

# ENERGY

*edp*

CHANGING  
TOMORROW  
NOW

EDP REDES ESPAÑA  
SUSTAINABILITY REPORT 2020

# ENE RGY

*edp*

CHANGING  
TOMORROW  
NOW

Four decades innovating and progressing with and through a better energy have made us pioneers of the green revolution. The change has been key to our commitment to offer and build a flexible network of efficient, smart and sustainable energy solutions. Leading the energy transition by investing in renewable energies is more than a responsibility or a vocation. It means taking generations further, promoting the decarbonisation of production and energy consumption. It is our contribution to a more balanced and sustainable, inclusive, diverse and humane planet.

**We're changing tomorrow now,  
anywhere everywhere.**

# INDEX

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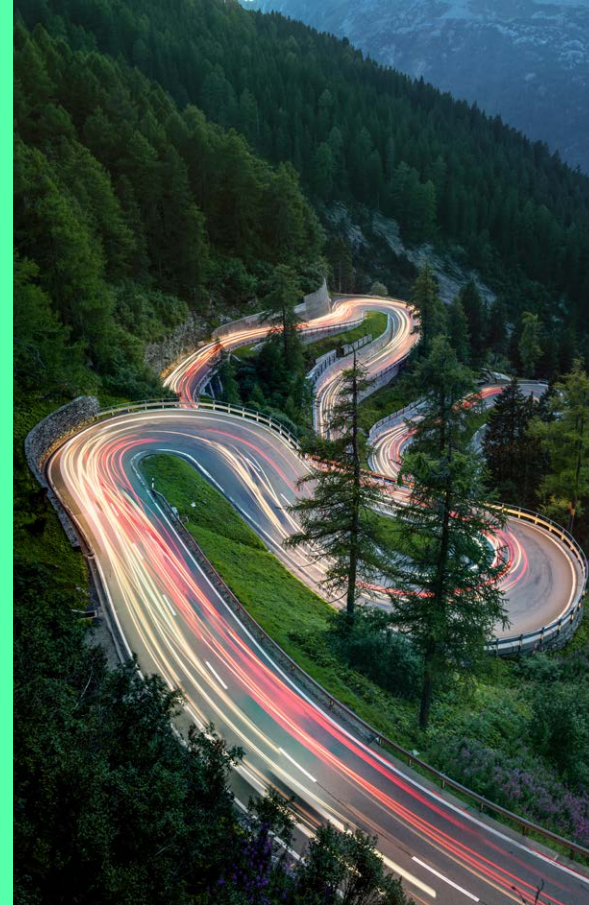
01	STARTING POINT	05
02	COMMITMENT TO SUSTAINABILITY	19
03	FOR A MORE JUST SOCIETY	35
04	TO BE OR NOT TO BE	43
05	PEOPLE'S ENERGY	53
06	RESPONSIBLE CUSTOMER BEHAVIOUR	63
07	COMMITTED SUPPLIERS	74
08	CIRCULAR ECONOMY AS THE KEY	79
09	BEYOND CLIMATE CHANGE	89
10	FOCUS ON INNOVATION	95
11	SUSTAINABILITY INDICATORS	104

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# DRIVE NEW

FROM DISRUPTION  
TO EVOLUTION

Changing tomorrow now.



# 01

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## STARTING POINT

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<b>Message from the Chairman and from the CEO</b>	<b>06</b>
Letter from the Chairman	06
Letter from the CEO	08
<b>The Grids' role in the EDP Group: Key platform for the energy transition</b>	<b>10</b>
Value proposition	11
Goals	12
Main figures	13
<b>Profile of EDP Redes España</b>	<b>14</b>
Where are we?	15
How are we organised?	16



1.1.1.

## LETTER FROM THE CHAIRMAN

Miguel Setas

**“The volume of investment planned in the 2021-2025 horizon exceeds 724 million euros, out of which 96% will be developed in the autonomous regions of Asturias, Cantabria and Galicia”**

It is my pleasure to present the first Sustainability Report of EDP Redes España, a company of the EDP Group in Spain, created in December 2020 after the acquisition of the Viesgo Group, the shareholding of which is shared by the EDP Group, which holds 75.1%, and the investment fund Macquarie, holding 24.9%.

EDP Redes España brings together the electricity distribution activity carried out by the people and the installations of the companies comprising it: E-Redes, Viesgo Distribución and Begasa, also supported by the entire corporate structure of EDP España.

2020 has been a very complicated year from a social and health-care point of view, and it is impossible to conduct any analysis without mentioning it. The suffered pandemic, which is still affecting us, has forced us to redefine and reorganise ourselves almost immediately, which is the reason why I would like to publicly thank all the human team of EDP Redes España for the effort they have made. Their adaptation, dedication and

hard work have allowed us to ensure the continuity and quality of supply, the customer care service and the level of implementation of investments with great efficiency.

The management of the distribution and transmission grids is currently developed in Portugal, Brazil and Spain, and it has been identified as one of EDP's strategic lines due to its future importance as facilitator of the energy transition.

In this scenario, EDP Redes España's strategic goals are: a) to become a key player in the energy transition in Spain, designing and executing an investment plan that meets the needs of the users of the grids; b) to deliver the highest quality of service and minimise energy losses; c) to strengthen our position as operational leaders, seizing synergies and best practices from the best two companies in the sector in Spain; and d) to increase our innovation capacity, making good use of all the resources of the EDP Group to implement new technologies and services.

**“The professionalism, solidarity and excellence of the employees of all the companies comprising EDP Redes España has been proven in the exceptional circumstances in which they performed their work last year”**

In the specific case of EDP Redes España, the volume of investment planned in the 2021-2025 horizon exceeds 724 million euros, out of which 96% will be developed in the autonomous regions of Asturias, Cantabria and Galicia. These investments will be aimed not only at improving the quality of infrastructures and new projects, but also at fostering the social and cultural development of these regions.

In order to reach these goals, I count on the invaluable collaboration of all the people working at EDP Redes España, regardless of the company they are assigned to, who should regard the integration process that is being initiated as a professional opportunity, with the possibility of accessing other activities and projects within the EDP Group.

The professionalism, solidarity and excellence of the employees of all the companies comprising EDP Redes España has been proven in the exceptional circumstances in which they performed their work last year, especially in the first moments of the health-care crisis, during which no incidents involving a significant loss of electricity supply were recorded. Back at that time, in which our mobility was restricted and dwellings required the maximum comfort possible, some activities, such as health care, telecommunications and the food industry, which are already essential per se, became absolutely vital and needed our electricity supply.

This exceptional situation has not interfered in other commitments assumed by the EDP Group and thus by EDP Redes España, such as the respect for the environment. In an industry that is clearly positioned to fight climate change, protecting biodiversity, the natural capital as a whole, is one of the most relevant vectors, at the same time that there is a clear strategy of circular economy and environmental protection altogether.

Or in the social aspects, where employment stability or the existing social benefits produce excellent working environment levels, and preventive performance targets all the necessary efforts at a zero-accident scenario, which is the firm intent of the safety policy of the Group.

Determined social action, commitment to the local community, collaboration with our suppliers and, in short, the creation of shared value with our stakeholders are the sustainability values that define us, within a global commitment to local action, in line with the United Nations 2030 Agenda and the highest CSR standards.

I have nothing left to say but to thank again the EDP Redes España’s team for their commitment and dedication, to congratulate them on the results obtained and to encourage them to keep working on this new challenge of building a new leader in the sector, making good use of the talent and synergies of two great companies that are uniting to become more efficient, more digital and more sustainable.

All these achievements and the strength to boost new challenges are shared by the partners EDP and Macquarie, whom we thank for their support and commitment to confront the future challenges that EDP Redes España is already facing.

Miguel Setas  
Chairman



1.1.2.

## LETTER FROM THE CEO

Miguel Mateos

**“We have not only fundamentally contributed to tackle the health-care crisis, but we have also kept looking into the future”.**

Welcome to this tour around the electricity distribution activity in Spain which this first Sustainability Report of EDP Redes España aspires to be.

We cannot review what has occurred in 2020 without analysing the consequences of the pandemic, emphasising once again the excellent performance of each and every employee of the companies that comprise EDP Redes España and all the partner companies that have played a very relevant role managing to preserve an essential service.

We should highlight the actions carried out in the first days of the state of alert, when, in order to ensure the electricity supply to the most important hospitals and health centres, we proceeded to check the transformation centres and the medium- and low-voltage lines that feed them. This is a clear example of the social commitment of the company, and of the EDP Group as a whole, in the face of a situation as

extraordinary as such. Another example is our stance on the criteria regarding power cuts or the changes in the contracted power at no cost in advance of their regulatory implementation.

But not only we have fundamentally contributed to tackle the health-care crisis, but we have also kept looking into the future. Reviewing financial year 2020, we find projects and actions aimed at channelling the necessary reforms to carry out the ongoing energy transition. The grids need to adjust to the deployment of new renewable energy and storage installations to ensure the response of the system. Projects such as Flash-BT or DYNELEC are an example of this, with digitisation as the main vector, as we are indeed moving forward to increasingly smarter grids.

The service quality is measured using the TIEPI (Installed Power Equivalent Interruption Time), in which we have achieved the best historical records, with only 15 minutes in



the grids managed by E-Redes and 27 minutes in Viesgo's. At the same time, we developed actions to minimise energy losses, such as the Simbo, Depnotec and Depertec projects, which allow us not only to be more efficient, but also to reduce our carbon footprint.

Innovation and digitisation are the new smart grids' key to gain increased flexibility and efficiency. Projects such as the energy storage pilot in the municipality of San Vicente del Monte (Valdáliga, Cantabria) or the improvements in the dynamic operation and sensorization of transformers allow to optimise the management of demand and incorporate a whole series of improvements from an efficiency, safety and sustainability point of view.

Our position as operational leaders is reflected in the satisfaction ratings of the customers connected to our grids, with a NPS (Net Promoter Score) that continues to trend upwards year after year, while, at the same time, our ESG (Environmental – Social – Governance) position, aligned with the EDP Group's, reflects the highest levels of international leadership.

In this position, it must be stressed Viesgo's leadership in the GRESB sustainability index, in which it has ranked first in the South of Europe and seventh among 406 infrastructure companies across the world, and we should also highlight that the EDP Group has been part of the Dow Jones Sustainability Index, uninterruptedly, since 2008, assuming leadership positions.

The incorporation of EDP Redes España, as a result of the agreement between EDP and Macquarie, is undoubtedly the main milestone of the year, since it has started an ambitious integration project, which we have named Proyecto Vega, and which will be a benchmark for all the activities we are executing. This is part of an ambitious and well communicated plan, and I am sure that its rigorous implementation will lead us to success.

Lastly, I would like to express again my gratitude and say congratulations to all the employees of the companies comprising EDP Redes España, as well as to all the companies that have collaborated with us in the achievement of the results presented in this Report. At the same time, I would like to encourage them to strive and put all their effort into the challenge entailed by the integration and the goal to build a company that becomes an indisputable leader of the sector.

Thanks to the Board of Directors for their trust and support to confront the future challenges that EDP Redes España is facing.



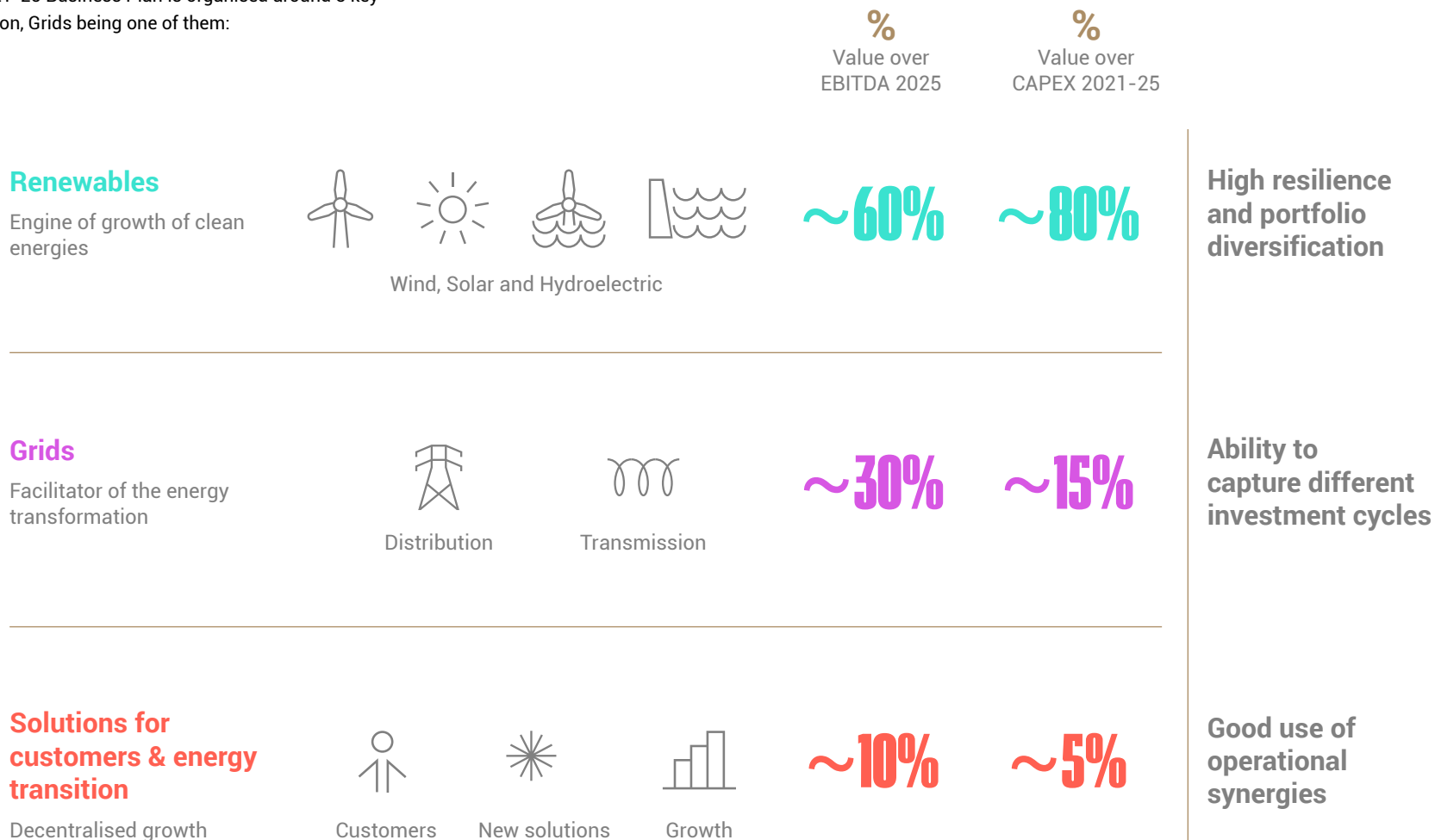
Miguel Mateos  
CEO of EDP Redes España

**“Our ESG position, aligned with the EDP Group's, reflects the highest levels of international leadership”.**

## 1.2. The Grids' role in the EDP Group: Key platform for the energy transition

The vision of the EDP Group is 'to lead the energy transition, creating higher value for the stakeholders'.

For its implementation, the 2021-25 Business Plan is organised around 3 key platforms in the energy transition, Grids being one of them:

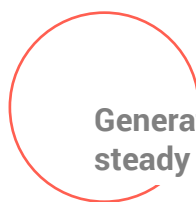
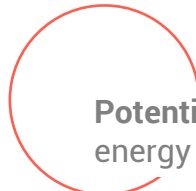


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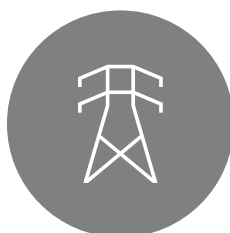
# VALUE PROPOSITION

The value proposition of the Grids Platform is based on the creation of value in a low-risk grid portfolio, taking advantage of the global scale and facilitating the energy transition.

## Low-risk portfolio...

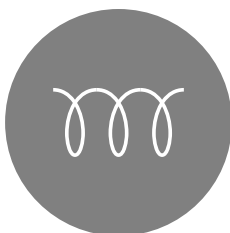
-  **Generation of a steady cash flow**
-  **Significant and recurrent capital deployment**
-  **Potential growth to meet the energy transition needs**

## ...that creates value in all kinds of activities



**Distribution**

- Growth of a solid base of assets.
- Integration of Viesgo's operations in Spain.
- Maximisation of value through the digitisation of the grid, capacity and resilience, the improvement in the service quality and operational excellence.



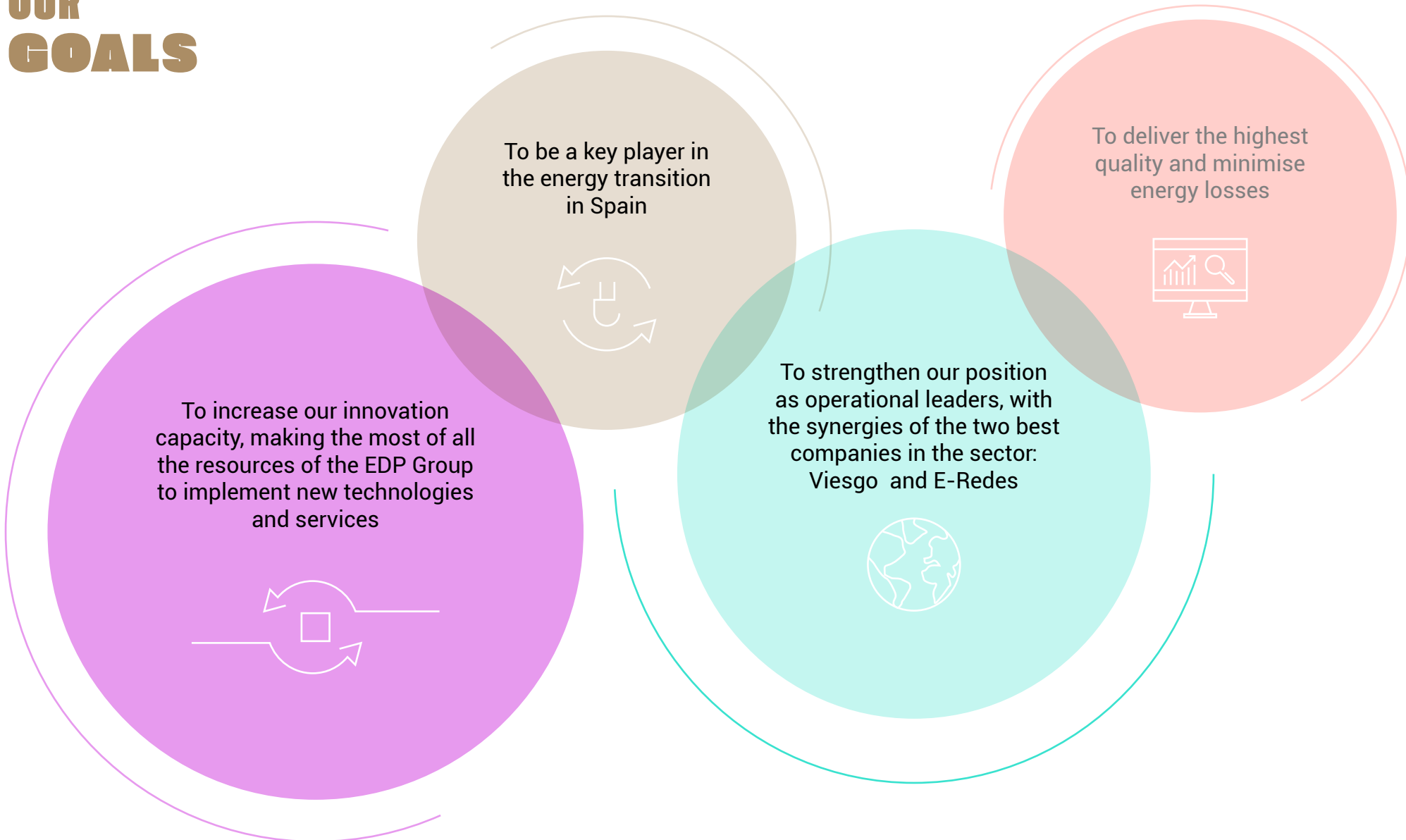
**Transmission\***

- **Superior execution** of projects, in line with the current portfolio.
- Assessment of the opportunities for **growth, consolidation** and/or **creation of value**.

\* The transmission activity is assigned to EDP Brasil.

1.2.2.

# OUR GOALS



01 Starting point

02

03

04

05

06

07

08

09

10

11

1.2.3. Main figures

# KEY NUMBERS

## Financial data

	2020		2019	
	E-Redes	Viesgo <sup>(1)</sup>	E-Redes	Viesgo <sup>(1)</sup>
Turnover (k€)	192,952	260,464	196,966	76,439
EBITDA (k€)	96,499	130,092	115,100	38,358
Net profit (k€)	68,504	63,670	85,051	23,009
Operational investments (k€)	49,193	60,526	44,002	53,624
Net debt (k€)	474,972	1,675,599	140,725	1,151,029

<sup>(1)</sup> Including Begasa.

## Operational data

	2020		2019	
	E-Redes	Viesgo <sup>(1)</sup>	E-Redes	Viesgo <sup>(1)</sup>
Distributed energy (GWh)	7,501	5,905	8,262	6,173
Total installed power* (MVA)	5,338	7,805	5,343	7,805
Supply points connected to our grid	671,598	699,326	668,494	696,496
% Losses in our distribution grid	3,85	5,85	3,64	5,82
Grid kilometres	20,867	31,547	20,768	31,432

\*Substation.

## Operational figures

**13,143 MVA**  
Installed power

**13,406 GWh**  
Distributed energy

**1,370,924**  
Supply points connected to the grid



### More sustainable

PLANET



**216 t/GWh** Specific CO<sub>2</sub> emissions

ISO 14001 certified assets	<b>100%</b>
emissions (t)*	<b>60,226</b>
% electrified fleet	<b>36%</b>
Restored habitat (ha)	<b>&gt;89</b>
% Recovered waste	<b>89%</b>

### Focused on competitiveness

CUSTOMERS AND SUPPLIERS



**100%** ISO 9001 certified assets

TIEPI E-Redes	<b>14 min</b>
TIEPI Viesgo	<b>27 min</b>
E-Redes customer satisfaction	<b>&gt;7/10</b>
Grid access processes: better than the sector average	<b>100% Viesgo</b>

### Humane and inclusive

PEOPLE



**711** Employee no.\*\* **17,3%** Women

Own accidents***	<b>4</b>
Employee satisfaction (Engagement)****	<b>73%</b>
45001 certified assets	<b>100%</b>
% Purchases from local suppliers	<b>95%</b>

### More digital

INNOVATION

**100%** Smart meters installed

Remote-reading smart meters	<b>99.5%</b>
Digitisation of the staff****	<b>85%</b>
Power remotely restored after outage****	<b>85%</b>
Volunteering actions	<b>86</b>
ESG projects with the local community	<b>&gt;10</b>

### Attentive to expectations

COMMUNITY

**6** Dual vocational training grants

**6** Innovation platforms and organisations

\*Scope 1 and 2. \*\* It includes the employees from the Viesgo (VIE) structure. \*\*\* Accidents involving leave. \*\*\*\* EDP España. \*\*\*\*\*Viesgo.

1.3.2.

# WHERE ARE WE?

EDP is a world energy leader, present in 19 countries and 4 continents, with a staff made up by more than 12,180 employees.

Through EDP España, it is one of the main operators in the Iberian Peninsula.

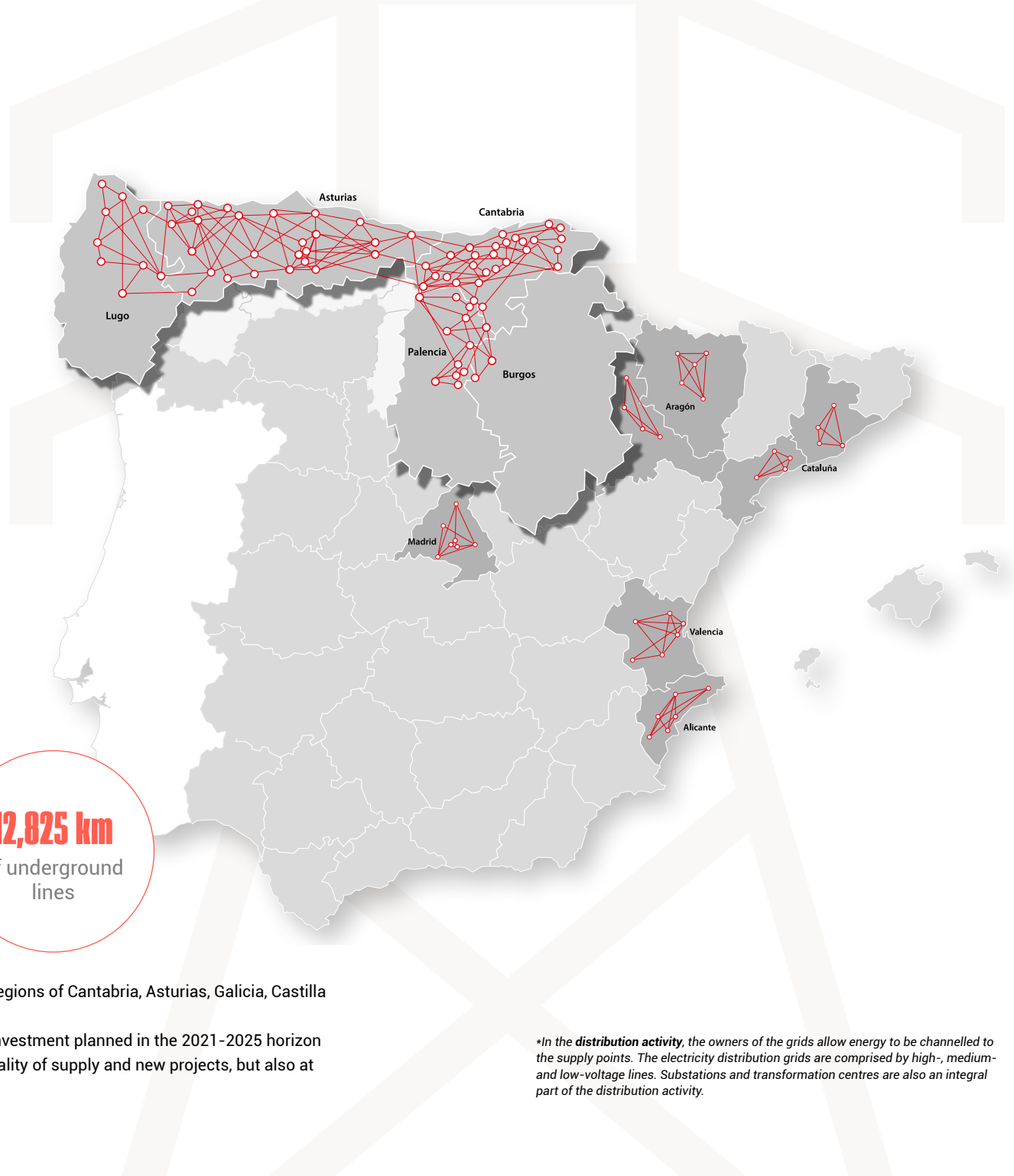
EDP Redes España is responsible for the electricity distribution business in Spain. It was created after the acquisition, in December 2020, of the Viesgo Group (Viesgo Distribución and Begasa) by EDP España. It currently employs a total of 711 people.

## Sustainable distribution grid

**7,501 GWh**  
Distributed electricity



- EDP Redes España distributes electricity across the autonomous regions of Cantabria, Asturias, Galicia, Castilla y León, Comunidad Valenciana, Aragón, Madrid and Cataluña.
- The Industrial Plan for EDP Redes España envisages a volume of investment planned in the 2021-2025 horizon that exceeds 724 million euros, aimed not only at improving the quality of supply and new projects, but also at fostering the social and cultural development of these regions.



*\*In the **distribution activity**, the owners of the grids allow energy to be channelled to the supply points. The electricity distribution grids are comprised by high-, medium- and low-voltage lines. Substations and transformation centres are also an integral part of the distribution activity.*

1.3.3.

# HOW ARE WE ORGANISED?

## Business areas



### Grid exploitation

The Grid Exploitation Division is responsible for the operation, maintenance and construction of distribution grids.

In this sense, it plans and implements maintenance, inspection and verification strategies for existing assets, in accordance with current legislation and according to their criticality in order to ensure their useful life, causing the least impact on the environment and ensuring the electricity supply to the connected consumers and generators with the best-in-class supply quality parameters in the industry.

This is possible thanks to the work of its control centres and the people who work remotely 24x7 on the installations with the monitoring and real-time systems, and the field work teams that resolve any incidents that may arise.

These control centres are critical infrastructures, as identified by the National Centre for Critical Infrastructures, and meet all the requirements in terms of physical safety and cybersecurity required by the latter.

The Grid Exploitation Division is in addition responsible for the construction and commissioning of the grids included in the investment plan designed by the company and approved by the Autonomous Regions and the Ministry, from which the Distribution business receives its remuneration. Building these new grids contributes to the energy transition and electrification of the economy, designing them to allow and encourage the penetration of electric mobility, high- and low-voltage distributed generation and the connection of new customers.

## Business development

The activities carried out by the Business Development Division ensure that the Grid assets are designed and built sustainably in accordance with the company's strategy, goals and policies, complying with the prevention and environmental regulations, optimising investments and helping to ensure the availability of the Grid, thus facilitating the energy transition.

The main activities of the Business Development Division include:

- Defining and managing the company's investment plan and technical planning of the Grid.

- Designing and processing Grid assets, as well as managing the standardisation and specification of materials for the subsequent construction of the assets.
- Integral management of substations, including, in addition to engineering, their construction, operation and maintenance.
- Managing information and documentation about the assets and the performances of partner companies.

As part of these activities, relationships with relevant stakeholders are especially important for the company, such as:

- Regional and municipal authorities, which are the main stakeholders in the process of reviewing and approving investment plans and processing the designs and permits necessary for the company to carry out its activities in compliance with all current legislation.
- The Transmission Grid manager, which is the main stakeholder in the Grid planning process, as well as in the connection of generators and individual customers to the grid.
- Partner companies, which are the main stakeholders in the processes of grid design, construction, operation and maintenance.



## Access and customer management

The access and customer management Division handles the commercial relations with customers.

The first process involves dealing with requests from customers who wish to connect to our grids, either to consume electricity or to produce it and feed it into the grid. These requests are managed according to predefined technical and economic conditions. Once the necessary electrical installations have been built, everything is ready for connection, and it is the retailing companies that are responsible for making offers to consumer customers. Once an agreement has been reached, the retailers, on behalf of the customer, contract by electronic means the grid use with the distribution company. The standard metering equipment is then installed by the distribution company and electricity starts to be supplied to consumers or fed to generators. The energy consumed or generated is periodically read, in more than 99.5% of cases remotely. Consumers' use of the grid is billed by metering the power, and these metered data are provided to the agents involved: consumers, generators, retailers and the system operator.

It should be noted that all our meters are now remotely managed, which allows reading and changes to rates and power to be done remotely, thus increasing the efficiency of operations. But they also make smart grids possible, providing information on the state of the grid, which has permitted to reduce fault resolution times, and they are preparing our grid for the challenges of the future. They also allow greater control of the power circulating in the grid (energy balances) and help us to locate possible fraud in the electricity supply.

In addition to the systems that support the aforementioned processes, we have a series of 24x7 communication channels with customers (telephone, website, app) so that they can ask us for information, request services or inform us of problems with the supply or their consumption. A telephone channel is available in the event of grid faults that interrupt the electricity supply, and a department to deal with customer complaints is available to resolve any complaints about our services. In order to improve customer care, the quality of our actions is rated by means of satisfaction surveys, which allow us to improve the quality of our customer care service.



## Digital transformation

The Digital Transformation Division, hereinafter DT, was created to stimulate, support and advise EDP Redes España in the implementation of digitisation techniques in all those processes in which this technology represents an advance and a real improvement in their efficiency and effectiveness. The aim is to give visibility and accelerate the application of innovation in the business from a digital approach, the main goal being to capture the maximum possible value for the business.

The focus is on all these advances or innovation being developed and carried out within the business areas, with the DT Division acting as a catalyst and driving force. The only exception in this initial phase is the development of what is called 'data governance and data science', which will be implemented from DT by applying advanced analytics algorithms to try to obtain added value in the form of new services and features, initially in identifying predictive maintenance actions that prevent failures and extend the useful life of assets, thus improving the income statement, reducing expenses or OPEX and maximising income from asset remuneration.

# ACT NOW

FROM TOMORROW TO BEYOND

Changing tomorrow now.



- 01
- 02
- 03
- 04
- 05
- 06
- 07
- 08
- 09
- 10
- 11

# 02

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## COMMITMENT TO SUSTAINABILITY

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<b>Context</b>	<b>20</b>
<b>Strategy</b>	<b>22</b>
Sustainability	22
Regulations	27
<b>Management of stakeholders</b>	<b>28</b>
<b>Recognition of Sustainability</b>	<b>29</b>
<b>Continuous improvement</b>	<b>32</b>

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# Commitment to sustainability



EDP remains this year again in the Dow Jones Sustainability World and Europe Index (DJSI), in which it has been uninterruptedly included since year 2008.

In 2020, it obtained a score of 88 points out of 100, which makes it rank 4th in the Index, although it would rank 2nd among integrated utilities.

It should be noted its classification in 10 Best-in-Class criteria: materiality, political participation, supply chain management, environmental reporting, climate strategy, water-related risks, social reporting, human rights, civic responsibility/philanthropy, and relations with stakeholders.

It should also be highlighted its participation in CDP – Disclosure Insight Action (formerly, Carbon Disclosure Project), a non-profit organisation benchmark for investors and other stakeholders, which assesses the performance in climate and water management. The EDP Group has obtained the highest level of performance, Leader, and the maximum classification in both categories, A.

EDP has been part of this index for six years in a row:



HABA OLIG PARA VER WEB

In 2020, Viesgo has been recognised by the GRESB international index as one of the most sustainable infrastructure companies, including it among the most sustainable companies in the world. In this independent classification, focused on assessing environmental, social and governance (ESG) performance of companies, Viesgo ranks 1st in Southern Europe and 7th among 406 infrastructure companies across the world, obtaining the maximum classification, 96.45 points out of 100.

This recognition values the company's commitment to sustainability and reflects the effort made by all our employees and partners in creating a sustainable business model, as well as the importance for our organisation of ESG factors in the decision-making process.

The protection of biodiversity, the reduction of the carbon footprint, safety and health, and the commitment to work-life balance and to diversity were some of the most valued aspects.

# EDP VISION

A global energy company to lead the energy transition, creating higher value

## RISKS AND OPPORTUNITIES

### GLOBAL ENERGY MODEL

- Energy decarbonisation
- More mature renewable sources Decentralised generation
- Low energy prices and energy guarantees
- Energy efficiency

### MACRO CLIMATE

- Political and regulatory pressure
- Weak global economic growth

### CULTURAL TRANSFORMATION AND TECHNOLOGY

- Social and cultural change
- Digital transformation

### FINANCIAL MARKETS

- Volatility
- Growing interest rates

## POSITIONING

### GLOBAL ENERGY MODEL

- Growth of renewable energies and low-risk activities
- High efficiency and renewal of assets
- Continuous improvement and R&D&I culturei

### MACRO CLIMATE

- Iberian Peninsula: financially sustainable systems
- Limited exposure to the dynamics of demand

### CULTURAL TRANSFORMATION AND TECHNOLOGY

- Digital utility: digital transformation and CRM
- Generational change and skill upgrading

### FINANCIAL MARKETS

- Debt market: high financial liquidity
- Forex: investment hedge
- Positioning of investment grade rating
- Part of the assets indexed to inflation

## STRATEGIC PILLARS



ACCELERATED AND ORIENTED GROWTH



CONTINUOUS IMPROVEMENT OF THE PORTFOLIO



SOLID BALANCE AND LOW-RISK PROFILE



EFFICIENT AND DIGITALLY FITTED OUT



APPEALING REMUNERATION FOR SHAREHOLDERS

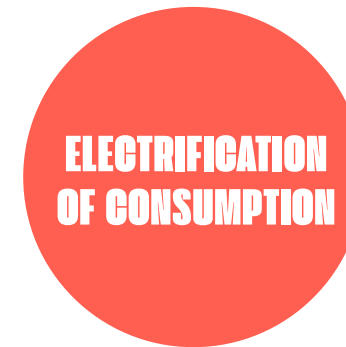
## 2.2. Strategy

### 2.2.1. Sustainability

The EDP Group recognises the importance of sustainability in the value chain, integrating its business, risk and opportunity strategy on an ESG (Environmental, Social and Governance) level, particularly into the necessary actions for the energy transition.

Throughout year 2020, the initiatives contained in the 2020-2022 Sustainability Plan have been implemented, and the established Sustainable Development Goals have been monitored.

The actions performed by EDP España respond to and are in line with the European New Green Deal commitment, through which neutrality in carbon emissions is promoted for the entire continent by 2050.



- 85%** of renewable installed power
- 90%** of the Group's production will be renewable
- 90%** of specific CO<sub>2eq</sub> emissions, with respect to 2005
- 3 GW** of centralised solar installed power

- 50%** of customers with value-added services
- 100%** of smart meters installed
- 1 GW** of decentralised renewable power in customers
- 100** thousand vehicle charging points installed
- 100%** of EDP's electric light fleet

The Sustainability Plan is annually revised taking into account the materiality analysis that is performed every month of November in all the companies of the EDP Group.

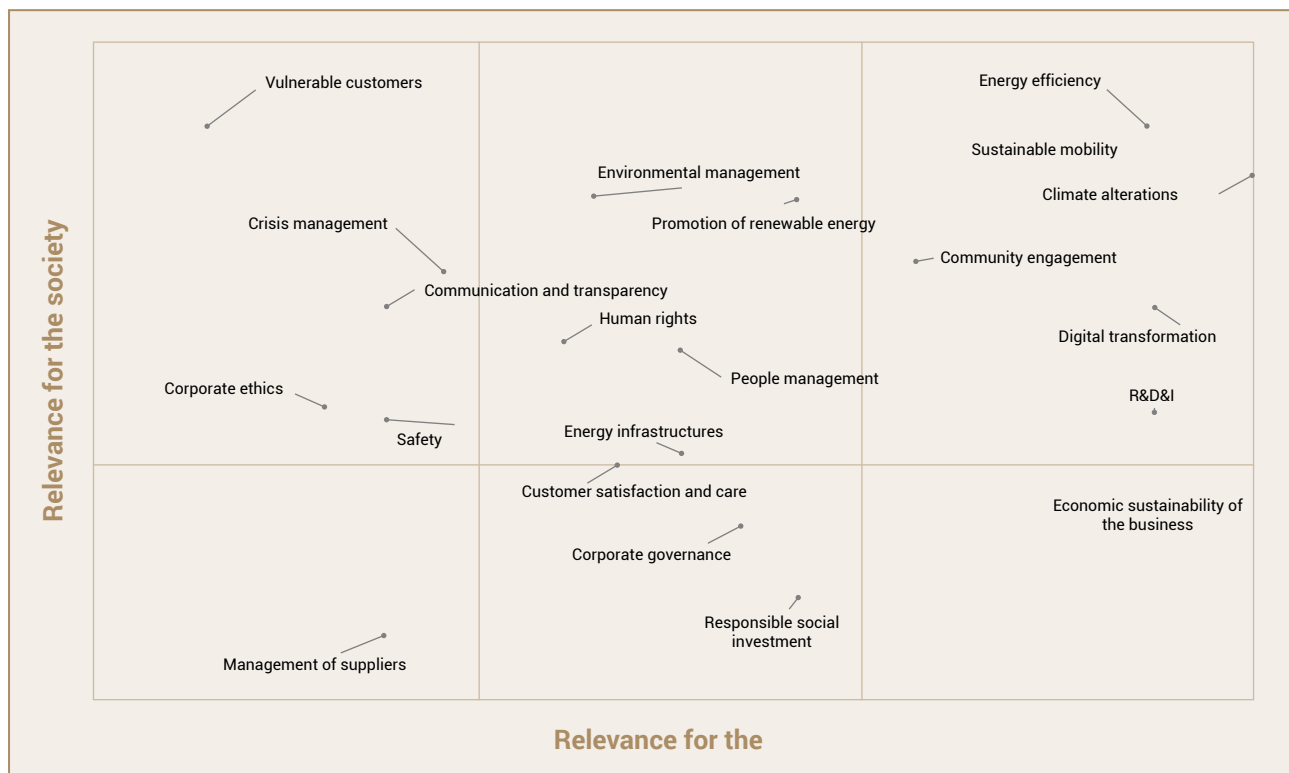
This annual materiality study, aimed at identifying the most relevant aspects for all the stakeholders, includes both positive and negative aspects, current or in the medium-long term.

This direct or indirect participation of the stakeholders, through the study and by listening to their needs and expectations, not only proves transparency in management, but it also allows to identify and prioritise on which aspects their management should be based, both by way of risk management under the precautionary principle and identification of challenges and opportunities.

In the materiality analysis of this year 2020, 21 categories grouping 60 topics have been identified. The most relevant categories have been the following, in this order:

External level	Internal level
1 Sustainable mobility	1 Climate alterations
2 Energy efficiency	2 Sustainable mobility
3 Vulnerable customers	3 Energy efficiency
4 Climate alterations	4 Digital transformation
5 Promotion of renewable energy	5 Innovation
6 Gestión ambiental	6 Economic sustainability of the business

The materiality matrix is as follows:






**As emerging topics, the following should be highlighted:**

- New ways of working/teleworking: impacts of the labour and social regulations
- Bioeconomy: industrial and technological adaptation to climate change and circular economy
- Infectious diseases (zoonoses) and biodiversity
- Poverty as a consequence of the current pandemic ('the hunger queues')
- Emotional health
- Youth: youth development, training and access to employment
- Water availability for emerging uses risk
- Positioning vis-à-vis sustainable brands and greenwashing
- Change in the production level: digitisation and robotisation
- Transparency in equality aspects: new regulation and requirement
- Supply chains in crisis situations (Buy local) publishing

EDP España's 2021-2025 Sustainability Plan has also taken into account the Sustainability principles of the UNE-ISO 26000:2012 standard: accountability, transparency, ethical behaviour, respect for the stakeholders' interests, observance of the principle of legality, observance of the international code of conduct and respect for human rights.

In January 2021, EDP launched the 2021-2025 Strategic Plan, communicating its vision and strategic pillars and defining its key goals and targets. EDP's vision remains as defined in the previous Plan and starts assuming its leadership in the energy transition with a higher-value creation vision, based on 3 strategic pillars:

	Key initiatives	Key numbers and targets
 <p><b>Accelerated and sustainable growth</b></p>	<ul style="list-style-type: none"> <li>Increasing the growth of renewable energies, accelerating the asset ownership and rotation strategy</li> <li>Investing in renewables and grids in Europe and USA</li> <li>Reaching a BBB rating in the short term (maintaining a sustainable level of leverage)</li> </ul>	<ul style="list-style-type: none"> <li>€24 B CAPEX in energy transition<sup>(1)</sup></li> <li>€ 8 B asset rotation<sup>(1)</sup></li> <li>€4.7 B EBITDA in 2025</li> <li>20% FFO/Net debt 2025<sup>(2)</sup></li> </ul>
 <p><b>Future organisation</b></p>	<ul style="list-style-type: none"> <li>Progressing towards a more global, flexible and efficient organisation</li> <li>Strengthening our focus on innovation and promoting a digitised organisation</li> </ul>	<ul style="list-style-type: none"> <li>€100 M savings OPEX Like For Like (LFL)</li> <li>€2 B TOTEX in digitisation and innovation<sup>(1,3)</sup></li> </ul>
 <p><b>Appealing returns and ESG excellence</b></p>	<ul style="list-style-type: none"> <li>Intensifying a green leadership position and becoming an ESG benchmark</li> <li>Sustainable return for the shareholder and appealing dividend policy</li> </ul>	<ul style="list-style-type: none"> <li>Coal-free by 2025</li> <li>Carbon neutrality by 2030</li> <li>€1.2 B Net result by 2025</li> <li>Minimum dividend of €0.19/share</li> </ul>

<sup>(1)</sup> 2021-2025.

<sup>(2)</sup> FFO/Net debt pursuant to a formula in accordance with the methodology of the rating agencies, taking into consideration EDP's recurrent EBITDA definition.

<sup>(3)</sup> €1 B TOTEX in Innovation, €1 B CAPEX in Digitisation.



## EDP sustainability

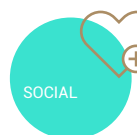
### ESG excellence recognised by top institutions High level of commitment and impact on SDGs

This new Strategic Plan strengthens the commitment to sustainable development, assuming the leadership in the energy transition and creating higher value for all the stakeholders. As a complement to the decarbonisation-focused business model, EDP maintains its commitment to guarantee that its activity actively contributes to the achievement of the Sustainable Development Goals defined by the United Nations, reaffirming the commitment to achieve carbon neutrality by 2030.



#### Fight against climate change

- Coal-free by 2025
- Carbon neutrality by 2030
- 100% renewable generation by 2030



#### Diversity, equality and inclusion

- >35% of women by 2030
- Ensuring employees' engagement
- Optimising social investment: >€100 M in investment in SDGs (2021-2025)



- Innovation: €1 B (2021-2025)
- Digital transformation: €1 B (2021-2025)
- Best ethical and compliance practices

	2020	2025	2030	
 <b>Environment</b>	Income in line with the European taxonomy	58	~70	>80
	Emissions scope 1 and 2	157	~100	0
	Renewable generation	74	~85	100
	Coal installed capacity	8	0	0
	Total waste	309	118	30
 <b>Social</b>	Committed employees (top company)	✓	✓	✓
	Women average	25	30	35
	Accident frequency rate	1.74	1.55	<1
	Social investment in SDGs	12.4	50	100
 <b>Governance</b>	Women in management organs	25	30	35
	Top management remuneration linked to net equity and ESG	✓	✓✓	✓✓
	Cybersecurity (rating)	<b>Keep advanced</b> cybersecurity BitSight rating <sup>4</sup>		
	Upper performance quartile in ESG indexes	✓	✓	✓

<sup>(1)</sup> Number of occupational accidents per million hours worked (including employees and contractors).

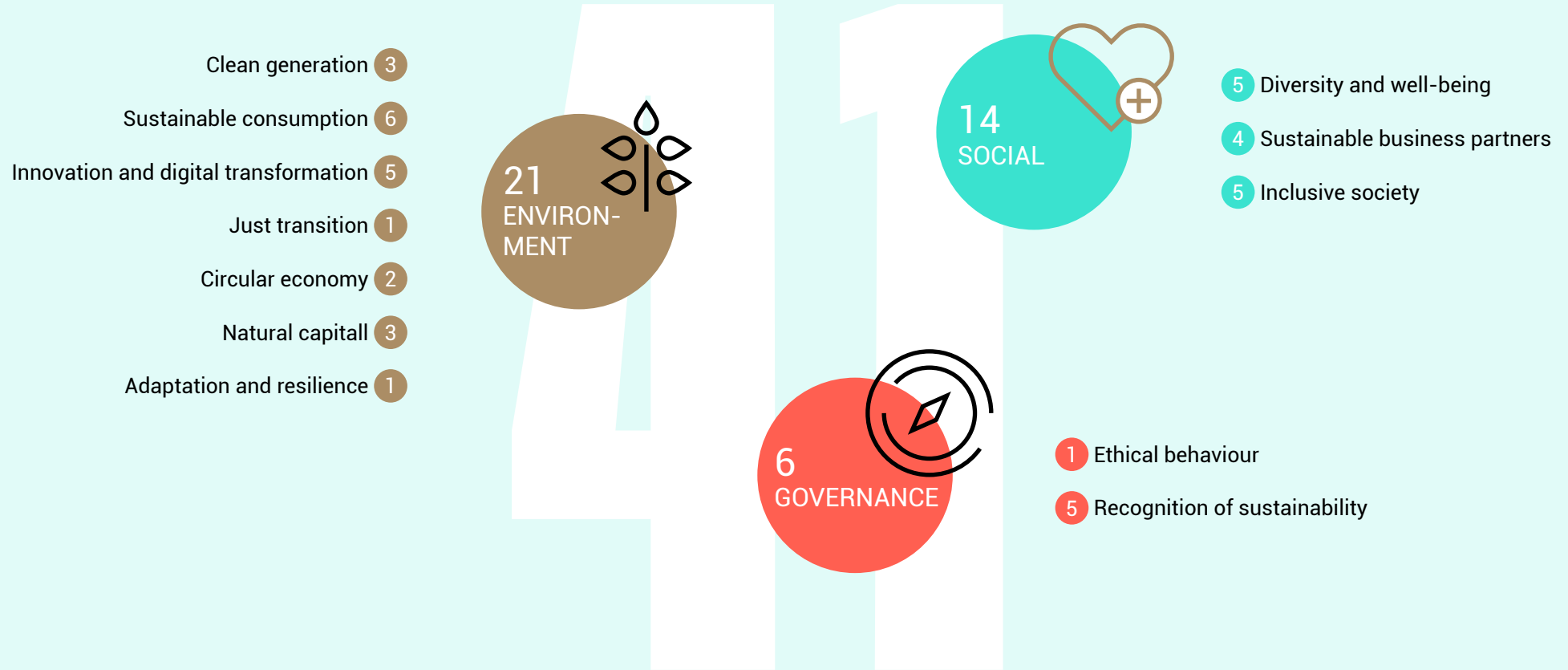
<sup>(2)</sup> Excluding from 2020 on, accumulated values since 2021.

<sup>(3)</sup> Applicable to the director and senior management category; the changes in the director category depend on the General Meeting of Shareholders.

<sup>(4)</sup> >=740; 5. Including DJSI, FTSE4Good, MSCI and Sustainalytics.

## 2021-2025 Sustainability Plan

Taking into account EDP's 12 sustainability goals and the emerging issues in Spain, the Sustainability Plan has been proposed, comprised by 41 initiatives that are grouped in accordance with the ESG criteria:



## 2.2.2. Regulation

In terms of regulatory developments, 2020 has been characterised by the continuing effects of the approval of Royal Decree-Law 1/2019, which has meant the transfer of several powers to the National Commission for Markets and Competition (CNMC), which, until now, were approved through legal regulations or were in the hands of the Government or the Ministry for Ecological Transition. Several CNMC circulars have been therefore approved in 2020 to regulate the following areas, and which override the current regulations on each of these matters. As regards the electricity distribution scope, we should mention Circular 3/2020 and 7/2020, on the methodology for calculating electricity access tariffs, which are expected to come into force in April 2021.

By the end of 2020, the Government had yet to approve the methodology to establish electricity consumption 'taxes', intended to finance other costs of these sectors (specifically, those related to energy policy) following the entry into force of the methodology for electricity access tariffs. Such methodology was already approved during 2021.

As for the regulated revenues of the electricity sectors, and the economic sustainability of these systems, the Government unveiled a draft in December for the future law creating the National Sustainability Fund for the Electricity System, which aims to release the electricity sector from having to bear on its own the cost of the renewable energy, cogeneration and waste premiums granted to the installations under the specific remuneration regime. With this future law, which is expected to come into force throughout 2021, the financing of these installations will be shared by the electricity, gas and oil derivatives sectors, which will result in more competitive electricity prices compared to other energy sectors.

In 2020, the government made progress in the development of the Energy and Climate Strategic Framework, which contains the Integrated Energy and Climate Plan (PNIEC) submitted by Spain to the European Commission in accordance with

the requirements of the EU Regulation on the Governance of the Energy Union. Within such framework, several public consultations were held throughout 2020 related to the road maps for technologies and new figures that will contribute to the energy transition, such as energy storage or communities.

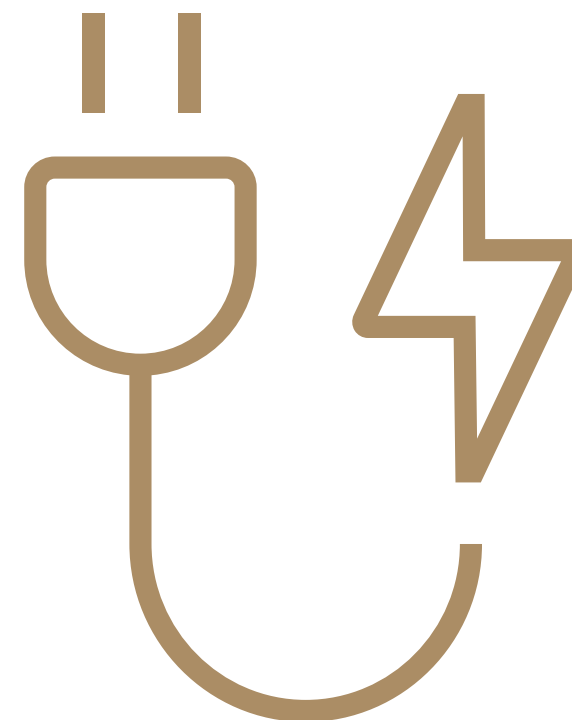
There were also significant changes as regards the granting of access to the transmission and distribution grid for renewable energies. Royal Decree-Law 23/2020 introduced a moratorium on granting new accesses to the grid by generation plants (with the exception of self-consumption) until the approval of new rules for granting access to the grid by distribution and transmission companies. Requirements for compliance with time limits were also introduced in this legislation for projects granted access, with a view to reducing grid access speculation. Lastly, the new Royal Decree regulating access and connection to the grid was finally approved in December, and it should be implemented during the first few months of 2021.

The Spanish electricity industry is expected to run a tariff deficit in 2020 due to the decreased demand resulting from the crisis caused by COVID-19, even taking into account that up to 1 billion euros from the auctioning of CO<sub>2</sub> allowances may be used to cover the costs of the electricity system in 2020, as established in Royal Decree-Law 34/2020. However, this deficit is expected to be covered with revenue from the Spanish General Budget and with the surplus from previous years. It recently became known that 2019 ended with a tariff deficit of 528 million euros, after including CO<sub>2</sub> revenues, but that this was covered by part of the tariff surplus from previous years.

With regard to the electricity market, it is worth highlighting the modification of the electricity system's operating procedures to allow demand to participate in the system's compensation services. In order to reduce electricity prices for industrial consumers, the Electro-intensive Consumer Statute provided for in Royal Decree-Law 20/2018 has been finally approved, grouping together the funding granted to these types of consumers.

These consumers may receive funds to offset the cost of financing renewables, cogeneration and non-mainland systems included in the grid access tariffs.

With regard to the protection of vulnerable electricity customers, we must not forget that we experienced a very exceptional situation in 2020 due to the COVID-19 crisis, so the Government approved a set of measures to reduce the impact of fixed electricity costs on vulnerable customers during the pandemic and to prevent power cuts. Action was also taken to help industrial and commercial consumers, who were allowed to make their electricity supply contracts more flexible. The cost of these mechanisms, in accordance with Royal Decree-Law 11/2020, will be covered by the Spanish General Budget.



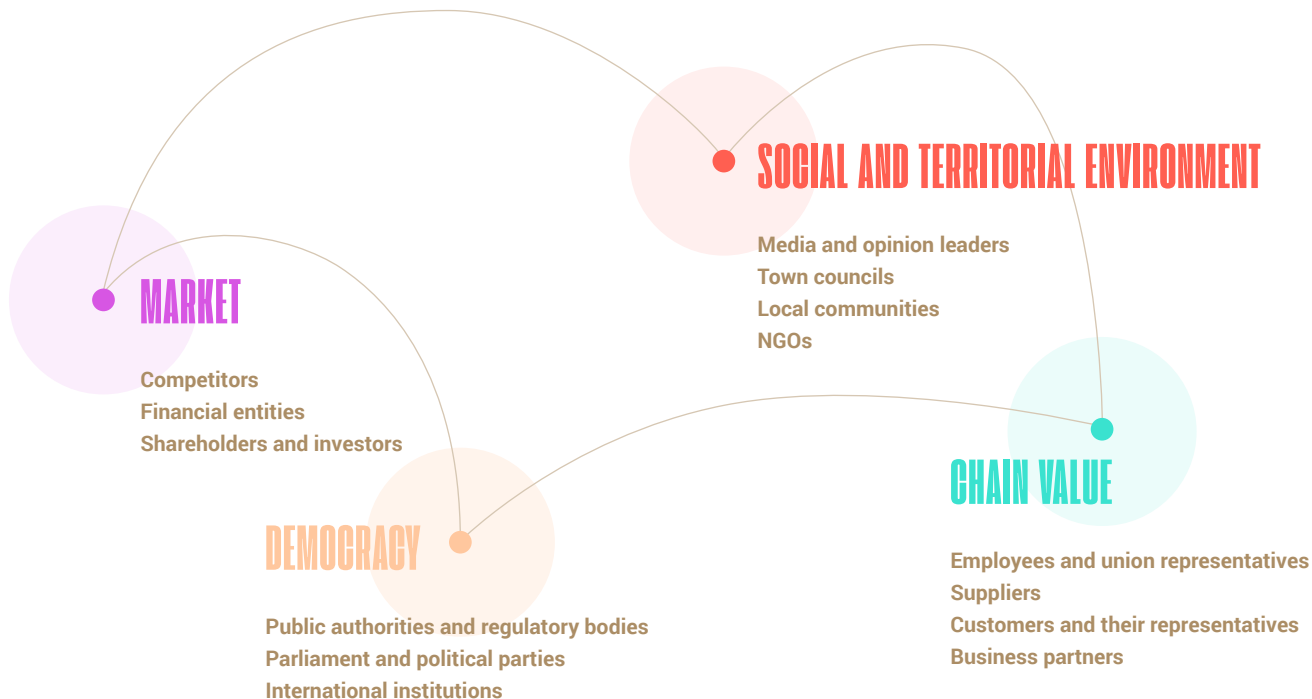
## 2.3. Management of stakeholders

The management of stakeholders is a priority in order to maintain a close and transparent dialogue with all those to whom EDP relates, and it plays an increasingly distinctive role for the business of the Group.

Building and strengthening trustworthy relations, sharing relevant expertise and information, anticipating challenges and identifying new opportunities for cooperation with the stakeholders are the main goals of the EDP Group's policy on relations with stakeholders, within the framework of the EDP Group's Sustainable Development Principles.

The management of stakeholders is an exercise in exigency and transparency by companies in their relationship with society and, in particular, with all those that have an impact on or are impacted by their activities. EDP identified this challenge several years ago, and it has created clear methodologies and operating tools to systematise the relations of the Group with its stakeholders in all its activities and projects, regardless of their geographical scope.

Thanks to the continuous improvement and the strengthening of the stakeholder management activity performed by the different business units, the EDP Group has obtained the maximum score in its category in the Dow Jones Sustainability Index in the last three years.



UNDERSTAND	COMMUNICATE	TRUST	COLLABORATE
<p><b>INCLUDE IDENTIFY PRIORITISE</b></p>	<p><b>INFORM LISTEN UNDERSTAND</b></p>	<p><b>TRANSPARENCY INTEGRITY RESPECT ETHICS</b></p>	<p><b>INTEGRATE SHARE COOPERATE INFORM</b></p>
<p>Understanding the stakeholders' needs and expectations is the basis for the development of joint projects that contribute value to both parties.</p> <p>An example in 2020 is the 'Voz de provededores' (Suppliers' Voice) project and the continuous consultation with customers, employees and local communities.</p>	<p>Through a two-way dialogue, we build strong and long-lasting close relationships.</p> <p>In 2020, it should be noted the collaboration with the University of Oviedo in different activities, such as the Energy Seminar at the School of Mining, Energy and Materials, which this year, in a 100% digital format, was attended by more than 100 people.</p>	<p>Through trust, we create partnerships with stakeholders.</p> <p>An example has been the COVID-19 Social Forum, in which third parties, such as Cruz Roja or the Banco de Alimentos, have collaborated for the development of actions directly with the vulnerable users and groups.</p>	<p>Collaborating is the core of the action plans with the stakeholders for the identification and implementation of initiatives to create shared value.</p> <p>The Action Plan for local communities and its programme, Entama, are the best example of this collaboration strategy, in which we intend to extend the initiative towards an Entama Network that multiplies the expected economic development and employment impacts.</p>

## 2.4. Recognition of Sustainability

EDP España is part of many working groups, observatories and initiatives in general for the purpose of improving the Group's position in Sustainability, giving visibility to the best practices implemented in the main sustainability aspects, while watching trends, emerging matters and other stakeholders' practices for a subsequent benchmarking and analysis on the internal applicability.

In this regard, it has participated in forums, working sessions and initiatives, among which we could highlight, in a non-exhaustive way:

- **Spanish Global Compact Network:**



Without a doubt, the Global Compact is the most significant global initiative in sustainability, and EDP España has been a member of the Spanish Global Compact Network since its launch in 2004. And Viesgo joined it in 2020.

It annually presents the Report on Progress, which is published both on the Spanish Global Compact website and on the UN Global Compact website, being recognised as 'Advanced'.

Other remarkable collaborations in 2020 include:

- Publishing of EDP España's good practices on the response to the health-care crisis website: #IniciativasconPrincipios: Empresas y organizaciones unidas ante la COVID-19' (Principled initiatives: Companies and organisations united against COVID-

- Participation in the publication 'ODS Año 5. El liderazgo colectivo en la Agenda 2030: una década para la acción' (SDG Year 5. Collective leadership in 2030 Agenda: a decade for action).
- Participation in surveys, workshops and participatory events of the private sector in the '2020-2030 Future Sustainability Strategy' promoted by the Government's Second Vice-presidency on Social Affairs and 2030 Agenda.

- **Forética**

Adherence of EDP España to Forética, a benchmark organisation in sustainability and corporate social responsibility, representative of the World Business Council for Sustainable Development (WBCSD) in Spain, national partner of CSR Europe and member of the State CSR Council in Spain.

- **Corresponsables**

This year again, EDP España has published its performance in sustainability in the Corresponsables Yearbook, the largest publication on the matter in the Latin American world.

Likewise, in year 2020, EDP España and the EDP Foundation have participated in the ObservaRSE workshop 'Las claves para llevar las alianzas a la práctica' (The keys to implement partnerships) organised in the Corresponsables Congress. On the debate table, practical examples of EDP España's partnerships with the entrepreneurs from the Entama programme and the Foundation's partnerships with the NGOs from EDP Solidaria were discussed.



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Lastly, Corresponsables has stood out numerous EDP España's

- **Club de Calidad**

The activity of the Club Asturiano de Calidad is very remarkable on sustainability matters, the collaboration of EDP España being constant in the initiatives, activities and congresses it organises. In 2020, the following stood out:

- **'Premio CEX Carlos Canales' award:** The Club de Calidad has granted EDP España, in its 2020 series, the Premio CEX award given by the Asociación de Centros Promotores de la Excelencia, for the 'Integration of the SDGs into the organisations' practice. The award ceremony was held on 12 November, coinciding with the International Quality Day.
- Participation in two Expert Groups: Group of Experts in CSR and Group of Operations and Lean Experts.
- Participation in the 'Asturias y Agenda 2030' (Asturias and 2030 Agenda) programme promoted by the Principality of Asturias.
- **Business Observatory for Inclusive Growth:**
  - Participation in the online workshop of the Observatory for Inclusive Growth promoted by Fundación CODESPA and publication in EDP España's annual report on practices.
- **European Week for Waste Reduction (EWWR):**
  - The EWWR is an initiative of the European Commission coordinated in Asturias by COGERSA. EDP España uninterruptedly participates in the annual series of this initiative, which is already in its 11th year, not only by fostering the waste reduction principles promoted on a European level, but also by enhancing the initiatives of the EDP Group as regards circular economy.

This year, during the EWWR, it was launched the new 100% digital series of 'Viva Nuestra Energía' (Long live our energy), the education programme about renewable energies and responsible consumption. With this digital development, it has become a completely dematerialised programme, meeting the circular economy strategy of EDP España, in connection with its 5th line on 'Virtualisation', maintaining its education quality, while simultaneously increasing its impact, since, thanks to its digital format, its geographical scope of action can be extended to the entire national territory, and it is adapted to a game format, which is more in line with the taste and trends of boys and girls, who find it very appealing to participate.

Telefónica has rewarded the safety of Viesgo's infrastructures with the 'Best implementation of OT safety strategy' award.

The recognition, which strengthens the company's commitment to safety, is related to the cultural change occurred in the company, which has managed to make people aware, internalising the importance of following the safety requirements and consulting any doubt about cybersecurity.

• **Collaboration with universities:**

Viesgo has participated in the World Energy Outlook to bring attention to the energy sector.

Menendez Pelayo International University (UIMP): Collaboration with the UIMP summer courses with the paper 'The energy sector in the face of the Covid-19 crisis. Towards sustainability and energy transition'. In the Palacio de la Magdalena in Santander, and under extraordinary health and safety measures, experts from different companies and institutions have met to address the role performed by the sector during this crisis, in addition to present their proposals to face the energy transition challenge.

Our collaboration with the University of Oviedo is continuous. During 2020, the following actions have been carried out, among others:

- Running of the 7th EDP Electricity Sector Seminar in the School of Mining, Energy and Materials Engineering of the University of Oviedo. This year, the now 100% digital seminar has also included students from the Industrial Engineering School of Gijón, the Universidad Politécnica de Madrid and the Higher Technical School of Engineering of the Universidad Pontificia Comillas (ICA), reaching a total of 124 registered students.
- Collaboration in the Master's Degree in Information Systems and Accounting Analysis taught by the University of Oviedo, in the 'Non-financial information' topic.
- Collaboration in the Master's Degree in Business Administration and Management, in the 'Industry 4.0' subject.
- Collaboration in the MBA and in the Master's Degree in Lean and 6Sigma Operation Management, taught by the University Business Institute (IUDE)
- Participation in the Decarbonisation of the Spanish Northwest Congress, organised by the School of Mining, Energy and Materials Engineering (EIMEM)
- 'Premio Fin de Grado EDP-EIMEM' in Mining Technology Engineering, awarded by the EDP Foundation
- Partnership agreement between the Joint Service and the Electrical Engineering Area of the University of Oviedo.

• **Other collaborations in training initiatives:**

- In 2020, we have collaborated with the Universidad de Deusto in its Master's Degrees in Industrial Engineering and Industrial Organisation, in the 'Sustainability and business strategy' subject.

- Participation in the 33rd Master's Degree in Energy Business organised by the Club de la Energía (Enerclub).

• **Actions with business organisations:**

- Participation in the 9th Transfer of 'Circular Economy, Innovation, and Sustainability' organised by the Chamber of Commerce of Oviedo, with the paper 'Circular economy strategy in energy companies'.
- Participation in the 3rd Crea&Tech programmes organised by IDEPA, the CEEI's 'Desarrollo y crecimiento empresarial Avante', and the 5th Meetup held by the ECO Asturias de Alastría.
- Participation in the 8th Civil Engineering Congress organised by the School of Civil Engineers on energy storage technologies.



# EDP receives the Premio Carlos Canales-CEX award for Good Management Practices



The candidacy of the energy company has stood out for its integration of the Sustainable Development Goals into its organisation.

EDP has been granted the Premio Carlos Canales-CEX award for Good Management Practices given by the Club de Calidad in its 12th series, which has assessed practices related to the integration of the SDGs into organisations.

The winning candidacy, titled '2020-2022 Sustainability Plan and 2030 ambition' sets out EDP's commitment to the Sustainable Development Goals (SDGs) and the 2030

Agenda since the beginning of the initiative and shows how these goals have been prioritised and integrated into the organisation's strategy.

The Premio Carlos Canales-CEX award is an initiative by the Governing Board of the Club Asturiano de Calidad in honour and recognition of Carlos Canales Pérez, who was a member of such board as representative of Lloyd's Register, since the foundation of the club in 1995 until 2008, and his contribution was decisive both for the development of this organisation and for the spreading and implantation of Management Quality in the Principality of Asturias during his long and fruitful career.

The purpose of this initiative is to contribute to the sharing of good management practices among organisations in general, as well as recognising, promoting and boosting Good Management Practices developed by the members of the Club de Calidad.

This award is coordinated with the national competition for the Premio CEX award, so the winner and the finalist of the Premio Carlos Canales will be automatically designated as the Asturias representatives in the Premio CEX competition.

## 2.5. Continuous improvement

EDP España's continuous improvement programme is the LEAN Programme, which encompasses methodology and tools for solving problems and identifying opportunities through specific working groups in all business units.

LEAN has been in place since 2006, and it was joined by the first teams of the distribution activity in 2007. During 2020, two improvement teams, for Operational Efficiency and Customer Care, were operational, directly involving 14 employees.

The Distribution Lean teams have also adjusted their procedures to the pandemic context, at the same time that they have secured connections and equipment and remote-control operations in the face of the cyberattack suffered by the company, as well as boosting digitisation and customer-focused initiatives.

**Among the most relevant initiatives, the following stand out:**

### Meters App

Mobile application for reading, configuring and programming metering equipment, facilitating its use in many situations, especially when it is not remotely accessible.

This allows different protocols and applications to be unified in a single program for simpler and more affordable operation through an interface that is intuitive (easy to use), consistent (it allows access to almost all the metering equipment installed) and secure (the transfer of information without errors is guaranteed by means of secure communications).

The App has proven to be an excellent tool that gives flexibility to field work, simplifies the operation and facilitates the management of available resources."



### Remote registrations

Following the implementation of contract cancellations in 2018 without removing the meter, a remote supply registration process has been implemented with the consequent savings in the process, speed in implementation by reducing response times and facilitating compliance with legal deadlines, as well as improving customer satisfaction, since they can have the service almost immediately without being physically present at the address.

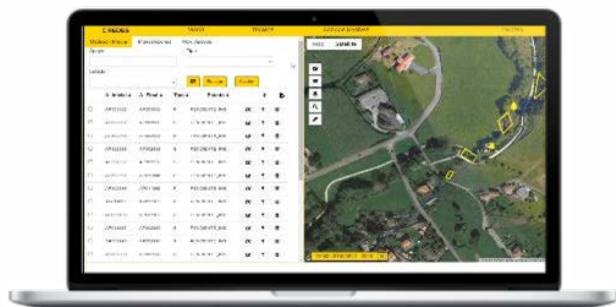




## Felling and pruning computer application

A decentralised application for the management of preventive felling and pruning on medium- and high-voltage power line routes by defining geo-referenced data, with remote supervision and monitoring of work progress, while capturing data for GIS validation, among other services.

This **optimises the flow of the felling and pruning process, making it possible to trace actions and associate work with assets, whilst also improving effectiveness and efficiency**, reducing management and supervision times, allowing visibility by the different parties involved and keeping a record of the activity.



## MV/LV mobile substation

Development of a mobile substation that can operate as a LV/ MV substation or as a MV/LV transformer. It functions as a compact solution, easy to store, transport and install, making it possible to feed antenna lines in the event of programmed work and/or faults in the medium-voltage grid.

The same container includes cabins, a step-up transformer, protection and communications, which improves the quality of service and prevention in terms of line operations and protection



## LV orthographic projection system

An LV orthographic projection allows to know the geographical location of assets and the layout of the LV lines, as well as georeferencing the teams and establishing indications based on the directions of the asset in warnings or operations.



Within the corporate programmes, it was launched the **'upLean'** initiative, which carried out a Lean training and awareness programme for all the employees of EDP España. The initiative consisted in editing different contents, called **'Lean Moments'**, which were distributed to all participants directly, through the Lean SharePoint and on social media. These contents highlighted different Lean tools and how they could be applied in the daily work of the EDP España teams in order to identify problems and work on solutions in a structured way, as well as to identify opportunities and swiftly implement them.

In the **LEAN Community**, the national network that brings together the most prominent companies in the implementation of the Lean culture, EDP España headed the only event that could be held onsite, in February. The conference, based on 'Eco-efficiency and the Carbon Footprint', was attended by the main national energy companies, and crucial aspects of production decarbonisation and electrification of the economy were discussed, with the carbon footprint as the key tool for the development of action plans.

Subsequent Lean Community conferences had to be held in digital format, and all of them discussed the adoption of COVID-19 measures to maintain the strategy of continuous improvement in organisations.

# TRANSITION TO SUSTAINABLE COMMUNITIES

FROM A JUST TRANSITION  
TO SUSTAINABLE COMMUNITIES

Changing tomorrow now.



- 01
- 02
- 03
- 04
- 05
- 06
- 07
- 08
- 09
- 10
- 11

# 03

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## FOR A MORE JUST SOCIETY

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COVID-19 Social Forum	36
Local communities	38

# 03

## For a more just society

### 3.1. COVID-19 Social Forum

In line with its commitment to the SDGs, EDP created a COVID-19 Social Forum, joining efforts from different areas and the EDP Foundation, with the aim of facing the eventualities that arose from the fight against coronavirus. Thus, partnerships with the stakeholders and other actors were also strengthened, assuming a continued commitment and enhancing our work with regard to the Sustainable Development Goals (SDGs) and the principles of the Global Compact.

#### Customers

Helping new and regular population groups whom this crisis is putting at risk has been an issue to which EDP could not remain indifferent. Among the aid EDP has set up, the following can be highlighted:

- Flexibility regarding changes of power requested by self-employed workers. More than 4,800 requests for a power reduction were managed. This measure makes the customers' situation easier and, especially, benefits medium and small enterprises whose activity was reduced and which needed to decrease the usual power, thus cutting the fixed cost of the electricity bill.
- No power cuts were applied to vulnerable customers during the pandemic. Additionally, during the first state of alert, power cuts were prevented for all customers and such cuts were personally managed, putting the focus on guaranteeing the people's well-being.
- Free customer service for failures in the installations of EDP's vulnerable customers.
- In the first days of the state of alert, given the need to guarantee as much as possible the power supply to the most important hospitals, we proceeded to check the transformation centres and the medium- and low-voltage lines that supply them.

#### Social response measures

EDP's response was basically aimed at vulnerable people, participating in projects organised by other entities that needed funding:

- Support to several chemical companies for the production of sanitising gel.
- Collaboration with Cáritas and other NGOs, donating them protective equipment for the most vulnerable people, paying special attention to residential homes for the elderly.
- EDP España's volunteering programme: solidarity letters to stand by the most vulnerable groups due to their personal situation, age or health, such as those in residential homes for the elderly, reception centres and centres for people with different disabilities, with the aim of keeping them company in their lonely situation as a result of not being able to receive visits.
- Collaboration with the Fundación Banco de Alimentos de Asturias.
- Economic contributions for an amount of 83,000 euros given to Fundación Achalay (Madrid), the soup kitchen



Cocina Económica Santander and the Food Banks in Lugo, Cantabria and Asturias to provide the most vulnerable families with food. Additionally, an electric awning was installed so that people without financial resources coming to collect food from the Cocina Económica Santander could shelter from the elements while queuing up.

- Contribution of 15,000 euros to Energía Sin Fronteras for a project consisting in the installation of solar panels in Lokotomé (Benin) in order to improve the living and working conditions of the women in the area, especially, during the pandemic.
- Purchase and distribution, in partnership with town councils, of basic consumer goods bought at local stores to collaborate in meeting new assistance needs arisen from this situation. This allows both to help local suppliers and to extend the aid to families that are suffering this crisis situation.
- Acquisition and distribution of Christmas nougat bars to give to the most underprivileged families through local non-profit foundations.
- Signing of an agreement with Santander City Council for the purchase of food from local businesses, which were cooked and packaged by groups of the locality, with the help of a chef, and given to centres for homeless people and churches in order to be distributed in the most vulnerable neighbourhoods.
- Organisation of a food and toy collection at the workplaces to be given to Banco de Alimentos and Achalay. For this purpose, a section was enabled in the intranet allowing employees to make a solidarity donation.
- Collaboration by the Fundación Juan XXIII Roncalli, the Fundación Obra San Martín and the Fundación Amica to prepare, pack and send Viesgo's Christmas gift to all its employees. Both institutions work for the labour



integration of people with disabilities. One of the gifts was an olive oil bottle, made from olives collected from the olive trees cultivated at Campus Diversia by people with disabilities.

- Free online training for all the Spanish organisations applying for it through the EDP Foundation Academy.

#### Suppliers

Support for the continuity of activity and employment:

- Bringing forward of the suppliers' payment term.
- Establishment of formal communication channels and health-care guarantee with all partner companies.

#### Education

Within the package of measures, children were considered a priority target and the following initiatives were carried out for them:

- The EDP Foundation put 462 computers at the disposal of the Regional Ministry of Education of the Principality of Asturias to be distributed among students, either because they did not have a computer or due to a lack of communications in rural towns, and communications systems were provided in some rural areas. All volunteers were also offered the possibility to help these children with their homework. Likewise, EDP gave 8 tablets to city councils and Viesgo handed 4 tablets to Fundación Síndrome de Down de Cantabria to promote training and bring new technologies closer to its members.
- Organisation of a virtual challenge aimed both at employees' family members and at local communities in our areas of

influence. Children aged between 10 and 15 participated for three consecutive days in a virtual competition in which they replied to questions about renewable energies, sustainable development, protection of the environment and Sustainable Development Goals. The prizes that were granted in the different categories were purchased at local stores, and thus, we promoted engagement and learning about these topics in a fun way.

#### Information and sensitisation

- Financial support to La Nueva España, a newspaper with a major circulation in Asturias, in order to give free access to the contents on its website for two months.
- Collaboration with the campaign of the newspaper La Nueva España #ASTURIANOS EN CASA JUNTOS LO LOGRAREMOS.
- Collaboration with El Comercio and El Correo in sensitisation campaigns about COVID-19.
- Launch of a social media campaign to encourage users to send tweets that became donations to Food Banks.
- Preparation of the dossiers that Viesgo sends to journalists from the vulnerable immigrant people belonging to Fundación Cocina Económica.

## 3.2. Local communities

The Action Plan for Local Communities is included in EDP España's Social Investment Plan, in accordance with the Social Investment Policy of the EDP Group, which has aligned its business strategy with 2030 Agenda, a global action plan led by the UN that pursues equality and social inclusion, the protection of the environment and economic growth and development. 2030 Agenda is based on the United Nations Sustainable Development Goals.

The initiatives carried out in this Action Plan with local communities and town councils will be developed based both on an internal view of the company and on the results of the surveys conducted for such purpose (analysis or study on the external view), which identify relevant matters for this group of stakeholders.

Several actions were carried out, among which the following should be highlighted:

### Rural depopulation

- Dual Vocational Training Programme aimed at improving the employability of the youth. The company has committed to the Dual Vocation Training and thus, agreements have been formalised with several training centres, and 6 students have already taken remunerated internships at the workplaces EDP Redes España has in Asturias and Cantabria. This programme has been interrupted during 2020 due the situation derived from the pandemic.
- Increased contracting with new local businesses that are added to the list of suppliers, thus contributing to the growth of the local economy.

### Environmental initiatives:

- In September, work began on the refurbishment of the Mieres substation, a key project for the supply of electricity to the municipalities of Aller, Mieres and Lena. It aims not only to improve the quality of supply, but also to reduce the environmental and acoustic impact on the area, while the surrounding spaces will be renovated and fitted out to be used by the population.
- Signing of an agreement with FAPAS for the installation of sheds for bats, aimed at the repopulation of the protected species *Pipistrelus pipistrelus*, in transmission towers of EDP Redes España along the bank of the Nalón river.



- 'Proyecto Águila pescadora'. In 2019, we collaborated with FAPAS to install an osprey nest, an especially protected bird of significant ornithological value, reintroduced in Asturias in the Villaviciosa estuary, an area declared a partial nature reserve.
- Viesgo joins the Transnational Strategy, promoted by the LIFE Stop Cortaderia project, in which it has participated for years fighting against Cortaderia seollana, an invasive species that involves a major threat for the preservation of the flora and fauna of the Atlantic Arc, managing to recover 87 hectares in Cantabria throughout 2020.

Different experts specialised in the natural environment and invasive species in Spain, Portugal and France participate in the preparation of this project.



Besides, this project transcends the environmental commitment and goes further by promoting the social and labour inclusion of people with disabilities and functional diversity. This is all thanks to partner foundations of the project such as Amica, Ampros and Serca, special centres for the creation of jobs for people in a situation of vulnerability.



HAGA CLIC PARA VER WEB

### Stop Life Rostrio



Before



After

## Collaborations in the cultural sphere



- **Fundación Albéniz and the Escuela de Música Reina Sofía**  
For the purpose of supporting young elite instrumentalists and promoting musical creation, the group of students was maintained online, and concerts were given both digitally and onsite. The Viesgo traditional Christmas concert in Santander and Madrid should be highlighted.
- **Santander International Festival (FIS)**  
The Santander International Festival brings some of the best orchestras in the world to Cantabrian audiences, reflecting the interest in promoting activities that give a social, cultural and economic boost to the region.

In the latest series, 67th, held in the month of August in Santander, Viesgo collaborated in the concert performed by the Budapest Festival Orchestra.

- **Botín Centre**  
Partnership for the promotion of culture. This was the first museum that opened its doors with all the safety measures after the state of alert.

- **Ateneo de Santander**  
Partnership for the promotion of culture, in which numerous events were held on a digital basis or reducing the seating capacity to 30%.
- Organisation in Santander cathedral of the Viesgo traditional Christmas concert, performed by La Camerata Viesgo of the Escuela de Música Reina Sofía. No public was allowed due to the attendance restrictions on those dates, but it was broadcasted by local TV and streamed.



## Electrical hazards when fishing

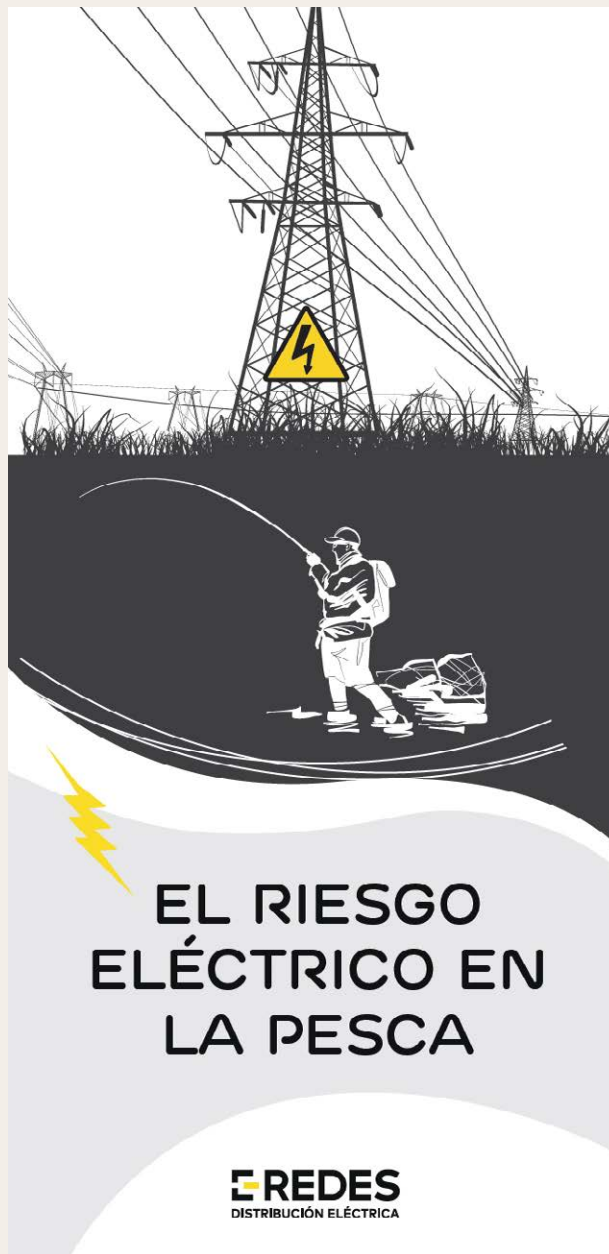
Coinciding with the opening of the river sport fishing season in Asturias, E-Redes carried out an awareness campaign aimed at minimising the potential risks that may arise in river fishing in the event of accidental contact between the rod and the fishing line with a bare wire conductor on a power line. Fortunately, this is not a frequent accident, but its consequences could be considerable.

Warning/danger signs have been installed for this purpose on a total of 95 power line pylons crossing or running parallel to rivers in fishing areas, and a leaflet has been published to draw attention to these risks.

This informative literature has been made available to the Directorate-General for the Environment and the Hunting and Fishing Service of the Principality of Asturias, as well as being sent to the main fishing associations, and it has been very well received by both parties, who have distributed it among anglers.

Additionally, all the information is available on the distributor's website ([www.eredesdistribucion.es](http://www.eredesdistribucion.es)) under 'E-Redes reminds you of electrical hazard situations'.

This leaflet contains very useful information for anglers in case they encounter unexpected situations regarding power lines, aimed at knowing, identifying, informing and preventing risks, as well as a contact telephone number to notify the distributor's Control Centre directly, along with the familiar 112.



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# DIVER SITY

FROM DIFFERENTIATION  
TO VALUE CREATION

Changing tomorrow now.



# 04

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## TO BE OR NOT TO BE

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Equal	44
Ethical	48
Upright	50

# To be or not to be

EDP España promotes a potential- and talent-attracting culture that fosters personal and professional growth, opts for flexibility and rewards excellence and merit. All of this in addition to the creation of an environment of respect, diversity and equal opportunities.



## 4.1. Equal

During year 2020, the Equality Plan of Hidrocarbónico Distribución Eléctrica (E-Redes) was agreed with all the trade unions with representation in the company (SOMA-FITAG-UGT, ACYP EDP, CSI, CCOO and ELA), being eventually approved in the month of November. As for Viesgo, all the equality matters are gathered in the Collective Bargaining Agreement (published in Official State Gazette no. 186 of 02/08/2018).

The Plan was developed in the Joint Committee on Labour Affairs envisaged in the 3rd Collective Bargaining Agreement, and it was agreed with all the trade union representatives in the Joint Committee on Equality. This Equality Plan is in effect for 4 years, and it has been registered and filed with the Ministry of Labour and Social Economy. With this new Equality Plan, the company keeps making progress in equal opportunities for men and women, thus contributing to achieve gender equality as an essential part of the Sustainable Development Goals.



01

02

03

04

To be or not to be

05

06

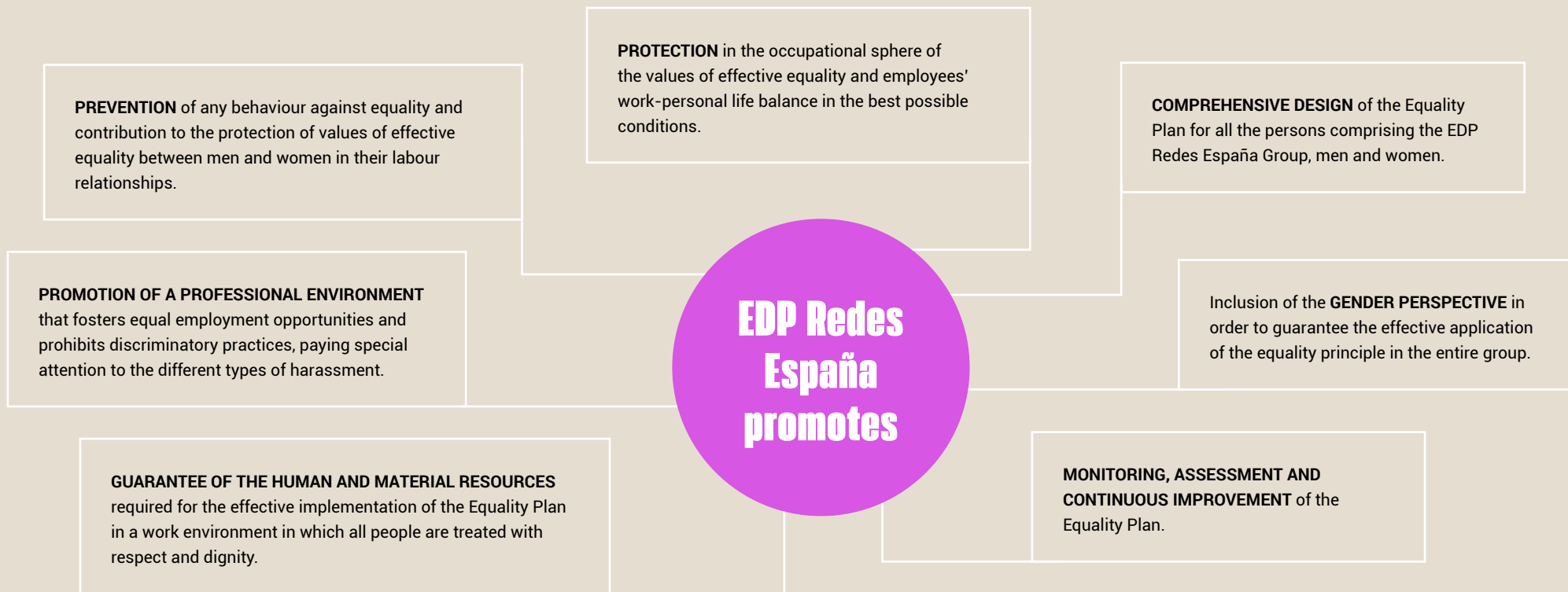
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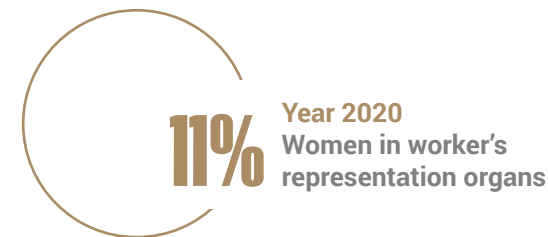
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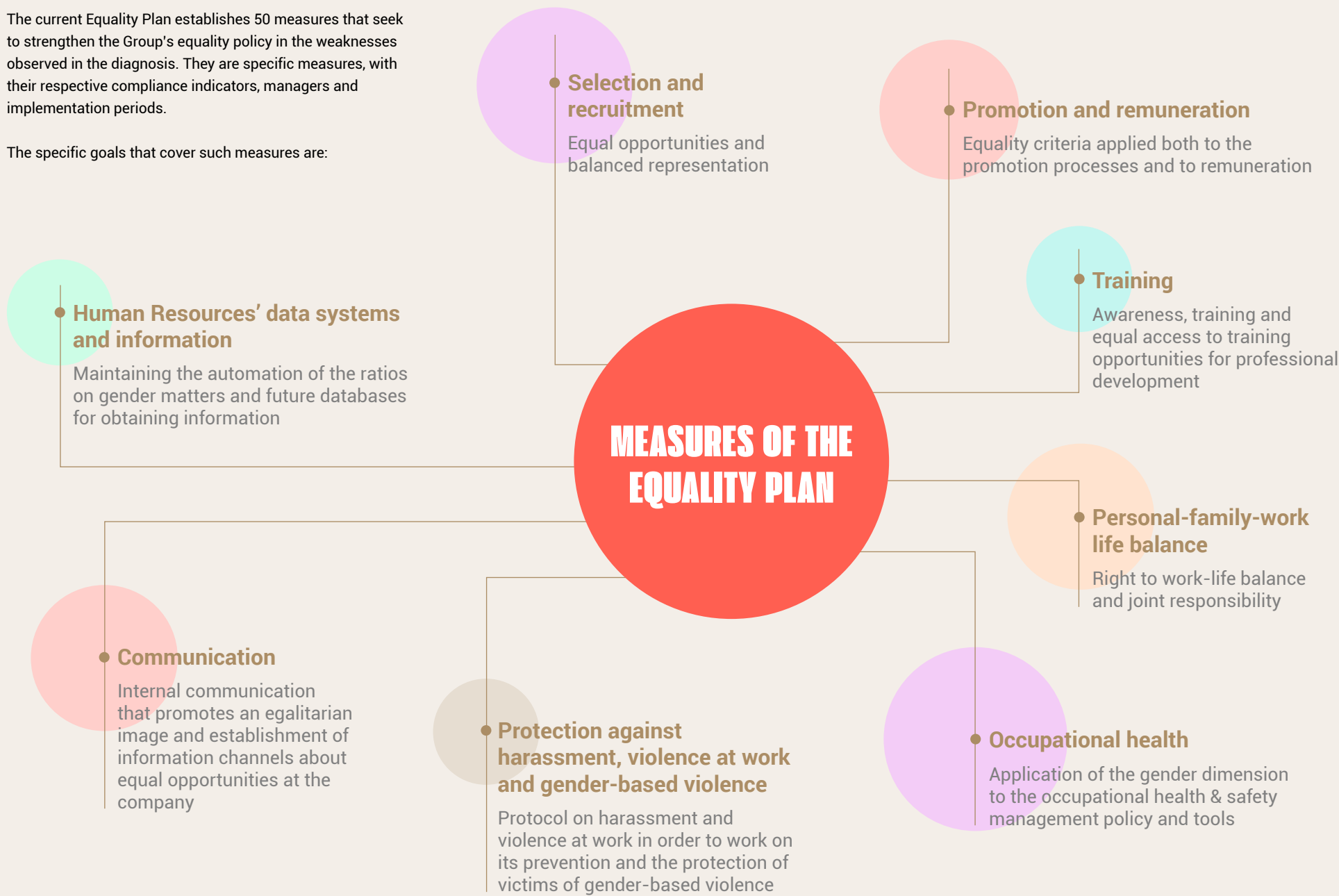


With the aim of ascertaining which measures were necessary in order to achieve effective equality, a diagnosis on equality has been conducted in EDP Redes España, through a quantitative and qualitative analysis of the staff situation in gender terms, based on the data available from previous years, as well as on the policies and processes involved.



The current Equality Plan establishes 50 measures that seek to strengthen the Group's equality policy in the weaknesses observed in the diagnosis. They are specific measures, with their respective compliance indicators, managers and implementation periods.

The specific goals that cover such measures are:



This Plan represents our vision and internal work on equality matters. EDP Redes España also participates in external initiatives and programmes aimed at promoting equality, in line with SDG 5:



**AEMENER**



During 2020, our support to the Spanish Association of Women in Energy (AEMENER) has been maintained. Among other projects, we have participated in the 'Mentoring' project, a programme aimed at female students and

professionals in the energy industry, whose purpose is promoting their professional career and helping them to attain their goals and maximise their learning.

**MASSTEAM (STEAM Asturian Women) programme**



DP España participates in the MASSTEAM programme, a CTIC initiative for the promotion of STEAM studies among Asturian girls. The programme is developed in partnership with the General Directorate for Innovation, Research and Digital Transformation of the Regional Ministry of Science, Innovation and University of the Principality of Asturias, and it is an example of a public-private partnership on the matter, involving the participation of town councils, companies on an individual basis and the Asturian Association of Employers (FADE).

in the last two years of the mandatory secondary education stage. These are some of its goals:

- Developing positive attitudes towards STEAM disciplines and promoting the appeal of STEAM studies among girls.
- Raising awareness among female students using real experiences with professional STEAM women from the area,
- exploring professional opportunities and new STEAM professions.
- Creating public-private partnerships for the sustainability and scalation of the project.

It is an immersive guiding initiative for the promotion of scientific-technological studies among girls, planned to be executed in Asturias in the academic year 2020-2021, specifically

Likewise, Viesgo participates in the STEAM Talent Girl in Cantabria.

**'Futuro en femenino' project**



As regards equality matters, EDP España also sponsors the 'Futuro en Femenino' (A female future) initiative by the newspaper El Comercio, an education programme on equality for young people, which draws attention to the importance of the women's role in companies, institutions and the society in general.

This initiative seeks to highlight women that are role models in their different fields, in order to promote female talent in equal conditions. As for EDP España, the Sustainability and Labour Relations areas participated both in the edition of materials and in a talk addressed to schoolchildren.

## 4.2. Ethical

In September 2020, the General and Supervisory Board approved the Code of Ethics prepared by the Ethics Supplier's Office. This document supersedes the Code of Ethics of October 2013 and the Code of Ethics Regulations of October 2015.

The Code of Ethics is a tool that offers standards and behavioural rules aimed at supporting employees in the decision-making process. It must be highlighted that in no case it prevails over the current laws and regulations, but it supplements them. In EDP, the Code of Ethics is revised every two years, without prejudice to the fact that, if there are grounds for it, it may be subject to extraordinary revisions.

The decisions made by all the employees of the companies of the EDP Group, regardless of their role, geographical location or functional report, as well as the suppliers' and all the stakeholders', are subject to the compliance with the Code of Ethics. In this sense, leaders are responsible for knowing, spreading and guaranteeing the implementation of initiatives that promote ethical culture in the company.

As regards each of the mentioned areas, the Code of Ethics specifies what you must and must not do. Furthermore, in the event of detecting ethical irregularities, an Ethics Channel is made available to all the stakeholders in order to file the pertinent complaints.

EDP's identity is the foundation of the Code of Ethics and is characterised by four features:



### Focused on people

- Employees' well-being
- Health and safety
- Representation of the company
- Diversity and inclusion
- Harassment
- Human rights

### Changing industry

- Environment
- Energy transition
- Digital revolution
- Entrepreneurship and cooperation

### Relationships of trust

- With shareholders
- With customers
- With suppliers
- With communities
- With competitors

### Acting with integrity

- Privacy and personal data protection
- Use of the company's information
- Conflict of interests
- Corruption and bribery
- Fight against money laundering and the financing of terrorism
- Use of assets
- Gifts and entertainment



Where an action or decision coming into conflict with the Group's ethics is detected, there is a channel to inform the Ethics Supplier about each case. The Ethics Supplier is the role in charge of conducting an independent and impartial preliminary analysis of each case and submitting the complaints he or she deems appropriate to the Chairman of the Ethics Committee.

The Ethics Committee will be responsible for analysing the reported situations, issuing a ruling about the appropriateness of classifying them as a breach and, where appropriate, conducting an investigation to clear up the implications and repercussions of the actions investigated. Lastly, upon the conclusion of the investigations, it must issue a ruling addressed to the Corporate Governance and Sustainability Committee (CGSC) and to the General and Supervisory Board. The CGSC will analyse the ruling and decide on the corrective measures to be applied. Additionally, it may implement changes that affect the company's policy or modify work methods in order to prevent future complaints of the same nature.

In 2020, 29 complaints were recorded in EDP España's ethics channel and none in Viesgo, none of which were considered appropriate, since they were complaints of a commercial nature, and were thus referred to and managed from the corresponding complaint area.

In the first months of 2020, it has been developed the e-learning course 'La Ética es Valor: en mí, en la Sociedad, en EDP' (Ethics is Value: in me, in society, in EDP) targeted at all the employees to strengthen awareness and sensitisation about corporate ethics matters.

The Code of Ethics was officially launched on 19 November, and it is available both on the website and on the corporate intranet, in digital form, which is much more practical, with the aim of enhancing and consolidating EDP's solid ethical culture.

Viesgo is committed to the compliance with the regulation and internal rules on ethics and behaviour matters, and it

has enabled an internal report channel named Whistleblower, through which the employees can anonymously report behaviours they deem dubious or irregular. Additionally, the corporate website has sections that allow customers and stakeholders to contact the company.

In parallel, it was launched a first training, 'Ética es Valor: 15 de años de Edificio Ético EDP' (Ethics is Value: 15 years of EDP's Ethical Building), available on the online campus for raising the employees' awareness of the progress in corporate ethics made by the company over the last 15 years.

As the main result of this progress, EDP has obtained, uninterruptedly for nine years, the Ethisphere Institute's 'World's Most Ethical Companies' Label. This seal, annually assessed, allows the comparison with other companies on a global level as regards ethical and compliance aspects.



The Code of Ethics of the EDP Group, the information about the Ethics Supplier and the ethical performance are available on the corporate website:



### 4.3. Upright

EDP's Integrity Policy was approved in May 2018. However, in order to strengthen the active role of the Group as regards the promotion of integrity and the prevention of illegal acts, both the policy and the principles and commitments must be revised and renewed on a regular basis. As a consequence thereof, in December 2020, the renewal of the Integrity Policy was approved, such being the second version.

The main goal of this Policy consists in defining the general principles for action and the duties of the EDP Group's companies, its employees and its business partners, in order to prevent the perpetration of criminal and administrative unlawful acts. In addition to guaranteeing the compliance with the law and the adopted principles and rules, the Integrity Policy aims

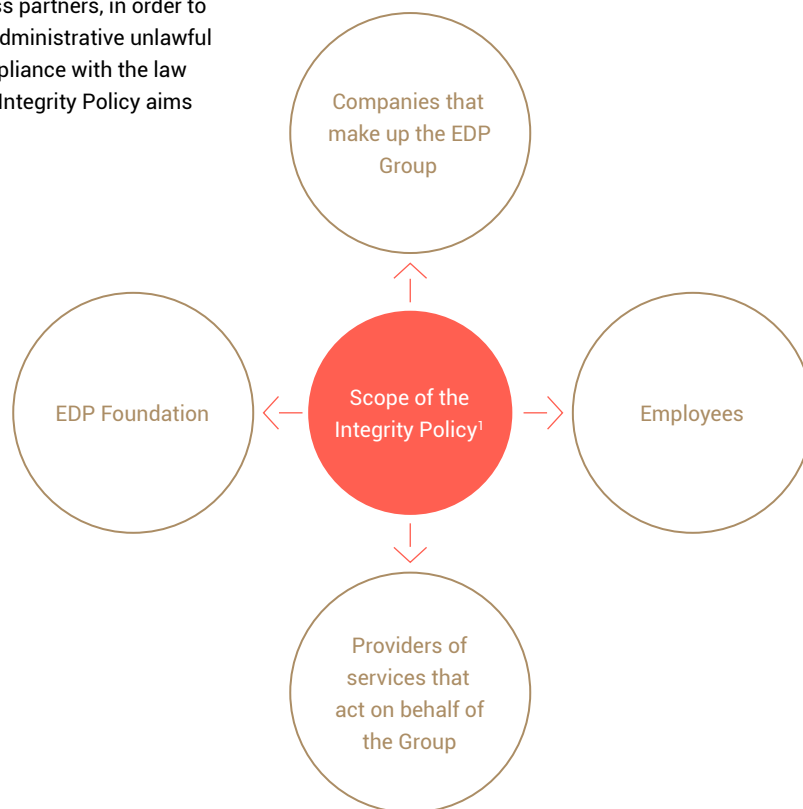
at contributing to the promotion of ethics and integrity in the development of the businesses of the EDP Group.

In 2020, it should be highlighted the independent assessment of the Corporate Compliance Management System pursuant to the International Standard on Assurance Engagements (ISAE 3000).

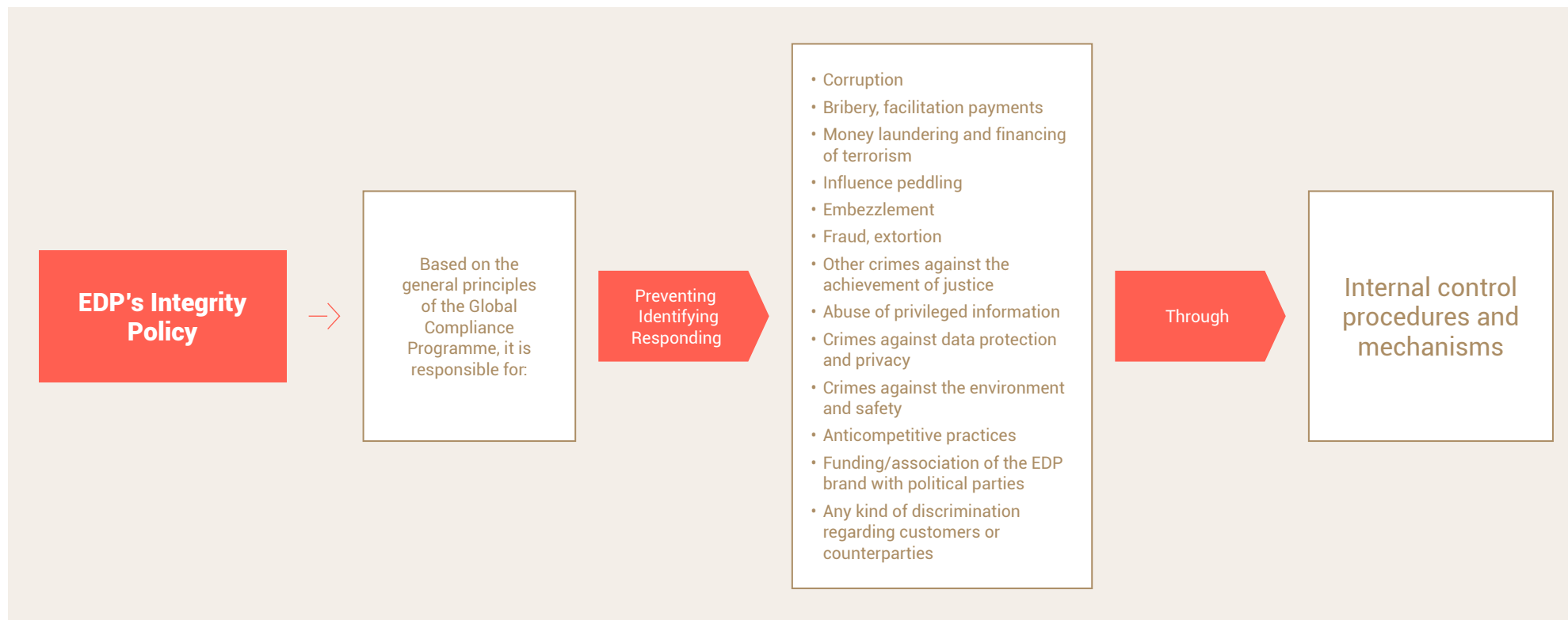
The Integrity Policy establishes the Group's way of acting with the aim of preventing, identifying and responding to the perpetration of unlawful acts envisaged therein.

The departments that are responsible for the preparation, revision and monitoring of the compliance with this policy are the following:

- **Executive Board of Directors:** it is the organ in charge of establishing the goals and approving and applying the management policies and models of the Company and the EDP Group.
- **Compliance Department:** se it is in charge of promoting the development of the Global Compliance Programme, ensuring in particular the identification, assessment, monitoring and notification of risks of legal or regulatory non-compliance. According to the conducted risk assessment, the companies of the EDP Group devise procedures and apply cross-cutting and/or specific control mechanisms that allow detailing the application of the principles of this policy and mitigating the risks identified in the Global Compliance Programme.
- **Internal Audit Office:** it guarantees the conducting of internal audits in the specific areas of the Global Compliance Programme, assessing in an independent, objective and systematic way the risk management, control and governance processes of the Group. The conducting of internal audits is planned at regular intervals, based on a risk map and a focus of attention previously identified.



<sup>1</sup> Always in strict compliance with the legal framework applicable in the countries in which the Group is present, expressly specifying in the scope of its policy its application to EDP España together with other subsidiaries of the Group.



01

02

03

04

To be or not to be

05

06

07

08

09

10

11

The Integrity Policy, as well as the procedures associated with the Global Compliance Programme, is accessible to all the employees of the companies and entities comprising the EDP Group. There are different contact channels to report irregularities in connection with the policy itself, the Code of Ethics, the current law and the applicable regulations, as well as all the policies and procedures implemented by the EDP Group.

- Ethics channel:



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- Communication channel for reporting irregularities-financial issues/ prevention of money laundering and fight against the financing of terrorism.



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Among the remarkable actions of the year, along with the performance of the internal audits defined in the Global Compliance Programme, it stands out the implementation of a training about 'Relationship with Civil Servants and Politically Exposed People' regarding corruption or the obtaining of any kind of unlawful advantage, whether personally or for the company. The percentage of engagement of EDP España's employees has been 70%.

Principle 4, on integrity and good governance, displays all the Group's policies that, together with the Integrity Policy, guarantee governance. It includes policies on Information Security, Fair Competition Practices, Fiscal Matters, Human Rights and Personal Data Protection.



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# GOING NO GREENER

FROM MORE TO BETTER

Changing tomorrow now.



- 01
- 02
- 03
- 04
- 05
- 06
- 07
- 08
- 09
- 10
- 11

# 05

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## PEOPLE'S ENERGY

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Employee's cycle in EDP	54
Labour rights and social benefits	56
Health & safety at work	57
Emotional health and psychosocial risks	59
Volunteering	60

# People's energy



As customary in EDP, and proving, once again, the Company's focus on people, in December 2019, it was conducted the annual survey on work environment. The results were analysed and communicated to the entire staff during the first months of 2020, serving as basis for the current Action Plan.

By the end of 2020, the annual survey was launched to keep listening to our employees, thus improving day by day thanks to their answers, the results of which will be analysed in 2021 in order to define new action plans.

In the latest survey, it was achieved a high engagement rate at EDP España's regulated business level, 81%, that is 7% higher than the previous 2019 rate. In E-Redes, it was revealed the employees' commitment (66%-engagement) and a 63% level of company support (enablement).

In Viesgo, in line with the strategy on transparency and communication with employees, a 'Sustainable commitment' climate survey was conducted in 2019, with an 80% engagement. The aspects regarding Viesgo's responsible behaviour with respect to the environment and our employees' commitment to the company received high scores (84 and 83 points out of 100, respectively). During 2020, Action Plans were carried out in accordance with the results of the survey.

## 5.1. Employee's cycle in EDP

### Recruitment and selection

2020 was a year full of challenges in personnel selection. Despite the health crisis context, EDP maintained its selection and recruitment policy, adding 2 new employees to its staff, with a special focus on profiles of high-potential young people.

EDP seeks to recruit the best talents with digital and analytical profiles, eager to take part in the company's new vision in



order to build a team that always gives the best version of itself. In addition to great professionals, it also looks for people who identify with the values and challenges of the company. New profiles, new procedures, complete digitisation. Personnel selection is being reinvented with the 100% gitisation of the selection process.

## Mobility and career development

The internal mobility policy of the EDP Group has been offering its employees options for development and change within the Group. Employees may apply for the announced vacancies to keep developing, training and growing in the EDP Group. This may be done not only through indefinite opportunities for change, but also through temporary opportunities via the Grow platform (EDP's platform to build a talent market), the projects of which have renewed EDP's culture and offered new efficiencies and sharing of experience and expertise. 45 mobilities have taken place, out of which 22 have been intercompany and 23 intracompany.

## Training

The training activity in EDP Redes España in 2020 has been structured in two lines of action, both aimed at the goals established in the Strategic Plan and which respond to two supplementary perspectives:

- Corporate training: gathering all the training actions that develop EDP España's values and generic competences, as well as necessary responsibilities (quality, environment and prevention) and the corporate procedures and tools.
- Specific training: gathering all the training actions considered essential in the process of detecting training needs carried out by each Business Unit of EDP Redes España and which develop technical competences of the positions.

### 'Reconocer' programme

The goal of the 'Reconocer' ('Recognise') programme, approved by EDP España's Operations Management Committee, is to give visibility to extraordinary and distinguished performances and behaviours, whether on an individual or a team basis.

Within the framework of the 'Reconocer' programme, managers will submit, on a quarterly basis, their proposals to reward the performance of 10 employees and 3 teams.

The recognitions will be shared with the entire company, thus encouraging a transparency and appreciation culture. The reward for being recognised on an individual level is an El Corte Ingles gift card worth €250 for recognised employees, while the recognised teams/projects may choose an activity to carry out from the available catalogue.

Since 2017, EDP España has promoted a recognition culture and policy with the launch of individual badges on AboutMe. Such badges, awarded for collaboration, excellence in execution and problem-solving, have laid the foundations of a positive, productive and collaborative corporate environment. Having reached 1,147 individual recognitions, the total balance is positive.



EDP redes España's 2020 Training Plan has been closed with a total of 21,823 hours taught and an engagement of 4,818 attendees, with an average satisfaction level over 8.4 out of 10.

In 2020, the digitisation of the training stands out, with the promotion of online and virtual training via Teams, which has allowed 96% of the taught courses to be on a virtual basis.

## 5.2. Labour rights and social benefits

The Group's 3rd Collective Bargaining Agreement, applying to E-Redes, is still in force. It has been characterised by the implementation of working conditions such as Working hours, new remuneration items, etc., in accordance with the set targets, as well as by the creation and setting up of different Committees and Subcommittees on Labour Matters that apply.

As for Viesgo, during 2020, the current collective agreement is the one published in the Official State Gazette no. 186 of 02/08/2018, in which these same labour matters are set.

We consider each employee's family and private life as an integral complement of the EDP Group's dimension. This means that being part of EDP involves being able to have a balance between your professional career and your individual and family interests.

Over the years, EDP España has been increasing the offered measures to help balancing its employees' personal and professional life. In 2020, there have been more than 90 initiatives promoting balance in our employees' life related to:

- Adjustment of the working day.
- Temporary alteration of the split-shift or mixed system.
- Reduced working hours.
- Remunerated leaves.
- Pregnancy and breastfeeding.
- Maternity and paternity leaves.

- Maternity rest periods.
- Leaves of absence for family care.

In 2020, the lines of work continued revolving around the improvement of the measures that received lower ratings from employees in the survey conducted in the previous year. Among all of them, the 'EDP is Healthy' programme should be highlighted.

This platform, integrated into 'EDP is Commitment to People', was created to promote healthy habits among employees. The action plan is based on three pillars that foster the quality of life of those that are part of EDP and the well-being of their families, which is translated into a competitive advantage for EDP España.

As part of the commitment assumed by EDP to its employees' health, in 2020, we have maintained our membership of the Asturian Network of Healthy Companies. This initiative proposes to the participating organisations keys to improve occupational well-being, in addition to workshops to spread and promote healthy habits. Under this project, EDP also adhered to the Luxembourg Declaration, a consensus document prepared by the European Network for Workplace Health Promotion (ENWHP), which establishes the basic action principles and the framework for a proper management of the employees' health in the company.

In order to verify the work-life balance policies of EDP as a family-responsible company, it is necessary to meet the requirements of the EFR 1000-1 standard (version 4), which gathers all the actions we have carried out. As a consequence, the internal audit will be conducted in 2021, and an external audit will follow it.

After a three-year certification period, EDP has started a new cycle in which it keeps working to improve the lives of the people who are part of the company, incorporating actions and initiatives that secure this commitment.

It is planned to conduct interviews with the employees in order to gather information about the awareness and use of the measures.

### Social benefits for employees:

- Medical insurance.
- Electricity supply.
- School aid.
- Pension plans.
- Children aid.
- Social activities.
- Credits, advances and loans.



### Nutrition

Actions aimed at improving and maintaining a correct nutrition to ensure an improvement in health and well-being



### Well-being

Actions aimed at fostering the prevention of diseases, thus strengthening the employees' health and well-being



### Sports

Actions aimed at promoting the benefits of practising sports



## 5.4. Health & safety at work

In 2020, the EDP Group's Policy on Health & Safety at Work was revised, and an update thereof was approved. This revision is due to the existence of a new regulation benchmark for the certification of Health & Safety at Work Management Systems, the ISO 45001:2018 standard, with direct impact on the EDP Group's Policy on Health & Safety at Work. This policy expresses the main commitments and principles related to health and safety at work that must be present in the operations in the entire EDP Group, regardless of the geographical area of the operations.

Likewise, this Policy renews and stimulates employees, providers of services, customers and communities in general towards positive occupational safety behaviours, aimed at the 'Zero accidents' goal assumed by EDP Redes España.

In line with the foregoing, EDP España's occupational health & safety management system has been also certified according to the requirements set in the mentioned ISO 45001 standard, which constitutes a major milestone to be highlighted.

In the certification process of the Health & Safety at Work Management System, an internal specific audit was conducted on the electricity distribution business, as well as the corresponding external audit, establishing the compliance of the company's management system with the audit criteria, assessing its capacity to guarantee that the company meets the legal, regulatory and contractual requirements applied, assessing its efficacy to guarantee the attainment of the specified goals and, lastly, identifying the areas for potential improvement.

### Preventive activity planning

Preventive planning is a live control tool and receives feedback from preventive or corrective actions as a consequence of accidents, incidents, audits, preventive observations and even as a result of agreements reached in the different departmental health and safety meetings. Each proposed action is recorded in the Proasafety application to facilitate the effective monitoring and assessment of the measure implemented.

Of the 119 actions initially identified and scheduled for 2020 in terms of risk prevention, all were concluded properly and are documented in the Proasafety tool.

Risk assessments: during 2020, 77 risk assessments on the workstations of all the E-REDES departments, throughout its entire geographical scope, were reviewed or updated. Among others, the following aspects were added to the risk assessments: inclusion of exposure to electromagnetic fields;



inclusion of SF6 leakage in compact equipment with large quantities of gas (GIS type) in closed installations; inclusion of access to confined enclosures operation (oil storage tanks in HV substations).

Likewise, risk guidelines for substations, transformers, distribution centres and power lines have been updated, including, inter alia, information on electromagnetic fields derived from the EMF exposure assessment carried out in the last 2 years, preventive information on SF6 and handling of decomposition products and adaptation of the emergency action information to the points included in updated self-protection and emergency plans.

With the general aim of restricting SARS-CoV-2 infections, the Covid-19 Exposure Risk Assessment was carried out, concluding that the exposure of EDP Redes España's personnel to the risk of COVID-19 infection in the course of their work is under control, considering the risk scenario of its own personnel as a low probability of exposure, taking into account the different risk scenarios in which workers may find themselves, as established in the aforementioned 'Procedure for occupational health & safety management services in the event of exposure to SARS-CoV-2'.



## Other aspects in our preventive activity

### Emergency Plans

New Self-Protection Plans (SPP) have been drawn up, and the Redes' Emergency Plan and 18 Self-Protection Plans have also been updated, together with 4 Emergency Plans for 4 workstations. All of them have been published on the intranet and communicated to stakeholders.

### Emergency drills

Mainly due to the mobility restrictions and Covid-19 preventive measures, only 3 out of the 14 drills planned at E-REDES were carried out, plus the one performed in the Fresno building. However, given the high demands of the three-year simulation plan, the matrix of standard facilities and standard exercises over the 2019-2021 three-year period is considered to cover both regulatory needs and the needs for improvement in emergency situations.

### Preventive safety observations

The 'Safety Observations' have continued to be used as a preventive tool during the year, in accordance with the criteria established in the 'Preventive Safety Observations' programme, resulting in a degree of compliance with the PSO objective for 2020 of 113%.

The results obtained in such Safety Observations have served to focus preventive efforts on the areas where the most unsafe actions have been detected.

### Field safety inspections

833 field safety inspections were carried out at E-REDES during the year compared to 721 the previous year, despite the Covid-19 period. A new feature is the possibility of directly assigning to partner companies the corrective actions derived from the inspections through the Prosafety tool.

### Other preventive aspects

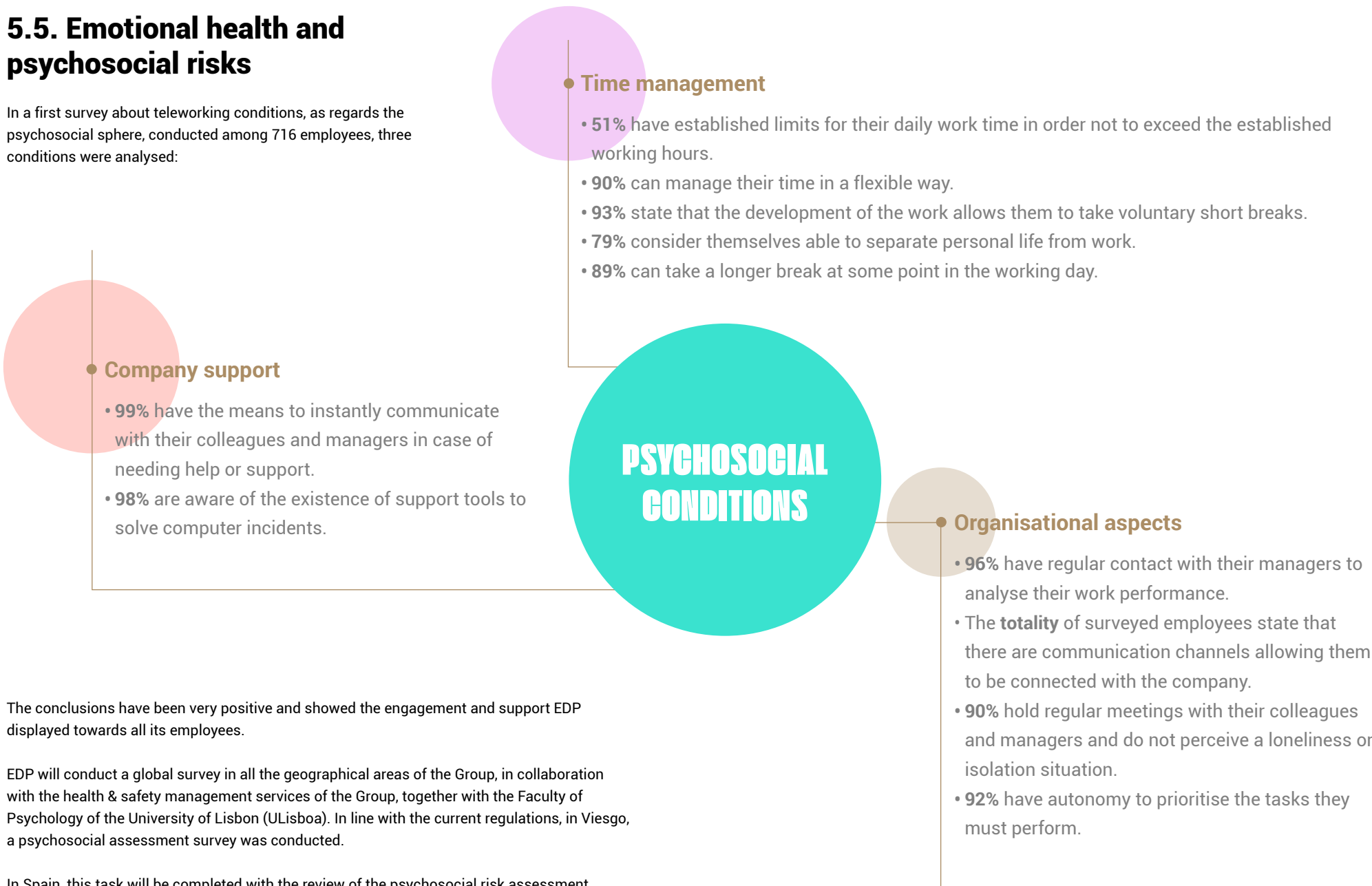
Work instructions, dangerous goods transport management tasks, ergonomic and psychosocial risk assessments (studies of Visual Display Units (VDUs), Indoor Air Quality (IAQ) and Lighting in workstations and offices) were updated in 2020 in the normal course of the preventive activity, as well as aspects related to occupational medicine.



Specific aspects regarding the management of the COVID-19 health crisis can be consulted in the same section 5.4 of EDP España's Sustainability Report.

## 5.5. Emotional health and psychosocial risks

In a first survey about teleworking conditions, as regards the psychosocial sphere, conducted among 716 employees, three conditions were analysed:



### • Company support

- 99% have the means to instantly communicate with their colleagues and managers in case of needing help or support.
- 98% are aware of the existence of support tools to solve computer incidents.

### • Time management

- 51% have established limits for their daily work time in order not to exceed the established working hours.
- 90% can manage their time in a flexible way.
- 93% state that the development of the work allows them to take voluntary short breaks.
- 79% consider themselves able to separate personal life from work.
- 89% can take a longer break at some point in the working day.

## PSYCHOSOCIAL CONDITIONS

### • Organisational aspects

- 96% have regular contact with their managers to analyse their work performance.
- The **totality** of surveyed employees state that there are communication channels allowing them to be connected with the company.
- 90% hold regular meetings with their colleagues and managers and do not perceive a loneliness or isolation situation.
- 92% have autonomy to prioritise the tasks they must perform.

The conclusions have been very positive and showed the engagement and support EDP displayed towards all its employees.

EDP will conduct a global survey in all the geographical areas of the Group, in collaboration with the health & safety management services of the Group, together with the Faculty of Psychology of the University of Lisbon (ULisboa). In line with the current regulations, in Viesgo, a psychosocial assessment survey was conducted.

In Spain, this task will be completed with the review of the psychosocial risk assessment.

## 5.6. Voluntariado



[CLICK HERE TO GO TO WEBSITE](#)

EDP has a corporate volunteering programme through which it challenges its employees not only to participate in some of the more than 150 volunteering actions that are currently ongoing, but also to suggest their own initiatives and share their results and experiences. All this is done through a portal especially designed for the programme.

The Volunteering Programme in EDP is a strategic programme that is part of the 2020-2022 Sustainability Plan, within the 'Labour Practices' block, and seeks to reach 20% of engagement by 2022.

In year 2020, with the current triple health, economic and social crisis, it has been quite a challenge to redirect the Volunteering Programme to guarantee actions that are now more necessary than ever. In order to boost volunteering in this pandemic, the company has organised the campaigns 'I dare to volunteer in safe conditions' and 'Digital volunteering guide for managers and volunteers'. In figures, 338 volunteers have dedicated a total of 1,508 hours to volunteer in 19 initiatives throughout the year.

18% of EDP Redes España staff have participated in this volunteering programme. 54 volunteers and 86 participations to reach a total of 92 hours of volunteering and collaboration in 12 solidarity initiatives. If we monetise this contribution, the figure exceeds the €6,700 allocated to the different beneficiary entities.

### The initiatives in which the staff of EDP Redes España has participated have been the following:

- 'Quédate en casa'
- 'Cartas Solidarias'

- 'Estudia con Energía'
- 'Enseña Experimentando en familia'
- EDP Solidaria 2020

In the Volunteering Programme, we should highlight the Christmas Campaign, in its 10th series, which was organised this year under the slogan 'This Christmas I dare to overcome the distance'.

The campaign was focused on supporting the groups that have been affected the most by the pandemic, being focused on two major areas for intervention: fight against poverty and fight against social isolation.

### The actions in which EDP Redes España volunteers have participated have been the following:

- 'Fila 0 de los supersolidarios'
- 'Detalle solidario'
- 'Pulseras solidarias'
- 'Haz de Rey Mago'
- 'Videollamada mensajeros Reyes Magos'
- 'Dona tu cena de Navidad'
- 'Calendarios Solidarios'

### Beneficiary entities:

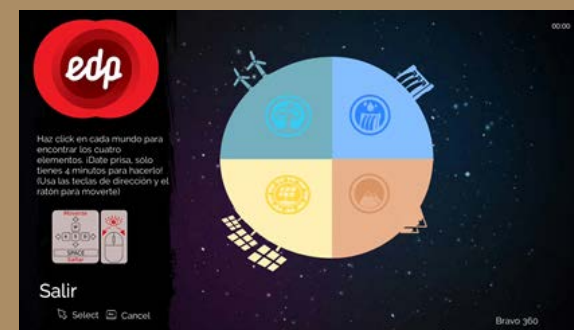
- Hogar San José
- ASPACE
- Banco de Alimentos
- Asociación Síndrome de Down
- Centro Social de M<sup>a</sup> Inmaculada

As for Viesgo, it has a specific section on the intranet to promote corporate volunteering so that its employees and those who wish it, can participate.

## EDP España's Christmas Day

More than 150 boys and girls, relatives of EDP España's employees, participated in a digital event that was developed over several sessions throughout the Christmas holidays. Through immersive 3D videos, they travelled across the distribution grids, accompanying and helping the Three Wise Men to solve different challenges required to find the bag of presents. This way, they were able to visit a hydraulic plant, a wind farm, a biomass plant and an electrical substation.

The four elements, earth, fire, water and air, were used as link to solve the challenges that took place in a virtual reality world created for the event, in which participants had to solve the great final challenge that led to find the presents and find out who were the winners of the competition.



[CLICK HERE TO GO TO WEBSITE](#)

## Viesgo's Christmas campaign

In the Christmas campaign, Viesgo has collaborated with several institutions through its employees under the slogan 'Give the best of you'. This way, employees were able to help the people that are suffering the consequences of the crisis, carrying out the following actions:

Organisation of a food and toy collection at the workplaces to be given to Banco de Alimentos and Fundación Achalay. For this purpose, a section was enabled on the intranet allowing employees to make a solidarity donation

Acquisition and distribution of Christmas nougat bars to be given to the most underprivileged families through local non-profit foundations.

Partnership of the Fundación Juan XXIII Roncalli, the Fundación Obra San Martín and the Fundación Amica. These institutions work for labour integration of people with disabilities. One of the gifts was an olive oil bottle, made from olives collected from the olive trees cultivated at Campus Diversia by people with disabilities.

## Viesgo's Christmas card competition

More than 80 children participated in the traditional Christmas card competition, aimed at finding the finest artists in each home (children and grandchildren of the employees) to paint Viesgo's Christmas card.

Without losing sight of the pandemic situation, but wanting to give a more humane tone, we invited the kids to picture a different and fun Christmas with the theme 'How do you think Christmas is going to be this year?'. Will there be distance at the stable of Bethlehem?

Will Santa come in a mask? And the reindeers? Apart from cookies, will you leave sanitising gel for the Three Wise Men?

The competition was a complete success. It is amazing how children reflected their resilience against this situation. All the participants were given a little gift, and the best ones in each category were sent a gift that recognised them as the winners of the Viesgo's 2020 Christmas card competition. The winning cards were used by the employees to send their holiday wishes to their contacts.



# PEOPLE PEOPLE

FROM STRIVE  
TO THRIVE

Changing tomorrow now.



- 01
- 02
- 03
- 04
- 05
- 06
- 07
- 08
- 09
- 10
- 11

# 06

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## RESPONSIBLE CUSTOMER BEHAVIOUR

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Customer care quality	64
Digitisation of the distribution grid	67

# Responsible customer behaviour



The safety and quality of supply are the key goals of the Distribution activity as regards customers.

E-REDES carries out the electricity distribution activity of the EDP Group in Spain in six provinces: Asturias (which represents 95% of its supplies), Madrid, Huesca, Zaragoza, Valencia and Alicante.

Thanks to the acquisition of Viesgo, the activity has been extended to new geographical areas that include Cantabria, the rest of Asturias, Galicia and Castilla y León.

The Installed Power Equivalent Interruption Time (TIEPI) of E-Redes in year 2020 has reached a new record in the historical series, 15 minutes, which reflects the high-quality level of supply.

In Viesgo, the 26.8 TIEPI minutes in 2020 have also attained a new record in its history as regards better quality and reliability of supply.

## 6.1. Customer care quality

The distribution business focuses its efforts on rendering the best service and the best customer care, assuming a full commitment in which safety is the main pillar of all the activities it carries out. For this purpose, the electricity Distribution activity maintains its Quality Management System certified under UNE-EN ISO 9001 standard since November 2001.

The Quality Management System is based on EDP España's Quality Policy, which contains the following commitments:

- To know the requirements and expectations of our customers and other stakeholders, focusing our management on satisfying their needs.
- To promote a continuous improvement culture in the management of our processes, engaging all employees through LEAN, a programme that helps attaining our quality goals.

- To comply with the regulations applicable to our activity and with other commitments or guidelines assumed by the organisation.
- To boost innovation, developing projects that bring competitive and quality solutions.
- To provide the appropriate resources for engagement, training and communication in the entire organisation, allowing the fulfilment of these commitments.

Other aspects observed from the Quality Management System vis-à-vis the customer include:

- Transparency in communication: Using a clear and accessible language when communicating with customers, while providing control and monitoring mechanisms on the status of applications through new technologies, in order to increase transparency with all our stakeholders.
- Raising customers' awareness about their main role in the fight against climate change through efficient and sustainable consumption.

As a whole, this Policy constitutes the benchmark framework for establishing quality goals, thus allowing to improve the performance of processes and promoting a continuous improvement culture in the organisation. In order to develop these commitments, the company has to take into account factors such as:

- Commitment of the entire company: All the corporate levels know their duties and responsibilities as regards complaints, the entire company being committed to achieving full customer satisfaction.



- EDP Redes España endorses the general principles of: visibility, accessibility, diligent response, objectiveness, free process, confidentiality, focus on the customer, definition of responsibilities and continuous improvement.
- Compliance with the legal requirements: EDP Redes España assumes the responsibility and commitment to meet the legal and regulatory requirements, in all the territorial areas, that apply to the complaint handling tasks.
- Focus on the customer: complaint handling is considered one of the main tools for the customer focus, using the data obtained as source of information about customer satisfaction and the increase thereof.

### NPS and quality in customer care

During 2020, customer care was managed separately in the companies of Viesgo and E-Redes.

Especially, during the month of March, as a result of the lockdown, the call centres of both companies had to reorganise in record time the customer care service and adjust it to the teleworking system, which was quite a challenge, since there were no precedents.

In Viesgo Distribución, we measure the customer satisfaction level according to the NPS (Net Promoter Score) index, which rates the customers' likelihood to recommend something on a scale from 0 to 10, the data of which are gathered through a simple survey. This index has risen by 12% with respect to 2018.

For the purpose of continuous improvement with our stakeholders, in 2019, Viesgo implemented a plan named 'Improvements in internal and external channels' in order to

improve the customer experience through the analysis of the Customer Journey, placing particular emphasis on the critical interactions for our customers, aimed at anticipating and meeting customers' needs, having developed actions plans to optimise our customers' experience.

Likewise, during 2020 and within the action plans derived from the NPS, the 'Diseño modelo de Voz' (Voice model design) project has been launched to continue improving and strengthening our relations with customers and the rest of stakeholders. This project seeks to identify the most relevant variables and indicators based on which the customer voice measurement will be defined, and using the results obtained from the monthly surveys, detect deficiencies and establish areas for improvement to work on. This way, our company proves that every contact the customer makes with us is important, since every time they interact with us, we have the opportunity to improve their experience.

01

02

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04

05

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Responsible customer behaviour

07

08

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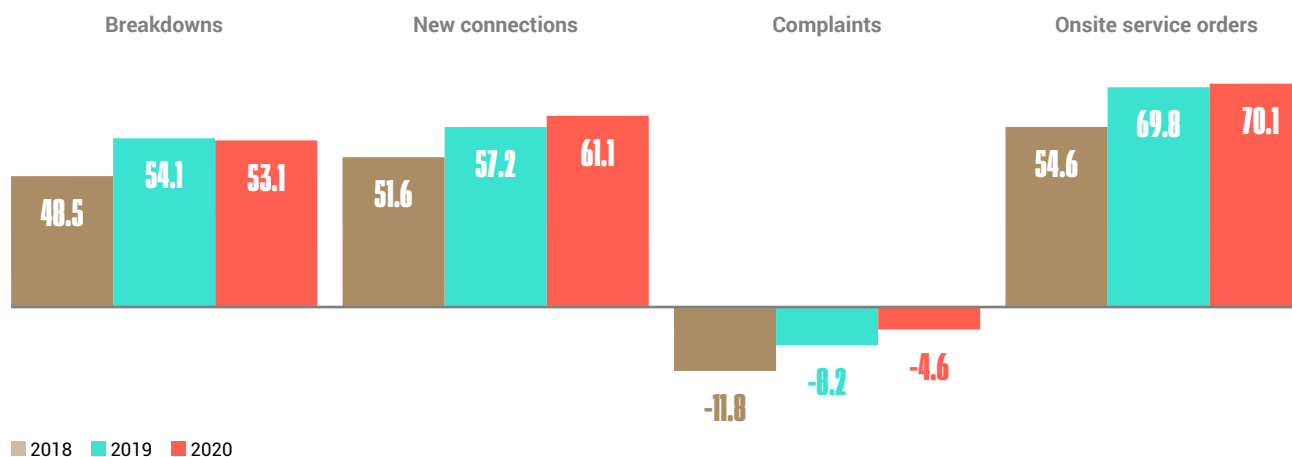
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Loyalty level of our customers

**+ 12% NPS**

in 2020 vs 2018

### Increasing the loyalty level of our customers



E-Redes conducts specific studies on customer satisfaction and feedback from the stakeholders.

Customer surveys about individualised breakdowns are also carried out on a monthly basis, obtaining scores over 7 points throughout year.

In the case of new connections, surveys of pre-contracting customers are carried out. These surveys are conducted on a monthly basis, being observed a very positive rating of the service throughout 2020, always exceeding the set goal and reaching a maximum of 8.2 in June.

As planned improvements in 2021, an assessment of the perceived quality will be conducted during the year through surveys conducted at the end of the complaint and service order processes, as it is currently being done in breakdowns and pre-contracting.

Additionally, in year 2020, a new satisfaction survey was conducted of Retailers, which is carried out every two years. The results of the survey were very positive in general terms, although there were answers below the expected goal, which can be grouped into three blocks:

- Operation and functionalities of the Agent Sharing Portal (GIA)
- Resolution of procedures and/or occupational accident incidents and contracting
- Generic reading box

For each of them, the company has established actions for improvement, which are expected to have an impact on the next survey planned for 2022.

Lastly, a satisfaction survey was sent to all the direct-toll customers with very satisfactory results, the scores obtained being over 7 points out of 10 in all cases.

## Complaint handling

EDP Redes España's complaint handling commitment offers all its customers an easy-to-access process with a quick and effective response, both for the customer and for the company.

As regards Viesgo, it has received 17,172 complaint notifications during 2020. Such complaints have been fundamentally related to connection errors in meters,

disagreement with the contracting rights, transcription mistakes, etc., the majority of them, around 75%, being classified as not appropriate during the year.

As for E-Redes, it has recorded a total of 18,307 complaints, estimating 61% of non-appropriate complaints in line with what has been previously described.



## Digitisation in customer care processes

www.eredesdistribucion.es and www.viesgodistribucion.com are the official websites of both distribution companies, through which all the information required by customers and shareholders is made available, as well as the access to all the online management procedures enabled.

Thus, both websites allow customers to access their respective private areas, from which they can check their consumption and the power demanded, verify past records and technical data of the supply and check other relevant information from their application or contract.

Likewise, on the websites, the power cuts or interruptions are communicated well in advance and the processes for access and connection of new supplies, breakdown notifications, reports of fraud, changes of power and other procedures under the responsibility of the distributor are established.

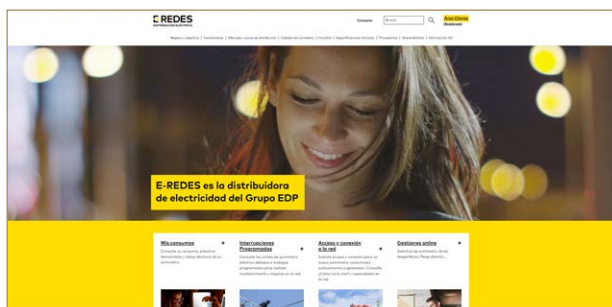
As main new features on the E-Redes website in 2020, customers have now the option to check instant meter values, as well as the possibility of resetting the power circuit

breaker in case of tripping due to exceeding the contracted supply power.

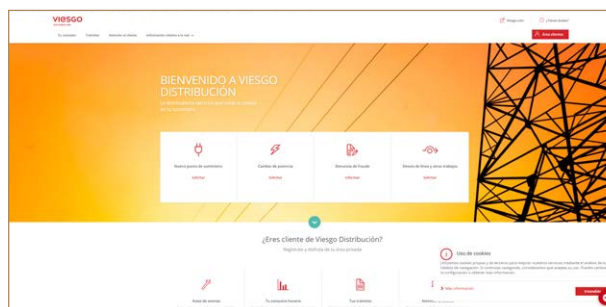
Likewise, a personalised SMS notification system has been put into operation to notify customers about power supply interruptions in their home or business. Before, it could be checked on the website, but now, through a free subscription, customers will receive a personal notification.

As for Viesgo, it has an app that allows to carry out practically all the procedures from the private area of the website. And, as highlights of the year, a map showing the status of the incidents in the medium- and high-voltage grid has been added to the public area of the website, so customers can see at all times the potential incidents affecting their supply. Likewise, on a street level, it has been implemented the possibility for customers to know when there is going to be an interruption in supply related to scheduled works.

Lastly, the checking of instant meter readings and future readings upon the customer's request has been enabled.



HAGA CLIC PARA VER WEB



HAGA CLIC PARA VER WEB

## 6.2 Digitisation of the Distribution grid

Guaranteeing the best quality of service and direct and personalised customer care is the goal of the Distribution activity.

For this purpose, improvement projects are continuously executed in the existing installations, focused on improving the efficiency thereof, as well as new projects for a better exploitation of the grids, through new processes and smart equipment.

An example of the improvements in the existing installations are the actions carried out in the substations in Grado and Pumarín, where new transformers have been installed allowing to improve the security of supply in the councils of Oviedo, Grado, Las Regueras and Candamo.

The construction design of the new equipment includes a whole series of improvements from the point of view of efficiency, safety and sustainability, such as the integration of connected own protections, which allows the transformer to monitor internal physical parameters in order to detect anomalous operational situations and improve its management.

This functionality also opens the door to future data-based improvements, since the parameters controlled by the transformer will be integrated into a web visualisation platform accessible from the offices and mobile devices.

Other relevant investments impacting on the quality of supply are, by way of example, but not limited to, the start of the construction of the Aldaya 220/20 kV substation, which means a new interconnection between our medium-voltage grid in Valencia and the REE transmission network; the refurbishment of the Corredoria substation, which consisted in the renovation of the 50 kV room and the entire control and protection

system both for 132 kV and 50 kV; and the refurbishment of the medium-voltage substation in El Castro (Lugones), which consisted in a full renovation and digitisation thereof.

It should be also highlighted the new failure location equipment, based on a mobile laboratory that allows to detect in a quick, effective and fully safe way for all our employees a much more exact location of the spot where the failures are occurring, since this laboratory acts on the ground.



HAGA OJOS PARA VER VIDEO

InovGrid is the innovative project that makes the grid smarter. Among the relevant events developed during the year, it should be highlighted the start of the remote management of supply point registrations, which significantly reduces the response time and does not require a field visit.

In the mobility area, the 'Contadores' (Meters) app has been put in production for handling and programming meters onsite, allowing the digitisation of information and thus ensuring the reliability of the data and their subsequent processing in the different systems.

With regard to the 'Red Marte' (Mars Grid) project, the proof of concept has been completed, concluding that the use of graph databases and time series together with relational databases allows almost real-time low-voltage management.

And with respect to data analytics, improvements have been achieved in both the forecasting and detection of faults in our distribution grid, as well as in the reduction of energy losses in the grid and in the fight against electricity fraud.

One noteworthy Project is 'Flash BT', which allows to monitor the low-voltage grid in a quick, accurate and real-time way.

With this system, the departments that manage the low-voltage grid can, among other things, anticipate possible faults, improve maintenance or enter new events in the central distribution office.

To develop 'Flash BT', it was necessary to deploy new equipment in the system (advanced line sensors or trackers), which are installed in low-voltage switchgears in medium- to low-voltage transformers, while using data from the smart meters already deployed.

This project provides intelligence to the low-voltage grid and opens up new possibilities for the detailed planning thereof. It allows us to detect faults and irregularities in real time by connecting the equipment deployed to the SCADA system. It is thus possible to detect possible overloads on the lines; surges and undervoltage; non-technical losses, both the bypassing of meters and anomalies or fraud due to direct connections; as well as providing real-time support for fault resolution and improvements in the company's maintenance strategy.

With 'Flash BT', E-Redes is even better prepared for the transformation of the energy sector, mainly for the integration of self-consumption and electric vehicles. The company has checked that it is a system that allows the development of new grid management functionalities towards a horizon of flexibility and efficiency (integration of IoT sensors or sending of instructions to local markets, for example).

Up to now, the project has been implemented in more than 400 indoor transformers, which involve more than 120,000 meters. Following the success of this project, the company has decided to continue the deployment of equipment and software development to expand the number of installations in operation. The aim is to reach 25% of indoor transformers in five years, which means having 1,000 transformers fitted with sensor systems and 375,000 meters. The InovGrid, Construction and Operation and Remote Control teams, as well as EDP España's Innovation Department, are also participating in the development of the project.



## Digital and dynamic operation of Grid assets

Based on the same smart grids concept, the use of smart meters at Viesgo allows various real-time services, such as the rapid detection of faults in customer installations, real-time reconnections to supply points considered to be a priority or essential (average resolution time: 15 seconds) and online access to the meter to consult energy consumption. The result is greater customer satisfaction, with faster and more accurate procedures, as well as greater efficiency in technical and operational tasks.

Optimising the service and minimising the environmental impact of our activity are two of Viesgo's main goals. Aware

that good weather conditions allow to transmit more energy through the distribution grid, we have developed, together with the Universidad de Cantabria, DYNELEC. This project allows to increase the integration of renewable energies in power grids thanks to the monitoring of weather conditions, thus providing consumers with a better quality of supply.

The constant increase of renewable generation installations connected to the distribution grids makes the operation of these infrastructures increasingly complex. Sometimes, the grids cannot absorb all the generated energy and, occasionally, the distributors are forced to request restrictions to limit the

production of renewable plants or even its complete shutdown. DYNELEC solves this problem, since it allows a higher absorption of renewable energy and a reduced need to create additional infrastructures.

By managing 1,100 km of a 132 kV grid and by using 50 weather stations and more than 180 sensors for actual measurement of the conductor temperature, restrictions have been significantly reduced. The dynamic overhead line operation technology solves the problem of generated energy absorption, as it allows a greater integration of renewable energy and less need to create additional infrastructures, thereby improving the

environmental footprint of the activity. Some of the other advantages of this technology are: Control of the ageing of the overhead line due to temperature and improvement in the management of the grid in situations of contingency or outage.

Viesgo has been the first distributor in Spain to put into practice, with demonstrable results, the studies related to dynamic grid management, since the regions in which it operates are equipped with high-voltage electricity distribution grids that interconnect areas of high wind production.



**Other notable dynamic asset operation projects include:**

- Dynamic operation and sensor system for transformers, based on the establishment of a technical methodology that ensures a safe dynamic operation of HV transformers, with the main goals of increasing the dynamic capacity of power transformers and active monitoring in real time to improve predictive maintenance.
- Dynamic management of underground cables (MV and HV) based on the establishment of a technical methodology that ensures the safe dynamic operation of assets related to underground cables in MV and HV lines, with the aim of improving the integration capacity of distributed generation and renewables and increasing the dynamic capacity of the underground HV/MV network, thus ensuring asset management.

A pilot installation in 2020 was used to monitor the temperature and current in 1 underground HV line (55 kV Candina - Valdecilla) and 1 underground MV line (12 kV Las Llamas - E. Politécnica).

**Other grid digitisation and automation projects include:**

- Advanced predictive maintenance strategies that allow extending the useful life of assets, reducing maintenance costs and delaying the need for replacement. More than 11,250 assets are currently integrated in predictive maintenance
- The MV Automation Plan that contributes to improving the quality of supply, improving response times to incidents and acting as a key efficiency lever. 1,169 points were automated by the end of 2020.
- The Integration of low-voltage signals provided by electronic meters into the grid operation systems, providing real-time information on grid status and giving operators the capacity to consult the status of any electronic meter.
- Remote control and installation of digital protection devices. In the event of failures, they make it possible to pinpoint the affected area more accurately, which results in faster restoration of the service, and less travelling and operations for field teams. Digital protection devices were installed in HV and MV line positions, representing 73% in MV and 71% in HV.

**Other grid monitoring projects:**

- Pilot project for MV and HV switch monitoring.
- Pilot project for temperature monitoring on connection terminals in MV cabins at primary substations.
- Pilot project for the installation of own smart protective devices in power transformers.
- Project for the installation of monitoring systems for dissolved gases in power transformers once the corresponding pilot project has concluded, and which also includes communication of other monitored equipment in substations, such as battery rectifiers and power generators to the AWM platform.



# Energy storage pilot

A further commitment to innovation, with the aim of guaranteeing the electricity supply in isolated areas

This energy storage project has been in operation since June 2020 in the municipality of San Vicente del Monte (Valdáliga, Cantabria), having reinforced its electricity grid infrastructure with a clean and sustainable technological solution to ensure the electricity supply in the event of a possible grid failure, especially in rural areas. This is the first project of its kind to be developed at Viesgo, and one of the first storage projects nationwide.

With an investment of €225,000 and a four-month construction period, storage consists of capturing energy at a certain time to be used in the future. This pilot is connected to the low-voltage grid (400 V) at the San Vicente del Monte transformation centre and its main technical features are 250 kVA of power and 232 kWh of energy. This means that, for an average consumption of 50 kWh in San Vicente del Monte during the day, we can guarantee the supply to this town for approximately 5 hours.

The system consists of a lithium battery storage system and a converter. In the installation, the system monitors the quality of

the energy supplied by the grid so that, in the event of a failure or power cut, it sends an automatic warning to the control centre, which starts up the corresponding operation to correct the incident. At the same time, the system automatically starts supplying energy to customers from batteries, guaranteeing the continuity of the supply until the main supply grid is restored.

Thanks to this new technology, it has been possible to eliminate the time it takes to cut off the supply if there is a failure in the grid in those municipalities that are located in difficult terrain or far from urban centres and that were previously forced to wait several hours for the supply to be restored. The system is also prepared to support the conventional grid and prevent it from suffering incidents or failures in the event of excess energy demand.

This project has contributed to an exceptional improvement in the quality of service and customer convenience, always taking into account the digitisation and modernisation of our grid, sustainability and care for the environment.



# Refurbishment of the Mieres substation

A project whose top goal is sustainability, which will increase the quality and security of supply and will decrease the environmental and acoustic impact on the area.



In September, work began on the refurbishment of the Santa Cruz de Mieres substation, a key project for the supply of electricity to the municipalities of Aller, Mieres and Lena, and in which the company will invest €13.5 M. This refurbishment will last approximately two years and a half and will guarantee a more modern and safer installation, with a reduced visual and acoustic impact.

The Santa Cruz substation is a key project for the supply of electricity in the central area of Asturias. In EDP Redes España, we are committed to the environment, the innovation and the revamp of our distribution grids; thus, we planned a comprehensive renovation that reduced its environmental and acoustic impact. This refurbishment will also have an impact on the municipality, since the adjacent areas will be restored and fitted out to be used by the population.

## The substation

Santa Cruz de Mieres comprises 3 voltage levels: 132 kV, located outdoors, and 30 and 12 kV, which are inside the facilities of the old building of the Thermal Power Plant of Santa Cruz, which started producing energy using coal from the deposits in the area in year 1913, and which in the 80s was decommissioned.

This refurbishment also includes the renovation of the original building of the thermal power plant, which houses a turbo-alternator commissioned in 1915 that forms part of the history and industrial heritage of the area.



01

02

03

04

05

06

Responsible customer behaviour

07

08

09

10

11



## Losses in the Distribution grid

Losses in the grid are in highly satisfactory levels, below 4-6% every year (E-Redes-Viesgo).

On a yearly basis, a significant volume of investments is allocated to the improvement in lines and installations and new applications are developed to exploit the progress made in the digitisation of the grid, thus allowing to reduce such losses and preventing indirect CO<sub>2</sub> emissions.

### SIMBO project: Metering and Operating Balance Integration System (E-Redes)

The SIMBO project was created for the purpose of improving the reduction of losses and optimising the remuneration of this regulatory incentive, through an advanced tool integrating the following functionalities:

- Integrating all the metered energy flows into the distribution grid, from different source databases.
- Checking and validating the quality of time values.
- Automatically calculating energy balances and technical and non-technical losses on a time level, as per voltage level, geographical area, line, transformation centre, rate period, etc.
- Enabling a dynamic access to information, with the possibility of graphic representations and analytic reports that can be personalised on a user level.

During 2020, the balances and calculation of technical losses in the high- and medium-voltage grids were completed, and the integration with the Power Factory software was initiated for the electrical studies of information corresponding to the distribution grid.

In 2021, it is expected to integrate the aggregated consumptions as per protection box in the low-voltage grid from the information existing in our systems. With this, SIMBO will complete the global information about the distribution grid managed from E-Redes, in an aggregated and non-aggregated way according to voltage levels, obtaining the total and technical losses for all of them.

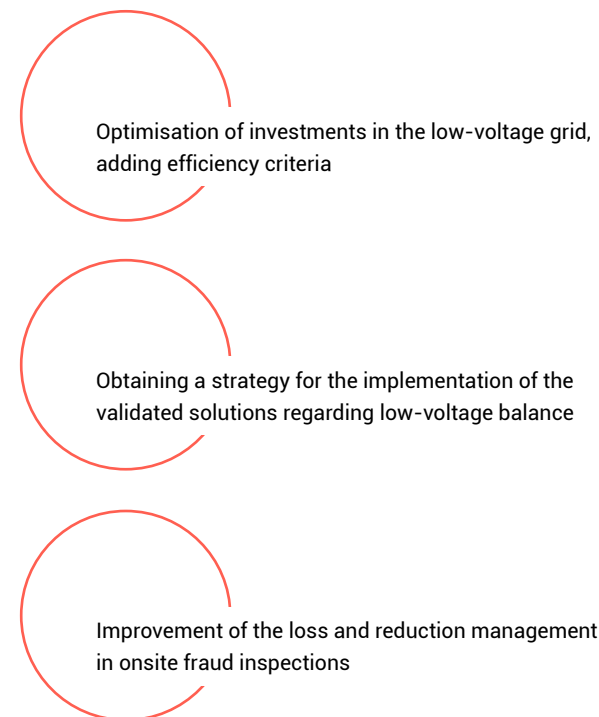
Finally, the Power Factory software will be put into service, with all the grid calculation modules to improve the planning and the operating management thereof.

### DEPNOTEC and DEPERTEC projects: reduction of energy losses

The reduction of energy losses has been, historically, one of the main focus of attention of the electricity distribution companies. This is the context in which DEPNOTEC (Detection of Non-Technical Losses) and DEPERTEC (Detection of Technical Losses) were devised, in which Viesgo has been able to seize its leading position in the implementation of smart meters, since not only do they provide user's consumption data, but they also notify any anomaly in the operation.

DEPERTEC seeks to reduce the impact of technical losses in the low-voltage grid according to the type and technical characteristics of the grid, as well as to the customers' energy consumption and low-voltage generation, being based on the design of algorithms that calculate technical losses to assess their influence on the low-voltage grid.

### Goals:



DEPNOTEC aims at reducing the impact of non-technical losses (those resulted from actions not related to the energy distribution itself) and detecting irregularities in low-voltage grids, using predictive models and data analytic techniques.

# 07

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## COMMITTED SUPPLIERS

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Sustainability in the supply chain	76
'Suppliers' Voice' project	77
Continuous improvement in environment and occupational health & safety management	78

# Committed suppliers



Assessing our critical suppliers according to sustainability criteria, guaranteeing their environmental and health & safety certification where they are exposed to high risks, as well as their compliance with international standards on labour and human rights matters, is one of the strategic goals of the EDP Group for a more sustainable management of the supply chain.



## Annual assessment of suppliers

A supplier assessment campaign is carried out on a yearly basis. The latest supplier assessment campaign performed, corresponding to 2019, was launched at the end of the year and completed throughout the month of January 2020. It assessed 100% of the proposed critical suppliers. Out of the 108 assessed suppliers, 23 corresponded to the electricity Distribution area (E-Redes), which were assessed by 12 employees.

In line with the operations applied on a Group level, accordance with the five assessment dimensions is ensured: Execution, management, environment, prevention and safety, and ethics and labour and human rights.

	Very good/Good
Quality of the performed service	96%
Completion dates	65%
Quality of the relationship with EDP	96%
Environment	100%
Prevention and safety	100%
Ethics and labour and human rights	91%

No significant incidents have been identified in safety and environmental performance or regarding ethical and labour and human right matters in any case.

## 7.1. Sustainability in the supply chain

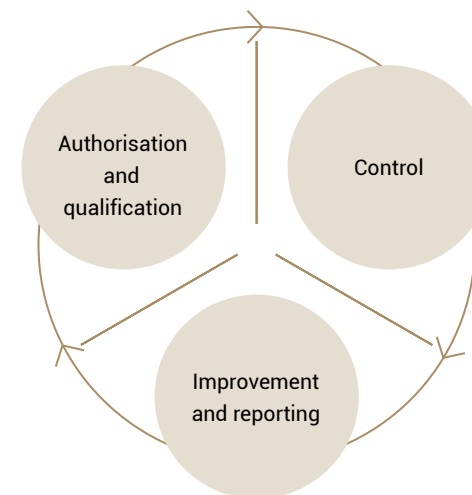
During year 2020, the Protocol on Sustainability Procedures in the Supply Chain was approved, the purpose of which is the implementation of sustainability criteria in the selection of suppliers and the monitoring of the performance of contracts under such variables.

Thus, an integrated analysis of suppliers has been designed aimed not only at categorising them using sustainability criteria and contracting risks, but also at establishing a stable supplier base, based on the identification of growth opportunities for the suppliers themselves as a starting point for the continuous improvement of the chain.

The Protocol is based on the international ISO 20400 standard, on Sustainable Procurement, and develops an extensive analysis on the criticality of supplies, which allows segmenting the critical contracts and anticipating the mitigation of risks.

Matrix for the supplier criticality analysis
12 criteria
Data protection Logistic and contractual management Ethics and labour and human rights Environmental and occupational health & safety risks Economic risks
3 segmentation levels: Low risk Medium risk High-critical risk

Likewise, the Protocol includes all the support activities in supplier management, with a holistic vision of the supply service, from registration to monitoring and development of suppliers:



Holistic vision of the supply chain through a 360° supplier analysis

Thus, the Protocol completes both the Code of Ethics of the EDP Group, applied to suppliers, and the Suppliers' Code of Conduct as regards the strengthening of sustainability throughout the entire supply chain. All the suppliers expressly accept EDP's Code of Ethics.

Specifically, the Board of Directors of EDP España has ratified its support to the Protocol on Sustainability Procedures in the Supply Chain approved and in effect in EDP, declaring that it applies to all the supply actions in EDP España.

All aspects related to sustainable suppliers and procurement are available on the corporate website:



[CLICK HERE TO GO TO WEBSITE](#)

## 7.2. 'Suppliers' Voice' project

EDP España maintains relations with more than 2,000 suppliers, based on ethics, transparency and mutual respect, and guaranteeing the quality of the services.

The suppliers of EDP España – stakeholders included in the Value Chain segment – are a group that deserves to be listened to and understood. Their involvement in EDP's goals and their regular collaboration with different sectors of the company make us pay special attention to them.

Thus, in 2017, a first study was conducted, consisting in personal interviews with EDP España's suppliers selected by the managers of the distribution business.

It assessed their worries and suggestions, and a summary of their main concerns was prepared, as a result of which the procurement process was fully analysed, from the preparation of technical specifications to the execution and the assessment of the supplier, stressing all the stages in which there is interaction with the supplier.

This analysis gave rise to 35 initiatives for improvement, which were implemented in this period.

Recently, a second round of personal interviews was conducted with 21 critical suppliers of the Distribution area, with an average duration of 1 to 1.5 hours, which assessed different aspects for improvement in the relations. In order to close the cycle, a final assessment survey was sent, which scored a global satisfaction level of 6 out of 7.

In general terms, the suppliers' perception has improved with respect to the 2017-2018 interviews and their assessment on the business units and procurement has been very positive:

- Very high opinion of EDP's people: professional, ethical, innovative.
- They emphasise EDP as an ethical, innovative environmentally friendly company.
- Responsible and sustainable company.
- High position with respect to other large companies.

The goal for year 2021 will be an in-depth analysis of the result of this work and the possible initiatives for improvement that may be derived from it.



### 7.3. Continuous improvement in environment and occupational health and safety management

The EDP Group's Environmental Policy establishes in its 'responsibilities' section the commitment to 'extend the management and improvement in environmental performance to the value chain; specifically, by including environmental criteria in the selection of supplies'.

As for the health & safety at work policy of the EDP Group, it applies to all the suppliers and providers of services, which assume a long-term commitment regarding prevention, attitude and will, systematic risk analysis and planning of works, all of which is in accordance with the most demanding safety criteria in order to achieve the 'zero accidents' target.

In Viesgo, in order to objectively assess the environmental performance of the companies that collaborate with us, they have designed the methodology for the development of a contractors' environmental performance ranking, something which the safety and health area has been doing over recent years to measure performance on this matter, on a quarterly basis. Viesgo has completed the assessment methodology, which it expects to implement in the first quarter of 2021.

In this sense, Viesgo holds feedback meetings with suppliers to monitor their performance on health and safety and environment, with a view to intensify our commitment to suppliers for the purpose of having a more sustainable and responsible supply chain, benefiting from the best practices carried out by both parties.

#### Continuous Improvement in Environment and Health and Safety Management Sessions

Suppliers are a priority stakeholder for EDP Redes España: they are present in the strategy defined by the company, which gathers the commitments made to them and formulates the coordination lines for activities and co-responsibility, and establishes diverse communication, dialogue and engagement channels, as a source of mutual exchange of expectations.

These lines of two-way communication are the framework in which the Continuous Improvement in Environment and Health and Safety Management Sessions are included, as a training and sensitisation event to which all the partner companies of the Company are called, on a half-yearly.

These Sessions deal with common aspects of prevention, accident rate, preventive and corrective measures and environmental management aspects, ranging from waste management to good environmental practices in the performance of actions in the protected areas in which EDP Redes España has installations.

These sessions are organised by means of talks and presentations open to the participation of all the departments involved, as well as the partner companies

themselves, which may expound current topics regarding operating practices, new legal developments and other topics of interests, thus creating a knowledge-sharing forum that guarantees the continuous improvement in the management of these aspects, as well as the coordination and definition of responsibilities for all the agents in the chain value of EDP Redes España.

As a result of the state of alert, the mobility restrictions and the anti-Covid-19 preventive measures, the sessions corresponding to 2020 have been postponed to 2021, a first session aimed at internal staff being already scheduled for January by telematic means.



# 08

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## CIRCULAR ECONOMY AS A KEY

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Environmental management structure	80
EDP España's Circular Economy strategy	81
Natural capital and biodiversity	83
Other environmental management aspects	87

# Circular economy as the key

The electricity Distribution activity maintains its Environmental Management System certified according to the UNE-EN ISO 14001 standard in 100% of EDP Redes España's assets, based on the Environmental Policy of the Group, including the following commitments:

- To protect the environment and integrate it into the decision-making processes, considering, wherever is possible, a life cycle perspective.
- To mitigate the environmental impact in all the stages of the decision-making processes, giving priority to the mitigation hierarchy (prevent, minimise, repair and compensate).

- To appropriately manage the environmental risk, particularly, pollution prevention and the response to emergencies in case of accident or catastrophe.
- To promote continuous improvement in environmental processes, practices and performance, boosting R&D&I in the framework of the established environmental goals.
- To meet and observe the applicable environmental laws, as well as the willingly adopted commitments.
- To take into account the expectations of the main stakeholders in the decision-making process.
- To extend the environmental management and behaviour improvement to the value chain.
- To report the environmental performance, in the framework of its ethical principles, on a regular and transparent basis, ensuring balance, understanding and accessibility for the stakeholders.
- To train and raise awareness to improve the individual and collective environmental performance.

In its implementation, this Policy constitute the benchmark framework for establishing environmental targets and environmental performance improvement goals, according to environmental monitoring and control criteria applied to all the significant aspects of the activity.

## 8.1. Environmental management structure

The Environment, Sustainability, Innovation and Climate Change Division (ESICCD) of EDP España runs the implementation of the environmental and sustainable development policies in accordance with the Group's strategic goals and the current regulations.

In year 2020, the Environment function has been reorganised to coordinate environmental actions around the two major strategies set by the EDP group in its 2030 vision: climate change and circular economy. The decarbonisation and adjustment actions are gathered in the Climate Change strategy, while the actions on natural capital and biodiversity, as well as the ecosystems services, are addressed from the circular economy approach.

For this purpose, within this management strategy, the distribution business has an environmental coordinator who collaborates with the ESICCD in the daily activity and formally through regular working groups.

At least twice a year, the Electricity Distribution Environment Committee (jointly with Quality and Stakeholder Management) holds a meeting, which is attended by the environmental coordinator, together with the ESICCD and the directors of the business. These Committees are in charge of the environmental monitoring of the different activities and installations.



## 8.2. EDP España's Circular Economy strategy

EDP España has committed to the transition towards clean and circular energy, defining its own circular economy strategy, which will bring it not only economic advantages, but also environmental and social ones.

From an environmental point of view, a circular economy model is essential to tackle the climate crisis from a global perspective.

The fight against climate change currently presents an incomplete picture as efforts have been focused on the transition to renewables and on boosting energy efficiency measures. Both initiatives are essential, but they only cover 55% of global carbon dioxide emissions. The rest of the emissions come from the production of equipment, clothing, food and other products we use every day. And this is where the circular economy can help complete the framework for combating global warming: by transforming the way we make and use products. In the sector, this transformation can be achieved by substantially increasing the use rates of assets and by recycling the materials used to make them, which will reduce the demand for items such as steel, aluminium and other metals, cement, virgin plastics, etc. and will consequently reduce the CO<sub>2</sub> emissions associated with their production.

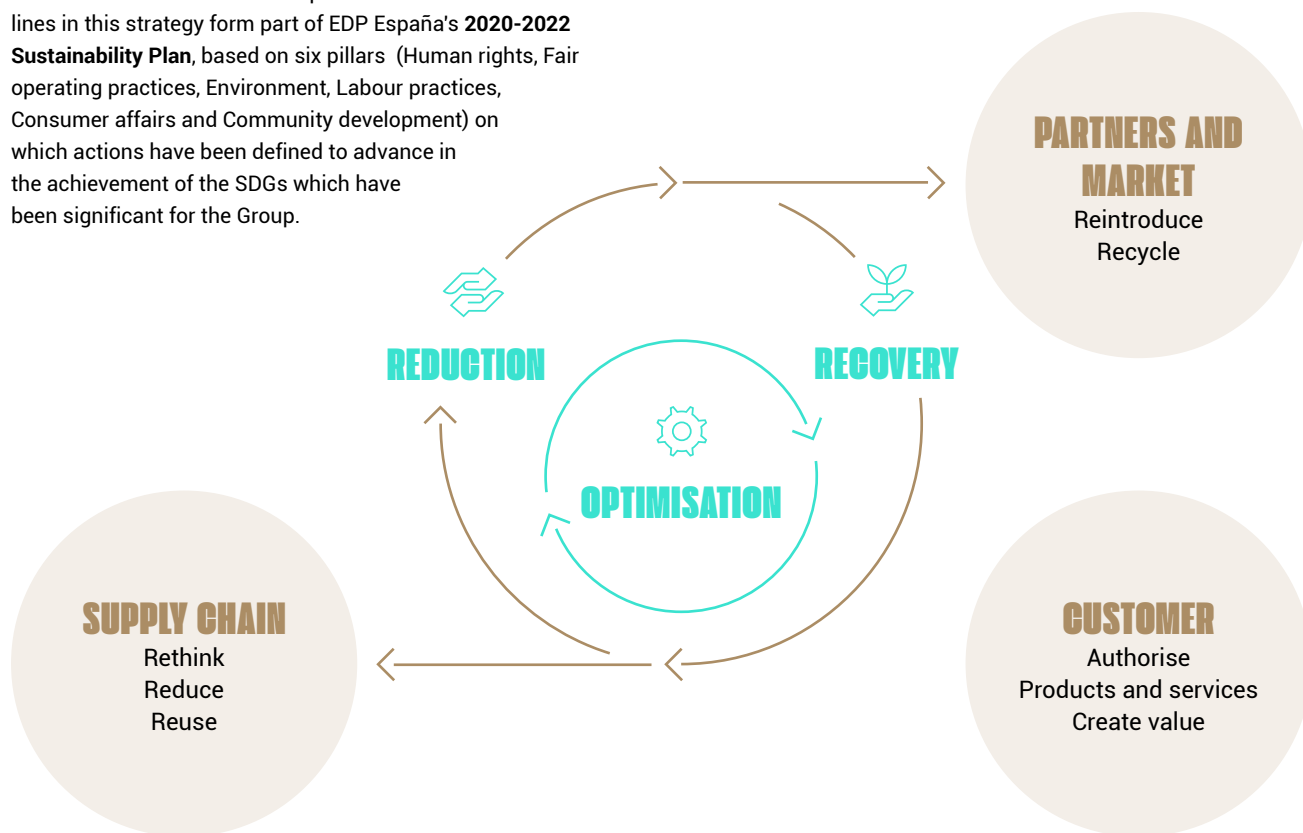
From a social point of view, the United Nations 2030 Agenda is the one that has established the reference framework for sustainable development on a global level, defining 17 goals (SDGs) to be achieved by 2030. The transition towards a circular economy model is a necessary process to achieve most of these Sustainable Development Goals.

In addition to SDG 12, 'Responsible consumption and production', which is at the heart of circular economy, the change of model will thus contribute to increase the renewable energy production sources (SDG 7), making it possible to decouple economic growth from environmental degradation (SDG 8), and increasing material productivity, which will in turn facilitate achieving the SDG 9 targets (modernise infrastructure and reconvert industry

to make it more sustainable, and increase innovation), and will allow to address growing challenges such as the built environment, mobility and making cities liveable (SDG 11, Sustainable cities and communities), facilitate the conservation and sustainable use of terrestrial ecosystems (SDG 15) and promote partnerships to achieve the circular economy targets (SDG 17).

In this social and environmental context, EDP has defined its 2030 Agenda, in which it has set medium-term objectives for both the decarbonisation of its production and its contribution to the electrification of consumption. The short-term action lines in this strategy form part of EDP España's **2020-2022 Sustainability Plan**, based on six pillars (Human rights, Fair operating practices, Environment, Labour practices, Consumer affairs and Community development) on which actions have been defined to advance in the achievement of the SDGs which have been significant for the Group.

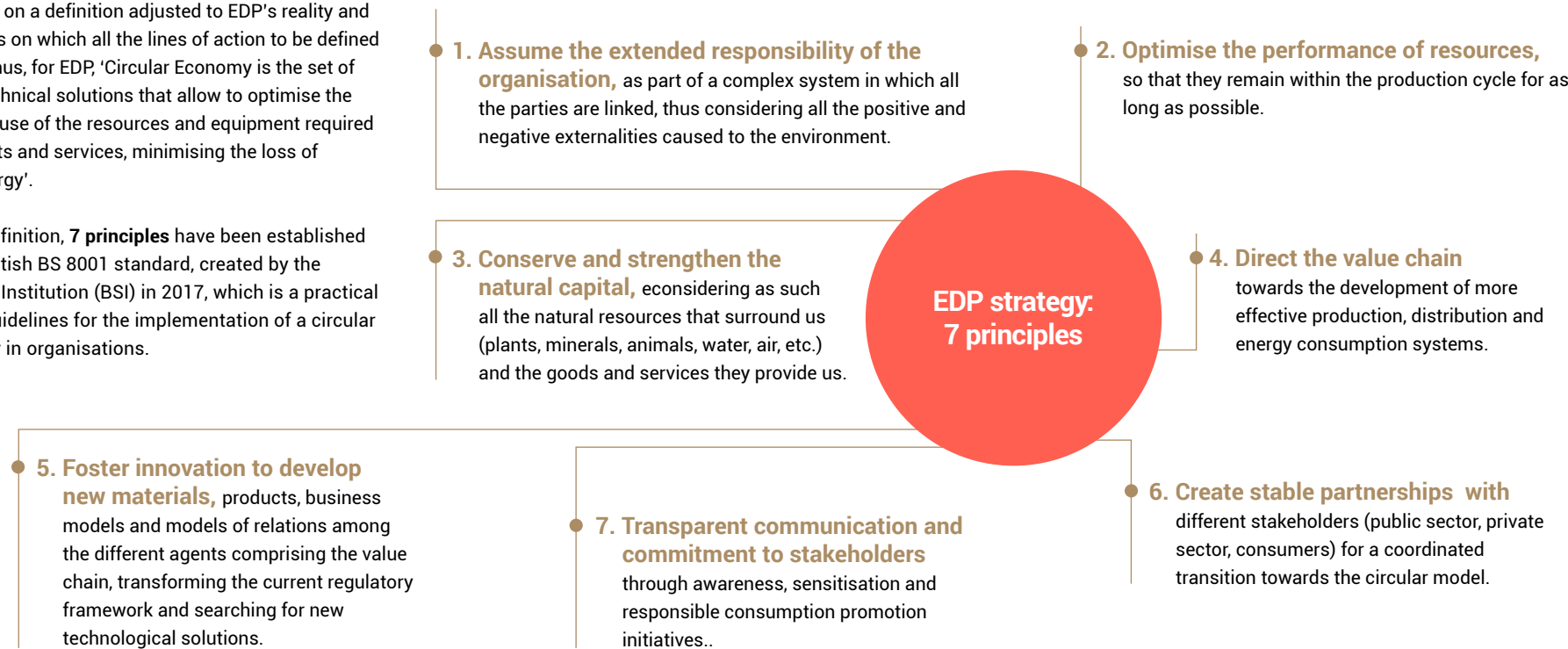
Therefore, the definition of a specific Circular Economy strategy, integrated within EDP's 2030 Agenda and EDP España's 2020-2022 Sustainability Plan and aligned with the Climate Change strategy, will make it possible to define the main areas of action for each of the Group's business lines.



## Definition, principles and lines of action

The strategy rests on a definition adjusted to EDP's reality and on some principles on which all the lines of action to be defined must be based. Thus, for EDP, 'Circular Economy is the set of processes and technical solutions that allow to optimise the consumption and use of the resources and equipment required to offer its products and services, minimising the loss of materials and energy'.

Along with this definition, **7 principles** have been established in line with the British BS 8001 standard, created by the British Standards Institution (BSI) in 2017, which is a practical framework and guidelines for the implementation of a circular economy strategy in organisations.



Based on the mentioned principles, EDP España has defined **5 lines of action** to categorise the initiatives to be developed for the implementation of the circular economy strategy in the different business lines.



With this framework, in 2020, initiatives have been identified in the different lines, and we have made progress in the definition of the criteria allowing to categorise them in one or the other. Year 2021 will be focused on establishing circularity metrics aimed at reflecting the contribution made by each action to achieve a more circular company.

### 8.3. Natural capital and biodiversity

EDP Redes España has developed in 2020 different work on Natural Capital in order to find out the impacts and dependencies the diverse business lines have on it and thus integrate the necessary actions on biodiversity matters allowing to contribute to the maintenance and strengthening of such natural capital.

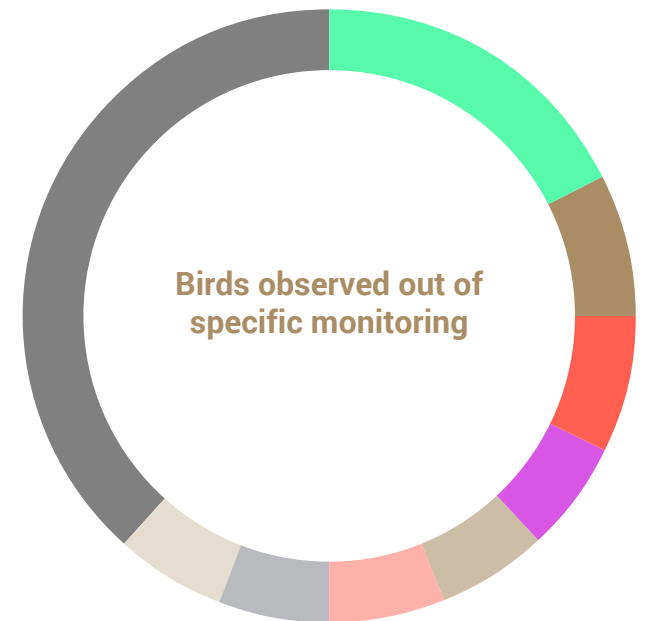
In this context, a pilot project has been developed, corresponding to the Kinbauri power line (Salas, Tineo and Belmonte de Miranda councils), in which the natural capital present in the environment has been identified and quantified, the net loss of this natural capital has been calculated through

a quantitative assessment of the impacts produced and, finally, the net debt of natural capital has been obtained, including its monetisation. All of this was done in connection with the construction and operation of the power line and also including proposals for actions on biodiversity to reduce this debt during its useful life.

The environments through which the line runs are comprised of shrub formations of low scrubs of heather and gorse, alternated with pastures mainly occupied by livestock farms, very common in the area. Plus, one of the spans of the line passes over a dam.

Among the mammal species present in the area, we should highlight the Iberian wolf (*Canis lupus signatus*) and the Cantabrian brown bear (*Ursus arctos arctos*), the latter being included in the category of "species at risk of extinction" in the regional (Decree 32/90, del 8 de March) and national (Real Decree 139/2011, del 4 de February) catalogues of endangered species.

In the field work performed, a total of 1,176 birds belonging to 56 different species were sighted in the area of influence of the power line.



- Spotless starling
- Common linnet
- Common blackbird
- Griffon vulture
- Common stonechat
- Common starling
- Common swift
- Carrion crow
- Others

## Biodiversity

One of the basic foundations of EDP Redes España on environmental matters is the protection of biodiversity. The main goal is to guarantee the preservation of species and ecosystems. For this purpose, EDP Redes España has carried out actions for the improvement and preservation of biodiversity in the areas in which it operates. The main impact of the company on biodiversity is related to the risk of electrocution or collision of birds with power lines and the removal of nests. Additionally, in those areas of operation in, or near, protected natural areas or areas of high value for biodiversity, EDP Redes España assesses the need for additional measures.

EDP Redes España has carried out, among other tasks, the preparation of maps of the distribution grid in protected areas, the identification of the birds present, and especially, those vulnerable, an analysis of the record of incidents, etc. According to this information the lines of action were classified and prioritised in order to undertake their progressive adjustment through the bird plan. The pursued goal is to minimise the risk of damaging birds and to favour their protection, to decrease the risk of incidents with consequences for the birds in areas of special environmental interest (ZEPA and protection areas published by the Autonomous Regions), and to collaborate in bird preservation projects with stakeholders.

The existing action plan is mainly aimed at the installation of anti-electrocution and anti-collision devices or bird deterrents in power lines of the company, especially in those that have a major presence of birds.

In total, 2,328 anti-electrocution devices have been installed in 2020 and anti-collision devices have been installed in 22 km of lines. No incidents with protected birds have been recorded during the year.

Likewise, EDP Redes España applies specific controls on the birds and the flora in its installations. These actions are

performed in collaboration with the authorities and specialised associations, such as SEO Birdlife, with whom we collaborate to propose appropriate solutions for the threat the overhead lines may pose for birds, as well as for the execution of awareness programmes for the knowledge and protection of species and biodiversity.

It is also interesting to highlight some of the actions carried out throughout 2019 and 2020, such as our participation in workshops organised by environmental associations and work groups coordinated by the Spanish Ministry for the Ecological Transition and the Demographic Challenge (MITECO), for the purpose of revising and updating the technical regulations associated with the implementation of more effective solutions to minimise electrocution and collision of birds in agreement with all the agents involved.

This participation has also been carried out as a member of AELEC, especially in the ongoing process of revising the regulatory and technical aspects of the current regulations.

## Protection of the Habitat

Another of the most important aspects in terms of biodiversity affecting distribution facilities is the cutting down and pruning of vegetation in the maintenance of power lines. In EDP Redes España, this activity involves the annual planning of the work in such a way as to avoid or minimise the impact on protected flora and fauna species, such as the brown bear or the capercaillie, protected areas belonging to the Asturias Regional Network Red Natura 2000, and habitats of community interest, such as riparian forests of alder and ash trees.

Thus, in both the prior review and the annual execution of the felling and pruning of the vegetation that may come into contact with power lines, environmental monitoring



work is carried out on the spot with a view to implement the necessary preventive measures to safeguard protected species and areas. Thus, in the action plan to be carried out in 2020, and following an environmental analysis using mapping, exhaustive control was included in more than 200 km of power lines located in protected habitats.

As a measure to protect the habitat from the activity itself, specific controls are in place both for the design and exploitation stages. These actions range from forest restoration in areas affected by the projects to environmental monitoring in the exploitation stage, in which controls, inspections and monitoring reports on the development of the habitat and the fauna therein are performed.

Along this line, and ahead of the 2020 summer season, it has been implemented the distribution of the regional fire risk maps among employees and partner companies, and a series of guidelines associated with the work in these situations have been designed, through a full training that covers not only prevention on site, but also previous measures in the planning of the installation maintenance, as well as the appropriate actions in case of an incipient fire.

**Hectares of habitats 2020:  
Eliminated, protected, maintained  
and restored**

In EDP Redes España, we have a sustainable habitat management. It is an intelligence treatment that, based on previous studies of the habitat, defines the specific actions to be executed, prioritising the preservation of the habitat and the safety of the installation.

**>89 hectares  
Habitat improved**



## Fire Pilot Project

Early fire detection based on a fire risk map in the Viesgo installations using satellite technology for early detection

### IN WHICH DOES IT CONSIST

Design and validation of a tele-detection system for satellite automatic monitoring, including the issuing of warnings in situations of risk, as well as monitoring of active fires, which allows an early management of mitigation actions.

### GOALS

- Early detection of fires, minimising impacts.
- Improvement of the guidelines to prevent forest fires related to the electricity distribution activity, by assigning an intrinsic fire risk to each asset.

### BASED ON

- Issuing of early fire warnings from images taken by 4 NASA satellites 8 times a day.
- Monitoring of spots with a high risk of fire in a range of 2 km by using IoT sensors with artificial intelligence algorithms.
- Company's proactivity.
- Early action in case of fire to minimise the damage and the affected area.
- Adjustment of the working procedure to minimise risks.
- System based on ArcGIS technology that can be escalated to the entire distribution



## 8.4. Other environment management aspects

The environmental control of installations is carried out on the basis of the EDP Group's Environmental Policy, which is implemented in accordance with the requirements established for an Environmental Management System (EMS) in the UNE-EN ISO 14001:2015 standard, being reviewed annually by means of internal and external audits.

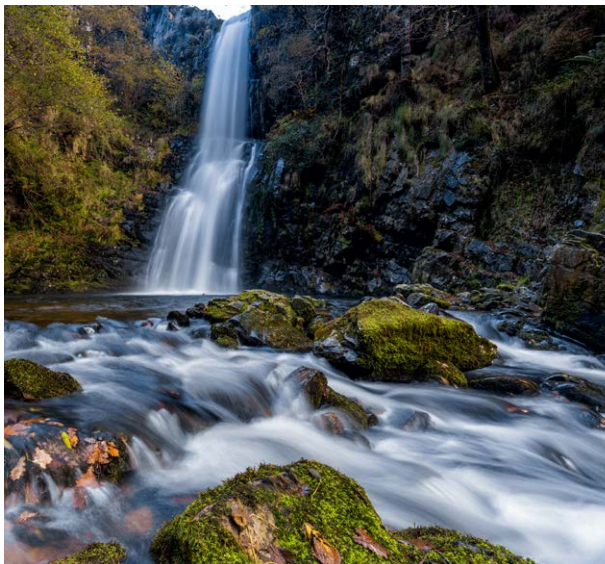
EMS include the measures adopted to minimise environmental risks, and the preventive measures and controls to avoid the perpetration of crimes against the environment. It includes the project management and the construction of electricity distribution installations, as well as the operation and maintenance thereof and aspects of the commercial cycle.

Its implementation comprehends an Environmental Monitoring Programme (EMP) which encompasses the preparation of reports on significant environmental matters, monitoring plans, additional studies and the technical designs required for the compliance with the set environmental requirements.

The main environmental aspects are those related to climate change, waste discharge and water, production and management of waste and by-products, consumption of raw materials and biodiversity. The most relevant data are shown in the year-on-year data tables.

### Consumption of resources in substations and workplaces

The company keeps implementing improvement actions related to its own consumption in substations, having installed new high-efficiency LED lighting systems in replacement of the traditional ones in five substations, a decrease in electricity consumption being observed with respect to year 2019.



### Water consumption and discharge control

Even though water consumption is not significant in the activity, it is monitored.

As regards discharges, rainwater control is maintained, meeting in all cases the limit values established in the discharge authorisations and implementing voluntary measures concerning discharge quality in other locations, also with satisfactory results.

### Waste management

The generation of hazardous waste is due to singular actions carried out during the year (for example, installation of certified

fire extinguishing systems in transformer pits and management of transformers due to breakdown), and, in the case of non-hazardous waste, it is resulted from the execution of refurbishment works in several substations, maintenance tasks and dismantling of lines.

### Environmental improvements

Durante year 2020, the works to reduce the environmental impact of the electricity distribution installations have continued, such as the adjustment of oil collection pits and tanks in substations, the replacement of oil circuit breakers with vacuum circuit breakers or the adjustment of pits in transformation centres. Specifically, the following actions stand out:

- Installation of certified fire extinguishing systems in transformer pits.
- Replacement of ancillary services transformers with mineral insulating oil with others with biodegradable vegetable oil in all the medium- and high-voltage substations located in protected areas.
- Reduction of waste in works by promoting the recovery of inert waste in building works, such as, for example, topsoil and excavated soil onsite, promotion of the use of concrete waste, waste and environmental incident prevention actions on site, to name a few.
- Installation of hydrocarbon filters in tanks in substations.
- Normalisation of waste recycling facilities.

**i** EDP has initiated in 2020 its participation in the REEF (Renewable Energy Equivalent Footprint) project. This initiative will establish a coherent set of guidelines for calculating the relevant environmental information in a same sector, the electricity sector.  
To learn more about this Project, please consult the Sustainability Report of EDP España Grupo.

## Environmental monitoring of installations under construction: LAT Puebla de Roda-Laguarres

Year 2020 has seen the execution of Stage 5 (out of 6) of the 25 kV overhead line between the localities of La Puebla de Roda and Laguarres in the province of Huesca, which replaces a line on wooden supports that dates back from the 60s and which runs through areas that are difficult to access. The total length of the new overhead line is 17 km and, when completed, it will have 111 lattice towers. Since the line passes through areas declared Special Protection Areas for wild fauna and flora, the entire project was subjected to a prior environmental impact assessment. The project was submitted to reporting and public participation, and public bodies, affected companies, and environmental associations and foundations were also consulted.

The issued Environmental Impact Statement conditioned the execution of the project to the compliance with the 22 environmental requirements, controlled through a specific environmental monitoring plan, covering both the building works period and the first three years of operation of the built stretch. In its implementation, a competent environmental expert will visit the area every fortnight, and the company is obliged to submit quarterly reports to the Instituto Aragonés de Gestión Ambiental.

Together with the specific controls on the environmental aspects of the works, it should be highlighted the monitoring of birds, habitats of Community interests and tree specimens, as well as the impacts on the soil and on the vegetation cover. Up to date, no environmental incident has been recorded.



- 01
- 02
- 03
- 04
- 05
- 06
- 07
- 08
- 09
- 10
- 11



# 09

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## BEYOND CLIMATE CHANGE

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Climate change	90
Carbon footprint	93

# Beyond climate change



## 9.1. Climate change

The benchmark strategic framework to tackle the fight against climate change in EDP is structured according to the following areas for action:

- Reducing greenhouse gas emissions: **MITIGATE**.
- Implementing measures that minimise the risks associated with climate change and seizing the opportunities derived therefrom: **ADAPT**.
- Reporting the progress made and raising awareness among society in general: **ENERGISE**.
- Boosting and promoting a disruptive change in technology that reduces climate impact: **INNOVATE**.

### Mitigate

The engagement of the electricity distribution business in the decarbonisation strategy is key to guarantee the efficient participation in the electricity system of both innovative energy storage and new renewable power projects.

As regards direct greenhouse gas emissions inherent to the activity, SF6 (sulphur hexafluoride) is handled in the electricity distribution installations, which has a major insulating power but also a high heating power. In EDP Redes España, we have been introducing for some time now improvements that allow to reduce the emissions of this gas, which include the replacement of medium-voltage circuit breakers in indoor medium-voltage substations with vacuum circuit breakers or the study of alternatives to SF6 circuit breakers in high-voltage substations, using breakers without SF6 technology.

The equipment dismantling and installing operations are very sensitive to a potential leak of this gas. In its implementation, the company follows the comprehensive management practices

established in the agreement adopted by the public competent administration, the manufacturers and the suppliers of electrical equipment using SF6 (represented by AFBEL), the electricity distribution and transmission companies (represented by REE and UNESA) and the authorised managers of SF6 gas waste and the equipment containing it. We have been working with the rest of adhered companies on the renewal of the agreement since year 2020.

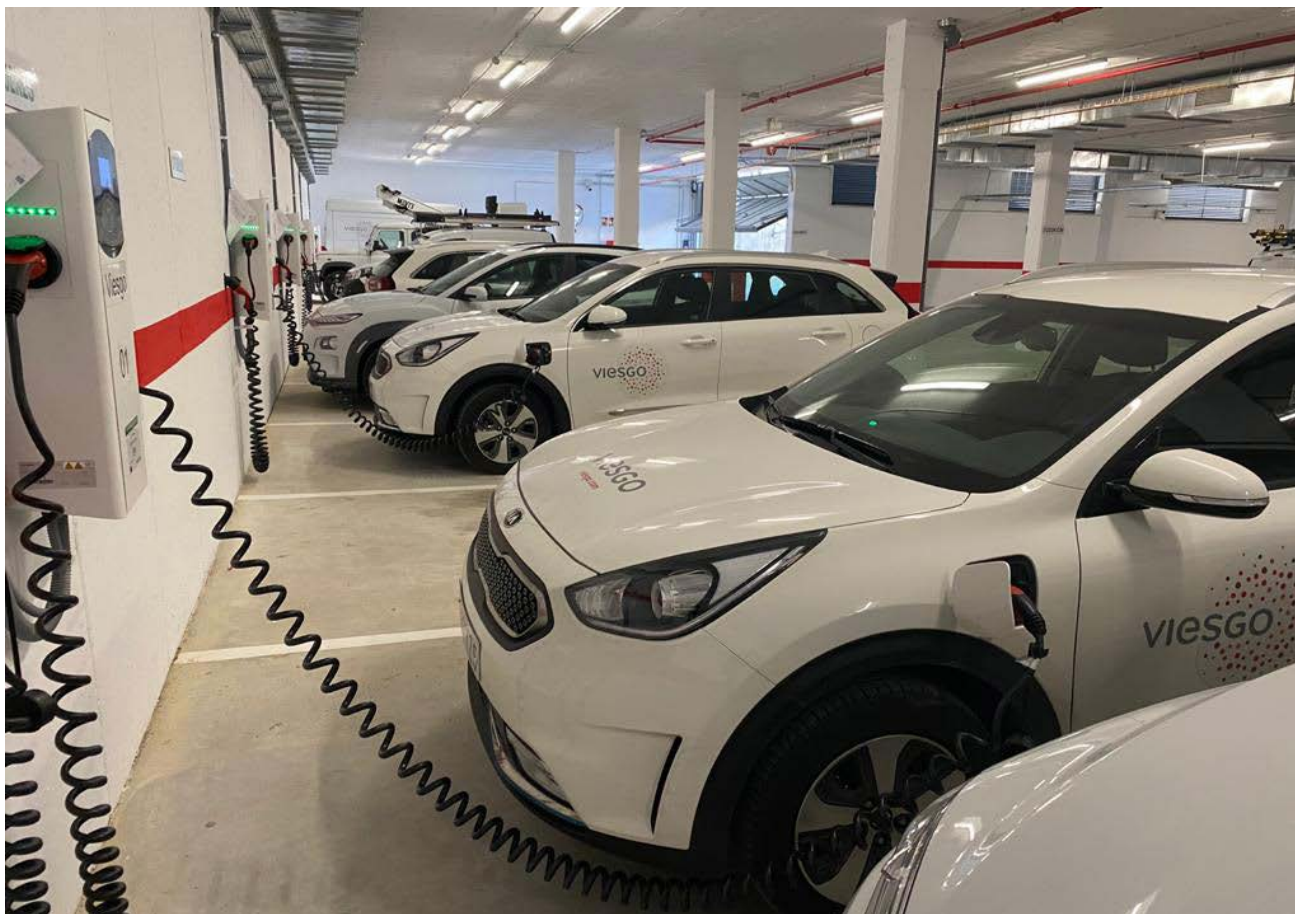
In this sense, we use a hazardous waste manager adhered to this agreement and regularly report to the group of the voluntary agreement. Besides, all the refilling of SF6 equipment is recorded to detect repeat leaks, and the emissions within the organisation are reported.

There have been no leaks recorded for other controlled refrigerant gases, such as those present in air conditioning equipment.

In the calculation of direct CO<sub>2</sub> emissions, the emissions associated with the vehicle fleet are also controlled, maintaining the goal to replace conventional vehicles with alternative energy vehicles, which by the end of 2020 were 36% of the fleet. The CO<sub>2</sub> emissions associated with the use of the company's fleet vehicles, calculated according to the number of km covered, have been reduced with respect to the past year due to a decrease in the km done and the environmental improvement of the vehicle fleet.

Finally, we should highlight the actions to reduce consumption in installations; in 2020, three new facilities (Melgar, Boimente and Pico Gallo) were commissioned within a pilot that envisages renewable generation for self-consumption through mini-wind and solar photovoltaic energy and a battery storage system.

Improvement of the resilience of the grid and reduction of technical losses: alternative supply for the ancillary services of substations.



It should be also highlighted the storage project in San Vicente del Monte (Valdáliga). It is a lithium battery installation through which the municipality can be autonomously supplied for 4 hours, in the event of a grid failure.

Besides, most of EDP Redes España's emissions are indirectly caused by losses in the grid. Losses in the distribution grid are generated mainly in the primary components, that is, in substations and power lines. These losses may be reduced by replacing the grid components with newer and more energy-efficient ones.

Within the actions performed for the purpose of improving this energy efficiency, meters have been installed in high- and medium-voltage lines, which in the future will guarantee more precise or accurate loss values and will locate the grid spots that can be improved, which will help to define actions in specific spots of primary components that will undoubtedly favour the reduction of grid losses and consequently, emissions.

## Adapting to climate change

EDP España is provided with a 2020-2022 Climate Change Adaptation Plan, which includes a set of 21 multi-year initiatives, most of which span throughout the life of the plan and will continue being executed after the end of the time scope thereof. The initiatives have been grouped into four categories: management initiatives, specific initiatives to business areas, crosscutting or collaborative initiatives and innovation initiatives.

Among the initiatives specific to electricity Distribution, the following are included:

- Preparation of a climate risk map in Distribution and incorporation into the GIS
- Definition of a catalogue of engineering measures to increase the resilience in the Distribution assets.
- Development of cooling systems based on new materials and techniques.

With the approval of the second Spanish National Climate Change Adaptation Plan (PNACC2), a revision of EDP España's Adaptation Plan has been started in the fourth quarter of 2020 in order to have an updated plan by the beginning of 2021.

This new plan will be aligned with the Spanish plan and will make the most of the opportunities and synergies of the latter, incorporating some new measures and vectors or adjusting the current plan's initiatives as required.

Besides, the new EDP España's Adaptation Plan will be updated with new geographical areas and the study of new impacts, such as, for example, reducing the impact of climate change on health and removing potential cross-border risks from the entire supply chain, among other goals.

## Energise

The EDP Group already adhered in 2019 to the campaign 'Business Ambition for 1.5 °C - Our Only Future', promoted by the UN and involving leading companies in its sector. It is a call for action to adopt public emission reduction commitments aligned with the limitation of the global temperature increase to 1.5 °C proposed at the Paris Summit, within a just transition road towards a carbon-neutral future by 2050.

Likewise, EDP has adhered to the Science-Based Targets Initiative (SBTi), an organisation that has recognised the Group's decarbonisation strategy in line with the 1.5 °C goal, through a 90% reduction of the Group's specific emissions by 2030 with respect to 2015 levels, and the reduction of indirect emissions by 40% in the same period.

SBTi is a non-governmental organisation that arose from the partnership among the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

In connection with both initiatives, EDP España's Board of Directors, in its monographic environmental meeting of 2020, has ratified EDP España's contribution to the goals set by the EDP Group in its road to decarbonisation by 2030 and recognition of the 1.5 °C ambition expressed in the Paris Agreement.

Other international climate change initiatives in which EDP participates are:

- CDP - Disclosure, Insight, Action (formerly known as Carbon Disclosure Project): in its 2020 assessment, EDP obtained the highest performance level – 'Leadership' – and the highest score – 'A' – in the two main categories, climate change and water management.
- TCFD, Task Force on Climate-Related Financial Disclosures: all the Group companies will apply the TCFD

recommendations in the analysis of investments and in the public report until 2022. As for EDP España, it has already prepared the Report on Risks and Opportunities related to Climate Change in accordance with these recommendations, devised at the request of the G20 and backed by the European Commission, with the aim of facilitating a more informed decision-making process for investments, credits and insurance.

## Innovate

Innovation is a fundamental line of the Climate Change strategy, not only because of the major challenge that entails achieving the necessary CO<sub>2</sub> emission reduction ambition, but also for allocating investments and resources to the appropriate place or technology.

Science and technology are growing at a speedy pace, even more accelerated due to the pandemic and the need for a change of paradigm; therefore, nowadays, no technology can be ruled out.

In parallel to this technological progress, it is necessary to foster new skills in people and an innovation culture in the daily life, as well as establishing partnerships and collaborations among different technology agents.

In EDP, there is an entrepreneur supporting unit that is developing two start-up acceleration programmes (Free Electrons and Starter), whose goal is to connect with start-ups that are capable of offering solutions to problems previously defined by utilities, as well as a Venture Capital fund (EDP Ventures) to invest in start-ups and thus support their growth.

## STRATEGIC INITIATIVES



Clean energy



Smart grids



Customer solutions



Storage and flexibility

01

02

03

04

05

06

07

08

09

Beyond climate change

10

11

## 9.2. Carbon footprint

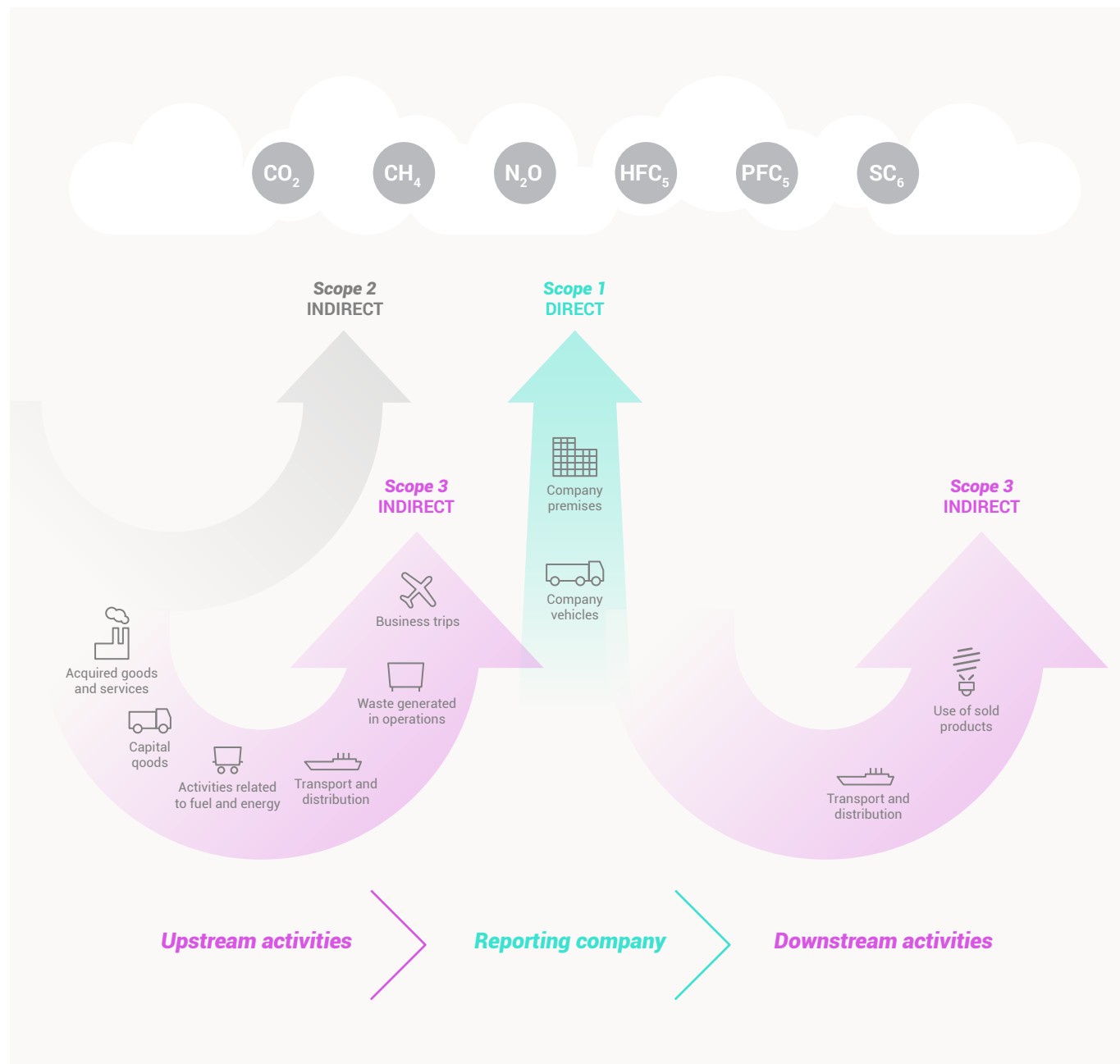
Climate change caused by human activity is nowadays one of the greatest challenges the world is facing, affecting companies and citizens in the coming decades.

The need to respond to this threat forces us to take measures aimed at mitigating anthropogenic emissions and to implement measures that minimise the risks related to climate change.

The first step for an organisation is to find out the total amount of greenhouse gases emitted, directly or indirectly, due to the activity performed by such organisation. That is, to calculate its **carbon footprint**.



The emissions associated with an organisation may be classified into direct or indirect emissions, depending on whether the emission sources are owned or controlled by such organisation or else they are emitted in processes required for the development of its activity, but not under the organisation's control. Thus, three scopes are defined according to the type of emission sources:



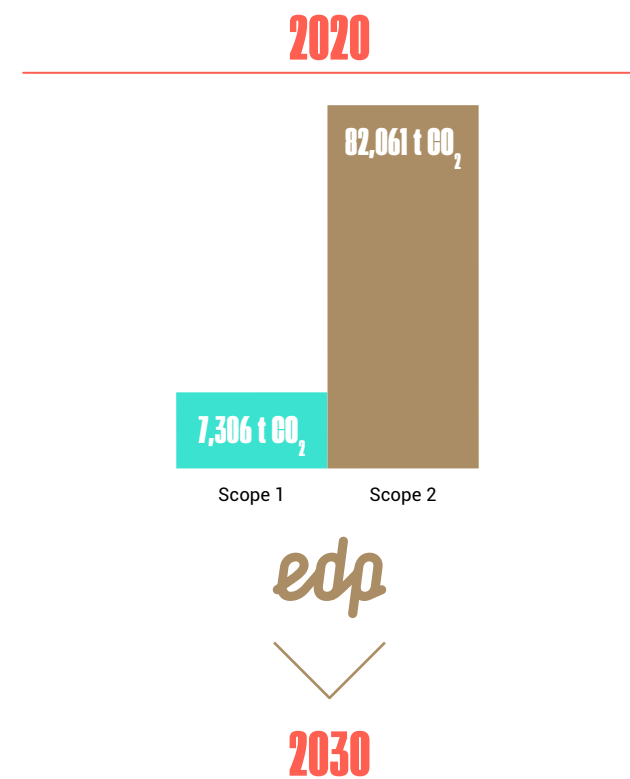
		DISTRIBUTION
Scope 1	Use of fossil fuels	✓
	Use of fluorinated gases in cooling units	✓
	Use of SF6 in electrical equipment	✓
	Own fleet of vehicles	✓
Scope 2	Electricity consumption	✓
	Losses in electricity grids	✓
	Use of chemical products and oils	✓
	Water consumption	✓
	Business trips	✓
	Waste	✓
	Disposals to sewage systems	✓
	Losses in the transmission of electricity with an origin other than EDP	✓

There are several methods for calculating the carbon footprint; some of these rules and methods with wider international recognition are Greenhouse Gas Protocol Corporate Standard (GHG Protocol), UNE-ISO 14064-1, and IPCC 2006 GHG Workbook. The numerous methods recognised on an international level are based on the principles of RELEVANCE, INTEGRITY, CONSISTENCY, ACCURACY AND TRANSPARENCY.

Calculating the carbon footprint of an organisation involves a double opportunity for the latter. On the one hand, it is a first step to establish its greenhouse gas emissions and to devise emission reduction and/or offsetting plans, which will be reflected in the footprint calculation in subsequent years. And, on the other hand, these reductions also involve a reduction of costs, since they entail, in turn, a lower

electricity consumption, less transmission expenses, process improvements, etc. In sum, it entails a change of habits and increased environmental awareness.

**EDP has announced, in the beginning of 2021, its intention to become carbon neutral by 2030, which entails a clear commitment to drastically reduce its greenhouse gas emissions and offset all those that cannot be eliminated.**



# 10

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## FOCUS ON INNOVATION

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Strategic innovation areas	96
Projects	97
Support to start-ups	101
Technology watch and strengthening of EDP's position in Spain	102

# Focus on innovation



The energy sector is simultaneously undergoing several transformations: decarbonisation, decentralisation and digitisation. And, even though some of these transformations are specific to the energy sector and lead to a higher electrification of society, others also affect multiple spheres. Furthermore, 2020 has been a year marked by the pandemic, by the brisk adoption of digital teleworking tools and by the difficulties many entities have faced to maintain their activity.

However, innovation has not stopped, because nowadays, innovating in the energy industry means thinking and trying new ways to adapt to an environment featuring all kinds of changes, quickly dismissing the solutions that do not add sufficient value and simplicity for all the stakeholders, which have placed their hopes in electrification in order to attain the decarbonisation of the economy.

In the current environment of technology acceleration and disruption caused by new business models, innovation, in its broadest sense, is present in all the activities of the value chain of a sector, in all time horizons, and even in the appearance of new business models that question the perimeters of the traditional division among sectors. In EDP, innovation functions are spread throughout the company. The intensity of engagement of the business units and the Innovation corporate area is different depending on whether it concerns innovation in existing markets and technologies, which is led by the business units of EDP Redes España, or it deals with new technologies and markets not developed yet, in which case it is led by the Innovation area.



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## 10.1. Strategic innovation areas

EDP is focusing its innovation efforts on five areas aligned with the mentioned transformations and which put the customer at the heart of their decisions:

- 1. Cleaner energy.** This chapter includes technological solutions that reduce the environmental footprint of conventional generation in the transition period.
- 2. Smarter grids.** It aims at making the distribution grid smart to allow it to face with guarantees the upcoming challenges in the medium and long term.
- 3. Customer-focused solutions.** It includes solutions that allow customers to make informed decisions on the best technical solution that meets their needs.
- 4. Digitisation.** Digitisation in its broadest sense will allow to explore new business models and the relation among agents, in addition to the exponential improvement in efficiency of the existing processes.
- 5. Energy storage.** Electricity storage will play a key role both in the integration of distributed renewable generation and in the development of sustainable mobility, together with the necessary improvements in the grids to allow these implementations.

The activities performed by EDP España in these five areas are divided into three types: Projects, Support to start-ups and Technology watch and strengthening of EDP's position in Spain.





2020

91

innovation and proof of concept projects with start-ups



2020

41

closed or completed projects and pilots

## 10.2. Proyectos

In 2020, different actions have been carried out with the aim of transforming the current low-voltage grid into an actual Smart grid: visible, smart and workable. For this purpose, having made notable progress in the sensorization of the low-voltage grid in innovation projects such as FlashBT, in 2020, it was time to provide the grid with an additional smart layer based on machine learning, allowing to measure, control and automate different units thereof in order to make the grid more flexible and efficient. Projects such as KOSMOS and Smart Low Voltage Panel are examples for this, together with the projects LOCATE, a smart management system of the low-voltage grid (Future sensor transformation centre: early detection of breakdowns and penetration of distributed generation) and ARM, a platform allowing to manage and maintain all the protections of the substations, thus facilitating the continuity of supply.

In this line of action, during this year, it has been carried out the Red Marte project, in which a web graphic interface was developed in order to show the model of an actual grid, using for this purpose a database based on graphs, among other technologies. This graphic interface also shows information on the smart meters and other devices connected to the grid. On this system, different algorithms are being developed replicating the actual operation of the low-voltage grid.

Another relevant area of action in E-REDES is focused on the different communication layers present in the grid, in which several innovative projects are being addressed.

The LIBRA project intends to implement a PLC PRIME communications network monitoring system by using the SNMP protocol. An improvement in the communications network will reduce the management cost of the telemetering system, as well as allowing to obtain valuable information to be managed.

As for the project for the optimisation of PLC communications, continuing the PLC communications monitoring project, which

identified the main parameters to be controlled to improve PLC communications, it seeks to optimise communications by developing applications that mark the information gaps and send requests for its recovery, as well as to control the communications availability of meters and concentrators.

We should also mention two projects related to vegetation management in electricity routes, in both cases using satellite technology: on the one hand, the pilot project carried out with the company COTESA, implemented in the power lines managed by E-Redes, which has developed a vegetation management system in power lines using high-resolution satellite images; and, on the other hand, in Viesgo's facilities, an early fire detection project based on a fire risk map using satellite technology.

Finally, the project about the publishing of incidents on the website, which aims at posting on E-Redes' website ([www.eredesdistribucion.es](http://www.eredesdistribucion.es)) all the scheduled works (outages) and breakdowns, identifying in both the supply points affected thereby and informing customers in a proactive way, being also available on Viesgo's website.



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01

02

03

04

05

06

07

08

09

10

Focus on innovation

11



Horizon 2020  
European Union Funding  
for Research & Innovation

**FLEXIGRID:**  
Interoperable solutions for the  
implementation of integrable flexibility  
services in the distribution grid

Innovation project co-funded by the UE, belonging to the European Union Horizon 2020 programme and in which 5 countries participate: Spain, France, Greece, Italy and Croatia, which seeks to guarantee the proper operation of the electricity grid in terms of safety, stability and flexibility against the high penetration of renewable energies in the medium- and low-voltage grids.

**The goals of this project are two:**

- Increasing the integration capacity of renewable generation
- Reducing CO<sub>2</sub> emissions

All this will be developed by means of hardware solutions, such as the design of the future substation, a new generation of smart meters and protections targeted at the high penetration of distributed generation and software services and solutions, aimed at detecting faults, predictive algorithms, operation of devices and grid management.

**In order to guarantee the effectiveness of the project in all the EU grids, 4 pilots have been selected in 4 different countries:**

- Location of faults
- Distributed generation management
- Smart transformation centre
- Smart meter

In sum, the purpose of this project is a more flexible, stable and safe management of the European grid against the penetration of distributed generation.



EDP España has also initiated pilot projects with the start-ups YData and Aplanet. The start-up YData, based on synthetic data generation, will use such data to develop and optimise mathematic models to predict communications failures in smart meters and detect fraud. As for Aplanet, it has developed

a solution to automate the management of sustainability information, both for the management of indicators (in accordance with the Sustainable Development Goals and the GRI standards) and as regards the materiality study.



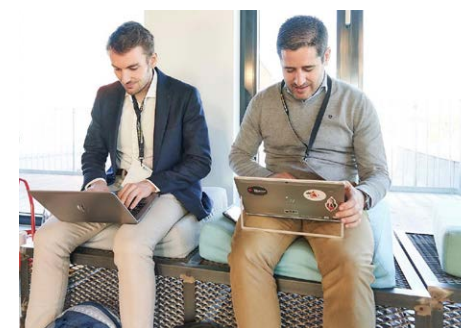
BIND 4.0 is a public-private open innovation platform for smart industry created by the Department of Economic Growth, Sustainability and Environment of the Basque Government through the SPRI Group. 57 of the main leading companies on a global level are currently partnering with it. This initiative was born with the double objective of fostering the digital transformation of the industry and, at the same time, accelerating the consolidation of innovative initiatives through a large company-start-up partnership model. EDP España is a partner of this initiative since 2019 and, in 2020, we analysed the proposals of the more than 750 start-ups and technology SMEs that submitted their application, and we have already launched a pilot project with one of the participating

start-ups. This initiative also allows us to share the best innovation practices with other leading corporations in sectors as diverse as the automotive, food or electronic industries.



European Data Incubator (EDI) is a project co-funded by the European Union within the initiatives known as Innovation Action. Likewise, EDI is part of the APP Big Data Value within a group of projects known as APP Big Data Value projects. It is an 8-month incubator programme for start-ups and SMEs, sponsored by 20 corporations that propose candidates to solve challenges related to data analytics. The goal of EDI is facilitating the adoption of Big Data analytic tools, as well as enhancing the technical and business competences of the selected start-ups and SMEs. The ultimate goal is to give rise to a sustainable business incubation around Big Data in partnership with corporations. EDP España is a member of EDI since 2019, and it has analysed dozens of applications to work on challenges related to data analytics in its different

businesses. In 2020, two projects with two start-ups, one Spanish and the other one German, related to behaviour-prediction models were completed.



01

02

03

04

05

06

07

08

09

10

Focus on innovation

11



**LOCATE project**  
**Smart management of the low-voltage grid, early detection of breakdowns and penetration of distributed generation**

**Location of breakdowns, status monitoring and control of low-voltage grids**

The energy sector is in the middle of its transformation and getting ready to face the imminent energy transition. The distributed generation or the charging of electric vehicles are going to require the creation of new technologies that help us improve the management of the low-voltage grid, seizing synergies with smart meter systems. In order to tackle these changes, Viesgo participates in the LOCATE project, the investment of which adds up to more than 1 million euros and which is aimed at developing technologies that allow the supervision and automation of low-voltage grids for the purposes of achieving a more efficient grid management in the event of potential breakdowns.

The main goal of the LOCATE project is the development of new equipment and applications allowing to improve the low-voltage

grid management, bringing its operation closer to the concept defined by smart grids, improving the quality of supply, opening the door to the implementation of predictive maintenance plans, increasing efficiency in electricity distribution and allowing a safe and mass integration of renewable generation distributed sources into it.

**Goals:**

- Obtaining a monitoring equipment for low-voltage grids with new functionalities.
- Development of applications for the improvement in the low-voltage grid management, with new functionalities.
- Test of performance of new functionalities of the equipment at a laboratory level.
- Test of performance of the applications developed in an actual grid.

**ARM: Automatic Relay Management System Platform allowing to manage and maintain all the protections in substations, thus facilitating the continuity of supply**

**Goals:**

- Creation of a platform allowing to perform management and maintenance tasks of the protections in substations and other remotely managed grid devices (DGAs, RTUs, sensors...).
- Centralised repository of available information corresponding to protections and other devices.
- Acting as the information-sharing system with the Predictive Maintenance platform (APM Predix) or other types of platforms (ADMS, etc..).

**Benefits:**

- Improvement in the management and maintenance of the protections and the rest of devices of the grid.
- Information stored in an orderly and centralised fashion.
- Information available to be used by other corporate platforms.

### 10.3. Support to start-ups

Innovation in EDP is based on the open innovation principle, which involves collaborating with all the agents that can contribute to the development and implementation of technologies: universities, research centres, entrepreneurs and start-ups

EDP has a programme named Starter Business Acceleration for the identification, selection and testing of solutions proposed by start-ups in the energy sector which are aligned with our five technology priorities. It is an international programme which, in 2020, has assessed more than 800 applications from 74 countries and which has selected 10 start-ups from Europe, 10 from Latin America and 10 from the USA, which submitted their proposals in three virtual modules corresponding to Europe, North America and Latin America. As a result of this selection process, EDP España will carry out 8 pilot projects.



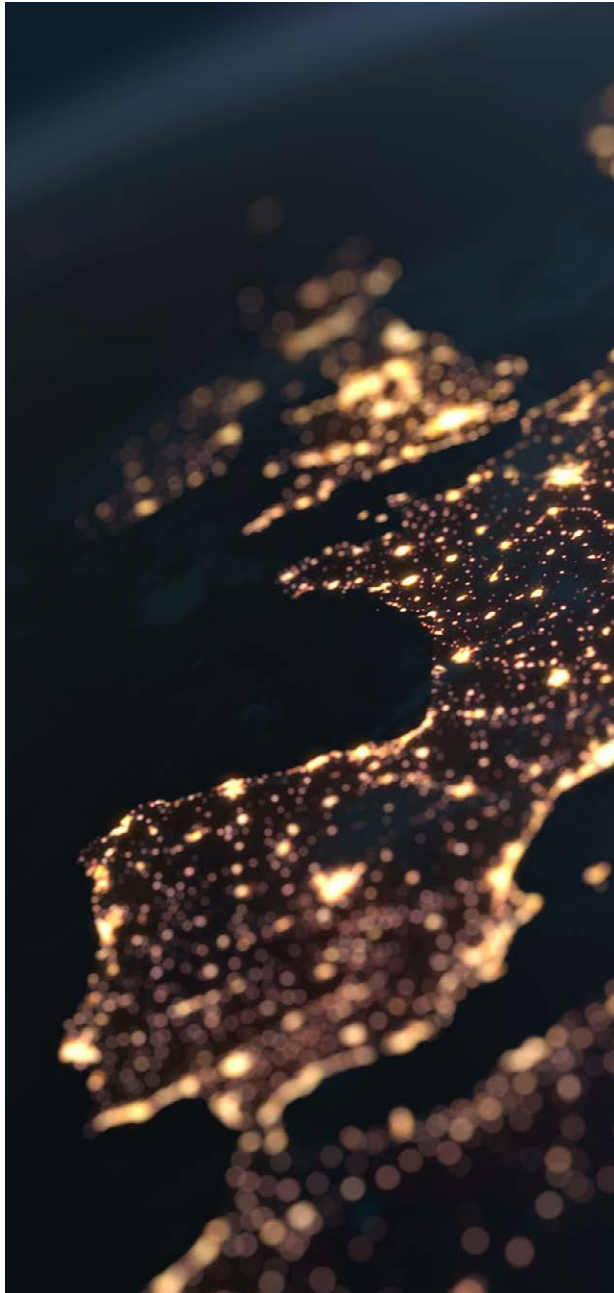
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In 2020, we organised a new series of FreeElectrons, one of the global programmes through which EDP aims to connect with the best start-ups in the world in order to test and incorporate new technologies to the group. FreeElectrons is a collaborative programme in which 10 utilities of the energy sector from all over the world work together in a collaborative environment. The 2020 series has been special due to the pandemic; the spirit of FreeElectrons has been shaped throughout the years with a close contact among all the participants. Weeks before the start of the 2020 series in Singapore, we had to make the decision to transform it into a 100% digital programme, an experience that, thanks to the efforts made by everybody, has been very satisfactory. We have analysed 857 start-ups and, only in the first module of the programme, 281 meetings were held with 300 participants from 30 different countries. The winner of this series was the British company, Vyntelligence, with a technology that combines augmented reality and artificial intelligence for the digital transformation of fieldwork

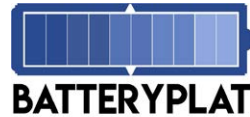


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If the assessed start-ups have the potential to become suppliers of new products or services to EDP, the support may even include shareholding in the start-up's capital by means of a venture capital instrument named EDP Ventures España. In 2020, EDP Ventures España entered into an agreement with Gestión de Capital Riesgo del País Vasco SGC in order to co-invest in Basque start-ups that develop technology in any of EDP's five strategic lines of R&D&I. Throughout 2020, EDP Ventures España has assessed 87 investment opportunities.



## 10.4. Technology watch and strengthening of EDP's position in Spain



EDP leads in Spain the Spanish Technology Platform for Energy Storage, BatteryPlat, which comprises more than seventy Spanish entities that seek to promote the development of these technologies. In 2020, BatteryPlat obtained funding from the Ministry of Science and Innovation for the 2021-2022 period.



In 2020, EDP España adhered to the Spanish Hydrogen and Fuel Cell Technology Platform and to the Spanish Hydrogen Association.



EDP España led a COTEC working group on innovation metrics, with the participation of 37 entities, which concluded its work with a guide containing recommendations with examples for companies to show their economic efforts in innovation. For the preparation of the recommendations, the group used as basis both the Oslo Manual, as international reference, and the Innovation Survey issued by the Spanish National Statistics Institute.



EDP España renewed in 2020 its agreement with the University of Oviedo Foundation, by virtue of which EDP España will financially support the students from the Mining, Energy and Materials Engineering schools in Oviedo and the Polytechnic Engineering school in Gijón who base their master's thesis on the topics proposed by EDP España. The company will propose at the beginning of the academic year the topics about which it is interested in supporting master's thesis and the maximum number of works it will support. EDP will select the applicants of its choice. The amount of the support for each applicant adds up to €2,000.



Participation in the Governing Board of FutuRed, the Spanish Technological Platform of Electrical Grids, aimed at integrating all the agents involved in the electricity sector to define and promote strategies at a national level that allow the consolidation of a much more advanced grid, capable of meeting the future challenges.



CTC (Centro Tecnológico Cantabria) – participation in the Executive Committee and the Board of Trustees of CTC, a private non-profit foundation whose main goal is the improvement in competitiveness of companies by generating technology expertise, carrying out R&D&I activities and developing their implementation.



# 11

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## SUSTAINABILITY INDICATORS

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Financial indicators	105
Environmental indicators	107
Social indicators	108



# Sustainability indicators

## 11.1. Financial indicators

FINANCIAL INDICATORS	U	2020		2019	
		Viesgo	E-Redes	Viesgo	E-Redes
Turnover	k€	260,464	192,952	76,439	196,966
EBITDA	k€	130,092	96,499	38,358	115,100
Net Profit (profit after tax)	k€	63,670	68,504	23,009	85,051
Operational Investments (gross)	k€	60,526	49,193	53,624	44,002
Net Debt	k€	1,675,599	474,972	1,151,029	140,725

ECONOMIC INDICATORS	U	2020		2019	
		Viesgo	E-Redes	Viesgo	E-Redes
ENVIRONMENTAL EXPENSES AND INVESTMENTS	k€	2,978	2,767	1,177	2,871
Management of waste, sewage and soil protection	k€	8	35	65	28
Projects related to energy efficiency		31	0	28	0
Environmental management and prevention	k€	2,822	2,707	1,029	2,793
Research projects related to the environment	k€	71	0	0	12
Others	k€	47	26	55	39

## Electricity distribution

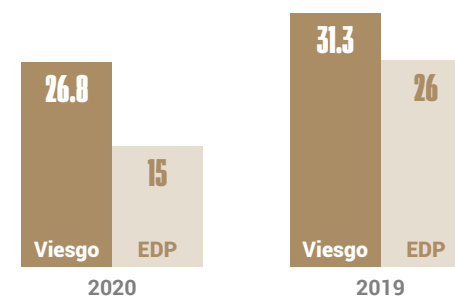
ELECTRICITY DISTRIBUTION INSTALLATIONS	U	Viesgo	E-Redes	2020	Viesgo	E-Redes	2019
HV overhead lines (50/132 kV)	km	1,745	1,269	3,013	1,745	1,269	3,014
MV overhead lines (5/10/16/20/22/24 kV)	km	8,168	4,831	12,999	8,151	4,826	12,976
HV underground lines (50/132 kV)	km	63	44	107	63	44	107
MV underground lines (5/10/16/20/22/24 kV)	km	2,041	1,729	3,770	2,024	1,684	3,707
LV overhead grids	km	13,920	9,657	23,577	13,863	9,637	23,500
LV underground grids	km	5,610	3,338	8,948	5,587	3,309	8,895
Transformation centres	Nº	11,092	6,686	17,778	11,072	6,667	17,739
Transformation centres' installed capacity	MVA	2,674	2,326	5,001	2,670	2,323	4,993
Substations <sup>(1)</sup>	Nº	131	148	279	130	149	279
Transformers in substations <sup>(2)</sup>	Nº	194	119	313	194	120	314
Installed capacity in substations	MVA	7,805	5338	13,143	7,805	5,343	13,148

<sup>(1)</sup> It includes MV substations (MV/MV and Manoeuvre-Interconnection)

<sup>(2)</sup> Power transformers in substations and cold reserves

ELECTRICITY DISTRIBUTION	U	Viesgo	E-Redes	2020	Viesgo	E-Redes	2019
<b>SUPPLY POINTS</b>	<b>Nº</b>	<b>699,326</b>	<b>671,598</b>	<b>1,370,924</b>	<b>696,496</b>	<b>668,494</b>	<b>1,364,990</b>
Low voltage (< 1kV)	Nº	697,964	670,433	1,368,397	695,200	667,339	1,362,539
Medium voltage (> 1 kV and <36 kV)	Nº	1,239	1,139	2,378	1,177	1,128	2,305
High voltage (> 36 kV)	Nº	123	26	149	119	27	146
<b>DISTRIBUTED ENERGY</b>	<b>GWh</b>	<b>5,905</b>	<b>7,501</b>	<b>13,406</b>	<b>6,173</b>	<b>8,262</b>	<b>14,435</b>
Low voltage (< 1kV)	GWh	1,980	2,131	4,110	2,050	2,229	4,280
Medium voltage (> 1 kV and <36 kV)	GWh	1,454	1,190	2,645	1,511	1,286	2,797
High voltage (> 36 kV)	GWh	2,471	4,180	6,651	2,611	4,746	7,358

TIEPI evolution (minutes)



01

02

03

04

05

06

07

08

09

10

11

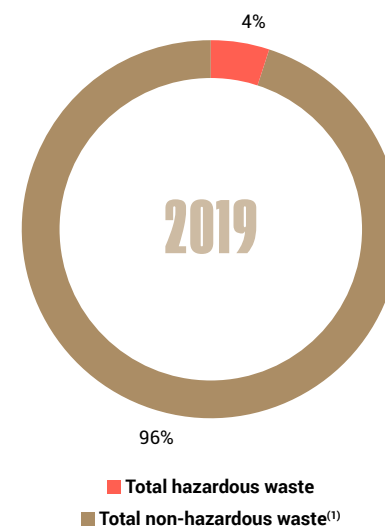
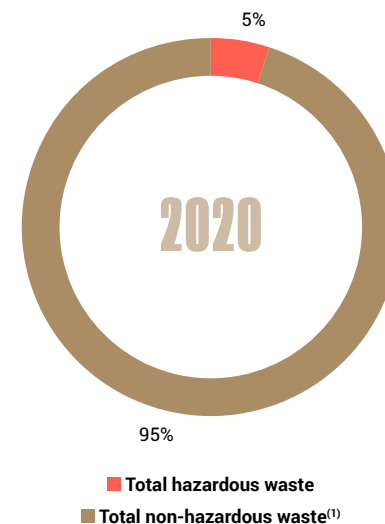
Sustainability indicators

## 11.2 Environmental indicators

2020		
EMISSIONS (tCO <sub>2</sub> )	Viesgo	E-Redes
Scope 1	538	6,768
Scope 2	45.517	36,544

WASTE AND BY-PRODUCTS (tons)	2020		2019	
	Viesgo	E-Redes	Viesgo	E-Redes
Total hazardous waste	125	406	318	186
Total non-hazardous waste <sup>(1)</sup>	3,414	6,806	5,033	7,242
Total generated	3,539	7,212	5,351	7,428
Total recovered	3,464	6,058	5,135	6,388
Total recovered (%)	98%	84%	96%	86%

<sup>(1)</sup> It includes waste treated by contractors



## 11.4 Social indicators

	2020			2019	
	UN	Viesgo	E-Redes	Viesgo	E-Redes
Employees	No.	426*	285	427*	288
Percentage of women	%	20%	13%	20%	14%
Average age of employees	Years	49	50	50	52
Employee remuneration costs	k€	29,918	20,461	28,736	18.065
Contribution to Pension Plan	k€	3,924	718	3,807	765

\* It includes the employees from the Viesgo (VIE) structure.

### Delegados sindicales

	Hombres	Mujeres
Viesgo	29	3
EDP	12	2
	41	5
% women	89.13%	10.87%

01

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03

04

05

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07

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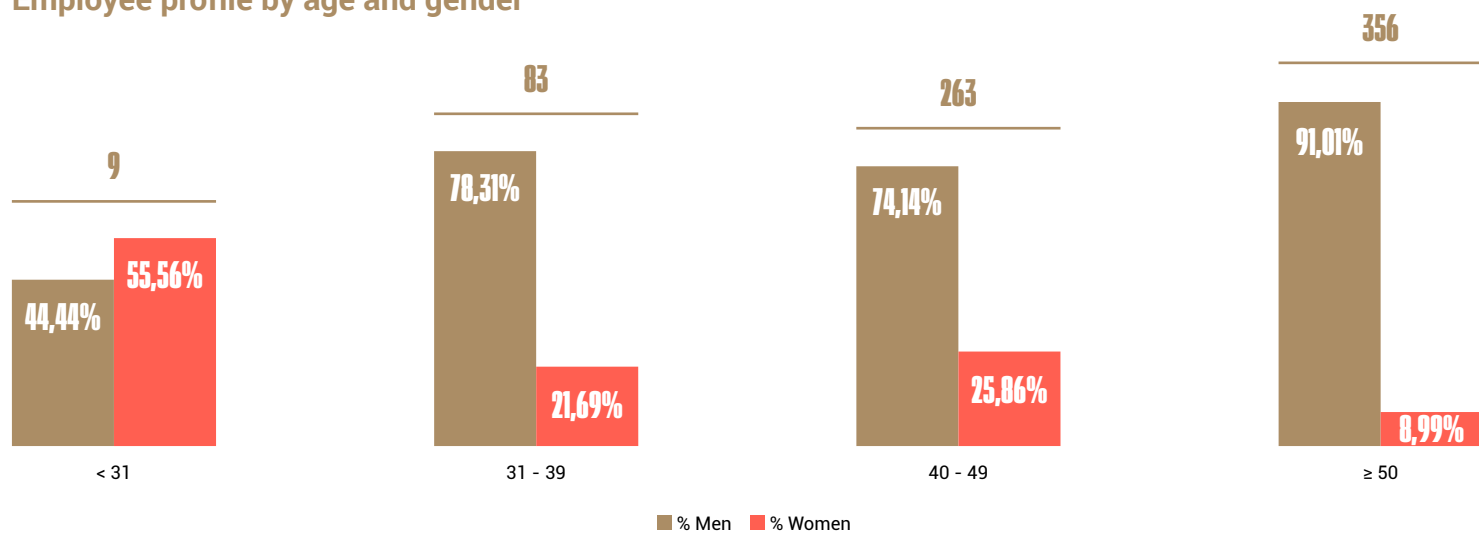
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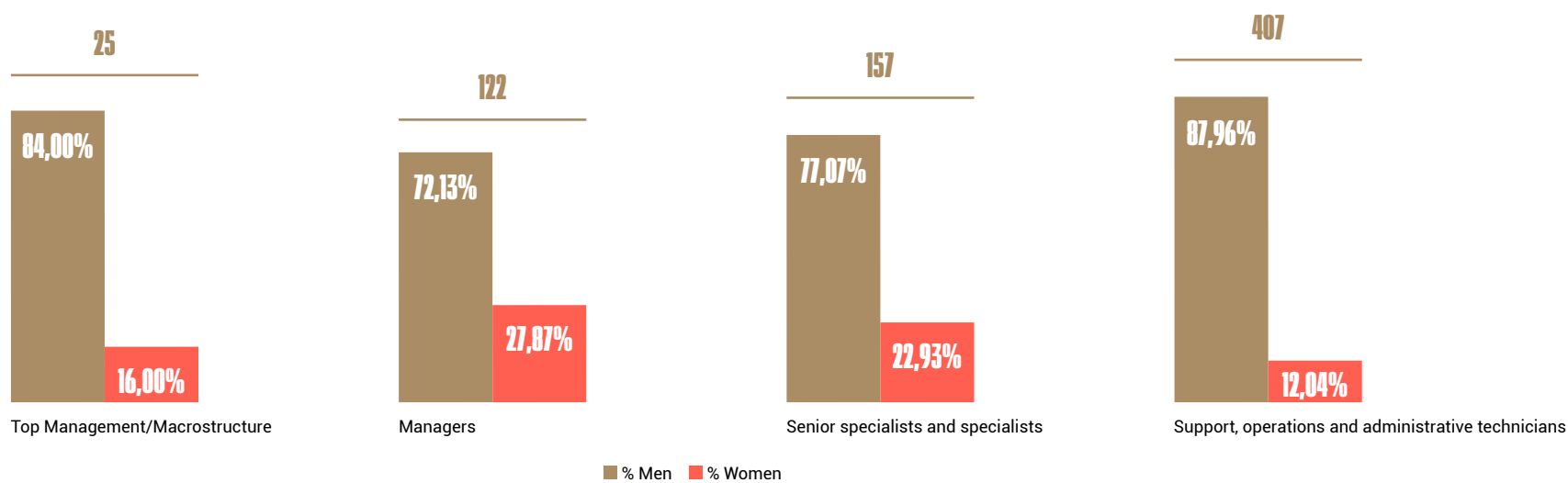
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Sustainability indicators

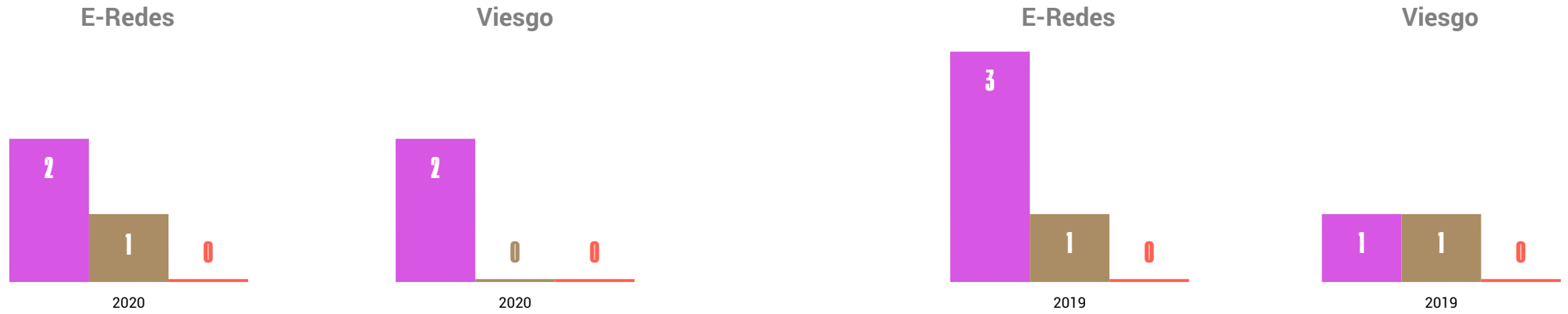
### Employee profile by age and gender



### Employee profile by professional category and gender



Own workforce accidents



Accidentes personal contrata



█ Accidents involving sick leave     
 █ Accidents not involving sick leave     
 █ Fatal accidents

01  
02  
03  
04  
05  
06  
07  
08  
09  
10  
11  
Sustainability indicators

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