An 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. ⁷Accidents occurred at the place and working time or on a journey, with 1 or more days of absence and fatal accidents. ⁸Sum 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. ⁹Number of accidents at work in service with absence/fatalities, per million hours worked. ¹⁰Number of calendar days lost due to work accident per million hours worked, in the reference period. ¹¹Number 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. ¹²Accidents involving persons outside EDP's activity, including fatal accidents. ¹³Accidents involving persons outside EDP's activity. It should be noted that in 2021, there were 14 fatal accidents, two of which had two victims. ¹⁴Numbers of EDP employees represented by the total number of EDP employees.

4.3.2.3. Economic indicators

EDP GROUP	UN	2021	2020
Economic value generated	000€	16 479 886	13 755 853
Economic value distributed	000€	14 344 023	11 307 190
Economic value accumulated	000€	2 135 863	2 448 663
RDI	000€	102 794	110 936
Energy efficiency and supplementary energy services revenues ¹	000€	1 604 454	1 061 297
Energy efficiency services revenues	000€	261 415	244 573
Supplementary energy services revenues ²	000€	1 343 039	816 724
Support from public authorities ³	000€	63 211	42 767
Fines and penalties	000€	7 276	4 751
Environmental matters ⁴	000€	422 438	309 059
Investments	000€	88 223	66 990
Expenses	000€	334 215	242 069
Social matters			
Personnel costs	000€	574 541	554 910
Employee benefits	000€	91 918	112 403
Direct training investment	000€	3 704	3 250
Direct training investment per employee	€/p	303	280
HC ROI	€/p	5.92	6.46

¹ Energy Efficiency and Supplementary Energy Services: services provided under energy supply, installation 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. KPIs under article 8 of EU Taxonomy

The European Union taxonomy regulation published in the official journal of the European Union on June 22, 2020 sets out the criteria for an activity to be qualified as environmentally sustainable. It is the key instrument to achieve the path of carbon neutrality proposed by the European Commission and adopted in 2019 with the European green deal.

As part of this regulation, two delegated acts were published in 2021 in the official journal of the European Union:

- 1) On December 9, 2021, the EU Taxonomy Climate Delegated Act on climate, with application from January 1, 2022. Under this regulation, economic activity is environmentally sustainable where it: substantially to climate change mitigation and adaptation objectives; does not significantly harm any of the other EU environmental objectives and is carried out in compliance with minimum safeguards.
- 2) On December 10, 2021, the delegated act concerning Article 8, with application from January 1, 2022. Under this regulation, the companies covered by the Non-Financial Reporting Directive (which will be replaced by the Corporate Sustainability Reporting Directive) are required to publish the proportion of income, capital expenditure (CAPEX) or operating expenditure (OPEX) associated with economic activities that are environmentally sustainable.

- 3) More recently, on December 31, 2021 the European Commission draft was released that will amend the previously two delegated acts published in the official journal of the European Union by including gas and nuclear activities as eligible. This delegated act will only apply from January 1, 2023.

This year, EDP has again anticipated regulatory requirements by publicly disclosing its eligibility and the degree of alignment of its economic activities with climate objectives under the taxonomy currently in force.

In 2021, EDP disclosed information on eligibility and alignment with the Taxonomy for its income, operating expenses (OPEX) and capital expenditure (CAPEX),

In terms of determination:

- 1) the environmental financial indicators meet the evaluation criteria of the taxonomy of activities that contribute to climate change mitigation.
- 2) the accounting policies are described in the report and accounts 2021, point 2 of the notes to the consolidated and individual financial statements.

Technical evaluation criteria under EU Taxonomy

Activities excluded

- Coal thermoelectric power plants

Eligible activities

Low carbon activities

- Wind and solar-based electricity production activities.

Transitional activities

Activities that will contribute to reducing CO₂ emissions

- Hydro plants

Enabling activities

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
- Supplier electricity 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.

Eligible but not aligned activities

Some hydro plants in Portugal and Brazil were not included which represent about 3% 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.

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 [Environmental 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 [Caring for our planet chapter](#) in this report.

Minimum social safeguards

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 Labour 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 tables shows information regarding eligible and non-eligible economic activities according to the European taxonomy regulation into force, particularly the delegated acts regarding climate and article 8.

TURNOVER	CODE (2)	ABSOLUTE TURNOVER (3)	PROPORTION OF TURNOVER (4)	SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH						MINIMUM SAFEGUARDS (17)	TAXONOMY ALIGNED PROPORTION OF TURNOVER YEAR N (18)	TAXONOMY ALIGNED PROPORTION OF TURNOVER YEAR N-1 (19)	CATEGORY (ENABLING ACTIVITY) (20)	CATEGORY (TRANSITIONAL ACTIVITY) (21)	
				CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (9)	BIODIVERSITY AND ECOSYSTEMS (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER (13)	POLLUTION (14)	CIRCULAR ECONOMY (15)	BIODIVERSITY AND ECOSYSTEMS (16)						Y/N
ECONOMIC ACTIVITIES (1)		euros	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	F	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Solar+ Wind	D35.11	1,648,984,640	11%	100%	0%	0%	0%	0%	0%	Y	Y	Y		Y	Y	Y	11%	13%			
Hydro	D35.11	1,064,755,190	7%	100%	0%	0%	0%	0%	0%	Y	Y	Y		Y	Y	Y	7%	6%		T	
Transmission + Distribution	D35.12	3,750,849,440	25%	100%	0%	0%	0%	0%	0%	Y	Y		Y	Y	Y	Y	25%	21%	E		
Electricity Supplier ¹	D35.14	2,969,366,862	20%	100%	0%	0%	0%	0%	0%						Y	Y	20%	18%	E		
Turnover of environmentally sustainable activities (Taxonomy-aligned activities) (A.1.)		9,433,956,132	63%	63%	0%	0%	0%	0%	0%								63%	58%	45%	7%	
A.2. Taxonomy-Eligible but not Environmentally sustainable activities (not Taxonomy-aligned activities)																					
Solar+ Wind	D35.11	18,619,755	0%	100%	0%	0%	0%	0%	0%	Y	Y	Y		Y	Y	Y					
Hydro	D35.11	112,955,314	1%	100%	0%	0%	0%	0%	0%	Y	Y	Y		Y	Y	Y	0%			T	
Transmission + Distribution (enabling activity)	D35.12	196,309,941	1%	100%	0%	0%	0%	0%	0%	Y	Y		Y	Y	Y	Y	0%		E		
Electricity Supplier ¹	D35.14	1,957,979,473	13%	100%	0%	0%	0%	0%	0%						Y	Y	0%		E		
Turnover of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		2,285,864,482	15%																		
Total (A.1 + A.2)		11.719.820.614	78%	63%	0%	0%	0%	0%	0%								63%	58%	45%	7%	

TURNOVER	CODE (2)	ABSOLUTE TURNOVER (3)	PROPORTION OF TURNOVER (4)	SUBSTANTIAL CONTRIBUTION CRITERIA																
				CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (9)	BIODIVERSITY AND ECOSYSTEMS (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER (13)	POLLUTION (14)	CIRCULAR ECONOMY (15)	BIODIVERSITY AND ECOSYSTEMS (16)	MINIMUM SAFEGUARDS (17)	TAXONOMY ALIGNED PROPORTION OF TURNOVER YEAR N (18)	TAXONOMY ALIGNED PROPORTION OF TURNOVER YEAR N-1 (19)	CATEGORY (ENABLING ACTIVITY) (20)	CATEGORY (TRANSITIONAL ACTIVITY) (21)
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Coal	D35.11	1,025,851,086	7%																	
Natural Gas Power Generation ²	D35.11	776,788,466	5%																	
Gas supplier	D35.11	1,086,767,279	7%																	
Others	no code	373,682,022	2%																	
Turnover of Taxonomy-non-eligible activities		3,263,088,853	22%																	
Total (A + B)		14,982,909,467	100%																	

¹ EDP considers the supply activity is an activity without significant impact on environment. ² The data was calculated under EU Taxonomy Climate Delegated Act EU 2021/2039 and did not consider the information of the Complementary Delegated Act which will be transmitted to the European Parliament and the Council for their scrutiny (4+2 months) and consequently has not been published in the EU Journal Official yet regarding the eligibility of gas and nuclear activities.

CAPEX		CODE (2)	ABSOLUTE TURNOVER (3)	PROPORTION OF TURNOVER (4)	SUBSTANTIAL CONTRIBUTION CRITERIA					DNSH					MINIMUM SAFEGUARDS (17)	TAXONOMY ALIGNED PROPORTION OF TURNOVER YEAR N (18)	TAXONOMY ALIGNED PROPORTION OF TURNOVER YEAR N-1 (19)	CATEGORY (ENABLING ACTIVITY) (20)	CATEGORY (TRANSITIONAL ACTIVITY) (21)		
					CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (9)	BIODIVERSITY AND ECOSYSTEMS (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER (13)	POLLUTION (14)						CIRCULAR ECONOMY (15)	BIODIVERSITY AND ECOSYSTEMS (16)
ECONOMIC ACTIVITIES (1)	euros	%	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Solar+ Wind	D35.11	2,472,842,922	71%	100%	0%	0%	0%	0%	0%	Y	Y	Y		Y	Y	Y	71%	72%			
Hydro	D35.11	34,528,540	1%	100%	0%	0%	0%	0%	0%	Y	Y	Y		Y	Y	Y	1%	1%		T	
Transmission + Distribution	D35.12	749,314,337	22%	100%	0%	0%	0%	0%	0%	Y	Y		Y	Y	Y	Y	22%	21%	E		
Electricity Supplier ¹	D35.14	0	0%	100%	0%	0%	0%	0%	0%						Y		0%	0%	E		
Turnover of environmentally sustainable activities (Taxonomy-aligned activities) (A.1.)		3,256,685,799	94%	94%	0%	0%	0%	0%	0%								94%	95%	22%	1%	
A.2. Taxonomy-Eligible but not Environmentally sustainable activities (not Taxonomy-aligned activities)																					
Solar+ Wind	D35.11	17,511,832	1%	100%	0%	0%	0%	0%	0%	Y	Y	Y			Y	Y					
Hydro	D35.11	3,322,787	0%	100%	0%	0%	0%	0%	0%	Y	Y	Y			Y	Y	0%			T	
Transmission + Distribution (enabling activity)	D35.12	0	0%	100%	0%	0%	0%	0%	0%	Y	Y		Y	Y	Y	Y	0%		E		
Electricity Supplier ¹	D35.14	79,695,090	2%	100%	0%	0%	0%	0%	0%						Y		0%		E		
Turnover of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		100,529,709	3%																		
Total (A.1 + A.2)		3,357,215,507	97%	94%	0%	0%	0%	0%	0%								94%	95%	22%	1%	

CAPEX			SUBSTANTIAL CONTRIBUTION CRITERIA																	
CODE (2)	ABSOLUTE TURNOVER (3)	PROPORTION OF TURNOVER (4)	CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (9)	BIODIVERSITY AND ECOSYSTEMS (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER (13)	POLLUTION (14)	CIRCULAR ECONOMY (15)	BIODIVERSITY AND ECOSYSTEMS (16)	MINIMUM SAFEGUARDS (17)	TAXONOMY ALIGNED PROPORTION OF TURNOVER YEAR N (18)	TAXONOMY ALIGNED PROPORTION OF TURNOVER YEAR N-1 (19)	CATEGORY (ENABLING ACTIVITY) (20)	CATEGORY (TRANSITIONAL ACTIVITY) (21)	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Coal	D35.11	9,393,024																		
Natural Gas Power Generation ²	D35.11	2,393,283																		
Others	no code	92,151,041																		
Turnover of Taxonomy-non-eligible activities		103,937,349	3%																	
Total (A + B)		3,461,152,856	100%																	

¹ EDP considers the supply activity is an activity without significant impact on environment. ² The data was calculated under EU Taxonomy Climate Delegated Act EU 2021/2039 and did not consider the information of the Complementary Delegated Act which will be transmitted to the European Parliament and the Council for their scrutiny (4+2 months) and consequently has not been published in the EU Journal Official yet regarding the eligibility of gas and nuclear activities.

OPEX		CODE (2)	ABSOLUTE TURNOVER (3)	PROPORTION OF TURNOVER (4)	SUBSTANTIAL CONTRIBUTION CRITERIA					DNSH					MINIMUM SAFEGUARDS (17)	TAXONOMY ALIGNED PROPORTION OF TURNOVER YEAR N (18)	TAXONOMY ALIGNED PROPORTION OF TURNOVER YEAR N-1 (19)	CATEGORY (ENABLING ACTIVITY) (20)	CATEGORY (TRANSITIONAL ACTIVITY) (21)	
					CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (9)	BIODIVERSITY AND ECOSYSTEMS (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER (13)	POLLUTION (14)						CIRCULAR ECONOMY (15)	BIODIVERSITY AND ECOSYSTEMS (16)
ECONOMIC ACTIVITIES (1)			euros	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Solar+ Wind	D35.11		501,520,143	32%	100%	0%	0%	0%	0%	0%	Y	Y	Y		Y	Y	Y	32%		
Hydro	D35.11		81,806,401	5%	100%	0%	0%	0%	0%	0%	Y	Y	Y		Y	Y	Y	5%		T
Transmission + Distribution	D35.12		526,347,109	34%	100%	0%	0%	0%	0%	0%	Y	Y		Y	Y	Y	Y	34%	E	
Electricity Supplier ¹	D35.14			0%	100%	0%	0%	0%	0%	0%						Y	Y	0%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned activities) (A.1.)			1,109,673,652	71%	71%	0%	0%	0%	0%								71%		34%	5%
A.2. Taxonomy-Eligible but not Environmentally sustainable activities (not Taxonomy-aligned activities)																				
Solar+ Wind	D35.11		8,454,594	1%	100%	0%	0%	0%	0%	0%	Y	Y	Y		Y	Y	Y			
Hydro	D35.11		4,662,907	0%	100%	0%	0%	0%	0%	0%	Y	Y	Y		Y	Y	Y	0%		T
Transmission + Distribution (enabling activity)	D35.12		0	0%	100%	0%	0%	0%	0%	0%	Y	Y		Y	Y	Y	Y	0%	E	
Electricity Supplier ¹	D35.14		29,955,434	2%	100%	0%	0%	0%	0%	0%						Y	Y	0%	E	
Turnover of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)			43,072,934	3%																
Total (A.1 + A.2)			1,152,746,587	74%	71%	0%	0%	0%	0%								71%		34%	5%

OPEX			SUBSTANTIAL CONTRIBUTION CRITERIA																	
CODE (2)	ABSOLUTE TURNOVER (3)	PROPORTION OF TURNOVER (4)	CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (9)	BIODIVERSITY AND ECOSYSTEMS (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER (13)	POLLUTION (14)	CIRCULAR ECONOMY (15)	BIODIVERSITY AND ECOSYSTEMS (16)	MINIMUM SAFEGUARDS (17)	TAXONOMY ALIGNED PROPORTION OF TURNOVER YEAR N (18)	TAXONOMY ALIGNED PROPORTION OF TURNOVER YEAR N-1 (19)	CATEGORY (ENABLING ACTIVITY) (20)	CATEGORY (TRANSITIONAL ACTIVITY) (21)	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Coal	D35.11	53,074,371																		
Natural Gas Power Generation ²	D35.11	54,143,344																		
Others	no code	295,448,489																		
Turnover of Taxonomy-non-eligible activities		402,666,203		26%																
Total (A + B)		1,555,412,790		100%																

¹ EDP considers the supply activity is an activity without significant impact on environment. ² The data was calculated under EU Taxonomy Climate Delegated Act EU 2021/2039 and did not consider the information of the Complementary Delegated Act which will be transmitted to the European Parliament and the Council for their scrutiny (4+2 months) and consequently has not been published in the EU Journal Official yet regarding the eligibility of gas and nuclear activities.

4.5. 2022 goals follow-up

		GOAL 2022	STATUS 2021
LEADING THE ENERGY TRANSITION	Renewable installed capacity	78%	80%
	Solar installed capacity (centralized and distributed)	>1,000 MW	1,080 MW
	CO ₂ eq specific emissions variation vs. 2005	-65%	-72%
	Internalise the TCFD recommendations	100%	80%
	Customers with value-added services	30%	29%
	Customers with electric mobility solutions	100k	43,500
	Saved energy by costumers (since 2015)	5TWh	5.1TWh
	Smart meters in Iberia	>70%	70%
	Customer's satisfaction index	>75%	In clearance
	Electrification of EDP's light duty fleet	>20%	13%
	Carbon neutrality in EDP's office buildings	100%	21%
	Climate change adaption plans (design)	100%	75%
	Investment in access to electrification	€20M	€5M
COMMITMENT TO SOCIETY AND THE ENVIRONMENT	Average waste recovery rate	75%	83%
	Single-use plastics eliminated	100%	50%
	Environmental accidents and penalties	0	1
	Female employees	30%	27%
	Fatal accidents (employees and service providers)	0	7
	Investment in the community (since 2015)	€200M	€180M
	Participation in voluntary actions	20%	30%
	Participation in voluntary actions	20,000h	11,276h

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 6. th -B AND 508. th -G	DESCRIPTION AND DUE DILIGENCE PROCESSES		ASSOCIATED RISKS	RESULTS	KEY PERFORMANCE INDICATORS
ENVIRONMENTAL POLICIES		Environmental policy		3.4.2.3. Climate change 3.2.1.1. Renewable energies 3.2.1.2. Distributed generation 3.2.1.3. Sustainable mobility 3.2.1.4. Energy efficiency 3.4.2. Caring for our planet	
WORKERS RELATED SOCIAL POLICIES	Code of Ethics Sustainable Development Principles Corporate Risk Management Policy	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 Labour rights EDP's personal data protection policy	2.2. Risk Management	3.2.2. Customer experience 3.2.2. Transforming our business 3.3.4. Health and Safety at the core 3.3.3. People experience 3.4.3.2. Reaching our communities 3.4.4. Engaging with suppliers 3.3.1. Ethics and compliance 3.4.3. Respecting and promoting Human Rights 3.3.3.3. Transparency in communication	4.3.1. ESG Indicators 4.3.2. GRI Indicators 4.8. TCFD Table 4.12. Report on the allocation and impact of green bonds'
EQUALITY POLICIES BETWEEN MEN AND WOMEN		Diversity Policy Declaration of respect for Human and Labour rights EDP policy on selection of the members of the GSB and EBD		1.4.5. Governance of the company 3.3.3.8. Diversity and equal opportunities 3.3.1. Ethics and compliance 3.4.3. Respecting and promoting Human Rights	

ARTICLE 6 th -B AND 508 th -G	DESCRIPTION AND DUE DILIGENCE PROCESSES		ASSOCIATED RISKS	RESULTS	KEY PERFORMANCE INDICATORS
NON-DISCRIMINATION POLICIES		Diversity Policy Declaration of respect for Human and Labour rights EDP policy on selection of the members of the GSB and EBD		1.4.5. Governance of the company 3.2.2. Customer experience 3.3.3. People experience 3.3.1. Ethics and Compliance 3.4.3. Respecting and promoting Human Rights	
HUMAN RIGHTS POLICIES		Stakeholder relationship policy Social investment policy Volunteering policy EDP's supplier code of conduct Sustainable procurement policy		3.3.4. Health and Safety at the core 3.3.3. People experience 3.4.3.2. Reaching our communities 3.4.4. Engaging with suppliers 3.3.1. 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	3.4.4. Engaging with suppliers 3.3.1. Ethics and compliance 3.3.3.3. Transparency in communication	4.3.1. ESG Indicators 4.3.2. GRI Indicators 4.8. TCFD Table 4.12. Report on the allocation and impact of green bonds'
BRIEF DESCRIPTION OF THE COMPANY'S BUSINESS MODEL	'EDP' and chapters '1.4.1 Where we are, 1.4.2 EDP in the World, 1.4.3. Who we are and 1.2.2. Business Model' and 'Sharing the vision' chapters '2.1. Global energy trends and 2.3. EDP's positioning'				
REFERENCE TO THE AMOUNTS IN THE ANNUAL FINANCIAL STATEMENTS AND ADDITIONAL EXPLANATIONS OF AMOUNTS REPORTED	3.4.1.1. Economic 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. 	• Yes	• Sustainability report	<ul style="list-style-type: none"> This report 1.1.1. Message from the Chairman of the EBD 1.1.2. Message from the Administrator 1.2.1. 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). 	• Yes	• Sustainability report	<ul style="list-style-type: none"> 1.4.1. Where we are 1.4.2. EDP in the world 1.4.3. Who we are 1.2.2. 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"> • Yes 	<ul style="list-style-type: none"> • Sustainability Report 	<ul style="list-style-type: none"> • 1.4.5. Governance of the company • 1.4.6. Sustainability Organization • 2.1. Global energy trends • 2.2. Risk management • 3.3.5. Crisis management • 3.3.1. 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"> • Yes 	<ul style="list-style-type: none"> • Sustainability Report 	<ul style="list-style-type: none"> • 2.3. EDP's positioning • 4.1. Principles and policies • 4.5. 2022 goals follow-up
I) SUSTAINABLE USE OF RESOURCES	<ul style="list-style-type: none"> • Yes 	<ul style="list-style-type: none"> • Sustainability Report 	<ul style="list-style-type: none"> • 3.4.2. Caring for our planet • 4.3.2.1. Environmental indicators
II) POLLUTION AND CLIMATE CHANGE	<ul style="list-style-type: none"> • Yes 	<ul style="list-style-type: none"> • Sustainability Report 	<ul style="list-style-type: none"> • 3.4.2.3. Climate change • 3.4.2. Caring for our planet • 4.3.2.1. Environmental Indicators
III) CIRCULAR ECONOMY AND WASTE MANAGEMENT	<ul style="list-style-type: none"> • Yes 	<ul style="list-style-type: none"> • Sustainability Report 	<ul style="list-style-type: none"> • 3.4.2. Caring for our planet • 4.3.2.1. Environmental Indicators
IV) PROTECTION OF BIODIVERSITY	<ul style="list-style-type: none"> • Yes 	<ul style="list-style-type: none"> • Sustainability Report 	<ul style="list-style-type: none"> • 3.4.2. Caring for our planet • 3.4.2.1 Protection of biodiversity • 4.3.2.1. Environmental Indicators • Biodiversity report available at EDP website

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. EDP's positioning • 4.1. Principles and policies • 4.5. 2022 goals follow-up
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	• 3.4.3.2. Reaching our communities
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	• 3.4.4. Engaging with suppliers
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	• 3.2.2. Customer experience
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"> • 3.4.1.2. 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	• 1.2.3. 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	• 3.3.3.3. Transparency in communication
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. EDP's positioning • 4.1. Principles and policies • 4.5. 2022 goals follow-up

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). 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.3.3.1. Attraction and recruitment 3.3.3.3. Compensation and benefits 4.3.2.2. 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. 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.3.3.7. Measures for social conciliation and protection 4.3.2.2. Social indicators
III) HEALTH AND SAFETY	<ul style="list-style-type: none"> Occupational health and safety conditions and number of occupational accidents. 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.3.4. Safety & Health at the core 4.3.2.2. 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. 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.3.3.4. Labour rights 4.3.2.2. 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. 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.3.3.2. Training and development 4.3.2.2. 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. 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.3.3.6. Stability in employment 3.3.3.8. 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 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 2.3. EDP's positioning 4.1. Principles and policies 4.5. 2022 goals follow-up
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. 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.4.4. Engaging with suppliers 3.4.3. 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. 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.4.3. Respecting and promoting Human Rights
III) LEGAL PROCEEDINGS	<ul style="list-style-type: none"> For violation of human rights 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.4.3. 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. 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.3.1. 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. 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.3.1. 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. 	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Sustainability Report 	<ul style="list-style-type: none"> 3.3.1. 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"> Yes 	<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 3.3.1. Ethics and compliance | Compliance | Integrity / anti-corruption and prevention of money laundering and combating the financing of terrorism Document regarding regulations on conflict interest and transactions between related parties of EDP (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. 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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
	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).			
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	• Sustainability Report	• 4.2. Reporting principles
4. INFORMATION UNDER EU TAXONOMY'S ARTICLE 8°	<ul style="list-style-type: none"> Article 8 of EU Taxonomy requires companies to disclose information on the proportion of the turnover, capital expenditure and operating expenditure ('key performance indicators') of their activities related to assets or processes associated with environmentally sustainable economic activities. 	• Yes	• Sustainability Report	<ul style="list-style-type: none"> 3.4.1.2. Sustainable finance 4.4. KPIs under article 8° of EU Taxonomy
5. 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	• Annual Report	• 06. Financial statements

TCFD alignment

Considering the growing concern of several stakeholders about the resilience of companies to climate change risk, the Task Force for Financial Carbon Disclosure (TCFD) issued in 2017 a set of recommendations on how to analyse, report and incorporate the climate transition to reflect on long-term resilience and to increase transparency and information provided to interested stakeholders.

EDP Group has been adopting the recommendations issued by TCFD, and in 2021 launched a project to deepen these recommendations, namely through a diagnosis pointing out the main improvement issues across the categories of governance, strategy, risk management and metrics and targets, and a formal set up and launch of a periodical process for assessing climate risks and opportunities (including identification and quantification).

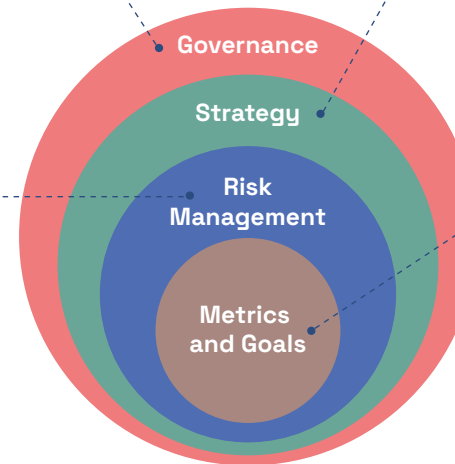
The image below summarizes TCFD Recommendations. EDP's alignment with these recommendations is also disclosed in [EDP's CDP Climate Change](#) survey, publicly available.

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. The **Executive Board of Directors** is responsible for its management.

For a description of the General Government of the Group and, in particular, of the model of government of climate issues, see the [Sustainability Organization](#) chapter.

Climate risk management is integrated into the EDP group's corporate risk management process. There is an annual process – **Climate Risk Assessment** – created specifically for the **identification and quantification of climate risks**. In addition, other periodic processes identify and assess key climate risks, including Energy Outlook, Budget and Business Plan exercises, and annual risk maps (among others).

For more details, see [Risk Management](#) chapter.



The identification of risks and opportunities related to climate, in the short, medium and long term and their impact on the business, is essential for the definition of strategy and financial planning of the organization.

The resilience of the organization's strategy considers different climate scenarios, including a scenario of 2°C or lower.

For more details on the climate strategy, see [Risk Management](#) chapter.

Metrics used by the organization to assess risks and opportunities related to the climate, in line with its risk management strategy and process.

Greenhouse gas (GHG) emissions (including scopes 1, 2 and 3).

Goals used to manage risks and opportunities and performance against those goals.

For more details, see the [Renewable Energy](#) chapter.

4.8.1. Governance

Part of EDP's sustainability governance model (see chapter Sustainability Organization), the following figure summarises the internal supervision and monitoring process for climate issues:



4.8.2. Climate risk strategy and management

This core element of the recommendation is thoroughly described on the chapter '[Risk Management | Strategy and climate risk management](#)' of this Report, addressing the following topics:

- Climate risk management process and integration into the overall risk management process
- Climate related risks and opportunities: identification and description of physical and transition risks and opportunities, according to the TCFD taxonomy, for different time horizons
- Impact of Climate-related risks and opportunities: assessment and quantification of risks and opportunities for different climate scenarios and different time horizons, as well as the impact on business and strategy
- Resilience of the organisation's strategy: impact on financial planning and resilience of the organisation to possible strategy changes according to the different scenarios.

4.8.3. Climate metrics and targets

To monitor compliance with the medium and long-term objectives established (see chapter [The year 2021](#)), a set of indicators and metrics has been defined to monitor the performance associated with EDP's climate action in the different activities, including both mitigation and adaptation. These indicators are detailed in the chapters

[Climate Action](#), [Renewable Energies](#) and [Decarbonisation Solutions](#) and are briefly described in the table below.

The consolidation of these indicators is done quarterly in a climate dashboard, which reflects the overall

performance of the EDP Group's climate action since 2015, with the possibility of disaggregating the information by quarter/year, geography, activity and technology. The climate dashboard thus enables the monitoring of indicators and the verification of compliance with the climate change public targets assumed by the company.

INDICATOR	CATEGORIES	REFERENCE
SCOPE 1 EMISSIONS	<ul style="list-style-type: none"> Stationary combustion (emissions from thermal power stations) Mobile combustion: car fleet emissions (combustion engines) Fugitive emissions: e.g., SF₆ Gas consumption in administrative buildings 	GHG Protocol, TCFD, CDP, GRI
SCOPE 2 EMISSIONS	<ul style="list-style-type: none"> Losses in transmission and distribution networks, when not produced by EDP Electricity consumption in administrative buildings, if supplied by third parties Self-consumption of electricity in renewable power stations, provided that it is supplied by third parties 	GHG Protocol, TCFD, CDP, GRI
SCOPE 3 EMISSIONS	<ul style="list-style-type: none"> Acquisition of goods and services Capital goods Fuel and energy related activities Purchased products and waste transportation Business travel Employees' home-workplace travel Waste from operations Use of products sold (e.g., natural gas) Financial investments 	GHG Protocol, TCFD, CDP, GRI
CO ₂ SPECIFIC EMISSIONS	GHG emissions (scope 1 or Scope 1 and 2) by net generation	GRI
% RENEWABLE INSTALLED CAPACITY	EU1 indicator GRI	GRI
% RENEWABLE GENERATION	EU2 indicator GRI	GRI
% FLEET ELECTRIFICATION	305-1 Indicator GRI	GRI
AVOIDED CO ₂ (BY RENEWABLE GENERATION)	Emissions that would have occurred if electricity from renewable energy sources in each geography had been produced by the mix of thermoelectric power stations in that geography.	
AVOIDED CO ₂ (FROM CLIENTS)	CO ₂ emissions avoided by the supply of energy efficiency, sustainable mobility, distributed generation and green electricity products and services.	

The data necessary to calculate the indicators is extracted quarterly from the Sustainable Data platform, where sustainability information from the Business Units is stored, including raw data on the environment and climate. The data is consolidated at the Corporate level and the information is checked annually by an independent auditor. It is thus possible to monitor the evolution of the indicators against the defined targets, both quarterly and annually.

The methodology used to establish these targets may be summarised as follows:

- Short-term targets (up to 5 years) - based on the consolidated operating data from the multi-annual business plans, the evolution of the referred indicators is simulated and the respective targets are established. In the case of emission scopes, the categories with the most material weight are considered.
- Medium/long term goals (10 to 30 years) - focus only on electricity production and emissions. Targets are set based on the projections made by EDP's Energy Planning Department of the Corporate Centre on EDP's Portfolio. An example of the use of this methodology was what led to the establishment of the objective of reduction of specific emissions of scope 1 and 2 for 2030, submitted and approved by the Science Based Target initiative as being aligned with a decarbonisation path of 1.5°C.

4.8.4. TCFD table

TCFD REPORTING RECOMMENDATIONS		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		1.4.6. Sustainability Organization		a) Board's oversight	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		1.4.6. Sustainability Organization		b) Management's role	
STRATEGY	a) Climate-related risks and opportunities	Req.02 Policies, Strategy and Targets; Req.03 Risks & Opportunities; Req.06 Outlook			2.2.3. Strategy and climate risk management * and 4.8 TCFD Alignment; CDP Climate Change 2021	a) Climate-related risks and opportunities	
	b) Impact of climate-related risks and opportunities	Req.02 Policies, Strategy and Targets; Req.03 Risks & Opportunities; Req.06 Outlook	2.2.3. Strategy and climate risk management * and 4.8 TCFD alignment; CDP Climate Change 2021			b) Impact of climate-related risks and opportunities	
	c) Resilience of the organization's strategy	Req.03 Risks & Opportunities; Req.06 Outlook	3.4.2.3. Climate change			c) Resilience of the organization's strategy	
RISK MANAGEMENT	a) Processes for identifying and assessing	Req.03 Risks & Opportunities			2.2.3.Strategy and climate risk management * and 4.8 TCFD Alignment; CDP Climate Change 2021	a) Processes for identifying and assessing	
	b) Processes for managing	Req.02 Policies, Strategy and Targets; Req.03 Risks & Opportunities; Req.06 Outlook			2.2.3. Strategy and climate risk management * and 4.8 TCFD Alignment; CDP Climate Change 2021	b) Processes for managing	

TCFD REPORTING RECOMMENDATIONS		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	
RISK MANAGEMENT	c) Integration into overall risk management	Req.01 Governance; Req.03 Risks & Opportunities; Req.06 Outlook			2.2.3. Strategy and climate risk management * and 4.8 TCFD Alignment	c) Integration into overall risk management		<p>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.</p>
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				4.8 TCFD Alignment - 4.8.3. Climate metrics 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				3.4.2.3. Climate change 3.2.1.1. Renewable energies 3.2.1.2. Distributed generation 3.2.1.3. Sustainable mobility 3.2.1.4. Energy efficiency	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'	
	c) Targets	Req.02 Policies, Strategy and Targets; Req.04				2.3. EDP's positioning		

TCFD REPORTING RECOMMENDATIONS		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	
		Sources of Impact; Req.05 Performance and Comparative Analysis						

* Climate risks according to the recommendations of the Task Force on Climate – related Financial Disclosures (TCFD) | ** Sustainability Accounting Standards Board | *** Climate Disclosure Standards Board Framework. The benchmarks followed by EDP are CDP, GHG Protocol, GRI Standards and CELE (EU - ETS).

4.9. SASB table

SASB Electric Utilities & Power Generators (sector SICs) ¹					GRI Standard	2021	Notes
Topic	Accounting Metric	Category	Unit of Measure	Code SASB			
Number of customers served							
⁽¹⁾ residential		Quantitative	#	IF-EU-000.A	EU3	1.4.2 EDP in the World; 4.3.1. ESG Indicators – Satisfaction and Customer Service - Customers by type of use	
⁽²⁾ commercial		Quantitative	#	IF-EU-000.A	EU3	1.4.2 EDP in the World; 4.3.1. ESG Indicators – Satisfaction and Customer Service - Customers by type of use	
⁽³⁾ industrial		Quantitative	#	IF-EU-000.A	EU3	1.4.2 EDP in the World; 4.3.1. ESG 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 2021 – Historic Operational Indicators (networks)	
⁽²⁾ commercial		Quantitative	MWh	IF-EU-000.B	102-7	Partial: Annual Report 2021 – Historic Operational Indicators (networks)	
⁽³⁾ industrial		Quantitative	MWh	IF-EU-000.B	102-7	Partial: Annual Report 2021 – Historic Operational Indicators (networks)	
⁽⁴⁾ all other retail		Quantitative	MWh	IF-EU-000.B	102-7	Partial: Annual Report 2021 – Historic Operational Indicators (networks)	
⁽⁵⁾ wholesale		Quantitative	MWh	IF-EU-000.B	102-7	Partial: Annual Report 2021 – Historic Operational Indicators (networks)	
Length of transmission and distribution lines							
		Quantitative	km	IF-EU-000.C	EU4	Distribution: 378,155 km; Transportation: 1,414 km 1.4.3 Who we are; Annual Report 2021 – Historic Operational Indicators (networks)	
Total electricity generated, percentage by major energy source, percentage in regulated markets							
		Quantitative	MWh, %	IF-EU-000.D	EU2	59,887,773 MWh; 76% renewable; 49% wind; 26% hydro; 1% solar 4.3.1. ESG Indicators - Promotion of renewable energies	

SASB Electric Utilities & Power Generators (sector SICs) ¹					GRI Standard	2021	Notes
Topic	Accounting Metric	Category	Unit of Measure	Code SASB			
Total wholesale electricity purchased		Quantitative	MWh	IF-EU-000.E		2,872,259	
GREENHOUSE GAS EMISSIONS & ENERGY RESOURCE PLANNING	⁽¹⁾ Gross global Scope 1 emissions	Quantitative	tCO ₂ -e	IF-EU-110a.1	305-4	9,804,763	
	⁽²⁾ Percentage covered under emissions-limiting regulations	Quantitative	%	IF-EU-110a.1	EU5	58.8	2
	⁽³⁾ Percentage covered emissions-reporting regulations	Quantitative	%	IF-EU-110a.1	EU5	100	3
	Greenhouse gas (GHG) emissions associated with power deliveries	Quantitative	tCO ₂ -e	IF-EU-110a.2	305-4	7,616,286	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. EDP's positioning; 3.4.2.3. Climate change; 3.2.1.1. Renewable energies; 3.2.1.2. Distributed generation; 3.2.1.3. Sustainable mobility; 3.2.1.4. Energy efficiency; CDP Climate Change 2021	
	⁽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 fulfilment 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:						
	⁽¹⁾ NO _x (excluding N ₂ O)	Quantitative	t	IF-EU-120a.1	305-7	8,890	
	⁽²⁾ SO _x	Quantitative	t	IF-EU-120a.1	305-7	12,142	
	⁽³⁾ Particulate matter (PM ₁₀)	Quantitative	t	IF-EU-120a.1	305-7	1,261	
	⁽⁴⁾ Lead (Pb)	Quantitative	t	IF-EU-120a.1	305-7	Not applicable	5
	⁽⁵⁾ Mercury (Hg)	Quantitative	t	IF-EU-120a.1	305-7	0.0418	
	⁽¹⁾ NO _x (excluding N ₂ O)	Quantitative	% of NO _x , SO _x , PM ₁₀ ; 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⁾ SO _x	Quantitative		IF-EU-120a.1	305-7	100	
	⁽³⁾ Particulate matter (PM ₁₀)	Quantitative		IF-EU-120a.1	305-7	100	
	⁽⁴⁾ Lead (Pb)	Quantitative		IF-EU-120a.1	305-7	Not applicable	5
	⁽⁵⁾ Mercury (Hg)	Quantitative		IF-EU-120a.1	305-7	100	
WATER MANAGEMENT	⁽¹⁾ Total water withdrawn	Quantitative	10 ³ xm ³	IF-EU-140a.1	303-1	358,480	

SASB Electric Utilities & Power Generators (sector SICs) ¹					GRI Standard	2021	Notes
Topic	Accounting Metric	Category	Unit of Measure	Code SASB			
WATER MANAGEMENT						4.3.1. ESG Indicators – Environmental protection	
	(2.a) Total water consumed	Quantitative	10 ³ xm ³	IF-EU-140a.1	303-1	16,248 4.3.1. ESG Indicators – Environmental protection	
	(2.b) Percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	%	IF-EU-140a.1	303-1	3% and 56% of total water withdrawn and total water consumed, respectively	
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	#	IF-EU-140a.2	307-1	No incidents of non-compliance. This indicator is yearly reported on CDP Water Security	
	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	CDP Water Security; www.edp.com	
COAL ASH MANAGEMENT	Amount of coal combustion residuals (CCR) generated	Quantitative	t	IF-EU-150a.1	306-2	209,250 4.3.1. ESG Indicators – Environmental protection	
	Percentage of CCR recycled	Quantitative	%	IF-EU-150a.1	306-2	86	
	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	Not available	
ENERGY AFFORDABILITY	Average retail electric rate for:						
	(1) Residential	Quantitative	€/kWh	IF-EU-240a.1		Not available	
	(2) Commercial	Quantitative	€/kWh	IF-EU-240a.1		Not available	
	(3) Industrial customers	Quantitative	€/kWh	IF-EU-240a.1		Not available	
	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	4.3.1. ESG Indicators – Satisfaction and Customer Service – Service Reconnection	
	Percentage reconnected within 30 days	Quantitative	%	IF-EU-240a.3	EU28; EU29	4.3.1. ESG Indicators – Satisfaction and Customer Service – Service Reconnection	
Discussion of impact of external factors on customer affordability of	Discussion and Analysis	n/a	IF-EU-240a.4	G4-DMA: Access	3.2.2.7. Vulnerable customers; Annual Report; 4.3.1. ESG Indicators – Vulnerable customers		

SASB Electric Utilities & Power Generators (sector SICs) ¹					GRI Standard	2021	Notes
Topic	Accounting Metric	Category	Unit of Measure	Code SASB			
	electricity, including the economic conditions of the service territory						
WORKFORCE HEALTH & SAFETY	⁽¹⁾ Total recordable incident rate (TRIR)	Quantitative	Rate	IF-EU-320a.1	403-2; 403-3	2.45 4.3.2.2. Social indicators	6
	⁽²⁾ Fatality rate	Quantitative	Rate	IF-EU-320a.1	403-2; 403-3	0.08 4.3.2.2. Social indicators	6
	⁽³⁾ Near miss frequency rate (NMFR)	Quantitative	Rate	IF-EU-320a.1	403-2; 403-3	6.34 4.3.2.2. Social indicators	6
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		82.1	
	Customer electricity savings from efficiency measures, by market	Quantitative	MWh	IF-EU-420a.3	302-4	5,140,085 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	

SASB Electric Utilities & Power Generators (sector SIC5) ¹					GRI Standard	2021	Notes
Topic	Accounting Metric	Category	Unit of Measure	Code SASB			
GRID RESILIENCY	⁽¹⁾ System Average Interruption Duration Index (SAIDI)	Quantitative	#	IF-EU-550a.2	G4-DMA Availability and Reliability	174 4.3.1. ESG Indicators – Satisfaction and Customer Service	
	⁽²⁾ System Average Interruption Frequency Index (SAIFI)	Quantitative	#	IF-EU-550a.2	G4-DMA Availability and Reliability	2.3 4.3.1. ESG Indicators – Satisfaction and Customer Service	
	⁽³⁾ Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Quantitative	#	IF-EU-550a.2	G4-DMA Availability and Reliability	75.6 4.3.1. ESG Indicators – Satisfaction and Customer Service	

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 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).

4.10. GRI Table

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	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	This report	|||||		L	
102-2	Activities, brands, products, and services	1.4.3. Who we are; 1.2.2. Business model;	|||||		L	
102-3	Location of headquarters	This report	|||||		L	
102-4	Location of operations	1.4.2. EDP in the world	|||||		L	
102-5	Ownership and legal form	This report	|||||		L	
102-6	Markets served	1.4.2. EDP in the world; 1.4.3. Who we are; 1.2.2. Business model	|||||		L	
102-7	Scale of the organization	1.4.2. EDP in the world; 4.3.2.2. Social indicators; AR: 6. Financial Statements | Consolidated Statements of Financial Position	|||||		L	
102-8	Information on employees and other workers	4.3.2.2. Social indicators	|||||		L	3; 6
102-9	Supply chain	www.edp.com	|||||		L	
102-10	Significant changes to the organization and its supply chain	3.4.4. Engaging our suppliers	|||||		L	
102-11	Precautionary Principle or approach	Ethics Code; 2.2. Risk management	|||||	www.edp.com	L	
102-12	External initiatives	www.edp.com	|||||		L	
102-13	Membership of associations	www.edp.com	|||||		L	
2. STRATEGY						

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
102-14	Statement from senior decision-maker	1.1.1. Message from the Chairman of the EBD	|||||||		L	
102-15	Key impacts, risks, and opportunities	2.2. Risk management	|||||||		L	
3. ETHICS AND INTEGRITY						
102-16	Values, principles, standards, and norms of behaviour	1.2.1. Vision, values and commitments	|||||||		L	10
102-17	Mechanisms for advice and concerns about ethics	www.edp.com	|||||||		L	10
4. GOVERNANCE						
102-18	Governance structure	1.4.5. Governance of the company	|||||||		L	
102-19	Delegating authority	AR: 4. Corporate Governance | Section 21	|||||||		L	
102-20	Executive-level responsibility for economic, environmental, and social topics	1.4.5. Governance of the company; 1.4.6. Sustainability Organization	|||||||		L	
102-21	Consulting stakeholders on economic, environmental, and social topics	1.2.3. Stakeholders; 3.1. The year 2021	|||||||		L	
102-22	Composition of the highest governance body and its committees	1.4.5. Governance of the company; 1.4.6. Sustainability Organization; 4.3.1. ESG Indicators | Corporate governance; AR: 4. Corporate Governance | Section 17 | General and Supervisory Board; AR: 4. Corporate Governance | Section 29 to B. Other Statutory Bodies	|||||||		L	
102-23	Chair of the highest governance body	1.4.5. Governance of the company; 1.4.6. Sustainability Organization; AR: 4. Corporate Governance | Section 17 | General and Supervisory Board	|||||||		L	
102-24	Nominating and selecting the highest governance body	1.4.5. Governance of the company;	|||||||		L	
102-25	Conflicts of interest	1.4.5. Governance of the company| 1.4.5.2. Corporate governance practices | Transactions with related parties; AR: 4. Corporate Governance |	|||||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
		V. Agreements affecting remuneration; VI. Stock purchase option plans ("Stock Options"); E. Transactions with related parties				
102-26	Role of highest governance body in setting purpose, values, and strategy	1.4.5. Governance of the company; AR : 4. Corporate Governance | Section 21	|||||		L	
102-27	Collective knowledge of highest governance body	4.3.2.2. Social indicators | Training	|||||		L	
102-28	Evaluating the highest governance body's performance	1.4.5. Governance of the company | 1.4.5.2. Corporate governance practices | Activity assessment; AR : 4. Corporate Governance | Section 67 to 72.	|||||		L	
102-29	Identifying and managing economic, environmental, and social impacts	1.4.6. Sustainability Organization; 3.1. The year 2021; 3.3.1. Ethics and Compliance | 3.3.1.2. Compliance | Risk of corruption, bribery, fraud and money laundering; AR : 4. Corporate Governance | Section 27 to 29 | A. The Committees of the General and Supervisory Board; Section 51 to 55	|||||		L	
102-30	Effectiveness of risk management processes	2.2. Risk management; 3.1. The year 2021; 3.3.1. Ethics and Compliance | 3.3.1.2. Compliance | Risk of corruption, bribery, fraud and money laundering; AR : 4. Corporate Governance | Section 27 to 29 | A. The Committees of the General and Supervisory Board; Section 51 to 55	|||||		L	
102-31	Review of economic, environmental, and social topics	1.4.5. Governance of the company; 1.4.6. Sustainability Organization; AR 4. Corporate Governance | Section 27 to 29 | A. The Committees of the General and Supervisory Board; AR : Section 53	|||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
102-32	Highest governance body's role in sustainability reporting	1.4.6. Sustainability Organization; 4.1. Principles and policies; 4.2. Reporting principles	|||||||		L	
102-33	Communicating critical concerns	3.3.1. Ethics and Compliance | 3.3.1.1. Ethics; 4.3.1. ESG Indicators | Ethics and Compliance; AR : 4. Corporate Governance | Section 21	|||||||		L	
102-34	Nature and total number of critical concerns	3.3.1. Ethics and Compliance | 3.3.1.1. Ethics; 4.3.1. ESG Indicators | Ethics and Compliance	|||||||		L	
102-35	Remuneration policies	1.4.5.2. Corporate governance practices| Remuneration's structure; AR : 4. Corporate Governance | Section 66 to 84	|||||||		L	
102-36	Process for determining remuneration	1.4.5.2. Corporate governance practices| Remuneration's structure; AR : 4. Corporate Governance | Section 66 to 84	|||||||		L	
102-37	Stakeholders' involvement in remuneration	1.4.5.2. Corporate governance practices| Remuneration's structure; AR : 4. Corporate Governance | Section 66 to 84	|||||||		L	
102-38	Annual total compensation ratio	4.3.2.2. Social indicators| Employment	|||||||		L	
102-39	Percentage increase in annual total compensation ratio	4.3.2.2. Social indicators| Employment	|||||||		L	
5. STAKEHOLDER ENGAGEMENT						
102-40	List of stakeholder groups	1.2.3. Stakeholders	|||||||		L	
102-41	Collective bargaining agreements	4.3.2.2. Social indicators| Labour relations	|||||||		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						

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
102-45	Entities included in the consolidated financial statements	AR: Notes to the Consolidated and Company Financial Statements | Annex I. Companies in the Consolidation Perimeter	|||||||		L	
102-46	Defining report content and topic Boundaries	3.1. The year 2021; 4.1. Principles and policies; 4.2. Reporting principles	|||||||		L	
102-47	List of material topics	3.1. The year 2021	|||||||		L	
102-48	Restatements of information			Not applicable	L	
102-49	Changes in reporting	3.1. The year 2021; 4.1. Principles and policies; 4.2. Reporting principles	|||||||		L	
102-50	Reporting period	This report; 4.2. Reporting principles | GRI Standards reporting principles | Reporting quality | Timeliness	|||||||		L	
102-51	Date of most recent report	4.1. Principles and policies; 4.2. Reporting principles	|||||||		L	
102-52	Reporting cycle	Este relatório; 4.2. Reporting principles | GRI Standards reporting principles | Reporting quality | Timeliness	|||||||		L	
102-53	Contact point for questions regarding the report	Contacts	|||||||		L	
102-54	Claims of reporting in accordance with the GRI Standards	4.1. Principles and policies; 4.2. Reporting principles	|||||||		L	
102-55	GRI content index	4.2. Reporting principles | GRI Standards reporting principles | GRI Global Compact	|||||||		L	
102-56	External assurance	4.2. Reporting principles | GRI Standards reporting principles | Internal and external assurance	|||||||		L	
GRI 103: Management Approach						1 to 10
103-1	Management Approach	3.1. The year 2021; Sustainability Management Approach | Chapter 1.2. Sustainability	|||||||	www.edp.com	L	
103-2	Explanation of the material topic and its Boundary	3.1. The year 2021; Sustainability Management Approach | Chapter 1.2. Sustainability	|||||||	www.edp.com	L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
103-3	The management approach and its components	3.1. The year 2021; Sustainability Management Approach | Chapter 1.2. Sustainability	|||||	www.edp.com	L	
GRI 200: TÓPICOS ECONÓMICOS						
GRI 201: Economic Performance						
201-1	Direct economic value generated and distributed	4.3.1. ESG Indicators | Economic Business Sustainability	|||||		L	
201-2	Financial implications and other risks and opportunities due to climate change	3.4.2.3. Climate change; CDP Climate Change	|||||	www.edp.com	L	7
201-3	Defined benefit plan obligations and other retirement plans	AR: 10. Personnel Costs and Employee Benefits; 35. Employee Benefits	|||||		L	
201-4	Financial assistance received from government	4.3.2.3. Economic indicators	|||||		L	
GRI 202: Market Presence						6
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.3.1. ESG Indicators | People Management	|||||		L	
202-2	Proportion of senior management hired from the local community	4.3.2.2. Social indicators	|||||		L	
GRI 203: Indirect Economic Impacts						
203-1	Infrastructure investments and services supported	3.4.3.2. Voluntary investment in the community	|||||		L	
203-2	Significant indirect economic impacts	3.2.2. Customer experience | 3.2.2.7. Vulnerable clients; 3.4.3.2. Voluntary investment in the community	|||||		L	
GRI 204: Procurement Practices						
204-1	Proportion of spending on local suppliers	4.3.1. ESG Indicators | Engaging our suppliers	|||||		L	
GRI 205: Anti-corruption						10
205-1	Operations assessed for risks related to corruption	3.3.1. Ethics and Compliance | 3.3.1.2. Compliance | Risk of corruption, bribery, fraud, money laundering	|||||		L	
205-2	Communication and training about anti-corruption policies and procedures	4.3.2.2. Social indicators www.edp.com	|||||		L	
205-3	Confirmed incidents of corruption and actions taken	3.3.1. Ethics and Compliance | 3.3.1.2. Compliance | Risk of corruption, bribery and fraud, money laundering; 4.3.1. ESG	|||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
		Indicators | Ethics and Compliance				
GRI 206: Anti-competitive Behaviour						
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	3.3.1. Ethics and Compliance | 3.3.1.2. Compliance | Fair competition practices; 3.3.1.3. Transparency in communication; 4.3.1. ESG Indicators | Transparency in communication	|||||||		L	
GRI 207: Tax						
207-1	Approach to tax	3.3.1.3. Transparency in communication | Fiscal Transparency	|||||||		L	
207-2	Tax governance, control, and risk management	3.3.1.3. Transparency in communication | Fiscal Transparency	|||||||		L	
207-3	Stakeholder engagement and management of concerns related to tax	3.3.1.3. Transparency in communication | Fiscal Transparency	|||||||		L	
207-4	Country-by-country reporting	3.3.1.3. Transparency in communication | Fiscal Transparency	|||||||		L	
GRI 300: ENVIRONMENTAL TOPICS						7; 8; 9
	ISO 14001 Certified maximum net installed capacity	4.3.2.1. Environmental indicators	|||||||		L	
GRI 301: Materials						
301-1	Materials used by weight or volume	4.3.1. ESG Indicators | Caring for our planet	|||||||		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			|||||||		L	
302-1	Energy consumption within the organization	4.3.2.1. Environmental indicators	|||||||		R*	
302-2	Energy consumption outside of the organization	4.3.2.1. Environmental indicators	|||||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
302-3	Energy intensity	4.3.2.1. Environmental indicators	|||||||		L	
302-4	Reduction of energy consumption	3.2.1.4. Energy efficiency; 4.3.1. ESG Indicators | Decarbonizing the World	|||||||		L	
302-5	Reductions in energy requirements of products and services			Not applicable to the sector	L	
GRI 303: Water						
303-1	Interactions with water as a shared resource	Water Management Approach	|||||||	www.edp.com	L	
303-2	Management of water discharged-related impacts	Sustainability Management Approach | Chapter 3.7. Effluents and Waste	|||||||	www.edp.com	L	
303-3	Water withdrawal	4.3.1. ESG Indicators | Caring for our planet; 4.3.2.1. Environmental indicators	|||||||		L	
303-4	Water discharge	4.3.1. ESG Indicators | Caring for our planet; 4.3.2.1. Environmental indicators	|||||||			
303-5	Water consumption	4.3.1. ESG Indicators | Caring for our planet;	|||||||			
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	4.3.2.1. Environmental indicators	|||||||		L	
304-2	Significant impacts of activities, products, and services on biodiversity	3.4.2. Caring for our planet | 3.4.2.1. Protection of biodiversity; www.edp.com	|||||||		L	
304-3	Habitats protected or restored	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	|||||||		L	
GRI 305: Emissions						
305-1	Direct (Scope 1) GHG emissions	3.4.2.3. Climate change; 4.3.1. ESG Indicators | Climate Change; 4.3.2.1. Environmental indicators	|||||||		R*	
305-2	Energy indirect (Scope 2) GHG emissions	3.4.2.3. Climate change; 4.3.1. ESG Indicators | Climate Change; 4.3.2.1. Environmental indicators	|||||||		R*	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
305-3	Other indirect (Scope 3) GHG emissions	3.4.2.3. Climate change; 4.3.1. ESG Indicators | Climate Change; 4.3.2.1. Environmental indicators	|||||||		L	
305-4	GHG emissions intensity	4.3.2.1. Environmental indicators	|||||||		L	
305-5	Reduction of GHG emissions	3.4.2.3. Climate change; 3.2.1.4. Energy efficiency; 4.3.1. ESG Indicators | Climate Change; 4.3.2.1. Environmental indicators	|||||||		L	
Avoided CO ₂ emissions		3.2.1.1. Renewable energies; 3.2.1.2. Distributed generation; 3.2.1.4. Energy efficiency	|||||||		L	
305-6	Emissions of ozone-depleting substances (ODS)	n.a.		Equipments with this substance no longer have expression in EDP	L	
305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	4.3.2.1. Environmental indicators	|||||||		R*	
GRI 306: Waste						
306-1	Waste generation and significant waste-related impacts	3.4.2.2. Circular economy; 4.3.1. ESG Indicators | Caring for our planet; 4.3.2.1. Environmental indicators	|||||||		L	
306-2	Management of significant waste-related impacts	3.4.2.2. Circular economy; 4.3.1. ESG Indicators | Caring for our planet; 4.3.2.1. Environmental indicators	|||||||		L	
306-3	Waste generated		|||||||		L	
306-4	Waste diverted from disposal		|||||||		L	
306-5	Waste directed to disposal	3.4.2.2. Circular economy | Water management	|||||||		L	
GRI 307: Environmental 3.3.1.2. Compliance						
307-1	Non-3.3.1.2. Compliance with environmental laws and regulations	4.3.1. ESG Indicators | Caring for our planet	|||||||		L	
GRI 308: Supplier Environmental Assessment						
308-1	New suppliers that were screened using environmental criteria	3.4.4. Engaging our suppliers	|||||||		L	
308-2	Negative environmental impacts in the supply chain and actions taken	3.4.4. Engaging our suppliers	|||||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
GRI 400: SOCIAL TOPICS						
GRI 401: Employment						6
401-1	New employee hires and employee turnover	4.3.1. ESG Indicators | People Management	|||||		L	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.3.3.3. Rewards and benefits; Sustainability Management Approach | 4.1. Labour Practices	|||||	www.edp.com	L	
401-3	Parental leave	4.3.2.2. Social indicators	|||||		L	
Absenteeism rate		4.3.2.2. Social indicators	|||||		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	
GRI 403: Occupational Health and Safety						
403-1	Occupational health and safety management system	3.3.4. Safety & Health at the core; 4.3.1. ESG indicators | Safety and health at the core; Health and Safety report 2021	|||||	www.edp.com	L	
403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety report 2021	|||||	www.edp.com	L	
403-3	Occupational health services	Health and Safety report 2021	|||||	www.edp.com	L	
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety report 2021	|||||	www.edp.com	L	
403-5	Worker training on occupational health and safety	Health and Safety report 2021	|||||	www.edp.com	L	
403-6	Promotion of worker health	Health and Safety report 2021	|||||	www.edp.com	L	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety report 2021	|||||	www.edp.com	L	
403-8	Workers covered by an occupational health and safety management system	3.3.4. Safety & Health at the core; 4.3.1. ESG indicators | Safety and health at the core; 4.3.2.2. Social indicators	|||||		L	
403-9	Work-related injuries	3.3.4. Safety & Health at the core; 4.3.1. ESG indicators | Safety and health at the core; 4.3.2.2. Social indicators	|||||		L	
403-10	Work-related ill health	3.3.4. Safety & Health at the core; 4.3.1. ESG indicators |	|||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
		Safety and health at the core; 4.3.2.2. Social indicators				
GRI 404: Training and Education						6
404-1	Average hours of training per year per employee	4.3.2.2. Social indicators	|||||||		L	
404-2	Programs for upgrading employee skills and transition assistance programs	3.3.3.2. Talent development and management | Training and other development initiatives	|||||||		L	
404-3	Percentage of employees receiving regular performance and career development reviews	3.3.3.3. Rewards and benefits	|||||||		L	
GRI 405: Diversity and Equal Opportunity						6
405-1	Diversity of governance bodies and employees	4.3.1. ESG Indicators | People Management; 4.3.1. ESG Indicators | Corporate Governance	|||||||		L	
405-2	Ratio of basic salary and remuneration of women to men	4.3.1. ESG Indicators | People Management	|||||||		L	
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 2021.	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	3.4.4. Engaging our suppliers	|||||||		L	
GRI 408: Child Labour						5
408-1	Operations and suppliers at significant risk for incidents of child labour	3.4.4. Engaging our suppliers	|||||||		L	
GRI 409: Forced or Compulsory Labour						4
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	3.4.4. Engaging our suppliers	|||||||		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	3.4.3.1. Human and Employment Rights | Respect for local and indigenous communities; Human Rights report 2021	|||||||	www.edp.com	L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
GRI 412: Human Rights Assessment						1; 2
412-1	Operations that have been subject to human rights reviews or impact assessments	3.4.3.1. Human and Employment Rights | Identification and management; Human Rights report 2021	|||||	www.edp.com	L	
412-2	Employee training on human rights policies or procedures	4.3.2.2. Social indicators	|||||	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	3.4.3.1. Human and Employment Rights | Promotion of Human and Labour Rights	|||||		L	
GRI 413: Local Communities						1
413-1	Operations with local community engagement, impact assessments, and development programs	3.4.3.2. Voluntary investment in the community | Contribution to the SDGs	|||||		L	
413-2	Operations with significant actual and potential negative impacts on local communities	3.4.3.1. Human and Employment Rights | Respect for local and indigenous communities	|||||		L	
GRI 414: Supplier Social Assessment						1; 2
414-1	New suppliers that were screened using social criteria	3.4.4. Engaging our suppliers	|||||		L	
414-2	Negative social impacts in the supply chain and actions taken	3.4.4. Engaging our suppliers	|||||		L	
GRI 415: Public Policy						10
415-1	Political contributions	3.3.1. Ethics and Compliance | 3.3.1.2. Compliance | Risk of corruption, bribery, fraud and money laundering	|||||		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-3.3.1.2. 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	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
417-2	Incidents of non-3.3.1.2. 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-3.3.1.2. 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	4.3.1. ESG Indicators | Crisis Management	|||||		L	
GRI 419: Socioeconomic 3.3.1.2. Compliance						
419-1	Non-3.3.1.2. Compliance with laws and regulations in the social and economic area	4.3.2.3. Economic indicators	|||||		L	
Environmental matters		4.3.2.3. Economic indicators	|||||		L	
Energy efficiency services revenues		4.3.2.3. Economic indicators	|||||		L	
G4 SECTOR SPECIFIC INDICATORS						
General standard disclosures						
EU1	Installed capacity, broken down by primary energy source and by regulatory regime	4.3.1. ESG Indicators | Renewable Energies	|||||		L	
EU2	Net energy output broken down by primary energy source and by regulatory regime	4.3.1. ESG Indicators | Renewable Energies	|||||		L	
EU3	Number of residential, industrial, institutional and commercial customer accounts	4.3.1. ESG Indicators | Customer satisfaction	|||||		L	
EU4	Length of above and underground transmission and distribution lines by regulatory regime.	1.4.3. Who we are	|||||		L	
EU5	Allocation of CO ₂ e emissions allowances or equivalent, broken down by carbon trading framework	AR: 06. Financial Statements | 2. Accounting Policies | CO ₂ Licenses and Greenhouse Gas Emissions; 06. Financial Statements | 18. Intangible Assets; 06 Financial Statements | 25. Inventories	|||||		L	
Economic						
G4-DMA	Availability and Reliability	Sustainability Management Approach | 2.5. Availability and Reliability	|||||	www.edp.com	L	
EU10	Planned capacity against projected electricity demand over the long-term, broken down by energy source and regulatory regime	1.4.2. EDP in the world; 4.3.1. ESG Indicators | Renewable Energies	|||||		L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	REPORT	OMISSIONS / ADDITIONAL INFORMATION	EXTERNAL ASSURANCE	GLOBAL COMPACT
G4-DMA	Demand-Side Management	Sustainability Management Approach | 2.6. Demand-Side management	|||||||	www.edp.com	L	
G4-DMA	Research and Development	Sustainability Management Approach | 2.7. Research and Development	|||||||	www.edp.com	L	
G4-DMA	Plant Decommissioning	Sustainability Management Approach | 2.8. Plant decommissioning	|||||||	www.edp.com	L	
EU11	Average generation efficiency of thermal plants by energy source and by regulatory regime	4.3.1. ESG Indicators | Decarbonizing the World	|||||||		L	
EU12	Transmission and distribution losses as a percentage of total energy	4.3.1. ESG Indicators | Decarbonizing the World	|||||||		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	3.4.2. Caring for our planet| 3.4.2.1. Protection of biodiversity;	|||||||	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	4.3.1. ESG Indicators | People Management	|||||||		L	
EU17	Days worked by contractor and subcontractor employees involved in construction, operation & maintenance activities	4.3.2.2. Social indicators	|||||||		L	
EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	4.3.2.2. Social indicators	|||||||		L	
G4-DMA	Freedom of Assoc. Collective Bargaining	Sustainability Management Approach | 4.2. Human Rights	|||||||	www.edp.com	L	

DISCLOSURE NUMBER	DISCLOSURE TITLE	CHAPTER TITLE	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	n.a.	|||||||	There are no new projects or expansions that can lead to people displacement	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	4.3.2.2. Social indicators	|||||||		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 | 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	4.3.1. ESG Indicators | Customer satisfaction	|||||||		L	
EU28	Power outage frequency	4.3.1. ESG Indicators | Customer satisfaction	|||||||		L	
EU29	Average power outage duration	4.3.1. ESG Indicators | Customer satisfaction	|||||||		L	
EU30	Average plant availability factor by energy source and by regulatory regime	AR: 07 Annexes | Historic Operation Indicators | Renewables; 07 Annexes | Historic Operation Indicators | Client Solutions and Energy Management	|||||||		L	

L - Limited verification R – Reasonable verification AR - Annual Reports ||||| - Fully reported ||||| - Partially reported ||||| - Not reported

* - Indicators partially or totally covered by the European Emissions Trading (ETS) legal regime, not subject to independent verification at this date.
Independent verification of reasonable assurance to be issued later.

4.11. Auditor's statement



Independent Limited Assurance Report

(Free translation from the original in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

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 2021 ("Report"), for the year ended 31 December 2021, 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 2021, 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; as well as the response indicators to Regulation (EU) 2020/852 – Taxonomy, 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 in Appendix "GRI Table" of the Report as "External Assurance – Limited", as well as the response indicators to Regulation (EU) 2020/852 – Taxonomy, 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 2021, the GRI Standards guidelines and the principles defined in the AA1000AP Standard (2018).

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 2021;
- vii) Comparison of sustainability data from EDP Brasil included in the sustainability information with the data reported in the Annual Report 2021 from EDP Energias do Brasil S.A., verified by KPMG Financial Risk & Actuarial Services, Lda;
- 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.

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.
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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

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Independent Limited Assurance Report
31 December 2021

EDP - Energias de Portugal, S.A.
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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 2021, related to the year ended 31 December 2021, 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 2021 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 2021.

February 22, 2022

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Signed on the original

João Rui Fernandes Ramos, ROC no. 1333
Registered with the Portuguese Securities Market Commission under no. 20160943



Green Bonds
Issued over the period
2018-2021

€6.4B

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). Since then, and until the end of 2021, EDP has issued around €6.4 billion in green bonds: four senior debt issues, one of which in US dollars, and five subordinated debt issues (hybrid)).

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 details about the several issues and the information included in this report is also available at [EDP's website](#).

The approximately EUR6.4 billion euros issued in green bonds between 2018 and 2021 were fully allocated by 31 December 2021, with 1,602 million euros being allocated to new projects wind and solar that came into operation between 2018 and 2021 and 4,847 million euros being allocated to existing projects. It should be noted

that the amount of green funding allocated to new projects corresponds to wind and solar farms that have begun operating at the year of the date of issuance of the respective green bonds.

It should also be noted that just over two-thirds of the projects financed with green proceeds are located in the United States (42%) and Spain (23%). A minority of projects is located in Romania (7%), Portugal (6%), Poland (6%), Italy (5%), Brazil (4%), France (4%) and Mexico (2%). With negligible weight are projects in the geographies of Greece, Belgium, Canada, and the United Kingdom.

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.

GREEN BONDS ISSUES' CHARACTERISTICS	PRE-ISSUE		POST-ISSUE		
	REFERENCE PRINCIPLES	SECOND OPINION	MONITORIZATION	GREEN BONDS FUNDS	EXTERNAL VERIFICATION
	GREEN BOND PRINCIPLES (ICMA 2018)	SUSTAINALYTICS	REGISTER ON THE DATABASE OF THE CLIMATE BOND INITIATIVE (CBI)	#24	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 2021

ELIGIBLE SUSTAINABILITY PROJECT PORTFOLIO	AMOUNT (€)	ALLOCATION OF GREEN FUNDING (2021)	AMOUNT (€)
EXISTING PROJECTS ALLOCATED (~ 2021)		ALLOCATED TO GREEN BONDS	6,449,679,954
Renewable energy			
Wind	€ 4,717,790,452		
Solar	€ 129,448,876		
NEW PROJECTS ALLOCATED (2018-2021)			
Renewable energy			
Wind	€ 1,480,091,447		
Solar	€ 122,349,179		
PROJECTS TO ALLOCATE	€ 2,160,972,019		
		UNALLOCATED AMOUNT OF ELEGIBLE PROJECT PORTFOLIO	2,160,972,019
Total eligible sustainability project portfolio	8,610,651,973	Maximum sustainability funding	8,610,651,973
Percentage of eligible green project portfolio allocated to net proceeds of green funding	74.9%		
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 2021

ELIGIBLE PROJECT CATEGORY SOCIAL BOND PRINCIPLES (SBP) GREEN BOND PRINCIPLES (GBP)	SIGNED AMOUNT	SHARE OF TO- TAL PORTFOLIO FINANCING	ELIGIBILITY FOR GREEN BOND	ALLOCATED AMOUNT	INSTALLED CAPACITY OF RENEWABLE ENERGY IN MW	ANNUAL NET PRO- DUCTION OF RENEWABLE EN- ERGY (MWH)	CO ₂ EMISSIONS AVOIDED (TCO ₂)
a/	b/	c/	d/		e/		e/
	EUR						
Renewable energy	8,610,651,973	100%	100%	6,449,679,954	10,102	23,093,933	13,735,309
Total	8,610,651,973	100%	100%	6,449,679,954	10,102	23,093,933	13,735,309

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. In the event of discrepancies, the Portuguese language version prevails)

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 2021, for the year ended 31 December 2021, 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 2021, 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 2021, 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;
- 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 2021, 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 2021.

February 22, 2022

PricewaterhouseCoopers & Associados
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PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. pertence à rede de entidades que são membros do PricewaterhouseCoopers International Limited, onde existe uma entidade legal adonada e independente.

Independent Limited Assurance Report
31 December 2021

EDP - Energias de Portugal, S.A.
PwC 2 of 2

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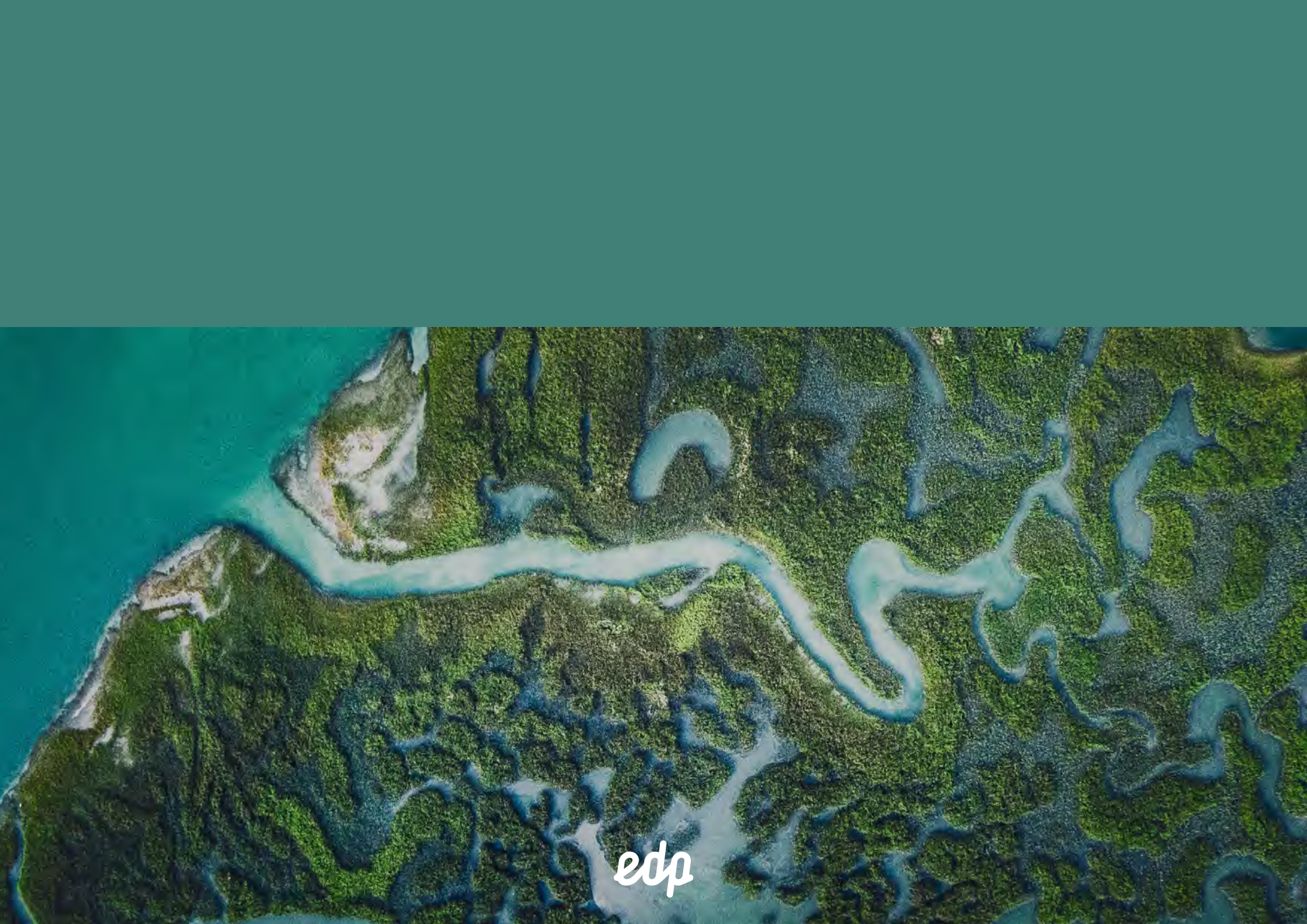
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March 2022



edp



CHANGING TOMORROW NOW

COMMITMENT TO
CLIMATE TRANSITION
2030



EDP's Commitment to Climate Transition 2030

This document summarizes the forward-looking statements EDP has published in several documents during 2021. It includes forward-looking statements regarding environmental goals, social targets or commitments; any of which may significantly differ depending on a number of factors, including the outcome of government regulatory interventions, policies and actions.

This document may also contain statements regarding the perspectives, objectives, and goals of EDP, concerning ESG (Environmental, Social & Governance) objectives, including with respect to energy transition, carbon intensity reduction or carbon neutrality. An ambition expresses an outcome desired or intended by EDP, it being specified that the means to be deployed may not depend solely on EDP.

Commitments undertaken are based upon various assumptions, supported by historical operating trends, data contained in the Company's records and other data available from third parties. Although the Company believes these assumptions were reasonable when made, they are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors beyond company's management control. As such, these forward-looking statements are subject to change without notice unless required by applicable law.

The Company and its respective directors, representatives, employees and/or advisors do not intend to, and expressly disclaim any duty, undertaking or obligation to, make or disseminate any supplement, amendment, update or revision to any of the information, opinions or forward-looking statements contained in this presentation to reflect any change in events, conditions or circumstances.

The Document

This document summarises the decarbonisation commitments assumed in EDP's strategy, pointing out the main objectives and goals for the next decade and demonstrating the contribution to energy transition, on a path aligned with the ambition of the Paris Agreement to limit the increase in global average temperature to 1.5°C.

Based on solid ethical principles, transparency, rigour and completeness are central to this first document, which is focused on the essential elements of decarbonisation and the embryo of a future Climate Transition Plan, within the framework of recently published international standards, namely the recommendations of the Task Force on Climate-related Financial Disclosures.

As an integral part of the EDP Group's Sustainability Report, we describe the path set out up to 2030, the context that justifies it and the way in which we are organised to achieve the goals to which we are committed.

The year's performance is, in turn, compiled in the body of the Sustainability Report. Both documents are approved at the General Shareholders' Meeting, reinforcing the collective commitment to the defined strategy.

Detailed information on our past and current performance may be consulted in the [Sustainability Report 2021](#).

— Message

Dear shareholders and other interested stakeholders,

Humankind is facing a climate emergency. It is urgent to stop, during this decade, the increase of greenhouse gas emissions into the atmosphere and, together with other social actors, the world must reach carbon neutrality by 2050, if we want to limit the growth of global average temperature to 1.5°C. The path is arduous, but possible, and the electrification of the economy, namely through renewable energy production, is recognized as one of the most important contributions to this transition. Its acceleration is critical and at EDP we want to lead the energy transition, assuming this opportunity with enormous responsibility and commitment, laying our experience and dedication at the service of society, developing solutions capable of addressing this unprecedented challenge.

At the beginning of 2021, we presented our strategy for 2025 to the market, complemented with a vision for the decade ahead. We plan, in this five-year period, to invest 24 billion euros, 80% of which in the growth of renewable installed capacity, and the remaining 20% to be distributed by areas that can leverage responses to the challenges of transition. Of these, 15% will focus on network growth and intelligence and 5% on energy sale and management, providing our customers with a growing number of decarbonized services.

It is in this set of priority action axes, based on a strong innovation culture, that we find the best response to the decarbonization of a sector that will have to be completed in 2040, if we are to comply with the Paris Agreement. To the other sectors of activity, we appeal that you count on us to walk the path of decarbonization that the world needs.

By the end of 2025 we will no longer have coal and by 2030 we will have decarbonized 98% of our entire portfolio, achieving carbon neutrality in our activities, with a 100% renewable generation portfolio. We will also have reduced 50% of the CO2 emissions we induce in the downstream and upstream of our value chain, compared to 2015 values. This new ambition is in line with the path defined by science to limit the increase in the global average temperature to 1.5°C, as recognized by the Science Based Target initiative (SBTi), during 2021. However, we are committed to going further and reinforcing our ambition to reduce CO2 emissions in the supply chain, so that we can assume a Net Zero commitment during 202.

2022 begins with climate risks leading the top of global concerns, along with the imminent risk of a social crisis. Now, at EDP, we are more than twelve thousand people dedicated to achieving what we publicly commit, and in this publication, we share with all our stakeholders the path we intend to take and what we are willing to do to achieve it. We cannot do it alone; we rely on a collaborative action of the world and we ask governments to establish accelerating policies for a decarbonized society; industry to approach electrification as an economically effective decarbonization solution; and citizens to choose a sustainable future for the new generations.

We are changing tomorrow now, preparing the company for the future, and this is our share of responsibility in building a decarbonised, resilient, socially fair, and inclusive society... a sustainable society.



Miguel Stilwell d'Andrade

— Miguel Stilwell d'Andrade

CHAIRMAN OF THE EXECUTIVE
BOARD OF DIRECTORS



Miguel Setas

— Miguel Setas

MEMBER OF THE EXECUTIVE
BOARD OF DIRECTORS

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CLIMATE EMERGENCY

We live in a decisive decade

The world is beginning to feel the effects of climate change and faces the greatest challenge known to date: changing the development paradigm at a speed never seen before, with the energy sector playing a primary role in the transition to a decarbonised society, in line with the ambition of the Paris Agreement. **We are living a climate emergency.**

The world is facing unprecedented challenges¹ ...

~10 Bn world population in 2050	~50% increase in energy consumption by 2050
Up to 1 Bn of climate migrants by 2050	Up to 2.5m sea level rise threatening >600 cities by 2100
+2.7°C temperature increase during this century	>7% of GDP per capita at risk this century

... and is joining forces in this fight ...

The Paris Agreement set ambitious, global climate goals for the first time: 'to maintain the global averaged

temperature increase well below 2°C compared to pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels', as well as to ensure a neutral balance between emissions and removals by sinks of greenhouse gases (GHGs) in the period 2050-2100.

Simultaneously, a global coalition led by the Science Based Targets initiative launched the 'Business Ambition for 1.5°C - Our Only Future' worldwide campaign, which already has over 1100 companies committed to climate action towards the 1.5°C goal and to decarbonisation. A success that reflects the importance and urgency of climate science.

The 2021 Emissions Gap Report by UNEP (United Nations Environment Programme) shows that according to the current Nationally Determined Contributions (NDCs), we are heading for a 2.7°C temperature increase by the end of the century. A path that requires immediate action by all.

Business sector leadership is therefore critical to address the climate emergency and accelerate the transition to a carbon-neutral economy. Businesses around the world are scaling innovative solutions and presenting strong plans for urgent action in line with 1.5°C and carbon neutrality.

1- MF, NOAA, UN, World Economic Forum, International Organization for Migration, EIA

The crucial role of the electricity sector

For the world to achieve carbon neutrality by 2050, the current pace of the global economy decarbonisation pathway needs to increase about five-fold, with the power sector playing a key role in this transition.

Currently, electricity generation represents 36% of total global CO₂e emissions, with the carbon neutrality scenario of the International Energy Agency (IEA) pointing to 0% of the sector's emissions in the decade of 2030 in emerging economies and 2040 in the rest, i.e., 10 years ahead of other sectors of activity.

Also, according to the IEA, world electricity demand will more than double between 2020 and 2050, with the electrification of consumption, based on electricity produced from renewable sources, playing a crucial role in the reduction of CO₂e emissions, contributing around 20% of the necessary global reduction by 2050.

The greatest energy conversion will take place:

- in industry, with the use of electricity for low and medium temperature heat production and the recycling of scrap steel
- in transport, where the share of electricity consumption will rise from 2% today in 2020 to 45% in 2050. 2030 will see the sale of electric

vehicles exceed 60% and by 2050 light fleets will be almost entirely electric

- in buildings, where intensive consumers of electricity will represent about 55%² of the total consumption of electricity worldwide.

Despite the strong focus on energy efficiency in the lighting and heating/cooling equipment used, the demand for electricity will continue to increase, representing about 66% of the total energy consumption of buildings in 2050. Finally, the production of hydrogen by water electrolysis, as a renewable source of alternative energy, will be a new source of electricity consumption with growing expression in the coming decades.

The electricity sector will thus have to rely increasingly on renewable energies, complemented by the rapid abandonment of coal and the decarbonisation of natural gas, while energy supply remains secure and affordable for consumers and businesses.

² 2020 Global Status Report For Buildings And Construction

We are a global energy company

Leaders in value creation, innovation and sustainability. We are present in 20 countries, with 0.65 million electricity customers, 0.69 million gas customers and over 12,000 employees worldwide.

On the Iberian Peninsula, we are proud to be a reference in the sector, being the largest generator, distributor and supplier of electricity in Portugal and the third largest electricity generation company in Spain. In Brazil, EDP is the fifth largest private operator in electricity generation. Through our subsidiary EDP Renewables, we are also one of the largest renewable energy operators in the world.

At the forefront of innovation and technological development, we invested early in the growth of renewable energies, which today represent 80% of our entire portfolio. This journey has been achieved based on strong ethical conduct and with human rights at its core. Our governance model has been strengthened, aligned with the highest ESG (Environmental, Social and Governance) standards, and we continue to report our performance transparently and regularly, helping the company to maintain its level of trust with the different stakeholders.

Our mission in Climate Transition

Promoting clean energy while operating in a sustainable way across the three ESG dimensions

The challenges in the countries where we are present

By the end of this decade, global energy consumption is expected to have increased, with electricity overtaking fossil fuel consumption.

In Europe, where more than two thirds of our business is located, the level of ambition is high. During 2021, the European Union approved the European Climate Law, which establishes carbon neutrality as a goal to be achieved by 2050, committing to reduce CO₂e emissions by at least 55% by 2030.

In Brazil, 84% of the energy matrix is composed of renewable sources, with the main challenges of the sector including a necessary energy diversification that ensures the security of supply, given the high dependence on hydropower, and the reinforcement of interconnections capable of ensuring a greater renewable installed capacity.

In the USA, the new Biden administration has considered climate change as one of its priorities, putting the country back in the lead in this fight, establishing a broad plan for climate action, with a new level of ambition: to reduce its GHG emissions by 50-52% in 2030, compared to 2005.

LEADING THE CLIMATE TRANSITION

The path we want to follow

With the electricity sector playing a primary role in the transition of the remaining sectors of society, its decarbonisation trajectory must be anticipated to 2040.

At EDP, we are committed to the process of transition to a low-carbon economy, in accordance with the Paris Agreement and the European Union's obligations.

Therefore, to support the climate transition, we plan to invest €24 billion in the period 2021-2025. 80% will be dedicated to investment in renewable energy through various technologies - wind, solar, green hydrogen and energy storage. **For a sustainable business growth, we aim to ensure that by 2025, 70% of our turnover is aligned with the new EU Taxonomy, rising this figure to over 80% by 2030.**

Staying at the forefront of the climate transition requires strong investment in research and development and innovation. The former, focused on exploring new technology areas, applying new knowledge, testing technologies and processes and the latter, working with technologies/concepts of higher maturity and with a greater focus on impact. Complementarily, the digital acceleration process will transform the internal culture, bring agility and change the way we manage our assets and how we work and interact with all stakeholders. In the Customer area, we highlight the focus on increasing the quality and speed of customer service and in asset management area, the increase in efficiency focuses on the implementation of predictive maintenance solutions.

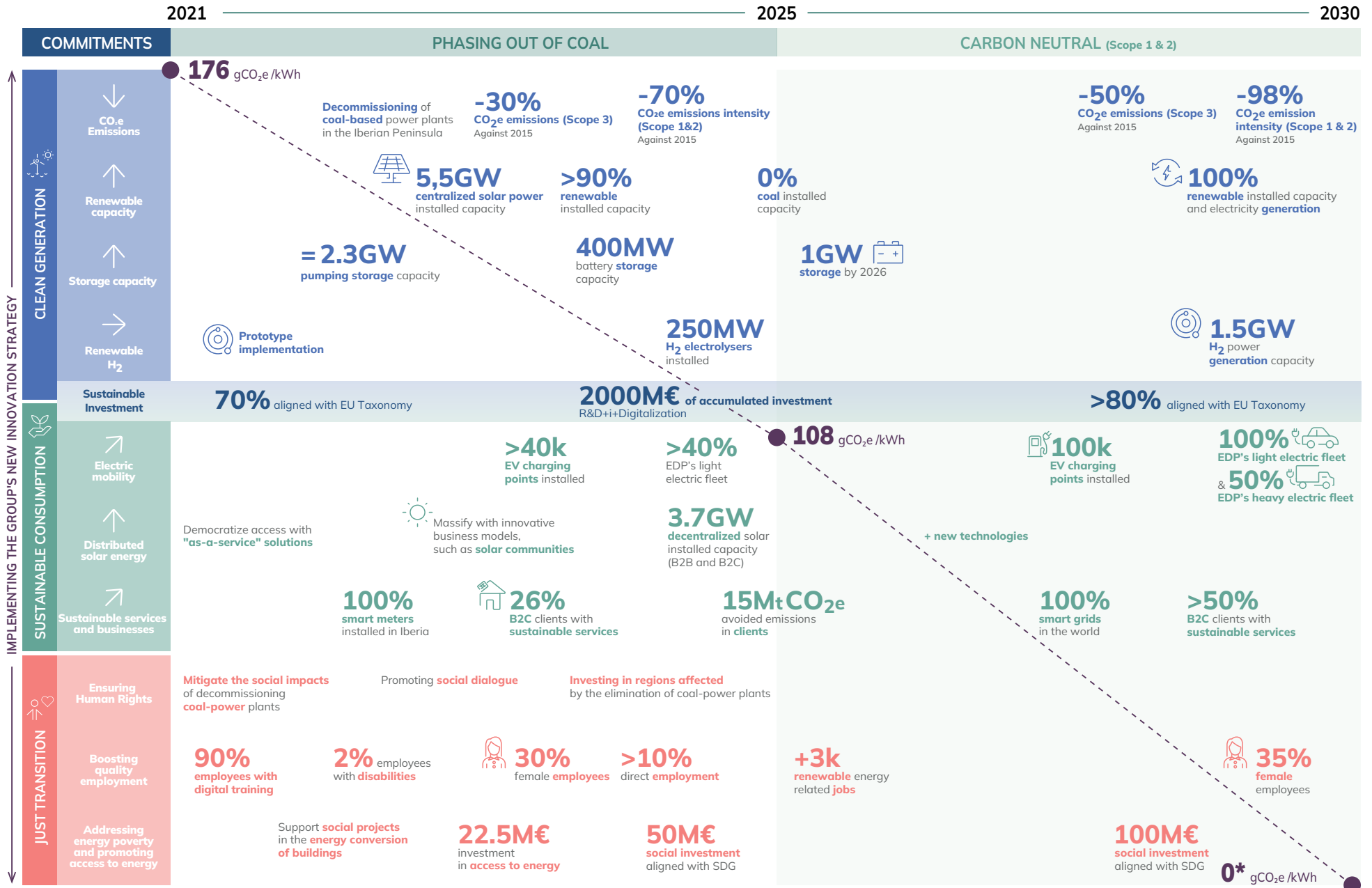
Globally, all contribute to accelerating new businesses that generate value and have a positive impact on this transition. **By 2025, we will invest EUR 2,000 million in R&D+i + Digitalisation.**

We want to strengthen our focus on innovation, leveraged by a strong transformation and digital culture.

Our Commitment are structured on 3 Pillars

We have anticipated the transformation of the electricity sector and are today at the forefront of climate transition. We are committed to **eliminating coal** by the end of 2025 and reducing our Scope 1 and 2 emissions by 98%, achieving carbon neutrality in our activities by 2030.

Our public commitments towards the transition are now structured into **three pillars of action**, where we have set targets that will make it easier to assess the progress and evolution of our activities over the next decade.



--- WE WALK A COLLABORATIVE AND TRANSPARENT PATH --- AND WE WILL REMAIN COMMITTED TO THE GLOBAL GOAL OF ACHIEVING CARBON NEUTRALITY BY 2050 --->

Collaborative: Engagement with all stakeholders
Transparent: Annual Sustainability Report | CDP Climate | TCFD Recommendations | Third-party verification | ESG questionnaires

* 7gCO₂e/kWh emissions offset



I. Clean Generation

Decarbonising production, achieving carbon neutrality and offsetting residual CO₂e emissions

I.1. Reducing CO₂e emissions

For the world to achieve carbon neutrality by 2050, the electricity sector will need to be able to reduce its CO₂e emissions by 2040.

In 2019, by subscribing the “Business Ambition for 1.5°C” initiative promoted by the United Nations, we committed to setting a CO₂e emission reduction target, consistent with what climate science defines as necessary to limit global warming to the most demanding level of the Paris Agreement. We were one of the first power sector companies worldwide with a strategy aligned with the necessary CO₂e emissions reduction trajectory required by the Paris Agreement.

An ambition supported by increasing energy production from renewable sources, in parallel with the progressive **decommissioning of the Group's coal-fired power plants by 2025** and the **deconsolidation of gas-fired power plants by 2030**.

Our commitment to **reduce CO₂e emissions** is a scientifically valid contribution to the fight against climate change, as recognised by the **Science Based Target initiative (SBTi)** for the targets set by EDP: to **reduce by 98% our combined scope 1 and 2 emissions intensity in 2030, plus a 50% reduction in absolute scope 3 emissions in 2030** (both against 2015 levels), as being aligned with the scientific trajectory required to limiting the increase in global average temperature to 1.5°C.

To ensure that these objectives are met, we have also set intermediate targets. Thus, we aim to achieve a **70% reduction in combined Scope 1 and 2 emissions intensity by the end of 2025**, compared to 2015, **plus a 30% reduction in absolute Scope 3 emissions in the same period**.

Overall, meeting this target will depend on several key areas of action:

- increasing our renewable portfolio
- progressive closure of coal-fired power plants in the Iberian Peninsula
- deconsolidating natural gas power plants in the Iberian Peninsula
- making low carbon energy solutions available to our customers, promoting the electrification of consumption and energy efficiency
- promotion of technological innovation focused on the barriers that still exist and the search for solutions to accelerate the climate transition.

Despite the continuous efforts to reduce GHG emissions, there are residual emissions that cannot be eliminated. With the trajectory defined, in 2030 we will maintain approximately 2% of CO₂e emissions from our scope 1 and 2 activities, representing around 500 thousand tonnes of CO₂e that **will have to be offset to ensure carbon neutrality in 2030 of our direct activities (scope**

1 and 2). But we are committed to going further and to strengthen our ambition in establishing a Net-Zero target, still in 2022, aligned with the new SBTi Net Zero Guidelines.

Offsetting will be promoted only in situations where emissions cannot be avoided or mitigated and can be done through two complementary approaches:

- nature-based solutions
- technological solutions for carbon dioxide removal.

The use of a voluntary carbon market, facilitating the carbon offsetting with quality, is urgent and we expect the publication of consensual benchmarks that frame this activity, restoring the confidence that is currently eroded but necessary for the proper fulfilment of the goals we have set ourselves.

The carbon offsetting of the Group will then be subject to an internal regulation that will necessarily consider references such as The Oxford Principles for Net Zero Aligned Carbon Offsetting, the SBTi NetZero Guidelines or the Voluntary Carbon Market Integrity initiative.

Finally, we have assumed the commitment to reduce scope 3 emissions by 30% by the end of 2025 and 50% by 2030, compared to 2015. Scope three emissions represented, at the end of 2021, 49% of the Group's total GHG emissions, distributed mostly in categories **C1**, Acquisition of goods and services; **C2**, Capital goods; **C3**,

Fuel and energy related activities and **C11**, Use of sold products.

With the change in EDP's portfolio expected by 2030 and our commitment to actively influence the supply chain in



its emissions' reduction trajectory, scope 3 emissions will reduce by up to 50% in 2030, with categories C1 and C2 accounting for over 60% of total scope 3 emissions, compared with 32% in 2021.

We believe that these contributions will be decisive to combat climate change and promote carbon neutrality, aiming at a more sustainable planet.

I.2. Increasing renewable capacity

Achieving carbon neutrality by 2050 requires a marked electrification of the economy and renewable technologies will be key to reducing CO₂e emissions from power generation, with solar and wind power accounting for the largest growth rate. Their installed capacity will have to triple by 2030 and increase eightfold by 2050.

At EDP, we have anticipated this trajectory, with our long experience in the construction and operation of renewable assets, and today, 80% of our installed capacity is of renewable origin. **By 2030, we have committed to increasing this share to 100%**. This is our greatest contribution to the climate transition, accounting for 80%

of the Group's total investment in the 2021-2025 period. This investment includes wind, solar, green hydrogen and energy storage technologies.

With a renewable installed capacity of 20 GW, our growth will be 4 GW per year, doubling the current installed capacity in 2025, predominantly based on wind and solar. With a focus mostly on **centralised generation, distributed solar will reach 3.7 GW**, which represents a strong acceleration from the current 436MW.

"EDP, as a leader in the energy transition, is clearly aware that the fight against climate change is urgent and requires climate action. That is why (...) we are taking concrete steps to support the decarbonisation of all sectors of the economy." - Miguel Stilwell d'Andrade, CEO of EDP and EDP Renováveis

I.3. Increasing storage capacity and promote system flexibility

With the increase of renewables in the electric system, the intermittency of this type of production is a challenge being addressed under an accelerated climate transition. If, at certain times, the absence of wind and/or sun results in a generation deficit, at other times there will be surplus periods.

It is therefore necessary to develop and test storage solutions capable of responding to fluctuations in the supply of electricity from renewable energies, ensuring synchronised use with consumption needs and allowing excess electricity to be stored until demand returns.

In a sustainable, optimised and efficient electric system, the ability to store energy is as important as the ability to generate electricity.

"Consumption I still don't control, generation even less, I'm going to need a piece of the puzzle that does what our body does, that stores energy." - André Botelho, EDP Inovação

In short, reinforcing energy storage contributes to the flexibility of an electricity grid that will distribute predominantly renewable energy in the future.

The challenges and responses to storage needs are different, with solutions being developed centrally, in large renewable power plants, or decentralised, close to the residential, industrial or community customer.

In the centralised form, we already have 2.3 GW of pumped storage, a solution provided by the hydroelectric plants, in a strong investment by EDP in Portugal. It allows us to store water in periods of excess renewable production and to respond to situations of need in the short or medium term.

Battery energy storage systems appear as a complementary solution. Although considered important technological facilitators, improvements in performance must be achieved to increase competitiveness, with reduced costs and sustainability. The different solutions under development vary in their location in the electricity system, and may exist in grid-scale systems, with the hybridisation of wind and solar farms, or on the customer's side, for private consumption including, or not, the delivery of electricity to the distribution network.

Finally, the production of hydrogen from surplus renewable electricity is another storage mechanism. Still embryonic, it presents a strong potential for development in the short-medium term. (see section *I.4 Investing in renewable hydrogen*).

At EDP we are preparing the future, today!

Given the importance of this issue for the success of the climate transition, energy storage is a key area for EDP. And so, we have created an internal unit dedicated exclusively to the development of storage solutions.

Complementarily, it is also one of the areas defined by the **Group's new Innovation Strategy**, which has different projects underway, in order to contribute to EDP's commitment of reaching **0.4 GW of storage capacity by 2025**.

I.4. Investing in renewable hydrogen

The production of renewable hydrogen will play a crucial role in the energy transition, opening the range of low-carbon solutions in sectors hard to electrify, such as heavy industry, by providing high-temperature heat, or the transport sector, where the speed of charging, for example, could be a competitive advantage in long-haul vehicles compared to battery vehicles.

At EDP, the development of solutions and ecosystems for the production, distribution and consumption of renewable hydrogen is an important business area and an opportunity to contribute to the decarbonisation of the economy. Renewable electricity represents more than 50% of the total costs of hydrogen production and our extensive experience in the renewable sector becomes a differentiating factor in this new market.

Thus, a business unit dedicated to strategic analysis and coordination of the different pilot projects under development was set up, relying on the innovation teams, framed within a new corporate strategy, aiming to promote green hydrogen projects in the industrial and transport sectors.

The development of different types of projects, either at scale, associated with centralised production, or in small units for self-consumption (1-10 MW) allows us to strengthen internal knowledge and define lines of investment for the future.

There are already projects underway in the USA, Brazil and the Iberian Peninsula, the latter with the particularity of being a region where EDP is also closing coal-fired power stations. Synergies are sought between this new line of growth and sites with coal power plants in the decommissioning phase, as a contribution to the Group's ongoing Just Transition strategy. An example is in the Sines region, Portugal, where the coal plant has closed in 2020 and a 100 MW hydrogen project is already under development, as part of an extended consortium financed by Horizon 2020. The project will be developed over the next two years, and, in case of a positive assessment, it will start construction in 2023.

By 2025, the Group expects to have 250 MW of electrolysers, accelerating the business from there to reach 1.5 GW in 2030.



II. Sustainable Consumption

Decarbonise consumption and promote low carbon solutions

II.1. Promoting electric mobility

The transport sector is another essential driver for the global fulfilment of the Paris Agreement. Responsible for 25% of global CO₂e emissions, in the last few years it has been going through a period of rapid transformation, in an accelerated demand to decarbonise, where electricity takes a pivotal position in the rapidly accelerating set of solutions.

Electric mobility has shown a rapid growth worldwide, with an upward trend in the next 5 to 10 years, due to the progressive reduction of the cost of batteries and social pressure.

The electric vehicle has an energy efficiency 2,5 times higher than the diesel vehicle and is today a competitive alternative in certain segments and types of use. It is the appropriate solution for the decarbonisation of light vehicles, when ensured by renewable sources, also contributing to the reduction of energy dependence and security of supply, one of today's geostrategic concerns. It is also the most effective response to combat air and noise pollution, a growing public health problem, especially in urban areas.

EDP has been developing sustained work in electrification leadership, with a clear focus on the development of new energy charging solutions and the promotion of an ecosystem of partnerships for electric mobility. Considered an essential driver of our business development in the retail business, internal organisational

units were set up. On the commercial side, these are focused on the strategic monitoring and development of electric mobility products in the residential and commercial segments. On the distribution networks side, the focus is on the development of charging infrastructures, today a growing barrier to the development of this market. **By 2025, we expect to have more than 40,000 electric chargers installed** and to be pursuing accelerated growth in customers with electric mobility services.

In addition, EDP's internal guiding principle is to lead by example and learn by doing. The company manages a fleet of around 3,600 vehicles and committed internally to **electrify 100% of our light-duty vehicles and 50% of our heavy-duty vehicles by 2030**. With this ambition, we estimate a 70% reduction in CO₂e emissions from the entire EDP fleet in 2030.

II.2. Increasing distributed solar energy

Anticipating the new energy paradigm, EDP has been establishing its presence in a future where the production, consumption and distribution of energy will be increasingly decentralised.

Decentralised solar energy production is now a reality and is expanding, in line with the objectives of decarbonisation by 2050 and driven by the evolution of the regulatory framework for self-consumption. This

democratisation of solar energy will be a key driver of the climate transition and will thus assume a prominent role on the path to decarbonisation of society.

At EDP, this business has been reinforced, with the offer of distributed generation solutions from renewable sources adapted to customers and local features. We intend to continue helping companies in the solar transition, developing business models with a strong innovative component, including:

- The support for the electrification of families and companies, offering a personalised photovoltaic installation service
- The democratisation of companies' access to distributed solar with as-a-service solutions, in which EDP assumes the investment of the installation
- The massification of self-production by families through business models, such as solar communities, which take advantage of available space in nearby buildings.

We believe that the reduction in cost, as well as greater environmental awareness among citizens, will contribute to an huge acceleration of photovoltaic solar energy in the coming years. And so, **we have set the goal of reaching 3.7 GW of decentralised installed power (B2B and B2C) already in 2025**.

II.3. Promoting sustainable services

The global climate policies have reinforced the need to promote the improvement of energy efficiency as one of the main drivers for the decarbonisation of all sectors of activity and recognised as an area of core action for the success of the climate transition to which the world has committed itself. It is important to stress that this is an area where the technology exists, and the solutions are already largely competitive. The IEA's scenarios for carbon neutrality assumes that energy efficiency will be the largest contributor to the reduction of CO₂e emissions by the end of this decade.

For EDP, responding to the challenges of sustainable development also means ensuring that our customers see in us a partner in their own decarbonisation trajectory, complementing the offer of renewable electricity with the provision of a wide range of services that contribute to the decarbonisation of the entire economy.

At EDP, we have been providing a set of low carbon services, in particular energy efficiency and replacement of energy sources that contribute to the decarbonisation of our customers' consumption, having **committed to the goal of 15 MtCO₂e avoided in customers by 2025**. We have also set a target of reaching **at least 26% of our residential customers with sustainable services**, extending the range of services to promote greater circularity of electrical equipment, such as providing repair and maintenance services. We will work to increase the penetration of new sustainable services, with the aim of covering **more than 50% of our customers with these services** by the end of the decade.

All this will be done with a strong bet on a greater intelligence of the networks. These will have to adapt to distributed models and to a greater intermittency caused by the growing penetration of renewables and will, in turn, provide customers with information about their own consumption, optimising, favouring efficiency and improving the quality of the service provided. In this domain, we have worked intensively to accelerate the installation of smart meters, with different speeds in the different regions where we operate, due to the different regulatory frameworks in place. By 2025, our networks in the Iberian Peninsula will have installed 100% smart meters, extending to 100% by 2030 of smart meters in all the regions where we operate today.



III. Just Transition

Promote a just transition by mobilizing renewable energy investments in coal phase-out regions and support workers and communities in a sustainable and economically inclusive way.

The transformation of energy sources and infrastructures into a low-carbon economy reconfigures supply chains, relocates generation centres and modifies the type of professions and professional skills needed by the sector. With the closure of mines and thermal power plants, this transformation extinguishes jobs and impacts the well-being of local communities dependent on industry. At the same time, renewable energies create new jobs, new professions and create opportunities for improving working conditions and equality.

We assume the Just Transition as a priority of EDP's business strategy and are committed to ensuring the social protection of unemployed direct workers, favouring their redeployment of these workers to new job opportunities, ensuring their requalification and mitigating their relocation. We also advocate effective public policies for social protection and requalification of directly and indirect workers affected in the framework and spirit of the European Fair Transition Mechanism.

In order to mitigate negative social impacts on employment and local communities, **we are committed to planning the closure of coal-fired power plants by 2025**, identifying impactable stakeholder Groups, promoting social dialogue and joint action. We also commit to creating employment opportunities and promoting equality for affected communities by investing in new renewable projects that create local employment, and broadly to fostering gender balance and the inclusion of vulnerable people in the employment opportunities generated by renewable investment.

"Regarding Sines, we had a 1.2 GW coal-fired power plant that was decommissioned, and we are now working hard on additional projects in the same site to take advantage of infrastructure and human capital in that location," - Miguel Stilwell d'Andrade, CEO of EDP and EDP Renováveis

III.1. Ensuring human rights

All societies experience problems and face key challenges concerning the respect for human and labour rights. Financial and economic crises, profound social inequalities, armed conflicts, geopolitics and the shortcomings of democratic institutions, among many other factors, require companies to constantly monitor risks, define active structures and procedures, and apply active policies in all their decisions and operations.

At EDP, we are particularly attentive to the challenges of climate change, where scenarios such as the increased frequency and magnitude of extreme phenomena, persistent changes in ecosystems and rising average sea levels will exacerbate inequalities and further weaken vulnerable populations. In this sense, the strategy of investing in renewable energy, in order to decarbonise economies, is in itself a strategy for the defence of human rights. However, whether investing in renewable energy plants or in renewable energy supply chains, respect for human and labour rights must also be ensured through effective corporate policies.

In this context, we are committed to respecting and ensuring respect for internationally recognised human and labour rights by implementing the obligation of duty of care and diligence in all our decisions, as set out in EDP's Human and Labour Rights Policy, paying special attention to the rights of local communities and extending equivalent obligations to our suppliers. EDP will also promote the development of respect for human and labour rights within the framework of sectoral corporate initiatives and associations.

III.2. Boosting quality employment

Employment opportunities are key in planning for a low carbon economy. EDP's planned strong investment in climate transition leads to an intensive job creation in the construction phase, with the Group anticipating an **increase in direct job generation of more than 10% by 2025, with more than 3,000 jobs being generated in the renewables business.**

In addition to job generation, ensuring that the principles of ethics and inclusion are mirrored in each step of our steps is a priority. Gender equality at EDP is recognised as being at the basis of any society free of prejudice. Therefore, regardless of gender, we value the skills of all our employees.

For equal opportunities, we are committed **to increasing the number of female employees in the company by 30% by 2025 and 35% by 2030.** Additionally, we are

following a path that we want to be inclusive, aiming to strengthen our EDP team with at least 2% of employees with some kind of disability, creating work opportunities and inclusive teams.

III.3. Addressing energy poverty and promoting access to energy

Energy poverty results from the financial inability of families to maintain the levels of thermal comfort recommended by public health authorities. Low income, combined with poor thermal quality in residential buildings, creates a social problem which must be tackled through structural public policies and within the scope of energy transformation.

We argue that public policies should prioritise financing energy efficiency and the decarbonisation of vulnerable people's buildings in energy poverty and create market incentives. In addition, as part of our voluntary social investment programme, we are committed to supporting social sector projects in the energy rehabilitation of buildings.

In another approach, energy poverty also manifests itself in communities that do not have access to the electricity grid, a phenomenon that in sub-Saharan Africa affects around 70% of the population. Worldwide, 789 million people still have no access to electricity and around 3 billion people depend on firewood, charcoal and agricultural waste for cooking and heating.

As part of the strategy to support the electrification of populations without access to energy (A2E), the A2E Fund was set up to improve the lives of people living in energy poverty, recognising that access to clean, affordable and reliable energy is a necessary condition for breaking this cycle, enabling social and economic development in remote rural areas. Through this Fund, we support sustainable, clean energy projects in the areas of education, health, water and agriculture, business and community.

By 2025 we will invest 22.5 million euros in access to energy projects, to which we will add 50 million euros of investment in communities, in projects aligned with the United Nations' Sustainable Development Goals. **By 2030, we aim to reach 100 million euros of investment in the communities**, accumulated from 2021.

A COLLABORATIVE AND TRANSPARENT PATH

Our approach to climate issues

Governance model

Our journey has been achieved based on strong ethical conduct and with human rights at its core. Our governance model has been strengthened, aligned with the highest ESG standards and we continue to report our performance transparently and regularly, helping the company to maintain its level of trust with the different stakeholders.

Climate transition is intrinsic to EDP's business, with an internal governance model that ensures the climate strategy and respective internal monitoring at the different levels of the organisation.



Strategy and risk management

With this governance model, we strengthened the Climate resilience of EDP's strategy. We have incorporated the taxonomy of risks defined by the Taskforce on Climate-related Financial Disclosures (TCFD) and today we ensure the adequate monitoring, quantification and mitigation of risks and opportunities of business evolution, in different climate scenarios, in the short (3-5 years), medium (10 years) and long term (30 years), with stabilized annual review processes.

The three Climate scenarios adopted aggregate transition variables and physical variables mostly based on the International Energy Agency and the Intergovernmental Panel on Climate Change (IPCC) respectively.

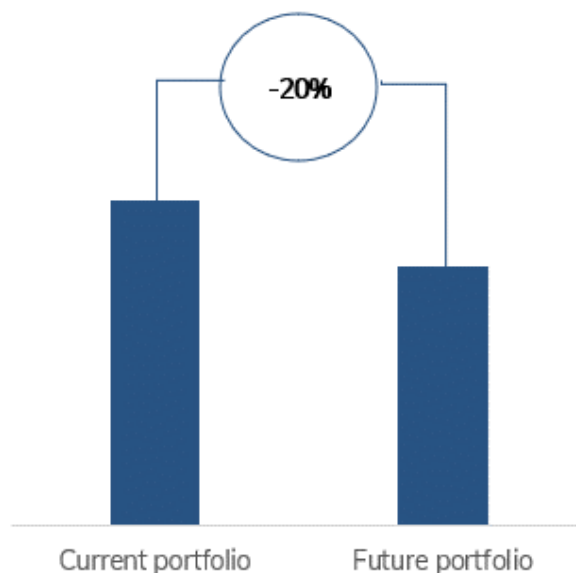


Climate risks and opportunities with a material impact (over 1 M€) are periodically calculated based on the analysis of the impact on EBITDA and reported by each Business Unit/geography and duly aggregated through a Climate Value@Risk (considering a set of assumptions of correlation between risks and opportunities).

The results of the exercises carried out so far, demonstrate the resilience of EDP's strategy, with an annual risk reduction of around 20%, in 2050, compared with the current portfolio, mainly due to the mitigation of physical

risks, mainly derived from an increasing diversification of the business, technologies and geographies where we operate.

RISK REDUCTION IN THE FUTURE PORTFOLIO (VS CURRENT)



Internal price on carbon

A carbon price is used company-wide to assess the impact of current and future carbon regulation and carbon taxes on energy prices, energy volumes, and existing assets' value, as well as to evaluate capital investments in building or acquiring new electricity generation assets across the globe. Meaningful carbon

prices strongly benefit EDP's business strategy, fully align with the Paris Agreement, and contribute decisively to its commitment to be carbon neutral well before 2050.

GHG-related regulation considered include the European Union Emissions Trading System (EU-ETS), which applies to our thermal power generation assets in Europe (Portugal and Spain), as well as in possible future markets in the only other geography where we currently own thermal power plants (Brazil).

Climate-related targets and KPIs

EDP's strategy alignment with climate transition is materialised by the definition of a set of metrics and targets, aligned with the financial consolidation criterion. Medium (2025) and long-term (2030) goals are established and monitored at different times of the year, either monthly, quarterly or annually.

Two complementary sets of metrics are defined, based on 2015, when applicable:

- Operational metrics and targets, illustrating the evolution of the business in each fundamental pillar to the climate transition
- Climate metrics and targets, reflecting the evolution of the business in terms of its impact on CO_{2e} emissions, or avoided CO_{2e}, when applicable.

For this last Group of indicators, EDP uses the GHG Protocol as main reference. A more detailed description of the set of indicators and methodologies used to establish the targets presented in this document can be found in the Sustainability Report 2021.

An active collaboration

The transition to a decarbonised economic model requires a long-term commitment focused on finding solutions capable of speeding up in a still bumpy path. This context requires continuous collaboration of all social agents, organised to promote synergies, deepen knowledge, share good practices and seek consensus between the different parties.

We assume the collaborative model as a key vector of success in this transition and an essential contribution to the achievement of our strategic objectives.

*"The path of climate transition is made of **individual and collective commitment**" - Vera Pinto Pereira, Chairwoman of the Board of EDP Comercial*

All Stakeholders are required to play a role in the climate transition and working together is essential for the success of our Commitment. Therefore, within the framework of our Stakeholder Relations Policy, we foster relationships of proximity and trust by incorporating contributions and expectations in decision making.

Climate policy engagement

The challenges that society is facing require a planned action between energy and climate policies and other governmental areas, decisive for a trajectory towards a carbon-neutral economy that simultaneously promotes economic growth and improves the quality of life.

Recognising our role as key in the climate transition pathway, we actively engage in supporting a sector and climate policy aligned with Paris by assuming public positions on the different issues under discussion, through our participation in specific sector organisations, organisations focused on sustainability issues or by endorsing joint letters with other companies or organisations when it becomes relevant to assume an active voice advocating policies accelerating a climate and socially just transition.

Climate science and civil society are in full agreement - we need faster action against climate change. (...). We will support policy makers every step of the way towards a carbon-neutral world by 2050." - Miguel Stilwell de Andrade, CEO of EDP and EDP Renewables

Because building a low-carbon future is not the responsibility of a single country, a single company or a single person, it is a job that is done together, **we actively and transparently join global initiatives to respond to climate change and climate transition**, aiming at promoting business sector leadership in building a future where we all want to live.

Some examples bellow:



We partner with a commitment to:

- sharing internal expertise
- contributing to the development of useful tools to support decision
- promoting consensus and contributing to sector standards
- taking common positions aligned with the Paris Agreement.

Reporting on our progress transparently

Monitoring and reporting the progress of our goals and targets in a clear and transparent way is a key part of validating and demonstrating our commitment to the urgent need for Climate Transition. To this end, we track progress against internationally recognised frameworks such as CDP, SDFR, GRI Standards, SASB, TCFD and EDP Green Bond Framework (per ICMA 2018 rules).

We disclose progress on a quarterly basis, publishing an ESG Report oriented for investors, and on an annual basis in our Sustainability Report, with a broader stakeholder approach. We also maintain an institutional website with a core sustainability area.

Each year, we also publicly disclose our response to the CDP Climate Change questionnaire, detailing our climate change strategy and performance. In 2021, EDP was classified as Leadership A- with our subsidiary EDP Brazil achieving Leadership A for the first time. **We will continue to strengthen our leadership position** in the coming years, recognizing the new challenges ahead.

But we will go further.

The climate emergency we face and the way in which different entities are acting, has raised an increasing interest for financial information related to climate change strategies by various stakeholders. Financial entities and investors increasingly require access to risk information that is consistent, comparable, reliable, and clear.

Given the growing concern of various stakeholders on the level of resilience of companies to climate change risk, the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) has issued a set of recommendations on how to analyse, report and incorporate climate transition into companies' strategy to better reflect on long-term resilience and increase transparency and climate-related information given to interested stakeholders.

In 2018, we declared our public support to the TCFD recommendations and have since then reported information accordingly, on governance, strategy, risk management, metrics and targets, resumed in '

Our approach to climate issues'

Alignment with these recommendations is currently detailed in our Sustainability Report 2021. We have reinforced our commitment to continue to deepen this process, incorporating best practices over the coming years, within the framework of future Climate Transition Plans.

In 2021, we launched a project to further develop these recommendations, assessing areas for improvement and structuring and formal creating a periodic process for assessing climate risks and opportunities, including their identification and quantification.

Alongside commitments to decarbonise generation and promote the electrification of consumption, we are **committed to progressively report accordingly to the TCFD recommendations in investment analysis and in public reporting** by 2022.

ACRONYMS

ESG – Environmental, Social, Governance

EU ETS – European Union Emissions Trading System

GHG – Greenhouse Gas

IEA - International Energy Agency

IPCC - Intergovernmental Panel on Climate Change

NDC - Nationally Determined Contributions

SASB - Sustainability Accounting Standards Board

SBTi - Science Based Target initiative

SFDR - Sustainable Finance Disclosure Regulation

TCFD - Taskforce on Climate-related Financial Disclosure

UNEP - United Nations Environment Programme

CONCEPTS AND DEFINITIONS

Carbon (GHG) neutral(ity): occurs when CO₂e (GHG) emissions attributable to an organization are fully compensated by CO₂e (GHG) offsets claimed by the organization. For EDP, means CO₂e emissions' reductions of its scope 1 and 2 emissions by 2030, with neutralization of residuals emissions through high quality carbon credits.

Climate-related risks: risks arising from the effects of climate change. According to the TCFD taxonomy, they can be physical risks or transition risks.

CO₂e: The CO₂ equivalent emissions of a given greenhouse gas (GHG) are obtained by multiplying the amount of emissions of that gas by its Global Warming Potential (GWP). It is a way to standardize the climatic effect of a given GHG in relation to the reference CO₂, whose GWP= 1.

CO₂e avoided (by renewables): Emissions that would have occurred if the electricity generated by renewable energy sources in a given geography was produced from the mix of thermoelectric power plants in that geography.

Customer Avoided Emissions: CO₂e emissions avoided through the offer of low carbon products and services, substituting other less efficient and/or more CO₂e intensive. Examples are energy efficiency improvement measures, the sale of green electricity, distributed generation and electric mobility.

Greenhouse Gases (GHG): for the purposes of GHG inventories, the following gases are considered: Carbon Dioxide (CO₂), Methane (CH₄), Nitrous Oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs) and Sulphur Hexafluoride (SF₆).

Net-Zero emissions: when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period (<https://www.ipcc.ch>). For an organisation, it refers to the state achieved when an organisation's GHG emissions are reduced according to a science-based trajectory, and any remaining emissions that cannot be mitigated are fully neutralised by permanent removals of equal value.

Offsetting: Reducing GHG emissions or increasing GHG removals through activities external to an organization, in order to compensate for GHG emissions, such that the organization's net contribution to global emissions is reduced.

Physical risks: climatic risks related to structural changes on physical parameters (e.g. precipitation, temperature) with potential financial impacts typically in the medium/ long term. They can be event driven (acute) or longer-term shifts (chronic) in climate patterns:

- **Acute risks:** refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods
- **Chronic risks:** refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.

Scope 1 emissions: Direct GHG emissions that occur from sources owned or controlled by the company.

Scope 2 emissions: Indirect GHG emissions resulting from the production of electricity (steam, heat or cold) acquired from third parties and consumed by the company.

Scope 3 emissions: Remaining indirect emissions, not included in scope 2, that occur upstream and downstream of the company's value chain. Scope 3 emissions are a consequence of the company's activities

but occur from sources not owned or controlled by it. They comprise 15 categories (8 upstream and 7 downstream).

Specific emissions (also known as **emissions intensity**): GHG emissions per unit of energy produced (typically tCO₂e/MWh or gCO₂e/kWh).

Transition risks: climate risks related to the transition to a lower-carbon economy, that may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organizations.

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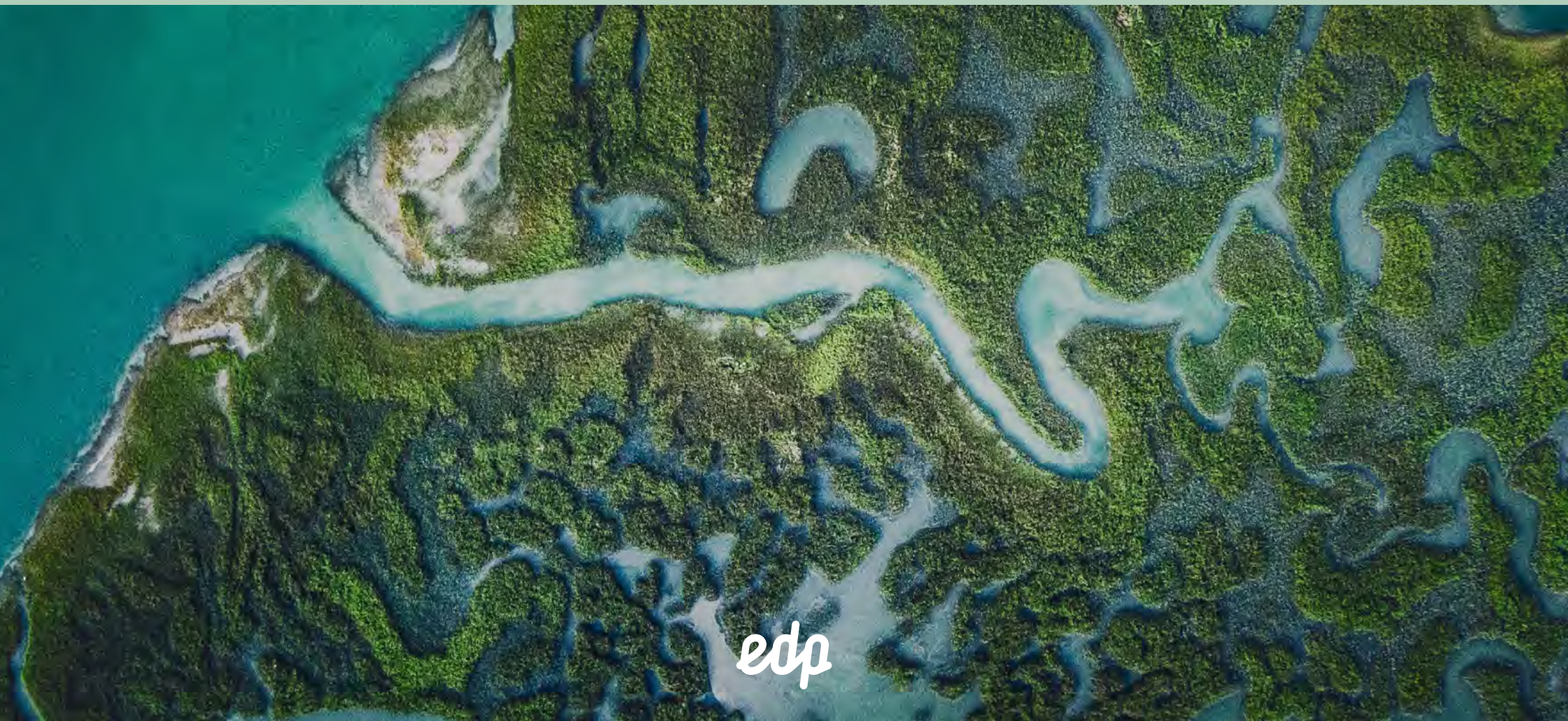
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