EDP Renováveis, S.A.
and subsidiaries

Independent auditor´s report
Consolidated Annual Accounts at 31 December 2021
Consolidated Management Report

Independent auditor's report on the consolidated annual accounts

To the shareholders of EDP Renováveis, S.A.:

Report on the consolidated annual accounts

Opinion

We have audited the consolidated annual accounts of EDP Renováveis, S.A. (the Parent company) and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2021, and the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the equity and financial position of the Group as at 31 December 2021, as well as its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the consolidated annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
Assessment of the recovery of the carrying amount of certain non-current assets of the Group	
The accompanying consolidated annual accounts present goodwill, intangible assets, right of use assets, property, plant and equipment and investments in joint venture and associates amounting to €1,268,035, €316,408, €668,788, €14,562,300 and €988,522 thousand, respectively at 31 December 2021. These assets are allocated to the cash generating units (CGUs) as indicated in note 19. These assets mainly relate to electricity generating facilities through renewable sources in Europe, North America and Brazil, that are directly affected by the regulatory framework (note 1) applicable in each of the countries in which the Group operates. At each year end, management carries out impairment tests of the carrying amount of these assets at CGU level, as described in note 2.M, by estimating the present value future cash flows generated by these assets, considering the business plans approved by management. The key assumptions used in the preparation of these cash flows are detailed in note 19. In addition, management has carried out a sensitivity analysis on the key assumptions which, based on earlier experience, may reasonably show variations, as detailed in note 19. As a result of these analyses, Group management has concluded that is not necessary to recognise or reverse impairment during the fiscal year 2021 (notes 13 and 19). This area is key because it entails the application of critical judgements and significant estimates by management (note 4) concerning the key assumptions used in the calculations performed, which are subject to uncertainty, and the fact that significant future changes in them could have a significant impact on the Group's consolidated annual accounts.	We started our analysis obtaining an understanding of the process and the relevant controls that the Group has in place to analyse the recovery of its non-current assets. In addition, we considered the adequacy of the allocation of assets to CGUs and the process for identifying those requiring an assessment of impairment, in accordance with accounting legislation. We assessed the adequacy of the measurement models employed, the assumptions and estimates used in the calculations, including, among others, estimated performance of electricity prices, consistency with the applicable regulatory framework and the evolution of discount rates. Respect to discount rates, in collaboration with our valuation experts, we verified the methodology used in their estimation and that their value is within a reasonable range. Also, we have checked the mathematical accuracy of the calculations and models prepared by management and assessed the sensitivity calculations carried out and we have compared the recoverable value calculated by the Group with the assets' carrying amount. Finally, we also assessed the sufficiency of the information disclosed in the consolidated annual accounts with respect to the assessment of the recoverable amount of these assets. Based on the procedures carried out, we consider that management's approach and conclusions and the information disclosed in the accompanying consolidated annual accounts are consistent with the evidence obtained.

Key audit matter	How our audit addressed the key audit matter
Sales transactions of controlling interests in subsidiaries As indicated in note 6 to the accompanying consolidated annual accounts, during 2021 the Group sold its interest in the subsidiaries 2019 Vento XX LLC, Riverstart Ventures LLC, Riverstart Development LLC, Eólica do Sincelo, S.A., Eólica da Linha, S.A. e Indiana Crossroads Wind Farmand LLC, with the consequent loss of control. These transactions have generated a profit amounting to €501,449 thousand (note 9) recognised in the consolidated income statement at December 31, 2021. Recognition of these transactions according to the accounting policies indicate in note 2.B requires analysing whether the Group maintains control or not, once the transaction is closed, and it entails the application of critical judgments, as indicated in note 4, and assumes the existence of relevant estimates in relation to the results of the sale, and requires special attention in our audit because of the magnitude of the amounts indicated, for which we have therefore considered this a key audit matter.	In auditing the sales transactions carried out by the Group, we applied, among other, the following procedures: • Obtention, reading and analysis of sales-purchase agreements and the accounting analyses performed by management. • Analysis of compliance with the contractual conditions for the loss of control over these subsidiaries by the Group as a result of the operations performed. • Understanding and verifying the calculations performed by management to determine the profit on each operation. • Assessing the disclosures and information included in the consolidated annual accounts regarding these sales. Based on the procedures performed, we consider that the accounting treatment followed by management for the operations mentioned and the disclosures made in the accompanying consolidated annual accounts are consistent with the evidence obtained.
Acquisition of the distributed generation business C2 Omega LLC. As indicated in notes 6 and 42 of the accompanying consolidated annual accounts, during 2021 the Group acquired 85% of the shares in a distributed generation business with a presence in North America for the amount of €46,530 thousand. The Group's management has qualified this operation as a business combination and, consequently, has estimated the fair value of the assets acquired and the liabilities assumed, and has assigned the acquisition price of the business to these assets and liabilities provisionally in accordance with as described in note 42.	In auditing the business combination carried out by the Group, we applied, among other, the following procedures: • Obtention, reading and analysis of business purchase agreements and the accounting analyses performed by management. • Analysis of compliance with the contractual conditions for gain of control over the business by the Group.

Key audit matter	How our audit addressed the key audit matter
The key assumptions used in determining the fair value of the assets acquired in this business combination are detailed in notes 4 and 42. This area is key because it entails the application of critical judgments and significant estimates by management (note 4) concerning the key assumptions used, which are subject to uncertainty, and the fact that significant future changes in them could have a significant impact in the Group's consolidated annual accounts.	• Assessment the information included in the report of the independent expert engaged by management to conduct the fair value analysis of the assets and liabilities along with the expert's competence and objectivity, in order to satisfy ourselves that they were properly qualified to carry out the engagement. On the other hand, with the collaboration of our valuation experts, we have evaluated the adequacy of the valuation models used to determine the fair value of the assets acquired and liabilities assumed, the assumptions and estimates used in the calculations that include, among others, estimates of the pricing inputs, market power prices, renewables energy certifications curves, coherence with the applicable regulatory framework and the evolution of discount rates and internal rate of return. Respect to discount rates and internal rate of return, in collaboration with our valuation experts, we verified the methodology used in their estimation and that their value is within a reasonable range. Likewise, we have verified the mathematical accuracy of the calculations and models prepared by management and we have verified the provisional allocation of the acquisition price to the fair value of the assets and liabilities acquired, as well as the accounting record of the associated impacts. Based on the procedures performed, we consider that the accounting treatment applied by management, and the disclosures considered in the accompanying consolidated annual accounts, are consistent with the evidence obtained.
Recognition and measurement of derivative financial instruments As indicated in note 5 to the accompanying consolidated annual accounts, the Group is exposed to certain financial risks, namely, exchange rate risk, interest rate risk and electricity price risk, due to the activities performed and the countries where it operates.	We started our analysis by understanding the procedure established by management to identify and measure the derivatives and the relevant controls on this area. For a sample of derivatives financial instruments selected, we checked their main characteristics with their respective contracts.

Key audit matter	How our audit addressed the key audit matter
In order to manage these risks, management has contracted several derivatives whose values at December 31,2021 amounted to €111,881 thousand and € 1,226,200 thousand, of asset and liability, respectively (note 37). The fair value of the derivatives is estimated through valuation techniques of varying complexity that require the application of judgement and, in a certain case, the use of significant assumptions by management (nota 4). On the other hand, the derivatives designated as accounting hedges have to meet some criteria in relation to the documentation of the hedge as it indicated in note 2.D. Due to the uncertainty associated with the estimations of the fair value of these instruments and the complexity of complying with accounting legislation on the application of hedge accounting, we consider this a key audit matter.	Similarly, and with the involvement of our experts in the valuation of derivatives, we assessed the valuation methodology used and for a sample of instruments, we performed a contrast assessment over the management's valuation. Moreover, for a sample of the instruments designated as accounting hedges, we assessed the documentation is according to requirements established in prevailing accounting regulations. Finally, we analysed the sufficiency of the disclosures included in the accompanying consolidated annual accounts regarding financial derivatives. As a result of our tests, we consider that the measurement of financial derivatives financial instruments and the information disclosed in the accompanying consolidated annual accounts are reasonable and consistent with the information available.

Other information: Consolidated management report

Other information comprises only the consolidated management report for the 2021 financial year, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility regarding the consolidated management report, in accordance with legislation governing the audit practice, is to:

a) Verify only that the consolidated statement of non-financial information and certain information included in the Corporate Governance Report and the Remuneration Report, both prepared according to the Portuguese applicable legislation, as referred to in the Auditing Act, has been provided in the manner required.

b) Evaluate and report on the consistency between the rest of the information included in the consolidated management report and the consolidated annual accounts as a result of our knowledge of the Group obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the consolidated management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the consolidated management report is consistent with that contained in the consolidated annual accounts for the 2021 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the directors and the the audit, control and related party transactions committee for the consolidated annual accounts

The Parent company's directors are responsible for the preparation of the accompanying consolidated annual accounts, such that they fairly present the consolidated equity, financial position and financial performance of the Group, in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent company's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the aforementioned directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent company's audit, control and related party transactions committee is responsible for overseeing the process of preparation and presentation of the consolidated annual accounts.

Auditor’s responsibilities for the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent company's directors.

- Conclude on the appropriateness of the Parent company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent company's audit, control and related party transactions committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent company's audit, control and related party transactions committee with a statement that we have complied with relevant ethical requirements, including those relating to independence, and we communicate with the aforementioned those matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Parent company's audit, control and related party transactions committee, we determine those matters that were of most significance in the audit of the consolidated annual accounts of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of EDP Renováveis, S.A. and its subsidiaries for the 2021 financial year that comprise an XHTML file which includes the consolidated annual accounts for the financial year and XBRL files with tagging performed by the entity, which will form part of the annual financial report.

The directors of EDP Renováveis, S.A. are responsible for presenting the annual financial report for 2021 financial year in accordance with the formatting and markup requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation).

Our responsibility is to examine the digital files prepared by the Parent company's directors, in accordance with legislation governing the audit practice in Spain. This legislation requires that we plan and execute our audit procedures in order to verify whether the content of the consolidated annual accounts included in the aforementioned digital files completely agrees with that of the consolidated annual accounts that we have audited, and whether the format and markup of these accounts and of the aforementioned files has been affected, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital files examined completely agree with the audited consolidated annual accounts, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Report to the audit, control and related party transactions committee of the Parent company

The opinion expressed in this report is consistent with the content of our additional report to the audit, control and related party transactions committee of the Parent company dated 16 February 2022.

Appointment period

The General Ordinary Shareholders' Meeting held on 12 April 2021 appointed us as auditors of the Group for a period of 3 years, as from the year ended 31 December 2021.

Previously, we were appointed by resolution of the General Ordinary Shareholders' Meeting for a period of 3 years and we have audited the accounts continuously since the year ended 31 December 2018.

Services provided

Services provided to the Group for services other than the audit of the accounts are disclosed in note 45 to the consolidated annual accounts.

PricewaterhouseCoopers Auditores, S.L. (S0242)

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Iñaki Goiriena Basualdu (16198)

16 February 2022

edp renováveis

CHANGING TOMORROW NOW

EDPR
ANNUAL REPORT
2021

CHANGING TOMORROW NOW

We are creating a new energy on the planet.
More inclusive. More shared. Greener.
Promoting renewable energy on a worldwide scale.
Accelerating decarbonization, to achieve carbon neutrality. Investing € 19 billion in the energy transition.
Duplicating the capacity in solar and wind power.
Betting on new technologies, such as green hydrogen.
Leading the way in sustainability indexes.
It's in our hands. The only one who change the world, is whoever can change himself, the one who finds the will, the knowledge and the action.
Because this is our story:

To always discover a new ambition.

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2021 CONSOLIDATED ANNUAL ACCOUNTS

Consolidated income statement for the years ended 31 December 2021 and 2020

THOUSAND EUROS	NOTES	2021	2020
Revenues	7	1,580,458	1,528,974
Income from institutional partnerships in North America	8	177,205	201,783
		1,757,663	1,730,757
Other income	9	635,731	498,414
Supplies and services	10	-335,674	-304,437
Personnel costs and employee benefits	11	-174,259	-141,156
Other expenses	12	-165,021	-122,614
Impairment losses on trade receivables and debtors	23	417	-88
		-38,806	-69,881
Joint ventures and associates	20	41,184	-6,151
		1,760,041	1,654,725
Provisions	32	-1,564	-702
Amortisation and impairment	13	-607,289	-600,034
Operating profit		1,151,188	1,053,989
Financial income	14	107,985	76,735
Financial expenses	14	-356,582	-361,793
Financial result – net		-248,597	-285,058
Profit before tax and CESE		902,591	768,931
Income tax expense	15	-89,825	-82,907
Extraordinary contribution to the energy sector (CESE)	15	-3,188	-3,173
Net profit for the year		809,578	682,851
ATTRIBUTABLE TO			
Equity holders of EDP Renováveis	29	655,443	555,680
Non-controlling interests	30	154,135	127,171
Net profit for the year		**809,578**	**682,851**
Earnings per share basic and diluted - Euros	28	0.70	0.64

Consolidated statement of comprehensive income for the years ended at 31 December 2021 and 2020

	2021		2020	
THOUSAND EUROS	EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS
Net profit for the year	655,443	154,135	555,680	127,171
Items that will never be reclassified to profit or loss				
Actuarial gains/(losses)	7	6	-3	-4
Tax effect of actuarial gains/(losses)	5	-2	8	1
	12	4	5	-3
Items that are or may be reclassified to profit or loss				
Fair value reserve (Equity instruments at fair value)	828	67	-2,954	-240
Tax effect of fair value reserve (Equity instruments at fair value)	-	-	-	-
Fair value reserve (cash flow hedge)	-984,817	1,385	-8,372	-487
Tax effect from the fair value reserve (cash flow hedge)	247,192	-769	2,968	501
Share of other comprehensive income of joint ventures and associates, net of taxes	-14,086	-	13,515	-
Reclassification to profit and loss due to changes in control	5,747	-	74,511	-
Exchange differences arising on consolidation	79,487	67,203	-200,061	-99,195
	-665,649	67,886	-120,393	-99,421
Other comprehensive income for the year, net of income tax	-665,637	67,890	-120,388	-99,424
Total comprehensive income for the year	**-10,194**	**222,025**	**435,292**	**27,747**

Consolidated statement of financial position as at 31 December 2021 and 2020

THOUSAND EUROS	NOTES	2021	2020
ASSETS			
Property, plant and equipment	16	14,562,300	13,491,718
Right-of-use assets	17	668,788	674,045
Intangible assets	18	316,408	314,228
Goodwill	19	1,268,035	1,222,666
Investments in joint ventures and associates	20	988,522	474,884
Equity instruments at fair value	40	14,878	13,318
Deferred tax assets	21	331,803	122,168
Debtors and other assets from commercial activities	23	32,923	23,048
Other debtors and other assets	24	771,415	272,853
Collateral deposits associated to financial debt	31	23,397	21,544
Total Non-Current Assets		18,978,469	16,630,472
Inventories	22	62,274	54,528
Debtors and other assets from commercial activities	23	465,311	255,986
Other debtors and other assets	24	775,310	585,056
Current tax assets	25	224,796	140,761
Collateral deposits associated to financial debt	31	25,708	9,061
Cash and cash equivalents	26	1,003,784	474,384
Assets held for sale	27	495,924	12,307
Total Current Assets		3,053,107	1,532,083
Total Assets		**22,031,576**	**18,162,555**
EQUITY			
Share capital	28	4,802,791	4,361,541
Share premium	28	1,599,013	552,035
Reserves	29	-910,658	-245,009
Other reserves and Retained earnings	29	2,620,292	2,123,302
Consolidated net profit attributable to equity holders of the parent		655,443	555,680
Total Equity attributable to equity holders of the parent		8,766,881	7,347,549
Non-controlling interests	30	1,408,026	1,276,282
Total Equity		10,174,907	8,623,831
LIABILITIES			
Medium / Long term financial debt	31	3,353,104	3,449,621
Provisions	32	318,317	309,607
Deferred tax liabilities	21	454,564	427,102
Institutional partnerships in North America	33	2,259,741	1,933,542
Trade and other payables from commercial activities	34	634,687	439,103
Other liabilities and other payables	35	1,231,218	853,475
Total Non-Current Liabilities		8,251,631	7,412,450
Short term financial debt	31	687,845	496,895
Provisions	32	6,316	5,697
Trade and other payables from commercial activities	34	1,688,791	1,346,110
Other liabilities and other payables	35	967,643	167,649
Current tax liabilities	36	191,956	109,812
Liabilities held for sale	27	62,487	111
Total Current Liabilities		3,605,038	2,126,274
Total Liabilities		**11,856,669**	**9,538,724**
Total Equity and Liabilities		**22,031,576**	**18,162,555**

Consolidated statement of changes in equity for the years ended at 31 December 2021 and 2020

THOUSAND EUROS	TOTAL EQUITY	SHARE CAPITAL	SHARE PREMIUM	RESERVES AND RETAINED EARNINGS	EXCHANGE DIFFERENCES	HEDGING RESERVE	FAIR VALUE RESERVE	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF EDP RENOVÁVEIS	NON-CONTROLLING INTERESTS
Balance as at 31 December 2019	**8,334,700**	**4,361,541**	**552,035**	**2,183,880**	**-79,986**	**-50,903**	**6,272**	**6,972,839**	**1,361,861**
COMPREHENSIVE INCOME									
- Fair value reserve (equity instruments at fair value) net of taxes	-3,194	-	-	-	-	-	-2,954	-2,954	-240
- Fair value reserve (cash flow hedge) net of taxes	-5,390	-	-	-	-	-5,404	-	-5,404	14
- Share of other comprehensive Income in joint ventures and associates, net of taxes	13,515	-	-	-	15,179	-1,664	-	13,515	-
- Reclassification to profit and loss due to changes in control	74,511	-	-	-	39,791	34,720	-	74,511	-
- Actuarial gains/(Losses)	2	-	-	5	-	-	-	5	-3
Exchange differences arising on consolidation	-299,256	-	-	-	-200,061	-	-	-200,061	-99,195
- Net profit for the year	682,851	-	-	555,680	-	-	-	555,680	127,171
Total comprehensive income for the year	463,039	-	-	555,685	-145,091	27,652	-2,954	435,292	27,747
Dividends paid	-69,784	-	-	-69,784	-	-	-	-69,784	-
Dividends attributable to non-controlling interests	-38,231	-	-	-	-	-	-	-	-38,231
Other changes resulting from acquisitions/sales and equity increases	-65,972	-	-	9,293	-	-	-	9,293	-75,265
Other	79	-	-	-92	1	-	-	-91	170
Balance as at 31 December 2020	**8,623,831**	**4,361,541**	**552,035**	**2,678,982**	**-225,076**	**-23,251**	**3,318**	**7,347,549**	**1,276,282**
COMPREHENSIVE INCOME									
- Fair value reserve (equity instruments at fair value) net of taxes	895	-	-	-	-	-	828	828	67
- Fair value reserve (cash flow hedge) net of taxes	-737,009	-	-	-	-	-737,625	-	-737,625	616
- Share of other comprehensive Income in joint ventures and associates, net of taxes	-14,086	-	-	-	-8,711	-5,375	-	-14,086	-
- Reclassification to profit and loss due to changes in control	5,747	-	-	-	-5,622	11,369	-	5,747	-
- Actuarial gains/(Losses)	16	-	-	12	-	-	-	12	4
Exchange differences arising on consolidation	146,690	-	-		79,487	-	-	79,487	67,203
- Net profit for the year	809,578	-	-	655,443	-	-	-	655,443	154,135
Total comprehensive income for the year	211,831	-	-	655,455	65,154	-731,631	828	-10,194	222,025
Dividends paid	-76,845	-	-	-76,845	-	-	-	-76,845	-
Dividends attributable to non-controlling interests	-38,387	-	-	-	-	-	-	-	-38,387
Share capital increase	1,488,228	441,250	1,046,978	-	-	-	-	1,488,228	-
Other	-33,751	-	-	18,143	-	-	-	18,143	-51,894
Balance as at 31 December 2021	**10,174,907**	**4,802,791**	**1,599,013**	**3,275,735**	**-159,922**	**-754,882**	**4,146**	**8,766,881**	**1,408,026**

Consolidated statement of cash flows for the years ended 31 December 2021 and 2020

THOUSAND EUROS	2021	2020
OPERATING ACTIVITIES		
Cash receipts from customers	1,656,183	1,502,906
Payments to suppliers	-508,927	-365,012
Payments to personnel	-176,479	-137,899
Other receipts / (payments) relating to operating activities	-113,928	-47,068
Net cash from operations	**856,849**	**952,927**
Income tax received / (paid)	-45,361	-45,247
Net cash flows from operating activities	811,488	907,680
INVESTING ACTIVITIES		
Cash receipts relating to:		
Changes in cash resulting from perimeter variations (*)	4,942	32,907
Property, plant and equipment and intangible assets	87,609	1,859
Interest and similar income	9,033	12,510
Dividends	31,926	28,695
Loans to related parties	628,382	320,538
Sale of subsidiaries with loss of control	615,298	1,072,259
Other receipts from investing activities	20,506	18,509
	1,397,696	**1,487,277**
Cash payments relating to:		
Changes in cash resulting from perimeter variations (**)	-26,963	-22,333
Acquisition of subsidiaries	-87,721	-579,644
Property, plant and equipment and intangible assets	-2,372,090	-1,547,262
Loans to related parties	-487,917	-673,164
Other payments in investing activities	-384,686	-302,259
	-3,359,377	**-3,124,662**
Net cash flows from investing activities	-1,961,681	-1,637,385
FINANCING ACTIVITIES		
Payments/receipts related with transactions with non-controlling interest without change of control	-	-1,007
Receipts / (payments) relating to loans from third parties	295,709	24,340
Receipts / (payments) relating to loans from non-controlling interests	-39,777	-41,568
Receipts / (payments) relating to loans from Group companies	-391,623	813,832
Interest and similar costs including hedge derivatives from third parties	-39,599	-33,957
Interest and similar costs from non-controlling interests	-6,227	-6,943
Interest and similar costs including hedge derivatives from Group companies	-107,468	-136,858
Payments of lease liabilities	-43,746	-43,555
Dividends paid	-114,085	-106,630
Receipts / (payments) from derivative financial instruments	13,889	35,010
Receipts / (payments) from institutional partnerships in North America	692,164	248,728
Increases /(decreases) in capital and share premium by non-controlling interests (***)	1,413,909	-76,920
Other cash flows from financing activities	-	37
Net cash flows from financing activities	1,673,146	674,509
Changes in cash and cash equivalents	522,953	-55,196
Effect of exchange rate fluctuations on cash held	6,447	-52,179
Cash and cash equivalents at the beginning of the period	474,384	581,759
Cash and cash equivalents at the end of the period (****)	1,003,784	474,384

(*) Refers to the acquisition of the DG business in EDPR NA and the operational companies Aria del Vento in Italy, Trung Son portfolio in Singapore and Vietnam and Vento Ludens portfolio in UK ((see note 6 and 42).

(**) Refers mainly to i) sale of 2019 Vento XX portfolio and the companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A. which proceeds are included in caption "Sale of subsidiaries with loss of control" (see note 6); and ii) reclassification to held for sale of certain portfolio of European companies (see note 27).

(***) Relates essentially to the capital increase made by the company, net ot transaction costs (see note 28);

(****) See note 26 of the consolidated financial statements for a detailed breakdown of Cash and cash equivalents.

Variations in the following captions, including cash flow variations, during the period ending December 31, 2021 are as follows:

THOUSAND EUROS	BANK LOANS (*)	GROUP LOANS	NON-CONTROLLING INTERESTS LOANS	U.S. INSTITUTIONAL PARTNERSHIPS	DERIVATIVES (**)	TOTAL
Balance as of December 31, 2020	619,600	3,277,917	200,281	1,933,545	-38,911	5,992,432
Cash flows						
- Receipts / (payments) relating to loans from third parties	295,709	-	-	-	-	295,709
- Receipts / (payments) relating to loans from non-controlling interests	-	-	-39,777	-	-	-39,777
- Receipts / (payments) relating to loans from Group companies	-	-391,623	-	-	-	-391,623
- Interest and similar costs including hedge derivatives from third parties	-34,040	-	-	-	-5,559	-39,599
- Interest and similar costs from non controlling interests	-	-	-6,227	-	-	-6,227
- Interest and similar costs including hedge derivatives from Group companies	-	-85,796	-	-	-21,672	-107,468
- Receipts/ (payments) from derivative financial instruments	-	-	-	-	13,889	13,889
- Receipts / (Payments) from institutional partnership in North America	-	-	-	692,164	-	692,164
Changes of perimeter	-84,102	-	-	-413,035	-452	-497,589
Exchange differences	42,245	201,534	1,976	168,317	141	414,213
Fair value changes	-	-	-	-	127,770	127,770
Accrued income/expenses	36,676	96,386	6,473	-23,063	-9,315	107,157
Unwinding	-	-	-	79,023	-	79,023
Changes in U.S. Institutional Partnerships related to ITC/PTC	-	-	-	-177,205	-	-177,205
Balance as of December 31, 2021	876,088	3,098,418	162,726	2,259,746	65,891	6,462,869

(*) Net of collateral deposits;

(**) The Group considers as financing activities all derivative financial instruments excluding derivatives related with commodities;

COVID-19. Macroeconomic, Regulatory, Operational, Accounting Impact and Stakeholders

In late 2019, in the Chinese city of Wuhan, a virus, SARS-COV-2, that can cause a serious respiratory infection like pneumonia was first identified in humans. During the year 2020, the desease caused by the virus, the COVID-19, was classified by the World Health Organization (WHO) as a pandemic. The COVID-19 has forced the world to change its habits and is having several social, economic, regulatory, operational, accounting and public health impacts.

The current global crisis with the COVID-19 pandemic incorporates significant risks to the economy and society, remaining an uncertainty regarding the duration of the epidemic crisis and its long term economic impacts.

In global macroeconomic terms, COVID-19 has impacted the EDPR Group's activity in its various geographies and areas of the value chain. However, a prudent strategy to hedge energy and financial market risks, the maintenance of robust liquidity levels as well as an active management of suppliers and critical supplies, have allowed to significantly mitigate the impacts of this crisis.

EDPR Group has not applied any different classifications from those normally used in its income statement, as a result of COVID-19. To assess possible accounting impacts arising from COVID-19, the Group reassessed the estimates it considers relevant and which may have been impacted by this fact. Thus, on 31 December 2021, the Group carried out a series of analyses of the relevant estimates and has not determined any materially relevant impacts compared to 31 December 2020.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

01. The business operations of the EDP Renováveis Group

EDP Renováveis, Sociedad Anónima (hereinafter referred to as “EDP Renováveis” or “EDPR”) was incorporated in Spain on 4 December 2007. Its main corporate objective is to engage in activities related to the electricity sector, namely the planning, construction, operation and maintenance of electricity generating power stations, using renewable energy sources, mainly wind and solar. The registered offices of the company are located in Oviedo, Plaza de la Gesta 2, Spain. On 18 March 2008 EDP Renováveis was converted into a company incorporated by shares (Sociedad Anónima).

The Company belongs to the EDP Group, of which the ultimate parent company is EDP Energias de Portugal, S.A., with registered offices at Avenida 24 de Julho, 12, Lisbon. As at 31 December 2021, EDP Energias de Portugal, S.A through its Spanish branch EDP S.A. - Sucursal en España ("EDP Branch") held a qualified shareholding of 74.98 % of the share capital and voting rights of EDPR (82.6% as at 31 December 2020) and 25.02% of the share capital was free floated in the Euronext Lisbon (17.44% as at 31 December 2020).

In December 2011, China Three Gorges Corporation (CTG) signed an agreement to acquire 780,633,782 ordinary shares in EDP from Parpública - Participações Públicas SGPS, S.A., representing 21.35% of the share capital and voting rights of EDP Energias de Portugal S.A., a majority shareholder of the Company. This operation was concluded in May 2012. Subsequent operations have modified such stake to 19.19% as at 31 December 2021.

The terms of the above-mentioned agreement through which CTG became a shareholder of the EDP Group stipulate that CTG would make minority investments totaling 2,000 million of Euros in operating and ready-to-build renewable energy generation projects (including co-funding capex).

Within the agreement mentioned above, the following transactions have taken place:

- In June 2013, EDPR completed the sale of 49% equity shareholding in EDPR Portugal to CTG through CITIC CWEI Renewables S.C.A;
- In May 2015, EDPR closed the sale of 49% of the following EDPR Brasil subsidiaries to CTG through CWEI Brasil participaçoes LTDA: Elebrás Projetos S.A, Central Nacional de Energia Eólica S.A, Central Eólica Baixa do Feijão I S.A, Central Eólica Baixa do Feijão II S.A, Central Eólica Baixa do Feijão III S.A, Central Eólica Baixa do Feijão IV S.A, Central Eólica Jau S.A. and Central Eólica Aventura S.A;
- In October 2016, EDPR completed the sale of 49% equity shareholding in EDP Renewables Polska SP.Zo.o. to CTG through ACE Poland S.Á.R.L. and the sale of 49% equity shareholding in EDP Renewables Italia S.r.l. to CTG through ACE Italy S.Á.R.L.;
- In June 2017, EDPR Group closed the sale of 49% equity shareholding in EDPR PT - Parques Eólicos, S.A. to CTG through ACE Portugal S.Á.R.L.;
- In December 2018, EDPR completed the sale of 10% equity shareholding in the equity consolidated offshore company Moray East Holdings Limited to CTG through China Three Gorges (UK) Limited.

As of 31 December 2021, EDP Renováveis S.A. directly holds a 100% stake in the share capital of the following companies: EDP Renewables Europe, S.L. (EDPR EU), EDP Renewables North America, LLC (EDPR NA), EDP Renewables Canada, Ltd. (EDPR Canada), EDP Renováveis Brasil, S.A. (EDPR BR), Colombian companies Eolos Energía S.A.S. E.S.P., Vientos del Norte S.A.S. E.S.P., Solar Power Solutions S.A.S. E.S.P., Vietnamese company EDP Renewables Vietnam Ltd., Singaporean company Trina Solar Investment First Pte. Ltd. and Chilean company EDP Renewables Chile SpA. Refer to Anex I for the perimeter of consolidation.

The Group essentially operates in the European (Spain, Portugal, Poland, Romania, France, Italy, Greece, UK and Belgium), American (U.S., Brazil, Canada and Mexico) and Asian (Vietnam) energy sectors.

EDPR Group is currently developing wind and solar onshore projects in other countries such as Chile, Colombia, Hungary, and South Korea. Further, EDPR Group signed an agreement with ENGIE on January 2020 to establish a co-controlled 50/50 joint venture, OW Offshore S.L. (Ocean Winds), in fixed and floating offshore wind business. This entity will be the exclusive vehicle of investment of EDPR and ENGIE for offshore wind opportunities worldwide (see note 6).

EDP Renováveis, S.A. reached an agreement to acquire an 87.4% stake in Sunseap Group Pte. Ltd., the largest distributed solar player and top 4 solar player in South East Asia. The operation has been structured through an agreement with the major shareholders of Sunseap for a total consideration of €0.6bn for an 87.4% stake, which may be upsized up to 91.4% until closing of the transaction. Sunseap is a Solar focused renewables company headquartered in Singapore and has more than 400 employees spread across 9 markets, namely Singapore, Vietnam, Malaysia, Indonesia, Thailand, Cambodia, China, Taiwan and Japan and by the time of the agreement had more than 0.5 GW of capacity in operation and under construction and almost 5 GW of pipeline in different stages of development. The transaction is subject to customary conditions precedent and as of 31 December 2021 the transaction was not yet completed.

EDP Renováveis Group, through its subsidiaries has an installed capacity, as follows:

INSTALLED CAPACITY MW	31 DEC 2021	31 DEC 2020
United States of America	5,908	5,828
Spain	2,194	2,137
Portugal	1,142	1,228
Brazil	795	436
Poland	747	476
Romania	521	521
Mexico	400	400
Italy	384	271
France	181	125
Canada	130	68
Greece	45	-
Vietnam	28	-
Belgium	11	10
United Kingdom	5	-
	12,490	11,500

Additionally, the EDP Renováveis Group through its equity-consolidated companies has an installed capacity, attributed to EDPR, as follows:

INSTALLED CAPACITY MW	31 DEC 2021	31 DEC 2020
United States of America	592	471
Spain	156	167
Portugal	31	20
Offshore	311	10
	1,090	668

Regulatory framework for the activities in North America

EDP Renewables operates in most of the electricity markets in the U.S., Canada, and Mexico. The nature of regulations and market rules vary from market to market with different degrees of influence from Federal and State/Provincial regulators in each market. The opportunities and constraints for EDPR assets and prospects are significantly defined by these regulations and market rules.

Regional Transmission Organizations ("RTO"), Independent System Operators ("ISO") exist throughout much of North America to operate a region's electricity grid, administer the region's wholesale electricity markets, and provide reliability planning for the region's bulk electricity system. RTOs carry additional responsibility for the region's transmission network. U.S. markets with RTOs and ISOs fall under greater Federal influence through the Federal Energy Regulatory Commission ("FERC") which results in more transparent tariff and market rules.

Regulation and market rules for regions not in RTO/ISO footprints tend to be influenced by various combinations of entities including State regulators, vertically integrated utilities, municipal governments, and Federal Agencies. In Canada, the regulatory framework varies depending on the particular Province or Territory. Provincial regulators have jurisdiction over their province's energy generation, intra-provincial transmission, distribution, retial pricing and wholesale markets (if such markets exist).

In general, EDPR seeks to build assets in North American markets where long-term contracts are available for the bulk of the output of its generation facilities. In addition to electrical power, our facilities can produce capacity and ancillary services in regions with demand for these products. Many states have enacted Renewable Portfolio Standards ("RPS") require obligated entities to provide a certain percentage of their energy supply from qualifying renewable sources, similar to the Renewable Energy Directive in the EU. In Canada, Provincial Governments have required utilities to procure supply from renewable facilities with programs such as Ontario's Large Renewable Procurement Programs. Over the last few years, U.S. states have expanded these targets such that renewable portfolio standards in over fifteen states require 50% or more of their energy supply to be delivered via renewable resources in the next ten to twenty years. Further, more than ten states have set requirements to achieve 100% clean energy supply by 2050. Certain facilities within the EDPR wind and solar portfolio, given their location, produce renewable energy credits ("REC"), certificates of clean energy ("CEL") and other environmental attributes which are typically sold, along with the energy, capacity, and ancillary services, from the plants under long-term contracts. These RECs generated via renewable production may also be sold separately from the wind and solar generation, if not already included in the long-term contracts. The party owning the RECs is solely entitled to the benefits of the environmental attributes.

U.S. federal, state and local governments have established various incentives to support the development of renewable energy projects. Included in these incentives are the Investment Tax Credit ("ITC"), Production Tax Credit ("PTC"), cash grants, and tax equity financing. Pursuant to the U.S. federal Modified Accelerated Cost Recovery System, wind and solar projects are fully depreciated for tax purposes over a five-year period even though the useful life of such projects is generally much longer than five years.

Owners of utility-scale wind facilities are eligible to claim the ITC upon initially achieving commercial operation or PTCs for generation from qualifying facilities. The PTC is awarded based on the volume of electricity produced by the wind facility during the first ten years of commercial operation. This incentive was established by the U.S. Congress as part of the 1992 Energy Policy Act and has been extended several times, most recently as part of the $1.4 trillion omnibus and COVID-19 relief package. The ITC and PTC levels for a given facility depend on that facility's start of construction date and commissioning date and remain fixed at this level for the first ten years of operation.

The COVID-19 crisis continued to create challenges for clean energy companies seeking to advance the development of wind and solar projects. Delays in equipment manufacturing, shipment deliveries, work stoppages, and labor force restrictions, among other things, caused project development and construction timelines to slip and created some risk of projects not meeting their safe harbor deadlines for placement into service.

The U.S. Department of the Treasury (Treasury) determines eligibility under the federal law governing qualification for the wind energy production tax credit (PTC) and the solar energy investment tax credit (ITC). Treasury has allowed projects a "safe harbor" with respect to qualifying for the tax credit available in the year construction commenced, so long as the project subsequently was placed in service within a certain period of years.

Guidance from Treasury (issued 20 June 2020) continues to apply;

1. Extends the placed-in-service safe harbor to six years for facilities that began construction in 2016, 2017, 2018 or 2019;

2. Extends the placed-in-service safe harbor to five years for facilities that began construction in 2020; and,

3. Provides that taxpayers not relying on the continuity safe harbor may demonstrate continuity by using the "continuous efforts" standard rather than the more restrictive "continuous construction" standard, regardless of whether the project started construction under the physical work pathway.

4. Qualifying equipment procured in 2016 can now be deployed in 2022 and be eligible for the full PTC (previously it would have had to be deployed in 2021); and

5. Qualifying equipment procured in 2017 can now be deployed in 2023 and be eligible for the 80% PTC (previously it would have had to be used in 2022).

Regulatory framework for the activities in Spain

The main piece regulating the Spanish electricity sector is Law 24/2013 that replaced Law 54/1997. This law is part of a comprehensive reform of the Spanish energy sector.

The main purposes of this law is to adapt the regulation to the evolution of the electricity sector and to guarantee the sustainability of the system in the long term, removing existing deficiencies in the system operation. Specifically, the Law aims at correcting the structural tariff deficit. The law sets principles and provisions governing the electricity sector, with the objective to effectively guarantee the supply of electricity and to adapt it to the needs of consumers ensuring safety, quality, efficiency, objectivity, transparency and electricity at the minimum cost.

As a part or this Energy Reform, Royal Decree-Law 9/2013 was passed in July 2013. The purpose of this Royal Decree-Law was to adopt a series of measures to ensure the sustainability of the electricity system.

In particular, RDL 9/2013 introduced a new legal and economic regime for existing renewable, cogeneration and waste energy facilities. The RDL set the principles governing these facilities, and these principles were then developed by law 24/2013 and Royal Decree 413/2014. In accordance with this new framework, renewable facilities would receive during their operating lifetime, in addition to the remuneration for the sale of the energy valued at the market price, a specific remuneration composed by (i) an "investment premium" and (ii) "an operating remuneration premium" designed to cover the share of a facility's operating costs that could not be recovered by means of energy sales.

The calculation of the aforementioned remuneration shall be carried out on the basis of the standard costs and revenues (initial investment, operation and revenue from the sale of energy) corresponding to a "standard power plant, over the useful regulatory life and based on the business activity that would be carried out by and efficient and well-managed company".

Under this scheme, projects would receive a remuneration guaranteeing a "reasonable profitability" calculated, for the first six-year regulatory period, at "300 basis points above the yield on 10-year government bonds over the last ten years".

The Spanish Government published in June 2014, Order IET/1045/2014, which included the parameters to remunerate the renewable energy assets, under the new remuneration framework. DL 413/2014 confirmed that wind farms that started operations in 2003 (or before) would not receive any further incentive, while the rest of wind farms would receive an incentive calculated in order to reach a 7,398% return. This order describes more than 1,300 possible types of renewables installation, 23 of them corresponding to wind farms of more than 5 MW classified by the year of first operation (from 1994 to 2016).

In October 2015 the Government approved Royal Decree 947/2015 and a Ministerial Order aimed at allowing the installation of new renewable capacity through competitive tenders.

In January 2016, the first auction renewable auction was held. The auction was designed to provide a similar remuneration that the one applying to operating installations (RD 413/2014). Following this framework, tender participants were requested to bid discounts on the "initial investment" (CAPEX) parameter which would then, by being plugged in the formula set by RD 413/2014 determine the "Rinv" (investment premium) that would eventually be awarded.

Following the outcome of the first 2017 tender, the Spanish government decided to launch an additional tender for a maximum of 3 GW. This new tender was held in July, and was opened to wind and solar PV exclusively. Additionally, the royal decree ruling the tender (RD 650/2017) included the possibility to increase the allocated capacity to all capacity bidding the same discount, provided it would not create an overcost to the system. Following this clause, all projects offering the maximum allowed discount were successful (no tiebreaker rule was triggered).

In October 2018, the Spanish Ministry for Energy transition and environment introduced several measures aiming at limiting electricity cost for final consumers and serving as a first step towards the long-term energy transition. The implemented measures include the suspension of the 7% generation tax during a period of 6 months, the facilitation of self-consumption and the administrative extension until March 2020 of the connection rights for the renewable plants awarded in previous year´s auctions.

On 22 November, 2019 Royal Decree Law 17/2019 was passed, introducing a series of measures aimed at guaranteeing a stable regulatory and economic framework to encourage the development of renewable energy generation in Spain. The RDL updates the "reasonable return" for renewable generation for the next regulatory period starting on 1 January 2020 at a level of 7,39% for assets before RDL 9/2013 and 7,09% for the new ones.

Another objective of the RDL was to adopt a new regulation governing access to the network in nodes affected by the closure of coal and nuclear power plants and concessions for the private use of water, where new renewable projects could offer an alternative. The grid access to renewable projects in areas affected by the closure of thermal facilities, is based on the technical and economic benefits, as well as the environmental and social ones, in particular job creation.

In January 2020, the CNMC's Circular 3/2020 was approved. The Circular sets the methodology to calculate access fee and removes the former 0,5€/MWh that generators had to pay. A new fee of 0,13741 €/MWh was introduced to remunerate the system operator.

On 28 February 2020 the final version of the Rinv (investment premium) adjustment was published (as in 2019 ended the second semi-regulatory period of the RD 413/2014 framework). Three main adjustments were introduced: (i) the estimation of pool prices using forward prices, (ii) the adjustment of the OPEX to reflect the removal of the 0.5 €/MWh access fee and (iii) the inclusion of the system operator remuneration.

On 14 March 2020 Royal Decree 463/2020 entered into force, declaring the state of alarm for the management of the health crisis caused by the coronavirus (COVID 19). During extreme situations (among them, health crises) article 116 of the Spanish Constitution allows the executive to declare the state of alarm, a measure that enables it to prohibit the free movement of people throughout the country and to take all steps required to guarantee the supply of food to the nation's markets. It also allows the government to take over the means of production and requisition goods.

Initially the state of alarm was set to last until March 29 but the Congress extended it to June 21. Also, the government toughened the lockdown measures requiring the halt of all "non-essential" activities from March 30 to April 9, including wind farms' construction. Several subsequent Royal Decrees were published during the State of Alarm. These RD included economic and social measures to fight the pandemic effects. Despite the lockdown, several consultations were launched by the Energy Ministry (Hydrogen Strategy, Electric Energy Storage (EES), offshore strategy and FEDER auctions.

Due to the disruption caused by COVID-19, a 2-month extension (from the last day of the state of alarm) of the connection rights expiring on 31 March 2020, was decided. The final version of the Spanish NECP (National Energy and Climate Plan) for the period 2021-2030 was sent to the European Commission.

The Government approved Royal Decree Law 23/2020 of 23 June approving measures in the area of energy and other areas aimed at economic recovery. The objective of this Royal Decree Law is to guide energy policy for economic recovery, financial resource mobilisation and sustainable job creation. In particular, RD/2020 consists of a battery of measures intended to help the energy transition, remove barriers to the large-scale deployment of renewable energy sources and promote energy efficiency.

On 17 July 2020 the Ministerial Order TED/668/2020 was approved, setting the adjusted "Rinv" (investment premium) values for 2018 and 2019, accounting for the temporal suspension of the 7% levy on generation during Q4 2018 and Q1 2019.

The Ministry for the Ecological Transition and Demographic Challenge (MITECO) decided to allocate 316 million euros to support innovative projects that favour the integration of renewable energies in the systems. Different lines of action, drawn up in collaboration with the Autonomous Communities, are expected to contribute to the achievement of the objectives that Spain, in its NECP, has set in this area: doubling the consumption of renewable energy by 2030, and reaching climate neutrality in 2050. Specifically, the Official State Gazette (BOE) published on August 3 set the regulatory criteria to allocate 246 million euros in aid to renewable projects in a competitive competition regime. On 10 September 2020 several tenders were announced in Madrid, Andalucía, Extremadura, Asturias, Castilla La Mancha, Cataluña and Murcia regions. The announced competitive procedures will allocate 80 million euros to renewable projects.

On 4 November 2020, Royal Decree 960/2020 regulating the economic regime for renewable energies for electricity production facilities, was approved. The RD sets the framework for a new scheme for RES investment (including hybrid, energy storage projects and repowering) to be awarded in auctions. It defines some general characteristics of the scheme, although most aspects remain flexible and will need to be defined in lower level legislation. Additionally, it sets the obligation of publishing a 5-years auction calendar.

Regarding the auction mechanism, the RD establishes that the auction product may be power, energy or a combination of both and that auctions would be structured as pay-as-bid ones. A maximum price will be set although it may be confidential and a minimum price may also be introduced. The awarded price will be defined in €/MWh and will not be indexed.

The RD includes the possibility of defining so-called “symmetrical incentives” for market participation. In this case, the price received for the energy sold in each market (day-ahead/intra-day) will be adjusted by a factor applied to the difference between (i) the price of the day-ahead market and (ii) the awarded price.

The tenure of the scheme is set as the sooner of achieving a maximum energy, or 10 to 15 years (exceptionally up to 20 years for technologies with high CAPEX or high technology risk which will need to be defined for each auction).

Following the approval of RD 960/2020, The Ministry for the Ecological Transition and Demographic Challenge (MITECO) approved Order TED/1161/2020 of December 4, 2020 in which it sets the auction mechanism for the first auction. The Order also includes the auction calendar for the next 5 years. Over the next 5 years, the Spanish Government plans to launch tenders for 20GW of renewable power (mainly wind: 8.5GW and solar PV: 10GW) in order to achieve the 60GW target set out in the Spanish National Energy and Climate Plan for 2021-2030.

On 29 December 2020, the Royal Decree on access and connection to the energy transmission and distribution networks (RD 1183/2020) was approved. This Royal Decree establishes the principles and criteria in relation to the application, processing and granting of permits for access and connection to the electricity transmission and distribution networks. With the approval of this RD, the government aims at preparing the regulatory framework for the planned deployment of renewables, while helping to eliminate inefficiencies and speculative behaviours to ensure the achievement of energy policy objectives.

The first auction under the new auction framework (set by RD 960/2020) was held on 26 January 2021. In total 3.034 MW were awarded: 2.036 MW of solar PV projects (at an average price of 24,47 €/MWh) and 998 MW of onshore wind’s (at an average price of 25,31€/MWh). Winning bids were awarded 12-year power purchase agreements (PPAs).

In May 2021, the Spanish Parliament approved a law on climate change and energy transition (Law 7/2021), which will bring the country into line with the EU’s goal to become carbon neutral by 2050. As an intermediate target, the law targets to cut emissions 23% by 2030, compared with 1990 levels. Regarding the renewables’ sector, the law foresees a reform of the electricity sector aimed at fostering: (i) the participation of consumers in the markets including aggregation and demand response and (ii) investment in variable and flexible renewables, distributed generation and energy storage among others. A fiscal reform Is also foreseen focused on green taxation.

In June 2021, the European Commission adopted a positive assessment of Spain’s Recovery and Resilience Plan. The financing will amount to 69,5 b€ in grants and will support the implementation of the crucial investment and reform measures outlined in the Plan. The presented Plan devotes 40% of its total allocation to measures that support climate objectives (sustainable mobility, energy efficiency and deployment of renewable energies, among others).

In June 2021, the government released Royal Decree-Law 12/2021 which adopted urgent measures in the field of energy taxation and generation. The RDL approved the suspension of the 7% generating tax and a reduction of value added tax for electricity bills (from 21% to 10%) until the end of the year. The VAT reduction would be applied to consumers with contracted power <10 kV (if wholesale prices were more than 45€/MWh) and to vulnerable consumers (regardless market prices). These measures come after Spain changed its hourly bands for calculating power bills and amid soaring power prices.

On 16 September 2021, Royal Decree-Law 17/2021 (RDL 17/2021) on urgent measures to mitigate the impact of rising natural gas prices in the retail gas and electricity markets, came into force. In line with the previous Royal Decree-law, the new regulation introduced different measures to cushion the escalation of electricity prices and limit the amount of consumers’ electricity bills.

- One of the measures consists in introducing a mechanism to reduce the over-remuneration that certain facilities receive, due to the marginal cost price setting of the energy market

- The RDL also introduced a new type of long-term power purchase auction to be held alongside the wholesale market. In these auctions, certain operators must offer their CO2-free, manageable inframarginal generation products (not included in the renewables auctions), with a settlement period equal to or greater than one year

- The regulation also includes tax measures. On the one hand, the rate of the Special Tax on Electricity, was reduced to 5,1% to 0,5% until 31 December 2021. On the other hand, it extended the temporary suspension of the tax on the Value of Electricity Production (the 7% levy) to the fourth quarter of 2021.

- In addition, the RDL sets a Minimum Vital Supply for vulnerable consumers by which the cut off of the electricity supply is prohibited to the beneficiaries of the Electric Social Bonus for six months in addition to the four already existing (thus, during 10 months in total).

On 26 October 2021 Royal Decree Law 23/2021 was approved, adopting urgent measures to protect energy consumers and bring transparency into the wholesale and retail electricity and natural gas markets. On the one hand, this RDL increases the discounts of the electricity social bond from 40% to 70% for severe vulnerable consumers and from 25% to 60% for vulnerable consumers until the end of March 2022. The minimum amount of the thermal social bonus for the year 2021 was also increased from 25 to 35 euros. On the other hand, the RDL limits the scope of application of the mechanism to reduce over-remuneration obtained by some generating facilities, regulated in RDL 17/2021. Finally, it contains some measures to strengthen transparency in the electricity and gas markets. The Spanish companies of the Group are therefore excluded from the scope of application of the mechanisms to reduce over-remuneration, since, according to the RDL 23/2021, the Group has derivatives and PPAs to hedge energy sales prices.

The second renewables auction of 2021 was held on October 19, awarding 2.258 MW capacity for onshore wind projects (at an average price of 36,68€/MW) and 866 MW solar PV (at an average of 31,65€/MWh) to the winners.

Regulatory framework for the activities in Portugal

The principal pieces of legislation regulating the Portuguese electricity sector are Decree-Law 29/2006 of 15 February 2006 (amended by Decree-Law 215-A/2012) and Decree-Law 172/2006 of 23 August 2006 (amended by Decree-Law 215-B/2012).

The legislative framework for renewable energy is primarily contained in Ministerial Order 243/2013 of 2 August 2013, which sets out the terms, conditions and criteria for the licensing of electricity generation under special regime with guaranteed remuneration.

The Portuguese legal provisions applicable to electricity generation from renewable resources are currently established by Decree-Law 189/88 dated 27 May, as amended by Decree-Law 168/99 dated 18 May, Decree-Law 312/2001 dated 10 December, and Decree-Law 339-C/2001 dated 29 December. Also relevant is Decree-Law 33-A/2005, dated 16 February 2005 ("DL 33-A/2005"), which establishes the remuneration formula applicable to energy produced by renewable sources (this is, the formula to calculate the feed-in tariff).

In September 2012 and after months of negotiations, the Portuguese wind industry reached an agreement with the Portuguese government to extend the existing feed-in tariff regime in exchange of an upfront payment.

Following the agreement, the Portuguese Government published a decree articulating its terms, the Decree Law 35/2013. The Government proposed four alternative tariff schemes to be chosen by wind developers. EDPR and ENEOP chose a 7-year extension of the tariff defined as the average market price of previous twelve months, with a floor of 74€/MWh and a cap of 98€/MWh to be updated annually with inflation from 2021 onwards, in exchange of a payment of 5.800€/MW from 2013 to 2020.

The Environment and Energy Ministry published in July 2014, Decree Law 94/2014 that allowed wind operators to increase the capacity of their operating wind farms up to 20%. The additional production generated by the increased capacity is remunerated at 60 €/MWh, whilst the remaining production is remunerated following the feed-in tariff scheme.

The Portuguese government, in its 2019 Budget, included an extension of the special energy tax (so-called CESE) to renewables. However, renewable facilities with licenses granted through public tenders are exempted. In line with the 2019 Budget, the 2020 State Budget envisaged that small producers (up to 20 MW) would be exempted from paying the CESE. Also, passive subjects with more than 60 MW under tariff schemes would also be exempted from paying the tax.

On 31 January 2019 Portaria 43/2019 on over-equipment "sobrequipamientos" ("SE") was published. The new Portaria set a new remuneration scheme for SE of 45€/MWh (non-indexed values) for 15 years, period after which the SE would be under the ordinary regime not being entitled to be under the tariff extension scheme set by D-L 35/2013. The new scheme exempts developers from requesting ERSE authorization to the SE.

On 3 June 2019 the DL 76/2019 was published. This DL is a comprehensive review of the legal basis of the Portuguese electricity sector. Regarding new renewable capacity, the Decree changes the order in which grid capacity reservation and production license are obtained. New projects will need to obtain the title of grid capacity reservation prior to applying for the production license. The Decree also introduces three ways to obtain grid capacity reservation, being one of them through competitive tenders.

Portugal launched its first utility-scale renewable energy auction in July 2019, for 1,4 GW of solar PV capacity. Developers could present two kinds of offers: one with a fixed price below €45/MWh and another with a variable tariff which included a requirement to pay compensation to the electricity system, depending on spot market power prices. Both systems would have a 15-year length.

In December 2019, the DGEG (Direção-Geral de Energia e Geologia) released regulation of the Licensing Monitoring Committee (Comissão de Acompanhamento dos Processos de Licenciamento) of the solar PV plants resulting from the 2019's Auction. This Committee was set up with the aim of contributing to the fulfilment of the obligations arising from the tender procedure, in particular regarding the deadline for obtaining the licence

In Portugal, a GO (Guarantees of Origin) system was launched starting in March 2020. Registration shall be compulsory for renewable producers above 5 MW and high efficiency cogeneration. Until 2021YE, renewable plants <1 MW and self-consumption ones will be exempted.

In order to prevent further spread of the Covid-19, the state of emergency was declared by Presidential Decree no. 14-A/2020, of 18 March, as authorized by the Parliament's Resolution no. 15 A/2020, of 18 March 2020. DGEG suspended all deadlines linked to licensing procedures for all electrical projects after 16 March 2020. In particular, this suspension comprehends the deadlines for any administrative proceeding to be performed by solar promoters with projects awarded in the first solar auction (June 2019). The Emergency State was lifted on 2 May 2020 and replaced by the Calamity State.

On 27 March 2020 a new solar auction was announced by the Energy Secretary of State. Developers had to choose one of the following three remuneration schemes:

- A fixed guaranteed tariff structure, where the bids expressed a discount to a reference price, in €/MWh. Awarded projects would enter into an hourly two-side CfD with OMIP for 15 years. The CfD would be settled based on the actual price captured by the specific plant.
- A market scheme where the promoters bid for a contribution made to the National Electric System ("SEN") and where the promoters that bid the largest contributions would be awarded with the capacity title. Participants would then commit to pay this quantity for 15 years and their projects would get their revenues from participating in the electricity market on a merchant basis.
- A new system consisting of a market scheme for power plants incorporating a storage system, in which participants bid the value of the capacity payment that would like to receive in €/MW (MW of connection capacity). In exchange, they shall sign a "one-side" CfD contract ("available contract") with REN to protect the system against price spikes events.

On 31 March 2020 Law 3/2020 accompanying the State Budget was published setting the main policies and investments for the 2020-23 period. In terms of energy, the path to carbon neutrality in 2050 is set by confirming the 55% emission reduction target in 2030, promoting regional guidelines for carbon neutrality and envisaging the development of 5-year carbon budgets. Also, the main goals of the Portuguese National Energy and Climate Plan (NCEP) are also confirmed by the Law (preparation works for coal phase out, installations of 2 GW of solar PV in the next 2 years, reinforcement of existing onshore, promotion of hybrid and Energy storage, offshore wind, hydrogen, etc.).

Energy efficiency, e-mobility and economic incentives for decarbonization are also among the government priorities. On July 10 the Ministry Council officially approved the NCEP setting 2030 Renewable targets. The Plan commits to a 47% RES contribution that translates into 80% RES-E. According to the NCEP, Portugal expects to reach 9,3 GW of wind and 9 GW of solar PV by 2030.

Additionally, on 9 June 2020 the Council of Ministers approved the Supplementary Budget for 2020. The proposed law amends the State Budget law for 2020, allowing the materialization of the Economic and Social Stabilization Program.

On 10 July 2020 the Ministry Council officially approved the Portuguese National Energy and Climate Plan (NCEP) setting 2030 Renewable targets. The Plan commits to a 47% RES contribution that translates into 80% RES-E. According to the NECP, Portugal expects to reach 9,3 GW of wind and 9 GW of solar PV by 2030.

DL 35/2013 introduced the tariff extension regime for wind producers: in exchange of 5.8 k€/MW payment from 2013 to 2020, producers were entitled to enter a cap and floor regime of 74 and 90 €/MWh during seven years once the initial tariff is exhausted. Both payments and cap and floor values were subject to indexation:

- From 2023 to June 2020 based on the Kn factor, which envisages an annual adjustment for the difference between CPI and 2%

- After June 2021 with CPI, applied over the reference value

So far, ERSE has applied literally the indexation formulas, that is, individually on each year, without cumulation. Despacho n.º 6304/2021, published in June 2021, set that kn shall be applied on a cumulative basis, meaning that in 2020 the initial floor value of 74 €/MWh would change to 66 €/MWh. The Despacho mandated ERSE to regularize payments and to apply the new methodology in the next update to be applied already in July 2021.

The European Commission adopted in June 2021 a positive assessment of Portugal's Recovery and Resilience Plan. The Plan total 13,9 b€ of grants and 2,7b€ in loans and devotes 38% of its total allocation to measures that support climate objectives. This includes investments to finance a large-scale renovation programme to increase the energy efficiency of buildings or the promotion of energy efficiency and the use of alternative energy sources in industrial processes.

In January 2022, a new Decree Law governing the functioning of the SEN (National Energy System) was approved. The legislation had been under public consultation. The new DL has been structured into five fundamental axes, namely the administrative activity of control of the activities of the SEN, networks planning, the introduction of competitive mechanisms for the exercise of the SEN's activities, the active participation of consumers in generation activities and in markets, and, the legislative framework for the development of new realities (such as repowering, hybridization and storage). The DL also transposes into national law EU directive 2019/244 regarding internal electricity market rules and the Renewable Energy Directive.

Regarding renewables, the DL keeps the three options to obtain grid connection (general, agreement and auction) and includes a payment of 1,5k€/MW in the general case and an obligation to install self-consumption devices for the municipalities equivalent to 0.3% of the connection capacity (or a compensation of 1,5k€/MW). Also, the DL includes deadlines to obtain production licenses and set the obligation to generators to present a "decommissioning plan" for the facility. Repowering of power plants is allowed up to 20% or more, until the NECP targets are achieved (and the original remuneration scheme can be kept by the repowered assets).

Regulatory framework for the activities in France

The electricity sector in France is primarily governed by Act 2000-108 passed on 10 February 2000, which constitutes the general legislative framework for the operation of generation facilities.

Act 2000 allowed wind operators to enter into long-term agreements for the purchase and sale of their energy with electricité de France (EDF), the national incumbent. The tariffs were initially set in 2006, then updated in the "Arrêté du 17 novembre 2008" at the following level: i) during the first ten years of the EDF Agreement, EDF would paid a fixed annual tariff, set at €82/MWh for wind farms that had made the application in 2008 (after 2008, this tariff was updated using an inflation-related index); ii) During years 11 to 15 of the EDF Agreement, the initial tariff would be revised considering the load factors achieved by the facility iii) After year 16, no specific support scheme would be granted (wind farms would need to sell the energy in the market and would receive market prices).

In July 2015, the "Energy Transition Bill", whose aim was to build a long-term and comprehensive energy strategy, was passed. In 66 articles, the bill included ambitious emission reduction targets while it also targeted to reduce fossil fuels use (including nuclear). Regarding renewables, the Energy Transition Bill increased the renewable target up to 32% by 2030.

A new Contract-for-difference (CfD) was released in December 2016 in line with the European "Guidelines on State aid for environmental protection and energy 2014-2020". According to this new scheme, wind farms having requested a PPA in 2016 would receive a 15-years CfD, being the strike price (and the terms of the tariff) very similar to the previous feed-in tariff.

From 2017 onwards, wind farms of more than 6 wind turbines (and more than 3 MW per turbine) would need to participate in competitive tenders to obtain a 20-year CfD. The first tender was held in November 2017. However, smaller wind farms (with 6 turbines or less, and 3 MW per turbine or less) would be exempted from participating in tenders.

On 27 November 2017, the “Pluriannual Energy Planning” (PPE) was released. According to the PPE, 40% of the energy would be produced from renewable sources by 2030.The PPE included different targets for renewables: 35,6-44,5 GW of solar capacity, 34-35,6 GW of onshore wind and 4,7-5 GW of offshore wind, by 2028.

On 29 November 2017, the government approved the Décret 2018-1054 aimed at accelerating legal procedures following claims against the administrative authorization of wind farms. In particular, the Decree removes the two-level court system in the event of litigation.

The third offshore round took place in March 2019 with all major players participating (grouped in 10 consortiums).

The French Parliament approved on 26 September 2019 the so-called “Energy and Climate Law”, committing the country to carbon-neutrality by 2050. The adoption of the Energy-Climate law constitutes a major step toward achieving the government's ambition to address climate change by becoming carbon neutral by 2050. This objective represents a reduction of France's greenhouse gas emissions by a factor of more than six compared to 1990’s emission level. In order to achieve carbon neutrality by 2050, the Energy-Climate law provides for the reduction of fossil fuels consumption by 40% by 2030 (instead of the previous 30% target) and for the end of coal-based electricity generation by 2022. The law provides that the share of nuclear in the electricity mix should be reduced to 50% by 2035.

Regarding wind energy, the law redefines the authority responsible for permitting onshore wind projects. Concerning offshore wind, the law also includes a higher target of auctioning 1 GW of capacity until 2024 (doubling the volumes defined by France’s initial energy plan published in January 2019).

A new version of the PPE (Programmation Plurianuelle de l´Énergie) was approved in 2020, in line with the final version of France’s NECP (National Energy and Climate Plan). It increased offshore wind targets vs. the previous version whilst decreased solar PV’s. In total, the PPE sets that France will need to achieve between 33,2 and 34,7 GW of onshore wind in 2028, 5,2-6,2 GW of offshore wind and 35,1-44 GW of solar PV. The PPE also includes a schedule of tenders to be held between 2020 and 2034.

The French Assemblée Nationale approved on 21 March 2020, a law introducing the “State of health emergency” during the coronavirus pandemic. The law includes measures limiting private liberties (such as lock-downs and requisitions) and contains provisions regarding postponing the second round of the French municipal elections, economic measures to support the economy and other measures impacting the French justice and labour law. Measures easing restrictions across the country were applied from May 11. Economic rescue packages could amount to up to 110 billion euros, and will include guarantees, loans, moratorium on debt repayments, among others. In the renewables sector, extensions of several deadlines have been envisaged to cope with delays and the sector has itself been declared “strategic”. Test periods for CR16 and CR17 projects have been extended 3 months. Additionally, a 7-month extension of COD deadlines has been announced but will be restricted to wind and solar projects with (i) COD initially scheduled after March 12th, (ii) remuneration scheme granted before or during the period March 12 to June 23 and (iii) nominal capacity less than 200 MW.

On 8 September 2020 France published a hydrogen commitment, exceeding previous European national strategies, by pledging 6.5GW of electrolyser capacity by 2030. The plan came after the French government announced an economic recovery plan due to the coronavirus outbreak of €100bn, including €30bn entirely devoted to ecological transition. The newly hydrogen strategy included a commitment of €7bn budget for low-carbon hydrogen between 2020-2030.

The European Commission endorsed in June 2021 the French Recovery and Resilience Plan. According to it, the EU will disburse 39,4 b€ in grants. The Plan devotes 46% of the total allocation to measures that support climate objectives. It features significant investments in R&D and innovation, in particular in the field of green technologies that should promote they deployment of renewable hydrogen.

In April 2021, the Energy Regulator (CRE) released the new set of rules (“Cahier des Charges”) that will govern auctions (both technology-specific and neutral) from the second half of 2021 until 2026. According to the document, there will seven types of tenders for a total of 34 GW of new renewable capacity (including: (i) ground-mounted solar PV, ii) building-mounted solar PV, (iii) onshore wind, (iv) hydro, (v) innovative solar, (vi) self-consumption and (vii) technology neutral tenders). Winning projects will be supported by 20-year CfD. The European Commission gave green light to the Cahier des Charges in August 2021, under the EU State aid rules.

Law No. 2021-1104 on combating climate change and strengthening resilience ("The Climate and Resilience Law") was adopted on 24 August 2021. The law is regarded as a text aiming at supporting the ecological transition by helping France reach its 40% emission reduction targets by 2030. In particular, the law seeks to improve the air quality of large cities, support building renovation, promote electric mobility, among other objectives. Regarding solar PV, a cost reduction for the grid connection of small PV systems is included, and the solarization of new buildings. With regards to onshore wind, the law finally did not include a right for mayors to veto wind projects (they will be mandatorily consulted prior to any work but won´t have a right to veto). Finally, the law includes several provisions seeking to accelerate/streamline renewables development. For example, in order to ensure better implementation of renewable targets, specific targets will be set at a regional level, with local authorities having to implement specific territorial objectives.

Regulatory framework for the activities in Poland

The legislation applicable to renewable energy in Poland was initially contained in the "Energy Act" passed on 10 April 1997, which was subsequently amended in 2002 and 2004.

The Energy Act introduced a Green Certificate scheme with mandatory quotas. According to the scheme, energy suppliers are required to: a) purchase GC and submit them to the Energy Regulator, or b) pay a substitution fee calculated in accordance with the Energy Act. If suppliers fail to meet their obligation (either the submission of GC or the payment of substitution fee), they must pay a fine, equal to 130% of the substitution fee in that year.

The Green Certificate scheme was replaced in 2015 by a new system, consisting in Contracts-for-Difference (CfD) granted through competitive tenders. However, the law guaranteed that the GC scheme would be maintained (with some adjustments) for operating plants. The law also introduced the possibility for operating plants to voluntary shift to the CfD system, through specific tenders for operating assets.

In June 2016, after a long approval process, the so-called "Wind Turbine Investment Act" was approved, including (i) new minimum distance for new wind farms and (ii) higher real estate tax burden.

In July 2017 a new methodology to calculate the substitution fee was approved. According to the new formula, the substitution fee would be calculated every year as 125% of the average CG market price of the previous year capped at 300PLN.

In October 2018, the Energy Regulatory Office published a call for the first auction in Poland in which wind onshore and solar PV with capacity above 1MW could participate to get a 15- year CfD. The first auction was held in November 2018.

Poland's National Energy and Climate Plan (NECP) was sent to the European Commission in December 2019. The Plan targets a 23% share of renewable energy in 2030. In addition, the share of renewables in electricity generation will rise to 32% in 2030. Onshore wind installed capacity could increase up to 9,6 GW in 2030 while offshore wind to 3,8 GW in 2030 and 8 GW in 2040.

On 13 March 2020, the Minister of Health announced a state of epidemiological threat in Poland, which is a legal situation aimed at introducing measures to reduce the spread of COVID-19. Following the announcement, some restrictions were approved, including the prohibition on entering the territory of Poland for foreigners, the obligation of a 14-day home quarantine or the suspension of all international flight and railway connections, among others. The restrictive measures started to be lifted on April 20th. Several economic relief measures, the so-called government anti-crisis shields, were approved since the start of the state of epidemiological threat. In particular, the following ones apply to renewable producers:

- renewable projects awarded in the 2018 and 2019 auctions would benefit from COD extensions (up to 12 months), if some delays are proved (for example, (i) delays in the delivery of equipment that is part of the installation, (ii) in the construction or (iii) the grid connection, among others);
- also, power companies will be obliged to adjust in the grid connection agreements the date of the first delivery, considering the deadlines extensions.

In February 2021, the Polish Government announced the approval of the "Poland's energy policy until 2040", which is based on 3 pillars: a just transition, a zero-emission energy system and a good air quality. According to the document, in 2040, zero-emission sources will constitute more than half of the installed capacity, with special focus on offshore wind and nuclear power plants. Due to the adopted assumptions, the use of coal for electricity production is expected to drop to 37% in 2030 (being the current level 70%) and 28% in 2040.

After months of consultations, the offshore wind law was finally published in February 2021. The law set the regulatory framework for the development of offshore wind energy in the Baltic Sea. The regulation approved a new remuneration scheme for offshore wind, that will be introduced in two phases. In the first one, support will be granted by administrative decision (for a total of 5,9 GW). Then, in a second phase, support will be granted via competitive auctions, with the first auction taking place in 2025.

In May 2021 Poland submitted to the European Commission its National Recovery and Resilience Plan. Poland has requested a total of 23,9 b€ in grants and 12,1 b€ in loans. The Polish Plan is structured around five pillars of resilience of the economy, including green energy. In particular, it includes measures improving air quality and the development of renewable energy sources. The EU Commission will now assess the Polish plan within the next months and translate its contents into legally binding acts if all the criteria are met.

A new renewable auction was held in June 2021, awarding CfDs to 1,2 GW of solar PV and 0,3 GW of onshore wind.

In August 2021, new GC quotas for the year 2022 were announced: 18.5% for green certificates (below 19.5% in 2021) and 0.5% for the so-called "Blue certificates" (that confirm that the energy is produced from agricultural biogas).

The President of the Republic signed an Act amending the Renewable Energy Act on 17 September 2021. Key changes include extending the period of auctions for sale of energy from renewables until the end of 2027 (thus, extending CfD maximum delivery date to June 2047) and setting auction volumes for the period 2022-2027 in a single regulation of the Council of Ministers. The law also modifies the period of settling a negative and positive balance (the period is extended from 10 to 15 days) and provides for modified rules for settling positive balances. The Amendment also simplifies the way in which the Spatial Planning and Land Development Act applies to investors. In particular, the Amendment modifies the capacity limit for RES and allows free-standing photovoltaic devices with a capacity of up to 1 MW to be constructed on poor-quality agricultural lands or on rooftops (without capacity threshold), regardless of whether the municipality's study designates such areas as being potential locations of RES investments.

The European Commission approved, under EU State aid rules, these amendments of the Renewable Energy Law.

Regulatory frameworks for the activities in Romania

A Green Certificate mechanism was introduced in Romania in 2005 to promote renewable energies and to comply with the European renewable targets. According to this scheme, electricity suppliers and industrial consumers are obliged to source a certain amount of GC every year (a fine is applicable if this annual quota is not met). On the other side, renewable generators receive GC by each MWh produced.

Law 220/2008 of November, introduced some changes in the initial GC system, improving the framework for renewable generators. In particular, it increased the amount of GC to be received by wind generators (from 1 GC/MWh to 2 GC/MWh until 2015 and 1 GC/MWh from 2016 onwards). The law also guaranteed that the trading value of GC would have a floor of 27€ and a cap of 55€.

Law 123/2012 of 19 July 2012 on Electricity and Natural Gas eliminated the provision of bilateral contracts not publicly negotiated as a mean to sale electricity. Thus, the trading of electricity could only be carried out on a centralized market.

The Romanian Parliament approved Law of 17 December 2013, introducing several changes to the GC scheme and in particular:

- For operating renewable plants: decision to postpone (or "freeze") part of the granted GC:
    - wind generators would have 1 GC (out of 2 GC) postponed from trading from 1 July 2013 to 31 March 2017;
    - solar generators would have 2 GCs (out of 6 GCs) postponed from trading from 1 July 2013 to 31 March 2017;
    - postponed GC would be gradually recovered until 31 December 2020 (starting on 1 April 2017 for solar PV and 1 January 2018 for wind).
- For new renewable plants: decision to reduce the amount of granted GC:
    - wind facilities would receive 1.5 GC/MWh until 2017 and 0.75 GC/MWh from 2018 onwards;
    - solar facilities would only receive 3 GC from 1 January 2014 onwards;
    - these GC could be immediately traded.

On 24 March 2014, the President of Romania approved EGO 57/2013 with the following amendments: (i) Reduction of the GC validity from 16 months to 12 months; and (ii) the obligation for ANRE (Energy Regulator) to communicate in each year the GC quota for the following year. Other amendments were introduced in 2015 by Law 122/2015. Among other changes, the law included: (i) supplier's obligation to purchase GC on a quarterly basis (ii) the inclusion of imported electricity in the GC scheme, and (iii) the removal of the right to receive GC for the electricity sold at negative prices.

In March 2017, the government approved a new emergency ordinance (EGO 24/2017) to further amend the renewable law 220/2008. As expected, the GC scheme was extended until 2031 (GC will remain valid until March 2032). The Ordinance also confirmed the removal of the indexation of the GC parameters (GC floor would remain fixed at 29,4€ and GC cap would be fixed at 35€). Regarding wind energy, the ordinance approved the extension of the GC recovery period from 2018 to 2025, while solar PV's GC postponement was extended until the end of 2024 (the recovery will take place from 2025 to 2030).

The State of emergency was declared on 16 March 2020, through presidential Decree 195/2020. The Decree aimed at controlling the spread of COVID-19. Among others, the Decree included restrictions of certain rights (introducing for example compulsory quarantines). It also included the possibility of price controls for certain goods and/or services (for example, of electricity prices). The State of emergency was subsequently extended until May 16th. During the State of emergency period, the government released several economic relief measures such as extension of payment deadlines for local taxes, a tax debt restructuring program, a reduction of the monetary interest rate, among others.

ANRE published Order 61/2020 of 31 March 2020 stating that negative prices would be allowed from September 2020 in line with Order 236/2019.

Emergency Ordinance 74/2020, amending the Energy Law 123 was approved on 14 May 2020 allowing PPAs signed outside the centralized markets for new renewable projects operating from June 2020.

In June 2020, the Romanian Energy Ministry proposed a Memorandum with the basic characteristics of a potential CfD scheme, addressed at low carbon technologies (renewables, CCS and ESS).

On 9 December 2020 Order no. 213/2020, approving the single imbalance price was finally published on the Official Gazette (in force since February 2021). The methodology introduces a single imbalance price except for those cases when the system is almost balanced when a double price is calculated. The implementation of the new imbalance price was coincident with the 15-minute settlement introduction, in line with EU regulation.

Romania submitted its Recovery and Resilience Plan in May 2021. In September 2021, the European Commission endorsed the Plan, and will disburse €14.2 billion in grants and €14.9 billion in loans under the Recovery and Resilience Facility (RRF). The EC's assessment finds that the plan devotes 41% of the total allocation on measures that support the green transition. It includes measures to phase out coal and lignite power production by 2032.

On 29 October 2021, the Romanian Parliament Endorsed Law 259/2021, which approved and put into action Government Emergency Ordinance 118/2021. The Ordinance immediately came into force on 1 November. It contains measures to alleviate the burden of the current rise in energy price such as direct financial support and a reduction of taxes paid by end-consumers. For example, the Law added a price cap mechanism until 31 March 2022 which applies to household customers and other selected customers (hospitals, NGOs, etc) to cap the final price for electricity to RON 1/kWh and natural gas at RON 0,37/kWh. The differences between the average prices and the capped prices will be reimbursed from the state budget, through a separate budgetary expense.

Also, the Law includes a windfall tax for electricity producers: until 31 March 2022, the additional income obtained by electricity producers and resulting from the difference between the average monthly selling price of electricity and the price of RON 450/MWh will be taxed at 80%. However, this tax only applies to CO_2-free generation facilities and will not apply to producers of electricity based on fossil fuels, including cogeneration.

Regulatory frameworks for the activities in Italy

On 6 July 2012, the Government approved a new renewable framework by means of the Decree on Renewables (DM FER) introducing a feed-in-tariff support scheme. The key aspects of this regulation provided by the DM FER were the following: (i) wind farms over 5 MW would be remunerated under a feed-in tariff scheme defined by tenders; (ii) capacity to be tendered would be determined in line with the agreed technologies' capacity paths; (iii) the reference tariff for 2013 was 127 €/MWh for onshore wind and tender participants would bid offering discounts on this reference tariff (in %); (iv) The reference tariff would decrease 2% per year and (v) tariffs would be granted for 20 years.

The new system replaced the previous one based on GCs. Under the previous system, producers obtained their revenues from the sale of the electricity in the electricity market and from the sale of GCs. Wind farms built until December 2012 continued to operate under the previous system until 2015 (from 2015 onwards, the GC system was transformed into a feed-in-premium in which, for the remaining duration of the original incentive period, the value was set at 78% of the difference between €180 and the electricity price).

Spalma Incentivi Decree, published in November 2014, stipulated that wind farms under the GCs scheme could voluntarily adhere to an extension of the support period of 7 years in exchange of a permanent reduction of the premium/GCs received, being the coefficient of reduction calculated individually for each wind farm depending on their remaining regulatory life. As the option was voluntary, wind farms that refused to accept this change remained under previous GCs scheme.

On 10 November 2017, The Strategia Energetica Nazionale (National Energy Strategy), known by the acronym SEN, was presented after several months of public consultation. One of the main features of the SEN is that it included the complete phase-out of coal power generation by 2025, five years ahead of schedule. The SEN also highlighted the role of renewables and targeted that renewable energy would increase to 28% of energy consumption in 2030. According to the SEN, the RES-E (renewables in electricity production) would increase up to 55% in 2030.

The Italian Ministry of Economic Development signed in July 2019 a decree implementing a new set of auctions to be held between 2019 and 2021, seeking to allocate around 5,5 GW of wind and solar PV.

On 9 March 2020, a national quarantine, restricting the movement of the population was approved, in response to the growing pandemic COVID-19 . A gradual ease of restrictions started on May 4. Regarding the electricity sector, several measures were introduced, including a suspension of all bureaucratic terms for renewables since March 13, a relief of several reporting obligations, the implementation of transitory measures between 10 March and 30 June 2020 to limit the burden of imbalance costs and an extension of all permits expired during the emergency state of 90 days, among others.

On 27 April 2020, Italy presented its National Recovery and Resilience Plan (NRRP) which will support the implementation of the crucial investment and reform measures following the COVID-19 pandemic. The European Commission adopted a positive assessment of the Plan in June 2021. The Plan will provide € 68,9 b in grants and € 122,6 b in loans. The share of climate projects is 37% of the total and, to achieve a progressive decarbonization, interventions are planned to significantly increase the use of renewables.

The Italian government released the so-called "Decreto Semplificazione" in May 2021 and was officially converted into law in July. The Decree seeks to simplify administrative procedures (in particular, regarding public procurement and concessions). It defines the regulatory framework aimed at simplifying and facilitating implementation of the goals and objectives established in its "National Recovery and Resilience Plan" and in its "National Energy and Climate Plan". It also rationalizes the role of the Minister of Culture, whose opinion won´t be binding in locations outside protected areas, and it provides a series of measures aimed at streamlining the obtention of the VIA (environmental authorization).

Regulatory frameworks for the activities in Greece

Renewables projects in Greece are supported by 20-year feed-in premiums (Contracts-for-Difference) awarded through auctions. The first full-scale renewables auction was held on 2 July 2018, with 277 MW of capacity awarded.

On 15 April 2019, the first technology-neutral renewable auction (for onshore wind and solar PV) was held.

In December 2019, Law 4643/2019 on the liberalization of the Greek energy market, the modernization of the Public Power Corporation (PPC), the privatization of the Public Natural Gas Company (DEPA) and the support of the renewable energy sector, was passed. The law introduced significant changes to the electricity market. Regarding renewables, the law set out the possibility to renewable plants with a capacity exceeding 250 MW (or aggregated capacity at the same connection point exceeding 250 MW) to directly agree with the Ministry of Environment and Energy a selling price (provided the EU Commission gives the green light). The law also stated that renewable generators under the fixed-tariff scheme had to be balancing responsible (although it is only applicable to renewable projects in operation after July 2019).

Greece, as all EU Members, submitted its National Energy and Climate Plan (NECP) in December 2019. It includes ambitious renewable targets (35% RES target by 2030) and the complete phase-out of coal facilities by 2028.

The government announced a total lockdown in the country starting on 23 March 2020, in an attempt to reduce new coronavirus cases. However, measures progressively started to ease on May 4.

The Greek government approved extensions of power facilities deadlines due to the COVID-19 crisis (legislative Act OG A'75/30.3.2030). The Act stated that installation licenses and binding grid connection offers which were about to expire would be extended 4 or 6 months (depending on expiring date). Also, deadlines for connecting projects which had been selected through auctions, would also be extended 4 or 6 months (also depending on the deadline).

The European Commission favourably reviewed Greece's electricity market in a 7th post-bailout report on the country's economy. It issued however a warning on the RES special account deficit, although it attributed the deficit to the pandemic. In November 2020 Greece launched into operation the "EU electricity Target Model", which is the basis for the development of the Single market in Europe. It includes a day-ahead, and intra-day and balancing market (the future market was already operating). Thus, the EU harmonization of the Greek electricity market is now effective. In addition, the Greek day-ahead market was coupled with the Italian one in December 2020 and with the Bulgarian one in May 2021.

On 9 December 2020, Law 4759/2020 introduced several measures to reduce the RES Account Deficit, which is the Fund that supports renewable projects. These measures were (i) a "one-time extraordinary contribution" of 6% on the turnover of 2020 for old renewable projects (projects that started operations before 31 December 2015) (ii) A "one-time emergency charge" on suppliers equal to 2€/MWh during 2021, (iii) an increased percentage of emissions allowances sales at 78% (vs. 65% previously), (iv) a green tax on diesel consumption of 0,03€/liter and (v) Re-orientation of revenues from the Special Fee for issuance of Certificate of Electricity Producer from RES currently paid to regulator.

On 23 August 2021, the government announced that the RES special account would be split into two, to protect producers' revenues. As a result, a new RES special account for projects operating since January 2021 will be created. This new account will be supported by the "Dynamic Renewable Charge", that will be paid by electricity suppliers and then passed on to their customers.

The European Commission adopted a positive assessment of Greece's Recovery and Resilience Plan in June 2021. Greece had requested 17,8 b€ in grants and 12,7 b€ in loans under the Plan. The Plan devotes 38% of Greece's total allocation to measures that support climate objectives, including upgrading the electricity network and strengthening the support scheme for producers of renewable energy sources, among others.

The European Commission approved in November 2021, under EU State aid rules, a €2,27 billion Greek scheme for the production of electricity from renewable sources and high efficiency combined heat and power (CHP). This approval came after Greece notified the Commission of its intention to approve a new scheme to support electricity for renewable sources. For both onshore wind and solar installations, support will be awarded through a joint competitive tendering procedure (although separate auctions are also envisaged in case targets are not met). Winning projects will be awarded two-way contract-for-difference contracts. The scheme is expected to start in March 2022 and will be opened until 2025.

Regulatory frameworks for the activities in UK

A Energy Bill, that received royal assent on 18 December 2013, became law making the Contract for Difference (CfD) regime official in the UK. The UK Government also released the Electricity Market Reform (EMR) Delivery Plan on 19 December 2013.

In the new system, CfDs have a 15-year length for renewables (except for biomass conversions) and are granted through tenders. The "established technologies", which include onshore wind and solar PV, compete for budgets in different allocation rounds. Less mature technologies, such as offshore wind, compete in a separate "pot".

CfDs are based on a strike price for each technology. When the pool price falls below the strike price, generators receive a top-up payment. However, if it increases above the strike price, generators have to pay this difference back.

In June 2019, a new legally binding net-zero emissions target by 2050 was passed into law, amending Great Britain's existing 2008 Climate Change Act. The target will require the UK to bring all greenhouse gas emissions to net zero by 2050, compared with the previous target of "at least" 80% reduction from 1990 levels. In order to achieve the target, several measures are proposed, including the support to new renewables facilities through CfD awarded through tenders.

The UK officially left the EU on 31 January 2020, following the signature of the "Withdrawal Agreement" with the EU. The UK officially completed its economic separation from the European Union on 31 December 2020, after the end of the transition period in which the UK kept the same rules as the remaining 27 countries while it tried to negotiate a post-Brexit trade deal with the EU. After months of intensive negotiations, the UK and the EU announced a free trade deal on December 24. The agreement provides for zero tariffs and zero quotas on all goods that comply with the appropriate rules of origin. Regarding the energy field, the agreement provides a new model for trading and interconnectivity although the final day-ahead power market coupling rules between the EU and the UK are not expected to be in place until early 2022. In the meantime, interim arrangements will apply. The EU commission has also announced that there will be "ambitious" cooperation over renewable energy and climate action.

The Government announced on 30 June 2021 that the coal phase-out would be brought forward by a year, so that from 1st October 2024, no coal facilities could be producing electricity in the country.

Regulatory frameworks for the activities in Brazil

The Electricity Sector in Brazil is regulated by Federal Law nr 8,987 of 13 February 1995, which generally rules the concession and permission regime of public services; Law nr 9,074 of 7 July 1995, which rules the grant and extension of public services concession or permission contracts; Federal Law nr 10,438 of 26 April 2002, which governs the increase in Emergency Electric Power Supply and creates the 3,300 MW Program of Incentives for Alternative Electricity Sources (PROINFA); Federal Law nr 10,762 of 11 November 2003 and Law nr 10,848 of 15 March 2004, concerning commercial rules for the trade of Electric Power; and, subsequent amendments to the legislation.

The institutions that ensure a proper development and functioning of Electricity Sector in Brazil are: a) the Energy Research Company ("EPE"), responsible for long term planning in the electric sector; b) the Electric Sector Monitoring Committee ("CMSE"), responsible to continuously assess the security of electricity supply, c) the Chamber for the Commercialization of Electric Energy ("CCEE"), an institution dealing with commercialization of electricity in Interconnected System, d) National Electricity Regulatory Agency ("ANEEL"), responsible for regulating and inspecting the electricity sector, as well as establishing the tariff for the consuming public and promote energy auctions together with MME, EPE and CCEE; f) Ministry of Mines and Energy (MME) responsible for the creation and implementation of policies, acting as the Conceding Authority; g) the National Electric System Operator (ONS), which is responsible for the coordination of real time operation and supervision of the energy generation and transmission grid.

Federal Law nº 9.427 of 26 December 1996 establishes the possibility of Renewable Energy producers to sell directly to the final consumer(s) (aggregated demand > 500kW), at any voltage level. As part of the regulatory incentive framework, Renewable Energy producers (small hydro, biomass, wind and solar) are granted a reduction of, at least, 50% in the Distribution and Transmission System Use Tariff (TUSD and TUST) provided that pre-defined rules are met. The Law nº 13.203 of 8 December 2015 extended the subsidy for larger solar, wind and biomass plants.

Renewable energy production from plants which receive the above-mentioned subsidy is defined as "incentivized energy", while the electricity production from no-incentivized sources is defined as "conventional energy". Special Consumers, the ones which consumption demand is above 500 kW and under 3 MW, are allowed to purchase electricity only from incentivized sources. Since July 2019, the minimum demand is gradually reducing, so that, as of January 2023 those Special Consumers will be allowed to purchase incentivized or conventional energy by their own free choice.

The Decree nr 5,025 of 30 March 2004, regulates the Federal Law nr 10,438 and states the "Alternative Energy Sources" economical and legal framework. PROINFA participants have granted a PPA with ELETROBRÁS, and are subject to the regulator (ANEEL) authority.

The Decree nº 5,163 of 30 July 2004 regulates the Federal Law nº 10,848, establishing two trading environments for sale and purchase energy: the Regulated Contracting Environment ("ACR"), with the participation of energy producers, traders and distribution agents, and the Free Contracting Environment ("ACL"), in which Producers, Traders, Importers & Exporters and Free Consumers participate.

In the ACR, distribution companies are allowed to buy “distributed energy” (local generation), by observing a limit of 10% of the total demand of each distribution agent. In terms of tariff moderation for Captive Consumers (consumption demand < 500 kW), Brazilian Energy Sector provides for the purchase of electricity by distributors through regulated auctions, subject to the lowest cost criteria, aiming to reduce the cost of acquisition of electric energy that is re-passed to captive customer tariffs. These auctions seek to provide the lowest possible price of electricity to be re-passed to the consuming public.

During the fourth quarter of 2019, Ministry of Mines and Energy set strategic lines of activities to be developed towards the modernization of the Brazilian electricity sector. One of the first measures taken relates to the PLD (short-term price), currently calculated on a weekly basis. Hourly PLD has been calculated on a test basis (“shadow operation”) since 2018, aiming to become economically effective as of 1 January 2021. It aims to improve efficiency between electricity production and consumption based on an efficient management of price formation and real-time operation.

The government has taken measures in response to Covid-19 impacts in main areas as the energy sector, by means of Decrees, Provisional Measures and changes in existing regulation. By the end of March, to ensure uninterrupted supply of energy to consumers, Decree nº 10.282/2020 reinforced electricity generation, transmission and distribution as essential activities. This included the equipment supply needed for operation and maintenance. By the end of April 2020, the range was extended to include construction works.

Through Normative Resolution nº 878/2020, the Brazilian Electricity Regulatory Agency (ANEEL) suspended energy supply cuts regardless of the consumers’ capacity of payment for 90 days as of 23 March 2020. In addition, the low-income population registered for lower tariffs (the Social Tariff program) will not undergo periodic checks over the next three months, and therefore will not be subject to the loss of the benefit.

Measures have also been taken to prevent distributors (DSO)´ s financial losses due to a potential high default rate, and consequently affect their stakeholders. In order to add liquidity, ANEEL authorized the transfer of resources from sector funds to distributors and consumers, totalizing R$2,43 billion so far.

Provisional Measure nº 950/2020 propose temporary use of resources from National Treasury, other sector funds and bank loans for DSO to be paid for all consumers, as well as new measures to subsidize low-income consumers, providing a 90-day exemption from paying the electricity bills.

ANEEL also released a first assessment of Covid-19 impacts to the energy sector, through which reinforced the need of maintenance of the economic and financial balance of contracts, preservation of contracts and the participation of all segments (generators, TSO, DSO, consumers) towards the best solutions.

On 23 June 2020, ANEEL enacted the Normative Resolution nº 885/2020 establishing the loan conditions to support the DSO in reducing the impacts of Covid, without resources from National treasury. A total of 19 banks led by BNDES will inject up to R$ 16,25 billion to “Conta Covid” and will be paid by consumers in 60 months. To benefit from the resources, the DSOs may declare they have the right to question any of the conditions in court, preserve the PPAs and limit the distribution of dividends in the case of a default.

In March 2020, the Chamber of Electric Energy Commercialization (CCEE) and the National Power System Operator (ONS) estimated a 0,9% decrease in total consumption for 2020 compared with last year, based on a “close to zero” variation of GDP due to the impacts of COVID-19 on economic activity. On May 1st, Ministry of Economy made a significant downward revision of GDP forecast, from 0 to 5% decline for the worst-case scenario of Brazilian economy. By the end of June 2020, Central Bank of Brazil updated the GDP projection for 2020 reducing it from -5% to -6,5%. Under this circumstance, demand for electricity is expected to further diminish.

Due to the uncertainties on future demand for electricity, the regulated auctions scheduled for 2020 are postponed. According to CCEE and ONS, it´s also an opportunity to revisit guidelines in order to introduce cheaper and more efficient power plants. One strategy proposed is to restrict the participation in regulated auctions to thermal plants which unit variable cost (CVU) are less than R$300/MWh, allowing for lower spot market prices (PLD).

The National Development Bank (BNDES), main financing institution announced several measures to support sectors of oil and gas, airports, ports, energy, transportation, urban mobility, health, industry and commerce and services.

Other measures regarding public health, tax and employment rules were announced in response to COVID-19.

On 1 September 2020, the Brazilian government issued the Provisional Measure ("MP") nº 988/2020 with the main purpose of reducing the electricity bills for consumers. The Brazilian Congress has a 120-day period to approve the MP and convert it into Law, otherwise it will become ineffective.

For renewable generators, the main impact is due to the cut in subsidies in the rates of the transmission and distribution system tariff within a 12-month deadline as of the MP enactment. Power plants authorized during this period and which requires an increase of power capacity will still be granted with the benefit and shall start commercial operation within a 48-month period after the published authorization. All those power plants already granted by the benefit before the MP are not affected. The end of subsidies must be compensated by the development of mechanisms based on the environmental benefits due to renewable energy sources related to low-carbon emission.

On 8 September 2020, the Law 14.052/2020 was finally enacted and establishes the conditions for hydro generators to renegotiate debts due to the hydrological risks, which caused a low Generation Scaling Factor ("GSF") during a prolonged drought, intensified by measures taken by the government to secure the national grid operation. The debt has been impacting the short-term market settlement, which currently involves more than R$ 9 billion. ANEEL has a 90-day period to propose a regulation, which must be, at first, submitted to a public hearing.

On 8 December 2020, MME announced a regulated auction schedule for the next three years (2021- 2023). Three kinds of auctions are expected aiming at contracting energy from new and existing power plants and the expansion of the transmission system. New energy auctions A-3/A-4 and A-5/A-6 for 2021 are scheduled to take place on June and September, respectively.

As of 1 January 2021, the short-term price (PLD) comes into effect in an hourly basis, after two years of shadow operation. Although, since the last year, the ONS has been operating based on the new dispatch model results, just now the hourly PLD became effective for the purpose of commercialization.

On 23 March 2021, ANEEL published the rules to compensate the lack of wind generation due to grid curtailments caused by systemic electrical limitations. The regulation for solar plants is expected for 2022.

On 6 December 2021, ANEEL published the normative resolution for the implementation of hybrid power plants, allowing potential synergies in terms of grid costs and energy production. In the same month, MME announced the regulated auctions scheduled for the next three years by means of Portaria MME nº 32/2021. A A-4 new energy auction will take place in 27 May 2022 starting supply as of 1 January 2026.

On 7 January 2022, Law 14.300/2022 was enacted establishing the regulatory framework for consumers to generate energy by means of micro (up to 75 kW) and micro (between 75kW and 5MW) distributed generation.

Regulatory frameworks for the activities in Vietnam

The Vietnamese Ministry of Industry and Trade (MOIT) introduced a wind feed-in tariff (FIT) in 2011 to encourage investment in the sector. Projects were granted a 20-year power purchase agreement (PPA) with EVN, the state utility. However, this first remuneration framework failed to spur wind deployment as investors considered that revenues under this scheme didn´t provide appropriate returns. In September 2019, the government released a new FIT scheme of around 85€/MWh for onshore projects and 98€/MWh for offshore wind projects, provided that projects were commissioned before 1 November 2021. Government officials are now evaluating the introduction of competitive auctions, but no regulation has been adopted yet.

Regarding solar PV, a first solar FIT was released in April 2017 but the scheme expired on 30 June 2019. A second solar FiT (the so-called FIT2) scheme was then announced in April 2020. Under the FIT2, solar PV projects were eligible for a 20-year PPA with EVN, and different prices were set depending on the size/type of solar facility. Solar projects were required to receive investment approval by 23 November 2019 and start operations before 31 December 2020 to be eligible for the FIT2. The government is now planning to implement a pilot auction program for solar power and a draft decision of the prime minister guiding the future auction system was released in February 2021. However, the scheme has still not been officially approved.

Vietnam Electricity Law (Law No. 28/2004/QH11 on Electricity, as amended by Law No. 24/2012/QH13) requires "national power development master plans" to be established for a 10-year period. The master plan serves as a basis for future power development in the country, applicable to all investment in the sector. The Government set the plan for the period 2011-2020 in the "Power Development Plant VII" in 2011. However, in 2016, the Plan was adjusted in order to increase renewable targets and to provide a vision to 2030. A new master plan is now due and MOIT released a first draft of a new Plan for the period 2021-2030, with a vision to 2045.

02. Accounting policies

A) Basis of preparation

The accompanying consolidated annual accounts (financial statements hereinafter) reflect the results of EDP Renováveis, S.A. and its subsidiaries (EDPR Group or Group) and the Group's interest in its joint ventures and associated companies. The consolidated financial statements for 2021 have been prepared to present fairly the consolidated equity and consolidated financial position of EDP Renováveis, S.A. and subsidiaries at 31 December 2021, the consolidated results of operations, consolidated statement of comprehensive income, consolidated cash flows and changes in consolidated equity for the year then ended.

In accordance with Regulation (EC) no. 1606/2002 of 19 July 2002, of the European Council and Parliament, the Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU). IFRS comprise accounting standards issued by the International Accounting Standards Board (IASB) and its predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and their predecessor bodies.

The Board of Directors approved these consolidated annual accounts on 15 February 2022. The annual accounts are presented in thousand Euros, rounded to the nearest thousand.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified by the application of fair value accounting to derivative financial instruments, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, except those for which a reliable measure of fair value is not available. Assets and liabilities that are hedged under hedge accounting are stated at fair value in respect of the hedged risk. Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell. Liabilities for defined benefit plans are recognised at the present value of the obligation net of plan assets fair value.

In accordance with IFRS 3 - Business Combinations, if the initial purchase price allocation of assets, liabilities and contingent liabilities acquired is identified as provisional, in the subsequent 12 months after the business combination transaction, the legal acquirer should make the final allocation of the purchase price related to the fair value of the assets, liabilities and contingent liabilities acquired. These adjustments with impact on the amount of goodwill determined and booked in previous periods, originate a restatement of the comparative information, which is reflected on the Statement of financial position, with effect from the date of the business combination transaction.

The preparation of financial statements in accordance with IFRS requires the Board of Directors to make judgments, estimates and assumptions that affect the application of the accounting policies and of the reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and other factors considered reasonable in accordance with the circumstances, the results of which form the basis for making judgments regarding the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving the highest degree of judgment or complexity, or for which the assumptions and estimates are considered significant, are disclosed in note 4 - Critical accounting estimates and judgments in applying accounting policies.

Accounting policies have been applied consistently by all Group companies and in all periods presented in the consolidated financial statements. The new standards and interpretations recently issued but not yet effective and that the Group has not yet applied on its consolidated financial statements, are detailed in note 3.

Change on Investment Tax Credits (ITC) recognition - Institutional partnerships in North America

Based on EDPR expanded knowledge of the US Internal Revenue Service (IRS) recapture provisions and in order to be more aligned with industry standard due to the increase on solar investment, on 1 January 2021 EDPR has changed the recognition pattern of the Investment Tax Credits (ITC) from a pro-rata basis over the useful life of the underlying solar projects to the 5-year recapture period. Income recognition would commence at the later of the placed in-service date or the effective ITC payment date in the tax equity partnership tracking model. This will apply to both the deferred revenue in the consolidated solar tax equity partnerships and partnerships for which EDPR has an Investment in Associates.

This change in the accounting policy for the income recognition of the ITC does not have significant impacts in the financial statements as of 31 December 2021 and 31 December 2020.

B) Basis of consolidation

The accompanying consolidated financial statements reflect the assets, liabilities and results of EDP Renováveis, S.A. and its subsidiaries and the equity and results attributable to the Group, through the investments in associates and jointly controlled entities.

EDPR Group applies prospectively as from 1 January 2010, IFRS 3 (revised) for the accounting of business combinations.

Controlled entities

Investments in subsidiaries where the Group has control are fully consolidated from the date the Group assumes control over their financial and operating activities until the moment that control ceases to exist.

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, independently of the percentage of voting rights held.

Accumulated losses are attributed to non-controlling interests in the corresponding proportions held, implying that the Group can recognise negative non-controlling interests.

On a step acquisition process resulting in the acquisition of control the revaluation of any interest previously held is booked against the income statement. On a partial disposal resulting in loss of control over a subsidiary, any participation retained is revalued at market value on the sale date and the gain or loss resulting from this revaluation is booked against the income statement, as well as any gain or loss resulting from the disposal.

Jointly controlled entities

The Group classifies an arrangement as a joint arrangement when the jointly control is contractually established. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement. After determining the existence of joint control, the Group classifies joint arrangements into two types - joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement, so the assets and liabilities (and related revenues and expenses) in relation to its interest in the arrangement are recognised and measured in accordance with relevant IFRSs applicable.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement, so this investment shall be included in the consolidated financial statements under the equity method.

The consolidated financial statements include the Group's attributable share of total reserves and profits or losses of joint ventures, included in the consolidated financial statements under the equity method. When the Group’s share of losses exceeds its interest in a jointly controlled entity, the Group's carrying amount is reduced to zero and recognition of further losses is discontinued, except to the extent that the Group has a legal or contractual obligation to cover such losses on behalf of that entity.

Entities over which the Group has significant influence

Investments in associates are included in the consolidated financial statements under the equity method from the date the Group acquires significant influence to the date it ceases. Associates are entities over which the Group has significant influence, but not control, over its financial and operating policies.

The existence of significant influence by the Group is usually evidenced by one or more of the following:

- Representation on the Executive Board of Directors or equivalent governing body of the investee
- Participation in policy-making processes, including participation in decisions about dividends and other distributions
- Existence of material transactions between the Group and the investee
- Interchange of managerial personnel
- Provision of essential technical information.

The consolidated financial statements include the Group's attributable share of total reserves and profits or losses of associates, included in the consolidated financial statements under the equity method. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to zero and recognition of further losses is discontinued, except to the extent that the Group has a legal or contractual obligation to cover such losses on behalf of the associate.

Accounting for investments in subsidiaries and associates in the company's financial statements

Investments in subsidiaries and associates not classified as held for sale or not included in a disposal group which is classified as held for sale are accounted for at cost in the company's financial statements, and are subject to periodic impairment tests, whenever indication exists that certain financial investment may be impaired.

Business combination

From 1 January 2010 the Group has applied IFRS 3 Business Combinations (2008) in accounting for business combinations.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

Acquisitions on or after 1 January 2010

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

After that period, adjustments to initial measurement are only made to correct an error.

Acquisitions between 1 January 2004 and 1 January 2010

For acquisitions between 1 January 2004 and 1 January 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquire. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Purchases of non-controlling interests and dilution

In acquisitions (dilutions not resulting in a loss of control of non-controlling interests), the difference between the fair value of the non-controlling interests acquired and the consideration paid, is accounted against reserves. The acquisitions of non-controlling interests through written put options related with investments in subsidiaries held by non-controlling interests, are recorded as a liability for the fair value of the amount payable, against non-controlling interests. The fair value of the liability is determined based on the contractual price which may be fixed or variable. In case of a variable price, the changes in the liability are recognised against the income statement as well as the effect of the financial discount of the liability (unwinding).

Business combinations achieved in stages

In a business combination achieved in stages, on the date of obtaining control, the excess of the aggregate of (i) the consideration transferred, (ii) the amount of any non-controlling interest recognised in the acquiree and (iii) the fair value of the previously held equity interest in the acquired business; over the net of amounts of the identifiable assets acquired and liabilities assumed, is recognised as goodwill.

If applicable, the negative difference, after evaluating the consideration transferred, of the amount of any non-controlling interest recognised in the acquiree and the fair value of the previously held equity interest in the acquired business; over the net value of the identifiable assets acquired and liabilities assumed, is recognised in the income statement. The Group recognises the difference between the fair value of the previously held equity interest in the acquired business and the carrying value in consolidated results in Other income. Additionally, the Group reclassifies the deferred amounts in other comprehensive income relating to the previously held equity interest to the income statement or consolidated reserves, according to their nature.

Acquisition of assets out of the scope of IFRS 3

In order to assess whether an acquisition of an asset or a group of assets is a business, EDPR identifies the elements in the acquired entity (inputs, processes and outputs), assesses the capability to create outputs (it should have at a minimum, an input and a substantive process to be assessed as a business) and, finally, assesses the capability of market participants to continuing to create outputs (conducting the activities as a business).

In the case of an integrated set of activities that is in an early-stage of development and has not started to generate outputs, EDPR considers other factors to determine whether it constitutes a business, such as if: (i) planned principal activities have begun; (ii) employees, intellectual property, and other inputs and processes are present; (iii) a plan to produce outputs is being pursued; and/or (iv) access to customers who will purchase the outputs can be obtained. Generally, an early-stage entity that has employees capable of developing an output will be considered a business.

Therefore, in application of the above, EDPR concludes that IFRS 3 is not applicable when there are no outputs at the acquisition date due to an early-stage of development, and the acquired process(es) cannot be considered substantive. Thus, the acquisition of an asset or a group of assets that does not fulfill the conditions to be considered a business is classified as an acquisition of a company out of scope of IFRS 3.

Investments in foreign operations

The financial statements of the foreign subsidiaries and associates of the Group are prepared using their functional currency, defined as the currency of the primary economic environment in which they operate. In the consolidation process, the assets and liabilities of foreign subsidiaries are translated into Euros at the official exchange rate at the balance sheet date.

Regarding the investments in foreign operations that are consolidated using the full consolidation method and equity method, the exchange differences between the amount of equity expressed in Euros at the beginning of the period and the amount translated at the official exchange rates at the end of the period, on a consolidated basis, are booked against reserves.

Foreign currency goodwill arising on the acquisition of these investments is remeasured at the official exchange rate at the balance sheet date directly against reserves.

The income and expenses of foreign subsidiaries are translated into Euros at the approximate exchange rates at the dates of the transactions. Exchange differences from the translation into Euros of the net profit for the period, arising from the differences between the rates used in the income statement and those prevailing at the balance sheet date are recognised in reserves.

On disposal of a foreign subsidiary, the related exchange differences previously recognised in reserves, are accounted for in the income statement.

Balances and transactions eliminated on consolidation

Inter-company balances and transactions, including any unrealised gains and losses on transactions between group companies, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in those entities.

Common control transactions

The accounting for transactions among entities under common control is excluded from IFRS 3. Consequently, in the absence of specific guidance, within IFRSs, the EDP Renováveis Group has developed an accounting policy for such transactions, as considered appropriate. According to the Group's policy, business combinations among entities under common control are accounted for in the consolidated financial statements using the EDP consolidated book values of the acquired company (subgroup). The difference between the carrying amount of the net assets received and the consideration paid, is recognised in equity.

Put options related to non-controlling interests

EDP Renováveis Group records written put options at the date of acquisition of a business combination or at a subsequent date as an advance acquisition of these interests, recording a financial liability for the present value of the best estimate of the amount payable, irrespective of the estimated probability that the options will be exercised. The difference between this amount and the amount corresponding to the percentage of the interests held in the identifiable net assets acquired is recorded as goodwill.

Until 31 December 2009, in years subsequent to initial recognition, the changes in the liability due to the effect of the financial discount are recognised as a financial expense in the consolidated income statement, and the remaining changes are recognised as an adjustment to the cost of the business combination. Where applicable, dividends paid to minority shareholders up to the date the options are exercised are also recorded as adjustments to the cost of the business combination. In the event that the options are not exercised, the transaction would be recorded as a sale of interests to minority shareholders.

As from January 2010, the Group applies IAS 27 (2008) to new put options related to non-controlling interests and, therefore, subsequent changes in the carrying amount of the put liability are recognised in profit or loss.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount of the investment recognised in profit or loss. Fair value is the initial carrying amount for the purposes of the subsequent recording of the interest retained in the associate, joint venture or financial asset. In addition to that, any amount previously recorded in other comprehensive income in relation to that entity is recorded as if the Group had directly sold all the related assets and liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership of a holding in an associate is reduced but significant influence is retained, only the proportional part of the amounts previously recognised in other comprehensive income will be reclassified to the income statement.

C) Foreign currency transactions

Foreign currency transactions are translated at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated into Euros at the exchange rates at the balance sheet date. These exchange differences arising on translation are recognised in the income statement as financial results.

Foreign currency non-monetary assets and liabilities accounted for at historical cost are translated using the exchange rates at the dates of the transactions. Foreign currency non-monetary assets and liabilities stated at fair value are translated into Euros at the exchange rates at the dates the fair value was determined.

D) Derivative financial instruments and hedge accounting

Derivative financial instruments are recognised on the trade date at fair value. Subsequently, the fair value of derivative financial instruments is re-measured on a regular basis, being the gains or losses on re-measurement recognised directly in the income statement, except for derivatives designated as hedging instruments. The recognition of the resulting gains or losses on re-measurement of the derivatives designated as hedging instruments depends on the nature of the risk being hedged and of the hedge model used.

The fair value of derivative financial instruments corresponds to their market value, if available, or to quotes indicated by external entities through the use of valuation techniques, which are compared in each date of report to fair values available in common financial information platforms.

Hedge accounting

The Group uses financial instruments to hedge interest rate risk, exchange rate risk and price risk resulting from its operational and financing activities. Derivatives not qualified for hedge accounting under IFRS 9 are accounted for as trading instruments.

Hedging derivatives are recorded at fair value, being the gains and losses recognised in accordance with the hedge accounting model applied by the Group. Hedge relationship exists when:

- The hedging relationship consists only hedging instruments and hedged items that are eligible as per determined in IFRS 9;
- At the inception of the hedge there is formal documentation of the hedging relationship and the Group's risk management objective and strategy for the hedge;
- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship;
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged assets and liabilities or group of hedged assets and liabilities that are attributable to the hedged risk. When the hedging relationship ceases to comply with the requirements for hedge accounting, the accumulated gains or losses concerning the fair value of the risk being hedged are amortised over the residual period to maturity of the hedged item.

Cash flow hedge

Changes in the fair value of derivatives qualified as cash flow hedges are recognised in reserves.

The cumulative gains or losses recognised in reserves are reclassified to the income statement when the hedged item affects the income statement.

When a hedging relation of a future transaction is discontinued, the changes in the fair value of derivative recognised in reserves remain recognised in reserves until the future hedged transaction occurs. When the future transaction is no longer expected to occur, the cumulative gains or losses recognized in reserves are recorded immediately in the income statement.

Net investment hedge

The net investment hedge model is applied on a consolidated basis to investments in subsidiaries in foreign currencies. This model allows that the exchange differences recognised in the currency translation reserve to be offset by the foreign exchange differences in foreign currency loans or currency derivatives contracted, recognised in Currency translation reserve - Net investment hedge. For cross currency interest rate swaps, the cross-currency basis spread and forward points are not designated into the hedge relationship, but deferred as a hedging cost in other comprehensive income, in Currency translation reserve - Net investment hedge - Cost of hedging, and recognized in profit or loss over the period of the hedge. The ineffective portion of the hedging relationship is recognised in the income statement.

The accumulated foreign exchange gains and losses regarding the net investment and the related hedging instrument recognised in equity are transferred to the income statement when the foreign currency subsidiary is sold, as part of the gain or loss resulting from the disposal.

Effectiveness

For a hedge relationship to be classified as such, in accordance with IFRS 9, its effectiveness must be demonstrated. Therefore, the Group performs prospective tests at the inception date and at each balance sheet date, in order to demonstrate its effectiveness, showing that any adjustments to the fair value of the hedged item attributable to the risk being hedged are offset by adjustments to the fair value of the hedging instrument. Any ineffectiveness is recognised in the income statement when it occurs.

E) Other financial assets

The financial assets are classified based on the business model for managing the financial assets ("business model test") and their contractual cash flow characteristics ("SPPI test"). EDPR Group classifies its financial assets, at the initial recognition, in accordance with the aforementioned requirements introduced by IFRS 9, on the following categories:

Financial assets at amortised cost

A financial asset is measured at amortised cost if: (i) it is held within a business model whose objective is to hold assets in order to collect its contractual cash flows; and (ii) the contractual cash flows represent solely payments of principal and interest. Financial assets included within this category are initially recognised at fair value and subsequently measured at amortised cost. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Loans and trade receivables are generally held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest, thus they meet the criteria for amortised cost measurement under IFRS 9.

Financial assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at fair value through other comprehensive income if (i) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and (ii) the asset's contractual cash flows represent solely payments of principal and interest. Financial assets included within this category are initially recognised and subsequently measured at fair value, with the changes in the carrying amount booked in other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria to be classified as financial assets at fair value through other comprehensive income (FVOCI) or at amortised cost, are classified at fair value through profit or loss, deemed to be a residual category under IFRS 9.

Regardless of the business model assessment, EDPR Group can elect to classify a financial asset at fair value through profit or loss if doing so reduces or eliminates a measurement or recognition inconsistency ("accounting mismatch").

Changes in the business model assessment over time

Financial assets are not reclassified subsequent to their initial recognition. However, if the Company changes its business model for managing financial assets, it will classify newly originated or newly purchased financial assets under the new business model but will keep the classification of existing assets under the previous business model.

Recognition and derecognition of financial assets

Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company commits to purchase or sell these financial assets.

Financial assets are derecognised when: (i) the contractual rights to receive their future cash flows have expired, (ii) the Company has transferred substantially the risks and rewards of ownership, or (iii) although retaining some, but not substantially all the risks and rewards of ownership, the Company has transferred control over the assets.

Impairment

EDPR Group recognise an impairment loss based on the Expected Credit Loss (ECL) model, before the objective evidence of a loss event from past actions. This model is the basis for the recognition of impairment losses on held financial assets that are measured at amortised cost or at fair value through other comprehensive income (which includes cash and cash equivalents, trade receivables, loans and debt securities).

The impairment methodology applied depends on whether there has been a significant increase in credit risk. If the credit risk on a financial asset does not increase significantly since its initial recognition, EDPR Group measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. If the credit risk increases significantly since its initial recognition, EDPR Group measures the loss allowance for that financial asset at an amount equal to lifetime expected credit losses.

Regardless of the above, a significant increase in credit risk is presumed if there is an objective evidence that the financial asset is impaired, including if there is observable data that comes to the attention of the holder of the asset about the following loss events, among others: significant financial difficulty of the issuer or obligor; restructuring of an amount due to the Company in terms that it would not consider otherwise; a breach of contract, such as a default or delinquency in interest or principal payments; or it becoming probable that the borrower will enter bankruptcy or other financial reorganization.

As soon as the loss event occurs (what is previous defined in IAS 39 as "objective evidence of impairment"), the impairment allowance would be allocated directly to financial asset affected, which provide the same accounting treatment, from that point, as previously provided by IAS 39, including the treatment of interest revenue. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases, the previously recognised impairment loss is reversed in profit or loss, if the decrease can be related objectively to an event occurring after the impairment loss was recognised.

Trade receivables and loans

EDPR Group applies the simplified approach and record lifetime expected losses on all trade receivables including those with a significant financing component. The estimated ECL are calculated based on actual credit loss experience over a period that, per business and type of customers, is considered statistically relevant and representative of the specific characteristics of the underlying credit risk.

Considering the particularities of each business, exposures are segmented based on common credit risk characteristics such as credit risk grade, geographic region and/or industry. Actual credit loss experience is adjusted by scalar factors to reflect differences between economic conditions during the period over which historical data was collect, current conditions and EDPR Group's view of economic conditions over the expected lives of the receivables.

For loans carried at amortised cost and FVOCI, EDPR Group performs an analysis based on the general approach. On making its assessment, the company has to make assumptions about risk of default and expected loss rates, which requires judgement. The inputs used for risk assessment and for calculation of the loss allowances for financial assets includes: (i) credit ratings (as far as available) from external credit rating companies such as Standard and Poor, Moody's and Fitch.; (ii) significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower; (iii) Public market data, namely on probabilities of default and loss given default expectations; and (iv) macroeconomic information (such as market interest rates or growth rates).

F) Trade payables and other liabilities

An instrument is classified as a financial liability when there is a contractual obligation for the issuer to liquidate capital and/or interests, through delivering cash or other financial asset, regardless of its legal form. Financial liabilities are recognised at the issuance date (trade date): (i) initially at fair value less transaction costs; and (ii) subsequently at amortised cost, using the effective interest method. All financial liabilities are booked at amortised cost, with the exception of the financial liabilities hedged at fair value hedge, which are stated at fair value on risk component that is being hedged.

Initial measurement of lease liabilities (rents due from lease contracts)

As provided by IFRS 16, as from 1 January 2019 EDPR Group measures the lease liability (rents due from lease contracts) on the commencement date based on the present value of the future payments of that lease contracts, discounted using EDPR Group's incremental borrowing rate for each portfolio of leases identified.

EDPR Group determines the lease term as the non-cancellable period of a lease, together with both: (i) periods covered by an option to extend the lease, if the lessee is reasonably certain to exercise that option; and (ii) periods covered by an option to terminate the lease, if the lessee is reasonably certain not to exercise that option.

EDPR Group applies the recognition exemption provided by IFRS 16 for the leases which lease term is 12 months or less, or that are for a low-value asset.

After the commencement date, the lease liability (rents due from lease contracts) are increased to reflect interest on the liability and reduced to reflect the lease payments made.

Remeasurement of the lease liabilities (rents due from lease contracts)

EDPR Group remeasure the lease liability (rents due from lease contracts), and adjusts the corresponding right-of-use assets, by discounting the revised lease payments, using an unchanged discount rate, if either:

- There is a change in future lease payments resulting from a change in an index or a rate used to determine those payments; or
- There is a change in the amounts expected to be payable under a residual value guarantee.

If there is a lease modification that do not qualifies to be accounted as a separate lease, EDPR Group remeasures the lease liability (rents due from lease contracts) and adjusts the corresponding right-of-use assets by discounting the revised lease payments, using a revised discount rate at the effective date of the modification.

The variable lease payments that do not depend in an index or a rate are not included in the measurement of the liability regarding the rents due from lease contracts, nor the right-of-use asset. Those payments are recognised as cost in the period in which the event or condition that gives rise to the payments occurs.

Derecognition of financial liabilities

EDPR Group derecognises a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability, or a part of it, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

G) Equity instruments

A financial instrument is classified as an equity instrument when there is no contractual obligation at settlement to deliver cash or other financial asset to another entity, regardless of its legal form, and there is a residual interest in the assets of an entity after deducting all its liabilities.

Costs directly attributable to the issuance of equity instruments are recognised in equity, as a deduction to the amount issued. Amounts paid or received relating to sales or acquisitions of equity instruments are recognised in equity, net of transaction costs.

Distributions related to equity instruments are deducted from equity, as dividends, when declared.

Equity instruments at fair value

EDPR Group classifies the equity instruments that are held for trading at fair value to profit or loss. For all other equity instruments, management has the ability to make an irrevocable election on initial recognition, on an instrument-by-instrument basis, to present changes in fair value in other comprehensive income.

If this election is made, all fair value changes, excluding dividends that are a return on investment, will be included in other comprehensive income. There is no recycling of amounts from other comprehensive income to profit and loss (for example, on sale of an equity investment) being, at that time, transferred to retained earnings.

H) Capitalisation of borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of assets are capitalised as part of the cost of the assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. To the extent that funds are borrowed generally, the amount of borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on these assets.

The capitalisation rate corresponds to the weighted average of the borrowing costs applicable to the outstanding borrowings during the period. The amount of borrowing costs capitalised during a period does not exceed the amount of borrowing costs incurred during the period.

The capitalisation of borrowing costs commences when expenditures for the asset are being incurred, borrowing costs have been incurred and activities necessary to prepare all or part of the assets for their intended use or sale are in progress. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use or sale are completed.

I) Property, plant and equipment

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. In case of projects in a development stage, costs are only capitalized when it is probable that the project will be finally built. If due to changes in regulation or other circumstances costs capitalized are derecognized from property plant and equipment, they are recognized in the profit and loss caption of “Other expenses”. Replacements or renewals of complete items are recognized as increases in the value of property, plant and equipment and the items replaced or renewed are derecognized and recognized in the “Other expenses” caption.

The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of acquisition includes interest on external financing and personnel costs and other internal expenses directly or indirectly related to work in progress accrued solely during the period of construction. The cost of production is capitalised by charging costs attributable to the asset as own work capitalised under financial expenses and personnel costs and employee benefit expense in the consolidated income statement.

Subsequent costs are recognised as separate assets only when it is probable that future economic benefits associated with the item will flow to the Group. Repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

The Group carries out impairment tests whenever events or circumstances may indicate that the book value of an asset exceeds its recoverable amount and, at least, anually, being the impairment recognised in the income statement.

Land is not depreciated. Depreciation on the other assets is calculated using the straight-line method, less the residual value, over their estimated useful lives, as follows:

	NUMBER OF YEARS
Buildings and other constructions	8 to 40
Plant and machinery:	
- Renewable assets	30 to 35
- Other plant and machinery	4 to 12
Transport equipment	3 to 5
Office equipment and tools	2 to 10
Other tangible fixed assets	3 to 10

Residual value is the amount determined by the Group related to the scrap to be obtained from dismantled wind farms and solar plants and is calculated based on the technology of each project and the estimated prices of steel, copper and aluminum in the case of solar plants.

J) Intangible assets

The Group´s intangible assets are booked at acquisition cost less accumulated amortisation and impairment losses. The Group does not own intangible assets with indefinite lives.

The Group performs impairment tests, whenever events or circumstances may indicate that the book value of the asset exceeds its recoverable amount, being any impairment recognised in the income statement.

Acquisition and development of software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of their expected useful lives, and typically in 5 years.

Costs that are directly associated with the development of identifiable specific software applications by the Group, and that will probably generate economic benefits beyond one year, are recognised as intangible assets. These costs include employee costs directly associated with the development of the referred software and are amortised using the straight-line method during their expected useful lives.

Maintenance costs of software are charged to the income statement when incurred.

Industrial property and other rights

Industrial property and other rights are amortised on a straight-line basis over the estimated useful life of the assets, which does not exceed 6 years.

Green Certificates and Renewable Energy Credits (RECs)

In some jurisdictions, on top of the market price, generators receive certificates for their performance, which are sold to the off-takers obliged to fulfil a quota obligation (a share of energy that must be sourced from renewable sources). Being these certificates considered subsidies under IAS 20 they are recognised when generated as intangible assets at fair market value mainly determined by active markets or public market operators. The intangible assets registered will be discharged at the time of their effective sale and difference between the selling price and the fair value of the certificates will be registered in the profit and loss account.

K) Leases/ Right-of-use assets

EDPR Group presents the information related to lease contracts in the caption Right-of-use assets, creating a separate line in the Consolidated Statement of Financial Position. These assets are accounted for at cost less accumulated depreciation and impairment losses. The cost of these assets comprises the initial costs and the initial measurement of the liabilities regarding the rents due from lease contracts, deducted from the prepaid amounts and any incentives received.

Depreciation of right-of-use assets is calculated on a straight-line basis over their estimated useful lives, considering the lease contract terms.

Remeasurement of right-of-use assets

If EDPR Group remeasures the lease liability (rents due from lease contracts) (see f), the corresponding right-of-use assets shall be adjusted accordingly.

L) Non-current assets held for sale and discontinued operations

Non-current assets or groups of non-current assets held for sale (groups of assets and related liabilities that include at least one noncurrent asset) are classified as held for sale when their carrying amounts will be recovered mainly through sale, the assets or groups of assets are available for immediate sale and the sale is highly probable.

The Group also classifies as non-current assets held for sale, non-current assets or groups of assets acquired exclusively for its subsequent resale, that are available for immediate sale and the sale is highly probable.

Prior to their classification as held for sale, the measurement of all non-current assets and all assets and liabilities included in a disposal group, is adjusted in accordance with the applicable IFRS standards. Subsequently, these assets or disposal groups are measured at the lowest between their carrying amount and fair value less costs to sell.

M) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is then estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units which are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in circumstances that caused the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

N) Inventories

Inventories are measured at the lower of the acquisition cost and net realisable value. The cost of inventories includes purchases, conversion and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated selling costs.

The cost of inventories is assigned by using the weighted average method.

O) Classification of assets and liabilities as current and non-current

The Group classifies assets and liabilities in the consolidated statement of financial position as current and non-current. Current assets and liabilities are determined as follows:

Assets are classified as current when they are expected to be realised or are intended for sale or consumption in the Group's normal operating cycle, they are held primarily for the purpose of trading, they are expected to be realised within twelve months of the balance sheet date or are cash or a cash equivalent, unless the assets may not be exchanged or used to settle a liability for at least twelve months from the balance sheet date.

Liabilities are classified as current when they are expected to be settled in the Group's normal operating cycle, they are held primarily for the purpose of trading, they are due to be settled within twelve months of the balance sheet date or the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Financial liabilities are classified as current when they are due to be settled within twelve months after the reporting period, even if the original term was for a period longer than twelve months, and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorised for issue.

P) Provisions

Provisions are recognised when: (i) the Group has a present legal or constructive obligation, (ii) it is probable that settlement will be required in the future and (iii) a reliable estimate of the obligation can be made.

Dismantling and decommissioning provisions

The Group recognises dismantling and decommissioning of assets at the end of the assets' useful life when there is a legal or contractual obligation. Consequently, the Group has booked provisions for property, plant and equipment related with renewables assets, for the expected cost of restoring sites and land to its original condition. The provisions correspond to the present value of the expenditure expected to be required to settle the obligation and are recognised as part of the initial cost or an adjustment to the cost of the respective asset, being depreciated on a straight-line basis over the asset useful life.

Discounting and inflation rates used for 2021 are:

	EUROPE	NORTH AMERICA	BRAZIL
Discount Rate	[0.00% - 5.40%]	[0.26% - 1.92%]	[11.23% - 11.83%]
Inflation Rate	[0.00% - 3.95%]	[2.00% - 2.50%]	[3.33% - 17.18%]

Discounting and inflation rates used for 2020 were:

	EUROPE	NORTH AMERICA	BRAZIL
Discount Rate	[0.00% - 4.04%]	[0.13% - 1.45%]	[2.79% - 7.64%]
Inflation Rate	[0.60% - 2.85%]	[2.00% - 3.50%]	[3.76% - 4.47%]

Decommissioning and dismantling provisions are remeasured on an annual basis based on the best estimate of the settlement amount and EDPR's technical department performed an in-depth analysis taking into account the reality of the EDPR's fleet. This analysis led to the conclusion that the average cost per megawatt and salvage value of the renewable assets required to be updated with effect December 2021 (see note 32).

The unwinding of the discount at each balance sheet date is charged to the income statement.

Tax liabilities

Liabilities for payment of taxes or levies related to an activity of the Group are recognized as the activity which triggers the payment is carried out, according to the laws regulating such taxes or levies. However, in the cases of taxes or levies with right of reimbursement of the amount already paid proportionally to the period of time in which there is no activity or the asset which triggers the payment is no longer owned, liabilities are recognized on a proportional basis.

Q) Recognition of revenue from contracts with customers

EDPR Group recognises revenue in accordance with the core principle introduced by IFRS 15. Thus, the Group recognises revenue to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods or services, as provided in the 5 steps methodology, namely: (i) identify the contract with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to performance obligations; and (v) recognise revenue when (or as) the entity satisfies a performance obligation.

Costs and revenues are recorded in the year to which they refer regardless of when paid or received, in accordance with the accrual basis. Differences between amounts received and paid and the corresponding revenue and cost are recorded under Other assets and Other liabilities.

Revenue in EDPR Group arises essentially from electricity generation and green certificate sales. For electricity generation, the transfer of control occurs when the energy is generated and injected into the transport/distribution grids. The electricity generated is sold under free market conditions or through the establishment of medium/long term power purchase agreements.

In the sale of green certificates, the performance obligation becomes effective when they are made available to the client, that is, when control of the certificate is transferred to the client.

For contracts that include sale of electricity and green certificates, there is only one performance obligation that becomes effective when the electricity is made available to the customer. At that moment, the energy is made available to the client at the point of delivery and, at the same time, the control of the green certificate is transferred to the client. These contracts have a unique price that includes both concepts under the same performance obligation, which is the delivery of electricity and green certificates at the same time.

In what concerns variable transaction prices, EDPR Group only recognises revenue when it is highly probable that there will not be any significant reversal of the recognised revenue, when it becomes certain. IFRS 15 requires that this estimate of variable transaction prices is determined using either (i) the expected value method – based on probability-weighted amounts, or (ii) the most likely outcome method. EDPR Group considers the facts and circumstances when analyzing the terms of each contract with customers, applying the requirements that determine the recognition and measurement of revenue in a harmonized manner, when considering contracts with the same characteristics and in similar circumstances.

<u>Value of adjustments for deviations in the market price in accordance with article 22 of Royal Decree 413/2014</u>

On 22 October 2021, the CNMV issued a statement establishing the criteria for accounting for the value of the adjustments for deviations in the market price in accordance with article 22 of Royal Decree 413/2014, of 6 June, which regulates the activity of electricity production from renewable energy sources, cogeneration and waste (RD 413/2014). The value of the adjustments for deviations in the market price includes the differences, which occur in each year, between the income from the sale of energy at the price estimated by the regulator at the beginning of each regulatory semi-period and the real average market price in said year.

EDPR had already been applying the criteria established by the CNMV, so that, each of the positive and negative market deviations arising under RD 413/2014 are typically recognized as assets and liabilities in the consolidated statement of financial position. However, if throughout the residual regulatory life of the renewable facilities, according to EDPR's best estimate of the future evolution of energy market prices, it would be highly probable that market returns would be higher than those established in the RD 413/2014 and, therefore, abandoning the remuneration regime would not have significantly more adverse economic consequences than remaining in said regime, it is considered that in this situation, only the asset is recognized. As at 31 December 2021, it has not been abandoned the remuneration regime for any of the renewable facilities.

R) Financial results

Financial results include interest costs on borrowings, interest income on funds invested, dividend income, foreign exchange gains and losses, realised gains and losses, changes in fair value of derivative financial instruments related to financing activity classified by the Group, within IFRS 9, as held for trading and consequently measured at fair value through profit or loss and changes in the fair value of hedged risks, when applicable.

Interest is recognised in the income statement on an accrual basis. Dividend income is recognised on the date the right to receive is established.

Considering the accounting model provided by IFRS 16, the financial results include the interest expenses (unwinding) calculated on the liabilities regarding the rents due from lease contracts.

S) Income tax

Income tax recognised in the income statement includes current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is also recognised in equity.

Deferred taxes arising from the revaluation of assets measured at fair value through other comprehensive income and cash flow hedge derivatives recognised in equity are recognised in the income statement in the period the results that originated the deferred taxes are recognised.

Current tax is the tax expected to be paid on the taxable income for the period, using tax rates enacted at the statement of financial position date and any adjustment to tax payable in respect of previous years.

Deferred taxes are calculated in accordance with the balance sheet liability method, considering temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax basis, using the tax rates enacted or substantively enacted at the balance sheet date for each jurisdiction and that are expected to be applied when the temporary differences are reversed.

Deferred tax liabilities are recognised for all taxable temporary differences except for goodwill not deductible for tax purposes, differences arising on initial recognition of assets and liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries, to the extent that these will probably not be reversed in the future. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available to absorb deductible temporary differences for taxation purposes.

The Group offsets, as established in IAS 12, the deferred tax assets and liabilities if, and only if:

- the entity has a legally enforceable right to offset current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in future periods in which deferred tax liabilities or assets are expected to be settled or recovered.

When accounting for interest and penalties related to income taxes, EDPR Group considers whether a particular amount payable or receivable is, in its nature, a taxable income and, if so, applies IAS 12 to this amount. Otherwise, IAS 37 is applied.

T) Earnings per share

Basic earnings per share are calculated by dividing the consolidated net profit attributable to equity holders of EDP Renováveis S.A. by the weighted average number of ordinary shares outstanding during the year, excluding the average number of ordinary shares purchased by the Group and held as treasury stock.

For the diluted earnings per share calculation, the weighted average number of ordinary shares outstanding is adjusted to consider conversion of all dilutive potential ordinary shares, such as convertible debt and stock options granted to employees. The dilution effect corresponds to a decrease in earnings per share resulting from the assumption that the convertible instruments are converted or the options granted are exercised.

U) Cash and cash equivalents

Cash and cash equivalents include balances with maturity of less than three months from the date of acquisition, including cash and deposits in banks. This caption also includes other short-term, highly liquid investments that are readily convertible to known amounts of cash and specific demand deposits in relation to institutional partnerships that are funds required to be held in escrow sufficient to pay the remaining construction related costs of projects in institutional equity partnerships in U.S.A., in the next twelve months.

The Group classifies as cash and cash equivalents the debit balance of the current accounts with EDP Group formalized under cash-pooling agreements.

V) Government grants

Government grants are recognised initially as deferred income under non-current liabilities when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised.

W) Environmental issues

The Group takes measures to prevent, reduce or repair the damage caused to the environment by its activities.

Expenses derived from environmental activities are recognised as other operating expenses in the period in which they are incurred.

X) Institutional partnerships in North America

The Group has entered in several partnerships with institutional investors in the United States, through limited liability Company operating agreements that apportion the cash flows generated by the wind farms between the investors and the Company and allocates the tax benefits, which include Production Tax Credits (PTCs), Investment Tax Credits (ITCs) and accelerated depreciation, largely to the investor.

The institutional investors purchase their minority partnership interests for an upfront cash payment with an agreed targeted internal rate of return over the period that the tax credits are generated. This anticipated return is computed based on the total anticipated benefit that the institutional investors will receive and includes the value of PTCs / ITCs, allocated taxable income or loss and cash distributions received.

The control and management of these wind farms are a responsibility of EDPR Group and they are fully consolidated in these financial statements.

The financial instruments held by the institutional investors issued by the partnerships represent compound financial instruments as they contain characteristics of both financial liabilities and equity. The Group has determined that at the funding dates, the fair values of the original proceeds is equal to the fair values of the liabilities at that time and no value was assigned to the equity component. Subsequently, these liabilities are measured at amortized cost.

This liability is reduced by the value of tax benefits provided and cash distributions made to the institutional investors during the contracted period. The value of the tax benefits delivered, primarily accelerated depreciation and ITC are recognized as Income from institutional partnerships over the 30-35 year useful life of the assets and over the 5-year recapture period, respectively (see note 8). The value of the PTCs delivered are recorded as generated. This liability is increased by an interest accrual that is based on the outstanding liability balance and the targeted internal rate of return agreed.

After the Flip Date (date on which institutional investors reach their specified return as indicated in the corresponding agreements), the institutional investor retains a non-significant interest for the duration of the structure. This non-controlling interest is entitled to distributions ranging from 2.5% to 10% and taxable income allocations ranging from 5% to 10%. EDPR NA has an option to purchase the institutional investor's residual interest at fair market value during a defined period following the flip date. Such fair value is calculated according to the future cashflows of the wind or solar projects or by an external party. This amount is reclassified from the total equity attributable to the Parent to non-controlling interests caption in the period in which the flip date takes place (see note 30).

Deferred tax liabilities arise since related project's assets are consolidated and corresponding accounting depreciation is registered, while a very large allocation of the tax depreciation is absorbed by the institutional investor.

Y) Statement of Cash Flow

The Statement of Cash Flow is presented under the direct method, by which gross cash flows from operating, financing and investing activities are disclosed. The Group classifies cash flows related to interest and dividends paid as financing activities and interest and dividends received as investing activities.

03. Recent accounting standards and interpretations issued

Standards, amendments and interpretations issued effective for the Group

The amendments that have been issued and that are already effective and that the Group has applied on its financial statements, with no significant impacts are the following:

- IFRS 4 (Amended) – Deferral of effective dates to apply two optional solutions (temporary exemption from IFRS 9 and overlay approach);
- IFRS 16 (Amended) – Covid 19 – Related Rent Concessions beyond 30 June 2021;
- Amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform (Phase 2):

  Inter-bank offered rates (IBOR) are benchmark interest rates used in various financial instruments, including loans, deposits or derivative financial instruments. EURIBOR and LIBOR are examples of this type of interest rates.

  Following the financial crisis, global regulators identified the need to replace the IBORs, due to the fact that they are based less on market-observable transactions and more on the opinion of experts, recommending that they be replaced by risk-free rates.

  Due to these recommendations, the transition from IBOR to risk-free rates ("RFR") has begun. In this regard, several IBOR are being reformed: (i) LIBOR GBP – due to end on 31 December 2021; (ii) EONIA – scheduled for 31 December 2021; and (iii) LIBOR USD – scheduled for 30 June 2023. Regarding EURIBOR, after the change in 2019, it is expected to continue and there are no indications that it will end in the near future.

  The changes from the interest rate benchmark reform were issued by the International Accounting Standards Board (IASB) in two phases, Phase 1, which deals with pre-substitution issues – issues prior to the replacement of a benchmark interest rate -, and Phase 2, which deals with issues of replacing a benchmark rate.

Given the significant number of financial instruments held by the EDPR Group indexed to a benchmark interest rate, the EDPR Group set up a working group to analyse the impacts of IBOR Reform in its different phases, involving the Financial Departments and the Risk Department of the EDPR and EDP Group.

Regarding Phase 1, the amendments entered into force from 1 January 2020, with retrospective application. These amendments clarify that entities continue to apply certain hedging accounting requirements, assuming that the benchmark interest rate on which the hedged cash flows and cash flows of the hedging instrument are based will not be changed as a result of this reform; and include a set of exemptions that apply to all interest rate risk hedging relationships that are affected by the interest rate benchmark reform, which cease to apply when: (i) there is no longer uncertainty as to the timing and amount of the underlying cash flows; or (ii) the hedging relationship ends.

The EDPR Group retroactively adopted the changes planned for Phase 1 on 1 January 2020. As at 31 December 2020, as alternative rates had not been defined yet, EDPR Group did not recognize any impact on its consolidated financial statements.

Regarding Phase 2, the amendments entered into force from 1 January 2021, with retrospective application. These amendments essentially clarify: (i) the impacts on hedge accounting when Phase 1 exemptions no longer apply; (ii) the time at which the basis for determining the contractual cash flows required for financial instruments measured at fair value should be updated; and (iii) the impacts on the measurement of lease liabilities when there is a change in the basis for determining the respective contractual cash flows resulting from this reform.

The EDPR Group retroactively adopted the changes planned for Phase 2 on 1 January 2021. Within the implementation of this phase and as for hedging accounting, the Group only updated the documentation of existing hedging relationships when one of these situations occurred: (i) designation of an alternative benchmark rate (specified contractually or not) as a hedged risk; (ii) change in the description of the hedged item, including a description of the designated part of cash flows or fair value to be hedged; or (iii) change in the description of the hedging instrument.

When the existing hedge relationships are updated, the accumulated value in the cash flow hedge reserve is considered based on the new benchmark rate. In the event of discontinuation of hedge relationship when the benchmark interest rate on which the hedged future cash flows were based is changed as required by the reform, the accumulated value in the cash flow hedge reserve is also considered based on the alternative benchmark rate for the purpose of assessing whether the future hedged cash flows are still expected to occur. During 2021, no changes were made to hedge relationships or documentations, resulting from changes to benchmark interest rates.

For financial instruments measured at amortised cost, the impact is reflected by the adjustment of the respective effective interest rate and there is no recognition of any gain or loss.

For lease liabilities, there were no contracts identified for which the basis for determining contractual cash flows has been amended as a result of this reform.

To summarize, according to the analysis made, the following categories of assets and liabilities were identified as potentially subject to the application of a benchmark interest rate: Cash and cash equivalents, collateral deposits, trade receivables, lease liabilities, financial debt, amounts payable under institutional partnerships in North America and derivative financial instruments. From the analysis carried out, it is concluded that only the following categories would be impacted by this reform: Cash and cash equivalents, collateral deposits, financial debt and derivative financial instruments. It should be noted that a significant part of the EDPR Group's financial debt is being remunerated at fixed interest rates and therefore without exposure to the change in the benchmark interest rates.

Given the announced end of the LIBOR GBP and EONIA rates for 31 December 2021, the Group began its analysis by the contractual relations which had these rates as a benchmark and throughout the year gradually replaced these rates in its contracts with risk-free rates, such as the SONIA and the €STER rates.

For LIBOR USD (announced end date 30 June 2023) and EURIBOR (replacement is not expected in the near future), the Group has not made as of 31 December 2021 any change in its contracts and is monitoring the contractual relationships that will potentially be affected by this reform in order to minimize uncertainty regarding the applicable interest rate and the timing of the flows associated with the benchmark interest rate.

Thus, with reference to 31 December 2021, the EDPR Group's exposure to IBOR benchmark rates is as follows (derivative financial instruments are presented at notional value while the remaining instruments are presented at their net book value):

THOUSAND EUROS	INTEREST RATES SUBJECT TO THE REFORM				
	LIBOR USD	LIBOR CAD	EURIBOR	OTHER (*)	TOTAL
Cash and cash equivalents	46,697	-	418,158	-	464,855
Collateral deposits	-	-	1,867	-	1,867
Financial debt	203,309	155,411	118,933	323,399	801,052
Derivative financial instruments (notional):					
- Interest rate swaps	86,437	123,812	78,117	13,763	302,129
- Currency interest rate swaps	886,323	-	373,201	-	1,259,524
(*)Wibor , CAD-BA, CDI					

Standards, amendments and interpretations issued but not yet effective for the Group

The standards, amendments and interpretations issued but not yet effective for the Group (whose effective application date has not yet occurred or, despite their effective dates of application, they have not yet been endorsed by the UE) are the following:

- IFRS 17 – Insurance Contracts (and amendments related to initial application and comparative information);
- IAS 1 (Amended) - Classification of Liabilities as Current or Non-current;
- IFRS 3 (Amended) - Reference to the Conceptual Framework;
- IAS 16 (Amended) - Proceeds before Intended Use;
- IAS 37 (Amended) - Onerous Contracts – Cost of Fulfilling a Contract;
- Annual Improvement Project (2018-2020);
- IAS 1 (Amended) - Disclosure of Accounting Policies;
- IAS 8 (Amended) - Disclosure of Accounting Estimates; and
- IAS 12 (Amended) - Deferred tax related to assets and liabilities arising from a Single Transaction.

04. Critical accounting estimates and judgments in applying accounting policies

The IFRS set forth a range of accounting treatments and require the Board of Directors to apply judgment and make estimates in deciding which treatment is most appropriate.

The main accounting estimates and judgements used in applying the accounting policies are discussed in this note in order to improve the understanding of how their application affects the Group's reported results and disclosures. A broader description of the accounting policies employed by the Group is disclosed in note 2 to the Consolidated Financial Statements.

Although estimates are calculated by the Board of Directors based on the best information available at 31 December 2021 and 2020, future events may require changes to these estimates in subsequent years. Any effect on the financial statements of adjustments to be made in subsequent years would be recognised prospectively.

Considering that in many cases there are alternatives to the accounting treatment adopted by EDP Renováveis, the Group's reported results could differ if a different treatment was chosen. EDP Renováveis believes that the choices made are appropriate and that the financial statements are presented fairly, in all material respects, the Group's financial position and results. The alternative outcomes discussed below are presented solely to assist the reader in understanding the financial statements and are not intended to suggest that other alternatives or estimates would be more appropriate.

Measurement of the fair value of financial instruments

Fair values are based on listed market prices, if available. Otherwise, fair value is determined either by the price of similar recent transactions under market conditions, or determined by external entities, or based on valuation methodologies, supported by discounting future cash flows techniques, considering market conditions, time value, yield curves and volatility factors. These methodologies may require the use of assumptions or judgements in determining fair values.

Consequently, the use of different methodologies and different assumptions or judgements in applying a particular model, could generate different financial results from those reported.

Additionally, financial instruments' classification as debt or equity requires judgement in the interpretation of contractual clauses and in the evaluation of the existence of a contractual obligation to deliver cash or other financial assets.

Review of the useful life of the assets

The Group reviews periodically the reasonableness of the assets' useful lives that are used to determine the depreciation rates of assets assigned to the activity, and prospectively changes the depreciation charge of the year based on such review.

Lease Liabilities (Rents due from lease contracts)

With the adoption of IFRS 16, the Group recognises right-of-use assets (ROU assets) and lease liabilities (rents due from lease contracts), if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: i) the contract involves the use of an identified asset; ii) it has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and iii) it has the right to direct the use of the asset. EDPR Group uses judgement on its assessment, namely concerning the termination and extension contract options and the determination of the incremental borrowing rate to be applied for each portfolio of leases identified.

Impairment

Impairment of long-term assets and Goodwill

Impairment test are performed whenever there is an indication that the recoverable amount of property, plant, equipment and intangible assets is less than the corresponding net book value of assets.

On an annual basis, the Group reviews the assumptions used to assess the existence of impairment in goodwill resulting from acquisitions of shares in subsidiaries. The assumptions used are sensitive to changes in macroeconomic indicators and business assumptions used by management. The net interest in associates is reviewed when circumstances indicate the existence of impairment.

Considering the uncertainties regarding the recoverable amount of property, plant and equipment, right-of-use assets, intangible assets and goodwill as they are based on the best information available, changes in the assumptions could result in changes on the determination of the amount of impairment and, consequently, in results.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Certain interpretations and estimates are required in determining the global amount for income taxes.

There are several transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Different interpretations and estimates would result in a different level of income taxes, current and deferred, recognized in the period.

Tax Authorities are entitled to review EDP Renováveis, and its subsidiaries' determination of its annual taxable earnings, for a determined period that may be extended in case there are tax losses carried forward. Therefore, it is possible that some additional taxes may be assessed, mainly as a result of differences in interpretation of the tax law. However, the EDP Renováveis and its subsidiaries, do not anticipate any significant changes to the income tax booked in the financial statements.

EDPR evaluates the recoverability of deferred tax assets based on estimations of future taxable income in the period in which such deferred taxes are deductible.

Deferred tax assets are yearly evaluated to ensure there are no indications of impairment. In these analyses, which are based on assumptions considered in the impairment test indicated in note 19, the Group verifies that such deferred tax assets are still recoverable in the future.

Dismantling and decommissioning provisions

The Board of Directors considers that Group has contractual obligations with the dismantling and decommissioning of property, plant and equipment related to wind and solar electricity generation. For these responsibilities the Group has recorded provisions for the expected cost of restoring sites and land to its original condition. The provisions correspond to the present value of the expenditure expected to be required to settle the obligation.

EDPR's technical department performed an in-depth analysis taking into account the reality of the EDPR's fleet. This analysis led to the conclusion that the average cost per megawatt and salvage value of the renewable assets required to be updated, with effect December 2021 (see note 2.P and 32).

The use of different assumptions in estimates and judgments referred may have produced different results from those that have been considered.

Entities included in the consolidation perimeter

In order to determine which entities must be included in the consolidation perimeter, the Group evaluates whether it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

This evaluation requires judgement, assumptions and estimates in order to conclude whether the Group is in fact exposed to variable returns and has the ability to affect those returns through its power over the investee.

Other assumptions and judgments could lead to a different consolidation perimeter of the Group, with direct impact in the consolidated financial statements.

Business combinations

Under IFRS 3 (Business Combination) in a business combination, the acquirer shall recognize and measure in the consolidated financial statements the assets acquired and liabilities assumed at fair value at the acquisition date. The difference between the purchase price and the fair value of the assets and liabilities acquired leads to the recognition of goodwill or a gain from a purchase at a low price (bargain purchase).

The fair value determination of the assets acquired and liabilities assumed is carried out internally or by independent external evaluators, using the discounted cash flows method, using the replacement cost or other fair value determination techniques, which rely on the use of assumptions including macroeconomic indicators such as inflation rates, interest rates, exchange rates, discount rates, sale and purchase prices of energy, cost of raw materials, production estimates, useful life and business projections.

Consequently, the determination of the fair value and goodwill or gain from a purchase at a low price is subject to numerous assumptions and judgments and therefore changes could result in different impacts on results.

Fair value measurement of contingent consideration and variable prices

Contingent consideration from a business combination or variable prices for a sale of assets or businesses are measured at fair value at the acquisition date as part of the business combination or at the date of the sale in the event of a sale of a assets or businesses. This contingent consideration or variable price are subsequently remeasured at fair value at each report date. Fair value is based on discounted cash flows. The main assumptions consider the probability of achieving each objective and the discount factor, corresponding to the best estimates of management at each report date. Changes in assumptions could have significant impact on the values of variable prices for the assets and contingent liabilities recognised in the financial statement.

05. Financial risk management policies

The businesses of EDP Renováveis Group are exposed to a variety of risks, including the effects of changes in electricity market prices, foreign exchange and interest rates. The main financial risks arise from interest-rate and the exchange-rate exposures. The volatility of financial markets is analysed on an on-going basis in accordance with EDPR's risk management policies. Financial instruments are used to mitigate potential adverse effects on EDP Renováveis financial performance resulting from interest rates and foreign exchange rates changes.

The Board of Directors of EDP Renováveis is responsible for the definition of general risk-management policies and the establishment of exposure limits. Recommendations to manage financial risks of EDP Renováveis Group are proposed by EDPR's Finance and Global Risk Departments and discussed in the Financial Risk Committee of EDP Renováveis, which is held quarterly. The pre-agreed strategy is shared with the Finance Department of EDP - Energias de Portugal, S.A., to verify the accordance with the policies approved by the Board of Directors of EDP. The evaluation of appropriate hedging mechanisms and the execution is done by EDPR but may also be outsourced to the Finance Department of EDP.

All transactions undertaken using derivative financial instruments require the prior approval of the Board of Directors, which defines the parameters of each transaction and approves the formal documents describing their objectives.

Exchange-rate risk management

EDPR and EDP Group's Financial Department are responsible for managing the foreign exchange exposure of the Group, seeking
to mitigate the impact of exchange rate fluctuations on the net assets and net profits of the Group. Instruments used for hedging are foreign exchange derivatives, foreign exchange debt and other hedging structures with offsetting exposure versus the item to be hedged. The effectiveness of these hedges is reassessed and monitored throughout their lives.

EDPR operates internationally and is exposed to the exchange-rate risk resulting from investments in foreign subsidiaries. With the objective of minimizing the impact of exchange rates fluctuations, EDP Renováveis general policy is to fund each project in the currency of the operating cash flows generated by the project.

Currently, the main currency exposure is the U.S. Dollar, resulting from the shareholding in EDPR NA. EDPR is also exposed to Polish Zloty, Romanian Leu, Brazilian Real, British Pound, Canadian Dollar, Colombian Peso and Hungarian Forint. In the near future EDPR will also be exposed to the Singaporean Dollar and other Southeast Asian currencies.

To hedge the risk originated with net investment in EDPR NA, EDP Renováveis uses financial debt expressed in USD and also entered into cross currency interest rate swaps (CIRS) USD/EUR with EDP - Energias de Portugal, S.A. Following the same strategy adopted to hedge the net investments in USA, EDP Renováveis has also entered into CIRS in, BRL/EUR, GBP/EUR, CAD/EUR and in COP/EUR to hedge the investments in Brazil, United Kingdom, Canada and Colombia, where exposures are sizable for hedging (see note 37).

Sensitivity analysis - Foreign exchange rate

As a consequence, a depreciation/appreciation of 10% in the most significant foreign currency exchange rate, with reference to 31 December 2021 and 2020, would originate an increase/(decrease) in EDP Renováveis Group income statement and equity before taxes, as follows:

				31 DEC 2021
THOUSAND EUROS	PROFIT OR LOSS		EQUITY	
	+10%	-10%	+10%	-10%
USD/EUR	8,315	-10,162	-31,591	38,611
RON/EUR	23	-28	-	-
BRL/EUR	107	-131	-18	22
	8,445	**-10,321**	**-31,609**	**38,633**

For the currency PLN/EUR, since the process of selling of most of the portfolio of companies in Poland started (see note 27) , the global exposure will decrease significantly and will not achieve material impacts (see note 27).

				31 DEC 2020
THOUSAND EUROS	PROFIT OR LOSS		EQUITY	
	+10%	-10%	+10%	-10%
USD / EUR	8,321	-10,171	-11,209	13,670
	8,321	**-10,171**	**-11,209**	**13,670**

This analysis assumes that all other variables, namely interest rates, remain unchanged.

Interest rate risk management

The Group's operating cash flows are substantially independent from the fluctuation in interest-rate markets.

The purpose of the interest-rate risk management strategy is to reduce the exposure of debt cash flows to market fluctuations. As such, whenever considered necessary and in accordance to the Group's policy, interest-rate financial instruments are contracted to hedge interest rate risks. These financial instruments hedge cash flows associated with future interest payments, converting floating rate loans into fixed rate loans.

All these hedges are undertaken on liabilities in the Group's debt portfolio and are mainly perfect hedges with a high correlation between changes in fair value of the hedging instrument and changes in fair value of the interest-rate risk or upcoming cash flows.

The EDP Renováveis Group has a portfolio of interest-rate derivatives with maturities up to 18 years. The Financial Department of EDP Group undertakes sensitivity analyses of the fair value of financial instruments to interest-rate fluctuations or upcoming cash flows.

About 89% of EDP Renováveis Group financial debt bear interest at fixed rates, considering operations of hedge accounting with financial instruments.

Sensitivity analysis - Interest rates

EDPR/EDP Group's Financial Department are responsible for managing the interest rate risk associated to activities developed by the Group, contracting derivative financial instruments to mitigate this risk.

Based on the EDPR Group debt portfolio and the related derivative financial instruments used to hedge associated interest rate risk, as well as on the shareholder loans received by EDP Renováveis, a change of 50 basis points in the interest rates with reference to 31 December 2021 and 2020 would increase/(decrease) in EDP Renováveis Group income statement and equity before taxes, as follows:

				31 DEC 2021
THOUSAND EUROS	+50 BPS	-50 BPS	+50 BPS	-50 BPS
Cash flow hedge derivatives	-	-	7,600	-7,600
Unhedged debt (variable interest rates)	-6,148	6,148	-	-
	-6,148	**6,148**	**7,600**	**-7,600**

				31 DEC 2020
THOUSAND EUROS	+50 BPS	-50 BPS	+50 BPS	-50 BPS
Cash flow hedge derivatives	-	-	722	-9,259
Unhedged debt (variable interest rates)	-1,660	1,660	-	-
	-1,660	**1,660**	**722**	**-9,259**

This analysis assumes that all other variables, namely foreign exchange rates, remain unchanged.

Counter-party credit-rate risk management in financial transactions

The EDP Renováveis Group counter-party risk exposure in financial and non-financial transactions is managed by an analysis of technical capacity, competitiveness and probability of default to the counter-party. EDP Renováveis has defined a counter-party risk policy inspired in Basel III, which is implemented across all departments in all EDP Renováveis geographies. EDP Renováveis Group is exposed to counter-party risk in financial derivatives transactions in energy sales (electricity, GC and RECs) and in supply contracts.

Counterparties in derivatives and financial transactions are restricted to high-quality credit institutions or to the EDP Group.

Most relevant counterparties in derivatives and financial transactions are companies within EDP Group. Financial instruments contracted outside EDP Group are generally engaged under ISDA Master Agreements and credit quality of external counterparties is analysed and collaterals required when needed.

In the process of selling the energy (electricity, GCs and RECs produced), counter-party exposure arises from trade receivables, but also from mark-to-market of long-term contracts:

- In the specific case of the energy sales of EDPR EU Group, the Group's main customers are utilities and regulated entities in the different countries (EDP and CNMC in the case of the Spanish market). Credit risk from trade receivables is not significant due to the limited average collection period for customer balances and the quality of its debtors. Additional counter-party risk comes from the countries with renewables incentives, which it is usually treated as regulatory risk;
- In the specific case of EDPR NA Group, the Group's main customers are regulated utility companies and regional market agents in the US. As it occurs in Europe, credit risk from trade receivables is not significant due to the limited average collection period for customer balances and the quality of the debtors. However, the exposure due to the mark-to-market of long-term contracts may be significant. This exposure is managed by a detailed assessment of the counter-party before signing any long term agreement and by a requirement of collaterals when financial soundness of the counterparty deteriorates.

Regarding Trade receivables and other debtors, they are recognized net of the impairment losses. The Group believes that the credit quality of these receivables is adequate and that no significant impaired credits exist that have not been recognised as such and provided for.

Counter-party exposure to suppliers arises mainly from pre-paid contracts with equipment manufacturers and civil engineering contractors. Counter-party analyses are performed for each new contract. If needed, either parent company guarantees or bank guarantees are requested to comply with the limits of exposure established by EDP Renováveis counter-party risk policy.

The maximum exposure to customer credit risk by counterparty type is detailed as follows:

THOUSAND EUROS	DEC 2021	DEC 2020
CORPORATE SECTORS AND INDIVIDUALS		
Supply companies	158,432	19,952
Business to business	6,110	4,718
Other	1,039	25,781
Total Corporate sectors and individuals	165,581	50,451
Public sector	1,748	2,131
Total Public sector and Corporate sectors/individuals	**167,329**	**52,582**

The significant variation is mainly related to Spain and significant increase in electricity prices.

Trade receivables by geographical market for the Group EDPR, is as follows:

THOUSAND EUROS					DEC 2021
	EUROPE	NORTH AMERICA	BRAZIL	OTHERS	TOTAL
Corporate sectors and individuals	138,604	24,281	97	2,599	165,581
Public sector	1,441	307	-	-	1,748
Total	**140,045**	**24,588**	**97**	**2,599**	**167,329**

In accordance with accounting policies - note 2 e), impairment losses are determined using the simplified approach precluded in IFRS 9, based on life time expected losses.

Liquidity risk

Liquidity risk is the possibility that the Group will not be able to meet its financial obligations as they fall due. The Group strategy to manage liquidity is to ensure, as far as possible, that it will always have significant liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The liquidity policy followed ensures compliance with payment obligations acquired, through maintaining sufficient credit facilities and having access to the EDP Group facilities who manages the Group liquidity risk through the engagement and maintenance of credit lines and financing facilities with a firm underwriting commitment with international reliable financial institutions as well as term deposits, allowing immediate access to funds. These credit lines are used to complement and backup national and international commercial paper programs, allowing the EDP Group’s short-term financing sources to be diversified.

The Directors have estimated cash flows that show that the Group will meet the commitments existing at the close of the 2021 financial year and those foreseen for 2022.

The maturity analysis for financial debt (see note 31), including expected future interests, is as follows:

THOUSAND EUROS	DEC 2022	DEC 2023	DEC 2024	DEC 2025	DEC 2026	FOLLOWING YEARS	TOTAL
Bank loans	111,865	76,475	65,891	56,639	41,034	586,045	937,949
Loans received from EDP Group	575,270	480,219	460,166	219,632	466,405	896,855	3,098,547
Other loans	1,005	1,202	1,020	1,031	1,052	12,027	17,337
Expected future interests	73,009	103,727	81,557	59,102	48,906	211,767	578,068
	761,149	**661,623**	**608,634**	**336,404**	**557,397**	**1,706,694**	**4,631,901**

EDPR has developed and presented to the markets a very ambitious Multi-Year Growth Plan, aimed at creating value for its shareholders, which entails a significant annual investment volume. EDPR defines itself as a listed company with a low risk profile and as such has defined a financing plan that ensures a balanced financial position structure, preserving its credit quality and, at the same time, guaranteeing the necessary flexibility to accommodate any temporary deviation that may occur throughout the implementation period of its growth plan.

In the base case, the financing of the investment volume is ensured based on 5 major sources of financing:

- The cash flow generated by the assets in operation and retained in the Group;

- The program for selling assets in operation (sell down/Asset Rotation), as a way to anticipate and crystallize value/cash flow;

- The Tax Equity Investment (the entry of institutional investors in projects developed in the US that materializes just before the entry into operation of the assets);

- The capital increase in EDP Renováveis S.A. (as has been the case in 2021);

- Complemented by medium and long-term external financing, and namely:

  o Via Corporate Finance, as the most relevant solution; and

  o Project Finance, particularly in markets where the functional currency is different from EUR/USD and it is important to manage equity exposure to the market.

Flexibility, in order to manage temporary differences or adjustments in the proportions of the components identified above, is given by the following variables:

- EDPR has Current Accounts in EUR and USD with EDP Group that uses to manage daily/weekly/monthly its net liquidity needs;

- EDPR has a formal agreement with its parent company (EDP Group) whereby EDP has agreed to provide the necessary financing for the execution of EDPR's Growth Plan;

- Current Accounts and Overdrafts negotiated with commercial banks (as backup).

Electricity market price risk

As of 31 December 2021, electricity market price risk affecting the EDP Renováveis Group is not significant. In the case of EDPR NA, the great majority of the plants are under power purchase agreements or long-term financial contracts, with fixed or escalating prices. In the case of EDPR EU, the electricity is sold in Spain, France, Italy, Portugal and Poland through regulated tariffs or financial PPAs. In Romania the green certificates have a floor.

For the small share of energy with merchant exposure after tariff regimes, PPAs or long-term financial contracts (electricity, green certificates and RECs), market risk is managed through the execution of electricity, green certificate and REC forward contracts. For this marginal exposure EDPR EU and EDPR NA have electricity, green certificates and REC financial swaps that qualify for hedge accounting (cash flow hedge) that are related to sales for the years 2021 to 2025 (see note 37). The purpose of EDP Renováveis Group is to hedge in advance a significant volume of the merchant exposure to reduce the volatility of energy prices in each reporting year.

In 2021, the Group's total generation amounted to 30.3 TWh, of which 68% was subject to both regulated remuneration and long-term contracts and the remaining 32% was remunerated at market price. Anyway, as commented above, this portion of generation remunerated at market price is practically fully hedged (83%).

During 2021 energy market prices have considerably increased following the increase in natural gas prices. Such spike in prices has become specially relevant in Europe, where maximum historical electricity prices were reached during last quarter of 2021. For EDPR EU and EDPR NA, the potential gain from the increase in electricity prices did not materialize, since, as indicated above, EDPR´s merchant exposure for the year 2021 was already hedged before the start of this trend.

Considering recent spike in market prices and volatility, EDPR is closely managing and monitoring its exposure to market prices variations, despite being limited with current hedges in place. For 2022, EDPR´s exposure to a potential decrease of 30% in market prices would be approximately of 41,700 thousand euros.

Capital management

The Group's goal in managing equity, in accordance with the policies established by its main shareholder, is to safeguard the Group's capacity to continue operating as a going concern, grow steadily to meet established growth targets and maintain an optimum equity structure to reduce equity cost.

In conformity with other sector groups, the Group controls its financing structure based on the leverage ratio. This ratio is calculated as net financial borrowings divided by total equity and net borrowings. Net financial borrowings are determined as the sum of financial debt, institutional equity liabilities corrected for non-current deferred revenues, less cash and cash equivalents.

Climate-related risk

The Earth's climate has changed throughout history. Scientists attribute the current global warming trend observed since the mid-20th century to the human expansion of the "greenhouse effect" – warming that results when the atmosphere traps heat radiating from Earth toward space. Over the last century, the burning of fossil fuels like coal and oil has increased the concentration of atmospheric carbon dioxide (CO2).

EDPR is a clear example of how fighting against climate change creates business opportunities. The Company's core business, to deliver clean energy by developing, building and operating top quality wind farms and solar plants, inherently implies the reduction of greenhouse gas emissions, contributing to the world's fight against climate change and its impacts.

Since its inception, EDPR has been performing a strategy focused on selective growth, by investing in quality projects with predictable future cash-flows, and seamless execution, supported by core competences that yield superior profitability, all embedded within a distinctive and self-funding model designed to accelerate value creation. As a result of undertaking such strategy, at the same time flexible enough to accommodate changing business and economic environments, EDPR remains today a leading company in the renewable energy industry. As presented in its 2021-25 Business Plan, EDPR plans to add 20 GW in the 2021-2025, of which 8.4 GW is already secured. EDPR will diversify its portfolio geographically and technologically even more, developing more wind onshore, solar, wind offshore, green hydrogen and storage technology along with the entrance in new markets.

During 2021, EDPR added 2,584 MW and finished the year managing a global portfolio of 13.6 GW. Benefiting from a diversified portfolio, the Company generated 30.3 TWh of renewable energy, avoiding the emissions of 18.3 million tons of CO2. Capital expenditures and financial investments with capacity additions, ongoing construction and development works during the year totalled €2,852 million.

However, EDPR faces climate change not only as a business opportunity, but also as an opportunity to innovate. EDPR's commitment to innovation and new technologies has made it a leader in the renewable energy sector. Currently, the Company continues to take advantage of all expertise obtained since the start of its inception to ensure more efficient solutions, more attractive returns and a more sustainable future. As a result, EDPR engages in projects that englobe wind energy, solar energy, energy storage plants, floating offshore wind farms, green hydrogen and hybrid power plants.

Nevertheless, on the risk side, meteorological changes may pose a risk for EDPR's activities and results since they are carried out in areas of the planet that are being affected by climate change. In addition, future estimations of wind and solar production are based on analysis of historical measurements for more than 20 years and they are considered to be representative of the future. However, relevant unexpected meteorological changes could lead to a lower production than the one expected from historical data. Thus, when evaluating a new investment, EDPR considers potential changes in the production forecasted but, even so, the size of the potential deviation in the case of relevant meteorological changes is uncertain.

Moreover, renewable plants in construction and in operation are exposed to weather hazards, natural disasters, etc. These risks depend on the location of the assets. At EDPR, all plants are insured from the physical damage during construction and operation. During operation, any natural disaster, weather hazard or accident will also be partially insured to revenue losses due to the event. Thus, no material impacts are identified in the EDPR's consolidated financial statements as a consequence of climate change.

As a sector leader, EDPR is aware of the urgency to fight climate change and even though its business inherently implies a positive impact on the environment, the Company continues to work on a daily basis to hold itself to a higher standard and to incorporate innovation in its value chain in order to further contribute to the protection of the climate.

06. Consolidation perimeter

During the year ended in 31 December 2021, the changes in the consolidation perimeter of the EDP Renováveis Group were:

Companies acquired:

The following acquisitions were classified as asset purchases, out of scope of IFRS 3 – Business Combinations, due to the substance of these transactions, the type of assets acquired and the very early stage of the projects (see note 2B):

- EDP Renováveis, S.A. and EDP Renewables Europe, S.L.U. acquired 100% of the company Aioliki Oitis Energiaki Single-Member LLC;
- EDP Renewables Europe, S.L.U. acquired 51% of the companies Enercoplan Energy – EPC & Investments IKE and Sofrano S.A. and 100% of the companies Kadmeios Anemos Energiaki, A.E., Voiotikos Anemos Energy, A.E., Energopark, S.R.L., International Solar Energy, S.R.L., Nyírség Watt, Kft., Solar Phoenix, S.R.L., and Beta Wind, S.R.L.;
- EDP Renewables Polska, Sp. z o.o acquired 100% of the company Elektrownia Kamienica, Sp. z o.o.; Neo Solar Chotków, Sp. z o.o., Neo Solar Przykona II, Sp. z o.o; Farma Fotowoltaiczna Koden, Sp. z o.o. ; and WF Energy III, Sp. z o.o. ;
- EDP Renováveis, S.A. acquired 100% of the companies Los Llanos Solar, SpA, Parque Eólico San Andrés, SpA, Parque Eólico Victoria, SpA. and Parque Eólico Punta de Talca, SpA ; and 60% of the company OMA Haedori Co., Ltd. ;
- EDP Renewables Italia S.r.l. acquired 100% of the company C & C Tre Energy S.r.l.;
- EDP Renováveis Brasil S.A. acquired 100% of the companies Central Geradora Fotovoltaica Monte Verde Solar II S.A., Central Geradora Fotovoltaica Monte Verde Solar III S.A., Central Geradora Fotovoltaica Monte Verde Solar IV S.A., Central Geradora Fotovoltaica Monte Verde Solar VI S.A., Central Geradora Fotovoltaica Monte Verde Solar VII S.A., Central Eólica Amanhecer I, S.A., Central Eólica Amanhecer II, S.A., Central Eólica Amanhecer III, S.A., Central Eólica Amanhecer IV, S.A., Central Eólica Amanhecer V, S.A., Central Eólica Amanhecer VI, S.A., Central Eólica Amanhecer VII, S.A., Central Solar Novo Oriente I, S.A., Central Solar Novo Oriente II, S.A., Central Solar Novo Oriente III, S.A., Central Solar Novo Oriente IV, S.A., Central Solar Novo Oriente V, S.A., Central Solar Novo Oriente VI, S.A. ;
- EDP Renewables North America LLC acquired the companies Crooked Lake Solar LLC, Clover Creek Solar Project LLC, and Wolf Run Solar LLC.

Additionally, the following companies were acquired:

- In the first quarter of 2021, EDP Renováveis, S.A. acquired, through a North American subsidiary, an 85% stake in a distributed solar generation (DG) business that includes 89 MW of operating capacity and near completion capacity with a near-term pipeline of approximately 120 MWs through 16 states, for an amount of 46,530 thousand Euros (55,032 thousand US Dollar). This transaction was framed within the scope of IFRS 3 – Business combinations. that has implied the recognition of goodwill in the consolidated financial statements in the amount of 1,575 thousand Euros (see note 9 and 42);
- In the second quarter of 2021, EDP Renováveis, S.A. acquired a 100% stake in the portfolio of Singaporean and Vietnamese companies of Trung Son SG Pte. Ltd (formerly Trina Solar Investment First Pte. Ltd.), LYS Energy Investment Pte. Ltd. and Trung Son Energy Development Limited Liability Company (formerly Trung Son Energy Development Joint Stock Company) for a total amount of 29,568 thousand Euros that includes a contingent consideration of 4,102 thousand Euros and shareholder loans in the amount of 16,381 thousand Euros. This last company owns a 28 MW PV operational project in Vietnam. This transaction was framed within the scope of IFRS 3 – Business combinations that has implied the recognition of goodwill in the consolidated financial statements in the amount of 2,343 thousand Euros (see note 19 and 42);
- In the second quarter of 2021, EDP Renewables Italia S.r.l. acquired a 100% stake in the Italian company SPV Parco Eolico Aria Del Vento S.R.L. that owns a 16 MW wind operational project in Italy, for a total amount of 26,001 thousand Euros. This transaction was framed within the scope of IFRS 3 – Business combinations which has resulted in the recognition of a gain in the amount of 7,831 thousand Euros, which was recorded in the consolidated income statement (see note 9 and 42);

- In the third quarter of 2021 EDP Renewables Europe, S.L.U. acquired 100% of the company Vento Ludens Ltd., which owns 79% of the company Muirake Wind Farm Ltd. that operates a 5MW wind farm; and 100% of Lurg Hill Wind Farm Ltd. for a total amount of 14,673 thousand Euros that includes a contingent consideration of 1,016 thousand Euros and shareholder loans in the amount of 4,256 thousand Euros. This transaction was framed within the scope of IFRS 3 – Business combinations that has implied the recognition of goodwill in the consolidated financial statements in the amount of 544 thousand Euros (see note 19 and 42);

Disposals with loss of control:

- In the second quarter of 2021 EDP Renewables North America LLC. sold to Greencoat Fuji LLC, by 232,713 thousand Euros the equivalent of 280,500 thousand US Dollars, 68% of its interest in the company 2019 Vento XX LLC with a subsequent loss of share interest in the following companies:

  - Lexington Chenoa Wind Farm LLC

  - Broadlands Wind Farm LLC

  In accordance with the Shareholders Agreement and other relevant contracts, it has been established a shared control of the Company which led to a loss of control over the company and its consolidation by the equity method. This disposal with loss of control generated a gain on a consolidated basis of 95,119 thousand Euros, recorded in the income statement (see note 9). Within this transaction, on the third quarter, EDP Renewables North America LLC sold an additional 12% of its financial interest, for an amount of 41,380 thousand Euros, the equivalent of 49,500 thousand US Dollars, generating a gain of 811 thousand Euros Additionally to the above sale price, it should be considered a variable price, according to the relevant agreements signed, which fair value as of December 31, 2021 amounts to a negative amount of 20,396 thousand Euros.

- In the fourth quarter of 2021 EDP Renewables North America LLC., through EDPR Solar Ventures V LLC, sold to CC&L Java Solar USA LLC, by 131,051 thousand Euros the equivalent of 154,999 thousand US Dollars, 80% of its interest in the companies Riverstart Ventures LLC and Riverstart Development LLC with a subsequent loss of share interest in the following companies:

  - 2019 SOL V LLC

  - Riverstart Solar Park LLC

  In accordance with the Shareholders Agreement and other relevant contracts, it has been established a shared control of the Company which led to a loss of control over the company and its consolidation by the equity method. This disposal with loss of control generated a gain on a consolidated basis of 34,825 thousand Euros, recorded in the income statement (see note 9).

Companies sold and liquidated:

- In the fourth quarter of 2021, EDPR Group, through its fully owned subsidiary EDP Renewables, SGPS S.A., sold to Onex Renewables, S.A.R.L. the EDPR's entire stake in the Portuguese companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A. Total shares proceeds for the transaction amount to 325,104 thousand Euros. This transaction has generated a gain, net of transaction costs, amounting to 307,699 thousand Euros, which has been registered within the "Other income" caption of the consolidated income statement (see note 9).
- In the fourth quarter of 2021, EDPR Group, through its fully owned subsidiary EDP Renewables North America LLC sold to Northern Indiana Public Service Company LLC the EDPR's entire stake in the company Indiana Crossroads Wind Farm LLC. Total proceeds for the transaction amount to 466,878 thousand Euros, the equivalent of 538,667 thousand US Dollars, that includes 269,799 thousand Euros to be received in the long term according to the relevant agreements. This transaction has generated a gain, net of transaction costs, amounting to 62,995 thousand Euros, which has been registered within the "Other income" caption of the consolidated income statement (see note 9).
- EDP Renewables North America LLC sold the company Crittenden Wind Farm LLC with no significant impacts in the consolidated financial statements and liquidated the following companies: Horizon Wind Ventures II LLC and 2009 Vento IV LLC.;

- EDP Renewables Europe, S.L.U. sold the entire stake in the companies Ceprastur, A.I.E. , Aliseo, S.r.l., Elecdey Carcelén, S.A and ESC ERŐMŰ, Kft. with no significant impact in the consolidated financial statements, and liquidated the company Dunkerque Éoliennes en Mer, S.A.S.;
- EDP Renewables Canada Ltd liquidated the company Quatro Limited Partnership;
- EDP Renovables España S.L. liquidated the company Aprofitament D'Energies Renovables de la Terra Alta, S.A.

Companies merged:

- Merger of the company Nation Rise Wind Farm GP II Inc. into the company into EDP Renewables Canada Ltd with no impact in the consolidated financial statements;
- Merger of the companies Cernavoda Power, S.A., Pestera Wind Farm, S.A., VS Wind Farm, S.A., Sibioara Wind Farm, S.R.L. into the company EDPR România, S.R.L. with no impact in the consolidated financial statements;
- Merger of the companies Vaudrimesnil Energie, S.A.R.L., Parc Éolien de la Côte du Cerisat, S.A.S., La Plaine de Nouaille, S.A.S., Parc Éolien des 7 Domaines, S.A.S., Parc Éolien de Paudy, S.A.S., Parc Éolien de Flavin, S.A.S., Parc Éolien de Prouville, S.A.S., Parc Éolien de Marchéville, S.A.S., Parc Eolien Louvières, S.A.R.L., Parc Éolien des Longs Champs, S.A.R.L., Parc Éolien de Mancheville, S.A.R.L., Parc Éolien de La Hetroye, S.A.S., Parc Éolien de la Champagne Berrichonne, S.A.R.L., Bourbriac II, S.A.S., Parc Éolien de Boqueho-Plouagat, S.A.S., into the company EDPR France Holding S.A.S. with no impact in the consolidated financial statements;
- Merger of the company Le Chemin de Saint Druon, S.A.S. into the company Le Chemin de la Corvée, S.A.S. with no impact in the consolidated financial statements.

Companies Incorporated:

- Randolph Solar Park LLC;
- EDPR Northeast Allen Solar Park II LLC*;
- Tillman Solar Park II LLC*;
- Indiana Crossroads Wind Ventures LLC*;
- Riverstart Solar Park VI LLC*;
- EDPR NA Shelby Solar Park LLC*;
- EDPR NA Greenfield Solar Park LLC*;
- EDP Renewables Chile SpA;
- Tillman Storage LLC*;
- Sailor Springs Solar Park LLC*;
- 10 Point Solar Park LLC*;
- EDPR RS LLC*;
- Pearl River Solar Park LLC;
- EDPR México, S.L.U.;
- EDP Renewables Chile, SpA;
- EDPR Centro Italia PV, S.r.l.;
- IAM Caecius, S.L.;
- Site Sunwind Energy, S.L.;
- Black Prairie Storage LLC*;
- Black Prairie Storage II LLC*;
- Black Prairie Solar Park II LLC*;
- Rock Dane Solar Park LLC*;
- Sawmill Junction Solar Park LLC*;
- EDPR Wind Ventures XXIII LLC;
- 2021 Vento XXIII LLC;
- Cattlemen Solar Park II LLC*;
- Desarrollos Renovables de Teruel, S.L.;
- EDPR Investment Hungary, Kft.;

* EDPR Group holds, through its subsidiary EDPR NA, a set of subsidiaries legally established in the United States without share capital and that, as at 31 December 2021, do not have any assets, liabilities, or any operating activity.

Other changes:

- EDPR sold during 2021 a 50.01% stake in the Nation Rise windfarm to the Algonquins of Pikwakanagan First Nation (AOPFN) Group. The sale price was the book value of this stake. EDPR has a call option at a fixed price over the stake sold. In addition EDPR has agreed to loan AOPFN the capital so that they can fund 50.01% of the equity. It has been determined that, from a consolidated accounting perspective, there was not an effective sale, thus EDPR is consolidating 100% of the company and no minority interests have been recognized.

During the year ended in 31 December 2020, the changes in the consolidation perimeter of the EDP Renováveis Group were:

Companies acquired:

EDPR Group, through its fully owned subsidiary EDP Renewables Europe S.L., acquired 100% of the companies Viesgo Europa, S.L.U., Viesgo Renovables, S.L.U. and related affiliates in the context of the conclusion, by the end of December 2020, of the acquisition of the renewables business of Viesgo for a total consideration of 563,488 thousand Euros of which an amount of 26,001 thousand Euros refers to shareholders loans. Related affiliates and indirect stake acquired are the following ones:

FULL-CONSOLIDATED METHOD	
Viesgo Mantenimiento, S.L.U.	100%
Northeolic Monte Buño, S.L.	75%
Compañía Eólica Aragonesa, S.A.	100%
Parque Eólico do Barlavento, S.A.	89.98%
S.E.E. - Sul Energía Eólica, S.A	100%
IE2 Portugal, SGPS, S.A.	100%
Eoliser - Serviços de Gestão para Parques Eólicos, Lda.	100%
EQUITY-CONSOLIDATED METHOD	
Elecdey Carcelén, S.A.	23%
Eos Pax IIa, S.L.	48.5%
Geólica Magallón, S.L.	36.24%
San Juan de Bargas Eólica, S.L.	47.01%
Unión de Generadores de Energía, S.L.	50%
Eólica de São Julião, Lda.	45%
EQUITY INSTRUMENTS AT FAIR VALUE	
Elecdey Ascoy, S.A.	19.5%
Eólica de Levante, S.L	25%
Eólicas Páramo de Poza, S.A.	15%

This transaction has been considered, for consolidation purposes, within the scope of IFRS 3 – Business Combinations and has implied the recognition of goodwill in the consolidated financial estatements of 148,341 thousand Euros that includes previous Goodwill recognized in the book value at acquisition date amounting to 112,279 thousand. This transaction includes a business combination achieved in stages for the company Compañía Eólica Aragonesa, S.A., where EDPR had 50% of the shares of the company previously to this transaction, which has generated a gain in the amount of 1,887 thousand Euros, which was recorded in the consolidated income statement (see notes 9, 19 and 42).

The following acquisitions were classified as asset purchases, out of scope of IFRS 3 – Business Combinations, due to the substance of these transactions, the type of assets acquired and the very early stage of the projects:

- EDPR France Holding, S.A.S. acquired 100% of the company Société D'Exploitation du Parc Eolien Source de Sèves, S.A.R.L.;
- EDP Renewables Italia Holding, S.R.L. acquired 100% of the company Aliseo, S.r.l., 100% of the company VRG Wind 153, S.r.l. and 60% of the companies Energia Emissioni Zero 4, S.r.l., Wind Energy San Giorgio, S.r.l. and Giglio, S.r.l.;
- EDP Renewables Polska, Sp. zo.o. acquired 100% of the companies Wind Field Wielkopolska, Sp. zo.o., FW Warta, Sp. z o.o.; Neo Solar Farms, Sp. z o.o.; and R.Wind, Sp. z o.o.;
- Korean Floating Wind Power Co., Ltd. acquired 90% of the company East Blue Power Co., Ltd.;
- EDP Renováveis S.A. and EDP Renewables Europe S.L. acquired 100% of the company Parque Solar Los Cuervos, S. de R.L. de C.V.;
- EDP Renewables Polska HoldCo, S.A. acquired 100% of the company Budzyn, Sp. z o.o.;

- EDP Renováveis, S.A. acquired 100% of the company Solar Power Solutions, S.A.S. E.S.P. which holds 100% of the companies Elipse Energía, S.A.S. E.S.P., Omega Energía, S.A.S. E.S.P. and Kappa Energía, S.A.S. E.S.P.;
- EDP Renewables Europe, S.L. acquired 85% of the companies Sunlight Solar, Kft and ESC ERŐMŰ, Kft. and 100% of the companies Wind Shape, Ltd., Altnabreac Wind Farm Limited, Ben Sca Wind Farm Limited, Moorshield Wind Farm Limited, Drummarnock Wind Farm Limited, and Wind 2 Project 1 Limited;
- EDP Renewables North America LLC acquired 100% of the companies RE Scarlet LLC and Misenheimer Solar LLC;
- EDP Renováveis Brasil S.A. acquired 100% of the companies Central Solar Lagoa I, S.A. and Central Solar Lagoa II, S.A.

Disposals with loss of control:

- In the fourth quarter of 2020, EDP Renewables North America LLC through its fully owned subsidiary EDPR Wind Ventures XVII, LLC sold to CC&L Java Wind USA LLC by 231,714 thousand Euros, the equivalent of 264,646 thousand US dollars, 80% of its direct and indirect interests in the following companies:
  - 2017 Vento XVII, LLC;
  - Quilt Block Wind Farm LLC;
  - Meadow Lake V LLC;
  - Redbed Plains Wind Farm LLC;
  - Hog Creek Wind Project, LLC.

In accordance with the Shareholders Agreement and other relevant contracts, it has been established a shared control of the Companies which led to a loss of control over the companies and their consolidation by the equity method. This disposal with loss of control generated a gain which has been registered within the "Other income" caption of the consolidated financial statements in the amount of 99,359 thousand Euros (see note 9).

Companies sold and liquidated:

- In the fourth quarter of 2020, EDPR Group, through its fully owned subsidiary EDP Renewables España S.L., sold to FRGE 2 S.a.r.l the EDPR's entire stake in the following portfolio of Spanish companies:
  - Bon Vent de Corbera, S.L.U.
  - Eólica Sierra de Ávila, S.L.U.
  - Parc Eòlic de Torre Madrina, S.L.U.
  - Parc Eòlic de Coll de Moro, S.L.U.
  - Parc Eòlic de Vilalba dels Arcs, S.L.U.
  - Aprofitament D'Energies Renovables de L'Ebre, S.L.

  Total proceeds for the transaction amount to 449,658 thousand Euros from which an amount of 112,724 thousand Euros refer to shareholders loans. This transaction has generated a gain, net of transaction costs, amounting to 112,908 thousand Euros, which has been registered within the "Other income" caption of the consolidated income statement (see note 9);
- EDP Renewables North America LLC sold the company Rosewater Wind Farm LLC for a total amount of 160,741 thousand Euros, the equivalent of 183,586 thousand US dollars. This transaction has generated a gain, as of 31 December 2020, which has been registered within the "Other income" caption of the consolidated financial statements in the amount of 14,438 thousand Euros (see note 9 and 34);
- The companies Frontier Beheer Nederland, B. V. and Frontier, C.V., in which OW Offshore, S.L. held, directly or indirectly, a 30% financial interest, were liquidated;
- EDP Renewables North America LLC liquidated the following companies: Horizon Wind Ventures VI LLC, 2009 Vento VI LLC, Horizon Wind Ventures VII LLC, 2010 Vento VII LLC, Horizon Wind Ventures VIII LLC and 2010 Vento VIII LLC.

Companies merged:

- Merger of the companies EDPR RO PV, S.R.L., Studina Solar, S.A., Cujmir Solar, S.A., Potelu Solar, S.A., Vanju Mare Solar, S.A., Foton Delta, S.A., Foton Epsilon, S.A. into the company EDPR România, S.R.L. with no impact in the consolidated financial statements.

Companies Incorporated:

- Vanosc Energie, S.A.S.;
- Transition Euroise Roman II, S.A.S.;
- Mordel Limited
- EDPR Offshore South Korea Co., Ltd.;
- EDP Renewables Hungary Kft.;
- EDP Renewables Vietnam Ltd.;
- Duff Solar Park II LLC*;
- EDPR Northeast Allen Solar Park LLC*;
- Indiana Crossroads Solar Park II LLC*;
- RTSW Solar Park LLC*;
- RTSW Solar Park II LLC*;
- RTSW Solar Park III LLC*;
- RTSW Solar Park IV LLC*;
- RTSW Solar Park V LLC*;
- RTSW Solar Park VI LLC*;
- EDPR Wind Ventures XXII LLC*;
- 2020 Vento XXII LLC*;
- Rosewater Ventures LLC*;
- Timber Road II Storage LLC*;
- Timber Road III Storage LLC*;
- Top Crop I Storage LLC*;
- Top Crop II Storage LLC*;
- Twin Groves I Storage LLC*;
- Twin Groves II Storage LLC*;
- Cattlemen Solar Park LLC*;
- Rail Splitter Wind Farm II LLC*;
- Azalea Springs Solar Park LLC*;
- Riverstart Development LLC;
- Riverstart Ventures LLC*;
- Timber Road Solar Park II LLC*;
- Timber Road Solar Park III LLC*;
- Edwardsport Solar Park LLC*;
- Crescent Bar Solar Park LLC*;
- Esker Solar Park II LLC*;
- Bluebird Prairie Solar Park LLC*;
- Tillman Solar Park LLC*;
- EDPR NA DG Holding LLC*.

* EDPR Group holds, through its subsidiary EDPR NA, a set of subsidiaries legally established in the United States without share capital and that, as at 31 December 2020, do not have any assets, liabilities, or any operating activity.

Other changes:

- A joint control partnership has been executed following the strategic memorandum of understanding dated May 2019 and signed between EDPR and ENGIE by which a co-controlled 50/50 joint venture in fixed and floating offshore wind business, OW Offshore S.L., has been established, including its subsidiaries:
  - OW FS Offshore, S.A.;
  - 4THEWIND I, B.V.;
  - 4THEWIND II, B.V.
  - 4THEWIND III, B.V.;
  - 4THEWIND IV, B.V.
  - 4THEWIND V, B.V.
  - 4THEWIND VI, B.V.
  - 4THEWIND VII, B.V.
  - 4THEWIND VIII, B.V.
  - Ancoris Beheer Nederland, B.V.
  - Les Eoliennes Flottantes du Golfe du Lion, S.A.S.;
  - Éoliennes en Mer Dieppe - Le Tréport, S.A.S.;
  - Éoliennes en Mer Îles d'Yeu et de Noirmoutier, S.A.S.;
  - EDPR Japan Godo Kaisha;
  - Les Eoliennes en Mer Services, S.A.S.;
  - EDPR Offshore South Korea Co., Ltd.;
  - OW France, S.A.S.;
  - Moray East Holdings Limited;
  - Relax Wind Park IV, Sp. z o.o.;
  - Moray Offshore Windfarm (East) Limited;
  - Morska Farma Wiatrowa Neptun, Sp. z o.o.;
  - Delphis Holdings Limited;
  - B-Wind Polska, Sp. z o.o.;
  - Moray West Holdings Limited;
  - C-Wind Polska, Sp. z o.o.;
  - Moray Offshore Windfarm (West) Limited;

- Ocean Wind UK Ltd;
- Korean Floating Wind Power Co., Ltd.;
- Mordel Limited;
- East Blue Power Co. Ltd.;
- Moray Offshore Renewable Power Limited;
- Windplus, S.A.;
- B&C Wind Polska sp. z o.o. s.c.;
- Ventum Ventures III Holding, B.V.;
- Redwood Coast Offshore Wind LLC;
- Ventos do Atlântico - Projetos de Energía Eólica Ltda;
- Electrabel Offshore Energy, CVBA;
- SeaMade, N.V;
- North Sea Wave, N.V.;
- OW North America LLC;
- North River Wind LLC;
- Mayflower Wind Energy LLC.

As a result of this transaction, EDP Renováveis has registered a gain in the amount of 217,633 thousand Euros in the other income caption of the consolidated income statement (see note 9);

- EDPR owns 100% of Nation Rise LP trough Quatro Limited Partnership (99,99%) and Nation Rise Wind Farm GP Inc. (0,01%).
- EDPR France Holding, S.A.S. sold 15% of the company Transition Euroise Roman II, S.A.S. with no significant impacts in the consolidated financial statements.

07. Revenues

Revenues are analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
REVENUES BY BUSINESS AND GEOGRAPHY		
Electricity in Europe	902,605	802,171
Electricity in North America	567,316	648,225
Electricity in Brazil	66,089	36,215
	1,536,010	1,486,611
Other revenues	3,959	8,182
	1,539,969	1,494,793
Services rendered	43,359	27,336
CHANGES IN INVENTORIES AND COST OF RAW MATERIAL AND CONSUMABLES USED		
Cost of consumables used and changes in inventories	-2,870	6,845
Total Revenues	**1,580,458**	**1,528,974**

The breakdown of revenues by segment is presented in the segmental reporting (see note 44).

08. Income from institutional partnerships in North America

Income from institutional partnership in North America in the amount of 177,205 thousand Euros (31 December 2020: 201,783 thousand Euros), includes revenue recognition related to production tax credits (PTC), investments tax credits (ITC) and other tax benefits, mostly from accelerated tax depreciation related to projects Sol I, II and V, Blue Canyon I, Vento I to V, Vento IX to XVI, Vento XVIII and Vento XX to XXII (see note 33).

09. Other income

Other income is analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Amortisation of deferred income related to power purchase agreements	1,773	2,244
Contract and insurance compensations	27,957	21,653
Gains on business combinations	7,831	1,887
Gains on disposals	500,664	444,340
Other income	97,506	28,290
	635,731	**498,414**

The power purchase agreements between EDPR NA and its customers were valued based on market assumptions, at the acquisition date of the business combination, using discounted cash flow models. At that date, these agreements were valued at approximately 190,400 thousand of USD and booked as a non-current liability (see note 34). This liability is amortised over the period of the agreements against other income. As at 31 December 2021, the amortisation for the period amounts to 1,773 thousand Euros (31 December 2020: 2,244 thousand Euros) and the non-current liability amounts to 5,092 thousand Euros (31 December 2020: 6,438 thousand Euros).

The amount of 7,831 thousand Euros in caption Gains of business combinations refers to the acquisition of the operating company SPV Parco Eólico Aria del Vento S.R.L. (see note 6 and 42). As at 31 December 2020, the amount of 1,887 thousand Euros in such caption refers to the business combination achieved in stages for the company Compañía Eólica Aragonesa, S.A., where EDPR had 50% of the shares of the company and gained control through the acquisition of the remaining 50% of the shares in the context of the acquisition transaction of Viesgo's renewable business (see note 6 and 42).

As at 31 December 2021, the caption Gains on disposals essentially includes:

- Gain amounting to 307,699 thousand Euros resulting from the sale of the entire stake in the Portuguese companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A. (see note 6).
- Gain amounting to 95,119 thousand Euros resulting from loss of control in the company 2019 Vento XX LLC and subsidiaries (see note 6). This amount includes 37,758 thousand Euros for the gain related to the fair value of the retained investment. It should also be considered an additional result in the amount of 811 thousand Euros related to the additional sale of a 12% stake in the company.
- Gain amounting to 62,995 thousand Euros resulting from the sale of the entire stake in the North American company Indiana Crossroads Wind Farm LLC (see note 6).
- Gain amounting to 34,825 thousand Euros resulting from loss of control in the companies Riverstart Development LLC and Riverstart Ventures LLC and subsidiaries (see note 6). This amount includes 8,167 thousand Euros for the gain related to the fair value of the retained investment.

As at 31 December 2020, the caption Gains on disposals essentially includes:

- Gain amounting to 217,633 thousand Euros resulting from loss of control in the EDPR's offshore business during 2020 as a consequence of the the joint control partnership in this business following the strategic memorandum of understanding dated May 2019 and signed between EDPR and ENGIE by which a co-controlled 50/50 joint venture in fixed and floating offshore wind business, OW Offshore, S.L., has been established (see note 6);
- Gain amounting to 112,908 thousand Euros resulting from the sale of the entire stake in the companies Bon Vent de Corbera, S.L.U., Eólica Sierra de Ávila, S.L.U., Parc Eòlic de Torre Madrina, S.L.U., Parc Eòlic de Coll de Moro, S.L.U., Parc Eòlic de Vilalba dels Arcs, S.L.U. and Aprofitament D'Energies Renovables de L'Ebre, S.L. (see note 6);
- Gain amounting to 99,359 thousand Euros related to the sale of the 80% stake and loss of control in the companies EDPR Wind Ventures XVII, LLC and subsidiaries (see note 6); and
- Gain amounting to 14,438 thousand Euros resulting from the sale of the entire stake in the company Rosewater Wind Farm LLC (see note 6).

As at 31 December 2021, the caption other income includes: the gain in the amount of 9,705 thousand Euros wich refers to changes in the fair value of the variable price related to the sale in 2018 to Sumitomo Corporation and in 2020 to OW Offshore SL of shares in the companies Éoliennes en Mer Dieppe - Le Tréport, SAS and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, SAS (see note 22); and iii) the gain in the amount of 29,950 thousand Euros which refers to changes in the fair value of the variable price, related to the sale in 2020 to OW Offshore S.L. of Mayflower Wind Energy LLC.

As at 31 December 2020, the caption other income includes: i) management and cost reinvoicing for UK offshore projects in the amount of 8,686 thousand Euros; and ii) price adjustment amounting to 3,335 thousand Euros according to the corresponding agreements in the transaction of selling 49% of Baixas de Feijão portfolio of companies to CTG that took place in 2015.

10. Supplies and services

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Rents and leases	28,823	22,993
Maintenance and repairs	186,278	190,934
SPECIALISED WORKS:		
- IT Services, legal and advisory fees	24,758	13,354
- Shared services	19,661	12,004
- Other services	44,480	30,604
Other supplies and services	31,674	34,548
	335,674	**304,437**

The caption Rents and leases mainly includes costs for variable lease payments and rental costs for short-term leases.

11. Personnel costs and employee benefits

Personnel costs and employee benefits is analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
PERSONNEL COSTS		
Board remuneration (see note 39)	729	569
Remunerations	135,779	115,284
Social charges on remunerations	23,541	18,587
Employee's variable remuneration	37,739	26,896
Other costs	4,922	3,331
Own work capitalised (see note 16)	-47,049	-38,324
	155,661	126,343
EMPLOYEE BENEFITS		
Costs with pension plans	6,523	5,752
Costs with medical care plans and other benefits	12,075	9,061
	18,598	14,813
	174,259	**141,156**

As at 31 December 2021, Costs with pension plans relates essentially to defined contribution plans in the amount of 6,430 thousand Euros (31 December 2020: 5,636 thousand Euros) and defined benefit plans amounting to 5 thousand Euros (3 thousand Euros as at 31 December 2020).

The average breakdown by management positions and professional category of the permanent staff during 2021 and 2020 is as follows:

	2021	2020
Senior Managers	267	228
Managers	187	157
Specialists	1,260	1,034
Technicians	254	216
	1,968	1,635

The breakdown by gender of the permanent staff as of 31 December 2021 and 2020 is as follows:

	31 DEC 2021		31 DEC 2020	
	MALE	FEMALE	MALE	FEMALE
Senior Managers	213	73	179	55
Managers	153	58	124	47
Specialists	896	497	725	367
Technicians	192	68	178	60
	1,454	696	1,206	529

The consolidation perimeter, available in Annex I of the consolidated annual accounts, includes the companies of the acquisition transaction reported at the end of December 2020. The information presented above as of 31 December 2020 did not include 45 employees of the companies whose shares were acquired since their integration was in the analysis phase.

In the companies in Spain where there is a legal obligation to have people with disabilities in the workforce to comply with the LISMI due to the number of employees, EDPR has opted for the exceptionality measures provided by the Law. The Company is able to comply with the quota that legally applies to it through contracts of goods or services with companies that promote the hiring of disabled people and also through donations.

EDPR’s companies under this obligation are covered with the exceptionality measures since March 2021 until 2023. For the rest of EDPR countries, the approach is the same. In 2020, as part of EDPR's global strategy, a Diversity and Equality Committee has been set up with the participation of the Management Team, whose objective is to integrate the commitment to this issue within the company. One of the objectives of this Committee is focused on the group of people with disabilities as one of the most important topics to be developed.

12. Other expenses

Other expenses are analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Taxes	86,981	76,072
Losses on fixed assets	10,656	1,492
Other costs and losses	67,384	45,050
	165,021	122,614

The caption Taxes, on 31 December 2021, besides other direct and indirect taxes, includes the amount of 4,493 thousand Euros (31 December 2020: 23,666 thousand Euros) related to taxes for energy generators in Spain, affecting all the wind farms in operation, amounting to 7% of revenues for each wind farm. The reason for the significant decrease refers to the issuance of the Royal Decree Law 17/2021 by which the Spanish Government announced the temporary suspension of the 7% Energy Tax, for the third and fourth quarters of the year 2021.

Further, as commented in the Regulatory Framework of Romania, in note 1, on 29 October 2021, the Romanian Parliament Endorsed Law 259/2021, which approved and put into action Government Emergency Ordinance 118/2021. This Law includes a windfall tax for electricity producers until 31st March 2022, and the additional income obtained by electricity producers and resulting from the difference between the average monthly selling price of electricity and the price of RON 450/MWh will be taxed at 80%. The amount included for this concept in the caption Taxes amounts to 22,999 thousand Euros.

Losses on fixed assets as at 31 December 2021 mainly refers to abandonment of projects in Europe.

13. Amortisation and impairment

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
PROPERTY, PLANT AND EQUIPMENT		
Buildings and other constructions	382	1,501
Plant and machinery	564,527	558,837
Other	5,202	4,641
Impairment loss	-	348
	570,111	565,327
RIGHT-OF-USE ASSETS		
Right-of-use assets	34,807	34,311
INTANGIBLE ASSETS		
Industrial property, other rights and other intangibles	18,402	16,841
	623,320	616,479
Impairment of goodwill	-	132
	-	132
Amortisation of deferred income (Government grants)	-16,031	-16,577
	607,289	**600,034**

Right of use assets includes depreciation of IFRS 16 related assets.

Amortisation of deferred income (Government grants) refers to grants for fixed assets received by EDPR NA subgroup under the American Recovery and Reinvestment Act promoted by the United States that are amortised through the recognition of revenue in the income statement over the useful life of the related assets (see note 34).

14. Financial income and financial expenses

Financial income and financial expenses are analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
FINANCIAL INCOME		
Interest income	11,551	16,344
Derivative financial instruments:		
Interest	951	1,161
Fair value	30,623	19,431
Foreign exchange gains	64,442	39,443
Other financial income	418	356
	107,985	76,735
FINANCIAL EXPENSES		
Interest expense	145,960	137,206
Derivative financial instruments:		
Interest	28,514	46,554
Fair value	31,447	15,352
Foreign exchange losses	60,782	49,807
Own work capitalised	-32,457	-26,120
Unwinding	110,983	129,740
Other financial expenses	11,353	9,254
	356,582	361,793
Net financial income / (expenses)	**-248,597**	**-285,058**

Derivative financial instruments include interest liquidations on the derivative financial instrument established between EDPR and EDP - Energias de Portugal, S.A. (see notes 24, 35 and 37).

In accordance with the corresponding accounting policy, the borrowing costs (interest) capitalised in tangible fixed assets in progress as at 31 December 2021 amounted to 32,457 thousand Euros (at 31 December 2020 amounted to 26,120 thousand Euros) (see note 16), which are included under Own work capitalised (financial interest). The interest rates used for this capitalisation vary in accordance with the related loans' Interest expense refers to interest on loans bearing interest at contracted and market rates.

Interest expense refers to interest on loans bearing interest at contracted and market rates.

Unwinding expenses refers essentially to: (i) the implied return in institutional partnerships in North America amounting to 79,023 thousand Euros (31 December 2020: 94,718 thousand Euros) (see note 33); (ii) financial update of lease liabilities related to IFRS 16 in the amount of 28,852 thousand Euros (31 December 2020: 29,594 thousand Euros); and (iii) financial update of provisions for dismantling and decommissioning of wind and solar farms in the amount of 3,106 thousand Euros (31 December 2020: 5,420 thousand Euros) (see note 32).

15. Income tax expense and Extraordinary Contribution to the Energy Sector (CESE)

The following note includes an analysis on the reconciliation between the theoretical and the effective income tax rate applicable at the level of the EDPR Group, on a consolidated basis. In general terms, the analysis on the reconciliation between the theoretical and the effective income tax rate aims at quantifying the impact of the income tax, recognised in the income statement, which includes both current and deferred tax. The note also includes an analysis on the extraordinary contribution to the energy sector (CESE).

As the EDPR Group prepares and discloses its financial statements in accordance with IFRS, an alignment between the accounting of income tax expense or income and the corresponding cash flow is not mandatory. Accordingly, this analysis does not represent the income tax paid or received by the EDPR Group for the corresponding reporting period.

Notwithstanding the above, the income tax paid by the EDPR Group on a country-by-country basis is disclosed in the Annual Report, which is available on EDPR's website (www.edpr.com). This website also includes the details on the general principles concerning EDPR Group's mission and tax policy and the overall tax contribution to public finance in 2021.

Main features of the tax systems of the countries in which the EDP Renewables Group operates

The statutory corporate income tax rates applicable in the countries in which EDP Renewables Group operates are as follows:

COUNTRY	31 DEC 2021	31 DEC 2020
EUROPE:		
Belgium	25%	25%
France	26.5-27.5%	28%
Greece	24%	24%
Hungary	9%	9%
Italy	24% - 28.8%	24% - 28.8%
Poland	19%	19%
Portugal	21% - 31.5%	21% - 31.5%
Romania	16%	16%
Spain	25%	25%
United Kingdom	19%	19%
AMERICA:		
Brazil	34%	34%
Canada	26.5%	26.5%
Chile	27%	27%
Colombia	31%	32%
Mexico	30%	30%
United States of America	24.91%	24.91%
ASIA:		
South Korea	10%-25%	10%-25%
Singapore	17%	17%
Vietnam	20%	20%

EDP Renováveis S.A. and its subsidiaries file individual tax returns in accordance with the applicable tax legislation. Nevertheless, the company and the majority of its Spanish subsidiaries are taxed under the tax consolidation group regime foreseen in the Spanish law. EDP - Energias de Portugal, S.A. - Sucursal en España (Branch) is the dominant company of this Group, which includes other subsidiaries that are not within the renewables energy industry.

As per the applicable tax legislation, tax periods may be subject to inspection by the various Tax Administrations during a limited number of years. Statutes of limitation differ from country to country as follows: USA, Chile, Belgium and France: 3 years; Spain, United Kingdom, Singapore and Portugal: 4 years; Brazil, Colombia, Romania, Poland, South Korea, Hungary, Italy, Greece, Vietnam and Mexico: 5 years; and Canada: 10 years. Notwithstanding this, it is important to note that, in case of Portugal and France, if tax losses/credits being carried-forward are utilized, the statute of limitation is extended to the years when such tax losses/credits were generated. In Spain, tax losses may be subject to the Tax Authorities' verification up to 10 years after they are generated; once this period has expired, taxpayers must prove the origin of the tax losses whose utilization is intended.

Tax losses generated each year are also subject to Tax Administrations' review and reassessment. As per the legislation currently in force, losses may be used to offset yearly taxable income assessed in the subsequent periods as follows: 5 years in Portugal, Greece, Hungary, Vietnam and Poland; 7 in Romania; 10 in Mexico; 12 in Colombia; 15 in South Korea; 20 in Canada; and indefinitely in the United States, Spain, Chile, France, Italy, Belgium, Brazil, Singapore and United Kingdom. Notwithstanding this, it is important to note that, in some geographies, tax losses generated in previous years might be subject to the limitation period that was applicable at the moment when they were generated (e.g., Portugal and the United States). Moreover, in France tax losses in a given year may be carried back against the taxable base assessed in the previous tax year, and in Canada and the US in the 3 previous years, and in Singapore in the previous year. Nothwithstanding this, the deduction of tax losses in the USA, Portugal, Colombia, South Korea, Spain, Greece, Hungary, Brazil, France, Italy, the United Kingdom and Poland is limited to a percentage of the taxable income of each period, or subject to other limitations.

EDP Renováveis Group companies may, in accordance with the law, benefit from certain tax benefits or incentives under specific conditions. Most importantly, Production Tax Credits in the US which are the dominant form of wind remuneration in that country, and represent an extra source of revenue per unit of electricity over the first 10 years of the asset's life. Wind farms that qualify for the application of the PTC prior to 1 January 2017, benefit from 100% of the credit ($28/MWh in 2018, $25/MWh in 2019, 2020 and 2021– being adjusted to inflation in subsequent years). The PTC amount is reduced by 20% for wind farms qualifying in 2017, 40% in 2018 and 60% in 2019 Additional legislation in 2020 and 2021 extended the aforementioned regime to wind facilities, with start of construction in 2020 or 2021, attributing 60% of the tax credit amount. Additionally, EDPR Group companies benefit from the Investment Tax Credit which avails solar projects to a credit based upon its capital expenditures. This credit amount equates to 26% for projects that start construction before 2022 and 22% for projects starting construction in 2023 as long as these projects go into service by 2025.

Transfer pricing legislation is duly complied with by EDP Renováveis Group. Its policy follows the rules, guidelines and best international practices applicable across all geographies where the Group operates, in due compliance with the spirit and letter of the Law.

Changes in the tax law with relevance to the EDP Renewables Group in 2021

As from 2021, the statutory CIT rates applicable in the following relevant geographies have been modified as follows:

- In Colombia, even though the CIT rate was subject to a reduction from 32% to 31% in 2021, it will be raised again from 2022 onwards from 31% to 35%;
- In France, the Finance Bill 2018 voted on 30 December 2017 (LOI n° 2017-1837 du 30 décembre 2017 de finances pour 2018) approved a progressive reduction of the general CIT rate to 25% by 2022. For fiscal years starting in 2021, the CIT rate amounts to 26.5%.

Corporate income tax provision.

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Current tax	-46,903	-32,098
Deferred tax	-42,922	-50,809
Income tax expense	**-89,825**	**-82,907**

The effective income tax rate as at 31 December 2021 and 2020 is analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Profit before tax	902,591	768,931
Income tax expense	-89,825	-82,907
Effective Income Tax Rate	9.95%	10.78%

The difference between the theoretical and the effective income tax expense, results from the application of the law provisions in the determination of the tax base, as demonstrated below.

The reconciliation between the nominal and the effective income tax rate for the Group during the years ended 31 December 2021 and 2020 is analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Profit before taxes	902,591	768,931
Nominal income tax rate (*)	25.00%	25,00%
Theoretical income tax expense	-225,648	-192,233
Fiscal revaluations, amortization, depreciation and provisions	1,998	1,437
Tax losses and tax credits	35,554	30,788
Financial investments in associates	-26	-6,231
Difference between tax and accounting gains and losses	63,852	56,363
Effect of tax rates in foreign jurisdictions and CIT rate changes	14,656	3,090
Taxable differences attributable to non-controlling interests (USA)	15,852	15,298
Other	3,937	8,581
Efective income tax expense as per the Consolidated Income Statement	**-89,825**	**-82,907**

(*) Statutory corporate income tax rate applicable in Spain

The main captions are the following:

- The caption "Tax losses and tax credits" mainly reflects the effect of the abovereferred PTCs retained by EDPR North America and the effect of tax losses in different geographies.
- The caption "Difference between tax and accounting gains and losses" refers to changes in the Group's perimeter not subject to income taxes.
- The caption "Taxable differences attributable to non-controlling interests (USA)" essentially includes the effect inherent to the attribution of taxable income to non-controllable interests in the subgroup EDPR NA, as determined by the tax legislation of that geography.

During 2021, the EDPR Group had various tax audits regarding different topics. The most relevant one was a the general tax audit in Romania, made to the company Cernavoda Power, S.A.. The process is currently still ongoing the administrative process; however, EDPR does not expect any further liability than the ones already recorded in the Group's accounts at December, 2021.

The General State Budget Law for 2022 approved the modification of Law 27/2014 on Corporation Tax, establishing a minimum taxation of 15% of the tax base. However, EDPR does not anticipate this modification to have a significant impact on the Group.

Extraordinary Contribution to the Energy Sector (CESE)

Law 83-C/2013, of the State Budget 2014 ("Lei do Orçamento de Estado 2014"), approved by the Portuguese Government on 31 December 2013, introduced an extraordinary contribution applicable to the energy sector (CESE), with the objective of financing mechanisms that promote the energy sector systemic sustainability, through the establishment of a fund which aims to contribute for the reduction of tariff debt and to finance social and environmental policies in the energy sector. This contribution focuses generally on the economic operators that develop the following activities: (i) generation, transportation or distribution of electricity; (ii) transportation, distribution, storage or wholesale supply of natural gas; and (iii) refining, treatment, storage, transportation, distribution and wholesale supply of crude oil and oil products.

CESE is calculated based on the companies' net assets as at 1 January, which comply, cumulatively, to: (i) property, plant and equipment; (ii) intangible assets, except industrial property elements; and (iii) financial assets assigned to concessions or licensed activities. In the case of regulated activities, CESE focuses on the value of regulated assets if it is higher than the value of those assets.

As at 31 December 2021, EDPR Group recorded in caption Tax Liabilities a value for this contribution of 3,188 thousand Euros.

16. Property, plant and equipment

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
COST		
Land and natural resources	31,491	29,585
Buildings and other constructions	20,646	19,276
Plant and machinery:		
- Renewables generation	18,265,839	16,446,322
- Other plant and machinery	10,467	10,985
Other	76,909	67,562
Assets under construction	2,420,599	2,571,806
	20,825,951	19,145,536
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES		
Depreciation charge	-570,111	-564,979
Accumulated depreciation in previous years	-5,546,034	-4,941,938
Impairment losses	-	-348
Impairment losses in previous years	-147,506	-146,553
	-6,263,651	-5,653,818
Carrying amount	**14,562,300**	**13,491,718**

The movement in Property, plant and equipment during 2021, is analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER/ OTHER	BALANCE AT 31 DEC
COST							
Land and natural resources	29,585	2,354	-57	-	1,065	-1,456	31,491
Buildings and other constructions	19,276	260	-	-	1,077	33	20,646
Plant and machinery	16,457,307	307,489	-35,006	2,091,321	849,849	-1,394,654	18,276,306
Other	67,562	5,499	-1,350	2,925	2,788	-515	76,909
Assets under construction	2,571,806	2,243,963	-19,403	-2,090,120	115,633	-401,280	2,420,599
	19,145,536	2,559,565	-55,816	4,126	970,412	-1,797,872	20,825,951

	BALANCE AT 01 JAN	CHARGE FOR THE PERIOD	IMPAIRMENT LOSSES/ REVERSES	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 31 DEC
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
Buildings and other constructions	11,736	382	-	-	938	-	13,056
Plant and machinery	5,523,972	564,527	-	-24,879	253,583	-190,754	6,126,449
Assets under construction	72,981	-	-	-	150	-	73,131
Other	45,129	5,202	-	-1,322	2,135	-129	51,015
	5,653,818	570,111	-	-26,201	256,806	-190,883	6,263,651

Plant and machinery include the cost of the wind farms and solar plants under operation.

Additions include the investment in wind farms and solar plants under development and construction mainly in the United States, Poland, Brazil, Spain, Italy, Portugal, Mexico, France, Canada, Colombia and Greece. This caption also includes the allocation of the acquisition cost of certain companies due to the nature of the transactions, the type of assets and the initial stage of completion of the projects acquired (see note 6). The most significant ones, including additions from their acquisition, are:

- Greek companies Aioliki Oitis Energiaki Single-Member LLC, Kadmeios Anemos Energiaki, A.E. and Voiotikos Anemos Anonimi Energiaki Etaireia Wind Shape, Ltd. for a total amount of 16,700 thousand Euros.
- Italian company C & C Tre Energy S.r.l. in the amount of 10,203 thousand Euros;
- Romanian companies Energopark, S.R.L., International Solar Energy, S.R.L., Solar Phoenix, S.R.L. and Beta Wind, S.R.L. for a total amount of 19,548 thousand Euros;
- Polish companies Elektrownia Kamienica, Sp. z o.o., Neo Solar Chotków, Sp. z o.o., Neo Solar Przykona II, Sp. z o.o., Farma Fotowoltaiczna Koden, Sp. z o.o. and WF Energy III, Sp. z o.o. for a total amount of 22,919 thousand Euros;
- Chilean companies Los Llanos Solar, SpA, Parque Eólico San Andrés, SpA, Parque Eólico Victoria, SpA. and Parque Eólico Punta de Talca, SpA for a total amount of 4,305 thousand Euros.
- Hungarian company Nyírség Watt, Kft. in the amount of 2,467 thousand Euros.

Transfers from assets under construction into operation refer to wind and solar farms that became operational in the United States, Canada, Portugal, Mexico, Italy, France, Poland, Brazil, Spain and Greece.

Write-offs mainly refer to abandonment of projects in Europe.

Exchange differences are mainly generated by the variation in the exchange rate of the US Dollar, Mexican Peso and Canadian Dollar.

The caption Changes in perimeter/Other mainly includes:

- Increase amounting to 134,949 thousand Euros related to the acquisition of a distributed solar generation business in EDPR North America. The effect of the fair value adjustment of the assets, in the amount of 447 thousand Euros, has been included in the caption Additions (see note 6 and 42);
- Increase amounting to 21,651 thousand Euros related to the acquisition of the Italian operational company Parco Eolico Aria Del Vento S.R.L. The effect of the fair value adjustment of the assets, in the amount of 13,993 thousand Euros, has been included in the caption Additions (see note 6 and 42);
- Increase amounting to 19,724 thousand Euros related to the acquisition of the Vietnamese operational company Trung Son Energy Development LLC and Singaporean companies Trina Solar Investment First Pte. Ltd. and LYS Energy Investment Pte. Ltd.. The effect of the fair value adjustment of the assets, in the amount of 5,631 thousand Euros, has been included in the caption Additions (see note 6 and 42);
- Increase amounting to 7,564 thousand Euros related to the acquisition of the UK companies Vento Ludens Ltd and the operational company Muirake Wind Farm Ltd. The effect of the fair value adjustment of the assets, in the amount of 13,201 thousand Euros, has been included in the caption Additions (see note 6 and 42);
- Decrease amounting to 558,047 thousand Euros due to the loss of control in the company 2019 Vento XX LLC with a subsequent loss of share interest in companies Lexington Chenoa Wind Farm LLC and Broadlands Wind Farm LLC (see note 6);
- Decrease amounting to 372,381 thousand Euros due to the reclassification to held for sale of certain portfolio of European companies;
- Decrease amounting to 350,901 thousand Euros due to the sale of the company Indiana Crossroads Wind Farm LLC (see note 6);
- Decrease amounting to 268,864 thousand Euros due to the loss of control in the companies Riverstart Development LLC, Riverstart Ventures LLC and subsidiaries (see note 6).
- Decrease amounting to 221,082 thousand Euros due to the sale of the companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A. (see note 6).

The Company has taken out an insurance global program to cover risks relating to property, plant and equipment. The coverage provided by these policies is considered to be sufficient.

Loans with credit institutions formalized as 'Project Finances' are secured by the shares of the corresponding wind farms and, ultimately, by the fixed assets of the wind farm to which the financing is related (see note 31). Additionally, the construction of certain assets has been partly financed by grants received from different Government Institutions.

The movement in Property, plant and equipment during 2020, is analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER/ OTHER	BALANCE AT 31 DEC
COST							
Land and natural resources	31,724	770	-1,369	-	-1,608	68	29,585
Buildings and other constructions	15,666	3,537	-250	72	-1,601	1,852	19,276
Plant and machinery	17,406,754	300,260	-80,025	722,866	-1,063,063	-829,485	16,457,307
Other	61,600	3,401	-586	2,527	-3,009	3,629	67,562
Assets under construction	1,446,787	2,012,655	-5	-725,465	-187,822	25,656	2,571,806
	18,962,531	**2,320,623**	**-82,235**	**-**	**-1,257,103**	**-798,280**	**19,145,536**

THOUSAND EUROS	BALANCE AT 01 JAN	CHARGE FOR THE PERIOD	IMPAIRMENT LOSSES/ REVERSES	DISPOSALS/ WRITE -OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER/ OTHER	BALANCE AT 31 DEC
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
Buildings and other constructions	11,513	1,501	-	-130	-1,148	-	11,736
Plant and machinery	5,567,921	558,837	-275	-78,988	-308,117	-215,406	5,523,972
Assets under construction	76,129	-	623	-	-3,771	-	72,981
Other	43,108	4,641	-	-535	-2,211	126	45,129
	5,698,671	**564,979**	**348**	**-79,653**	**-315,247**	**-215,280**	**5,653,818**

Additions include the investment in wind farms and solar plants under development and construction mainly in the United States, Brazil, Poland and France. This caption also includes the allocation of the acquisition cost of certain companies due to the nature of the transactions, the type of assets and the initial stage of completion of the projects acquired (see note 6). The most significant ones, including additions from their acquisition, are:

- Mexican company Parque Solar Los Cuervos, S. de R.L. de C.V. in the amount of 122,379 thousand Euros;
- Polish companies Wind Field Wielkopolska, Sp. zo.o, Neo Solar Farm, Sp. z o.o., R.Wind, Sp. z o.o. and FW Warta, Sp. z o.o.for a total amount of 75,725 thousand Euros;
- Colombian companies Elipse Energía, S.A.S. E.S.P., Omega Energía, S.A.S. E.S.P. and Kappa Energía, S.A.S. E.S.P. for a total amount of 55,862 thousand Euros;
- UK companies Wind 2 Project 1 Limited, Altnabreac Wind Farm Limited, Ben Sca Wind Farm Limited, Moorshield Wind Farm Limited and Drummarnock Wind Farm Limited for a total amount of 55,765 thousand Euros;
- Italian companies Energia Emissioni Zero 4, S.r.l., Aliseo, S.r.l., Wind Energy San Giorgio, S.r.l., Giglio, S.r.l. and VRG Wind 153, S.r.l. for a total amount of 29,336 thousand Euros;
- French company Vaudrimesnil Energie, S.A.R.L. in the amount of 13,731 thousand Euros;
- Greek company Wind Shape, Ltd. in the amount of 5,159 thousand Euros.

Transfers from assets under construction into operation mainly refer to wind and solar farms that became operational mainly in the United States, Spain and France.

Exchange differences are mainly generated by the variation in the exchange rate of the Brazilian Real, Polish Zloty and US Dollar.

The caption Changes in perimeter/Other mainly includes:

- Increase amounting to 209,736 thousand Euros related to the acquisition of the renewables business of Viesgo. The effect of the fair value adjustment of the assets, in the amount of 214,254 thousand Euros, has been included in the caption Additions (see note 6 and 42).
- Decrease due to the sale of the 80% stake and loss of control in the companies EDPR Wind Ventures XVII, LLC and subsidiaries in the amount, net of accumulated depreciation, of 476,964 thousand Euros (see note 6);
- Decrease due to the sale of the following Spanish portfolio of companies: Bon Vent de Corbera, S.L.U., Eólica Sierra de Ávila, S.L.U., Parc Eòlic de Torre Madrina, S.L.U., Parc Eòlic de Coll de Moro, S.L.U., Parc Eòlic de Vilalba dels Arcs, S.L.U. and Aprofitament D'Energies Renovables de L'Ebre, S.L. in the amount, net of accumulated depreciation, of 332,602 thousand Euros (see note 6);
- Decrease due to the sale of the entire stake in the company Rosewater Wind Farm LLC in the amount, net of accumulated depeciation, of 109,754 thousand Euros (see note 6).

Assets under construction as at 31 December 2021 and 2020 are analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
EDPR NA Group	1,079,633	1,485,274
EDPR EU Group	825,790	712,437
EDPR BR Group	326,667	229,503
Others	188,509	144,592
	2,420,599	**2,571,806**

Assets under construction as at 31 December 2021 are mainly related to wind and solar farms under construction and development in the United States of America, Poland, Brazil, Colombia, Spain, Italy, Mexico, France, UK, Canada, Greece, Romania and Portugal.

Financial interests capitalized during the period amount to 32,457 thousand Euros as at 31 December 2021 (31 December 2020: 26,120 thousand Euros) (see note 14).

Personnel costs capitalised during the period amount to 47,049 thousand Euros as at 31 December 2021 (31 December 2020: 38,324 thousand Euros) (see note 11).

The EDP Renováveis Group has purchase obligations disclosed in Note 38 - Commitments.

17. Righ of use assets

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
COST		
Land and natural resources	721,642	699,214
Buildings and other constructions	35,720	30,246
Plant and machinery:	119	118
Other	5,568	4,150
	763,049	733,728
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES		
Depreciation charge	-34,807	-34,311
Accumulated depreciation	-59,454	-25,372
	-94,261	-59,683
Carrying amount	**668,788**	**674,045**

The movements in Right of use assets, for the Group, for the period ended 31 December 2021, are as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER/ OTHER	BALANCE AT 31 DEC
COST						
Land and natural resources	699,214	136,690	-210	43,557	-157,609	721,642
Buildings and other constructions	30,246	4,285	-46	1,275	-40	35,720
Plant and machinery:	118	0	0	1	0	119
Other	4,152	1,439	-20	4	-7	5,568
	733,730	142,414	-276	44,837	-157,656	763,049

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER/ OTHER	BALANCE AT 31 DEC
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
Land and natural resources	-48,143	-28,225	2	-3,058	3,635	-75,789
Buildings and other constructions	-9,348	-5,453	3	-389	19	-15,168
Plant and machinery:	-7	-3	0	0	0	-10
Other	-2,187	-1,126	20	-1	0	-3,294
	-59,685	-34,807	25	-3,448	3,654	-94,261

Cost additions include new lease contracts mainly located in the USA, Portugal, Spain, Brazil, Italy, Mexico, Canada and Greece. New leases are typically signed for a similar period than the useful life of the projects. See note 35 for maturity of lease contracts.

Exchange differences are mainly generated by the variation in the exchange rate of the US Dollar.

The caption Changes in perimeter/Other mainly includes:

- Increase amounting to 4,858 thousand Euros related to the acquisition of a distributed solar generation business in EDPR North America (see note 6);
- Decrease amounting to 53,882 thousand Euros due to the loss of control in the company 2019 Vento XX LLC with a subsequent loss of share interest in companies Lexington Chenoa Wind Farm LLC and Broadlands Wind Farm LLC (see note 6).
- Decrease amounting to 41,134 thousand Euros due to the sale of the company Indiana Crossroads Wind Farm LLC (see note 6).
- Decrease amounting to 36,758 thousand Euros due to the loss of control in the companies Riverstart Development LLC, Riverstart Ventures LLC and subsidiaries (see note 6).
- Decrease amounting to 16,884 thousand Euros due to the sale of the companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A. (see note 6).
- Decrease amounting to 12,405 thousand Euros due to the reclassification to held for sale of certain portfolio of European companies.

The movements in Right of use assets, for the Group, for the period ended 31 December 2020, are as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER/ OTHER	BALANCE AT 31 DEC
COST						
Land and natural resources	625,386	137,186	-8	-48,206	-15,144	699,214
Buildings and other constructions	17,710	14,915	-281	-1,485	-613	30,246
Plant and machinery:	166	-	-	-48	-	118
Other	3,196	858	-9	-69	174	4,150
	646,458	152,959	-298	-49,808	-15,583	733,728

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER/ OTHER	BALANCE AT 31 DEC
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
Land and natural resources	-25,064	-27,517	1	2,635	1,803	-48,142
Buildings and other constructions	-4,353	-5,641	136	330	180	-9,348
Plant and machinery:	-5	-4	-	2	-	-7
Other	-1,072	-1,149	4	24	7	-2,186
	-30,494	-34,311	141	2,991	1,990	-59,683

The caption Changes in perimeter/Other mainly includes:

- Increase amounting to 15,403 thousand Euros related to the acquisition of the renewables business of Viesgo (see note 6 and 42);

  Decrease, net of accumulated depreciation, amounting to 29,646 thousand Euros due to the sale of the 80% stake and loss of control in the companies EDPR Wind Ventures XVII, LLC and subsidiaries (see note 6);

- Decrease, net of accumulated depreciation, amounting to 8,919 thousand Euros due to the sale of the following Spanish portfolio of companies: Bon Vent de Corbera, S.L.U., Eólica Sierra de Ávila, S.L.U., Parc Eòlic de Torre Madrina, S.L.U., Parc Eòlic de Coll de Moro, S.L.U., Parc Eòlic de Vilalba dels Arcs, S.L.U. and Aprofitament D'Energies Renovables de L'Ebre, S.L (see note 6).

18. Intangible assets

This caption is analysed as follows:

THOUSAND EUROS EUROS	31 DEC 2021	31 DEC 2020
COST		
Industrial property, other rights and other intangible assets	389,883	369,249
Concession Rights	31,494	27,786
Intangible assets under development	44,461	44,199
	465,838	441,234
ACCUMULATED AMORTISATION		
Amortisation charge	-18,402	-16,841
Accumulated amortisation in previous years	-119,282	-98,207
Impairment losses	-	-
Impairment losses in previous years	-11,746	-11,958
	-149,430	-127,006
Carrying amount	**316,408**	**314,228**

Industrial property, other rights and other intangible assets include:

- Generated green certificates pending to be sold amounting to 157,532 thousand Euros (31 December 2020: 148,668 thousand Euros) (see note 2 i));
- Power sales contracts in relation to former asset acquisitions out of the scope of IFRS 3 in the amount of 55,460 thousand Euros (31 December 2020: 51,189) that are amortized over the term of the power sales contracts. The variation is explained by the effect of the exchange rates;
- Software, substation access rights and wind generation permits and licenses amounting to 145,134 thousand Euros (31 December 2020: 137,635 thousand Euros).

The movement in Intangible assets during 2021, is analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS / WRITE-OFFS	TRANSFERS	EXCHANGE DIFFERENCES	OTHERS	BALANCE AT 31 DEC
COST							
Industrial property, other rights and other intangible assets	369,249	11,504	-	4,956	6,924	-2,750	389,883
Concession rights	27,786	60	-	6,561	3	-2,916	31,494
Intangible assets under development	44,199	13,346	-392	-15,643	203	2,748	44,461
	441,234	**24,910**	**-392**	**-4,126**	**7,130**	**-2,918**	**465,838**

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFFS	EXCHANGE DIFFERENCES	OTHERS	BALANCE AT 31 DEC
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES						
Industrial property, other rights and other intangible assets	120,304	15,684	-	4,257	-	140,245
Concession Rights	6,702	2,718	-	1	-236	9,185
	127,006	**18,402**	**-**	**4,258**	**-236**	**149,430**

Additions mainly refer to additional green certificates in the amount of 10,627 thousand Euros.

The caption Others mainly includes a decrease amounting to 6,553 thousand Euros related to the sale of the companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A. (see note 6).

The movement in Intangible assets during 2020, is analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFFS	TRANSFERS	EXCHANGE DIFFERENCES	OTHERS	BALANCE AT 31 DEC
COST							
Industrial property, other rights and other intangible assets	345,384	719	-14	24,479	-13,783	12,464	369,249
Concession rights	15,182	-	-	12,304	-23	323	27,786
Intangible assets under development	44,906	37,006	-	-36,783	1	-931	44,199
	405,472	37,725	-14	-	-13,805	11,856	441,234

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFFS	EXCHANGE DIFFERENCES	OTHERS	BALANCE AT 31 DEC
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES						
Industrial property, other rights and other intangible assets	110,712	14,681	-14	-4,964	-111	120,304
Concession Rights	4,443	2,160	-	-9	108	6,702
	115,155	16,841	-14	-4,973	-3	127,006

Additions mainly refer to software license acquisitions during the period.

The caption Others mainly includes an increase amounting to 13,340 thousand Euros related to the acquisition of the renewables business of Viesgo (see note 6 and 42).

19. Goodwill

For the Group, the breakdown of Goodwill resulting from the difference between the cost of the investments and the corresponding share of the fair value of the net assets acquired, is analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Goodwill booked in EDPR EU Group:	578,120	577,547
- EDPR Spain Group	470,784	470,784
- EDPR France Group	25,904	25,904
- EDPR Portugal Group	43,712	43,712
- Other	37,720	37,147
Goodwill booked in EDPR NA Group	686,842	644,499
Goodwill booked in EDPR BR Group	627	620
Others	2,446	-
	1,268,035	1,222,666

The movements in Goodwill, by subgroup, during 2021 are analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	INCREASES	DECREASES	IMPAIRMENT	EXCHANGE DIFFERENCES	CHANGE PERIMETER / OTHERS	BALANCE AT 31 DEC
EDPR EU Group:							
- EDPR Spain Group	470,784	-	-	-	-	-	470,784
- EDPR France Group	25,904	-	-	-	-	-	25,904
- EDPR Portugal Group	43,712	-	-	-	-	-	43,712
- Other	37,147	-	-	-	29	544	37,720
EDPR NA Group	644,499	-	-	-	52,274	-9,931	686,842
EDPR BR Group	620	-	-	-	7	-	627
Others	-	-	-	-	103	2,343	2,446
	1,222,666	-	-	-	52,413	-7,044	1,268,035

Changes in the perimeter / others refer to:

- Increase amounting to 2,343 thousand Euros related to the business combination for the acquisition of the Vietnamese operational company Trung Son Energy Development LLC and Singaporean companies Trina Solar Investment First Pte. Ltd. and LYS Energy Investment Pte. Ltd. (see note 6 and 42);
- Increase amounting to 1,575 thousand Euros related to the business combination for the acquisition of the distribution generation business in EDPR NA (see note 6 and 42).
- Increase amounting to 544 thousand Euros related to the business combination for the acquisition of the UK companies Vento Ludens Ltd and the operational company Muirake Wind Farm Ltd (see note 6).
- Decrease in the amount of 11,506 thousand Euros related to the sale of companies in EDPR NA (see note 6).

The movements in Goodwill, by subgroup, during 2020 are analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	INCREASES	DECREASES	IMPAIRMENT	EXCHANGE DIFFERENCES	CHANGES PERIMETER / OTHERS	BALANCE AT 31 DEC
EDPR EU Group:							
- EDPR Spain Group	388,180	-	-	-132	-	82,736	470,784
- EDPR France Group	25,904	-	-	-	-	-	25,904
- EDPR Portugal Group	43,712	-	-	-	-	-	43,712
- Other	37,720	-	-	-	-573	-	37,147
EDPR NA Group	702,818	-	-	-	-58,319	-	644,499
EDPR BR Group	876	-	-	-	-256	-	620
	1,199,210	-	-	-132	-59,148	82,736	1,222,666

Changes in the perimeter / others refer to:

- Increase in the amount of 148,341 thousand Euros related with the acquisition of Viesgo's renewable business (see note 6 and 42) of which an amount of 4,641 thousand Euros refers to associate companies consolidated by the equity method, thus presented in Investments in joint ventures and associates caption (see note 20);
- Decrease in the amount of 60,964 thousand Euros related with the sale of the following Spanish portfolio of companies: Bon Vent de Corbera, S.L.U., Eólica Sierra de Ávila, S.L.U., Parc Eòlic de Torre Madrina, S.L.U., Parc Eòlic de Coll de Moro, S.L.U., Parc Eòlic de Vilalba dels Arcs, S.L.U. and Aprofitament D'Energies Renovables de L'Ebre, S.L. (see note 6).

Impairment tests - EDPR Group

Goodwill, property, plant and equipment, right of use assets, intangible assets and investments in joint ventures and associates of the EDPR Group are tested for impairment each year. In the case of operational wind farms and solar plants, it is performed by determining the recoverable value through the value in use. Goodwill is allocated to each country (CGUs) where EDPR Group performs its activity, so the EDPR Group calculates cash flows in each country in order to determine the recoverable amount of goodwill and the rest of the assets allocated.

To perform this analysis, a Discounted Cash Flow (DCF) method was used. This method is based on the principle that the estimated value of an entity or business is defined by its capacity to generate financial resources in the future, assuming these can be removed from the business and distributed among the company's shareholders, without compromising the maintenance of the activity. Therefore, for the businesses developed by EDPR's CGUs, the valuation was based on free cash flows generated by the business, discounted at appropriate discount rates.

The future cash flows projection period used is the useful life of the assets (30 to 35 years) which is consistent with the current depreciation method. The cash flows also incorporate the long-term off-take contract in place and long-term estimates of power prices, whenever the asset holds merchant exposure.

The main assumptions used for the impairment tests are as follows:

- **Power produced:** net capacity factors used for each CGU utilize the wind studies carried out, which takes into account the long-term predictability of wind output and that wind generation is supported in nearly all countries by regulatory mechanisms that allow for production and priority dispatching whenever weather conditions permit;

  Electricity remuneration: regulated or contracted remuneration has been applied where available, as for the CGUs that benefit from regulated remuneration or that have signed contracts to sell their output during all or part of their useful life; where this is not available, prices were derived using price curves projected by the company based on its experience, internal models and using external data references;

- **New capacity:** tests were based on the best information available on the wind and solar farms expected to be built in coming years, adjusted by probability of success and by the growth prospects of the company based on the Business Plan Targets, which includes the commitment to develop under construction wind farms, its historical growth and market size projections. The tests considered the contracted and expected prices to buy turbines from various suppliers;

- **Operating costs:** established contracts for land leases and maintenance agreements were used; other operating costs were projected consistent with the company's experience and internal models;

- **Terminal value:** considered as a 15% of the initial investment in each wind farm, considering inflation;

- **Discount rate:** the discount rates used are post-tax, reflect EDPR Group's best estimate of the risks specific to each CGU and range as follows:

	2021	2020
Europe	2.9%-5.6%	3.55-6.01%
North America	4.6%	4.9%-7.1%
Brazil	7.6%-9.3%	8.51%-10.17%
Others	4.6%-7.7%	8.24%

Impairment tests done have taken into account the regulation changes in each country, as disclosed in note 1.

As a result of the impairment tests, it has not been required to book any additional impairment or reverse existing impairments during the year. Further, EDPR has performed the following sensitivity analyses in the results of goodwill impairment tests performed in Europe, North America and Brazil in some of the key variables, such as:

- 5% reduction of Merchant Prices used in the base case. This sensitivity analysis performed for this assumption independently would not suppose any impairment for the goodwill allocated to each country;

- 100 basis points increase of the discount rate used in the base case. This sensitivity analysis performed for this assumption independently would not suppose any impairment for the goodwill allocated to each country.

20. Investments in Joint Ventures and Associates

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
INVESTMENTS IN ASSOCIATES		
Interests in joint ventures	911,196	388,337
Interests in associates	77,326	86,547
Carrying amount	**988,522**	**474,884**

For the purpose of the consolidated financial statements presentation, goodwill arising from the acquisition of joint ventures and associated companies is presented in this caption. During 2020, and in the context of the acquisition of the renewable business of Viesgo, there has been an increase of goodwill arising from the acquisition of associated companies in the amount of 4,641 thousand Euros (see note 42).

The movement in Investments in joint ventures and associates, is analysed as follows:

THOUSAND EUROS	2021	2020
Balance as at 1 January	474,884	460,185
Changes in the consolidation perimeter	-	5,965
Changes in consolidation method	96,204	-18,574
Acquisitions / Increases	371,143	101,664
Disposals	-3,960	-
Share of profits of joint ventures and associates	41,184	-6,151
Dividends	-29,599	-28,197
Exchange differences	35,713	-38,410
Hedging reserve in joint ventures and associates	-5,376	-1,633
Others	8,329	35
Balance as at 31 December	**988,522**	**474,884**

Changes in the consolidation method refers to:

- Increase amounting to 32,763 thousand Euros due to the loss of control in the companies Riverstart Development LLC, Riverstart Ventures LLC and subsidiaries (see note 6);
- Increase amounting to 63,441 thousand Euros due to the loss of control in the company 2019 Vento XX LLC with a subsequent loss of share interest in companies Lexington Chenoa Wind Farm LLC and Broadlands Wind Farm LLC (see note 6).

Acquisition/ increases mainly include share capital increases in OW Offshore S.L. (Ocean Winds) in the amount of 331,519 thousand Euros.

The following table resumes the companies' financial information of joint ventures included in the Group consolidated accounts, as of December 2021:

THOUSAND EUROS	OW Offshore S.L. and subsidiaries	Flat Rock Windpower LLC	Goldfinger Ventures II LLC and subsid.	2019 Vento XX LLC and subsid.	Goldfinger Ventures LLC and subsid.	2017 Vento XVII LLC and subsid.
COMPANIES' FINANCIAL INFORMATION OF JOINT VENTURES						
Non-Current Assets	1,181,672	198,883	313,792	644,157	209,580	525,213
Current Assets	266,754	5,205	1,685	16,121	554	5,453
Cash and cash equivalents	82,639	4,282	870	9,429	-47	-159
Total Equity	707,268	197,721	194,044	215,942	141,812	177,217
Long term Financial debt	50,037	-	-	-	-	-
Non-Current Liabilities	650,372	4,080	112,157	415,353	65,228	344,720
Short term Financial debt	3,720	-	101	456	98	-
Current Liabilities	90,786	2,287	9,276	28,983	3,094	8,729
Revenues	10,040	9,711	10,657	30,600	11,063	34,952
PPE and intangible assets amortisations	-4,532	-13,097	-7,372	-15,714	-9,212	-19,352
Other financial expenses	-69,164	-53	-3,202	-26,102	-1,708	-14,259
Income tax expense	1,080	-	-	-	-	-
Net profit for the period	34,813	-14,667	12,931	534,542	9,187	20,545
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP						
Net assets	358,986	102,608	84,775	67,457	63,217	57,919
Goodwill	5,352		-	-	-	-
Dividends paid	-	9,809	4,539	-	3,270	3,885

THOUSAND EUROS	2018 Vento XIX LLC and subsidiaries	Flat Rock Windpower II LLC	Evoikos Voreas A.E.	Sofrano S.A.	Evolución 2000 S.L.	Others
COMPANIES' FINANCIAL INFORMATION OF JOINT VENTURES						
Non-Current Assets	477,623	81,368	625	582	33,502	306,237
Current Assets	13,913	1,893	752	227	9,805	3,795
Cash and cash equivalents	-86	1,704	752	96	5,778	334
Total Equity	133,497	80,735	685	645	27,620	81,755
Long term Financial debt	-	-	-	-	-	-
Non-Current Liabilities	351,971	1,554	-	-	10,336	137,777
Short term Financial debt	-	-	-	-	3,680	184
Current Liabilities	6,068	972	692	164	5,351	90,500
Revenues	22,019	3,723	-	-	8,343	319
PPE and intangible assets amortisations	-16,498	-5,117	-	-	-2,623	-
Other financial expenses	-17,347	-24	-	-	-98	-26
Income tax expense	-	-	-	-	-577	-
Net profit for the period	13,463	-6,184	-38	-33	3,686	35,466
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP						
Net assets	47,447	40,367	20,925	15,409	16,242	35,844
Goodwill	-	-	-	-	2,667	27
Dividends paid	3,118	-	-	-	-	-

The following table resumes the companies' financial information of joint ventures included in the Group consolidated accounts, as of December 2020:

THOUSAND EUROS	Flat Rock Windpower LLC	Goldfinger Ventures II LLC and subsid.	2017 Vento XVII LLC and subsid.	Goldfinger Ventures LLC and subsid.	2018 Vento XIX LLC and subsid.
COMPANIES' FINANCIAL INFORMATION OF JOINT VENTURES					
Non-Current Assets	196,645	296,754	506,707	202,360	449,712
Current Assets	3,021	2,859	4,590	533	11,435
Cash and cash equivalents	1,927	1,044	-126	41	4,569
Total Equity	192,900	162,372	166,781	118,492	120,578
Long term Financial debt	-	-	-	-	-
Non-Current Liabilities	3,714	132,423	338,441	80,810	336,584
Short term Financial debt	-	89	-	-	-
Current Liabilities	3,052	4,818	6,075	3,591	3,985
Revenues	7,106	19,068	39,505	10,838	25,448
PPE and intangible assets amortisations	-	-	-	-	-
Other financial expenses	-55	-4,664	-29,782	-2,759	-18,485
Income tax expense	-	-	-	-	-
Net profit for the period	-19,919	4,102	-1,694	-818	20,055
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP					
Net assets	103,315	69,539	53,917	51,794	44,943
Goodwill	-	-	-	-	-
Dividends paid	10,149	6,231	-	3,180	5,477

THOUSAND EUROS	Flat Rock Windpower II LLC	Evolución 2000 S.L.	OW Offshore S.L. and Subsidiaries	Others
COMPANIES' FINANCIAL INFORMATION OF JOINT VENTURES				
Non-Current Assets	80,247	31,945	872,533	841
Current Assets	2,334	2,581	133,404	2,613
Cash and cash equivalents	1,085	589	38,740	343
Total Equity	79,905	19,922	8,790	2,886
Long term Financial debt	-	3,679	-	-
Non-Current Liabilities	1,411	8,750	166,013	541
Short term Financial debt	-	4,522	10,611	-
Current Liabilities	1,265	5,854	831,854	27
Revenues	2,726	6,743	1,108	-
PPE and intangible assets amortisations	-	-	-	-
Other financial expenses	-25	-125	-29,414	-
Income tax expense	-	-657	305	-
Net profit for the period	-7,996	1,970	-18,096	-3,472
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP				
Net assets	39,952	14,431	9,027	1,419
Goodwill	-	2,667	5,352	-
Dividends paid	-	-	-	1,262

The following table resumes the companies' financial information of associates included in the Group consolidated accounts, as of December 2021:

THOUSAND EUROS	Eólica São Julião Lda.	Parque Eólico Sierra del Madero S.A.	Geólica Magallón S.L.	San Juan de Bargas Eólica S.L.
COMPANIES' FINANCIAL INFORMATION OF ASSOCIATES				
Non-Current Assets	6,007	44,104	5,619	7,547
Current Assets	529	24,124	10,010	7,636
Equity	-11,931	41,171	6,700	11,367
Non-Current Liabilities	14,496	8,066	1,477	725
Current Liabilities	3,971	18,991	7,452	3,091
Revenues	6,657	16,656	7,343	5,463
Net profit for the period	-2,724	7,766	5,982	5,132
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP				
Net assets	16,115	17,290	11,680	12,036
Goodwill	1,457	-	683	-
Dividends paid	-	-	1,068	817

THOUSAND EUROS	Desarrollos Eólicos de Canarias S.A.	Eos Pax IIa, S.L.	Parque Eólico Belmonte S.A.	Other
COMPANIES' FINANCIAL INFORMATION OF ASSOCIATES				
Non-Current Assets	2,711	867	17,811	21,681
Current Assets	5,274	167	5,054	9,944
Equity	6,072	-462	9,506	8,124
Non-Current Liabilities	845	995	9,302	17,881
Current Liabilities	1,068	501	4,057	5,620
Revenues	5,804	8,416	3,914	3,115
Net profit for the period	3,171	2,872	1,278	-460
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP				
Net assets	9,196	3,481	4,568	2,960
Goodwill	6,479	-	1,726	3,976
Dividends paid	70	1,455	-	1,568

The following table resumes the companies' financial information of associates included in the Group consolidated accounts, as of December 2020:

THOUSAND EUROS	Eólica São Julião Lda.	Parque Eólico Sierra del Madero S.A.	Geólica Magallón S.L.	San Juan de Bargas Eólica S.L.
COMPANIES' FINANCIAL INFORMATION OF ASSOCIATES				
Non-Current Assets	6,145	45,647	6,884	8,740
Current Assets	11,197	14,281	3,698	2,141
Equity	2,780	33,412	4,960	7,973
Non-Current Liabilities	13,504	3,974	1,615	642
Current Liabilities	1,058	22,542	4,007	2,266
Revenues	9,122	9,895	3,903	2,679
Net profit for the period	1,389	2,547	1,038	-340
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP				
Net assets	24,031	14,031	11,658	10,939
Goodwill	1,457	-	683	-
Dividends paid	-	1,470	-	-

THOUSAND EUROS	Desarrollos Eólicos de Canarias S.A.	Eos Pax IIa, S.L.	Parque Eólico Belmonte S.A.	Other
COMPANIES' FINANCIAL INFORMATION OF ASSOCIATES				
Non-Current Assets	2,690	1,479	18,590	25,946
Current Assets	1,529	1,915	2,033	9,065
Equity	2,616	2,640	8,234	20,501
Non-Current Liabilities	1,035	414	4,790	12,727
Current Liabilities	568	340	7,599	1,783
Revenues	1,788	2,820	4,575	9,108
Net profit for the period	154	493	1,187	-2,794
AMOUNTS PROPORTIONALLY ATTRIBUTED TO EDPR GROUP				
Net assets	7,641	5,966	4,184	8,097
Goodwill	6,479	-	1,726	3,976
Dividends paid	428	-	-	-

During 2021, the significant companies' financial information of joint ventures and associates presented the following fair value reconciliation of net assets proportionally attributed to EDPR Group:

THOUSAND EUROS	EQUITY	% INVESTMENT	FAIR VALUE ADJUSTMENTS	GOODWILL	OTHERS	NET ASSETS
OW Offshore S.L. and subsidiaries	707,268	50.00%	-	5,352	-	358,986
Flat Rock Windpower LLC	197,721	50.00%	-	-	3,747	102,608
Goldfinger Ventures II LLC	194,044	50.00%	-12,247	-	-	84,775
2019 Vento XX and subsidiaries	215,942	20.00%[(1)]	24,269[(2)]	-	-	67,457
Goldfinger Ventures LLC and subs.	141,812	50.00%	-7,689	-	-	63,217
2017 Vento XVII LLC and subs.	177,217	20.00%[(1)]	22,476	-	-	57,919
2018 Vento XIX LLC and subs.	133,497	20.00%[(1)]	20,748	-	-	47,447
Flat Rock Windpower II LLC	80,735	50.00%	-	-	-	40,367
Evoikos Voreas A.E.	685	51.00%[(1)]	20,575	-	-	20,924
Evolución 2000 S.L.	27,620	49.15%[(1)]	-	2,667	-	16,242
Sofrano S.A.	645	51.00%[(1)]	15,080	-	-	15,409
Parque Eólico Sierra del Madero S.A	41,171	42.00%	-	-	-	17,290
Eólica de São Julião, Lda.	-11,931	45.00%	-	1,457	-	16,115
San Juan de Bargas Eólica, S.L.	11,367	47.01%	6,692	-	-	12,036
Geólica Magallón, S.L.	6,700	36.24%	8,569	683	-	11,680
Desarrollos Eólicos de Canarias, S.A	6,072	44.75%	-	6,479	-	9,196
Eos Pax IIa, S.L.	-462	48.50%	3,705	-	-	3,481
Parque Eólico Belmonte, S.A.	9,506	29.90%	-	1,726	-	4,568

(1) According to the relevant shareholder agreements, it has been concluded a joint control over the company.

(2) Includes the impact of the sale of 12% stake after loss of control.

During 2020, the significant companies' financial information of joint ventures and associates presents the following fair value reconciliation of net assets proportionally attributed to EDPR Group:

THOUSAND EUROS	EQUITY	% INVESTMENT	FAIR VALUE ADJUSTMENTS	GOODWILL	OTHERS	NET ASSETS
Flat Rock Windpower LLC	192,900	50.00%	-	-	6,865	103,315
2018 Vento XIX LLC and subs.	120,578	20.00%[(1)]	21,881		-1,053	44,943
Flat Rock Windpower II LLC	79,905	50.00%	-	-	-	39,952
2017 Vento XVII LLC and subs.	166,781	20.00%[(1)]	20,561	-	-	53,917
Evolución 2000, S.L.	19,922	49.15%[(1)]	-	2,667	1,972	14,431
Goldfinger Ventures II LLC	162,372	50.00%	-11,647	-	-	69,539
OW Offshore S.L. and subsidiaries	8,790	50.00%	-	5,352	-720	9,027
Goldfinger Ventures LLC	118,492	50.00%	-7,452	-	-	51,794
Eólica de São Julião, Lda.	2,780	45.00%	21,321	1,457	-	24,031
Parque Eólico Sierra del Madero S.A	33,412	42.00%			-	14,031
Geólica Magallón, S.L.	4,960	36.24%	9,177	683	-	11,658
San Juan de Bargas Eólica, S.L.	7,973	47.01%	7,190		-	10,939
Desarrollos Eólicos Canarias, S.A.	2,616	44.75%	-	6,479	-9	7,641
Eos Pax IIa, S.L.	2,640	48.50%	4,298	-	388	5,966
Parque Eólico Belmonte S.A.	8,234	29.90%	-	1,726	-4	4,184

(1) According to the relevant shareholder agreements, it has been concluded a joint control over the company.

EDPR commitments to provide funding to Joint Ventures as at 31 December 2021 are:

					2021
					CAPITAL OUTSTANDING BY MATURITY
THOUSAND EUROS	TOTAL	LESS THAN 1 YEAR	FROM 1 TO 3 YEARS	FROM 3 TO 5 YEARS	MORE THAN 5 YEARS
EDPR Commitments to provide funding to Joint Ventures	384,621	384,621	-	-	-
	384,621	**384,621**	**-**	**-**	**-**

EDPR commitments to provide funding to Joint Ventures as at 31 December 2020 are:

					2020
					CAPITAL OUTSTANDING BY MATURITY
THOUSAND EUROS	TOTAL	LESS THAN 1 YEAR	FROM 1 TO 3 YEARS	FROM 3 TO 5 YEARS	MORE THAN 5 YEARS
EDPR Commitments to provide funding to Joint Ventures	305,000	305,000	-	-	-
	305,000	**305,000**	**-**	**-**	**-**

EDPR Commitments to provide funding for Joint Ventures in 2021 and 2020 refer to funds agreed to be provided to Ocean Winds for financing the offshore business.

EDPR Group granted parent company guarantees for certain joint venture projects. Total guarantees granted refer to financial and operational guarantees granted by EDPR to joint ventures in the amount of 17,795 thousand Euros and 267,200 thousand Euros respectively. Further, EDP Energías de Portugal Sucursal en España has granted financial and operational guarantees to EDPR's joint ventures in the amount of 261,187 thousand Euros and 11,037 thousand Euros respectively.

21. Deferred tax assets and liabilities

EDP Renováveis Group records the tax effect resulting from temporary differences between the assets and liabilities determined on an accounting basis and on a tax basis. As at 31 December 2021, on a consolidated basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

					NET DEFERRED TAX ASSETS
THOUSAND EUROS	BALANCE AT 31.12.2020	MOV. RESULTS	MOV. RESERVES	PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 31.12.2021
Tax losses and tax credits	618,024	91,431	294	53,164	762,913
Provisions	10,640	6,805	-4	5,879	23,320
Financial instruments	12,195	-123,565	244,193	437	133,260
Property plant and equipment	64,795	4,954	-839	-803	68,107
Non-deductible financial expenses	34,530	-3,683	-	-14,989	15,858
Other temporary differences	40,397	-6,428	-40	2,879	36,808
Assets/liabilities compensation of deferred taxes	-658,413	15,289	-178	-65,161	-708,463
	122,168	**-15,197**	**243,426**	**-18,594**	**331,803**

THOUSAND EUROS	BALANCE AT 31.12.2020	MOV. RESULTS	MOV. RESERVES	PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 31.12.2021
NET DEFERRED TAX LIABILITIES					
Financial instruments	10,943	-3,587	-5,371	134	2,119
Property plant and equipment	284,601	-6,128	-2,232	26,143	302,384
Allocation of fair value to assets and liabilities acquired	433,443	7,568	2,406	17,957	461,374
Income from institutional partnerships (North America)	343,468	11,048	58	28,658	383,232
Other temporary differences	22,104	2,492	520	-401	24,715
Assets/liabilities compensation of deferred taxes	-667,457	13,044	1,636	-66,483	-719,260
	427,102	24,437	-2,983	6,008	454,564

The compensation between deferred tax assets and liabilities is performed at each subsidiary, and therefore the consolidated financial statements reflect the total deferred tax assets and deferred tax liabilities of the Group's subsidiaries.

As at 31 December 2020, on a consolidated basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

THOUSAND EUROS	BALANCE AT 31.12.2019	MOV. RESULTS	MOV. RESERVES	PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 31.12.2020
NET DEFERRED TAX ASSETS					
Tax losses and tax credits	701,336	-24,006	-	-59,306	618,024
Provisions	11,538	432	-	-1,330	10,640
Financial instruments	14,305	194	350	-2,654	12,195
Property plant and equipment	52,232	11,000	831	732	64,795
Non-deductible financial expenses	35,502	-331	-	-641	34,530
Other temporary differences	40,605	-1,230	3,795	-2,773	40,397
Assets/liabilities compensation of deferred taxes	-729,346	-10,019	-975	81,927	-658,413
	126,172	-23,960	4,001	15,955	122,168

THOUSAND EUROS	BALANCE AT 31.12.2019	MOV. RESULTS	MOV. RESERVES	PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 31.12.2020
NET DEFERRED TAX LIABILITIES					
Financial instruments	6,119	3,661	1,623	-460	10,943
Property plant and equipment	323,362	2,786	-	-41,547	284,601
Allocation of fair value to assets and liabilities acquired	384,082	8,960	-	40,401	433,443
Income from institutional partnerships (North America)	348,976	23,930	53	-29,491	343,468
Other temporary differences	26,870	-5,306	-923	1,463	22,104
Assets/liabilities compensation of deferred taxes	-733,925	-12,370	267	78,571	-667,457
	355,484	21,661	1,020	48,937	427,102

The Group tax losses carried forward are analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
EXPIRATION DATE		
2021	-	41,339
2022	1,344	11,692
2023	10,430	23,438
2024	22,753	32,270
2025	7,049	18,867
2026	20,943	10,787
2027	7,007	5,339
2028 to 2044	1,784,292	2,034,152
Without expiration date	726,232	384,497
	2,580,050	2,562,381

In addition to the above, EDPR North America LLC has State tax losses that are recorded in the Group's accounts. The associated deferred tax asset raised to 69,232 thousand Euros as at 31 December 2021 (70,910 thousand Euros as at 31 December 2020).

Of the total tax losses available to carry forward as at 31 December 2021, an amount of 210,424 thousand Euros does not have an associated deferred tax asset, in accordance with the applicable accounting standards since, at the present date, there is still not sufficient visibility about the future period in which such tax losses will be used.

22. Inventories

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Advances on account of purchases	4,892	8,328
Finished and intermediate products	11,215	8,874
Raw and subsidiary materials and consumables	46,167	37,326
	62,274	54,528

23. Debtors and other assets from commercial activities

Debtors and other assets from commercial activities are analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
DEBTORS AND OTHER ASSETS FROM COMMERCIAL ACTIVITIES - NON-CURRENT		
Trade receivables	617	600
Deferred costs	20,621	20,157
Sundry debtors and other operations	11,685	2,291
	32,923	23,048
DEBTORS AND OTHER ASSETS FROM COMMERCIAL ACTIVITIES - CURRENT		
Trade receivables	364,676	200,425
Services rendered	29,349	12,252
Advances to suppliers	4,845	5,363
Deferred costs	48,062	26,488
Sundry debtors and other operations	19,037	12,723
	465,969	257,251
Impairment losses	-658	-1,265
	498,234	**279,034**

The increase in sundry debtors and other operations – non current is mainly explained by the acquisition of the distribution generation business in EDPR NA (see note 6) in the amount of 8,999 thousand Euros.

The amount of trade receivables - current as at 31 December 2021 principally refers to EDPR EU in the amount of 228,481 thousand Euros (101,919 thousand Euros as at 31 December 2020) and to EDPR NA in the amount of 115,725 thousand Euros (83,107 thousand Euros as at 31 December 2020), which mainly includes electricity generation invoicing. The significant increase is mainly explained by the evolution of the energy pool prices.

The caption of Debtors and other assets from commercial activities – Current includes 658 thousand Euros, which is the result of impairment losses under the expected credit loss model recommended in IFRS 9.

The credit risk analysis are disclosed in note 5, under the Counterparty credit risk management section.

The fair values and carrying amounts of current debtors and other assets do not differ significantly.

24. Other debtors and other assets

Other debtors and other assets are analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
OTHER DEBTORS AND OTHER ASSETS - NON-CURRENT		
Loans to related parties	172,906	6,688
Derivative financial instruments	51,013	28,412
Sundry debtors and other operations	547,496	237,753
	771,415	272,853
OTHER DEBTORS AND OTHER ASSETS - CURRENT		
Loans to related parties	91,498	409,453
Derivative financial instruments	60,868	82,428
Sundry debtors and other operations	622,944	93,175
	775,310	585,056
	1,546,725	**857,909**

Sundry debtors and other operations- non current mainly include:

- 350,359 thousand Euros to be received in the long-term in accordance with the relevant agreements related to the sale transaction in 2020 of the entire stake in the company Rosewater Wind Farm LLC and the sale transaction in 2021 of the company Indiana Crossroads Wind Farm LLC (see note 6, 9 and 34);
- fair value of the variable price in connection with the sale in 2020 and 2018 of 29,5% and 13,5% stake of the French companies Éoliennes en Mer Dieppe - Le Tréport, S.A.S and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, SAS to OW Offshore S.L. and Sumitomo Corporation respectively, in accordance with the relevant agreements signed, that amounts to 77,440 thousand Euros and 28,853 thousand Euros (69,557 thousand Euros and 27,031 thousand Euros as at 31 December 2020);
- fair value of the variable price in the amount of 35,866 thousand Euros in connection with the sale in 2020 of the stake in the company Mayflower Wind Energy LLC in the context of the sale of the offsore business to OW Offshore S.L.;
- 36,170 thousand Euros (29,515 thousand Euros as at 31 December 2020) mainly related to Interconnection and transmission deposits in EDPR NA;
- 13,056 thousand Euros (the same amount as at 31 December 2020) as part of the price adjustment, according to the corresponding agreements, in the transaction of selling 49% of EDP Renováveis Portugal S.A to CTG that took place in 2013.

Loans to related parties mainly include loans granted to Ocean Winds in the amount of 172,095 thousand Euros in the long-term with maturity in 2029 and 26,118 thousand Euros in the short-term, in the context of the agreement with ENGIE on January 2020 to establish a co-controlled 50/50 joint venture, OW Offshore S.L., to jointly develop fixed and floating offshore wind business (398,262 thousand Euros in the short-term and 5,815 thousand Euros in the long-term as at 31 December 2020). These loans bear interest at market rates, which are made of a reference rate indexed to Euribor in its majority, plus a market spread.

At 31 December 2021 the caption Sundry debtors and other operations-current mainly includes:

- receivable for the proceeds, including shareholder loans, for the sale of the companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A. in the amount of 356,025 thousand Euros (see note 6);
- cash collateral held at exchanges where the Group enters into derivative instruments and trades US green certificates in the amount of 161,362 thousand Euros;
- estimated corporate income tax due by EDP Energias de Portugal, S.A. Sucursal en España in the amount of 38,611 thousand Euros (11,748 as at 31 December 2020).

For derivatives, refer to note 37.

25. Current tax assets

Current tax assets is analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Income tax	16,964	14,088
Value added tax (VAT)	192,698	120,002
Other taxes	15,134	6,671
	224,796	**140,761**

26. Cash and cash equivalents

Cash and cash equivalents are analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Cash	79	5
BANK DEPOSITS		
Current deposits	540,204	169,367
Term deposits	38,938	55,927
Specific demand deposits in relation to institutional partnerships	231	34,287
	579,373	259,581
Other short-term investments	424,332	214,798
	1,003,784	**474,384**

Term deposits include temporary financial investments to place treasury surpluses.

Specific demand deposits in relation to institutional partnerships are funds required to be held in escrow sufficient to pay the remaining construction related costs of projects in institutional equity partnerships (see note 33), under the accounting policy 2 x). The governing agreements of these partnerships and specific escrow agreements define the appropriate expenditure of these funds.

The caption "Other short-term investments" essentially includes, as at 31 December 2021 and 2020, the debit balance of the current account with EDP Servicios Financieros España S.A. in accordance with the terms and conditions of the contract signed between the parties (see note 39).

27. Assets and liabilities held for sale

The criteria for classifying assets and liabilities as held for sale and discontinued operations, as well as their presentation in the EDPR Group's consolidated financial statements, are presented under accounting policies - note 2 k).

This caption is analysed as follows:

	31 DEC 2021		31 DEC 2020	
THOUSAND EUROS	ASSETS HELD FOR SALE	LIABILITIES HELD FOR SALE	ASSETS HELD FOR SALE	LIABILITIES HELD FOR SALE
Electricity generation assets – Offshore wind	25,111	-	12,307	111
Electricity generation assets – Onshore wind	470,813	62,487	-	-
	495,924	**62,487**	**12,307**	**111**

Electricity generation assets – Offshore wind

The assets and liabilities, which are associated with Moray West Holdings Limited, remain classified as non-current assets and liabilities held for sale under the sale plan that the EDPR Group has entered into in the past.

Electricity generation assets – Onshore wind

During 2021, EDPR Group started the process of selling onshore wind portfolios in Europe. Assets and liabilities associated with these portfolios were presented in non-current assets and liabilities held for sale, according to the analysis performed under IFRS 5.

As at 31 December 2021 the following reclassifications were made to held for sale:

THOUSAND EUROS	Onshore wind	Offshore wind	Total
ASSETS			
Property, plant and equipment	373,878	-	373,878
Right-of-use assets	12,350	-	12,350
Other assets	75,095	25,111	100,206
Cash and cash equivalents	9,490	-	9,490
Non-Current Assets Held for Sale	470,813	25,111	495,924
LIABILITIES			
Financial debt	-	-	-
Provisions	6,965	-	6,965
Other liabilities	55,522	-	55,522
Non-Current Liabilities Held for Sale	62,487	-	62,487

These reclassifications were made only for financial statement presentation purposes, without impact on the measurement of these assets and liabilities, as it is expected that the fair value less costs to sell is higher than its book value, in accordance with IFRS 5.

28. Share capital and share premium

On April 15, 2021, EDPR made a capital increase by issuing 88,250,000 ordinary shares, with a par value of 5 Euros each and a subscription price of 17 Euros per share, with the exclusion of the pre-emptive subscription rights of the Company´s shareholders. The new shares are fungible with EDPR's other shares and will confer on their holders, as from the date of the respective issue, the same rights as the other shares existing prior to the capital increase. As such, the share capital of EDPR at 31 December 2021 amounts to 4,802,790,810 euros, represented by 960,558,162 shares of 5 euros par value each, all of a single class and series.

The shares are in book-entry bearer form, the company is entitled to request the listing of its shares and all the shareholders are registered in the relevant book-entry records. These shares have the same voting and profit-sharing rights and are freely transferable.

EDP Renováveis, S.A. shareholder's structure as at 31 December 2021 is analysed as follows:

	NO. OF SHARES	% CAPITAL	% VOTING RIGHTS
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	720,191,372	74.98%	74.98%
Other (*)	240,366,790	25.02%	25.02%
	960,558,162	**100.00%**	**100.00%**

(*) Shares quoted on the Lisbon stock exchange

EDP Renováveis, S.A. shareholder's structure as at 31 December 2020 is analysed as follows:

	NO. OF SHARES	% CAPITAL	% VOTING RIGHTS
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	720,191,372	82.56%	82.56%
Other (*)	152,116,790	17.44%	17.44%
	872,308,162	**100.00%**	**100.00%**

(*) Shares quoted on the Lisbon stock exchange

Movements in Share capital and Share premium during 2021 are as follows:

	SHARE CAPITAL	SHARE PREMIUM
Balance as at 1 January 2021	4,361,541	552,035
Movements during the period (net of transaction costs)	441,250	1,046,978
Balance as at 31 Dcember 2021	4,802,791	1,599,013

There were no changes in Share capital and Share premium during 2020. The Share premium is freely distributable.

Earnings per share attributable to the shareholders of EDPR are analysed as follows:

	31 DEC 2021	31 DEC 2020
Profit attributable to the equity holders of the parent(in thousand Euros)	655,443	555,680
Profit from continuing operations attributable to the equity holders of the parent (in thousand Euros)	655,443	555,680
Weighted average number of ordinary shares outstanding	934,818,579	872,308,162
Weighted average number of diluted ordinary shares outstanding	934,818,579	872,308,162
Earnings per share (basic) attributable to equity holders of the parent (in Euros)	0.70	0.64
Earnings per share (diluted) attributable to equity holders of the parent (in Euros)	0.70	0.64
Earnings per share (basic) from continuing operations attributable to the equity holders of the parent (in Euros)	0.70	0.64
Earnings per share (diluted) from continuing operations attributable to the equity holders of the parent (in Euros)	0.70	0.64

The EDPR Group calculates its basic and diluted earnings per share attributable to equity holders of the parent using the weighted average number of ordinary shares outstanding during the period.

The company does not hold any treasury stock as at 31 December 2021 and 2020.

The average number of shares was determined as follows:

	31 DEC 2021	31 DEC 2020
Ordinary shares issued at the beginning of the period	872,308,162	872,308,162
Effect of shares issued during the period	62,510,417	-
Average number of realised shares	934,818,579	872,308,162
Average number of shares during the period	934,818,579	872,308,162
Diluted average number of shares during the period	934,818,579	872,308,162

29. Other comprehensive income, reserves and retained earnings

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
OTHER COMPREHENSIVE INCOME		
Fair value reserve (cash flow hedge)	-754,882	-23,251
Fair value reserve (equity instruments at fair value)	4,146	3,318
Exchange differences - Currency translation arising on consolidation	383,406	344,738
Exchange differences - Net investment hedge	-544,039	-569,648
Exchange differences - Net investment hedge - Cost of hedging	711	-166
	-910,658	-245,009
OTHER RESERVES AND RETAINED EARNINGS		
Retained earnings and other reserves	2,344,797	1,986,665
Additional paid in capital	60,666	60,666
Legal reserve	214,829	75,971
	2,620,292	2,123,302
	1,709,634	**1,878,293**

Currency translation reserve - Net investment hedge and Cost of hedging

The changes in these captions for the year 2021 are as follows:

THOUSAND EUROS	NET INVESTMENT HEDGE	COST OF HEDGING
Balance as at 31 December 2020	-569,648	-166
Changes in fair value	-148,401	877
Tax effect fair value changes	30,422	-
Exchange rate	155,207	-
Transfer to income statement resulting from the sale of a foreign subsidiary	-15,751	-
Others	4,132	-
Balance as at 31 december 2021	**-544,039**	**711**

The changes in these captions for the year 2020 are as follows:

THOUSAND EUROS	NET INVESTMENT HEDGE	COST OF HEDGING
Balance as at 31 December 2019	-535,701	-112
Changes in fair value	187,995	-53
Tax effect fair value changes	-46,999	-
Exchange rate	-180,824	-
Others	5,881	-
Balance as at 31 december 2020	**-569,648**	**-165**

Additional paid in capital

The accounting for transactions among entities under common control is excluded from IFRS 3. Consequently, in the absence of specific guidance, within IFRSs, the Group EDPR has adopted an accounting policy for such transactions, judged appropriate. According to the Group's policy, business combinations among entities under common control are accounted for in the consolidated financial statements using the book values of the acquired company (subgroup) in the EDPR consolidated financial statements. The difference between the carrying amount of the net assets received and the consideration paid is recognised in equity.

Legal reserve

The legal reserve has been appropriated in accordance with Article 274 of the Spanish Companies Act whereby companies are obliged to transfer 10% of the profits for the year to a legal reserve until such reserve reaches an amount equal to 20% of the share capital. This reserve is not distributable to shareholders and may only be used to offset losses, if no other reserves are available, or to increase the share capital.

Profit distribution (parent company)

The EDP Renováveis, S.A. Board of Directors proposal for 2021 profits distribution to be presented in the Annual General Meeting is as follows:

	EUROS
BASE FOR DISTRIBUTION	
Loss for the year 2021	-95,471,089.00
Retained earnings from previous periods	86,450,234.58
DISTRIBUTION	
Prior years' losses	-95,471,089.00
Dividends	86,450,234.58

The EDP Renováveis, S.A. Board of Directors proposal for 2020 profits distribution that was presented in the Annual General Meeting is as follows:

	EUROS
BASE FOR DISTRIBUTION	
Profit for the year 2020	1,388,573,084.60
DISTRIBUTION	
Legal Reserve	138,857,308.46
Dividends	69,784,652.96
Retained earnings	1,179,931,123.18

Fair value reserve (cash flow hedge)

The Fair value reserve (cash flow hedge) comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments.

Fair value reserve (equity instruments at fair value)

This reserve includes the cumulative net change in the fair value of equity instruments at fair value as at the balance sheet date:

	THOUSAND EUROS
Balance as at 1 January 2020	6,272
Parque Eólico Montes de las Navas, S.L.	-2,954
Balance as at 31 December 2020	3,318
Parque Eólico Montes de las Navas, S.L.	828
Balance as at 31 December 2021	**4,146**

Exchange differences arising on consolidation

This caption reflects the amount arising on the translation of the financial statements of subsidiaries and associated companies from their functional currency into Euros. The most significant exchange rates used in the preparation of the consolidated financial statements are as follows:

		EXCHANGE RATES AT 31 DECEMBER 2021		EXCHANGE RATES AT 31 DECEMBER 2020	
		CLOSING RATE	AVERAGE RATE	CLOSING RATE	AVERAGE RATE
US Dollar	USD	1.133	1.183	1.227	1.142
Zloty	PLN	4.599	4.567	4.615	4.444
Brazilian Real	BRL	6.310	6.378	6.374	5.889
New Leu	RON	4.948	4.921	4.869	4.837
Pound Sterling	GBP	0.840	0.860	0.899	0.890
Canadian Dollar	CAD	1.439	1.483	1.563	1.530
Mexican Peso	MXN	23.28	23.99	24.35	24.51
Colombian Peso	COP	4,527	4,426	4,191	4,215
Hungarian Forint	HUF	369.2	358.5	363.9	351.2
Vietnamese Dong	VND	25,852	27,079	28,309	26,605

30. Non-controlling interests

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Non-controlling interests in income statement	154,135	127,171
Non-controlling interests in share capital and reserves	1,253,891	1,149,111
	1,408,026	**1,276,282**

Non-controlling interests, by subgroup, are analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
EDPR NA Group	886,475	821,118
EDPR EU Group	461,283	399,419
EDPR BR Group	58,524	55,745
Other	1,744	-
	1,408,026	**1,276,282**

The amount of 4,039 thousand Euros in the caption EDPR NA Group corresponds to tax equity investors which have already reached the flip date (6,752 thousand Euros as at 31 December 2020). See note 2.X.

The movement in non-controlling interests of EDP Renováveis Group is mainly related to:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Balance as at 1 January	1,276,282	1,361,861
Dividends distribution	-38,387	-38,231
Net profit for the year	154,135	127,171
Exchange differences arising on consolidation	67,203	-99,195
Acquisitions and sales without change of control	1,020	-
Increases/(Decreases) of share capital	-69,164	-75,265
Other changes	16,937	-59
Balance as at 31 December	**1,408,026**	**1,276,282**

31. Financial debt

Financial debt current and Non-current is analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
FINANCIAL DEBT - NON-CURRENT		
Bank loans:		
- EDPR EU Group	114,592	231,156
- EDPR BR Group	330,402	156,014
- EDPR NA Group	368,622	185,288
Loans received from EDP group entities:		
- EDP Renováveis, S.A.	230,036	303,966
- EDP Renováveis Servicios Financieros, S.L.	2,293,120	2,555,834
Other loans:		
- EDPR EU Group	16,332	17,363
Total Debt and borrowings - Non-current	3,353,104	3,449,621
Collateral Deposit - Project Finance and others (*)	-23,397	-21,544
Total Collateral Deposits - Non-current	-23,397	-21,544
FINANCIAL DEBT - CURRENT		
Bank loans:		
- EDPR EU Group	46,056	57,508
- EDPR BR Group	11,156	7,788
- EDPR NA Group	45,881	11,877
Loans received from EDP group entities:		
- EDP Renováveis, S.A.	99,150	117,452
- EDP Renováveis Servicios Financieros, S.L.	439,029	269,181
Other loans:		
- EDPR EU Group	1,001	1,029
Interest payable	45,572	32,060
Total Debt and borrowings - Current	687,845	496,895
Collateral Deposit - Project Finance and others (*)	-25,708	-9,061
Total Collateral Deposits - Current	-25,708	-9,061
Total Debt and borrowings – Current and Non-current	4,040,949	3,946,516
Total Debt and borrowings net of collaterals – Current and Non-current	**3,991,844**	**3,915,911**

(*) Collateral deposits mainly refer to amounts held in bank accounts to comply with obligations under project finance agreements entered into by certain EDP Renewable subsidiaries.

Loans received from EDP Group entities current and non-current as at 31 December 2021 mainly refer to a set of loans granted by EDP Finance BV amounting to 2,652,919 thousand Euros, including accrued interests and deducted of debt origination fees (2,290,156 thousand Euros non-current and 362,763 thousand Euros current) and by EDP Servicios Financieros España S.A. amounting to 445,499 thousand Euros (233,000 thousand Euros non-current and 212,499 thousand Euros current). The bundled average maturity regarding long-term loans is approximately 4 years and bear interest at weighted average fixed market rates of 1.9% for EUR loans and 3.6% for USD loans.

The main events regarding financing refers to an increase in the amount of 76,390 thousand Euros related to the acquisition of the Distributed Generation Business in EDPR NA and a decrease in the amount of 165,665 thousand Euros related to the sale of the companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A. (see note 6).

Bank loans bear interest at market rates, which are made of a reference rate indexed to Euribor in its majority, plus a market spread.

As at 31 December 2021, future debt and borrowings payments and accrued interest by type of loan and currency are analysed as follows:

THOUSAND EUROS	2022	2023	2024	2025	2026	FOLLOWING YEARS	TOTAL
BANK LOANS							
Euro	31,419	31,096	25,224	11,755	-	-	99,494
American Dollar	35,845	18,037	18,551	20,566	21,429	236,241	350,669
Brazilian Real	19,092	10,870	12,860	14,303	14,583	198,039	269,747
Others	25,509	16,472	9,256	10,015	5,022	151,765	218,039
	111,865	76,475	65,891	56,639	41,034	586,045	937,949
LOANS RECEIVED FROM EDP GROUP							
Euro	211,587	233,000	-	-	-	-	444,587
American Dollar	363,683	247,219	460,166	219,632	466,405	896,855	2,653,960
	575,270	480,219	460,166	219,632	466,405	896,855	3,098,547
OTHER LOANS							
Euro	1,005	1,202	1,020	1,031	1,052	12,027	17,337
	1,005	1,202	1,020	1,031	1,052	12,027	17,337
Origination fees	-295	-703	-313	-613	-516	-10,444	-12,884
	687,845	**557,193**	**526,764**	**276,689**	**507,975**	**1,484,483**	**4,040,949**

As at 31 December 2020, future debt and borrowings payments and accrued interest by type of loan and currency are analysed as follows:

THOUSAND EUROS	2021	2022	2023	2024	2025	FOLLOWING YEARS	TOTAL
BANK LOANS							
Euro	35,168	35,597	34,257	29,220	16,208	55,308	205,758
American Dollar	25,056	11,304	11,546	9,776	12,846	172,338	242,866
Brazilian Real	8,226	15,009	3,657	2,569	3,257	82,914	115,632
Others	9,297	12,964	16,389	19,375	9,858	18,064	85,947
	77,747	74,874	65,849	60,940	42,169	328,624	650,203
LOANS RECEIVED FROM EDP GROUP							
Euro	4	211,587	233,000	-	-	-	444,591
American Dollar	418,901	301,524	228,180	430,669	202,829	1,258,163	2,840,266
	418,905	513,111	461,180	430,669	202,829	1,258,163	3,284,857
OTHER LOANS							
Euro	1,027	1,005	1,202	1,011	1,031	13,114	18,390
	1,027	1,005	1,202	1,011	1,031	13,114	18,390
Origination fees	-784	-1,046	-938	-886	-437	-2,843	-6,934
	496,895	**587,944**	**527,293**	**491,734**	**245,592**	**1,597,058**	**3,946,516**

The Group has project finance financings that include the usual guarantees on this type of financings, namely the pledge or a promise of pledge of bank accounts and assets of the related projects. As at 31 December 2021, these financings amount to 843,778 thousand Euros (31 December 2020: 643,984 thousand Euros), which are included within the financial debt caption. At 31 December 2021 and 2020, the Group confirms the fulfillment of all the covenants of the Project Finance Portfolio under the Facilities Agreements. Additionally, there are 17,329 thousand Euros of other loans that are guaranteed by EDPR, which are also included within the financial debt caption.

The fair value of EDP Renováveis Group's debt is analysed as follows:

	31 DEC 2021		31 DEC 2020	
THOUSAND EUROS	CARRYING VALUE(*)	MARKET VALUE	CARRYING VALUE(*)	MARKET VALUE
Financial debt - Non-current	3,353,104	3,354,591	3,449,621	3,506,887
Financial debt - Current	687,845	687,845	496,895	496,895
	4,040,949	**4,042,436**	**3,946,516**	**4,003,782**

(*) Net of origination fees

The market value of the medium/long-term (non-current) debt and borrowings that bear a fixed interest rate is calculated based on the discounted cash flows at the rates ruling at the balance sheet date. The market value of debt and borrowing that bear a floating interest rate is considered not to differ from its book value as these loans bear interest at a rate indexed to Euribor. The book value of the short-term (current) debt and borrowings is considered to be the market value.

32. Provisions

Provisions are analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Dismantling and decommission provisions	313,594	305,628
Provision for other liabilities and charges	10,565	9,454
Long-term provision for other liabilities and charges	4,249	3,757
Short-term provision for other liabilities and charges	6,316	5,697
Employee benefits	474	222
	324,633	**315,304**

Dismantling and decommission provisions refer to the costs to be incurred for dismantling wind and solar farms and restoring sites and land to their original condition, in accordance with the corresponding accounting policy. The above amount mainly refers to: (i) 163,100 thousand Euros for wind farms and solar plants in North America (31 December 2020: 151,704 thousand Euros); (ii) 146,014 thousand Euros for wind farms and solar plants in Europe (31 December 2020: 149,249 thousand Euros); and (iii) 3,370 thousand Euros for wind farms and solar plants in Brazil (31 December 2020: 4,675 thousand Euros).

The variation in the dismantling provision is mainly explained by:

- Increase of the responsibility for additional projects in the amount of 47,700 thousand Euros;
- Update on the estimated dismantling cost according to an in-deep analysis performed by the EDPR's technical department as well as update in the discount and inflation rates used for determining the provisions, with a net impact of a decrease in the amount of 29,538 thousand Euros;
- Decrease in the amount of 23,248 thousand Euros related to the sale transactions of the year (see note 6);
- Increase in the amount of 13,401 thousand Euros related to the effect of the exchange rates variation, and mainly for the US Dollar.

There were no significant movements in provisions for other liabilities and charges either in 2021 or in 2020.

EDP Renováveis believes that the provisions booked on the consolidated statement of financial position adequately cover the foreseeable obligations described in this note. Therefore, it is not expected that they will give rise to liabilities in addition to those recorded.

33. Institutional partnerships in North America

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Deferred income related to benefits provided	731,573	799,094
Liabilities arising from institutional partnerships in North America	1,528,168	1,134,448
	2,259,741	**1,933,542**

The movements in Institutional partnerships in North America are analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Balance at the beginning of the period	1,933,542	2,289,784
Proceeds received from institutional investors	779,825	307,860
Deferred transaction costs	-4,431	-3,252
Cash paid to institutional investors	-83,230	-55,880
Income (see note 7)	-177,205	-201,783
Unwinding (see note 14)	79,023	94,718
Loss of control of companies with institutional partnerships	-420,522	-320,944
Exchange differences	168,318	-181,373
Others	-15,579	4,412
Balance at the end of the period	**2,259,741**	**1,933,542**

The Group has entered in several partnerships with institutional investors in the United States, through limited liability companies operating agreements that apportions the cash flows generated by the wind farms between the investors and the Company and allocates the tax benefits, which include Production Tax Credits (PTC), Investment Tax Credits (ITC) and accelerated depreciation, largely to the investor.

Proceeds received from institutional investors mainly refer to proceeds secured and received amounting to 768,534 thousand Euros (908,976 thousand dollars) related to institutional equity financing from Bank of America and JP Morgan, in exchange for an interest in onshore wind and solar projects.

In 2021, EDPR NA has lost control over the Vento XX portfolio upon the completion of the sale of 68% of equity shareholding and over the Rivestart portfolio (see note 6), implying a decrease in the amount of 420,522 thousand Euros in the Institutional partnerships liabilities related to these portfolio.

During the first quarter of 2020, EDPR NA, secured and received proceeds amounting to 130,055 thousand Euros (148,539 thousand dollars) related to institutional equity financing from JP Morgan, in exchange for an interest in onshore wind projects. Additionally, during the third quarter of 2020, EDPR NA, secured and received proceeds amounting to 177,805 thousand Euros (203,075 thousand dollars) related to institutional equity financing from Bank of America, in exchange for an interest in the 405 MW onshore wind projects.

EDPR lost control in 2020 over the Vento XVII portfolio upon the completion of the sale of 80% of equity shareholding (see note 6), implying a decrease in the amount of 320,944 thousand Euros in the Institutional partnerships liabilities related to this portfolio.

EDPR NA is providing its tax equity investors with standard corporate guarantees typical of these agreements to indemnify them against costs they may incur as a result of fraud, willful misconduct or a breach of EDPR NA of any operational obligation under the tax equity agreements.

34. Trade and other payables from commercial activities

Trade and other payables from commercial activities are analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
TRADE AND OTHER PAYABLES FROM COMMERCIAL ACTIVITIES - NON-CURRENT		
Government grants / subsidies for investments in fixed assets	311,203	303,408
Electricity sale contracts - EDPR NA	5,092	6,438
Property, plant and equipment suppliers	189,052	122,349
Other creditors and sundry operations	129,340	6,908
	634,687	439,103
TRADE AND OTHER PAYABLES FROM COMMERCIAL ACTIVITIES - CURRENT		
Suppliers	176,410	66,781
Property, plant and equipment suppliers	1,334,230	1,167,391
Other creditors and sundry operations	178,151	111,938
	1,688,791	1,346,110
	2,323,478	**1,785,213**

Government grants for investments in fixed assets are essentially related to grants received by EDPR NA subgroup under the American Recovery and Reinvestment Act promoted by the United States of America Government.

At the moment of the EDPR North America acquisition, the contracts signed between this subsidiary and its customers, determined under the terms of the Purchase Price Allocation, were valued through discounted cash flow models and market assumptions at 190,400 thousands of USD, being booked as a non-current liability under Electricity sale contracts - EDPR NA, which is depreciated over the useful life of the contracts under Other income (see note 9).

Property plant and equipment suppliers-non current mainly includes success fees payables in the long term for the acquisition of certain projects in the USA for a total amount of 47,481 thousand Euros (31 December 2020: 4,075 thousand Euros), Colombia for a total amount of 40,022 thousand Euros (31 December 2020: 61,658 thousand Euros), UK for a total amount of 34,760 thousand Euros (31 December 2020: 31,647 thousand Euros) and Greece for a total amount of 24,769 thousand Euros (31 December 2020: 1,122 thousand Euros) that, due to the nature of such transactions, the type of assets acquired and the initial stage of completion of the projects, they have been considered asset acquisitions (see note 6).

Variation in other creditors and sundry operations – non current is mainly explained by the evolution of the energy pool prices in the Spanish market related to the establishment of the pool boundaries adjustment as a result of the publication of Royal Decree-Law 413/2014 and Order IET/1045/2014. The balance of such concept as at 31 December 2021 amounts to a credit amount of 101,859 thousand Euros of which a credit amount of 81,739 thousand Euros refers to the the current 2020-2022 semi-period, a credit amount of 26,178 thousand Euros refers to the 2017-2019 semi-period and a debit amount of 6,058 thousand Euros refers to the 2014-2016 semi-period.

Because of the high electricity prices that are occurring in the Spanish market, considering the market prices until December 2021, the EDPR Group facilities whose commissioning was in the years 2004-2005 will reach net present value equal to zero before the next regulatory semi-period (2023) instead of at the end of the regulatory useful life of the facility. Thus, EDPR Group has stopped recognizing, for these installations, adjustments for deviations from market prices, and derecognized the net accruals (assets & liabilities). The accounting impact as at 31 December 2021, in the amount of 51,354 thousand Euros, has been recorded as an increase under the revenues caption of the consolidated income statement.

Variation in suppliers, besides the normal course of the business, is impacted by the acquisition of the distributed generation business in EDPR NA (see note 6) in the amount of 11,243 thousand Euros.

Property plant and equipment suppliers -current refer to wind and solar farms in construction mainly in the USA in the amount of 873,189 thousand Euros (968,998 thousand Euros as of December 31, 2020), Poland in the amount of 104,864 thousand Euros (31 December 2020: 65,036 thousand Euros), Mexico in the amount of 60,338 thousand Euros (31 December

2020: 120,758 thousand Euros), Italy in the amount of 43,754 thousand Euros (31 December 2020: 55,265 thousand Euros) and Spain in the amount of 32,016 thousand Euros (31 December 2020: 46,769 thousand Euros).

This caption also includes success fees payables for the acquisition of certain projects in the amount of 97,390 thousand Euros (31 December 2020: 60,173 thousand Euros) mainly in Colombia, UK, Greece, Italy and Poland that due to the nature of such transactions, the type of assets acquired and the initial stage of completion of the projects, they have been considered asset acquisitions.

The fair values and carrying amounts of current trade and and other payables do not differ significantly.

The Company has prepared the below information for Spanish subsidiaries, according to criterion required by the Spanish Accounting and Auditing Institute (ICAC) resolution of 29 January 2017 on disclosures in notes to financial statements of late payments to suppliers in commercial transactions:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
DAYS		
Average payment period	42	51
Ratio paid operations	46	56
Ratio of pending operations	23	20
Total payments made	123,843	102,986
Total outstanding payments	**23,575**	**20,206**

35. Other liabilities and other payables

Other liabilities and other payables are analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
OTHER LIABILITIES AND OTHER PAYABLES - NON-CURRENT		
Amount payable for changes in the perimeter	21,200	850
Loans from non-controlling interests	122,964	155,630
Derivative financial instruments	437,620	62,895
Rents due from lease contracts	648,082	633,794
Other creditors and sundry operations	1,352	306
	1,231,218	853,475
OTHER LIABILITIES AND OTHER PAYABLES - CURRENT		
Amount payable for changes in the perimeter	62,589	19,260
Derivative financial instruments	788,580	26,120
Loans from non-controlling interests	39,762	44,651
Rents due from lease contracts	50,445	55,915
Other creditors and sundry operations	26,267	21,703
	967,643	167,649
	2,198,861	**1,021,124**

The caption Loans from non-controlling interests Current and Non-Current mainly includes:

- Loans granted by ACE Portugal (CTG Group) due to the sale in 2017 of 49% of shareholding in EDPR PT – Parques Eólicos S.A and subsidiaries for a total amount of 25,760 thousand Euros, including accrued interests (29,282 thousand Euros as of 31 December 2020), bearing interest at a fixed rate of 3.75%;
- Loans granted by ACE Poland (CTG Group) due to the sale in 2016 of 49% of shareholding in EDP Renewables Polska HoldCo, S.A. and subsidiaries for a total amount of 74,086 thousand Euros including accrued interests (88,950 thousand Euros as at 31 December 2020), bearing interest at a fixed rate of a range between 2.95% and 7.23%;

- Loans granted by ACE Italy (CTG Group) due to the sale in 2016 of 49% of shareholding in EDP Renewables Italia, S.r.l. and subsidiaries for a total amount of 43,868 thousand Euros including accrued interests (50,284 thousand Euros as at 31 December 2020), bearing interest at a fixed rate of 4.50%;
- Loans granted by CITIC CWEI Renewables (CTG Group) due to the sale in 2013 of 49% of shareholding in EDP Renováveis Portugal, S.A. for a total amount of 13,590 thousand Euros including accrued interests (31 December 2020: 26,462 thousand Euros), bearing interests at a fixed rate of 5.50%.

The caption Rents due from lease contracts - Non-Current and Current includes lease liabilities related to IFRS 16. Variation in both captions is as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Balance as at 1 January	689,709	618,248
Increases due to new lease contracts	137,858	149,816
Unwinding (note 14)	28,852	29,594
Payment of leases	-43,746	-43,555
Exchange differences	43,568	-48,866
Changes in the perimeter and other changes	-157,714	-15,528
Balance at the end of the period	**698,527**	**689,709**

Increases due to new lease contracts are mainly located in the USA, Portugal, Spain, Brazil, Italy, Mexico, Canada and Greece.

Changes in the perimeter and other changes in 2021 mainly refers to:

- Increase amounting to 4,858 thousand Euros related to the acquisition of a distributed solar generation business in EDPR North America (see note 6);
- Decrease amounting to 55,545 thousand Euros due to the loss of control in the company 2019 Vento XX LLC with a subsequent loss of share interest in companies Lexington Chenoa Wind Farm LLC and Broadlands Wind Farm LLC (see note 6).
- Decrease amounting to 41,134 thousand Euros due to the sale of the company Indiana Crossroads Wind Farm LLC (see note 6).
- Decrease amounting to 36,758 thousand Euros due to the loss of control in the companies Riverstart Development LLC, Riverstart Ventures LLC and subsidiaries (see note 6).
- Decrease amounting to 16,727 thousand Euros due to the sale of the companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A. (see note 6).
- Decrease amounting to 12,533 thousand Euros due to the reclassification to held for sale of certain portfolio of European companies.

Changes in the perimeter and other changes in 2020 mainly refers to:

- Increase in the amount of 15,579 thousand Euros related to the acquisition of the renewable business of Viesgo (see note 6);
- Decrease in the amount of 31,433 thousand Euros due to the sale of the 80% stake and loss of control in the companies EDPR Wind Ventures XVII, LLC and subsidiaries (see note 6);
- Decrease in the amount of 9,202 thousand Euros due to the sale of the following portfolio of companies: Bon Vent de Corbera, S.L.U., Eólica Sierra de Ávila, S.L.U., Parc Eòlic de Torre Madrina, S.L.U., Parc Eòlic de Coll de Moro, S.L.U., Parc Eòlic de Vilalba dels Arcs, S.L.U. and Aprofitament D'Energies Renovables de L'Ebre, S.L (see note 6).

As at 31 December 2021, the nominal value of the rents due from lease contracts is detailed as follows: (i) less than 5 years: 269,122 thousand Euros; (ii) from 5 to 10 years: 251,560 thousand Euros; (iii) from 10 to 15 years: 243,897 thousand Euros; and (iv) more than 15 years: 402,859 thousand Euros.

Amount payable for changes in the perimeter -non current at 31 December 2021 is mainly related to the variable price adjustment in the amount of 20,396 thousand Euros related to the sale of the company Vento XX and subsidiaries (see note 6). Amount payable for changes in the perimeter – current mainly refers to the remaining cost to pay in the amount of 54,326 thousand Euros related to the project Indiana Crossroads Wind Farm LLC.

See note 37 for non-current and current derivatives.

36. Current tax liabilities

This caption is analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Income tax	39,439	16,947
Withholding tax	3,983	1,682
Value added tax (VAT)	91,401	56,027
Other taxes	57,133	35,156
	191,956	**109,812**

37. Derivative financial instruments

As of 31 December 2021, the fair value and maturity of derivatives is analysed as follows:

THOUSAND EUROS	FAIR VALUE		NOTIONAL (THOUSAND UNITS)				
	ASSETS	LIABILITIES	UNITS	UNTIL 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
NET INVESTMENT HEDGE							
Cross currency rate swaps	13,851	-84,028	EUR	890,293	763,447	-	1,653,740
Currency forwards	2,289	-29,004	EUR	976,870	-	-	976,870
	16,140	-113,032		1,867,163	763,447	-	2,630,610
CASH FLOW HEDGE							
Power price swaps	11,852	-1,031,455	MWh	9,184	14,712	12,964	36,860
Interest rate swaps	17,561	-17,072	EUR	55,934	154,805	232,786	443,525
Currency forwards	21,917	-727	EUR	483,600	391,643	-	875,243
	51,330	-1,049,254					
TRADING							
Power price swaps	24,305	-53,131	MWh	3,086	2,430	908	6,424
Interest rate swaps	-	-1,085	EUR	675	2,960	9,563	13,198
Cross currency rate swaps	8,125	-1,117	EUR	131,707	136,591	-	268,298
Currency forwards	11,981	-8,581	EUR	1,911,976	7,366	-	1,919,342
	44,411	-63,914					
	111,881	-1,226,200					

As of 31 December 2020, the fair value and maturity of derivatives is analysed as follows:

THOUSAND EUROS	FAIR VALUE		NOTIONAL (THOUSAND UNITS)				
	ASSETS	LIABILITIES	UNITS	UNTIL 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
NET INVESTMENT HEDGE							
Cross currency rate swaps	55,594	-12,566	EUR	718,584	903,784	-	1,622,368
	55,594	-12,566		718,584	903,784	-	1,622,368
FAIR VALUE HEDGE							
Cross currency rate swaps	6,511	-12	EUR	22,865	164,750	-	187,615
	6,511	-12		22,865	164,750	-	187,615
CASH FLOW HEDGE							
Power price swaps	18,963	-41,469	MWh	11,595	15,148	8,236	34,979
Interest rate swaps	2,271	-24,834	EUR	97,089	265,514	80,551	443,154
Currency forwards	14,282	-429	EUR	296,022	20,508	-	316,530
	35,516	-66,732					
TRADING							
Power price swaps	8,454	-3,035	MWh	2,708	1,562	-	4,270
Interest rate swaps	-	-1,705	EUR	639	2,578	10,631	13,848
Cross currency rate swaps	1,893	-421	EUR	81,140	-	-	81,140
Currency forwards	2,872	-4,544	EUR	203,985	56,419	-	260,404
	13,219	-9,705					
	110,840	**-89,015**					

The fair value of derivative financial instruments is recorded under Other debtors and other assets (note 24) or Other liabilities and other payables (note 35), if the fair value is positive or negative, respectively.

The net investment derivatives are mainly related to the CIRS in USD and EUR with EDP SA as referred in the notes 39 and 40. The net investment derivatives also include CIRS in CAD, RON, BRL and COP with EDP with the purpose of hedging EDP Renováveis Group's operations in Canada, Romania, Brazil and Colombia.

Interest rate swaps relate to the project finances and have been formalised to convert variable to fixed interest rates.

Cash flow hedge power price swaps are related to the hedging of the sales price. EDPR NA has entered into a power price swap to hedge the variability in the spot market prices received in some of its projects. Additionally, both EDPR NA and EDPR EU have entered in short-term and long-term hedges to hedge the short-term and long-term volatility of certain un-contracted generation of its wind and solar farms.

In certain US power markets, EDPR NA is exposed to congestion and line loss risks which typically have a negative impact on the price received for power generated in these markets. To economically hedge these risk exposures, EDPR NA entered into Financial Transmission Rights (“FTR”) and a three year fixed for floating Locational Marginal Price (LMP) swap.

The trading derivative financial instruments are derivatives contracted for economic hedging that are not eligible for hedge accounting.

Fair value of derivative financial instruments is based on quotes indicated by external entities, which are compared in each date of report to fair values available in common financial information platforms. These entities use discounted cash flows techniques usually accepted and data from public markets. The only exceptions are the CIRS in USD/EUR with EDP SA, which fair values are determined by the Financial Department of EDP, using the same above-mentioned discounted cash flows techniques and data. As such, according to IFRS13 requirements, the fair value of the derivative financial instruments is classified as of level 2 (see note 40) and no changes of level were made during this period.

In 2021, the future undiscounted cash flows of the derivative financial instruments in EDP Group, are as follows:

				NOTIONAL
THOUSAND EUROS	UNTIL 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
NET INVESTMENT HEDGE				
Cross currency rate swaps	-88,515	-14,423	-	-102,938
Currency forwards	-26,715	-	-	-26,715
	-115,230	-14,423	-	-129,653
FAIR VALUE HEDGE				
Cross currency rate swaps	-	-	-	-
	-	-	-	-
CASH FLOW HEDGE				
Power price swaps	-305,767	-329,490	-8,424	-643,681
Interest rate swaps	-6,142	-15,495	-7,753	-29,390
Currency forwards	15,867	4,729	-	20,596
	-296,042	-340,256	-16,177	-652,475
TRADING				
Power price swaps	5,587	-6,058	-1,388	-1,859
Interest rate swaps	-	-	-	-
Cross currency rate swaps	-3,557	1,849	-	-1,708
Currency forwards	3,087	862	-	3,949
	5,117	-3,347	-1,388	382
	-406,155	**-358,026**	**-17,565**	**-781,746**

In 2020 the future undiscounted cash flows of the derivative financial instruments in EDP Group, are as follows:

				NOTIONAL
THOUSAND EUROS	UNTIL 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
NET INVESTMENT HEDGE				
Cross currency rate swaps	10,989	-23,848	-	- 12,859
	10,989	-23,848	-	- 12,859
FAIR VALUE HEDGE				
Cross currency rate swaps	-1,732	2,381	-	649
	-1,732	2,381	-	649
CASH FLOW HEDGE				
Power price swaps	2,940	-2,716	-571	-347
Interest rate swaps	-5,143	-8,653	-460	-14,256
Currency forwards	13,617	86	-	13,703
	11,414	-11,283	-1,031	-900
TRADING				
Power price swaps	4,523	206	-	4,729
Interest rate swaps	-511	-232	-961	-1,704
Cross currency rate swaps	770	-	-	770
Currency forwards	-2,391	870	-	-1,521
	2,391	844	-961	2,274
	23,062	**-31,906**	**-1,992**	**-10,836**

The changes in the fair value of hedging instruments and risks being hedged are as follows:

			31 DEC 2021		31 DEC 2020	
			CHANGES IN FAIR VALUE		CHANGES IN FAIR VALUE	
THOUSAND EUROS	HEDGING INSTRUMENT	HEDGED ITEM	INSTRUMENT	RISK	INSTRUMENT	RISK
Net Investment hedge	Cross currency rate swaps	Subsidiary accounts in USD, RON, BRL, GBP, CAD and COP	-121,686	121,533	187,995	-187,925
Net Investment hedge	Currency forward	Subsidiary accounts in USD	-26,715	-		
Fair Value hedge	Currency forward	Subsidiary accounts in PLN	-6,499	-6,499	6,313	7,875
Cash-flow hedge	Interest rate swap	Interest rate	23,052	-	-7,294	-
Cash-flow hedge	Power price swaps	Power price	-997,097	-	-15,283	-
Cash-flow hedge	Currency forward	Exchange rate	7,337	-	19,307	-
			-1,121,608	**115,034**	**191,038**	**-180,050**

During 2021 and 2020 the following market inputs were considered for the fair value calculation:

INSTRUMENT	MARKET INPUT
Cross currency interest rate swaps	Fair value indexed to the following interest rates: Euribor 3M, Euribor 6M, Libor 3M, ROBOR 3M, daily brazilian CDI, CAD-BA-CDOR 3M, Wibor 3M, Wibor 6M and CO IBR index; and exchange rates: EUR/BRL, EUR/PLN, EUR/CAD, EUR/GBP, EUR/RON EUR/COP and EUR/USD.
Interest rate swaps	Fair value indexed to the following interest rates: Euribor 3M, Euribor 6M, Wibor 6M, Libor 3M and CAD-BA-CDOR 3M.
Foreign exchange forwards	Fair value indexed to the following exchange rates: EUR/USD, EUR/PLN, EUR/GBP, USD/PLN, USD/HUF, EUR/HUF, USD/CAD, EUR/CAD, BRL/CNY, BRL/EUR, BRL/USD , COP/USD and SGD/EUR.
Power price swaps	Fair value indexed to the price of electricity.

The movements in cash flow hedge reserve have been as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Balance at the beginning of the year	-23,251	-50,903
Fair value changes	-740,954	-9,811
Transfers to results	3,329	4,407
Effect of derivatives in the equity consolidated companies	-5,375	-1,664
Effect of the sale with loss of control of EDPR subsidiaries	11,369	34,720
Balance at the end of the year	**-754,882**	**-23,251**

The gains and losses on the financial instruments portfolio booked in the income statement are as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
Net investment hedge - ineffectiveness	-153	-1,492
Cash-flow hedge		
Transfer to results from hedging of financial liabilities	2,130	1,094
Transfer to results from hedging of commodity prices	-5,459	-5,501
Non eligible for hedge accounting derivatives	59,607	17,594
	56,125	**11,695**

The amount from transfers to results from hedging of commodity prices is registered in Revenues while the remaining gains and losses are registered in Financial income and Financial expense, respectively (see note 14).

The effective interest rates for derivative financial instruments associated with financing operations during 2021, were as follows:

		EDPR GROUP	
	CURRENCY	PAYS	RECEIVES
INTEREST RATE CONTRACTS			
Interest rate swaps	EUR	[0.26% - 3.67%]	[0.55% - 0.58%]
Interest rate swaps	PLN	[2.48% - 2.78%]	[-0.25%]
Interest rate swaps	USD	[1.08 - 4.14%]	[-3.5% - -0.09%]
Interest rate swaps	CAD	[2.10% - 2.75%]	[-0.58% - -0.51%]
CURRENCY AND INTEREST RATE CONTRACTS			
CIRS (currency interest rate swaps)	EUR/USD	[0.47% - 1.08%]	[-0.54% - -0.29%]
CIRS (currency interest rate swaps)	EUR/CAD	[0.27% - 0.75%]	[-0.59% - -0.54%]
CIRS (currency interest rate swaps)	EUR/COP	[3.20% - 3.83%]	[-0.58%]
CIRS (currency interest rate swaps)	EUR/GBP	[1.25% - 1.36%]	[0.00%]
CIRS (currency interest rate swaps)	EUR/BRL	[0.03% - 5.95%]	[-0.58% - -0.44%]
CIRS (currency interest rate swaps)	EUR/RON	[3.11%]	[-0.57%]

The effective interest rates for derivative financial instruments associated with financing operations during 2020, were as follows:

		EDPR GROUP	
	CURRENCY	PAYS	RECEIVES
INTEREST RATE CONTRACTS			
Interest rate swaps	EUR	[0.26% - 3.67%]	[0.52% - 0.54%]
Interest rate swaps	PLN	[2.48% - 2.78%]	[-0.28%]
Interest rate swaps	USD	[1.86%]	[-0.22%]
Interest rate swaps	CAD	[2.10% - 2.59%]	[-0.50%]
CURRENCY AND INTEREST RATE CONTRACTS			
CIRS (currency interest rate swaps)	EUR/USD	[0.45% - 0.60%]	[-0.54%]
CIRS (currency interest rate swaps)	EUR/CAD	[0.22% - 0.86%]	[-0.57% - -0.51%]
CIRS (currency interest rate swaps)	EUR/COP	[1.17%]	[-0.54%]
CIRS (currency interest rate swaps)	EUR/BRL	[0.69% - 5.95%]	[-0.54% - -0.44%]
CIRS (currency interest rate swaps)	EUR/PLN	[0.32% - 3.15%]	[-0.54% - 1.84%]

38. Commitments

As at 31 December 2021 and 2020, the financial commitments not included in the statement of financial position in respect of financial and operational guarantees provided, are analysed as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
GUARANTEES OF OPERATIONAL NATURE		
EDP Renováveis, S.A.	1,357,766	586,594
EDPR NA Group	919,746	854,336
EDPR EU Group	6,088	2,337
EDPR BR Group	5,180	1,447
Total	**2,288,780**	**1,444,714**

The above operating guarantees, which are not included in the consolidated statement of financial position or in the Notes, as at 31 December 2021 and 2020, mainly refer to Power Purchase Agreements (PPA), interconnection, permits and market participation guarantees. The significant variation with respect to 2020 is fully in line with the evolution of the business and increasing activity of the EDPR Group during 2021. Concepts covered by PPA guarantees depends on the status of the project and typically cover related risks of development and construction, correct operation and maintenance of the projects and compliance with payment obligations. These guarantees amount to 867,280 thousand Euros as at 31 December 2021 of which 324,869 thousand Euros refer to guarantees granted by EDP to EDPR companies and 105,897 thousand Euros refer to guarantees granted by EDP and EDPR to Joint Ventures (670,181 thousand Euros as at 31 December 2020, of which 252,282 thousand Euros refer to guarantees granted by EDP to EDPR companies and 58,794 thousand Euros refer to guarantees granted by EDP and EDPR to Joint Ventures).

Additionally to the above guarantees, an amount of 13,171 thousand Euros refer to guarantees of operational nature related to the companies Eólica do Sincelo, SA and Eólica da Linha, SA that were sold as at 31 December 2021 (see note 6) although EDPR assumes temporarily the responsibility under such guarantees until these are effectively replaced. Further, an amount of 12,500 thousand Euros refer to guarantees of operational nature related to certain portfolio of European companies that have been reclassified to held for sale (see note 26).

Refer to note 39 for guarantees granted by EDP Group companies to EDPR Group companies.

Refer to note 20 for guarantees granted by EDP Group and EDPR Group to joint venture companies.

There are additional financial and operating guarantees granted by EDPR Group that have underlying liabilities already reflected in its Consolidated Statement of Financial Position and/or disclosed in the Notes.

EDPR does not expect any significant liability arising from the above commitments related to financial and operational guarantees provided.

The EDPR Group future cash outflows not reflected in the measurement of the lease liabilities and purchase obligations by maturity date are as follows:

					31 DEC 2021
		CAPITAL OUTSTANDING BY MATURITY			
THOUSAND EUROS	TOTAL	UP TO 1 YEAR	1 TO 3 YEARS	3 TO 5 YEARS	MORE THAN 5 YEARS
Future Cash Outflows not reflected in the measurement of the Lease Liabilities	32,159	4,549	8,228	2,934	16,448
Purchase obligations	4,948,975	3,081,552	1,358,104	101,874	407,445
	4,981,134	**3,086,101**	**1,366,332**	**104,808**	**423,893**

	31 DEC 2020				
	CAPITAL OUTSTANDING BY MATURITY				
THOUSAND EUROS	TOTAL	UP TO 1 YEAR	1 TO 3 YEARS	3 TO 5 YEARS	MORE THAN 5 YEARS
Future Cash Outflows not reflected in the measurement of the Lease Liabilities	63,596	6,952	11,157	6,429	39,058
Purchase obligations	3,706,644	2,377,806	943,891	67,168	317,779
	3,770,240	**2,384,758**	**955,048**	**73,597**	**356,837**

The significant variation in commitments with respect to 2020 is fully in line with the evolution of the business and increasing activity of the EDPR Group.

EDPR Group has adopted IFRS 16 and therefore presents the information related to lease contracts in the caption Right-of-use assets (see note 17).

Purchase obligations include debts related with long-term agreements of property, plant and equipment and operational and maintenance contracts product and services supply related to the Group operational activity. When prices are defined under forward contracts, these are used in estimating the amounts of the contractual commitments.

Some of the disposal of non-controlling interests transactions retaining control carried out in previous years incorporate contingent assets and liabilities according to the terms of the corresponding agreements.

39. Related parties

The Members of the Board of Directors of the Company and its delegated Committees do not own directly or indirectly any shares from EDPR, as of 31 December 2021 or 31 December 2020.

According to Article nr 229 of "Ley de Sociedades de Capital" (Spanish Companies Law), the members of the Board of Directors of EDP Renováveis have not communicated, or the parent company has knowledge, of any conflict of interests or incompatibility that could affect the performance of their duties.

Remuneration of the members of the Board of Directors and Management Team

In accordance with the Company's by-laws, the remuneration of the members of the Board of Directors is proposed by the Appointments, Remunerations and Corporate Governance Committee to the Board of Directors on the basis of the overall amount of remuneration authorized by the General Meeting of Shareholders. The Board of Directors approves the distribution and the exact amount to be paid to each Director on the basis of this proposal. The average number of members of the Board of Directors during 2021 and 2020 is 12 and 15 respectively.

The remuneration paid to the members of the Board of Directors in 2021 and 2020 were as follows:

THOUSAND EUROS	31 DEC 2021	31 DEC 2020
CEO	-	-
Board members	729	569
	729	**569**

The above amount refers to salaries, allowances and other remuneration as members of the Board of Directors and their membership/chairmanship of the Delegated Committees. Further, EDPR signed an Executive Management Services Agreement with EDP, under which EDP bears the cost for the services rendered by its Executive and Non-Executive Directors, which are Miguel Stilwell d’Andrade, Rui Teixeira, Miguel Setas , Vera de Morais Pinto Pereira Carneiro and Ana Paula Marques. This corporate governance practice of remuneration is in line with the model adopted by the EDP Group, in which the executive Directors of EDP do not receive any remuneration directly from the group companies on whose governing bodies they serve, but rather through EDP.

Under this contract, EDPR is due to pay an amount to EDP, for the services rendered by the Executive Managers and the Non-executive Managers. The amount due under said Agreement for the management services rendered by EDP in 2021 is 831 thousand Euros (1,095 thousand Euros in 2020), of which 707 thousand Euros refers to the management services rendered by the Executive Members and 124 thousand Euros to the management services rendered by the non-executive Members. This amount includes 34 thousand Euros related to retirement saving plans.

The retirement savings plan for the members of the Management Team that are also Officers, acts as an effective retirement supplement with a range between 3% to 6% of their annual salary. The percentage is defined according with the retirement savings plan applicable in their home country.

In the case of the COOs/CTO which are members of the Management Team (Duarte Bello, COO EU&LatAm; Spyridon Martinis, CDO&COO Offshore (until November 2021), Bautista Rodríguez, CTO&Business Offshore (from November 2021), Miguel Ángel Prado Balboa, COO NA (until November 2021), Sandhya Ganapathy, COO NA (from December 2021) and Pedro Vasconcelos, COO APAC (from November 2021), the remuneration is as follows:

THOUSAND EUROS	31 DEC 2021
Salaries and other allowances	2,467
Retirement saving plans	37
Life insurance premiums	5
	2,509

The above amount includes 63 thousand Euros paid by the EDP Group and not reinvoiced to EDPR Group. The remuneration of the COOs of the Management Team in 2020 amounted to 1,528 thousand Euros. Additionally they received the following non-monetary benefits: retirement savings plan (as described above), company car and Health Insurance in the amount of 268 thousand Euros.

Relevant balances and transactions with subsidiaries and associates of China Three Gorges Group

Within the context of the transactions with CTG related to the sale of 49% of EDPR Portugal, EDPR PT-PE, EDPR Italia and EDPR Polska equity shareholding to CTG Group, CTG has granted loans to the EDPR Group in the amount of 157,201 thousand Euros including accrued interests (39,734 thousand Euros as current and 117,467 thousand Euros as non-current) as at 31 December 2021. As at 31 December 2020, this balance amounted to 194,978 thousand Euros including accrued interests (43,617 thousand Euros as current and 151,259 thousand Euros as non-current). See note 35.

Balances and transactions with EDP Group companies

In their ordinary course of business, EDPR Group companies establish commercial transactions and operations with other Group companies, whose terms reflect current market conditions.

As at 31 December 2021, assets and liabilities with related parties, are analysed as follows:

			ASSETS
THOUSAND EUROS	LOANS AND INTERESTS TO RECEIVE	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	56,451	56,451
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	39,044	39,044
Joint Ventures and Associated companies	209,488	174,458	383,946
EDP Serviço Universal, S.A.	-	32,690	32,690
EDP Servicios Financieros España, S.A.	-	418,805	418,805
EDP España S.A.U.	-	144,975	144,975
Other EDP Group companies	-	2,906	2,906
	209,488	**869,329**	**1,078,817**

			LIABILITIES
THOUSAND EUROS	LOANS AND INTERESTS TO PAY	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	576,117	576,117
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	13,294	13,294
Joint Ventures and Associated companies	-	3,335	3,335
EDP Finance B.V.	2,652,919	27,732	2,680,651
EDP Servicios Financieros España, S.A.	445,499	362	445,861
EDP Global Solutions	-	1,429	1,429
Other EDP Group companies	-	10,942	10,942
	3,098,418	**633,211**	**3,731,629**

Assets mainly refer to:

- Debit balance of the Euro and US Dollar current accounts with EDP Servicios Financieros España, S.A. (see note 26) amounting to 418,805 thousand Euros as at 31 December 2021 (214,002 thousand Euros as at 31 December 2020);
- Loans granted to companies consolidated by the equity method and namely to Ocean Winds in the total amount of 198,213 thousand Euros and variable price related to the sale of the offshore business to Ocean Winds in the amount of 142,216 thousand Euros (see note 24);
- Commercial receivables related to the sale of energy in EDPR Portugal and EDPR Spain through EDP Serviço Universal, S.A. (which is a last resort retailer due to regulatory legislation) and EDP España S.A.U. respectively;
- Derivatives contracted with EDP Energias de Portugal, S.A. which market value as at 31 December 2021 amounts to 42,851 thousand Euros (see note 37);
- Estimated corporate income tax due by EDP Energias de Portugal, S.A. Sucursal en España in the amount of 38,611 thousand Euros (see note 24).

Liabilities mainly refer to:

- Loans obtained by EDP Renováveis S.A. and by EDP Renováveis Servicios Financieros S.L. from EDP Finance BV in the amount, including interests and deducted from debt origination fees, of 2,652,219 thousand Euros (31 December 2020: 2,832,418 thousand Euros) and from EDP Servicios Financieros España S.A. in the amount of 445,499 thousand Euros (the same amount at 31 December 2020). See note 31;
- Derivatives contracted with EDP Energias de Portugal, S.A. which market value as at 31 December 2021 amounts to 513,350 thousand Euros, mainly related to power price derivatives (see note 37).

Transactions with related parties for the year ended 31 December 2021 are analysed as follows:

THOUSAND EUROS	OPERATING INCOME	FINANCIAL INCOME	OPERATING EXPENSES	FINANCIAL EXPENSES
EDP Energias de Portugal, S.A.	550	36,636	-173,987	-55,616
EDP Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	-	-29,850	-1,289
Joint Ventures and Associated companies	37,889	7,599	-24,861	-9
EDP Serviço Universal, S.A.	259,593	-	-130	-
EDP Comercializadora, S.A.U,.	15	-	-	-
EDP Finance B.V.	-	-	-	-95,513
EDP Servicios Financieros España, S.A.		3	-	-13,980
EDP España S.A.U.	457,638	-	-4,603	-256
EDP Clientes S.A.	719	-	-540	-
Other EDP Group companies	8,175	-	-11,788	-
	764,579	**44,238**	**-245,759**	**-166,663**

Operating income mainly includes electricity sales to EDP Serviço Universal, S.A. which is a supplier of last resource in Portugal due to regulatory legislation and to EDP España S.A.U. as the commercial agent in Spain.

Transactions with EDP Energias de Portugal, S.A. are mainly related to derivative financial instruments.

Financial expenses with EDP Finance B.V. and EDP Servicios Financieros España S.A., are related interests on the loans granted to EDP Renováveis S.A. and EDP Renováveis Servicios Financieros, S.A. referred above.

As at 31 December 2020, assets and liabilities with related parties, are analysed as follows:

			ASSETS
THOUSAND EUROS	LOANS AND INTERESTS TO RECEIVE	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	69,234	69,234
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	8,175	8,175
Joint Ventures and Associated companies	415,940	75,478	491,418
EDP Serviço Universal, S.A.	-	24,218	24,218
EDP Servicios Financieros España, S.A.	-	214,002	214,002
EDP España S.A.U.	-	21,640	21,640
Other EDP Group companies	-	40,871	40,871
	415,940	**453,618**	**869,558**

			LIABILITIES
THOUSAND EUROS	LOANS AND INTERESTS TO PAY	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	32,101	32,101
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	8,109	8,109
Joint Ventures and Associated companies	-	2,603	2,603
EDP Finance B.V.	2,832,418	596	2,833,014
EDP Servicios Financieros España, S.A.	445,499	92	445,591
EDP Global Solutions	-	23,817	23,817
Other EDP Group companies	-	3,946	3,946
	3,277,917	**71,264**	**3,349,181**

Transactions with related parties for the year ended 31 December 2020 are analysed as follows:

THOUSAND EUROS	OPERATING INCOME	FINANCIAL INCOME	OPERATING EXPENSES	FINANCIAL EXPENSES
EDP Energias de Portugal, S.A.	36,279	20,626	-2,108	-32,347
EDP Energias de Portugal, S.A. Sucursal en España (EDP Branch)	1,600	-	-19,746	-881
Joint Ventures and Associated companies	240,095	6,954	-4,600	-31,378
EDP Serviço Universal, S.A.	226,573	-	-26	-
EDP Comercializadora, S.A.U,.	42,513	-	-372	-
EDP Finance B.V.	-	-	-	-108,538
EDP Servicios Financieros España, S.A.	-	649	-	-17,076
EDP España S.A.U.	58,963	-	-796	-495
EDP Clientes S.A.	37,824	-	-1,966	-
Other EDP Group companies	220	-	-5,366	-
	644,067	**28,229**	**-34,980**	**-190,715**

As part of its operational activities, the EDP Renováveis Group must present guarantees in favor of certain suppliers and in connection with renewable energy contracts. As at 31 December 2021, EDP España and EDP Energías de Portugal Sucursal en España granted operational guarantees to suppliers in favor of EDP Renováveis S.A. and EDPR NA in the amount of 520,475 thousand Euros (356,919 thousand Euros as at 31 December 2020). The operational guarantees are issued following the commitments assumed by EDPR EU and EDPR NA in relation to Power Purchase Agreements (PPA), interconnection, permits and market participation.

Refer to note 20 for guarantees granted by EDP Group and EDPR Group to joint venture companies.

40. Fair value of financial assets and liabilities

Fair value of financial instruments is based, whenever available, on quoted market prices. Otherwise, fair value is determined through internal models, which are based on generally accepted cash flow discounting techniques and option valuation models or through quotations supplied by third parties.

Non-standard instruments may require alternative techniques, which consider their characteristics and the generally accepted market practices applicable to such instruments. These models are developed considering the market variables that affect the underlying instrument, namely yield curves, exchange rates and volatility factors.

Market data is obtained from generally accepted suppliers of financial data (Bloomberg and Reuters).

As at 31 December 2021 and 2020, the following table presents the interest rate curves of the major currencies to which the Group is exposed. These interest rates were used as the base for the fair value calculations made through internal models referred above:

	31 DEC 2021		31 DEC 2020	
	CURRENCIES		CURRENCIES	
	EUR	USD	EUR	USD
3 months	-0.57%	0.21%	-0.55%	0.24%
6 months	-0.55%	0.38%	-0.53%	0.16%
9 months	-0.49%	0.42%	-0.52%	0.17%
1 year	-0.50%	0.58%	-0.52%	0.21%
2 years	-0.29%	0.91%	-0.52%	0.20%
3 years	-0.14%	1.14%	-0.51%	0.24%
5 years	0.02%	1.33%	-0.49%	0.33%
7 years	0.13%	1.44%	-0.39%	0.66%
10 years	0.30%	1.54%	-0.26%	0.93%

Non-listed equity instruments, for which a reliable and consistent fair value estimate is not available either by internal models or external providers, are recognized at their historical cost.

Equity instruments at fair value and financial assets at fair value through profit or loss

Listed financial instruments are recognized at fair value based on market prices. The financial instruments for which reliable fair value estimates are not available, are recorded in the statement of financial position at their cost.

Cash and cash equivalents, trade receivables and suppliers

These financial instruments include mainly short-term financial assets and liabilities. Given their short-term nature at the reporting date, their book values are not significantly different from their fair values.

Financial debt

The fair value of the financial debt is estimated through internal models, which are based on generally accepted cash flow discounting techniques. At the reporting date, the carrying amount of floating rate loans is approximately their fair value. In case of fixed rate loans, mainly the intercompany loans granted by EDP Group, their fair value is obtained through internal models based on generally accepted discounting techniques.

Derivative financial instruments

All derivatives are accounted at their fair value. For those which are quoted in organized markets, the respective market price is used. For over-the-counter derivatives, fair value is estimated through the use of internal models based on cash flow discounting techniques and option valuation models generally accepted by the market, or by dealer price quotations.

CIRS with EDP - Energias de Portugal, S.A. (note 37)

With the purpose of hedging the foreign exchange risk resulting from the net investment in EDPR NA, the Group entered into CIRS in USD and EUR with EDP - Energias de Portugal, S.A.. These financial derivatives are presented in the statement of financial position at its fair value, which is estimated by discounting the projected USD and EUR cash flows. The discount rates and forward interest rates were based on the interest rate curves referred to above and the USD/EUR exchange rate is disclosed on note 29. See also note 35.

The fair values of assets and liabilities as at 31 December 2021 and 31 December 2020 are analysed as follows:

	31 DECEMBER 2021			31 DECEMBER 2020		
THOUSAND EUROS	CARRYING AMOUNT	FAIR VALUE	DIFFERENCE	CARRYING AMOUNT	FAIR VALUE	DIFFERENCE
FINANCIAL ASSETS						
Equity instruments at fair value	14,878	14,878	-	13,318	13,318	-
Debtors and other assets from commercial activities	498,234	498,234	-	279,034	279,034	-
Other debtors and other assets	1,546,725	1,546,725	-	857,909	857,909	-
Derivative financial instruments	111,881	111,881	-	110,840	110,840	-
Cash and cash equivalents	1,003,784	1,003,784	-	474,384	474,384	-
	3,175,502	**3,175,502**	**-**	**1,735,485**	**1,735,485**	**-**
FINANCIAL LIABILITIES						
Financial debt	4,040,949	4,042,432	1,483	3,946,516	4,003,782	57,266
Suppliers	1,699,692	1,699,692	-	1,356,521	1,356,521	-
Institutional partnerships in North America	2,259,741	2,259,741	-	1,933,542	1,933,542	-
Trade and other payables from commercial activities	623,786	623,786	-	428,692	428,692	-
Other liabilities and other payables	2,198,861	2,198,861	-	1,021,124	1,021,124	-
Derivative financial instruments	1,226,200	1,226,200	-	89,015	89,015	-
	12,049,229	**12,050,712**	**1,483**	**8,775,410**	**8,832,676**	**57,266**

The fair value levels used to valuate EDP Renováveis Group financial assets and liabilities are defined as follows:

- **level 1 -** Quoted prices (unadjusted) in active market for identical assets and liabilities
- **level 2 -** Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e., derived from prices)
- **level 3** - Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

	31 DECEMBER 2021			31 DECEMBER 2020		
THOUSAND EUROS	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
FINANCIAL ASSETS						
Equity instruments at fair value	-	-	14,878	-	-	13,318
Derivative financial instruments	-	107,137	4,744	-	110,840	-
	-	107,137	19,622	-	110,840	13,318
FINANCIAL LIABILITIES						
Liabilities arising from options with non-controlling interests	-	-	883	-	-	883
Derivative financial instruments	-	1,017,888	208,312	-	89,015	-
	-	**1,017,888**	**209,195**	**-**	**89,015**	**883**

The remaining assets and liabilities are valuated within Level 1 or correspond to assets and liabilities which fair value is the same as its carrying amount. In 2021, there are no transfers between levels.

The movement in 2021 and 2020 of the financial assets and liabilities within Level 3 are analysed was as follows:

	Derivatives		Equity Instruments At Fair Value		Trade And Other Payables	
THOUSAND EUROS	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Balance at the beginning of the year	-	-	13,318	15,960	883	883
Gains / (Losses) in other comprehensive income	-	-	-	-3,194	-	-
Increases/Purchases	193,434	-	964	1,218	-	-
Disposals	-	-	-	-	-	-
Others	-	-	596	-666	-	-
Balance at the end of the year	**193,434**	**-**	**14,878**	**13,318**	**883**	**883**

The Trade and other payables within level 3 are related to Liabilities with non-controlling interests.

The movements in 2021 and 2020 of the derivative financial instruments are presented in note 37.

41. Relevant subsequent events

EDPR informs about changes in corporate bodies

EDP Renováveis, S.A. ("EDPR") informs that the Company has received the resignation of Mrs. Joan Avalyn Dempsey as independent member of EDPR's Board of Directors. EDPR would like to thank Mrs. Joan Avalyn Dempsey for all her dedication and contribution to the success of the Company.

The Company will start the process to identify and propose the best possible candidates in order to fill this vacancy at EDPR's Board of Directors.

Ocean Winds is awarded with exclusive rights to develop around 1 GW offshore wind project in Scotland

EDP Renováveis, S.A. ("EDPR") is pleased to announce that Ocean Winds, the offshore JV owned by EDPR (50%) and Engie (50%), was awarded with block NE4 by the Crown Estate Scotland ("CES") in the ScotWind seabed tender.

Ocean Winds was awarded exclusive rights to develop a bottom-fixed offshore wind project of around 1 GW in block NE4, the Caledonia Offshore Wind farm ("Caledonia"), and consideration is being given to using part of the output for green hydrogen production.

Caledonia's 440 km2 seabed area is adjacent to the existing 950 MW Moray East and c.0.9 GW Moray West offshore projects, allowing Ocean Winds to leverage on the experience and operational synergies of developing, building and operating Caledonia in conjunction with Moray East and Moray West.

The UK is among the largest offshore wind markets worldwide, having recently raised its offshore target to 40 GW by 2030.

Ocean Winds continues to expand its presence and is fully committed to investing in Scotland, with Moray East 950 MW leading the way as the largest offshore wind farm in Scotland, Moray West c.0.9 GW which is shovel-ready, and now Caledonia with around 1 GW to be commissioned until the end of the decade, positioning Ocean Winds as a leader in the Scottish Offshore market and actively contributing with around 2.9 GW to reach the UK 40 GW target by 2030.

With such announcement, EDPR increases its growth options in offshore wind in an attractive market, thereby enhancing and diversifying the company's long term profitable growth options while maintaining a balanced risk profile.

42. Business Combination

Distributed Generation

EDPR, through its wholly owned US subsidiary, EDP Renewables North America LLC, entered into an agreement in January 2021 to acquire 85% of C2 Omega LLC (C2). C2 is a US based Distributive Solar Generation Company with 89 MWs of operating and near completion capacity with a near-term pipeline of approximately 120 MWs through 16 states. At that moment, the completion of this transaction was subject to customary conditions precedent.

With the aforementioned customary conditions precedent fulfilled on March 1, 2021, EDPR acquired the aforementioned 85% interest in C2 for 46,530 thousand euros (55,032 thousand USD). This transaction is considered under the scope of IFRS 3 - Business combinations.

Within this transaction, EDPR has gained control over the company C2, with the then unrelated former owners have retained 15% of the ownership. The former sole owners are currently employees of EDPR. EDPR has an option to purchase the remaining 15% after February 2025 at an amount that is the present value of cash flows determined in a pre-defined model. If this call option is not executed by EDPR, then the former owners may put the 15% to EDPR after February 2026 using the present value of cash flows from the same pre-defined model, but with a discount rate 100 basis points higher than what was used in the value of EDPR's call option one year prior.

The Group used the financial statements as at 28 February 2021 of the companies acquired, to determine pre-acquisition results and, consequently, the companies have been consolidated from that date. The profit and loss and statement of cash flows reflect the activity of C2 and its subsidiaries from March 1, 2021 through December 31, 2021.

If this acquisition had occurred at the beginning of 2021, it would have contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 13,000 thousand Euros and with a Net loss for the period in the approximate amount of 2,400 thousand Euros, referring to the twelve-month period ended at 31 December 2021.

At the acquisition date, EDPR Group has determined the fair value of the assets acquired and liabilities assumed, based on a valuation performed by a third party. The valuation methodology utilized was a discounted cashflow approach, where cash flows for each project were forecasted for the remaining life of the assets. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data of the assets provided by the seller. The after tax cash flows were then discounted at the weighted average cost of capital of 7% reflecting the risk of the debt and equity financing components adjusted for the contracted profile of each project. Lastly to the aggregate value of the portfolio, adjustments were made for one-off items, other balance sheet assets or liabilities and synergies, to reach the final equity valuation.

Such valuation has determined a fair value of the net assets acquired in the amount of 44,955 thousands of Euros.

Fair value of identifiable assets and liabilities at the acquisition date is presented as follows:

THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	134,949	447	135,396
Other non-current assets	14,101	-	14,101
Total Non-Current Assets	149,050	447	149,497
Debtors and other assets from commercial activities	4,233	-2.308	1.925
Other debtors and other assets	3,208	-	3,208
Cash and cash equivalents	1,767	-	1,767
Total Current Assets	9,208	-2.308	6.900
Total Assets	**158,258**	**-1.861**	**156.397**
LIABILITIES			
Medium / Long term financial debt	79,509	-3.294	76.215
Institutional partnerships in US wind farms	7,216	4.259	11.475
Other non-current liabilities	8,308	-	8,308
Total Non-Current Liabilities	95,033	965	95.998
Short term financial debt	175	-	175
Other current liabilities	11,243	-	11,243
Total Current Liabilities	11,418	-	11.418
Total Liabilities	**106,451**	**965**	**107,416**
Total Net assets at fair value			**48,981**
- Non-controlling interests	7,253	-3,227	4,026
Total Net assets acquired at fair value			**44,955**
- Total consideration transferred for the acquisition of the shares			-46,530
Goodwill			**1,575**

The aforementioned C2's valuation has determined a fair value for Property, plant and equipment in the amount of 135,396 thousand Euros, generating a fair value adjustment of 447 thousand Euros (see note 16). 106,190 thousand Euros of this amount is attributable to operating assets and 29,206 thousand Euros is attributable to assets in the development pipeline.

The noncontrolling interest value of 4,026 thousand Euros was determined in two pieces: 1) 4 years of cash flows attributable to the former owners up until EDPR's call option date and 2) the value of the option to purchase the former owner's residual 15% interest.

The fair values of financial debt and Partnerships in US wind farms was derived by taking the forecasted payment streams under those instruments using the market interest rates and returns for those instruments at the acquisition date.

The purchase price allocation exercise carried out in accordance with IFRS 3 resulted in goodwill recognition in the amount of 1,575 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares.

The aforementioned goodwill resulting from the purchase price allocation is mainly attributable to EDPR using C2 as an entry to the distributive generation market.

Vento Ludens

EDPR entered in July 2021 into an agreement with Vento Ludens Holdings GmbH for the acquisition of 100% of the shares in the UK company Vento Ludens Limited which in turn owns a stake of 79% of the shares in the company Muirake Wind Farm Limited and 100% of the shares in the company Lurg Hill Wind Farm Limited (see note 6). The agreement did not entail any conditions precedent therefore signing and closing was simultaneous.

With this transaction, completed in 20 July 2021, EDPR has acquired a portfolio that consists of 79% of a 5MW operating wind farm comissioned in 2012 with a 20-year Feed in Tariff in Scotland, 100% of 226MW of wind projects located in Scotland and Wales and 100% 44MW of photovoltaic projects located in Ireland for a total consideration of 14,673 thousand Euros (12,698 thousand GBP) that includes a contingent consideration of 1,016 thousand Euros and shareholder loans in the amount of 4,256 thousand Euros. This transaction is considered under the scope of IFRS 3 - Business combinations.

For simplification purposes, and considering this does not have a material effect, the Group used the financial statements as at 31 July 2021 of the companies acquired, to determine pre-acquisition balance sheet and results, and, consequently, the companies have been consolidated from that date following the full consolidation method. Thus this acquisition has contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 558 thousand Euros and with a Net loss in the approximate amount of 153 thousand Euros, referring to the five-month period ended at 31 December 2021. If this acquisition had occurred in the beginning of the exercise, it would have contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 2,313 thousand Euros and with a Net loss for the period in the approximate amount of 1,697 thousand Euros, referring to the twelve-month period ended at 31 December 2021.

At the acquisition date, EDPR Group has determined the fair value of the assets acquired and liabilities assumed, with the assistance of a specialized and independent firm. The valuation methodology utilized has been the Multi-Excess Earning Method (MEEM) and the discounted cashflow approach. This valuation methodology assumes that the kind of assets to be valued normally generates cash flows in combination with other tangible and intangible assets and therefore consists in deducting the estimated cost of the use of other assets, such as PP&E or working capital, from the estimated cash flows associated to the asset to be valued. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data and experience assessing investments of similar wind farms and solar PV projects in EDPR's portfolio. These internal assumptions used in the preparation of the cashflows of the wind farm have been challenged by the specialized firm. The after tax cash flows were then discounted at the weighted average cost of capital, that has been calculated by the firm, reflecting the risk of the country and adjusted for the profile of the portfolio.

Such valuation has determined a fair value of the net assets acquired in the amount of 9,873 thousands Euros. Fair value of identifiable assets and liabilities at the acquisition date is presented as follows:

THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	7,564	13,201	20,765
Other non-current assets	126	-	126
Total Non-Current Assets	7,690	13,201	20,891
Cash and cash equivalents	1,130	-	1,130
Other current assets	304	-	304
Total Current Assets	1,434	-	1,434
Total Assets	**9,124**	**13,201**	**22,325**
LIABILITIES			
Deferred tax liabilities	-	3,300	3,300
Other non-current liabilities	7,832	-	7,832
Total Non-Current Liabilities	**7,832**	**3,300**	**11,132**
Other current liabilities	969	-	969
Total Current Liabilities	969	-	969
Total Liabilities	8,801	3,300	12,101
Total Net assets at fair value			**10,224**
- Non-controlling interests	-73	424	351
Total Net assets acquired at fair value			**9,873**
- Total consideration transferred for the acquisition of the shares			-10,417
Goodwill			**544**

The aforementioned Vento Ludens portfolio valuation has determined a fair value for Property, plant and equipment in the amount of 20,765 thousand Euros, generating a fair value adjustment of 13,201 thousand Euros and a corresponding deferred tax liability in the amount of 3,300 thousand Euros (see note 16 and 21). Further, the determination of the Non-controlling interests of the company Muirake Wind Farm Limited at fair value has resulted in a total amount of 351 thousand Euros at acquisition date.

The purchase price allocation exercise carried out in accordance with IFRS 3R, which is identified as provisional according to what is indicated in note 2.A, resulted in a goodwill recognition in the amount of 544 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares.

The aforementioned goodwill resulting from the purchase price allocation is mainly attributable to EDPR using Vento Ludens portfolio to establish its presence in the UK onshore market with a sizeable and technologically diversified portfolio at different stages of development.

Aria del Vento

EDPR entered in December 2018 into an agreement with Siemens Gamesa Renewable Energy Italy, S.p.A. for the acquisition of the Italian project Aria del Vento. At that moment, the completion of this transaction was subject to customary conditions precedent.The agreement entailed as one of these conditions precedent to closing that Siemens Gamesa Renewable Energy Italy, S.p.A. contributed the project to a company that would then be acquired by EDPR.

With this transaction, completed in June 2021 once the aforementioned customary conditions precedent were fulfilled, EDPR has acquired 100% of the shareholding of the company Parco Eolico Aria del Vento, S.r.l. (see note 6) which owns a wind farm project with a installed capacity of MW 16 which is operational since 2020, for a total consideration of 26,001 thousand Euros.

For simplification purposes, and considering this does not have a material effect, the Group used the financial statements as at 30 June 2021 of the company acquired, to determine pre-acquisition balance sheet and results, and, consequently, the companies have been consolidated from that date following the full consolidation method. Thus this acquisition has contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 3,319 thousand Euros and with a Net profit in the approximate amount of 2,822 thousand Euros, referring to the six-month period ended at 31 December 2021.

As the wind farm project was tranferred to the company acquired at closing of the transaction, there is no further profit and loss results previously.

At the acquisition date, EDPR Group has determined the fair value of the assets acquired and liabilities assumed, with the assistance of a specialized and independent firm. The valuation methodology utilized has been the Multi-Excess Earning Method (MEEM) and the discounted cashflow approach. This valuation methodology assumes that the kind of assets to be valued normally generates cash flows in combination with other tangible and intangible assets and therefore consists in deducting the estimated cost of the use of other assets, such as PP&E or working capital, from the estimated cash flows associated to the asset to be valued. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data and experience assessing investments of similar wind farms in EDPR's portfolio. These internal assumptions used in the preparation of the cashflows of the wind farm have been challenged by the specialized firm. The after tax cash flows were then discounted at the weighted average cost of capital, that has been calculated by the firm, reflecting the risk of the country and adjusted for the profile of the project.

Such valuation has determined a fair value of the net assets acquired in the amount of 33,832 thousands Euros.

Fair value of identifiable assets and liabilities at the acquisition date is presented as follows:

THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	21,651	13,993	35,644
Goodwill	5,216	-5,216	-
Other non-current assets	836	-	836
Total Non-Current Assets	27,703	8,777	36,480
Cash and cash equivalents	586	-	586
Other current assets	1,907	-	1,907
Total Current Assets	2,493	-	2,493
Total Assets	**30,196**	**8,777**	**38,973**
LIABILITIES			
Deferred tax liabilities	-	3,358	3,358
Total Non-Current Liabilities	-	3,358	3,358
Other current liabilities	1,783	-	1,783
Total Current Liabilities	1,783	-	1,783
Total Liabilities	**1,783**	**3,358**	**5,141**
Total Net assets acquired at fair value			**33,832**
- Total consideration transferred for the acquisition of the shares			-26,001
Gain on acquisition			**-7,831**

The aforementioned Aria del Vento's valuation has determined a fair value for Property, plant and equipment in the amount of 35,644 thousand Euros, generating a fair value adjustment of 13,933 thousand Euros and a corresponding deferred tax liability in the amount of 3,358 thousand Euros (see note 16 and 21).

The purchase price allocation exercise carried out in accordance with IFRS 3R, which is identified as provisional according to what is indicated in note 2.A, resulted in a gain recognition in the amount of 7,831 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares. The gain resulting from the purchase price allocation has been registered in the Other income caption of the consolidated financial statements (see note 9).

The aforementioned gain recognition is mainly attributable to the price of the transaction that was agreed back in 2018, before the construction of the wind farm, and the renewable energy market have changed significantly since then, to awarded tariff which is the result of a regulatory policy designed to support the development of renewable energy sources by providing a guaranteed price for producers and to the valuation carried out by the independent expert.

Trung Son

EDPR entered in April 2021 into an agreement with Trina Solar Investment Pte, Ltd. for the acquisition of 100% of the shares of the holding company called Trina Solar Investment First Pte. Ltd. owning the 100% of the company LYS Energy Investment Pte. Ltd. which in turn owns the 100% of the company holding the 28 MWac (35 MWdc) operational solar PV project called Trung Son Energy Development Joint Stock Company (see note 6). At that moment, the completion of this transaction was subject to customary conditions precedent. With this transaction, completed in 29 June 2021 once the aforementioned customary conditions precedent were fulfilled, EDPR has acquired 100% of the above portfolio for a total consideration of 29,568 thousand Euros (35,179 thousand USD) of which an amount of 16,381 thousand Euros (19,174 thousand USD) refers to shareholders loans. This transaction is considered under the scope of IFRS 3 - Business combinations.

For simplification purposes, and considering this does not have a material effect, the Group used the financial statements as at 30 June 2021 of the company acquired, to determine pre-acquisition balance sheet and results, and, consequently, the companies have been consolidated from that date following the full consolidation method. Thus, this acquisition has contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 1,246 thousand Euros and with a Net loss in the approximate amount of 283 thousand Euros, referring to the six-month period ended at 31 December 2021. If this acquisition had occurred in the beginning of the exercise, it would have contributed to the consolidated financial statements with revenues, mainly from energy sales, in the approximate amount of 3.047 thousand Euros and with a Net profit for the period in the approximate amount of 555 thousand Euros , referring to the twelve-month period ended at 31 December 2021.

At the acquisition date, EDPR Group has determined the fair value of the assets acquired and liabilities assumed, with the assistance of a specialized and independent firm. The valuation methodology utilized has been the Multi-Excess Earning Method (MEEM) and the discounted cashflow approach. This valuation methodology assumes that the kind of assets to be valued normally generates cash flows in combination with other tangible and intangible assets and therefore consists in deducting the estimated cost of the use of other assets, such as PP&E or working capital, from the estimated cash flows associated to the asset to be valued. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data and experience assessing investments of similar solar PV projects in EDPR's portfolio. These internal assumptions used in the preparation of the cashflows of the solar PV project have been challenged by the specialized firm. The after tax cash flows were then discounted at the weighted average cost of capital, that has been calculated by the firm, reflecting the risk of the country and adjusted for the profile of the project.

Such valuation has determined a fair value of the net assets acquired in the amount of 10,844 thousands Euros.

Fair value of identifiable assets and liabilities at the acquisition date is presented as follows:

THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	19,724	5,631	25,355
Other non-current assets	2,073	-	2,073
Total Non-Current Assets	21,797	5,631	27,428
Cash and cash equivalents	1,459	-	1,459
Other current assets	15,381	-	15,381
Total Current Assets	16,840	-	16,840
Total Assets	**38,637**	**5,631**	**44,268**
LIABILITIES			
Deferred tax liabilities	-	1,126	1,126
Other non-current liabilities	31,222	-	31,222
Total Non-Current Liabilities	31,222	1,126	32,348
Other current liabilities	1,076	-	1,076
Total Current Liabilities	1,076	-	1,076
Total Liabilities	**32,298**	**1,126**	**33,424**
Total Net assets acquired at fair value			**10,844**
- Total consideration transferred for the acquisition of the shares			-13,187
Goodwill			**2,343**

The aforementioned Trung Son's portfolio valuation has determined a fair value for Property, plant and equipment in the amount of 25,355 thousand Euros, generating a fair value adjustment of 5,631 thousand Euros and a corresponding deferred tax liability in the amount of 1,126 thousand Euros (see note 16 and 21).

The purchase price allocation exercise carried out in accordance with IFRS 3R resulted in a goodwill recognition in the amount of 2,343 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares.

The aforementioned goodwill recognition resulting from the purchase price allocation, which is identified as provisional according to what is indicated in note 2.A, is mainly attributable to EDPR using Trung Song's portfolio to establish its presence in Singapore and Vietnam and represents a first step towards the establishment of EDPR's presence in the Asia Pacific region.

The following business combination took place in 2020:

EDPR entered in July 2020 into an agreement with certain funds managed by Macquarie Infrastructure and Real Assets (together with its managed funds), for the acquisition of the control of the renewable business of Viesgo, and namely the acquisition of 100% of the shares in the companies Viesgo Europa, S.L.U. and Viesgo Renovables, S.L.U. which in turn owns a portfolio of affiliates (see note 6). At that moment, the completion of this transaction was subject to customary conditions precedent.

With this transaction, completed in 16 December 2020 once the aforementioned customary conditions precedent were fulfilled, EDPR has gained control over the renewable business of Viesgo, that comprises 0.5 GW (EBITDA + Equity MW) of renewable installed capacity in Spain (84%) and Portugal (16%), for a total consideration of 563,488 thousand Euros of which an amount of 26,001 thousand Euros refers to shareholders loans. This transaction is considered under the scope of IFRS 3 - Business combinations.

Within this transaction, EDPR has gained control over the company Compañía Eólica Aragonesa, S.A. (CEASA), where EDPR had 50% of the shares of the company and acquired the remaining 50% of the shares, considering this acquisition a business combination achieved in stages under IFRS 3. Until the date in which the control was obtained, the shareholding previously held was being included in the consolidated financial statements under the equity method. Total value of the equity investment, previously to the transaction, amounted to 46,527 thousand Euros of which an amount of 1,954 thousand Euros corresponds to the result of the company for the year 2020 attributable to EDPR.

For simplification purposes, and considering this does not have a material effect, the Group used the financial statements as at 31 December 2021 of the companies acquired, to determine pre-acquisition results and, consequently, the companies have been consolidated from that date with no impact in the 2021 consolidated profit and loss of the EDPR Group, except for the result of the aforementioned business combination achieved in stages detailed below.

If this acquisition had occurred in the beginning of the exercise, it would have contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 78,000 thousand Euros and with a Net profit for the period in the approximate amount of 17,000 thousand Euros, referring to the twelve-month period ended at 31 December 2021.

At the acquisition date, EDPR Group has determined the fair value of the assets acquired and liabilities assumed, based on a valuation performed internally. The valuation methodology utilized was a discounted cashflow approach, where cash flows for each project were forecasted for the remaining life of the assets. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data of the assets provided by the seller and information from similar wind farms in EDPR's portfolio. The after tax cash flows were then discounted at the weighted average cost of capital reflecting the risk of each of the country and adjusted for the contracted profile of each project. Lastly to the aggregate value of the portfolio, adjustments were made for one-off items, other balance sheet assets or liabilities and synergies, to reach the final equity valuation.

Such valuation has determined a fair value of the net assets acquired in the amount of 503,312 thousands of Euros.

Fair value of identifiable assets and liabilities at the acquisition date is presented as follows:

THOUSAND EUROS	BOOK VALUE AT ACQUISITION DATE	FAIR VALUE ADJUSTMENT	FAIR VALUE AT ACQUISITION DATE
ASSETS			
Property, plant and equipment	203,027	214,254	417,281
Investments in joint ventures and associates	9,437	44,023	53,460
Equity instruments at fair value	182	366	548
Other Non-Current Assets	156,690	-	156,690
Total Non-Current Assets	**369,336**	**258,643**	**627,979**
Cash and cash equivalents	32,907	-	32,907
Other current assets	61,873	-	61,873
Total Current Assets	94,780	-	94,780
Total Assets	**464,116**	**258,643**	**722,759**
LIABILITIES			
Medium / Long term financial debt	17,095	-	17,095
Provisions	18,719	1,100	19,819
Deferred tax liabilities	11,449	56,631	68,080
Other non-current liabilities	14,948	-	14,948
Total Non-Current Liabilities	**62,211**	**57,731**	**119,942**
Short term financial debt	964	-	964
Other current liabilities	43,703	-	43,703
Total Current Liabilities	44,667	-	44,667
Total Liabilities	**106,878**	**57,731**	**164,609**
Total Net assets at fair value			**558,150**
- Non-controlling interests			-8,311
- Net assets previously held in CEASA (business combination achieved in stages)			-46,527
Total Net assets acquired at fair value			**503,312**
- Total consideration transferred for the acquisition of the shares			-537,487
Goodwill			**36,062**
Gain on acquisition (CEASA -business combination achieved in stages)			**-1,887**

The aforementioned Viesgo's valuation has determined a fair value for Property, plant and equipment in the amount of 417,281 thousand Euros, generating a fair value adjustment of 214,254 thousand Euros and a corresponding deferred tax liability in the amount of 56,631 thousand Euros (see note 15 and 19). Further, some of the affiliates of Viesgo Renovables, S.L.U. are associates companies which are consolidated by the equity method, as well as equity instruments at fair value where the valuation determined a fair value adjustment in the amount of 44,023 thousand Euros and 366 thousand Euros respectively.

At the acquisition date, certain contingent liabilities have been identified, therefore additional provisions have been recognized in the amount of 1,100 thousand Euros.

The purchase price allocation exercise carried out in accordance with IFRS 3 resulted as follows:

- Goodwill recognition in the amount of 148,341 thousand Euros (see note 20) as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares. This amount includes the previous Goodwill recognized in the book value at acquisition date amounting to 112,279 thousand Euros and an additional amount of 36,062 thousand Euros, of which an amount of 4,641 thousand Euros refers to associate companies consolidated by the equity method, thus presented in the caption Investments in joint ventures and associates caption (see note 20); and

- Gain in the step acquisition of CEASA in the amount of 1,887 thousand Euros as a consequence of the remeasurement at fair value of the investment previously held, being registered the corresponding difference between the fair value and the book value in the Other income caption of the consolidated financial statements (see note 9).

The aforementioned goodwill resulting from the purchase price allocation, is mainly attributable to the high-quality of the portfolio with strong wind resource (29% average load factor) and with a low risk profile, of which 87% of the capacity is regulated, with an average age of 13 years (~7 years of remaining regulated life) considering that the portfolio also counts with an attractive potential for future extensions/repowering given the aforementioned profile, as well as to the benefits and synergies that are expected to arise as a result of its integration into EDPR Group.

43. Environment issues

Expenses of environmental nature are the expenses that were identified and incurred to avoid, reduce or repair damages of an environmental nature that result from the Group's normal activity.

These expenses are booked in the income statement of the year, except if they qualify to be recognised as an asset, according to IAS 16.

During the year, the environmental expenses recognised in the income statement in the amount of 4,564 thousand Euros (31 December 2020: 5,912 thousand Euros) refer to costs with the environmental management plan.

Investments of an environmental nature booked as Property, plant and equipment and intangible assets during 2021 amount to 19,351 thousand Euros (31 December 2020: 14,829 thousand Euros).

As referred in accounting policy 2 p), the Group has established provisions for dismantling and decommissioning of property, plant and equipment when a legal or contractual obligation exists to dismantle and decommission those assets at the end of their useful lives. Consequently, the Group has booked provisions for property, plant and equipment related to electricity wind and solar generation for the responsibilities of restoring sites and land to its original condition, in the amount of 313,594 thousand Euros as at 31 December 2021 (31 December 2020: 305,628 thousand Euros) (see note 32).

44. Operating segments report

The Group generates energy from renewable resources and has three reportable segments which are the Group's business platforms, Europe, North America and Brazil. The strategic business units have operations in different geographic zones and are managed separately because their characteristics are quite different. For each of the strategic business units, the Group's CEO reviews internal management reports on at least a quarterly basis.

The accounting policies of the reportable segments are the same as described in note 2. Information regarding the results of each reportable segment is included in Annex 2. Performance is based on segment operating profit measures, as included in the internal management reports that are reviewed by the Management. Segment operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

A business segment is an identifiable component of the Group, aimed at providing a single product or service, or a group of related products or services, and it is subject to risks and returns that can be distinguished from those of other business segments.

The Group generates energy from renewable sources in several locations and its activity is managed based on the following business segments:

- Europe: refers to EDPR EU Group companies operating in Spain, Portugal, Belgium, France, Italy, Netherlands, Poland, Romania, United Kingdom, Hungary and Greece;
- North America: refers to EDPR North America, EDPR Canada and EDPR Mexico Group companies that operate in United States of America, Canada and Mexico, respectively;
- Brazil: refers to EDPR Brasil Group companies that operate in this country.

Segment definition

The amounts reported in each business segment result from the aggregation of the subsidiaries and business units defined in each segment perimeter, including the intra-segment eliminations, without any inter-segment allocation adjustment.

The financial information disclosed by each business segment is determined based on the amounts booked directly in the subsidiaries that compose the segment, including the intra-segment eliminations, without any inter-segment allocation adjustment.

45. Audit and non-audit fees

PricewaterhouseCoopers (PwC) was reappointed in the Shareholder's Meeting held on April 12th 2021 as the external auditor of the EDPR Group for years 2021, 2022 and 2023. Fees for professional services provided by this company and the other related entities and persons in accordance with Law 22/2015 of 20 July, for the year ended in 31 December 2021 and 2020 are as follows:

					31 DECEMBER 2021
THOUSAND EUROS	EUROPE	NORTH AMERICA	BRAZIL	OTHER	TOTAL
Audit and statutory audit of accounts	1,540	1,379	189	84	3,192
Other non-audit services	166	11	6	-	183
Total	**1,706**	**1,390**	**195**	**84**	**3,375**

The amount of Other non-audit services in Europe includes, among others, services that refer to the entire Group such as the review of the internal control system on financial reporting and review of the non-financial information related to sustainability included in the EDPR Group's annual report, which are invoiced to a European company. This amount also includes the limited review as of June 30, 2021 of the EDPR Consolidated Financial Statements and other reviews for Group consolidation purposes which are considered non-audit services according to the respective local regulation.

Total amount for Europe includes 786 thousand Euros of services provided by PricewaterhouseCoopers Auditores S.L. from which 624 thousand Euros refer to audit services and 162 thousand Euros refer to non-audit services.

The above fees exclude the fees for the companies that were sold during 2021 amounting 62 thousand Euros (see note 6).

The PwC fees for 2020 are as follows:

				31 DECEMBER 2020
THOUSAND EUROS	EUROPE	NORTH AMERICA	BRAZIL	TOTAL
Audit and statutory audit of accounts	1,346	1,150	167	2,663
Other non-audit services	170	11	4	185
Total	**1,516**	**1,161**	**171**	**2,848**

Total amount for Europe includes 644 thousand Euros of services provided by PricewaterhouseCoopers Auditores S.L. from which 494 thousand Euros refer to audit services and 150 thousand Euros refer to non-audit services.

Annex I

The Subsidiary Companies consolidated under the full consolidated method, as at 31 December 2021 and 2020, are as follows, where "% of capital" represents the direct stake held by the immediate parent company/ies and "% of voting rights" represents the indirect stake held by the Group's parent holding company (EDP Renováveis S.A.):

			2021		2020	
Company	Head Office	Auditor	% of capital	% of voting rights	% of capital	% of voting rights
GROUP'S PARENT HOLDING COMPANY AND RELATED ACTIVITIES						
EDP Renováveis, S.A. (Group's parent holding company)	Oviedo	PwC	100.00%	100.00%	100.00%	100.00%
EDP Renováveis Servicios Financieros, S.A.	Oviedo	PwC	100.00%	100.00%	100.00%	100.00%
EUROPE GEOGRAPHY / PLATFORM						
Spain						
EDP Renewables Europe, S.L.U. (Europe Parent Company)	Oviedo	PwC	100.00%	100.00%	100.00%	100.00%
EDP Renovables España, S.L.U.	Oviedo	PwC	100.00%	100.00%	100.00%	100.00%
Acampo Arias, S.L.	Zaragoza	PwC	95.00%	95.00%	95.00%	95.00%
Aplicaciones Industriales de Energías Limpias, S.L.	Zaragoza	n.a.	61.50%	61.50%	61.50%	61.50%
Aprofitament D'Energies Renovables de la Terra Alta, S.A.	Barcelona	n.a.	0.00%	0.00%	28.27%	44.09%
Canerde, S.L.U.	Madrid	n.a.	80.00%	80.00%	100.00%	100.00%
Compañía Eólica Aragonesa, S.A.	Zaragoza	PwC	100.00%	100.00%	100.00%	100.00%
Desarrollos Eólicos de Teruel, S.L.	Zaragoza	n.a.	51.00%	51.00%	51.00%	51.00%
Desarrollos Renovables de Teruel, S.L.	Teruel	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR México, S.L.U.	Oviedo	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Terral S.L.U.	Madrid	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Yield, S.A.U.	Oviedo	PwC	100.00%	100.00%	100.00%	100.00%
Eólica Arlanzón, S.A.	Madrid	PwC	85.00%	85.00%	85.00%	85.00%
Eólica Campollano, S.A.	Madrid	PwC	75.00%	75.00%	75.00%	75.00%
Eólica Fontesilva, S.L.U.	La Coruña	PwC	100.00%	100.00%	100.00%	100.00%
Eólica La Brújula, S.A.U.	Madrid	PwC	100.00%	100.00%	100.00%	100.00%
Eólica La Janda, S.L.U.	Madrid	PwC	100.00%	100.00%	100.00%	100.00%
IAM Caecius, S.L.	Madrid	n.a.	100.00%	100.00%	0.00%	0.00%
Iberia Aprovechamientos Eólicos, S.A.	Zaragoza	PwC	94.00%	94.00%	94.00%	94.00%
Northeolic Monte Buño, S.L.	Cantabria	n.a.	75.00%	75.00%	75.00%	75.00%
Parc Eòlic Serra Voltorera, S.L.U.	Barcelona	PwC	100.00%	100.00%	100.00%	100.00%
Parque Eólico Altos del Voltoya, S.A.	Madrid	PwC	92.50%	92.50%	92.50%	92.50%
Parque Eólico de Abrazadilla, S.L.U.	Madrid	n.a.	100.00%	100.00%	100.00%	100.00%
Parque Eólico La Sotonera, S.L.	Zaragoza	PwC	69.84%	69.84%	69.84%	69.84%
Parque Eólico Los Cantales, S.L.U.	Zaragoza	PwC	100.00%	100.00%	100.00%	100.00%
Parque Eólico Santa Quiteria, S.L.	Zaragoza	PwC	100.00%	83.96%	100.00%	83.96%
Renovables Castilla La Mancha, S.A.	Madrid	PwC	90.00%	90.00%	90.00%	90.00%
Site Sunwind Energy, S.L.	Madrid	n.a.	100.00%	100.00%	0.00%	0.00%
Tébar Eólica, S.A.U.	Madrid	PwC	100.00%	100.00%	100.00%	100.00%
Viesgo Europa, S.L.U.	Oviedo	PwC	100.00%	100.00%	100.00%	100.00%
Viesgo Mantenimiento, S.L.U.	Cantabria	n.a.	100.00%	100.00%	100.00%	100.00%
Viesgo Renovables, S.L.U.	Oviedo	PwC	100.00%	100.00%	100.00%	100.00%

			2021		2020	
Company	Head Office	Auditor	% of capital	% of voting rights	% of capital	% of voting rights
Portugal						
EDP Renováveis Portugal, S.A.	Porto	PwC	51.00%	51.00%	51.00%	51.00%
EDP Renewables SGPS, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
EDPR PT - Parques Eólicos, S.A.	Porto	PwC	51.00%	51.00%	51.00%	51.00%
EDPR PT - Promoção e Operação, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
Eólica da Coutada, S.A.	Soutelo de Aguiar	PwC	100.00%	51.00%	100.00%	51.00%
Eólica da Linha, S.A.	Porto	PwC	0.00%	0.00%	100.00%	100.00%
Eólica da Serra das Alturas, S.A.	Boticas	PwC	50.10%	25.55%	50.10%	25.55%
Eólica da Terra do Mato, S.A.	Porto	PwC	100.00%	51.00%	100.00%	51.00%
Eólica das Serras das Beiras, S.A.	Piódão - Arganil	PwC	100.00%	51.00%	100.00%	51.00%
Eólica de Alagoa, S.A.	Arcos de Valdevez	PwC	60.00%	30.60%	60.00%	30.60%
Eólica de Montenegrelo, S.A.	Vila Pouca de Aguiar	PwC	50.10%	25.55%	50.10%	25.55%
Eólica do Alto da Lagoa, S.A.	Porto	PwC	100.00%	51.00%	100.00%	51.00%
Eólica do Alto da Teixosa, S.A.	Alhões	PwC	100.00%	51.00%	100.00%	51.00%
Eólica do Alto do Mourisco, S.A.	Cerdedo	PwC	100.00%	51.00%	100.00%	51.00%
Eólica do Espigão, S.A.	Vila Nova CMV	PwC	100.00%	51.00%	100.00%	51.00%
Eólica do Sincelo, S.A.	Porto	PwC	0.00%	0.00%	100.00%	100.00%
Eólica dos Altos de Salgueiros-Guilhado, S.A.	Vila Pouca de Aguiar	PwC	100.00%	51.00%	100.00%	51.00%
Eoliser - Serviços de Gestão para Parques Eólicos, Lda.	Lisboa	n.a.	100.00%	100.00%	100.00%	100.00%
Fotovoltaica Lote A, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
IE2 Portugal, SGPS, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
Malhadizes - Energia Eólica, S.A.	Porto	PwC	100.00%	51.00%	100.00%	51.00%
Parque Eólico do Barlavento, S.A.	Porto	PwC	89.98%	89.98%	89.98%	89.98%
S.E.E. - Sul Energía Eólica, S.A.	Porto	PwC	100.00%	100.00%	100.00%	100.00%
France						
EDPR France Holding, S.A.S.	Paris	PwC	100.00%	100.00%	100.00%	100.00%
Le Chemin de la Corvée, S.A.S.	Paris	PwC	100.00%	100.00%	100.00%	100.00%
Monts de la Madeleine Energie, S.A.S.	Paris	PwC	100.00%	100.00%	100.00%	100.00%
Monts du Forez Energie, S.A.S.	Paris	PwC	100.00%	100.00%	100.00%	100.00%
Parc Éolien d'Entrains-sur-Nohain, S.A.S.	Paris	PwC	90.00%	90.00%	90.00%	90.00%
Parc Eolien de Dionay, S.A.S.	Paris	PwC	100.00%	100.00%	100.00%	100.00%
Transition Euroise Roman II, S.A.S.	Paris	n.a.	85.00%	85.00%	85.00%	85.00%
Vanosc Energie, S.A.S.	Paris	n.a.	100.00%	100.00%	100.00%	100.00%
Bourbriac II, S.A.S.	Paris	n.a.	0.00%	0.00%	100.00%	100.00%
La Plaine de Nouaille, S.A.S.	Paris	n.a.	0.00%	0.00%	100.00%	100.00%
Le Chemin de Saint Druon, S.A.S.	Paris	n.a.	0.00%	0.00%	100.00%	100.00%
Parc Éolien de Boqueho-Plouagat, S.A.S.	Paris	n.a.	0.00%	0.00%	100.00%	100.00%
Parc Éolien de Flavin, S.A.S.	Paris	n.a.	0.00%	0.00%	100.00%	100.00%
Parc Éolien de la Champagne Berrichonne, S.A.R.L.	Paris	n.a.	0.00%	0.00%	100.00%	100.00%
Parc Éolien de la Côte du Cerisat, S.A.S.	Paris	n.a.	0.00%	0.00%	100.00%	100.00%
Parc Éolien de La Hetroye, S.A.S.	Paris	n.a.	0.00%	0.00%	100.00%	100.00%
Parc Éolien de Mancheville, S.A.R.L.	Paris	n.a.	0.00%	0.00%	100.00%	100.00%
Parc Éolien de Marchéville, S.A.S.	Paris	n.a.	0.00%	0.00%	100.00%	100.00%
Parc Éolien de Paudy, S.A.S.	Paris	n.a.	0.00%	0.00%	100.00%	100.00%
Parc Éolien de Prouville, S.A.S.	Paris	n.a.	0.00%	0.00%	100.00%	100.00%
Parc Éolien des 7 Domaines, S.A.S.	Paris	n.a.	0.00%	0.00%	100.00%	100.00%
Parc Éolien des Longs Champs, S.A.R.L.	Paris	n.a.	0.00%	0.00%	100.00%	100.00%

Company	Head Office	Auditor	2021 % of capital	2021 % of voting rights	2020 % of capital	2020 % of voting rights
Parc Eolien Louvières, S.A.R.L.	Paris	n.a.	0.00%	0.00%	100.00%	100.00%
Vaudrimesnil Energie, S.A.R.L.	Paris	n.a.	0.00%	0.00%	100.00%	100.00%
Poland						
EDP Renewables Polska, Sp. z o.o.	Warsaw	PwC	100.00%	100.00%	100.00%	100.00%
EDP Renewables Polska HoldCo, S.A.	Warsaw	PwC	51.00%	51.00%	51.00%	51.00%
EDP Renewables Polska Solar, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Budzyn, Sp. z o.o.	Warsaw	n.a.	100.00%	51.00%	100.00%	51.00%
Elektrownia Kamienica, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	0.00%	0.00%
Elektrownia Wiatrowa Kresy I, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00%	51.00%
EW Dobrzyca, sp. z o.o.	Warsaw	PwC	100.00%	100.00%	100.00%	100.00%
EWP European Wind Power Krasin, Sp. z o.o.	Warsaw	PwC	100.00%	100.00%	100.00%	100.00%
Farma Fotowoltaiczna Koden, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	0.00%	0.00%
Farma Wiatrowa Bogoria, Sp. z o.o.	Warsaw	PwC	100.00%	100.00%	100.00%	100.00%
Farma Wiatrowa Starozreby, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
FW Warta, Sp. z o.o.	Warsaw	PwC	100.00%	100.00%	100.00%	100.00%
Gudziki Wind Farm, sp. z o.o.	Warsaw	n.a.	100.00%	51.00%	100.00%	51.00%
Karpacka Mala Energetyka, Sp. z o.o.	Warsaw	n.a.	85.00%	85.00%	85.00%	85.00%
Korsze Wind Farm, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00%	51.00%
Kowalewo Wind, Sp. z o.o.	Warsaw	PwC	100.00%	100.00%	100.00%	100.00%
Lichnowy Windfarm, Sp. z o.o.	Warsaw	PwC	100.00%	100.00%	100.00%	100.00%
Masovia Wind Farm I, Sp. z o.o.	Warsaw	PwC	100.00%	100.00%	100.00%	100.00%
Miramit Investments, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Molen Wind II, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00%	51.00%
Neo Solar Chotków, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	0.00%	0.00%
Neo Solar Farm, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Neo Solar Przykona II, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	0.00%	0.00%
Nowa Energia 1, Sp. z o.o.	Warsaw	PwC	100.00%	100.00%	100.00%	100.00%
R.Wind, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Radziejów Wind Farm, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00%	51.00%
Rampton, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Relax Wind Park I, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00%	51.00%
Relax Wind Park III, Sp. z o.o.	Warsaw	PwC	100.00%	51.00%	100.00%	51.00%
Ujazd, Sp. z o.o.	Warsaw	PwC	100.00%	100.00%	100.00%	100.00%
WF Energy III, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	0.00%	0.00%
Wind Field Wielkopolska, Sp. z o.o.	Warsaw	PwC	100.00%	100.00%	100.00%	100.00%
Winfan, Sp. z o.o.	Warsaw	n.a.	100.00%	100.00%	100.00%	100.00%
Romania						
EDPR România, S.R.L.	Bucarest	PwC	100.00%	100.00%	100.00%	100.00%
Beta Wind, S.R.L.	Bucarest	n.a.	100.00%	100.00%	0.00%	0.00%
Energopark, S.R.L.	Bucarest	n.a.	100.00%	100.00%	0.00%	0.00%
International Solar Energy, S.R.L.	Bucarest	n.a.	100.00%	100.00%	0.00%	0.00%
Solar Phoenix, S.R.L.	Bucarest	n.a.	100.00%	100.00%	0.00%	0.00%
Cernavoda Power, S.A.	Bucarest	n.a.	0.00%	0.00%	100.00%	100.00%
Pestera Wind Farm, S.A.	Bucarest	n.a.	0.00%	0.00%	100.00%	100.00%
Sibioara Wind Farm, S.R.L.	Bucarest	n.a.	0.00%	0.00%	100.00%	100.00%
VS Wind Farm, S.A.	Bucarest	n.a.	0.00%	0.00%	100.00%	100.00%
United Kingdom						
Altnabreac Wind Farm Limited	Edinburgh	PwC	100.00%	100.00%	100.00%	100.00%

			2021		2020	
Company	Head Office	Auditor	% of capital	% of voting rights	% of capital	% of voting rights
Ben Sca Wind Farm Limited	Edinburgh	PwC	100.00%	100.00%	100.00%	100.00%
Drummarnock Wind Farm Limited	Edinburgh	PwC	100.00%	100.00%	100.00%	100.00%
Lurg Hill Wind Farm Ltd	Edinburgh	n.a.	100.00%	100.00%	0.00%	0.00%
Moorshield Wind Farm Limited	Edinburgh	PwC	100.00%	100.00%	100.00%	100.00%
Muirake Wind Farm Ltd	Edinburgh	PwC	79.00%	79.00%	0.00%	0.00%
Vento Ludens Ltd	Edinburgh	PwC	100.00%	100.00%	0.00%	0.00%
Wind 2 Project 1 Limited	Edinburgh	PwC	100.00%	100.00%	100.00%	100.00%
Italy						
EDP Renewables Italia, S.r.l.	Milan	PwC	51.00%	51.00%	51.00%	51.00%
EDP Renewables Italia Holding, S.r.l.	Milan	PwC	100.00%	100.00%	100.00%	100.00%
Aliseo, S.r.l.	Milan	n.a.	0.00%	0.00%	65.00%	65.00%
Aria del Vento	Milan	PwC	100.00%	100.00%	0.00%	0.00%
AW 2, S.r.l.	Milan	PwC	75.00%	75.00%	75.00%	75.00%
Breva Wind, S.r.l.	Milan	PwC	100.00%	100.00%	100.00%	100.00%
C & C Tre Energy S.r.l.	Milan	PwC	100.00%	100.00%	0.00%	0.00%
Conza Energia, S.r.l.	Milan	PwC	100.00%	100.00%	100.00%	100.00%
Custolito, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Centro Italia PV, S.r.l.	Milan	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Sicilia PV, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Sicilia Wind, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Villa Galla, S.r.l.	Milan	PwC	100.00%	51.00%	100.00%	51.00%
Energia Emissioni Zero 4, S.r.l.	Milan	PwC	60.00%	60.00%	60.00%	60.00%
Giglio, S.r.l.	Milan	PwC	60.00%	60.00%	60.00%	60.00%
Lucus Power, S.r.l.	Milan	PwC	100.00%	100.00%	100.00%	100.00%
Re Plus, S.r.l.	Milan	n.a.	100.00%	100.00%	100.00%	100.00%
San Mauro, S.r.l.	Milan	PwC	75.00%	75.00%	75.00%	75.00%
Sarve, S.r.l.	Milan	PwC	51.00%	51.00%	51.00%	51.00%
T Power, S.p.A.	Milan	Baker Tilly R.	100.00%	100.00%	100.00%	100.00%
TACA Wind, S.r.l.	Milan	PwC	100.00%	100.00%	100.00%	100.00%
Tivano, S.r.l.	Milan	PwC	75.00%	75.00%	75.00%	75.00%
VRG Wind 153, S.r.l.	Milan	PwC	80.00%	80.00%	80.00%	80.00%
WinCap, S.r.l.	Milan	PwC	100.00%	100.00%	100.00%	100.00%
Wind Energy San Giorgio, S.r.l.	Milan	PwC	60.00%	60.00%	60.00%	60.00%
Greece						
Aioliki Oitis Energiaki Single-Member LLC	Athens	n.a.	100.00%	100.00%	0.00%	0.00%
Aioliko Parko Fthiotidos Erimia E.P.E.	Athens	PwC	100.00%	100.00%	100.00%	100.00%
EDPR Hellas 1 M.A.E.	Athens	PwC	100.00%	100.00%	100.00%	100.00%
EDPR Hellas 2 M.A.E.	Athens	PwC	100.00%	100.00%	100.00%	100.00%
Energiaki Arvanikou E.P.E.	Athens	PwC	100.00%	100.00%	100.00%	100.00%
Kadmeios Anemos Energiaki, A.E.	Athens	n.a.	100.00%	100.00%	0.00%	0.00%
Voiotikos Anemos Energy, A.E.	Athens	n.a.	100.00%	100.00%	0.00%	0.00%
Wind Park Aerorrachi M.A.E.	Athens	PwC	100.00%	100.00%	100.00%	100.00%
Wind Shape, Ltd.	Athens	n.a.	100.00%	100.00%	100.00%	100.00%
Belgium						
EDP Renewables Belgium, S.A.	Brussels	PwC	100.00%	100.00%	100.00%	100.00%
The Netherlands						
EDPR International Investments, B.V.	Amsterdam	PwC	100.00%	100.00%	100.00%	100.00%
Hungary						

			2021		2020	
Company	Head Office	Auditor	% of capital	% of voting rights	% of capital	% of voting rights
EDP Renewables Hungary	Budapest	PwC	100.00%	100.00%	100.00%	100.00%
EDPR Investment Hungary, Kft.	Hungary	n.a.	100.00%	100.00%	0.00%	0.00%
ESC ERŐMŰ, Kft.	Hungary	n.a.	0.00%	0.00%	100.00%	100.00%
Nyírség Watt, Kft.	Hungary	PwC	100.00%	100.00%	0.00%	0.00%
Sunlight Solar, Kft.	Baja	PwC	85.00%	85.00%	100.00%	100.00%
NORTH AMERICA GEOGRAPHY / PLATFORM						
Mexico						
EDPR Servicios de México, S. de R.L. de C.V.	Ciudad de México	n.a.	100.00%	100.00%	100.00%	100.00%
Eólica de Coahuila, S.A. de C.V.	Ciudad de México	PwC	51.00%	51.00%	51.00%	51.00%
Parque Solar Los Cuervos, S. de R.L. de C.V.	Ciudad de México	n.a.	100.00%	100.00%	100.00%	100.00%
Vientos de Coahuila, S.A. de C.V.	Ciudad de México	n.a.	100.00%	100.00%	100.00%	100.00%
USA						
EDP Renewables North America LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
17th Star Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
10 Point Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
2007 Vento I LLC	Delaware	PwC	100.00%	100.00%	100.00%	51.00%
2007 Vento II LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2008 Vento III LLC	Delaware	PwC	100.00%	51.00%	100.00%	100.00%
2009 Vento IV LLC	Delaware	n.a.	0.00%	0.00%	100.00%	51.00%
2009 Vento V LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2011 Vento IX LLC	Delaware	PwC	100.00%	51.00%	100.00%	100.00%
2011 Vento X LLC	Delaware	PwC	100.00%	100.00%	100.00%	50.00%
2014 Sol I LLC	Delaware	PwC	100.00%	50.00%	100.00%	51.00%
2014 Vento XI LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2014 Vento XII LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2015 Vento XIII LLC	Delaware	PwC	100.00%	51.00%	100.00%	51.00%
2015 Vento XIV LLC	Delaware	PwC	100.00%	51.00%	100.00%	100.00%
2016 Vento XV LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2016 Vento XVI LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2017 Sol II LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2018 Vento XVIII LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2019 SOL V LLC *	Delaware	PwC	100.00%	20.00%	100.00%	100.00%
2019 Vento XX LLC *	Delaware	PwC	20.00%	20.00%	100.00%	100.00%
2019 Vento XXI LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2020 Vento XXII LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
2021 DG Agora Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
2021 DG Agora Sol I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
2021 DG Agora Ventures I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	51.00%
2021 DG Apollo Sol II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
2021 DG Apollo Ventures II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	51.00%
2021 DG CA Agora Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
2021 DG CA Agora Sol I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
2021 DG CA Agora Ventures I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
2021 DG CA Apollo Sol II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
2021 DG CA Apollo Ventures II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
2021 Vento XXIII LLC	Delaware	PwC	100.00%	100.00%	100.00%	100.00%
Alabama Ledge Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%

			2021		2020	
Company	Head Office	Auditor	% of capital	% of voting rights	% of capital	% of voting rights
Alabama Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Amsterdam 3 Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
Antelope Ridge Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Arbuckle Mountain Wind Farm LLC	Delaware	PwC[1]	100.00%	51.00%	100.00%	100.00%
Arkwright Summit Wind Farm LLC	Delaware	PwC[1]	100.00%	100.00%	100.00%	100.00%
Arlington Wind Power Project LLC	Delaware	PwC[1]	100.00%	51.00%	100.00%	100.00%
Aroostook Wind Energy LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Ashford Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Athena-Weston Wind Power Project II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Athena-Weston Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Avondale Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
AZ Mohave Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
AZ Solar LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Azalea Springs Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Bayou Bend Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
BC2 Maple Ridge Holdings LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
BC2 Maple Ridge Wind LLC	Delaware	PwC[1]	100.00%	100.00%	100.00%	100.00%
Big River Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Black Prairie Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	51.00%
Black Prairie Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Black Prairie Storage II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Black Prairie Storage LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Black Prairie Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Black Prairie Wind Farm III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Black Prairie Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blackford County Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blackford County Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blackstone Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blackstone Wind Farm III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blackstone Wind Farm IV LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blackstone Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blackstone Wind Farm V LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blissville Road LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
Blue Canyon Windpower II LLC	Texas	PwC[1]	100.00%	100.00%	100.00%	100.00%
Blue Canyon Windpower III LLC	Texas	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Canyon Windpower IV LLC	Texas	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Canyon Windpower V LLC	Texas	PwC[1]	100.00%	51.00%	100.00%	100.00%
Blue Canyon Windpower VI LLC	Delaware	PwC[1]	100.00%	100.00%	100.00%	100.00%
Blue Canyon Windpower VII LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Harvest Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Marmot I LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Marmot II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Marmot IV LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Marmot IX LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Marmot Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Marmot V LLC	Delaware	n.a.	100.00%	100.00%	100.00%	51.00%
Blue Marmot VI LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Marmot VII LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%

			2021		2020	
Company	Head Office	Auditor	% of capital	% of voting rights	% of capital	% of voting rights
Blue Marmot VIII LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Marmot XI LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Bluebird Prairie Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Bright Stalk Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Broadlands Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Broadlands Wind Farm III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Broadlands Wind Farm LLC *	Delaware	PwC[1]	100.00%	20.00%	100.00%	100.00%
Buffalo Bluff Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
C2 Alpha Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 Bristol I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 Bristol II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 CA 2016 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 CA WMS Redlands #1693 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 CB 2017 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 Centrica MT LLC	Delaware	DHG	100.00%	85.00%	100.00%	100.00%
C2 CI Holdings 2 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 CI Sponsor 2 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 CT Fund 1 Holding LLC	Delaware	DHG	100.00%	85.00%	100.00%	100.00%
C2 CT Fund 1 MM LLC	Delaware	DHG	100.00%	85.00%	100.00%	100.00%
C2 Energy Development LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 Energy Holdings Inc.	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 Franklin LLC	Delaware	n.a.	100.00%	85.00%	50.00%	50.00%
C2 Gamma Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 IL WMS Bloomington #3459 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 IL WMS Skokie #1998 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 Lessee Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 MA 2016 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 MA Adams I Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 MA Adams I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 MA Adams II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 MA DEPCOM 2017 LLC	Delaware	DHG	100.00%	85.00%	100.00%	100.00%
C2 MA DEPCOM Sponsor LLC	Delaware	n.a.	100.00%	85.00%	51.00%	51.00%
C2 MA Dudley II LLC	Delaware	n.a.	100.00%	85.00%	51.00%	51.00%
C2 MA FKW Holdings LLC	Delaware	n.a.	100.00%	85.00%	51.00%	51.00%
C2 MA Kelly Way Solar LLC	Delaware	n.a.	100.00%	85.00%	51.00%	51.00%
C2 MA Lakeville Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 MA Lakeville LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 MA Lakeville Sponsor LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 MA Managing Member II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 MA Managing Member LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 MA New Salem LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 MA Owner LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 MA Swansea Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 MA Swansea LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 MN Hopkins LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 Morin LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 NC Kitty Hawk LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 NJ Andover I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%

			2021		2020	
Company	Head Office	Auditor	% of capital	% of voting rights	% of capital	% of voting rights
C2 NY Brookhaven LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 NY Sentinel Heights Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 O&M Services LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 OH New Lebanon LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 OH Otsego I LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 OH Otsego II LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 Omega Holding Company LLC	Delaware	n.a.	100.00%	85.00%	75.00%	75.00%
C2 Rho LLC	Delaware	DHG	100.00%	85.00%	100.00%	100.00%
C2 RI Hopkinton LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 Scripps 1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 Scripps 3 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 Scripps 4 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	51.00%
C2 SH 2019 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 Starratt Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 Starratt Sponsor LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM 2020 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	51.00%
C2 WM 2020 Parent LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Arizona 1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Arizona 10 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Arizona 1512 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Arizona 1549 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Arizona 2 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Arizona 2112 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Arizona 3 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Arizona 3360 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Arizona 3465 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Arizona 3799 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Arizona 3833 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Arizona 3861 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Arizona 4 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Arizona 4451 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Arizona 5 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Arizona 5768 LLC	Delaware	n.a.	100.00%	85.00%	75.00%	75.00%
C2 WM Arizona 6 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Arizona 7 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Arizona 8 LLC	Delaware	n.a.	100.00%	85.00%	51.00%	51.00%
C2 WM Arizona 9 LLC	Delaware	n.a.	100.00%	85.00%	51.00%	51.00%
C2 WM Arizona Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM California 1789 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM California 1988 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM California 2039 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM California 4202 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM California 4317 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM California 5884 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM California 5890 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM California Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Chester Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM DSA Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%

			2021		2020	
Company	Head Office	Auditor	% of capital	% of voting rights	% of capital	% of voting rights
C2 WM DSA Sponsor LLC	Delaware	DHG	100.00%	85.00%	100.00%	100.00%
C2 WM Greenwood Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Illinois 1404 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Illinois 1489 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	50.00%
C2 WM Illinois 1548 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	50.00%
C2 WM Illinois 1553 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Illinois 1761 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Illinois 1848 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Illinois 1933 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Illinois 2215 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Illinois 2491 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Illinois 253 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Illinois 5442 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Illinois 612 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Illinois 891 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Illinois Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Indian Land Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Lake Wylie Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Laurens Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Louisiana 309 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Louisiana 539 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Louisiana 87 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Louisiana Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Maryland 1715 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Maryland 2436 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Maryland Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM New Jersey 1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM New Jersey 1807 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	51.00%
C2 WM New Jersey 1844 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM New Jersey 1869 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM New Jersey 1977 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	51.00%
C2 WM New Jersey 2195 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM New Jersey 3795 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM New Jersey Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Phase 3 Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Phase 3 Sponsor LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Phase I Holdings LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Pickens Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	51.00%
C2 WM Powdersville Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Regent Dev Holdings 2020 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 WM Simpsonville Leasing LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
C2 Woodbury Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	51.00%
C2-REA Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
CA Gettysburg Solar Farm LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
CA Marinwood Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
CA Olde Thompson Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%

			2021		2020	
Company	Head Office	Auditor	% of capital	% of voting rights	% of capital	% of voting rights
CA Syracuse Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
CA Tours Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
Camden PV PSEG Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
Camden PV Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
Cameron Solar LLC	Delaware	n.a.	100.00%	100.00%	100.00%	51.00%
Casa Grande Carmel Solar LLC	Delaware	n.a.	100.00%	100.00%	100.00%	51.00%
Castle Valley Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	51.00%
Cattlemen Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Cattlemen Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Chateaugay River Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Cielo Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Clinton County Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Cloud County Wind Farm LLC	Delaware	PwC[1]	100.00%	51.00%	100.00%	100.00%
Clover Creek Solar Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Coldwater Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Coos Curry Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Cortland-Virgil Road Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
Creed Road Solar 1 LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
Crescent Bar Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Crittenden Wind Farm LLC	Delaware	n.a.	0.00%	0.00%	100.00%	100.00%
Crooked Lake Solar LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Cropsey Ridge Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Crossing Trails Wind Power Project II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Crossing Trails Wind Power Project LLC	Delaware	PwC[1]	100.00%	100.00%	100.00%	100.00%
Dairy Hills Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
DC Green Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
DC- JD Portfolio - 818 Michigan	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
DC- JD Portfolio - Barrel Roof	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
DC- JD Portfolio - Flat Roof	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
DC- JD Portfolio - Green Roof	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
DC- JD Portfolio - Parking Deck	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
DC Michigan Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
DC PD Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
Diamond Power Partners LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Drake Peak Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Dry Creek Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Duff Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
Duff Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
East Klickitat Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
East River Solar LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
Eastmill Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR CA Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	51.00%
EDPR CA Solar Park III LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR CA Solar Park IV LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR CA Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR CA Solar Park V LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR CA Solar Park VI LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR NA DG Holding LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%

			2021		2020	
Company	Head Office	Auditor	% of capital	% of voting rights	% of capital	% of voting rights
EDPR NA DG MN SLP LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
EDPR NA DG MN YMCA LLC	Delaware	n.a.	100.00%	85.00%	100.00%	100.00%
EDPR NA Distributed Generation LLC	Delaware	DHG	85.00%	85.00%	100.00%	100.00%
EDPR NA Greenfield Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR NA Shelby Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Northeast Allen Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Northeast Allen Solar Park LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR RS LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Solar Ventures I LLC	Delaware	n.a.	50.00%	50.00%	100.00%	51.00%
EDPR Solar Ventures II LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Solar Ventures III LLC	Delaware	n.a.	100.00%	100.00%	51.00%	51.00%
EDPR Solar Ventures IV LLC	Delaware	n.a.	100.00%	100.00%	100.00%	51.00%
EDPR Solar Ventures V LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR South Table LLC	Nebraska	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Vento I Holding LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Vento IV Holding LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR WF LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Wind Ventures X LLC	Delaware	n.a.	100.00%	100.00%	100.00%	100.00%
EDPR Wind Ventures XI LLC	Delaware	n.a.	51.00%	51.00%	100.00%	100.00%
EDPR Wind Ventures XII LLC	Delaware	n.a.	51.00%	51.00%	100.00%	100.00%
EDPR Wind Ventures XIII LLC	Delaware	n.a.	51.00%	51.00%	100.00%	100.00%
EDPR Wind Ventures XIV LLC	Delaware	n.a.	51.00%	51.00%	0.00%	0.00%
EDPR Wind Ventures XIX LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Wind Ventures XV LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Wind Ventures XVI LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Wind Ventures XVII LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Wind Ventures XVIII LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Wind Ventures XX LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Wind Ventures XXI LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Wind Ventures XXII LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
EDPR Wind Ventures XXIII LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
EDPRNA DG WM Illinois 1998 LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
EDPRNA DG WM Illinois 3459 LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Edwardsport Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Esker Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Esker Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Estill Solar I LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Five-Spot LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Ford Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Franklin Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
German Community Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Gilpatrick Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Goldfinger Ventures III LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Green Country Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Green Power Offsets LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Greenbow Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Gulf Coast Windpower Management Company LLC	Delaware	n.a.	75.00%	75.00%	0.00%	0.00%
Hampton Solar II LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%

			2021		2020	
Company	Head Office	Auditor	% of capital	% of voting rights	% of capital	% of voting rights
Headwaters Wind Farm II LLC	Delaware	PwC[1]	100.00%	100.00%	0.00%	0.00%
Headwaters Wind Farm III LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Headwaters Wind Farm IV LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Headwaters Wind Farm LLC	Delaware	PwC[1]	100.00%	51.00%	0.00%	0.00%
Helena Harbor Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Hidalgo Wind Farm II LLC	Delaware	PwC[1]	100.00%	100.00%	0.00%	0.00%
Hidalgo Wind Farm LLC	Delaware	PwC[1]	100.00%	100.00%	0.00%	0.00%
High Prairie Wind Farm II LLC	Delaware	PwC[1]	100.00%	51.00%	0.00%	0.00%
High Trail Wind Farm LLC	Delaware	PwC[1]	100.00%	100.00%	0.00%	0.00%
Holly Hill Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Horizon Wind Chocolate Bayou I LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Horizon Wind Energy Midwest IX LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Horizon Wind Energy Northwest I LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Horizon Wind Energy Northwest IV LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Horizon Wind Energy Northwest VII LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Horizon Wind Energy Northwest X LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Horizon Wind Energy Northwest XI LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Horizon Wind Energy Panhandle I LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Horizon Wind Energy Southwest I LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Horizon Wind Energy Southwest II LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Horizon Wind Energy Southwest III LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Horizon Wind Energy Southwest IV LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Horizon Wind Energy Valley I LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Horizon Wind Freeport Windpower I LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Horizon Wind MREC Iowa Partners LLC	Delaware	n.a.	75.00%	75.00%	0.00%	0.00%
Horizon Wind Ventures I LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Horizon Wind Ventures II LLC	Delaware	n.a.	0.00%	0.00%	0.00%	0.00%
Horizon Wind Ventures III LLC	Delaware	n.a.	51.00%	51.00%	0.00%	0.00%
Horizon Wind Ventures IX LLC	Delaware	n.a.	51.00%	51.00%	0.00%	0.00%
Horizon Wyoming Transmission LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Horse Mountain Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Indiana Crossroads Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Indiana Crossroads Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Indiana Crossroads Wind Farm LLC	Delaware	n.a.	0.00%	0.00%	0.00%	0.00%
Indiana Crossroads Wind Ventures LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Jericho Rise Wind Farm LLC	Delaware	PwC[1]	100.00%	100.00%	0.00%	0.00%
Juniper Wind Power Partners LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Leprechaun Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Lexington Chenoa Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Lexington Chenoa Wind Farm III LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Lexington Chenoa Wind Farm LLC *	Delaware	PwC[1]	100.00%	20.00%	0.00%	0.00%
Lime Hollow Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Little Brook Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Loblolly Hill Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Loki Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Loma de la Gloria Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Lone Valley Solar Park I LLC	Delaware	n.a.	100.00%	50.00%	0.00%	0.00%
Lone Valley Solar Park II LLC	Delaware	n.a.	100.00%	50.00%	0.00%	0.00%

			2021		2020	
Company	Head Office	Auditor	% of capital	% of voting rights	% of capital	% of voting rights
Long Hollow Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Lost Lakes Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Lowland Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Loyal Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Machias Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Madison Windpower LLC	Delaware	PwC[1]	100.00%	100.00%	0.00%	0.00%
Marathon Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Marble River LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Martinsdale Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
McLean Solar 1 LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
McLean Solar 2 LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
ME Dover Foxcroft Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
ME Ellsworth Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
ME New Vineyard Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
ME Punky Meadows Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
ME Rocky Hill Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
ME Sandy Hill Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Meadow Lake Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Meadow Lake Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Meadow Lake Wind Farm III LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Meadow Lake Wind Farm IV LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Meadow Lake Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Meadow Lake Wind Farm VIII LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Mesquite Wind LLC	Delaware	PwC[1]	100.00%	100.00%	0.00%	0.00%
MidCoast C2 Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Mineral Springs Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Misenheimer Solar LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
MN CSG 2 LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Moonshine Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Morgan Road Solar East LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Morgan Road Solar West LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MT Plentywood Solar I LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
MT Plentywood Solar II LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
NC Loy Farm Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
ND Crystal Solar I LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
New Scotland 5 Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
New Trail Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
NH Hinsdale Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Nine Kings Transco LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
NJ GSEB Fal Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
North Coast Highway Solar 1 LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
North Coast Highway Solar 2 LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
North Slope Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Norton Solar I LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Norton Solar II LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Number Nine Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
NV Solar Sparks LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
NY Broadway SAS LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%

			2021		2020	
Company	Head Office	Auditor	% of capital	% of voting rights	% of capital	% of voting rights
NY CSG 2 Holdings LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
NY CSG 2 Sponsor LLC	Delaware	DHG	100.00%	85.00%	0.00%	0.00%
NY Gomer SAS LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
NY Hemlock Hills Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
NY Highland SAS LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
NY Mines Press Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
NY Morgan Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
NY OG 1 Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
NY- Potsdam I	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Old Trail Wind Farm LLC	Delaware	PwC[1]	100.00%	51.00%	0.00%	0.00%
Omega CSG 1 LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
OPQ Property LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Pacific Southwest Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Parkman Solar DG LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Paulding Wind Farm II LLC	Delaware	PwC[1]	100.00%	51.00%	0.00%	0.00%
Paulding Wind Farm III LLC	Delaware	PwC[1]	100.00%	100.00%	0.00%	0.00%
Paulding Wind Farm IV LLC	Delaware	PwC[1]	100.00%	100.00%	0.00%	0.00%
Paulding Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Paulding Wind Farm V LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Paulding Wind Farm VI LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Pearl River Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Penn Yan Solar I LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Peterson Power Partners LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Pioneer Prairie Wind Farm I LLC	Delaware	PwC[1]	100.00%	51.00%	0.00%	0.00%
Piscataquis Valley Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Pleasantville Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Plum Nellie Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Poplar Camp Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Post Oak Wind LLC	Delaware	PwC[1]	100.00%	51.00%	0.00%	0.00%
Prospector Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Quilt Block Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Rail Splitter Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Rail Splitter Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Randolph Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
RE Scarlet LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
REA-C2 2016 Lessee LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Reloj del Sol Wind Farm LLC	Delaware	PwC[1]	100.00%	100.00%	0.00%	0.00%
Renville County Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
RevEnergy C2 Franklin LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
RI Abrava Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
RI- Comolli	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
RI- Moo Cow	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
RI Quarry Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
RI Sposato Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
RI Stainless LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Rio Blanco Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Rising Tree Wind Farm II LLC	Delaware	PwC[1]	100.00%	51.00%	0.00%	0.00%
Rising Tree Wind Farm III LLC	Delaware	PwC[1]	100.00%	51.00%	0.00%	0.00%

			2021		2020	
Company	Head Office	Auditor	% of capital	% of voting rights	% of capital	% of voting rights
Rising Tree Wind Farm LLC	Delaware	PwC[1]	100.00%	51.00%	0.00%	0.00%
Riverstart Development LLC *	Delaware	n.a.	20.00%	20.00%	0.00%	0.00%
Riverstart Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Riverstart Solar Park III LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Riverstart Solar Park IV LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Riverstart Solar Park LLC *	Delaware	n.a.	100.00%	20.00%	0.00%	0.00%
Riverstart Solar Park V LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Riverstart Solar Park VI LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Riverstart Ventures LLC *	Delaware	n.a.	20.00%	20.00%	0.00%	0.00%
Rock Dane Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Rolling Upland Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Rosewater Ventures LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Route 13 Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Route 149 LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
RS Holyoke 3 LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
RSBF E470 I LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
RSBF Jeffco II LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
RTSW Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
RTSW Solar Park III LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
RTSW Solar Park IV LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
RTSW Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
RTSW Solar Park V LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
RTSW Solar Park VI LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Rush County Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Rye Patch Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Saddleback Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Sagebrush Power Partners LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Sailor Springs Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
San Clemente Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Sardinia Windpower LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Sawmill Junction Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
SC Beaufort Jasper Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SC Heathwood Hall Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
SC Southern Wesleyan Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Sedge Meadow Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Shields Drive LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Shullsburg Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Signal Hill Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Simpson Ridge Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Simpson Ridge Wind Farm III LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Simpson Ridge Wind Farm IV LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Simpson Ridge Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Simpson Ridge Wind Farm V LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
SLX Project 1080 LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Smart Sunscribe LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Solar Ventures Purchasing LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Soteria Solar Services LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Spruce Ridge Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%

Company	Head Office	Auditor	2021 % of capital	2021 % of voting rights	2020 % of capital	2020 % of voting rights
Stinson Mills Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Strawberry Solar Farm LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Sustaining Power Solutions LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Sweet Stream Wind Farm LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Telocaset Wind Power Partners LLC	Delaware	PwC[1]	100.00%	51.00%	0.00%	0.00%
Tillman Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Tillman Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
TillmaN Storage LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Timber Road II Storage LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Timber Road III Storage LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Timber Road Solar Park II LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Timber Road Solar Park III LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Timber Road Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Top Crop I Storage LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Top Crop II Storage LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Tug Hill Windpower LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Tumbleweed Wind Power Project LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Turtle Creek Wind Farm LLC	Delaware	PwC[1]	100.00%	100.00%	0.00%	0.00%
Twin Groves I Storage LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Twin Groves II Storage LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Upper Road LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
VA- Green Acres	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
VT Stone Valley LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Waterville Solar LLC	Delaware	n.a.	100.00%	85.00%	0.00%	0.00%
Waverly Wind Farm II LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Waverly Wind Farm LLC	Delaware	PwC[1]	100.00%	51.00%	0.00%	0.00%
Western Trail Wind Project I LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Wheat Field Holding LLC	Delaware	PwC	51.00%	51.00%	0.00%	0.00%
Wheat Field Wind Power Project LLC	Delaware	PwC[1]	100.00%	51.00%	0.00%	0.00%
Whiskey Ridge Power Partners LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Whistling Wind WI Energy Center LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
White Stone Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Whitestone Wind Purchasing LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Wildcat Creek Wind Farm LLC	Delaware	PwC[1]	100.00%	100.00%	0.00%	0.00%
Wilson Creek Power Project LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Wind Turbine Prometheus LP	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Wolf Run Solar LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Wrangler Solar Park LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
WTP Management Company LLC	Delaware	n.a.	100.00%	100.00%	0.00%	0.00%
Canada						
EDP Renewables Canada Ltd.	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Bridge Solar Park GP Ltd	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
Blue Bridge Solar Park Limited Partnership	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
Bromhead Solar Park GP Ltd	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
Bromhead Solar Park Limited Partnership	Saskatchewan	n.a.	100.00%	100.00%	100.00%	100.00%
EDP Renewables Canada Management Services Ltd	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
EDP Renewables Sask SE GP Ltd	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
EDP Renewables Sask SE Limited Partnership	Ontario	n.a.	100.00%	100.00%	100.00%	100.00%

			2021		2020	
Company	Head Office	Auditor	% of capital	% of voting rights	% of capital	% of voting rights
EDP Renewables SH II Project GP Ltd	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
EDP Renewables SH II Project Limited Partnership	Alberta	n.a.	100.00%	100.00%	100.00%	100.00%
EDP Renewables SH Project GP Ltd.	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
EDP Renewables SH Project Limited Partnership	Alberta	n.a.	100.00%	100.00%	100.00%	100.00%
Halbrite Solar Park GP Ltd	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
Halbrite Solar Park Limited Partnership	Saskatchewan	n.a.	100.00%	100.00%	100.00%	100.00%
Kennedy Wind Farm GP Ltd	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
Kennedy Wind Farm Limited Partnership	Saskatchewan	n.a.	100.00%	100.00%	100.00%	100.00%
Nation Rise Wind Farm GP Inc.	British Columbia	PwC	100.00%	100.00%	100.00%	100.00%
Nation Rise Wind Farm Limited Partnership	Ontário	n.a.	49.99%	49.99%	100.00%	100.00%
SBWF GP Inc.	British Columbia	n.a.	51.00%	51.00%	51.00%	51.00%
South Branch Wind Farm II GP Inc.	British Columbia	n.a.	100.00%	100.00%	100.00%	100.00%
South Branch Wind Farm II Limited Partnership	Ontário	n.a.	100.00%	100.00%	100.00%	100.00%
South Dundas Windfarm Limited Partnership	Ontário	PwC	51.00%	51.00%	51.00%	51.00%
Nation Rise Wind Farm GP II Inc.	British Columbia	n.a.	0.00%	0.00%	100.00%	100.00%
Quatro Limited Partnership	Ontário	n.a.	0.00%	0.00%	100.00%	100.00%
SOUTH AMERICA GEOGRAPHY / PLATFORM:						
Brazil						
EDP Renováveis Brasil, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Aventura Holding, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Amanhecer I, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Eólica Amanhecer II, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Eólica Amanhecer III, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Eólica Amanhecer IV, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Eólica Amanhecer V, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Eólica Amanhecer VI, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Eólica Amanhecer VII, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Eólica Aventura I, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Eólica Aventura II, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Aventura III, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Aventura IV, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Aventura V, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Baixa do Feijão I, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Eólica Baixa do Feijão II, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Eólica Baixa do Feijão III, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Eólica Baixa do Feijão IV, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Eólica Boqueirão I, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Boqueirão II, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Catanduba I, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Catanduba II, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica JAU, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Eólica Jerusalém I, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Jerusalém II, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Jerusalém III, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Jerusalém IV, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Jerusalém V, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Jerusalém VI, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Monte Verde I, S.A.	Lagoa Nova	PwC	100.00%	100.00%	100.00%	100.00%

Company	Head Office	Auditor	2021 % of capital	2021 % of voting rights	2020 % of capital	2020 % of voting rights
Central Eólica Monte Verde II, S.A.	Lagoa Nova	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Monte Verde III, S.A.	Lagoa Nova	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Monte Verde IV, S.A.	Lagoa Nova	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Monte Verde V, S.A.	Lagoa Nova	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica Monte Verde VI, S.A.	Lagoa Nova	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica SRMN I, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica SRMN II, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica SRMN III, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica SRMN IV, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Eólica SRMN V, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Central Geradora Fotovoltaica Monte Verde Solar II, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Geradora Fotovoltaica Monte Verde Solar III, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Geradora Fotovoltaica Monte Verde Solar IV, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Geradora Fotovoltaica Monte Verde Solar VI, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Geradora Fotovoltaica Monte Verde Solar VII, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Nacional de Energia Eólica, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Central Solar Lagoa I, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Lagoa II, S.A.	São Paulo	n.a.	100.00%	100.00%	100.00%	100.00%
Central Solar Novo Oriente I, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Solar Novo Oriente II, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Solar Novo Oriente III, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Solar Novo Oriente IV, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Solar Novo Oriente V, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Solar Novo Oriente VI, S.A.	São Paulo	n.a.	100.00%	100.00%	0.00%	0.00%
Central Solar Pereira Barreto I, S.A.	Pereira Barreto	PwC	100.00%	100.00%	100.00%	100.00%
Central Solar Pereira Barreto II, S.A.	Pereira Barreto	PwC	100.00%	100.00%	100.00%	100.00%
Central Solar Pereira Barreto III, S.A.	Pereira Barreto	PwC	100.00%	100.00%	100.00%	100.00%
Central Solar Pereira Barreto IV, S.A.	Pereira Barreto	PwC	100.00%	100.00%	100.00%	100.00%
Central Solar Pereira Barreto V, S.A.	Pereira Barreto	PwC	100.00%	100.00%	100.00%	100.00%
Elebrás Projetos, S.A.	São Paulo	PwC	51.00%	51.00%	51.00%	51.00%
Jerusalém Holding, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Monte Verde Holding, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
SRMN Holding, S.A.	São Paulo	PwC	100.00%	100.00%	100.00%	100.00%
Colombia						
Elipse Energía, S.A.S. E.S.P.	Bogotá	n.a.	100.00%	100.00%	100.00%	100.00%
Eolos Energía, S.A.S. E.S.P.	Bogotá	PwC	100.00%	100.00%	100.00%	100.00%
Kappa Energía, S.A.S. E.S.P.	Bogotá	n.a.	100.00%	100.00%	100.00%	100.00%
Omega Energía, S.A.S. E.S.P.	Bogotá	n.a.	100.00%	100.00%	100.00%	100.00%
Solar Power Solutions, S.A.S. E.S.P.	Bogotá	PwC	100.00%	100.00%	100.00%	100.00%
Vientos del Norte, S.A.S. E.S.P.	Bogotá	PwC	100.00%	100.00%	100.00%	100.00%
Chile						
EDP Renewables Chile, SpA	Santiago	n.a.	100.00%	100.00%	0.00%	0.00%
Los Llanos Solar, SpA	Santiago	n.a.	100.00%	100.00%	0.00%	0.00%
Parque Eólico Punta de Talca, SpA	Santiago	n.a.	100.00%	100.00%	0.00%	0.00%
Parque Eólico San Andrés, SpA	Santiago	n.a.	100.00%	100.00%	0.00%	0.00%
Parque Eólico Victoria, SpA	Santiago	n.a.	100.00%	100.00%	0.00%	0.00%

			2021		2020	
Company	Head Office	Auditor	% of capital	% of voting rights	% of capital	% of voting rights
ASIA GEOGRAPHY / PLATFORM:						
Korea						
OMA Haedori Co., Ltd.	Korea	n.a.	60.00%	60.00%	0.00%	0.00%
Singapur						
Trung Song SG Pte. Ltd.	Singapur	PwC	100.00%	100.00%	0.00%	0.00%
LYS Energy Investment Pte. Ltd.	Singapur	PwC	100.00%	100.00%	0.00%	0.00%
Vietnam						
EDP Renewables Vietnam Company Limited	Ho Chi Minh	PwC	100.00%	100.00%	100.00%	100.00%
Trung Son Energy Development LLC	Khanh Hoa Province	PwC	100.00%	100.00%	0.00%	0.00%

* Loss of control in 2021

[1] Audited as part of audited consolidated statements of their parent company

The main financial indicators of the jointly controlled companies included in the consolidation under the equity method as at 31 December 2021, are as follows:

COMPANY	SHARE CAPITAL (in €)	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS
Desarrollos Energéticos Canarios, S.A.	€ 15,025	Las Palmas	n.a.	49.90%	49.90%
Desarrollos Energéticos del Val, S.L.	€ 137,070	Soria	n.a.	25.00%	25.00%
Evolución 2000, S.L.	€ 117,994	Albacete	PwC	49.15%	49.15%
OW Offshore, S.L.	€ 57,519,614	Madrid	PwC	50.00%	50.00%
Sistemas Eólicos Tres Cruces, S.L.	€ 50,000	Soria	n.a.	25.00%	25.00%
Evoikos Voreas A.E.	€ 66,000	Athens	n.a.	51.00%	51.00%
Sofrano A.E.E	€ 700,000	Athens	n.a.	51.00%	51.00%
Moray West Holdings Limited	€ 1,190	London	PwC	33.40%	64.20%
2017 Vento XVII LLC	€ 155,759,988	Delaware	PwC	20.00%	20.00%
2018 Vento XIX LLC	€ 75,647,503	Delaware	PwC	20.00%	20.00%
2019 Vento XX LLC	€ 206,666,495	Delaware	PwC	20.00%	20.00%
Flat Rock Windpower LLC	€ 484,142,337	Delaware	KPMG	50.00%	50.00%
Flat Rock Windpower II LLC	€ 190,558,245	Delaware	KPMG	50.00%	50.00%
Goldfinger Ventures II LLC	€ 162,629,437	Delaware	PwC	50.00%	50.00%
Goldfinger Ventures LLC	€ 124,067,123	Delaware	PwC	50.00%	50.00%
Nine Kings Wind Farm LLC	€ 0	Delaware	n.a.	50.00%	50.00%
Riverstart Development LLC	€ 0	Delaware	n.a.	20.00%	20.00%
Riverstart Ventures LLC	€ 130,231,676	Delaware	PwC	20.00%	20.00%
Solar Ventures Acquisition LLC	€ 0	Delaware	n.a.	50.00%	50.00%

The main financial indicators of the jointly controlled companies included in the consolidation under the equity method as at 31 December 2020, are as follows:

COMPANY	SHARE CAPITAL (in €)	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS
Ceprastur, A.I.E.	€ 360,607	Oviedo	n.a.	56.76%	56.76%
Desarrollos Energéticos Canarios, S.A.	€ 37,564	Las Palmas	n.a.	49.90%	49.90%
Desarrollos Energéticos del Val, S.L.	€ 137,070	Soria	n.a.	25.00%	25.00%
Evolución 2000, S.L.	€ 117,994	Albacete	PwC	49.15%	49.15%
OW Offshore, S.L.	€ 3,731,000	Madrid	PwC	50.00%	50.00%
Sistemas Eólicos Tres Cruces, S.L.	€ 50,000	Soria	n.a.	25.00%	25.00%
Moray West Holdings Limited	£ 1,000	London	PwC	33.40%	64.20%
2017 Vento XVII LLC	€ 536,689,832	Delaware	PwC	20.00%	20.00%
2018 Vento XIX LLC	€ 493,538,562	Delaware	PwC	20.00%	20.00%
Flat Rock Windpower LLC	€ 215,034,270	Delaware	KPMG	50.00%	50.00%
Flat Rock Windpower II LLC	€ 543,598,932	Delaware	KPMG	50.00%	50.00%
Goldfinger Ventures II LLC	€ 194,656,553	Delaware	n.a.	50.00%	50.00%
Goldfinger Ventures LLC	€ 146,473,771	Delaware	n.a.	50.00%	50.00%
Nine Kings Wind Farm LLC	€ 0	Delaware	n.a.	50.00%	50.00%
Solar Ventures Acquisition LLC	€ 0	Delaware	n.a.	50.00%	50.00%

The Associated Companies included in the consolidation under the equity method as at 31 December 2021, are as follows:

COMPANY	SHARE CAPITAL (in €)	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS
Biomasas del Pirineo, S.A.	€ 454,896	Huesca	n.a.	30.00%	30.00%
Blue Canyon Windpower LLC	€ 63,851,000	Texas	PwC	25.00%	25.00%
Desarrollos Eólicos de Canarias, S.A.	€ 1,817,130	Gran Canaria	PwC	44.75%	44.75%
Eólica de São Julião, Lda.	€ 500,000	Lourinhã	n.a.	45.00%	45.00%
Eos Pax IIa, S.L.	€ 6,010	Coruña	Deloitte	48.50%	48.50%
Geólica Magallón, S.L.	€ 2,040,000	Zaragoza	PwC	36.24%	36.24%
Parque Eólico Belmonte, S.A.	€ 120,400	Madrid	KPMG	29.90%	29.90%
Parque Eólico Sierra del Madero, S.A.	€ 7,193,970	Madrid	KPMG	42.00%	42.00%
San Juan de Bargas Eólica, S.L.	€ 5,000,000	Zaragoza	PwC	47.01%	47.01%
Solar Siglo XXI, S.A.	€ 80,000	Ciudad Real	n.a.	25.00%	25.00%
Solar Works! B.V.	€ 5,976,514	Rotterdam	RSM Global	20.19%	20.19%
Unión de Generadores de Energía, S.L.	€ 23,044	Zaragoza	PwC	50.00%	50.00%

The Associated Companies included in the consolidation under the equity method as at 31 December 2020, are as follows:

COMPANY	SHARE CAPITAL (in €)	HEAD OFFICE	AUDITOR	% OF CAPITAL	% OF VOTING RIGHTS
Biomasas del Pirineo, S.A.	€ 454,896	Huesca	n.a.	30.00%	30.00%
Blue Canyon Windpower LLC	€ 63,851,000	Texas	PWC	25.00%	25.00%
Desarrollos Eólicos de Canarias, S.A.	€ 1,817,130	Gran Canaria	PwC	44.75%	44.75%
Elecdey Carcelén, S.A.	€ 6,969,600	Albacete	PwC	23.00%	23.00%
Eólica de São Julião, Lda.	€ 500,000	Lisboa	PwC	45.00%	45.00%
Eos Pax IIa, S.L.	€ 6,010	Coruña	PwC	48.50%	48.50%
Geólica Magallón, S.L.	€ 3,400,000	Zaragoza	PwC	36.24%	36.24%
Parque Eólico Belmonte, S.A.	€ 120,400	Madrid	KPMG	29.90%	29.90%
Parque Eólico Sierra del Madero, S.A.	€ 7,193,970	Madrid	KPMG	42.00%	42.00%
San Juan de Bargas Eólica, S.L.	€ 5,000,000	Zaragoza	PwC	47.01%	47.01%
Solar Siglo XXI, S.A.	€ 80,000	Ciudad Real	n.a.	25.00%	25.00%
Solar Works! B.V.	€ 6,769,000	Rotterdam	RSM Global	20.19%	20.19%
Unión de Generadores de Energía, S.L.	€ 23,044	Zaragoza	PwC	50.00%	50.00%

Annex II

Group Activity by Operating Segment

Operating Segment Information for the years ended 31 December 2021

THOUSAND EUROS	EUROPE	NORTH AMERICA	BRAZIL	SEGMENTS TOTAL
Revenues	926,237	584,417	67,580	1,578,234
Income from institutional partnerships in North America	-	177,205	-	177,205
	926,237	761,622	67,580	1,755,439
Other operating income	350,068	270,218	667	620,953
Supplies and services	-188,896	-156,699	-12,873	-358,468
Personnel costs and Employee benefits expenses	-45,305	-89,437	-2,397	-137,139
Other operating expenses	-101,150	-54,179	-4,253	-159,582
	14,717	-30,097	-18,856	-34,236
Joint ventures and associates	8,822	15,151	-	23,973
Gross operating profit	949,776	746,676	48,724	1,745,176
Provisions	-798	-782	16	-1,564
Amortisation and impairment	-251,449	-335,108	-11,040	-597,597
Operating profit	697,529	410,786	37,700	1,146,015
Assets	6,023,039	9,694,220	755,027	16,472,286
Liabilities	688,155	1,260,641	39,517	1,988,313
Operating Investment	744,986	1,370,260	329,778	2,445,024

Note: The Segment "Europe" includes: i) revenues in the amount of 263,264 thousand of Euros from Spanish companies; ii) assets from Spanish companies in the amount of 2,228,498 thousands of Euros.

Reconciliation between the Segment Information and the Financial Statements

THOUSAND EUROS	
Revenues of the Reported Segments	1,578,234
Revenues of Other Segments	10,918
Elimination of intra-segment transactions	-8,694
Revenues of the EDPR Group	1,580,458
Gross operating profit of the Reported Segments	1,745,176
Gross operating profit of Other Segments	49,452
Elimination of intra-segment transactions	-34,587
Gross operating profit of the EDPR Group	1,760,041
Operating profit of the Reported Segments	1,146,015
Operating profit of Other Segments	42,254
Elimination of intra-segment transactions	-37,081
Operating profit of the EDPR Group	1,151,188
Assets of the Reported Segments	16,472,286
Not Allocated Assets	4,473,450
Financial Assets	2,090,731
Tax assets	553,893
Debtors and other assets	1,828,826
Assets of Other Segments	8,942,671
Elimination of intra-segment transactions	-7,856,831
Assets of the EDPR Group	22,031,576
Investments in joint ventures and associates	988,522
Liabilities of the Reported Segments	1,988,313
Not Allocated Liabilities	9,384,056
Financial Liabilities	1,505,984
Institutional partnerships in North America	2,259,741
Tax liabilities	593,723
Payables and other liabilities	5,024,608
Liabilities of Other Segments	799,990
Elimination of intra-segment transactions	-315,690
Liabilities of the EDPR Group	11,856,669
Operating Investment of the Reported Segments	2,445,024
Operating Investment of Other Segments	76,997
Operating Investment of the EDPR Group	2,522,021

THOUSAND EUROS	TOTAL OF THE REPORTED SEGMENTS	OTHER SEGMENTS	ELIMINATION OF INTRA-SEGMENT TRANSACTIONS	TOTAL OF THE EDPR GROUP
Income from institutional partnerships in North America	177,205	-	-	177,205
Other operating income	620,953	28,233	-13,455	635,731
Supplies and services	-358,468	-41,167	63,961	-335,674
Personnel costs and Employee benefits expenses	-137,139	-37,120	-	-174,259
Other operating expenses	-159,582	71,137	-76,159	-164,604
Provisions	-1,564	-	-	-1,564
Amortisation and impairment	-597,597	-7,199	-2,493	-607,289
Joint ventures and associates	23,973	17,450	-239	41,184

Operating Segment Information for the years ended 31 December 2020

THOUSAND EUROS	EUROPE	NORTH AMERICA	BRAZIL	SEGMENTS TOTAL
Revenues	824,236	669,387	36,497	1,530,120
Income from institutional partnerships in North America	-	201,783	-	201,783
	824,236	871,170	36,497	1,731,903
Other operating income	286,789	195,096	3,335	485,220
Supplies and services	-158,130	-163,268	-9,080	-330,478
Personnel costs and Employee benefits expenses	-32,203	-76,147	-1,498	-109,848
Other operating expenses	-68,402	-50,111	-3,258	-121,771
	28,054	-94,430	-10,501	-76,877
Joint ventures and associates	3,940	-186	-	3,754
Gross operating profit	856,230	776,554	25,996	1,658,780
Provisions	-690	0	-12	-702
Amortisation and impairment	-222,290	-358,953	-8,834	-590,077
Operating profit	633,250	417,601	17,150	1,068,001
Assets	6,010,251	8,945,159	424,778	15,380,188
Liabilities	542,984	1,051,609	54,800	1,649,393
Operating Investment	514,864	1,176,021	202,816	1,893,701

Note: The Segment "Europe" includes: i) revenues in the amount of 360,244 thousand of Euros from Spanish companies; ii) assets from Spanish companies in the amount of 2,407,017 thousands of Euros.

Reconciliation between the Segment Information and the Financial Statements

THOUSAND EUROS	
Revenues of the Reported Segments	1,530,120
Revenues of Other Segments	8,945
Elimination of intra-segment transactions	-10,091
Revenues of the EDPR Group	1,528,974
Gross operating profit of the Reported Segments	1,658,780
Gross operating profit of Other Segments	997
Elimination of intra-segment transactions	-5,052
Gross operating profit of the EDPR Group	1,654,725
Operating profit of the Reported Segments	1,068,001
Operating profit of Other Segments	-6,129
Elimination of intra-segment transactions	-7,883
Operating profit of the EDPR Group	1,053,989
Assets of the Reported Segments	15,380,188
Not Allocated Assets	2,066,385
Financial Assets	1,069,010
Tax assets	255,659
Debtors and other assets	741,716
Assets of Other Segments	8,074,745
Elimination of intra-segment transactions	-7,358,763
Assets of the EDPR Group	18,162,555
Investments in joint ventures and associates	474,884
Liabilities of the Reported Segments	1,649,393
Not Allocated Liabilities	6,682,416
Financial Liabilities	1,393,633
Institutional partnerships in North America	1,933,542
Tax liabilities	475,934
Payables and other liabilities	2,879,307
Liabilities of Other Segments	1,307,863
Elimination of intra-segment transactions	-100,948
Liabilities of the EDPR Group	9,538,724
Operating Investment of the Reported Segments	1,893,701
Operating Investment of Other Segments	204,761
Operating Investment of the EDPR Group	2,098,462

THOUSAND EUROS	TOTAL OF THE REPORTED SEGMENTS	OTHER SEGMENTS	ELIMINATION OF INTRA-SEGMENT TRANSACTIONS	TOTAL OF THE EDPR GROUP
Income from institutional partnerships in North America	201,783	-	-	201,783
Other operating income	485,220	19,971	-6,777	498,414
Supplies and services	-330,478	-25,147	51,188	-304,437
Personnel costs and Employee benefits expenses	-109,848	-31,308	-	-141,156
Other operating expenses	-121,771	38,358	-39,289	-122,702
Provisions	-702	-	-	-702
Amortisation and impairment	-590,077	-7,126	-2,831	-600,034
Joint ventures and associates	3,754	-9,588	-317	-6,151

— INDEX

— António Gomes Mota
CHAIRPERSON OF THE BOARD OF DIRECTORS

— Message from the Chairman

Dear Stakeholder,

The World has united in the effort to decarbonize and electrify the global economy, with Renewables at the core of the energy transition towards net zero.

From Governments to regulators, to the private sector and civil society, there is a strong alignment and commitment to push for Renewables. The ambition and targets for Renewables are being upgraded globally, especially in EDPR key markets such as Europe and North America, but also in growing markets such as LatAm and APAC.

EDPR has stepped up to the challenge and is fully committed to continue to strongly contribute and play a key role in the energy transition, a secular trend for decades to come. We have set out ambitious targets in our 2021-25 Business Plan, with a €19bn investment plan to deploy 20 GW of renewables globally across all technologies, more than doubling the Company until 2025. 2021 was a challenging year with relevant changes from a macro and market perspective, which will persist going into 2022:

- COVID-19 pandemic, which continues to evolve;
- Power prices, which have soared driven by the increase of gas and CO_2 prices;
- Supply chain disruption, impacting major wind and solar manufacturers;
- Inflation hikes globally, driven by higher commodity prices.

Nonetheless and despite the challenging context, 2021 was a record year for EDPR and we are confident that we have laid the foundations to continue to deliver strong execution of the 2021-25 Business Plan, namely:

- Capital increase of €1.5 billion successfully executed in April 2021;
- Entered new onshore markets (UK, Hungary, Chile, Vietnam) and established a growth platform in APAC thorough the acquisition of Sunseap;
- Continued growth in offshore with Ocean Winds reaching 1.5 GW of operating capacity and additional projects awarded in the US, UK, Poland and South Korea;
- Scaled up the organization and reshaped our Management Team and operating model to leverage on EDPR's scale to tackle growth globally;
- Record additions of 2.6 GW in 2021, as we continue to ramp up our growth plan;
- Secured capacity of 8.4 GW to be installed in 2021-25, already 42% of the target for the full 5-year plan;
- Strong value creation on the Asset rotation program with record gains of €0.5 billion;
- Record results in 2021 with EBITDA at €1.8 billion and Net income at €0.66 billion.

The election in April of 2021 of the new governing bodies also represented an important milestone for EDPR's Corporate Governance, namely:

- The Board was reduced from 15 to 12 Directors;
- An Independent Chairperson was elected;
- Independent Directors representation in the Board was increased from 40% to 50%;
- Women representation in the Board was increased from 20% to 33%;
- Board committees are exclusively composed by Independent Directors.

These changes clearly increased the alignment of EDPR's governance model with the best market practices. The reinforcement, in particular, of the role of the independent directors in the governing bodies strengthens the fiduciary duties and stewardship responsi-bility inherent to a listed Company.

As always, we continue committed to our core values and purpose and we are pleased to have been recognized as such by featuring, among other, as top 10 in S&P Global Clean Energy Index, in Bloomberg Gender-Equality Index for the second consecutive year, and we are now members of the RES4Africa Foundation, supporting the sustainable development of Africa through green energy. Moreover, EDPR has been recognised as a Top Employer in Europe for the third consecutive year, and as a Top Workplace in the US, which clearly signals how the well-being and professional growth of people represents a core element in the strategy of the Company.

On behalf of EDPR's Board of Directors, I would like to thank all our stakeholders - namely our employees, contractors, suppliers, clients, partners, and shareholders - for all the hard work and trust in EDPR.
A special note to our 2,150 employees, spread across so many geographies, is entirely deserved. Their dedication, commitment and quality were absolutely critical to, within a challenging context, reach EDPR's targets.

I would also like to extend my thanks to EDPR's Management Team for the outstan ding leadership of the organization resulting in a high level of execution, during 2021, of the 2021-25 Business Plan.

This past year was challenging. But once again, EDPR was able to deliver on its targets and turn 2021 into another record year for the Company. I am fully confident that 2022 will continue to be a successful year for the Company and all its stakeholders.

I would like to thank you all for the continued trust in EDPR.

A.VD

— Miguel Stillwell d'Andrade
CEO

1.0 Message from the CEO

Dear shareholders and stakeholders,

2021 was a crucial year in the decade of climate action. As the window of opportunity to limit global warming to 1.5 degrees narrows, the Climate Summit in Glasgow (COP26) gave us a glimpse of what can be achieved if everyone works together in a decisive manner with a clear sense of urgency. Countries, business leaders and civil society acknowledged that the future of the global economy is a net-zero economy. Change is the need of the hour.

Governments are laying the groundwork with necessary policies which will hopefully enable renewable energy sources to reach their full potential. The European Union unveiled the Fit for 55 package to cut greenhouse gas emissions by 55% by 2030, as part of the Green Deal. In the United States, we watch closely the progress of President Biden's Build Back Better Plan and the signed $1.2 trillion infrastructure bill to ensure a swift recovery from the COVID-19 pandemic.

At EDPR, we are marching towards our commitmen to empower communities to live better and more sustainable lives, with energy that is cleaner, more reliable and affordable for all. As part of our 2021-25 business plan, we have stepped up our pledge to unprecedented targets, with 20 GW deployment of new renewables capacity and EUR 19 billion additional capital investment by 2025, doubling growth across renewables technologies, and becoming all green by 2030. Wind and solar remain at the core of our operating model, with higher aspirations for newer technologies such as offshore, storage and hydrogen.

Entering new markets, growing in established ones

We've had a strong and active year in Europe, with 30 new projects across 6 countries. We've commissioned our first wind farm in Greece, and we've entered new onshore markets such as the United Kingdom and Hungary.

The company strengthened its presence in Latin America, by entering Chile and starting the construction of the first project in Colombia, the largest in the country with close to 500 MW. In Brazil, EDPR inaugurated the largest ever developed, built and operated photovoltaic project, with an installed capacity of 252 MWdc.
In the US, we inaugurated the 302 MW Indiana Crossroads I Wind Farm, the largest single-phase project developed and constructed by EDPR in the US to-date, and also declared the start of operations at the 200 MW Riverstart Solar Park, which is currently the largest solar array by capacity in Indiana. We continue to expand our presence into the US distributed generation market, a segment that will also be a growth avenue in Asia and Brazil.

Through Ocean Winds, our joint venture with Engie for offshore, we commissioned our 950 MW Moray East wind farm, the offshore largest in Scotland. The development of our 897 MW Moray West project has been finalized and we bid for the exclusive rights to develop a 1 GW project at the Caledonian seabed – which, I am pleased to say, we were successfully awarded. In continental Europe we entered the Poland offshore market. In the US, Ocean Winds won a Power Purchase Agreement for 400 MW of wind off the coast of Massachusetts.

During the year, we furthered our efforts in storage and will soon start construction of our first co-located storage facility in the US, with many more under works. We are also evaluating storage projects in markets supported by strong fundamentals in the geographies where we are present today.

We have reinforced our ambition on green hydrogen, establishing a dedicated business unit and aiming to invest in projects that will guarantee 1.5 GW of capacity by 2030. We have made a H_2Zero commitment together with 27 major global companies to accelerate the technology development and production, and we expect our first renewable hydrogen production in 2022 in Brazil.

By the end of 2021, we reinforced our presence in the Asia-Pacific region through the agreement for the acquisition of Sunseap, the largest distributed solar player and top 4 solar player in South-East Asia, taking us into 8 new markets. EDPR is now well positioned to play a relevant role out of Singapore in the APAC region – a market of 4.4 billion people, representing more than 50% of the expected world demand (2020-2030), and with an estimated growth in renewables of over 120 GW/year.

Leading track record on ESG

Our governance is based on a solid ESG foundation, in line with global best practices. In April, shareholders approved our Board, composed of 12 members with a strong and varied professional track record, and diverse in nationalities, with 50% of independent Directors, including the Chairman, and 33% women representation. The specialisation on Corporate Governance matters was attributed to the Appointments, Remunerations and Corporate Governance Committee, with 100% of independent delegated members.

Our actions are guided by our strong commitment to the 10 principles of the United Nations Global Compact, to build a more sustainable world, aligned with the values of respect for human rights, employment, environmental protection, and the fight against corruption. We take pride in our contribution to deliver on the United Nations Sustainable Development Goals (SDGs) and we became a member of the RES4Africa (Renewable Energy Solutions for Africa), a foundation that supports Africa's just energy transition. Also, EDPR's financial sustainable track record speaks for itself – we retained a top 10 leadership position in the Standard & Poor's Global Clean Energy Index.

Our commitment to provide an inclusive workplace for our employees and promote diversity of thought and talent were firmly acknowledged by the inclusion of EDPR in the Bloomberg Gender-Equality Index (GEI) for the second consecutive year. The pandemic has placed our employees' mental health at the top of our priorities, fostering a balanced and sustainable work environment - inclusive, diverse and human.

A renewed operating model and management team

As a result of our exceptional growth and global expansion in 2021, we've implemented a renewed operating model across four regions: Europe, North America, Latin America and Asia-Pacific. And we are leading an integrated approach to key global functions, including procurement, investment and technical engineering, to sustain competitive advantages, reinforcing leadership across markets.

We have put in place a renewed management team to realise the full potential of EDPR's enhanced scale and global footprint, while placing the company as a global people-centric organization, both agile and future-proof.

People remain the cornerstone of our unique portfolio strategy. Our workforce grows alongside our business, and in 2021 our team was stronger than ever. We grew our number of employees by 24%, compared to 2020, reaching 2,150 people. We also expanded our global footprint, and our fully international teams are now disperse in 17 countries, covering 4 continents.

Pivotal year of delivery

In 2021, we set ambitious targets and demonstrated our extraordinary ability to deliver. We've started the year by successfully raising EUR 1.5 billion of fresh capital through the issuance of new shares to partly finance the capex plan. We registered a record installation of 2.6 GW additions, the highest yearly capacity ever built by EDPR, and have now a total 8.4 GW of secured capacity, representing almost 75% of our 2021-23 target additions, which clearly demonstrates our ability to deliver on our commitments. Our EBITDA totalled EUR 1.8 billion, and our net profit, attributable to EDPR shareholders, reached EUR 0.66 billion, mainly driven by the successful execution of our sell-down strategy, with 4 asset rotation transactions closed in 2021. Despite volatile capital markets throughout 2021, EDPR clearly outperformed the sector with a Total Shareholder Return that was 21% above the S&P Global Clean Energy Index.

We finished 2021 as a truly global renewables energy player and the world's fourth-largest renewable energy producer, present in 26 markets across Europe, Latin America, North America, and Asia[1].

Looking ahead

The ability of our business and our people to deliver is evident in the remarkable achievements that we have collectively accomplished in 2021. It is a huge source of pride to me, especially considering our hard work against a backdrop of continued disruption caused by supply chain crisis, inflation threats, volatile energy prices and the ongoing pandemic.

I am confident that we will continue to succeed in our company's mission of globally leading the energy transition and creating superior value. EDPR's commitment to all of you, our stakeholders – investors, customers, employees, regulators and local communities - is a simple one. We shall focus on ensuring that the energy transition leaves no one behind, building a better future for the generations to come.

I thank you all for your continued trust and support.
MSA

[1] - Includes markets associated with the acquisition of Sunseap, pending regulatory approvals at the date of publication of this message.

SAFETY

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

01 — THE COMPANY

EDPR in brief

1.1.1. Vision, Values and Commitments

VISION

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

COMMITMENTS

SUSTAINABILITY

We assume the social and environmental responsibilities that result from our performance thus contributing towards the development of the regions in which we operate.

We avoid specific greenhouse gas emissions with the energy we produce.

We ensure the participatory, competent and honest governance of our business.

PEOPLE

We value professional conduct together with enthusiasm and initiative, emphasizing teamwork.

We promote the development of skills and merit.

We believe that the balance between private and professional life is fundamental in order to be successful.

CLIENTS

We place ourselves in our clients' shoes whenever a decision has to be made.

We listen to our clients and answer in a simple and clear manner.

We surprise our clients by anticipating their needs.

RESULTS

We fulfil the commitments to our shareholders.

We are leaders due to our capacity of anticipating and implementing.

We demand excellence in everything that we do.

VALUES

HUMANIZATION

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

SUSTAINABILITY

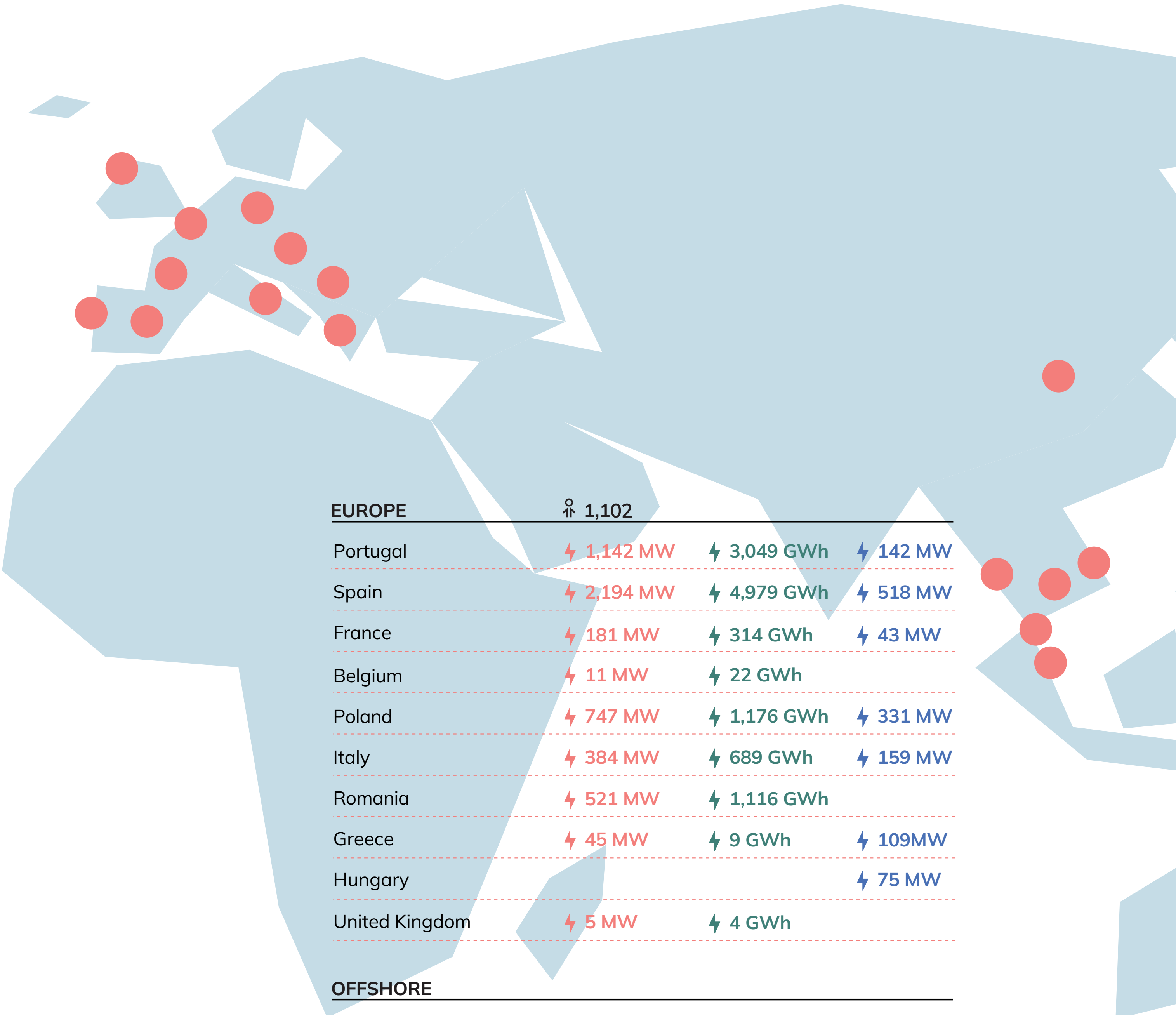
Aiming to improve the quality of life of current and future generations.

INNOVATION

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

1.1.2. EDPR In the world

In the 2021, EDPR generated 30.3 TWh of clean energy, avoiding the emissions of 18.3 million tons of CO_2. EDPR is a market leader with top quality assets in 26 markets, and has 2,150 employees. The Company manages a global portfolio of 13.6 GW of installed capacity, has added 2,584 MW in 2021 and has 8.4 GWh already secured.



EUROPE	1,102		
Portugal	1,142 MW	3,049 GWh	142 MW
Spain	2,194 MW	4,979 GWh	518 MW
France	181 MW	314 GWh	43 MW
Belgium	11 MW	22 GWh	
Poland	747 MW	1,176 GWh	331 MW
Italy	384 MW	689 GWh	159 MW
Romania	521 MW	1,116 GWh	
Greece	45 MW	9 GWh	109MW
Hungary			75 MW
United Kingdom	5 MW	4 GWh	

OFFSHORE		
United Kingdom	950 MW	269 MW net for EDPR
France	1,022 MW	312 MW net for EDPR
Belgium	487 MW	43 MW net for EDPR
Portugal	25 MW	11 MW net for EDPR
Poland	399 MW	200 MW net for EDPR
United States of America	1,204 MW	301 MW net for EDPR

NORTH AMERICA	909		
United States of America	5,908 MW	15,814 GWh	1,577 MW
Canada	130 MW	255 GWh	297 MW
Mexico	400 MW	987 GWh	96 MW

SOUTH AMERICA	127		
Brazil	795 MW	1,888 GWh	846 MW
Colombia			504 MW
Chile			197 MW

ASIA PACIFIC	12		
Vietnam	28 MW	23 GWh	
Singapore Taiwan Cambodia Japan Malaysia Thailand Indonesia China South Korea			690 MW*

Capacity Installed Generation Capacity secured to be installed *Pending closing Sunseap acquisition

1.1.3. Business Description

DEVELOPMENT

SITE IDENTIFICATION AND GRID CONNECTION
Search for sites with top-class wind conditions or irradiance resource and analyse grid connection feasibility.

RENEWABLE RESOURCES ANALYSIS
Install meteorological equipment to collect and study wind profile and solar radiance.

OBTAIN PERMITS
Engage with local public authorities to secure environmental, construction, operating and other licenses.

DESIGN LAYOUT & EQUIPMENT CHOICE
Optimise the layout of the asset and select the best fit of equipment model based on the site characteristics.

ORIGINATION
Secure long term contracts for energy sale, guaranteeing stable and predictable cash-flows.

PROJECT FUNDING
Find appropriate financing for the project.

CONSTRUCTION

PROCUREMENT
Source major equipment and construction contracts globally.

CONSTRUCTION
Build access roads, prepare foundations, assemble wind turbines or solar panels, construct substation.

OPERATION

START OF OPERATIONS & DELIVER CLEAN ENERGY
A better energy, a better future, a better world!

ONGOING MAINTENANCE SERVICE
Keep availability figures at the highest level possible and minimise failure rates.

DATA ANALYSIS
Monitor real-time operational data, analyse performance and identify opportunities for improvement.

RISK & ENERGY MANAGEMENT
Mitigate market exposure and manage energy sales.

DISMANTLING / REPOWERING

END OF LIFE
Once wind farms and solar plants reach the end of useful life (30-35 years), wind turbines and solar panels need to be assessed and replaced.

EFFICIENCY
EDPR increases power generated by reducing the overall number of wind turbines and replacing them with more efficient machines.

To maximise the environmental positive impacts of wind and solar energy from a life cycle approach, EDPR has two main aspects in consideration when dismantling/repowering a site at the end of its useful life: land restoration and proper treatment of the waste generated.

- Even though EDPR works to minimise any impact on the land, the Company commits to clean up and rehabilitate the sites to return the area to its initial state.
- The main waste generated are turbines which are c.80%-90% recyclable, and EDPR participates in several initiatives to find a solution for the remaining percentage.

1.1.4. EDPR Main Events in 2021

JANUARY

- EDPR informs about agreement to acquire 85% of a distributed solar platform in the US.
- EDPR is included in the Bloomberg Gender-Equality Index for the second consecutive year.

FEBRUARY

- EDPR enters Hungarian market with a 50 MW solar PV project.
- EDPR presents its Strategic Update 2021-25.

MARCH

- EDPR informs about completion of the ABB and approval of a capital increase proposal.
- EDPR is a new member of the RES4Africa Foundation, supporting the sustainable development of Africa through the impulse of green energy.

APRIL

- EDPR concludes the capital increase of around €1.5bn.
- EDPR's Shareholders Meeting approves resolutions that contribute to a more agile, independent and diverse corporate governance structure.

MAY

- EDPR informs about entry in the Chilean market with a 628 MW portfolio.
- EDPR celebrates Diversity Month, reinforcing its commitment to create a diverse and inclusive environment, as well as to ensure equal access to opportunities for all.

JUNE

- EDPR informs about entry in Vietnam with a 28 MWac solar PV project.

JULY

- EDPR completes Asset rotation deal of a 405 MW wind portfolio in the US.
- EDPR informs about entry in the UK onshore market.
- EDPR signs Asset rotation deal of a 221 MW wind portfolio in Portugal.

AUGUST

- EDPR informs about Asset rotation deal for 149 MW wind portfolio in Poland.

SEPTEMBER

- EDPR is awarded with PPA for 120 MW wind project at the Chilean renewable auction.
- EDPR announces upsize to 80% stake of the 405 MW Asset rotation deal in the US.

OCTOBER

- EDPR launches the second edition of the Mind Your Mind campaign, an initiative that aims to demystify Mental Health.

NOVEMBER

- EDPR establishes growth platform in APAC through Sunseap agreement.
- EDPR signs Asset rotation deal of a 181 MW operating wind portfolio in Spain.

DECEMBER

- EDPR achieved 8.4 GW of secured capacity, representing 75% of 2021-23 target additions.
- EDPR concludes an Asset rotation deal of a 200 MWac solar project in the US.
- EDPR concludes a Build & Transfer deal for a 302 MW wind project in the US.

1.1.5. Stakeholder focus

Listen to everyone

Generating, monitoring, and maintaining commitments is considered one of the most important aspects in stakeholder relationship management in order to ensure a successful business. Since its foundation, EDPR has actively listened to and established a dialogue with its stakeholder groups in order to understand their needs, gauge their opinions and respond to demands. In this context, the Company's vision, "leading the energy transition to create superior value", highlights the commitment to a greener, more sustainable future by creating superior value for all stakeholders.

Within the framework of the SDG Compass and EDP Group policies, and as stated in its Stakeholders Relations Policy, EDPR aims to maintain an open and transparent dialogue with its stakeholders in order to build and strengthen trust, promote information and knowledge sharing, anticipate challenges and identify cooperation opportunities. In this regard, monitoring stakeholder groups helps in decision-making and in obtaining additional accurate information that allows the Company to meet its commitments.

EDPR's interaction commitments are consistent with those of EDP Group. These four pillars also form the basis of the Group's annual objectives regarding stakeholder relationship management:

Comprehend

INCLUDE, IDENTFY, PRIORITIZE

EDPR regularly identifies the stakeholders that influence the Company and works to analyse and understand their expectations and interests in the decisions that directly impact them.

Collaborate

INTEGRATE, SHARE, COOPERATE, REPORT

EDPR aims to collaborate with stakeholders by building strategic partnerships that aggregate and disperse knowledge, skills, and tools. These will promote the creation of shared value in a differentiating way.

Communicate

INFORM, LISTEN, RESPOND

Committed in promoting a two-way dialogue with stakeholders through information and consulting initiatives is a part of EDPR's objective. This can be attainable by listening, informing, and responding to stakeholders in a consistent, clear, rigorous and transparent manner, resulting in a strong meaningful and lasting relationship.

Trust

TRANSPARENCY, INTEGRITY, RESPECT, ETHICS

One of the Company's beliefs is the importance of a trustworthy relationship with the stakeholders in establishing stable, long-term relationships. These relationships with the stakeholders are based on values like transparency, integrity and mutual respect.

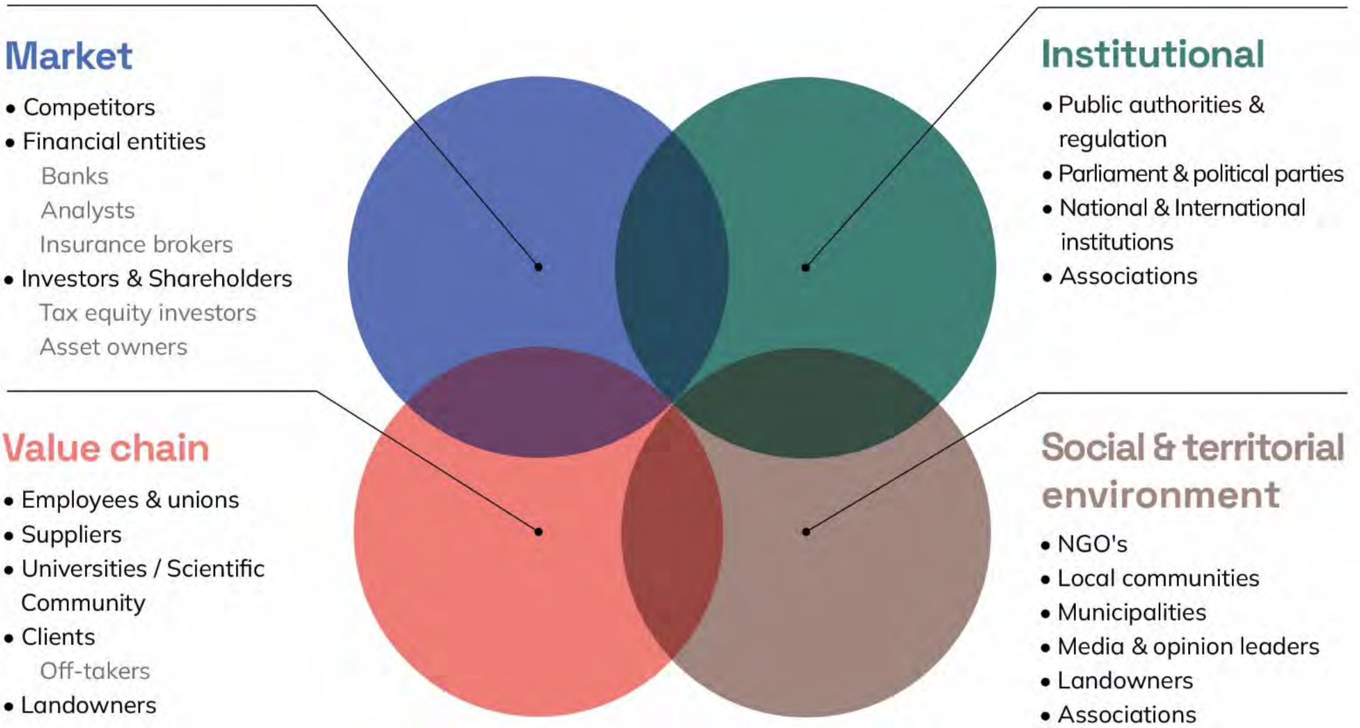
Governance model

At EDPR, stakeholder management is governed by the Stakeholder Steering Committee (SSC) and the Stakeholder Working Group (SWG), which focus on strategy and implementation at an organisational level. The SSC was formed with the aim of creating value for our stakeholders, by delivering the stakeholder end-of-year report, setting yearly objectives and formulating management plans to achieve them. The SWG, a more operational team, is composed by managers from different departments and units and its main purpose is to implement the SSC's plans and align on-the-ground operations with executive decisions. Following the precedent set in previous years, the Stakeholder Management Plan methodology was set up with the strategic support of the SCC, implemented by the SWG and monitored using a CRM tool.

Stakeholder map

EDPR's stakeholders are those organisations or individuals that influence or are influenced by the activities and services of the Company, and are organised in four categories: Institutional, Social & Territorial Environment, Value Chain, and Market. The stakeholder map has evolved in 2021, with Landowners and Associations becoming full groups rather than subgroups and each now belonging to two categories, therefore gaining greater relevance in the map. Moreover, the Analysts subgroup was added to Financial entities.

EDPR's stakeholders in 2021 are shown in the following diagram:



Stakeholder support

After identifying the stakeholders, EDPR established a series of criteria that help the Company to classify, analyse, evaluate and readjust its relationships based on real business interests. Studying the link between variables on the social, economic and environmental relevance of stakeholders to the Company, and how EDPR impacts stakeholders in these terms, allows the Company to create a Stakeholders Matrix, identifying the expectations and demands of stakeholders and integrating them into the organisational strategy. The matrix aims to help EDPR in decision-making and ensure added value for both parties. In addition, communication channels are used to build and consolidate collaboration, understanding, and trust, making them essential to the effective management of stakeholder relationships. For almost all stakeholders surveyed during 2021, the most used and preferred types of communication are e-mails, phone calls, meetings and events. Nonetheless, each group of stakeholders is allocated a specific communication channel tailored to their needs. Through a combination of these channels, along with the Stakeholders Global Survey and interviews, EDPR can accurately identify each stakeholder's perceptions, expectations and values, thus improving communication while strengthening relationships.

2021 achievements

In 2021, EDPR conducted research in different markets (two quantitative analyses and one qualitative analysis). The Company carried out surveys for the first time in Poland and to stakeholders mapped in 2020. Regarding the qualitative analysis, EDPR carried out in-depth interviews in France in order to contrast the results of the initial survey carried out in 2019. With this, this stakeholder methodology has now been applied to 72% of EDPR's installed capacity by the end of 2021. Nevertheless, for EDPR it is just as important to listen to its stakeholders as it is to react and develop action plans that ensure value for both parties. One of the most notable projects in this regard was the toll-free telephone number made available to landowners. In the last survey conducted, landowners expressed that it was not easy to contact EDPR. The Company therefore decided to make a telephone number available to landowners so that they could call directly. To inform them about this novelty, a small communication campaign was implemented: a letter was sent out, which informed landowners about the new telephone number, and included a cloth bag as a gift. This telephone number can also be found on EDPR's website and on bills.

1.2 — 2021 in Review

1.2.1. Key Metrics

OPERATIONAL

13.6 GW
Installed capacity
EBITDA + Net Equity

30 TWh
Generation
+ 6% YoY

2,584 MW
New additions
EBITDA + Net Equity

96.5%
Technical availability
vs 96.7 in 2020

29%
Load factor
-1pp vs 2020

18.3 mt CO_2
Emissions avoided

FINANCIAL

€1,760 m
EBITDA
vs €1,655 m in 2020

€2,522 m
CAPEX
vs €2,100 m in 2020

€655 m
Net income
vs €556 m in 2020

€1,171 m
Operating cash-flow
+ 3% YoY

€2.9 Bn
Net debt
vs €3.4 Bn in 2020

€43 k/MW
Core OPEX / average MW
+5% YoY

ESG

2,150
Employees
32% female

80%
Total waste recovered

100%
Independent members of BoD committees

83%
Employees trained in digitalisation

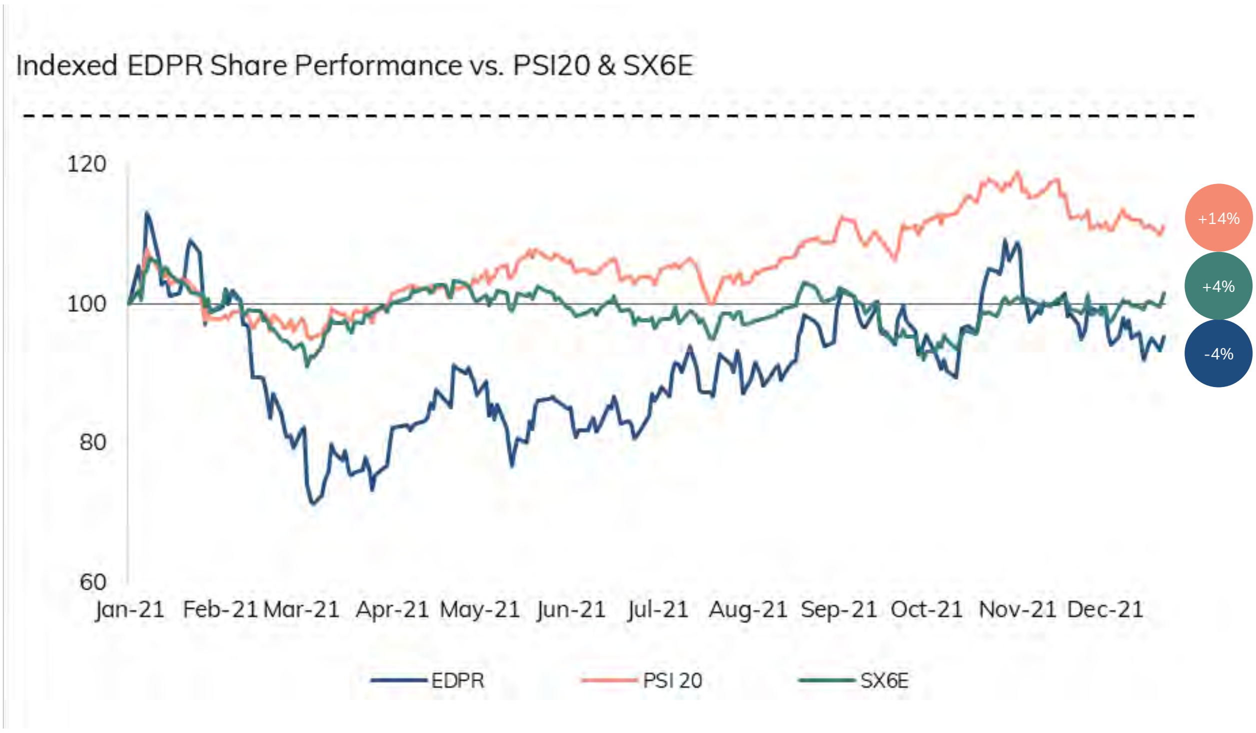
100%
Capacity certified[1]
ISO 14001 & ISO 45001

c.€7 m
In social investment and A2E

1- Calculation based on 2020YE installed capacity EBITDA. EDPR certifies the facilities the year after the COD (commercial operating date). Thus, the facilities that have entered into operation in 2021 will be certified in 2022.

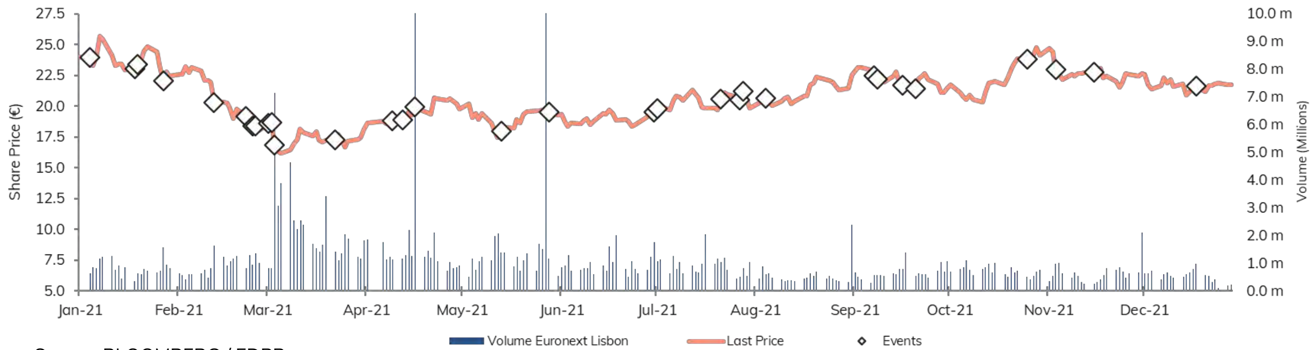
1.2.2. Share performance

EDPR has 960.6 million shares listed and admitted to trading in NYSE Euronext Lisbon, following the successful share capital increase concluded in April. On December 31st 2021, EDPR had a market capitalisation of €21.0 billion, above the €19.9 billion at previous year-end, and equivalent to €21.90 per share. In 2021 total shareholder return was -3%, considering the dividend paid on April 16th of €0.08 per share.



EDPR IN CAPITAL MARKETS	2021	2020	2019	2018
Opening Price (€)	22.8	10.42	7.78	6.97
Minimum Price (€)	16.17	8.82	7.72	6.78
Maximum Price (€)	25.69	23	10.5	9.17
Closing Price (€) (adjusted for dividend and splits)	21.9	22.8	10.42	7.78
Market Capitalisation (€ Millions)	21.036	19,889	9,089	6,782
Total Traded Volume: Listed & OTC (Millions)	1,016.10	381.9	162.7	209.6
of which in Euronext Lisbon (Millions)	552.2	48	36.2	44
Average Daily Volume (Millions)	3.95	1.49	0.64	0.82
Turnover (€ Millions)	20,079	4,966	1,503	1,587
Average Daily Turnover (€ Millions)	77.85	19.32	5.89	6.22
Rotation of Capital (% of Total Shares)	106%	44%	19%	24%
Rotation of Capital (% of Floating Shares)	423%	195%	83%	107%
Total Shareholder Return	-3%	120%	36%	12%
Share Price Performance	-4%	119%	34%	12%
PSI 20	14%	-6%	10%	-12%
Dow Jones Eurostoxx Utilities	4%	10%	22%	0%

EDPR's main events in 2021		
1	04-Jan	EDPR informs about PPA contracts secured for two solar projects in the US
2	18-Jan	EDPR informs about agreement to acquire 85% of a distributed solar platform in the US
3	19-Jan	EDPR informs about changes in Corporate Bodies
4	27-Jan	EDPR informs about Spanish and Italian renewable energy auctions
5	12-Feb	EDPR enters Hungarian market with a 50 MW solar PV project
6	22-Feb	EDPR's Extraordinary General Shareholders Meeting
7	24-Feb	EDPR informs about FY 2020 results
8	25-Feb	EDPR - Strategic Update 2021-25
9	01-Mar	EDPR secures PPA for a 204 MW wind project in the US
10	02-Mar	EDPR informs about plans for a non-preemptive capital increase of c.1.5bn euros
11	03-Mar	EDPR informs about completion of the ABB and approval of a capital increase proposal
12	22-Mar	EDPR signs a Build & Transfer Agreement for a 200 MWac solar project in the US
13	09-Apr	EDPR informs about Asset rotation transaction in the US
14	12-Apr	EDPR informs about resolutions of the Board of Directors meeting
15	16-Apr	EDPR informs about conclusion of the capital increase of c.1.5 billion euros
16	16-Apr	EDPR informs about the payment of dividends of FY 2020
17	13-May	EDPR informs about 1Q21 Results
18	28-May	EDPR informs about entry in the Chilean market with a 628 MW portfolio
19	30-Jun	EDPR informs about offshore projects secured in Poland
20	30-Jun	EDPR informs about entry in Vietnam
21	01-Jul	EDPR signs Asset rotation deal of a 68% stake in a 405 MW wind portfolio in the US for an EV of $0.7bn
22	21-Jul	EDPR enters the UK onshore market with a 544 MW wind and solar portfolio
23	21-Jul	EDPR signs Asset rotation deal of a 221 MW wind portfolio for an EV of €0.53bn
24	27-Jul	EDPR secures 25-year PPA for a 200 MWac solar project in the US
25	28-Jul	EDPR informs about 1H21 Results
26	04-Aug	EDPR signs Asset rotation deal of a 149 MW wind portfolio in Poland for an EV of €303 million
27	07-Sep	EDPR is awarded with PPA for 120 MW wind project at the Chilean renewable auction
28	08-Sep	EDPR announces upsize to 80% stake of the 405 MW Asset rotation deal in the US
29	16-Sep	EDPR secures a PPA for 128 MW of solar and wind capacity in Spain
30	20-Sep	EDPR secures a 15-year PPA for a 297 MW wind project in Canada
31	25-Oct	EDPR secures a 15-year PPA for a 209 MWac solar project in Brazil
32	03-Nov	EDPR establishes growth platform in APAC through the acquisition of Sunseap
33	03-Nov	EDPR presents 9M21 Results
34	15-Nov	EDPR signs Asset rotation deal of a 181 MW operating wind portfolio in Spain
35	17-Dec	EDPR through Ocean Winds secures 20-year PPA for 400 MW in the US
36	30-Dec	EDPR completes Asset rotation deal of a 200 Mwac solar project in the US
37	30-Dec	EDPR concludes a Build & Transfer agreement for a 302 MW wind farm project in the US



Source: BLOOMBERG / EDPR

1.3. Organisation

1.3.1. Shareholder structure

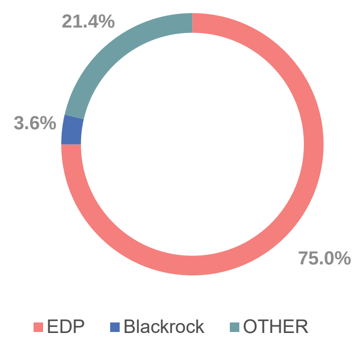
EDPR shareholders are spread across more than 30 countries, being EDP the main shareholder.

Since the successful Share capital increase in April 2021, where 88,250,000 new shares were issued at a subscription price of seventeen euros per share for a share premium of twelve euros, EDPR total share capital is composed of 960,558,162 shares with a nominal value of five euros each, fully paid. All these shares are part of a single class and series and are admitted to trading on the Euronext Lisbon regulated market.

Major shareholders, the EDP Group

The majority of the Company's share capital is owned by EDP Group, holding 74.98% of the share capital and voting rights. EDP Group is a vertically integrated utility company, the largest generator, distributor and supplier of electricity in Portugal, has significant operations in electricity in Spain and is one of the largest private generation group in Brazil through its stake in Energias do Brasil. In the Iberian Peninsula, EDP is the third largest electricity generation company and one of the largest distributors of electricity. EDP has a worldwide relevant presence, being present in 28 countries and has about 12,236 employees around the world. In the 2021, EDP had an installed capacity of 26.3 GW, generating 60.9 TWh, of which 75% came from renewables. EDP is part of sustainability indexes (DJSI World and Europe), following its performance in the economic, social and environmental dimensions. Its holding company, EDP S.A. is a listed company whose ordinary shares are traded in the Euronext Lisbon since its privatisation in 1997.

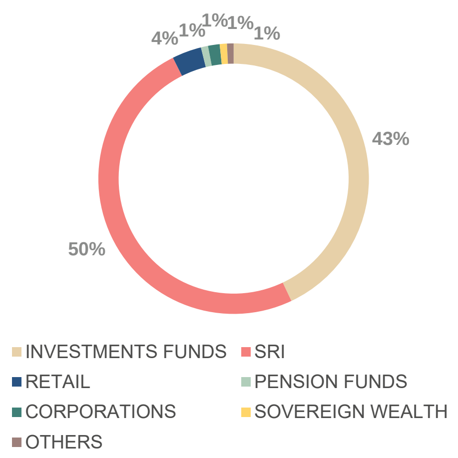
EDPR shareholder structure



Other Qualified Shareholders

Besides the qualified shareholding of EDP Group, Blackrock Inc. - a US global investment manager - communicated to CNMV the 21st of December 2021 an indirect qualified position, as collective investment institution, of 3.38% in EDPR share capital and voting rights. As of 31st of December 2021, Blackrock Inc. owned 3.65% of EDPR share capital and voting rights.

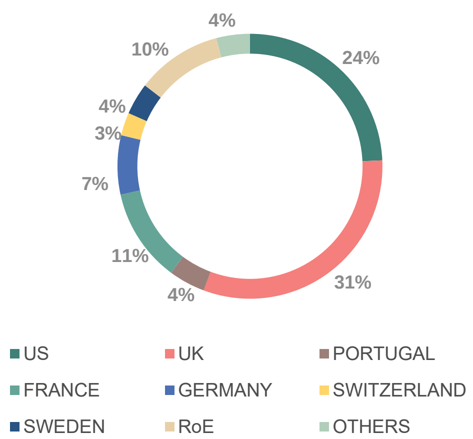
Shareholders (Ex-EDP) by type



Broad base of investors

EDPR has an international base of investors. Excluding EDP Group, EDPR shareholders comprise more than 30,000 institutional and private investors spread worldwide. Within institutional investors, which represent about 96% of shareholder base (ex-EDP Group), sustainable and responsible funds (SRI) are the major type of investor, followed by investment funds. EDPR is a member of several financial indexes that aggregate top performing companies for sustainability.

Shareholders (Ex-EDP) by country



Worldwide shareholders

EDPR shareholders are spread across more than 30 countries, the United Kingdom is the most representative country accounting for 31% of EDPR shareholder base (ex-EDP Group), followed by the US, France, Germany, Portugal, Sweden and Switzerland. In the Rest of Europe, the most representative countries are Spain, Belgium, Norway and Austria.

1.3.2. Governance Model

The organisation and functioning of EDPR's corporate governance model aim to achieve the highest standards of corporate governance, business conduct and ethics referenced on the best national and international practices.

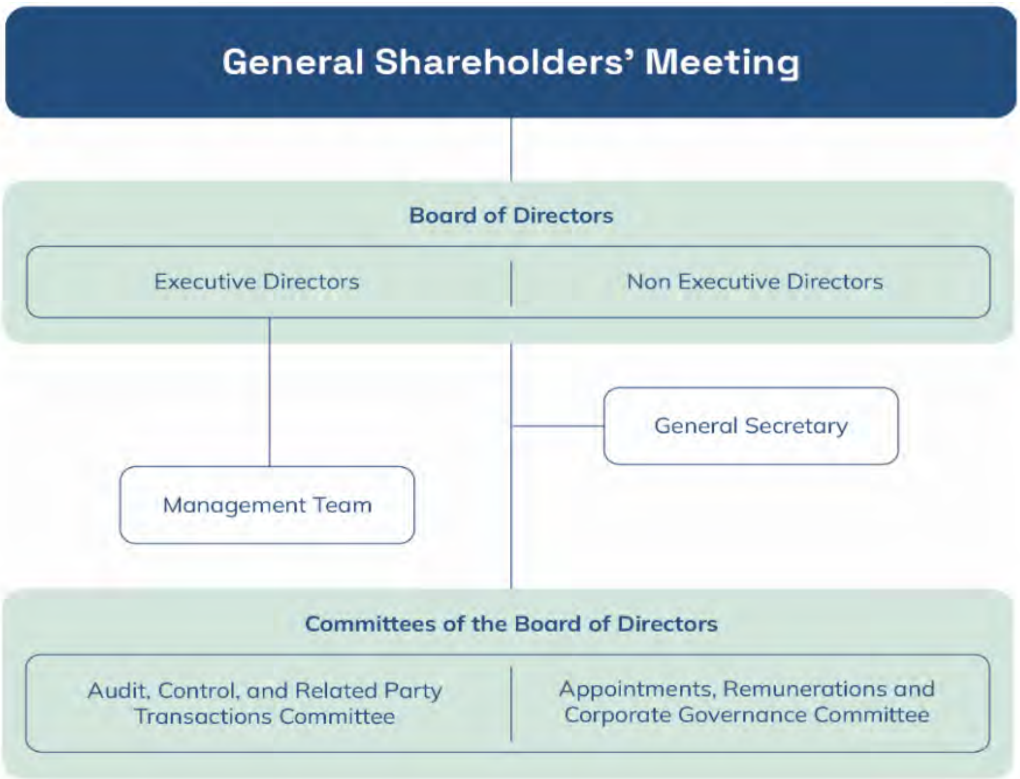
EDPR is a Spanish company listed in a regulated stock exchange in Portugal, being the regulation of its corporate organisation subject to the Spanish law but trying to parallelly also comply to the extent possible with the Portuguese recommendations contained in the Corporate Governance Code of the Instituto Português de Corporate Governance ("IPCG"). As such, the Company intends to comply with both legal systems but always taking into account that its personal law is the Spanish one, and that in case of discrepancy, the aim is to adopt the law that entails more protectionism for its shareholders.

Considering the applicable guidelines as of this regulatory framework, EDPR's model was designed with the aim of ensuring a transparent and meticulous separation of duties and management by the same time that provides a specialisation in the supervision functions. With this purpose, EDPR's governance structure is comprised by a General Shareholders' Meeting and a Board of Directors (BoD) that represents and manages the Company, which, in accordance with the law and its Articles of Association, has additionally set up two delegated Committees entirely composed its members: The Audit, Control, and Related Party Transactions Committee; and the Appointments, Remunerations and Corporate Governance Committee.

With the purpose of adapting this structure to the Portuguese legislation when feasible, despite the fact that, as referred, the personal law of EDPR is the Spanish one, the Company parallelly seeks to correspond it to the so-called "Anglo-Saxon" model set forth in the Portuguese Commercial Companies Code, in which the management body is a Board of Directors, and the supervision and control duties are of the responsibility of an Audit and Control Committee.

This structure and its functioning enable a fluent workflow between all levels of the governance model, as each of the delegated Committees shall report the decisions taken to the Board of Directors, and all the Committees members are also members of the Board. Hence, this organisation allows Directors to receive the complete information at Board of Directors level in order to take the corresponding decisions and all in all ensuring in time and manner the access to all the information in order to appraise the performance, current situation and perspectives for the further development of the Company.

As described, EDPR's governance model was designed to ensure the transparent and meticulous separation of duties and the specialisation of supervision through the following governing bodies and management structure:



Governing bodies

General Shareholders' Meeting

The General Shareholders' Meeting is the body in which the shareholders participate. It represents the Company with the full authority corresponding to its legal personality and has the power to deliberate, vote and adopt decisions, particularly on matters that the law and Articles of Association reserve for its decision and that must be submitted for its approval.

Board of Directors

The Board of Directors is the body that represents and administrates the Company under the broadest powers of management, supervision and governance with no limitations other than the responsibilities expressly and exclusively granted to the jurisdiction of the General Shareholders' Meeting in the Company's Articles of Association or in the applicable law. EDPR's Board of Directors shall consist of no less than five (5) and no more than seventeen (17) members (including a Chairperson), who are elected for 3 years period and that may be re-elected for equal periods. In the Shareholder's Meeting held on February 22nd, 2021, it was approved to adjust the total members of the Board of Directors of the Company in twelve (12).

The commitment of EDPR with ESG best practices and with the continuous improvement of its corporate governance was again reflected in the proposals submitted for the General Shareholders' Meetings held in 2021 (February 22nd and April 12th), which contributed to a more agile, independent and diverse corporate governance structure. As a result of these resolutions, as of December 31st, 2021, EDPR's Board of Directors was composed by twelve (12) members, of which 10 non-executive, and had an independent Chairperson. EDPR strengthened the presence of independent Directors and women, representing 50% and 33% of the composition of the Board, respectively. In addition, in line with EDPR's commitment with the best corporate governance practices, 100% of the members of the delegated Committees are independent, and the specialisation on Corporate Governance matters was attributed to the Appointments, Remunerations and Corporate Governance Committee.

In this context, the approved proposals for re-election and appointments of directors of the Company were the following: António Gomes Mota was appointed as Chairperson and Independent Director; Miguel Stilwell d'Andrade was appointed as Executive Vice-Chairman and re-elected as CEO; Rui Teixeira was re-elected as Executive Director and CFO; Vera Pinto Pereira and Ana Paula Marques were re-elected as Dominical Directors; Miguel Setas was appointed as Dominical Director; Manuel Menéndez was re-elected as External Director; Acácio Piloto, Allan J. Katz and Joan Avalyn Dempsey were re-elected as Independent Directors; and José Félix Morgado and Rosa García were appointed as Independent Directors.

The above changes lastly contributed to better maximise EDPR's Board participation in the management of the Company. Consequently, the Executive Committee body – which included, up to that date, the Executive Board members – was dissolved and the remaining members were integrated in a Management Team.

Executive Directors

EDPR has two Executive Directors who are also Joint Directors – Miguel Stilwell d'Andrade (CEO) and Rui Teixeira (CFO) – to whom the Board agreed to delegate all the competences that can be delegated as per established under the Company Bylaws and the applicable law.

Delegated Committees of the Board of Directors

As regulated by the applicable Law and pursuant to the best corporate governance recommendations, EDPR has set up two specialised internal committees, which are both entirely composed by non-executive and independent Directors.

Audit, Control, and Related Party Transactions Committee

The main duties of the Audit, Control and Related Party Transactions Committee are the supervision of the financial information and internal control, risk management and Compliance systems. It also assumes the functions related to the analysis and, when applicable, the approval of the Related Party Transactions of the Company.

The Audit, Control, and Related Party Transactions Committee consists of three (3) non-executive and independent members, who since April 12th, 2021[1] and as of December 31st 2021, are the following:

- Acácio Piloto, who is the Chairperson
- Rosa García
- José Félix Morgado

Appointments, Remunerations and Corporate Governance Committee

The main duties of this Committee are the assistance and report to the Board of Directors in the appointments, re-elections, dismissals, evaluation, and remunerations of the members of the Board of Directors and Management Team members. It also assumes the functions related to the reflection on the Corporate Governance structure of the Company and its efficiency. The Appointments, Remunerations and Corporate Governance Committee consists of three (3) non-executive and independent directors, who since April 12th, 2021[2] and as of December 31st, 2021, are the following:

- António Gomes Mota, who is the Chairperson
- Rosa García
- José Félix Morgado

Management Structure

Management Team

In January 2021, the BoD agreed to create this body in order to assume the conduction and supervision of the daily activity and performance of the Company. Then, throughout the year, considering EDPR's growth tendency and its presence in new geographies, the appropriate composition of the Management Team was analysed in order to ensure the required support of both business and technical needs. In conclusion, and particularly considering that the potential completion of the acquisition of Sunseap would imply the creation of an Asian-Pacific (APAC) Platform, as well as the need to standardise technical processes and criteria, it was necessary to also incorporate a technical profile in the Management Team. Following the proposal of the Appointments, Remunerations and Corporate Governance Committee, the BoD agreed to establish a new structure for the Management Team that would entail the following composition: the CEO and CFO, the representatives of EDPR's Platforms (Europe & LatAm, APAC and North America), and a member in charge of coordinating the technical functions.

On November 2nd, 2021, the Board of Directors acknowledged the resignation presented by Spyridon Martinis and Miguel Ángel Prado as COOs and members of the Management Team and, following the proposal of the Appointments, Remunerations and Corporate Governance Committee, approved to appoint two members for the new Management Team positions considered under the new structure: Pedro Vasconcelos as COO of the APAC platform and Bautista Rodríguez as Chief Technical Officer (CTO) & Offshore Business. Finally, on December 23rd, 2021, following the proposal of the Appointments, Remunerations and Corporate Governance Committee, the Board of Directors approved to appoint Sandhya Ganapathy as the COO of North America, and therefore, as new member of the Management Team.

As a result of the new structure applicable to the Management Team and the new appointments approved, as of December 31st, 2021, the composition of the Management Team of EDPR the following:

- Miguel Stilwell d'Andrade (CEO)
- Rui Teixeira (CFO)
- Duarte Bello (COO Europe & LatAm)
- Sandhya Ganapathy (COO North America)
- Pedro Vasconcelos (COO APAC)
- Bautista Rodríguez (CTO & Business Offshore)

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[1] In 2021, before April 12th, the members of this Committee were Acácio Piloto (Chairperson), António Nogueira Leite (vocal) and Francisco Seixas (vocal)
[2] In 2021, before April 12th, the members of this Committee were António Nogueira Leite (Chairperson), Francisco Seixas (vocal) and Conceição Lucas (vocal)

Remuneration policy

EDPR's governance model is reinforced by an incentive structure with transparent remuneration through variable remuneration based on key performance indicators. The definition of the proposal of the remuneration policy for the members of the Board of Directors is incumbent on Appointments, Remunerations and Corporate Governance Committee, which is appointed by the Board of Directors.

The Remuneration Policy is aligned with the strategic basis of the Company (growth, risk control and efficiency) and establishes that the indicators shall be set in accordance with 6 clusters: (i) Shareholders, (ii) People, (iii) Environment & Communities, (iv) Assets and Operations, (v) Innovation & Partners, and (vi) Clients, though 14 KPIs, including all dimensions of EDPR's strategy. Each of such clusters shall have at least one indicator.

Components

Fixed Compensation (Board of Directors) + **Variable Compensation** (Executive Directors)

120% Annual

120% Multiannual
3 years deferred payment

Variable Remuneration

48% SHAREHOLDERS
- Operating cash flow
- Asset rotation/ Sell-down + Tax Equity
- EBITDA + Sell-down gains
- Net profit
- Core Opex adjusted
- Projects with FID

8% CLIENTS
- Renewable Capacity built

8% PEOPLE MANAGEMENT
- People Management indicators

8% ASSETS AND OPERATIONS
- Technical Energy Availability
- CAPEX per MW

4% INNOVATION AND PARTNERS
- H&S frequency rate (employees + contractors)

15% TOTAL SHAREHOLDER RETURN
- People Management indicators vs wind peers & PSI 20

5% REMUNERATION COMMITEE
- Appreciation of the commitee

4% ENVIRONMENT AND COMMUNITIES
- Certified MWs

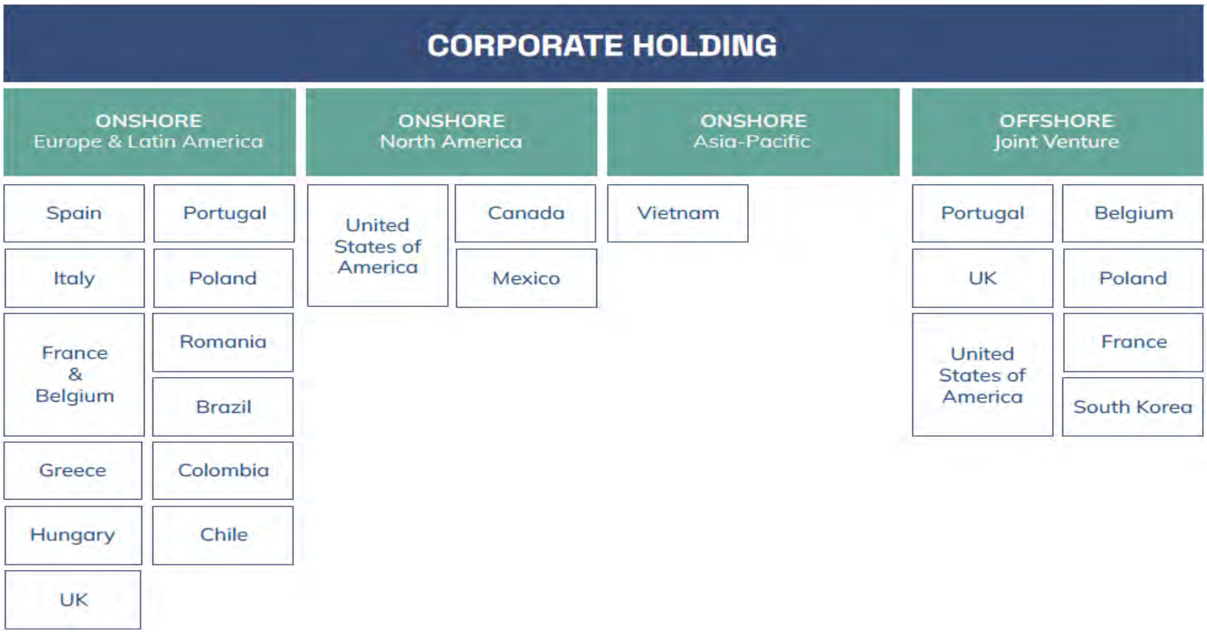
For further detailed information regarding the responsibilities and roles of the different social bodies, its activity during 2021, and the Company's up-to-date articles of association and regulations, please refer to the Corporate Governance section of the report (chapter 5) and visit www.edpr.com.

1.3.3. Organisation structure

The organisation structure is designed to accomplish the strategic management of the Company but also a transversal operation of all the business units, ensuring alignment with the defined strategy, optimising support processes and creating synergies.

Organisational model principles

EDPR organisation model is organized around five main elements: a corporate center Holding, Onshore Europe & Latin America, Onshore North America, Onshore Asia-Pacific (APAC) and Offshore. Each platform includes different business units specialized in each of the market's specificities.



The principles on which EDPR bases its organisational model is defined by the Management Team. These are a set of performance aspects that: define the characteristics of the relationships, grant the rights between EDPR Holding and the business units, and ensure optimal efficiency and value creation.

Accountability alignment

Critical KPIs and span of control should be hierarchically aligned at project, country, platform and holding level to endure accountability tracking, and to take advantage of complementarities derived from end-to-end process vision.

Client-service

Corporate areas function as competence support centers and are internal service provides to all business units for all geographical non-specific needs. Business priorities and needs are defined by local businesses, and best practices are defined and distributed by corporate units.

Lean organization

Execution of activities at holding level are held only when significant value is derived, coherently with defined EDPR holding role.

Reinforce collegiate decision making

Ensure proper country-balance dynamics to ensure multiple-perspective challenge across functions.

Clarity and transparency

Platforms organization models should remain similar, to allow for: 1) Easy coordination, vertically (holding-platforms) and horizontally (across platforms); 2) Scalability and replicability to ensure efficient integration of future growth.

EDPR holding

EDPR Holding seizes value creation through the dissemination of best practices in the organisation and the standardisation of corporate processes to the platforms and the business units to improve efficiency. The internal coordination model and interface with EDP Group impacts functions and responsibilities of both the Company's processes and structure. The assignments of the main responsibilities and activities of EDPR Holding to fulfil their respective missions include:

- Define internal structures;
- Ensure a global budget and its periodic monitoring;
- Manage the essential human resources;
- Provide appropriate management information;
- Compete for a culture of excellence throughout the Group;
- Integrate risk management and compliance in each area of responsibility, ensuring the monitoring and effectiveness of controls.

Strategic Management

Covers the activity of EDPR Holding to support to the Executive Committee

- Define strategy objectives, policies, rules and procedures;
- Promote the dissemination of the EDPR culture and best practices;
- Review the accomplishment of the Company's business plan;
- Control key performance indicators.

Transversal Operation

Systematically and progressively coordinate between EDPR Holding and the Business Units

- Leading the activities included in the mission and functions of corporate addresses;
- Align the policies and strategies of each Business Unit;
- Ensure a functional reporting including policies, plan of action of activities;
- Linking the regulatory obligations of each Business Unit with efficient and effective management by leveraging corporate knowledge to maximise the interests and results of the Group;
- Capture synergies and optimise support processes.

EDPR platforms

The four platforms are defined as: Onshore Europe & Latin America, Onshore North America, Onshore Asia-Pacific and Offshore.

- **Europe & Latin America Onshore platform**: there are different business units where the Company operates, namely Spain, Portugal, France/Belgium, Italy, Poland, Romania and the recent additions of Greece, Hungary and UK. As for Latin America the Company operates mainly in Brazil and recently in Colombia and Chile.
- **North America Onshore platform**: there are three business units that represent the operational regions in North America: United States of America, Mexico and Canada.
- **Asia-Pacific Onshore platform:** EDPR established its presence in APAC in 9[1] markets and aims to accelerate growth in the region which is one the largest markets globally.
- **Offshore platform:** In January 2020, EDPR finalised the agreement with ENGIE to create a 50:50 Joint Venture for offshore wind that grants the development of projects in the UK, Portugal, France, Belgium, Poland, South Korea and the US.

[1] Including the Asian markets related to the acquisition of Sunseap with its conclusion pending on regulatory approvals

1.3.4. Integrity and ethics

EDPR is global energy company, focused on creating value, innovation and sustainability, which operates a business based on a commitment to excellence, serving its stakeholders and making a decisive contribution to a responsible energy transition. One of its most valuable assets is its reputation, which is why EDPR is committed to carrying out all its activities ethically in the different markets in which it operates and acting on principles that derive from its identity. In this context, EDPR is committed to act in accordance with the highest ethical and compliance standards.

Ethics

The Code of Ethics refers to principles of action that include compliance with legislation, integrity regarding matters such as bribery and corruption, respect for human and labour rights, transparency and corporate social responsibility, including its contribution to sustainable development and its responsibility for the economic, environmental and social impacts of its decisions and activities. This Code is a privileged tool that frames the reflection on Ethics, but it is essentially a guide to support employees in their daily decisions when performing their job activities. It does not override the law and regulations – which must always be fully and scrupulously complied with – but rather complements them by supporting responsible decision making. In that sense, EDPR's Code of Ethics applies to all Company employees regardless of their position in the organisation and working location, and they all must comply with it. Additionally, the commitments in this Code are equally applicable to EDPR business partners, representatives and suppliers who are, in any way, entitle to act on behalf of EDPR. The Code and its regulations are published on the intranet and website of EDPR, and all employees have access to it. In addition, the new hires have to confirm its acknowledgement when they join the Company. Likewise, this Code has been widely circulated to the employees of the Group through internal communications, and specific training on Ethics is provided during the year to promote awareness.

In addition, the Code has its own regulation that defines a process and channel, open to all stakeholders, to report any potential claim or doubt on the application of the Code. The Ethics Ombudsperson, an independent third party that is behind the Ethics Channel, receives the complaints and doubts submitted through this channel and investigates and documents the procedure for each of them. The appointment for this position is made by the Board of Directors and its main functions are detailed in the Corporate Governance section of this report (chapter 5). Since January 2019, the Ombudsperson of EDPR is Maria Manuela Casimiro da Silva.

The Ethics Channel is an internal and external channel available on the intranet and Website of the Company and its existence and functioning is also introduced in the Welcome Day presentation organised every year for the new hires of EDPR. The procedure and workflow of the claims and queries submitted through this channel is regulated under the Regulations of the Code of Ethics and the regulations of the Ethics Committee, and is detailed in the Corporate Governance section of this report (chapter 5). In 2021, there were five (5) claims submitted related to Ethical issues, of which four were considered unfounded, and one is pending the conclusion of the investigation.

To support and achieve its Ethics commitments and initiatives, and with the aim of minimising the risk of unethical practices, generating transparency and trust in relationships, EDPR has approved and implemented the following during the year:

- **Ethics Committee:** EDPR decided to revise the organisation and functioning of its Ethics Committee to ensure best practices in terms of its composition and scope of action. The main functions of the Committee are detailed in the Corporate Governance section of this report (chapter 5). The Ethics Committee is composed by the Chairman of the Appointments, Remunerations and Corporate Governance Committee, who shall chair the Committee; the Chairman of the Audit, Control, and Related Party Transactions Committee; the Ethics Ombudsperson; the Compliance Officer; the Human Resources Director; the General Counsel & Compliance of EDPR North America LLC.; and the Secretary of the Board of Directors, who shall also perform the duties of the Secretary of the Ethics Committee meetings.
- **Ethics survey:** During the year, an Ethics survey was launched, encouraging all employees to participate to learn about the evolution of the ethical environment and to get a closer feel of how employees perceive ethics at EDPR.
- **Celebration of the Global Ethics Day:** On October 20th, EDPR celebrated the Global Ethics Day, and with the goal of reinforcing the ethics culture, the Ethics Ombudsperson published a message in the intranet highlighting that “Doing Good, well” is the only way to achieve EDPR's commitments included in the Code of Ethics.

Corporate compliance

The implementation of a solid corporate culture of integrity and transparency has always been a priority for EDPR, structuring its supervision and monitoring through a regulatory compliance conduct basis and through the adoption of ethical values and principles, both consolidated as central elements of its business model. In order to lead and manage the necessary measures for this implementation and functioning, the Company has a Compliance Officer.

A main objective for 2021 was the definition of a Global Compliance Model which applies to the whole EDPR Group, maintaining the idea of establishing Compliance as a strategic part of the Company's corporate culture. In the definition of the Global Compliance Model, the Global Compliance structure has been defined and a great effort has been made to develop a robust set of policies and procedures for the Group, which include the following:

- The **Code of Conduct for Top Management and Senior Financial Officers**, approved by the Board of Directors in July 2021, that reinforces and complements the Code of Ethics, and reflects the commitment of the people who have been given the responsibility and power to carry out the supervisory and administrative functions of the EDPR Group.
- The **Compliance Standard**, approved by the Board of Directors in November 2021, which establishes the principles and procedural rules that govern the carrying out of the Compliance function and the specific Compliance functions of all employees.

The Global Compliance Program integrates specific programs depending on the risks affecting the Group, including:

- A specific **Integrity Compliance Program**, focused on the prevention of corruption and bribery risks: EDPR has a zero-tolerance approach to bribery and corruption and is committed to act professionally, fairly and with integrity in all business dealings and relationships wherever the Company operates. For this reason, the specific Integrity Compliance Program has as its central axis the Integrity Policy, which replaces the previous Anticorruption Policy, and was approved by the Board of Directors in July 2021. The Integrity Policy has been complemented by other procedures that facilitate the application of this Policy, such as:
  - The Donations and Sponsorships Procedure, approved by the Management Team in June 2021.
  - The Offers and Events Procedure, approved by the Management Team in June 2021.
  - The Conflict of Interest Procedure, approved by the Management Team in June 2021.
  - The Integrity Due Diligence Procedure and the Procedure for relationship with Public Officials and Politically Exposed Persons, approved in 2020 and developed during 2021 through different electronic platforms. The creation of a technological platform for third-party analysis, which can be used by all Group employees, is noteworthy.
- A specific **Criminal Compliance Program**, focused on the prevention of criminal risks in Spain considering the regulation in Spain. The Criminal Compliance Policy, initially approved in December 2017, was updated during 2021.
- A specific **Personal Data Protection Program**, focused on the protection of personal data to which EDPR has access. In this context, the Company has been strengthening its management system to ensure the adequacy of EDPR Group's entities to the applicable legal requirements regarding Data Protection. The Data Protection Compliance Program has as its central axis the Data Protection Policy, approved by the Board of Directors in 2020. To this end and during 2021, a set of methodologies and procedures have been defined:
  - An Employees Privacy Notice, a Candidates Privacy Notice, a Website Privacy Notice, and a Cookies Management Notice approved by the Management Team in May 2021.
  - A Data Storage and Destruction Procedure, approved by the Management Team in May 2021.
  - A Security Breach Notification Methodology, approved by the Management Team in June 2021.
  - A Privacy by Design/Default Methodology, approved by the Management Team in November 2021.
  - A Data Processors Management Methodology, approved by the Management Team in November 2021.

Within the context of the Global Compliance Program, additional activities performed during 2021 to strengthen corporate compliance were:

- The risk and control matrix was updated. All the areas/departments of EDPR have reviewed the assigned controls and have validated the applicable controls (self-assessment).
- A Control Audit Plan was established and the controls assigned in the Plan were audited by an independent third party.
- The Risk Assessment Methodology was updated in order to have a more objective risk assessment.
- The reporting system to Top Management and Senior Management was improved, establishing reports about the Global Compliance Model to: (i) the CEO (monthly), (ii) the Audit Control and Related Party Transactions Committee (quarterly), (iii) the Management Team (yearly) and (iv) to the Board of Directors (yearly).
- The entire operation and methodology for the management of the Criminal Compliance Program and the Integrity Compliance Program were compiled in an internal departmental document called Integrated Management System for Criminal Compliance and Antibribery Handbook, approved by the Compliance Officer in October 2021. Additional documents, for the support and documentation of this system, have been also drafted.

All this normative development implied a strong work to make known the new policies and procedures of the Group, with training and communication in the field of Compliance having a special focus this year.

Training and communication are fundamental tools to strengthen and disseminate the ethics and integrity culture. In this sense, the following activities have been developed during the year: (i) Training for all the Group employees on the Integrity Due Diligence Procedure and Procedure for relationship with Public Officials and Politically Exposed Persons; (ii) a GDPR Global Training; (iii) a Conflict of interest Procedure Training; (iv) a Gifts and Events Procedure Training; (v) a GDPR level 2 training; (vi) an Integrity Policy Training; (vii) a Criminal Compliance training; and (viii) a GDPR Roulette.

During 2021, 86% of employees completed at least one course of the Ethics or Compliance trainings launched.

These trainings were complemented with communication activities. In addition, specific communications have been made on: (i) Welcome Day, (ii) a communication about the GDPR Anniversary, (iii) a specific communication of Compliance in the Group magazine, (iv) a Speak up culture communication and (v) a communication for the Anticorruption day, among others.

Additionally, EDPR has a Compliance Channel which allows any employee, supplier, contractor, client or any person or entity outside the Company, who has indications or doubts of behaviour contrary to the law and/or that may imply the materialisation of a criminal risk, to inform about it through complianceofficer@edpr.com. The bylaws of this Channel are available at the intranet and website of the Company. In 2021, 3 claims were submitted related to Compliance issues, of which one was considered as unfounded, one as founded, and one was closed[1] but its evolution must be monitored.

All this development and improvements allowed EDPR to obtain the UNE 19601 and ISO 37001 certifications during the year, which further strengthen EDPR's commitment to integrity and ethics.

[1] Concluded in early 2022

INNOVATION

Progressive and
meaningful change.

02 — STRATEGIC APPROACH

2.1.
Business Environment

2.1.1. COP 26 and “FIT for 55 package” deliver new hopes for decarbonisation

2.1.1.1. The road to the 1.5 degrees goal

The United Nations Conference of Parties met in Glasgow from October 31 to November 13 for its 26th annual summit (“COP 26”). It resulted in the “Glasgow Climate Pact”, that, if implemented, would make substantial progress toward the Paris Agreement goals.

The Agreement resolves “to pursue efforts to limit the temperature increase to 1.5°C”. Preliminary analysis seems to be showing that the full implementation of current pledges and commitments could prevent temperatures from rising more than 2 degrees. At Glasgow, each participating country also agreed to revisit its emission target for 2030, in order to pursue the 1.5°C commitment. However, experts also warn that without the appropriate policies, the goal could soon slip out of reach.

Global warming in 2021

According to the Global Carbon Project (GCP), global carbon dioxide (CO_2) emissions in 2021 will be 0.8% below the 2019 level (historical maximum) but 5% above from 2020’s level. As emissions continue to accumulate in the atmosphere, the world is closer to crossing the 1.5°C warming threshold.

According to the European Union’s Copernicus Climate Change Service, 2021 was the world’s fifth hottest on record. The global mean temperature in 2021 was around 1.1-1.2°C above the 1850-1900 average.

Some regions around the globe experienced in 2021 record temperatures and deadly heat (the Pacific Northwest and southwestern Canada recorded historically high temperatures that surpassed 38°C). The climate crisis also materialized in large wildfires with catastrophic consequences in California, Turkey, Greece ad even in Siberian Russia. Other countries, like Canada, the US, Germany and China suffered from extreme rainfall that triggered deadly floods.

German reinsurance Munich Re published a report indicating that the cost from 2021 climate disasters amounted to US$ 280 billion globally, the second-most costly year on record. The report noted that the highest share of these costs incurred in the US, which was ravaged by hurricanes (in particular Hurricane Ida), and battered by floods and tornadoes.

At COP 26, more than 40 countries also signed the “Global Coal to Clean Power Transition Statement” leading to the “end of coal” by 2030 (for major economies) or 2040 (or “as soon as possible thereafter” for the rest of the world). Although it was seen as a major breakthrough, the pledge is expected to have limited impact on coal retirements as signatories represent less than 15% of total installed coal-fired power. Nevertheless, the pledge marks the first time that countries gather together to discuss the end of unabated coal and inefficient fossil fuel subsidies.

Negotiators at the UN Climate Summit also reached a deal on the “rulebook” for a future carbon market, closing the biggest loopholes in particular, in terms of double counting of emission reductions. At the heart of the agreement, parties reached a compromise to enable the use of credits generated under the CDM[1] scheme during the period 2013-2020. Parties also decided that 5% of proceeds from carbon offsets from the new global carbon trade will be used to support developing countries in adapting to climate change. In addition, 2% of the offset credits will be cancelled, to ensure an overall win for the atmosphere.

[1] The Clean Development Mechanism is a United Nations-run carbon offset scheme allowing countries with emission-reduction targets under the Kyoto Protocol to implement an emission-reduction project in a developing country, earning saleable Certified Emission Reductions credits (CERs)

Net zero targets

The implementation of national net zero emissions commitments can play a crucial role in achieving the Paris Agreement 1.5ºC target. Therefore, an increasingly number of countries are announcing pledges to achieve net-zero emissions over the coming decades. While some countries have proposed these targets, others have formally codified them in law. As of December 2021, more than 70 countries have made net-zero targets, including the European Union (2050), the US (2050), Brazil (2050) China (2060) or India (2070). These countries represent more than 70% of global carbon dioxide emissions[2].

At European level, on June 28th, the European Council signed off the EU Climate Law, which sets a goal of carbon neutrality by 2050 and provides for a reduction of 55% in greenhouse gas emissions by 2030 (in relation to 1990 levels). The President of the European Commission (EC), Ursula von der Leyen, described as the "law of laws", crucial for achieving the European Green Deal and making Europe the first carbon-neutral continent. On July 14th, the European Commission adopted the "Fit for 55", a package of legislative proposals that will align the EU's climate, energy, land use, transport and taxation policies with the new emission target. Overall, the package contains proposals for strengthening eight existing pieces of legislation as well as five new initiatives.

Reactions from the European Energy Associations

Wind Europe strongly supported the 40% RES target and calculated that the EU will need 433-452 GW of wind power capacity by 2030, nearly a threefold increase on the 179 GW installed at 2020YE. However, the association stressed the need to improve permitting procedures to achieve the new targets.

Solar Power Europe welcomed the Fit for 55 package and calculated that the current target would correspond to 660 GW of solar power installed by 2030. Nevertheless, the Association maintains that a 45% RES target (binding at EU and national level) is necessary to be on track to deliver on the 1.5ºC Paris Agreement scenario.

One element of the Fit for 55 package is the revision of the Renewable Energy Directive (RED II), increasing the current renewable target (32% by 2030) up to a 38%-40%, together with new sectoral targets.

Another key component of the package is the comprehensive revision of the EU Emissions Trading System (ETS). The goal is to increase the scope of the carbon trading to cover emissions from shipping, buildings and road transport. In addition, along other measures, the EC proposes to lower the overall emission ceiling and to increase the annual rate of emission reductions. On top of that, the EC proposed to include a carbon border adjustment mechanism (CBAM) to tax high-carbon imports, such as steel and cement.

Within the Fit for 55 package, the Commission also proposed to revise rules on CO_2 emissions for cars and vans, proposing a net target of 100% reduction by 2035. Thus, from 2035 it will no longer be possible to sell cars or vans with an internal combustion engine on the market in the EU.

Other existing legislations that will need to be revised are the Effort Sharing Regulation, the Energy efficiency (EED) and the energy taxation directive (ETD).

All the proposals included in the package will now be discussed in the European Council and the European Parliament and by Member States' governments. These negotiations are expected to last more than two years as the ultimate deadline is the May 2024 European Parliament elections.

2.1.1.2. Renewable energy is the future

2021 is on course to break a global record for renewable energy growth, according to the International Energy Agency (IEA), with 290 GW of additional capacity expected. Solar remains the major contributor with around 160 GW, more than half of all the expected additions.

[2] Source: International Energy Agency, World Energy Outlook 2021. The report is dated October 2021, and since then, other countries have announced net-zero pledges, and therefore, the 70% figure could prove to be higher

For the medium and long-term, prospects are also excellent. Wind and solar PV capacity are on track to overtake natural gas in 2023, and coal in 2024, becoming the largest source of electricity generation worldwide in 2025. Overall, according to the different analysts, the share of renewables in power generation will range between 38% and 54% (comparing to 29% in 2020).

These excellent projections are supported by their cost competitiveness (onshore and PV are already the cheapest technologies), technologies' improvements, economies of scale, competitive supply chains and a growing developer experience, among others. However, other recent development are expected to accelerate renewables' growth.

Green Hydrogen momentum:

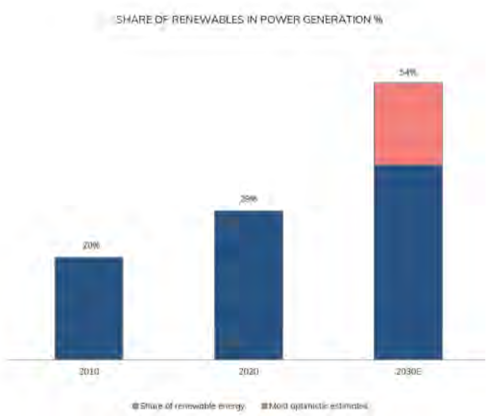
"Green hydrogen", the hydrogen produced by splitting water into hydrogen and oxygen using renewable electricity, seems to be gaining momentum. Indeed, in 2021, a rapid progress in projects announcement and electrolyser manufacturing capacity has been observed. According to the IEA, by October 2021, the announced electrolyser manufacturing capacity project pipeline has reached over 260 GW worldwide. According to experts, hydrogen could help to unlock the full potential of renewable energy, as the majority of planned projects consider hybrid wind, solar PV and battery storage plants for hydrogen production. Also, there is a huge potential regarding the hard-to-electrify sectors, such as shipping, aviation, industry and buildings. The IEA forecasts that current projections could drive to an additional 475 GW of wind and solar PV capacity, which will mostly been dedicated to hydrogen production.

Battery storage:

The global storage market is growing at an unprecedented pace. Indeed, renewables-plus-storage and stand-alone projects are becoming commonplace in an increasingly number of countries. According to the International Energy Agency, battery storage capacity additions in 2020 rose to a record-high 5 GW (reaching around 17 GW of installed capacity). This astounding growth was primarily driven by the increasing capacities of batteries and the sharp cost reductions According to the IEA, utility-scale batteries are expected to increase sixfold over the period 2020-2026. The explosion of the storage market is helping to integrate a higher share of variable energy sources in the power systems, which is key to unlock the full potential of variable renewables and ultimately, achieve decarbonization targets. Battery storage systems are well suited to be coupled with variable renewables, as they allow an efficient flow of power to be maintained despite the intermittent nature of wind and solar sources. Batteries help to resolve the intermittence issue by capturing power when renewable energy sources are producing and releasing it when energy demand soars. By smoothing imbalances between supply and demand, batteries can replace fossil fuel peaker plants, avoiding greenhouse gas emissions. In addition, batteries can also provide a range of benefits and support functions to the power grid, facilitating a higher integration of renewables in the power systems, including frequency regulation, ancillary services, voltage support, emergency response systems, among others.

Distributed solar PV:

In addition to utility-scale solar PV deployment, distributed solar PV is increasingly gaining the attention of both governments and private players. Although utility-scale solar PV is expected to account for 60% of additions over the next 5 years, annual additions of distributed PV are also expected to experience and unprecedented growth. According to the IEA forecasts, total distributed PV additions in the period 2021-2026 will be similar to onshore wind's (421 GW vs 451 GW respectively) and almost twice as much as offshore wind and hydro together (421 GW vs 245 GW). The Asia-Pacific distributed solar PV market is the one showing the highest potential. Rising environmental concerns, favourable policies, increasing affordability, high cost of grid expansion and land constraints, seem to be the main drivers in the region. According to a study conducted by Wood MacKenzie, in Asia Pacific (ex-China), distributed solar is expected to be the most popular option, accounting for more than 60% of new solar PV additions.



2.1.2. The evolution of renewables around the world in 2021

Wind

Global wind additions are expected to remain strong in 2021[3], with analysts[4] forecasting around 81-93 GW of new capacity. If confirmed, total additions would probably slightly drop from the record-breaking installations seen in 2020 (93 GW), but considerably above the average of the last 5 five years.

In 2021, the offshore wind sector continued on its astonishing growth trajectory. While analysts were forecasting around 11-14 GW of new installations worldwide, China reported that the country alone had commissioned 16.9 GW of new offshore capacity, which represents nearly half the world's total installed capacity in 2020YE. Therefore, worldwide offshore wind installations could amount to more than 20 GW, meaning that around 15-20% of total wind additions could have been offshore (the largest share ever). China remains the largest offshore market, as 16.9 GW were installed in 2021, reaching a cumulative total offshore capacity of around 27 GW. Other large markets include Vietnam (~0.7 GW commissioned), Netherlands (~1.1 GW) and Denmark (~0.6 GW). In total, around 55 GW of offshore wind could be operating worldwide.

Overall, China has connected 48 GW of wind (and therefore, around 50% of worldwide wind additions), according to the National Energy Administration. It remains the largest onshore wind market and has also become the largest offshore wind market, overtaking the UK.

In Europe, 2021 is on track to become a record year in wind installations. According to Wind Europe[5], new wind facilities could account to 19.5 GW, mainly due to the high amount of projects that had suffered delays from the pandemic. 2021 could also prove to be a good year for offshore wind installations, with around 2-4 GW forecasted. Germany and Sweden are expected to remain the largest onshore markets, while Netherlands, Denmark and the UK could show positive offshore results. In Spain, wind became the leading energy source, overtaking nuclear and covering around 23% of total generation.

In the US, renewables dominated new generating capacity additions in 2021. According to the American Clean Power Association, 7,248 MW of wind were installed in the first nine months of 2021. Latest data show that the cumulative wind power capacity amounts to 129 GW. In addition, the wind industry currently has around 40 GW of wind projects in the pipeline, of which 14 GW correspond to offshore wind projects, suggesting that the offshore sector is set to take off.

Solar PV

2021 is on course to break a global record for solar PV growth. According to the International Energy Agency (IEA), nearly 160 GW of new solar facilities could have been connected[6], despite skyrocketing commodity prices and supply chain disruptions. With those additions, nearly 900 GW of solar PV could be operating worldwide. The IEA stresses that solar PV, the so-called "new king of the world's electricity markets", is becoming increasingly competitive. Other analysts consulted are forecasting 2021 additions ranging 145-183 GW and most of them believe that the 200 GW landmark could be surpassed as soon as in 2022. Utility-scale projects are expected to remain the engine of growth (in 2021, they represented around 60% of total solar PV additions).

China remains the largest solar PV market worldwide, with around 53 GW[7] of solar PV installed in 2021, above the previous year one (48.2 GW). The cumulative solar capacity reached 306 GW at the end of 2021, according to the latest data of the National Energy Administration (NEA). Other major markets in Asia include India (11.3 GW expected in 2021), Japan (6.1 GW) and Republic of Korea (4.1 GW).

According to preliminary estimations provided by Solar Power Europe, the European Union could have added 25.9 GW of new solar PV capacity, becoming the best year in history. As in 2020, Germany was again Europe's major solar market in 2021 with 5.3 GW of newly installed capacity, followed by Spain (3.8 GW), the Netherlands (3.3 GW), Poland (3.2 GW) and France (2.5 GW).

[3] At the time of preparation of this report, final data from the Global Wind Energy Council (GWEC), the American Clean Power Association (ACP) or Wind Europe, had not been released
[4] Experts consulted include: GWEC, IHS markit, Bloomberg New Energy Finance, Wood MacKenzie, IEA, Wind Europe and American Clean Power Association, among others
[5] Wind Energy in Europe Statistics, 2020
[6] "Renewables 2021", published in December 2021
[7] According to the National Energy Administration

In the US, 6.8 GW of solar PV capacity was installed in the first three quarters of the year, 18% more compared to the same period in 2020. With that, total solar installed capacity amounts to more than 54 GW. California is the leading solar State with more than 14 GW of installed capacity. Solar also accounts for the largest share of development activity, with nearly 60 GW of projects in the pipeline. In the American continent, other important markets are: Brazil (4.8 GW), Mexico (2.5 GW) and Chile (1.7 GW), according to IEA preliminary forecasts.

2.1.3. Regulatory framework

PORTUGAL

- Wind farms commissioned before 2006 are subject to a Feed-in-tariff (FiT) whose value is correlated with production and indexed to CPI. Initial tenure was the soonest of 15 years (or until 2020) or 33GWh/MW but in was increased 7 years (tariff extension) with a cap and floor scheme in exchange of annual payments between 2013 and 2020.
- Wind farms under the new regime (COD after 2006) are subject to a FiT for the soonest of 20 years from COD of 44 GWh/MW. Tariff value is also indexed to CPI.
- Since 2019, solar projects are awarded following a new auction system.
- Solar PV projects awarded in the 2019 and 2020 auctions achieved record low prices.
- Participants, in their bids, can choose among different remuneration schemes:
  - A fixed guaranteed tariff structure (that was transformed into a Contract-for-Difference (CfD) in 2020 auction).
  - A market scheme where players bid for a contribution made to the National Electric System.
  - Since 2020, a new system consisting of a market scheme for power plants incorporating a storage system, in which participants bid the value of the capacity payment what they would like to receive.

FRANCE

- Old wind farms receive Feed-in tariffs for 15 years, with values depending on their COD and load factors achieved.
- A transitory Contract-for-difference scheme was released in December 2016 in which wind farms having requested a PPA in 2016 would receive a 15-year CfD, being the strike price very similar to the previous FiT. This scheme was closed in December 2019.
- From 2017 onwards:
  - Wind farms with 6 wind turbines (or less, and with 3MW/WTG maximum) can request a 20-year CfD which strike price ranges from 72€/MWh to 74€/MWh depending on turbine's diameter and may include a FiT reduction when a yearly generation cap is reached.
  - Wind farms of more than 6 wind turbines need to participate in competitive tenders in order to obtain a 20-year CfD.
  - A new set of rules ("Cahier des Charges") that will govern auctions (both technology-specific and neutral) from H2 2021 until 2026 were published in April 2021.

HUNGARY

- Renewable projects before 2016 benefited from a feed-in tariff scheme ("KÁT system").
- In 2016 the FiT was closed to new projects and replaced by a new support system ("MÉTAR system") consisting on 15- year Contracts-for-Difference granted through technology-neutral tenders.

SPAIN

- Under RD 413/2014, wind energy projects receive pool price and a premium per MW in order to achieve a target return defined by regulation.
- RDL 17/2019 has set the target return (TRF) @7.398% for WF's prior to 2013 for the next two regulatory periods (until 2031) and @7.09% for new installations for the current regulatory period (until 2026).
- Premium calculation is based on standard assets (standard load factor, production and costs).
- Since 2016, all the new renewable capacity is allocated through competitive auctions.
- In 2020, RD 960/2020 defined the framework for a new auction mechanism.
- In 2021 two auctions under the new scheme (set by RD 960/2020) were held:
  - Wind and onshore PV projects competed for 12-year fixed-price PPAs with certain exposure to market prices (5% for non-dispatchable and 25% for dispatchable RES).
  - Participants were awarded unidentified MWs but were requested to comply with stringent deadlines and submit a strategic plan.

BELGIUM

- Green certificate scheme (GC).
- Wind farms receive market price plus GCs per MWh produced.
- Number of GC/MWh for new plants' contracts are revised every three years:
  - However, due to soaring electricity prices, an extraordinary revision was done in December 2021: from April 2022 onshore wind projects will receive 0.52 GC/MWh instead of 0.73 GC/MWh (current parameter).
- The minimum price for GCs is set at 65€/GC in Wallonia.

POLAND

- Electricity price can be stablished through bilateral contracts.
- Wind farms commissioned before 2018 are supported through a Green Certificate scheme (GC). Wind receives 1 GC/MWh during a 15-year period. Electricity suppliers have a substitution fee for non-compliance with GC obligations.
- Since 2018, wind farms are supported by 15-year two-side Contracts-for difference awarded through auctions.

ITALY

- Wind farms in operation prior to 2012YE are under a feed-in-premium scheme applicable during the first 15 years of operation.
- Wind farms commissioned from 2013 to 2017 are supported by a 20-year floor CfD scheme, awarded through competitive auctions.
- Since 2017, wind farms are supported by a 20-year two-side CfD scheme.

ROMANIA

- Wind assets (installed until 2013) received 2 GW/MWh until 2017 and 1 GC/MWh after 2017 completing 15 years:
  - 1 out of the 2 GC earned until March 2017 is postponed and can only be recovered gradually from January 2018.
- Solar assets received 6 GC/MWh for 15 years:
  - 2 out of the 6 GC earned until December 2020 are postponed and may only be recovered gradually from 2025.
- GC are traded in the market under a cap and floor system (cap €35.0 and floor 29.4€).
- Wind assets (installed after 2013) receive 1.5 GC/MWh until 2017 and 0.75 GC/MWh afterwards until completing 15 years.
- Solar PV facilities (installed after 2014) only receive 3 GC.
- The GCs issued after April 2017 and the CGs postponed to trading from July 2013 will remain valid and may be traded until March 2032.

COLOMBIA

- Colombian wind farms are awarded 15-year contracts though competitive pay-as-bid auctions. Contracts are signed with distribution companies.
- Additionally, Colombian wind farms must secure reliability charge contracts, which provides a monthly payment in exchange of having part of their capacity available when the system is under tight supply conditions.

BRAZIL

- Old wind farms receive support under a feed-in program ("PROINFA").
- Since 2008, competitive auctions award 20-year PPAs to winning projects.
- Electricity may also be sold under private PPAs.

GREECE

- Renewable projects in Greece are supported by a 20-year feed-in premium (Contract-for-Difference) awarded through auctions.
- In 2022, Greece will launch a new support system, based on two-way contract-for difference contracts, awarded through auctions:
  - For both onshore wind and solar installations, support will be awarded through a joint competitive tendering procedure, although minimum reserves per technology are also envisaged.

MEXICO

- Cancellation of new supply auctions.
- New supply is backed by bilateral contacts.
- Key changes: New administration slowing or reversing the recent market liberalizations.

CANADA

- Most existing supply in Canada is either contracted or rate regulated.
- New supply motivated by PPAs from Provincial solicitations and bilateral contracts.
- Ontario and Alberta increasingly looking to spot markets to compensate.
- Key changes: Federal Gov't is raising carbon tax to $170/ton by 2030.

USA

- Sales can be fixed under PPAs (typically 15-25 years), Hedges, or subject to spot market prices.
- Green Certificates (Renewable Energy Credits, or RECs) subject to each state regulation.
- Tax Incentives:
  - PTC collected for 10-years post COD.
  - ITC collected at COD.
  - PTC and ITC levels depend on phase down schedule.
- Key changes: Shift in US Presidency and Senate likely reduce support for fossil interests and improve support for renewables.

UK

- Since 2013, renewables are supported through a 15-year two-way Contracts-for-difference, awarded through auctions, that have progressively replaced the former Green Certificate scheme:
  - The "established technologies" which include onshore wind and solar PV, compete for budgets in each allocation round. Less mature technologies have a separate "pot" of allocated budget. For the first time, in 2022 auction, offshore will compete in its own pot.

CHILE

- Technology-neutral auctions, for renewable and non-re newable technologies award 15-year power purchase agreements with distribution companies.
- Large non-regulated customers can also enter into PPAs directly with generators or organize a public auction.

VIETNAM

- Onshore wind projects were supported under two different Feed-in-tariff regimes:
  - Projects were granted a 20-year PPA with EVN, the state utility.
  - As the latest feed-in-tariff was closed for new projects, a new support scheme is expected to be released soon - most likely, competitive auctions will be introduced.
- Solar PV projects have also been remunerated under two different feed-in-tariff regimes and the government is also planning to introduce a pilot auction program.

EDPR NA Regulatory and Market Environment:

EDPR operates in most of the electricity markets in the US, Canada and Mexico. The nature of regulations and market rules vary from market to market with different degrees of influence from Federal and State/Provincial regulators in each market. The opportunities and constraints for EDPR assets and prospects are significantly defined by these regulations and market rules.

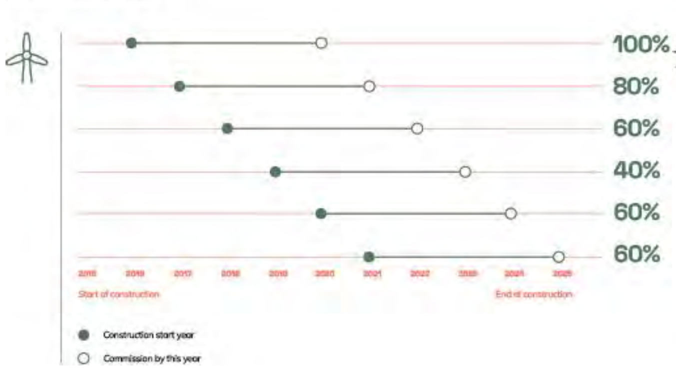
Regional Transmission Organizations (RTO), Independent System Operators (ISO) exist throughout much of North America to operate a region's electricity grid, administer the region's wholesale electricity markets, and provide reliability planning for the region's bulk electricity system. RTOs carry additional responsibility for the region's transmission network. US markets with RTOs and ISOs fall under greater Federal influence through the Federal Energy Regulatory Commission (FERC) which results in more transparent tariff and market rules. Regulation and market rules for regions not in RTO/ISO footprints tend to be influenced by various combinations of entities including State regulators, vertically integrated utilities, municipal governments, and Federal Agencies.

In general, EDPR seeks to build assets in North American markets where long-term contracts are available for the bulk of the output of its generation facilities. In addition to electrical power, EDPR facilities can produce capacity and ancillary services in regions with demand for these products. Many states have enacted Renewable Portfolio Standards (RPS) require obligated entities to provide a certain percentage of their energy supply from qualifying renewable sources, similar to the Renewable Energy Directive in the EU. Over the last few years, North American states have expanded these targets such that renewable portfolio standards in over fifteen states require 50% or more of their energy supply to be delivered via renewable resources in the next ten to twenty years. Further, more than ten states have set requirements to achieve 100% clean energy supply by 2050. Certain facilities within the EDPR wind and solar portfolio, given their location, produce Renewable Energy Credits (REC), Certificates of Clean Energy (CEL) and other environmental attributes which are typically sold, along with the energy, capacity, and ancillary services, from the plants under long-term contracts. These RECs generated via renewable production may also be sold separately from the wind and solar generation, if not already included in the long-term contracts. The party owning the RECs is solely entitled to the benefits of the environmental attributes.

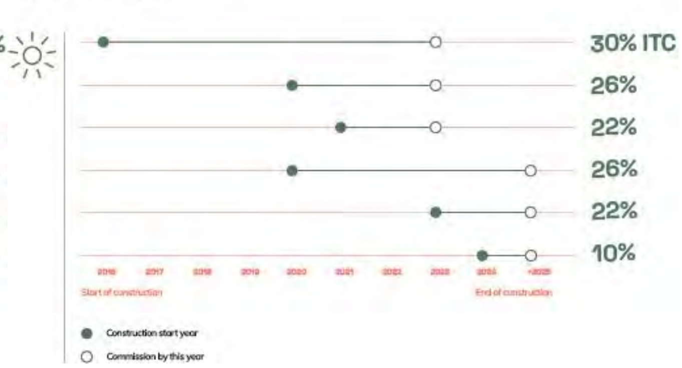
US federal, state and local governments have established various incentives to support the development of renewable energy projects. Included in these incentives are the Investment Tax Credit (ITC), Production Tax Credit (PTC), cash grants, and tax equity financing. Pursuant to the US federal Modified Accelerated Cost Recovery System, wind and solar projects are fully depreciated for tax purposes over a five-year period even though the useful life of such projects is generally much longer than five years.

Owners of utility-scale wind facilities are eligible to claim the ITC upon initially achieving commercial operation or PTCs for generation from qualifying facilities. The PTC is awarded based on the volume of electricity produced by the wind facility during the first ten years of commercial operation. This incentive was established by the US Congress as part of the 1992 Energy Policy Act and has been extended several times, most recently as part of the $1.4 trillion omnibus and COVID-19 relief package. The ITC and PTC levels for a given facility depend on that facility's start of construction date and commissioning date and remain fixed at this level for the first ten years of operation.

PTC SCHEDULE FOR WIND



ITC SCHEDULE FOR SOLAR PV



2.2. Strategy

The World is joining forces to face global warming, one of the major challenges that currently threatens the planet, that if not controlled might have irreversible consequences. There is an undeniable new private and social commitment demanding and supporting an unparallel renewables growth to meet the requirements for a decarbonized and electrified world in which a clean, affordable and reliable energy sector is at the centre of the economy. This will inevitably lead to an unparalleled growth of renewable energy that is expected to be supported by a continued decrease in renewable's costs. EDPR has extensive experience in the sector and a track-record in delivering its targets, often ahead of schedule, and is prepared to deliver on a new and even more ambitious plan.

EDPR's new Business Plan for the 2021-25 period will be based on a strategy focused on accelerating growth, supported by the value generated by its ongoing Asset rotation strategy and performed by its proven high quality teams and efficient operations based on sustainable excellence across all ESG dimensions.

2021-25

Growth	Value	Excellence
Solid value creation, investing in quality projects with predictable cash-flow stream...	...enhanced by selling assets' stakes, crystalizing value and accelerate value creating...	...and supported by distinctive core competences and unique know-how
Cumulative build-out of which >30% already secured	Asset rotation proceeds from ongoing strategy to generate extra-value	Core Opex/MW (CAGR 2020-25):
+20 GW	**€8 bn**	**-2%**

2021

8.4 GW	**€2.6 bn**	**c.0%**
Capacity secured	Secured proceeds	Core Opex/MW[1] YoY

1 - Adjusted by Asset rotation, offshore costs (mainly cross-charged to projects' SPVs), service fees, one-offs & forex

EDPR Business model to deliver solid and ambitious growth targets through 2025 positioning to successfully lead a sector with increased worldwide relevance.

MW	Asset Rotation	Ebitda	Net profit	Core OPEX/MW
CAPACITY BUILD-OUT	LESS CAPITAL INTENSIVE	EXCEL AT OPERATIONAL RESULTS	UNLOCKING BOTTOM-LINE	EXCELLENCE IN OPERATIONS
New capacity being technology & geographical diversified	Generating extra value without increasing capital employed	From capacity additions, operating efficiency and sell-down strategy	From growth, recurrent capital gains, controlled cost of debt and solid balance sheet	Maintain Cost control through excellence and quality teams
20GW	**€8 bn**	**+7%**	**+8%**	**-2%**
>2x from 2020	Proceeds	CAGR 2020-25	CAGR 2020-25	CAGR 2020-25

2.2.1. Growth

Accelerated and selective growth is the key principle behind EDPR's investment selection process, with new projects having long-term PPAs or CfDs secured or awarded through long-term contracts under stable legal and regulatory frameworks. As presented in February 2021, EDPR plans to double its installed capacity and add 20 GW for the 2021-2025 period, of which 8.4 GW is already secured. EDPR will diversify its portfolio geographically and technologically even more, developing more wind onshore, solar, wind offshore and storage technology along with the entrance in new markets. Geographical distribution of the 20 GW will translated to 45% in North America, 35% in Europe, 15% in Latin America and 5% in Other geographies (now Asia-Pacific), while technological distribution will result in 45% additions on wind onshore, 40% in solar PV, 7% in solar DG, 5% in wind offshore and 2% in storage.

2.1.1.1 The creation of a new platform

EDPR Business Plan 2021-25 foresaw that ~5% of the overall 2021-25 investment would be directed to new markets in order to develop optionality and diversify EDPR portfolio. Key criteria when assessing new markets are having strong fundamentals, stable legal and regulatory frameworks, growth potential, large market size and visibility on low-risk contracted remuneration. APAC is one of the largest and fastest growing renewables market globally with expected additions of 120 GW/p.a. on average until 2030 (55% of global additions) and Solar will represent ~65% of these additions, split between PV and DG. Therefore, besides announcing the entrance in Vietnam through an acquisition back in June 2021, EDPR agreed to acquire Sunseap, a solar focused platform based in Singapore, with presence in 9 markets. With a total of 0.6 GW operating and under construction, Sunseap is the largest distributed solar player and top 4 largest solar player in SEA. Also, Sunseap brings a strong footprint in APAC and encompasses a best-in-class development team with demonstrated innovation and technical expertise and proven track record. With this remarkable reputation as an operator, Sunseap is fully aligned with EDPRs growth plan and within the investment contemplated for new geographies allowing EDPR to leverage on Sunseap and accelerate growth in Asia-Pacific both in Solar and Wind.

EDPR main growth market driven by PPAs secured

North America is EDPR's main growth market, with 7.0 GW installed capacity, representing more than half of EDPR total portfolio.

The US, Canada and Mexico will account for 45% of the total 20 GW targeted capacity additions.

EDPR has already secured 36% of such target. More than 3.0 GW of projects in the US, related to wind onshore projects and, regarding solar technology, EDPR already secured 1.8 GW in the US.

In 2021, EDPR also added 0.9 GW of wind onshore and 0.3 GW of solar technology in North America.

Focus on low risk Regulatory frameworks

EDPR growth in Europe is supported by identified short-term opportunities along with medium-term pipeline options and PPA appetite.

EDPR plans to add 6.7 GW in Europe, representing 35% of the total capacity to be added in the period 2021-2025.

From the 6.7 GW, **EDPR already secured c.3 GW related to wind onshore and solar PV.**

In February, EDPR entered in Hungary with a 50 MW solar project and with expected commercial operation in 2022.

In July an agreement was reached to acquire a 544 MW wind and solar onshore portfolio in the UK.

Finally, in 2021, EDPR added 0.7 GW of wind onshore in Europe.

Projects with long-term PPAs

LatAm will represent a 15% of the total capacity to be added in the 2021-2025 period.

EDPR has been active in upcoming new opportunities, namely auction and long term PPAs, given the strong fundamentals of some Latin American countries, with high growth of electricity demand, robust renewable resources and stable regulatory frameworks.

EDPR has already secured 1.2 GW in Brazil, out of which 0.4 GW will be solar, and 0.5 GW of wind in Colombia.

In May, EDPR entered the Chilean market with a 628 MW wind and solar portfolio to be commissioned between 2023 and 2025 and secured 0.2 GW of wind throughout the year.

In 2021, EDPR added 0.2 GW of solar and 0.2 GW of wind, in Brazil.

Solid platform on one of the fastest growing renewables market globally

New geographies will represent a 5% of EDPR 2021-25 growth. EDPR managed to secure 50% of such target with the agreement to acquire Sunseap, a solar focused platform based in Singapore. It has presence in 9 markets and 0.6 GW secured.

Moreover, in June, EDPR entered in Vietnam with the acquisition of a 28 MWac solar PV project in operation since Dec-2020 and with a 20-y PPA.

With this, EDPR will expand its footprint in the world, accelerating its growth in Asia-Pacific where establishes a solid platform.

Investing in offshore wind technology

Offshore wind energy is becoming an essential part of the global energy transition, leading to the market's rapid growth and increased competitiveness.

In 2019, a **Joint Venture** was announced by **EDPR and ENGIE** for worldwide offshore wind investments opportunities to bring together the industrial expertise and development capacity of both companies. EDPR and ENGIE will combine their offshore wind assets and project pipeline.

Ocean Winds has **target of 5 to 7 GW of projects in operation** or construction **and 5 to 10 GW under advanced development by 2025.**

In 2021, the 43 MW Seamade project located in Belgium, entered in operation as well as the 269 MW Moray East Project, in the UK.

Developing new technologies and business models to ensure long term renewables competitive edge and growth

NEW TECH AND BUSINESS MODELS

HYBRIDIZATION

Improve profitability and assets utilization

- Opportunities combining Solar + Wind to improve infrastructure utilization.
- 0.4 GW of hybrid projects analyzed for 2021-25.
- 0.1 GW highly competitive projects awarded in 2021 Spanish auction.

STORAGE

Strong path to address intermittency

- Deploy storage coupled with solar (first solar 200 MW + storage 40 MW to be installed in 2022 in the US).
- New unit to develop capabilities for standalone storage management (0.4 GW expected through 2025).
- Addressing client requirements.

FLOATING OFFSHORE

Differentiated business case

- Early-mover advantage and technology partner.
- First project installed in Portugal (25 MW), second project secured in France (30 MW).
- Large GW project in early stage in Korea, pipeline in Spanish and Greek islands and preparing tenders in California, France and Scotland.

REPOWERING

Increasing current assets long-term value

- Using current infrastructure and upgrade with more efficient technology.
- First repowerings successfully installed/under construction in Spain (42 MW) and in US (162 MW).
- At least additional 0.4 GW expected through 2025 (in the US taking advantage of current PTC framework).

SOLAR DG

Leverage distinctive go-to-market capabilities

- Through the agreement to acquire Sunseap, Solar DG enabled EDPR to enter a new market such as Asia Pacific where utility-scale will also play a key role.
- With the acquisition of C2, EDPR will develop the distributed generation segment, broaden competitive solutions to its customers and boost the North America platform growth potential reinforcing the company's commitment with the region.
- Enables EDPR to serve a rapidly growing market segment offering a range of new services and solutions to meet its clients' renewable energy needs.

HYDROGEN

Key role on decarbonization

- Improve renewables value creation through synergies, offering additional services and repurpose thermal assets.
- To build a growing pipeline, with 20 projects under analysis as of 2021 and 0.5 – 1.0 GW of renewables by 2025.

2.2.2. Value

EDPR ongoing Asset rotation model has been a cornerstone of EDPR's strategy and its success has been key to crystallize value upfront to redeploy and fund accretive new growth opportunities.

The Asset Rotation model relies on a combination of the cash generated from operating assets and EDPR's strategy of selling majority stakes in projects in operation or under development, along with the US Tax Equity structures to finance the profitable growth of the business. This model allows the Company to crystalize value upfront while recycling capital to reinvest in other projects.

2021-25

€19 bn	€8 bn	€11 bn
Gross Investments	Asset rotation proceeds	Net investments

Value: Ongoing Asset rotation strategy

Proceeds from selling majority stakes in operational or under development assets are also important sources of funds for the self-funding model of EDPR in financing its profitable growth. Under this strategy, EDPR sells majority stakes in projects in operation or in late stage of development, allowing the Company to recycle capital, with up-front cash flow crystallization, and create value by reinvesting proceeds in accretive growth, with the option to provide operating and maintenance services. On the top of these, the Asset rotation strategy makes visible the value creation on reported financial statements, with capital gains being booked in the income statement. EDPR value creation assumption expects to deliver c.€0.3 billion p.a. projected for 2021-25 Business Plan period. In 2021, EDPR already announced the signing of c.€2.6 billion out of the €8.0 billion of Asset rotation proceeds for 2021-25.

2.2.3. Excellence

One of the strategic pillars that has always been a cornerstone of the Company, setting it apart in the industry, is the drive to maximise the operational performance of its wind and solar plants though excellence and the experience from its quality teams. EDPR has flexibility on managing the full value chain to deliver competitive and quality projects at the highest excellence standards, while guaranteeing the compliance with the best ESG standards.

> 20 years
Experience from development through operation

>600
Parks under management by 2025

-2%
Core OPEX/MW CAGR 2020-25

Development: Competitive Projects

EDPR leverages on its local development knowledge and multi-partnership network to find and develop competitive and quality projects. The Company's second to none energy assessment track record, experienced PPA origination teams and efficient site layouts are set to maximize the output of each and every project, both operational and financial wise.

Construction: On time and on budget

EDPR's global scale provides competitive procurement over the whole portfolio. Its long-term business with top tier suppliers becomes a scarce asset nowadays, accounting with more than 20 years of relationships, it brings EDPR the best market opportunities.

The large experience in years and MW of EDPR's E&C team, leverage on agile project management, focused in deliver "On time and on budget" new projects to the portfolio.

Operations: Excellence in asset management

EDPR's unique O&M strategy has allowed the Company to increase internalization post-warranty, therefore resulting in service price reductions and flexibility to choose today on an asset by asset basis the most competitive choice between insourcing or outsourcing. During the 2021-25 Business Plan, EDPR is committed to reduce its Core Opex/ avg. MW by -2% CAGR.

Setting targets for ESG excellence throughout the value chain

100%
Biodiversity high risk facilities with action plans

€35m
Social & Access to Energy (A2E) investment

>85%
Waste recovered along the whole value chain

>75%
Sustainable purchases

Zero
Health & Safety accidents mindset

100%
Facilities certified by ISO 14001 & ISO 45001

EDPR's growth derived from the 2021-25 Business Plan will be supported by the current top-class team and reinforced by the best talent in the market, attracted by a superior value proposition offered by the Company. Accordingly, EDPR aims to double the size of its team by the end of 2025. In this context, EDPR developed a Human Resources strategy focused on three main pillars and supported by specific targets:

Attract

EDPR aims to integrate the best talent in the market, attracted by a great company culture, while fostering diversity and inclusion as a trigger for innovation.

First Choice employer

36% women in EDPR

Experience

The Company will continue to work on promoting the best experience for its team, providing tailored reward schemes and career paths and consolidating the flexibility measures offered, resulting in the retention of top talent.

Top[1] in Engagement & Enablement

>50% employees on hybrid[2] model

Develop

Relying on internal talent is a key drive for EDPR mainly accomplished by favouring development through training, functional and geographic mobility and development programs.

90% people with digital training

30% women in management

[1] Better than utilities and high performing companies
[2] Work at home for some part of the week

2.3. Risk Management

In line with EDPR's controlled risk profile, Risk Management process defines the mechanisms for measurement and management of risks and opportunities impacting the business, increasing the likelihood of the Company in achieving its financial, operational and sustainability targets, while minimising fluctuations of results.

Risk management process

EDPR's Enterprise Risk Management Process is an integrated and transversal management model that ensures the minimisation of the effects of risk on EDPR's capital and earnings, as well as the implementation of best practices of Corporate Governance and transparency.

EDPR's Enterprise Risk Management Process is inspired on Basel Committee on Banking Supervision's principles, guidelines and recommendations.

The process aligns EDPR's risk exposure with the Company's risk appetite. Risk management policies are aimed to mitigate risks, without ignoring potential opportunities, thus, optimising return versus risk exposure within predefined risk appetite limits.

Risk management is closely followed and supervised by the Audit, Control and Related Party Transactions Committee, an independent supervisory body composed of non-executive members. It is also endorsed by the Management Team, supported by the Risk Committee and implemented for investment and day-to-day decisions by all managers of the Company.

EDPR created three distinct meetings of the Risk Committee, separating discussions on execution of mitigation strategies from those on definition of new policies, in order to help decision-making:

- **Restricted Risk Committee:** Held every month, it is mainly focused on development risk and market risk from selling energy (electricity price, basis, profile, GCs and RECs). It is the forum to discuss the evolution of projects under development and construction and the execution of mitigation strategies to reduce merchant exposure. It also monitors compliance with risk thresholds defined within risk policies (market risk, counterparty risk, operational risk and country risk).
- **Financial Risk Committee:** Held every quarter, it is held to review main financial markets risks (exchange rates, interest rates and inflation), liquidity risk and credit risk to financial institutions and discuss the execution of mitigation strategies.
- **Risk Committee:** Held every quarter, it is the forum where new strategic analysis is discussed, and new policies and procedures are proposed for approval to the Management Team. Additionally, EDPR's overall risk position is reviewed, together with EBITDA@Risk and Net Income@Risk.

Risk map at EDPR

Risk Management at EDPR is focused on covering all risks of the Company. In order to have a holistic view, they are classified in five Risk Categories. Within each Risk Category, risks are classified in Risk Groups. The full description of the risks and how they are managed can be found in the Corporate Governance chapter. The graph below summarises the Risk Categories, the Risk Groups and the Risk Management mitigation strategies at EDPR.

Risk Categories		Risk Groups
Market Risks	It refers to the risk to EDPR resulting from movements in market prices. Due to the relationship between wind production and energy price, production risk is considered within market risk. In particular, market risks are changes in energy prices, energy production risk, interest rates, foreign exchange rates and other commodity prices.	• Energy Price Risk • Energy Production Risk • Commodity Price Risk • Liquidity Risk • Inflation Risk • Exchange Rate Risk • Interest Rate Risk
Counterparty Risks	Risk that counterparty to a transaction could default before final settlement of the transaction's cash flows. A direct economic loss would occur if transactions with the counterparty had positive economic value at the time of default. Even in the case of not defaulting, it may not comply with its contract obligations (timing, quality, etc.), implying additional higher costs due to its replacement or to delays in fulfilling the contract.	• Counterparty Credit Risk • Counterparty Operational Risk
Operational Risks	Defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events (such as an increase in equipment default rates, increasing O&M, or natural disasters) and ensuring Business continuity at all times.	• Development Risk • Legal Claims Risk (Compliance, Corruption, Fraud) • Execution Risk • Personnel Risk (health and safety, human rights, discrimination) • Operation Risk (Damage to Physical Assets, Equip. Performance, Environmental) • Processes Risk (including Business Continuity) • Information technologies Risk
Business Risks	Potential loss in the Company's earnings due to adverse changes in business margins. Such losses can result, above all, from a serious increase in equipment prices or changes in the regulatory environment. Changes in energy prices and energy production are considered market risks.	• Regulatory Risk (renewables) • Equipment Price Risk • Equipment Supply Risk
Strategic Risks	It refers to risks coming from macroeconomic, political, social or environmental situation in countries where EDPR is present, as well as those coming from a change in competitive landscape, from technology disruptions, from changes in energy markets or from governance decisions (investment decisions criteria, Corporate Governance and Reputational issues).	• Country Risk • Competitive Landscape Risk • Technology Disruptions Risk • Invest. Decisions Criteria Risk • Reputational Risk • Meteorological Changes • Corp. Organisation and Governance • Energy Planning

Mitigation Strategies

- Close analysis of natural hedges to define best alternatives.
- Hedge of market exposure through long term power purchase agreements (PPA) or short and medium term financial contracts.
- Natural FX hedging, with debt and revenues in sarne currency.
- Execution of FX hedging for net investment (after deducting local debt).
- Execution of FX hedging to eliminate FX transaction risk, mainly in Capex.
- Execution of interest rate hedging.
- Execution of inflation hedging.
- Alternative funding sources such as Tax equity structures and Multilateral/ Project Finance agreements.

- Counterparty exposure limits by counterparty and at EDPR level.
- Collateral requirement if limits are exceeded.
- Monitoring of compliance with internal policy.

- Supervision of suppliers by EDPR's engineering team.
- Flexible CODs in PPAs to avoid penalties.
- Partnerships with strong local teams.
- Monitor recurrent operational risks during construction and development.
- Close follow-up of O&M costs, turbine availability and failure rates.
- Insurance against physical damage and business interruption.
- Strict compliance with legal requirements and zero tolerance for discrimination, unethical behavior or fraud.
- Attractive remuneration packages and training for personnel.
- Revision and compliance with all regulations that affect EDPR activity (H&S, environmental, taxes ...).
- Control of internal procedures.
- Redundancy of servers and control centers of wind farms.

- Careful selection of energy markets based on country risk and energy market fundamentals.
- Diversification in markets and remuneration schemes.
- Diversification in technologies.
- Follow-up of regulation changes in markets where EDPR is present to adjust strategy if needed.
- Active involvement in major industry associations in all EDPR markets.
- Signing of medium-term agreements with equipment manufacturers to ensure visibility of prices and supply.
- Relying on a large base of equipment suppliers to ensure supply.

- Careful selection of countries.
- Worst case profitability analysis of every new investment considering all risks factors.
- Risk-return metrics at project and equity level
- Profitability resilience metrics.
- Consideration of stress case scenarios in the evolution of energy markets for new investment decisions.
- Follow-up of cost effectiveness of renewable technologies and potential market disruptions.

Risk analyses highlights during 2021

The increase in commodity prices during 2021 required additional analyses to assess a balanced market risk position:

- **Increase in energy prices:** EDPR had no benefit for the general increase in energy prices during 2021, as merchant energy was already sold at fixed prices. The relevant rise in prices demonstrated the asymmetry between long and short positions. Given 2021 market evolution, EDPR reassessed the optimal hedged position to account for this asymmetry and adjusted the position within 2021 and in future years.
- **Increase in commodity prices**: Metals and fuel prices significantly increased during 2021, implying an increase in Capex. Most of the projects approved at EDPR with a PPA at a fixed price had already the Capex secured. Nonetheless, EDPR Global Risk defined the methodology for a potential execution of a commodity price hedge in those projects where Capex is not secured at the moment of PPA signing.

In 2021, EDPR tested the possibility of using weather derivatives to hedge volatility of wind production at a portfolio level. Once market risk from energy prices is hedged, volume risk concentrates most of the market risk and a great portion of Net Income @Risk, hence, the interest of hedging production volumes.

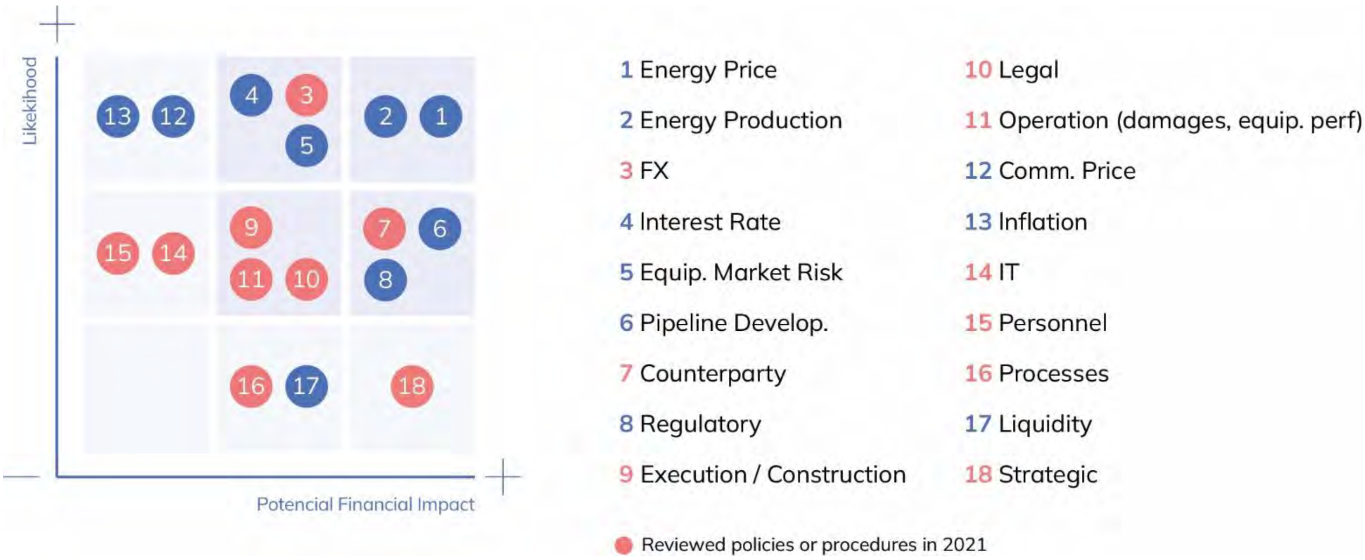
Considering that the Distributed Generation activity was added to EDPR in the North American markets within 2021, the Company performed a back testing of its Counterparty Risk Policy to assess its effectiveness and to propose some adjustments for this new activity.

During 2021, EDPR reassessed the Operational Risk of the company, executing a bottom-up analysis across all departments, as stated in EDPR's Operational Risk Policy. Following the growth of the installed capacity at EDPR in recent years, together with the planned growth within the new Business Plan 2021-25, the Operational Risk risk threshold was accordingly adjusted in EDPR's Operational Risk Policy and Enterprise Risk Management framework.

Finally, EDPR updated its view on the sustainability of Renewable Energy Sources policies in the geographies where the Company is present and in new potential geographies.

EDPR risk matrix by financial impact

EDPR Risk Matrix is a qualitative assessment of likelihood and impact of the different risk categories within the Company. It is dynamic and it depends on market conditions and future internal expectations.



EDPR ESG risks

The commitment to foster a sustainable development has been one of the core values of EDPR's strategic agenda, with clear and demanding objectives for the future. Accordingly, the Company promotes clean energy delivering superior value through a solid business model operated with the highest ESG standards. In this context, EDPR has identified five potential risk factors key to the ESG practices of the Company. The highest standards have been put in place to mitigate these risks:

- **Environmental Risk**: As stated in its Environmental Policy, EDPR seeks to prevent, correct or compensate the potential impact of its activities on the environment through a set of commitments that ensure the implementation and maintenance of an effective Environmental Management System (EMS). Following the reference provided by the international standards ISO 14001:2015 and ISO 45001:2018, EDPR merged the Environmental with the H&S management systems for a more global and efficient approach, simplifying processes and managing the potential risks of its activity. The Health, Safety and Environment Management System (HSEMS) was certified by an independent certifying organisation. More information regarding how EDPR addresses and mitigates this risk is available at the Natural Capital section of the report (subchapter 3.5.).
- **Human Resources Risk**: At EDPR, it is top priority to promote fair labour practices throughout the employees' journey in the Company by integrating the human capital aspects in planning and decision-making, optimising employment policies and labour practices and implementing its actions considering an active listening of the employees. Accordingly, EDPR strives to attract and retain talent, bringing in the right skills to address current and future business challenges while guaranteeing non-discrimination during all the selection processes, and has an Onboarding Policy for new hires detailing the process to follow when integrating a new employee in the Company. In addition, EDPR regularly implements measures and campaigns important for the employees professional and personal experience such as providing an individualised value proposition, creating top-class working conditions, supporting their wellbeing and families, fostering volunteer activities and promoting diversity and inclusion. Lastly, the growth and development of the EDPR's business leads it to invest in the employees by improving and emphasising the potential of each mainly through internal mobility, training and development actions. The Human Capital section of the report (subchapter 3.2.) and the Human Rights & Labour Practices section of the report (subchapter 3.4.2.) include further information on how EDPR addresses and mitigates this risk.
- **Health and Safety Risk**: The health, safety and wellbeing of those who contribute to EDPR's activitiesare a priority for the Company. These commitments are firmly set in the Occupational Health & Safety Policy and implemented through the Health & Safety Management System. Following the reference provided by the international standards ISO 14001:2015 and ISO 45001:2018, EDPR merged the Environmental and H&S management systems for a more global and efficient approach, simplifying processes and managing the potential risks of its activity. The HSEMS was certified by an independent certifying organisation. The Health & Safety section of the report (subchapter 3.4.1.) addresses how EDPR mitigates this risk.
- **Human Rights Risk**: EDPR has committed, through its Code of Ethics, to respect and undertake to promote Human Rights internally, in its suppliers, customers and local communities, by guiding its actions according to the Universal Declaration of Human Rights and international conventions, treaties or initiatives, such as the Conventions of the International Labour Organisation, the United Nations Global Compact and the Human Rights Council's Guiding Principles for Companies. The Human Rights & Labour Practices section of the report (subchapter 3.4.2.) includes further information on how EDPR addresses and mitigates this risk.
- **Corruption and Fraud Risk**: EDPR has implemented a Code of Ethics, an Integrity Policy and a Global Compliance Program (which includes an Integrity Compliance Program, a Criminal Compliance Program for Spain, a Global Data Compliance Program, and local Compliance Program according to regulations). The Code of Ethics, which was updated and then published earlier in the year, has its own regulation that defines a process and channel, open to all stakeholders, to report any potential claim or doubt on the application of the Code. The Ethics Ombudsperson is behind this communication channel, and is responsible for analysing and presenting to the Ethics Committee any potential ethical problem. EDPR's Integrity Policy, which implies a series of procedures regarding the relationships of EDPR employees with external parties, is available at EDPR's website and intranet, and all new hires must acknowledge the reception of the Policy when they join the Company. Lastly, EDPR has a Compliance Program with the goal of developing a robust set of policies and procedures for the Group. The Compliance Channel is also available to report any questionable practice and wrongdoing. The Integrity and Ethics section of the report (subchapter 1.3.4.) includes further information on how EDPR addresses and mitigates this risk.

The quantification of the financial impact on the Company's performance of these five ESG risk factors is included within the Operational Risk analysis. EDPR frequently evaluates the economic impact of its Operational Risk, following the guidelines of Basel III. The analysis includes the identification, estimation and mitigation of individual operational risks belonging to the short, medium and long term in all its geographies. For this purpose, EDPR takes into account present and future relevance of these risks, as well as historical data of their impact, with the help of department heads. The final results of the Operational Risk analysis are then communicated to the Management Team and shared with every department involved.

During 2021, the economic valuation of Operational Risk at EDPR was reassessed and none of the five ESG risk factors had a material financial impact on the Company's performance.

Emerging risks at EDPR

Changes in weather resources patterns at a global level caused by climate change

Academic papers have been published regarding how weather patterns have changed in recent years due to global warming and whether these changes may remain in the long run. There has been no clear conclusion, but it might imply that some regions will have weaker resources in the future, leading to drops in expected energy production, while some others will be experiencing an increase in energy production. Moreover, the deployment of a high density of windfarms and solar parks in a region, both onshore and offshore, might affect the patterns itself.

In order to mitigate this wind energy production risk, when evaluating a new investment, EDPR considers stressed changes in forecasted energy production. In addition, the geographical diversification of EDPR portfolio mitigates this potential risk.

Furthermore, an assessment based on TCFD recommendations and mapping of the main climate risks for EDPR according to transition and physical risks categorization was done to mitigate possible impacts.

Adjustment of the wholesale market design in Europe and North America to current market conditions

There is an uncertainty around the evolution of the wholesale market design in different geographies, given the current challenges being faced due to the current market conditions:

- Marginal remuneration system not adjusted to the current context of growing penetration of fixed cost technologies (renewables, backup, storage...);
- Growing penetration of technologies with 0 marginal cost, which reduces prices and increases price's volatility;
- Intermittency in generation that creates uncertainty in the generation;
- Integration of distributed generation in combination with Solar PV and storage or batteries might lead to changes in terms of reduction of demand for centralized generation due to self-consumption, leading to a decrease in prices and changes in dynamics of energy flows in the grid.

This implies that there is uncertainty around the returns of the generation, in particular as back-up capacity (relevant in a perspective of ensuring security of supply). Moreover, the volatility in the market is not suitable for long-term investments necessary to the modernization, decarbonization and security of supply.

In order to mitigate the impact of this possible change, EDPR participates in several forums, both at national and international levels, for the adoption of adequate and equate solutions for the different stakeholders; participates and searches for long-term opportunities and contracts to reduce the volatility in revenues; and promotes investments in new technologies among other initiatives.


RENEWABLE
Where innovation
and sustainability meet.

03 — EXECUTION

3.1. Financial capital

3.1.1. Operational performance

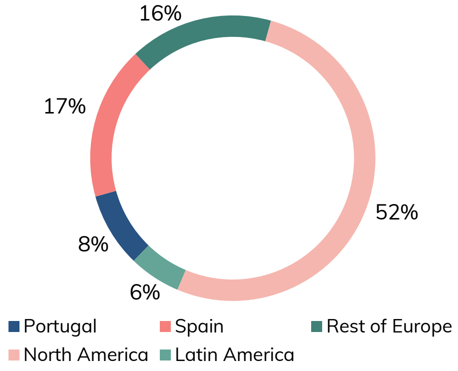
INSTALLED CAPACITY (MW)	VS. 2020				NCF			GWH		
	Dec-21	BUILT	SOLD	YOY	Dec-21	Dec-20	VAR.	Dec-21	Dec-20	YOY
EUROPE										
Spain	2,194	+56	-	+56	26%	25%	+1pp	4,979	4,346	+15%
Portugal	1,142	+135	(221)	(86)	28%	26%	+2pp	3,049	2,624	+16%
Rest of Europe	1,894	+491	-	+491	26%	26%	+1pp	3,329	3,054	+9%
France	181	+56	-	+56	24%	31%	-7pp	314	212	+48%
Belgium	11	+1	-	+1	29%	-	-	22	2	+870%
Poland	747	+272	-	+272	27%	29%	-2pp	1,176	1,059	+11%
Romania	521	-	-	-	24%	26%	-1pp	1,116	1,186	(6%)
Italy	384	+114	-	+114	26%	25%	+1pp	689	595	+16%
Greece	45	+45	-	+45	-	-	-	9	-	-
UK	5	+5	-	+5	-	-	-	4	-	-
Total	5,230	+682	(221)	+461	26%	26%	+1pp	11,357	10,024	+13%
NORTH AMERICA										
US	5,908	+1,142	(911)	+80[1]	31%	33%	-2pp	15,814	16,633	(5%)
Canada	130	+62	-	+62	28%	30%	-2pp	255	78	+228%
Mexico	400	-	-	-	41%	41%	+0.4pp	987	710	+39%
Total	6,438	+1,204	(911)	+142	31%	33%	-2pp	17,057	17,421	(2%)
LATIN AMERICA										
Brazil	795	+359	-	+359	41%	38%	+3pp	1,888	1,093	+73%
Total	795	+359	-	+359	41%	38%	+3pp	1,888	1,093	+73%
APAC										
Vietnam	28	+28	-	+28	20%	20%	-	23	-	-
Total	28	+28	-	+28	20%	20%	-	23	-	-
Total EBITDA MW	**12,490**	**+2,273**	**(1,131)**	**+990**	**29%**	**30%**	**-0.8pp**	**30,324**	**28,537**	**+6%**
EUROPE										
Spain	156	-	(11)	(11)						
Portugal	31	-	-	-						
Rest of Europe	311	+311	-	+311						
Total	498	+311	(11)	+300						
NORTH AMERICA										
US	592	-	+121	+121						
Total	592	-	+121	+121						
Total Equity MW	**1,090**	**+311**	**+110**	**+421**						
Total EBITDA + Equity MW	**13,580**	**+2,584**	**(1,022)**	**+1,411**						

[1] The YoY variation considers the decommissioning of the original 151 MW related to Blue Canyon II Repowering

EDPR continues to deliver solid selective growth

With a top-quality portfolio, EDPR has a strong track record and proven capability to execute superior projects and deliver on targets. The installed asset base of 13.6 GW is not only young, on average 9 years, it is also mostly certified in terms of environmental and health and safety standards. Since 2008, EDPR has more than tripled its installed capacity, resulting in a total installed capacity of 13,580 MW (EBITDA + Equity MW). As of the end of 2021, EDPR had 5,727 MW installed in Europe, 7,030 MW in North America, 795 MW in Latin America and 28 MW in APAC.

TOTAL CAPACITY BY REGION



2021 installations concentrated in North America and entry in a new region

During 2021 EDPR added a total of 2,584 MW, without including the 401 MW of solar that Sunseap had in operation in the APAC region by the end of the year. More specifically, EDPR added 1,769 MW of wind onshore, corresponding to 682 MW in Europe, namely 272 MW in Poland, 135 MW in Portugal, 114 MW in Italy, 56 MW in France, 56 MW in Spain, 45 MW in Greece and 5 MW in the UK, while in North America 932 MW of wind onshore were added, more precisely 870 MW in the United States and 62 MW in Canada. Finally, in Latin America, EDPR added 156 MW of wind onshore in Brazil. In terms of solar, 272 MW were added in the US, 204 MW in Brazil, and 28 MW in Vietnam, that marked EDPR entry the APAC region. Regarding offshore technology, EDPR added 311 MW of wind capacity through Ocean Winds, more precisely in Europe.

Pursuing its Asset rotation strategy, EDPR successfully concluded several Asset rotation deals. In detail, a 100% stake in a 302 MW wind project, a 80% stake in a 405 MW wind portfolio; a 80% stake in a 200 MWac solar project and a 100% stake in a 211 MW wind portfolio, all in the US and in Portugal. All in all, in 2021, EDPR consolidated portfolio net variation was of +1,411 MW.

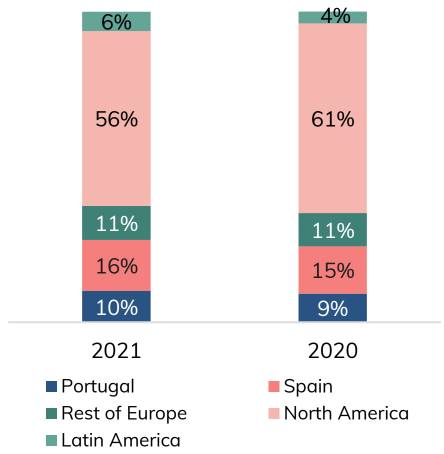
6% increase in Year on Year generation

EDPR produced 30.3 TWh (+6% YoY)of clean energy in 2021. The YoY evolution comes in line with a higher average installed capacity YoY, that more than offset the execution of EDPR's Asset rotation strategy.

In 2021, EDPR achieved a 29% load factor (vs 30% in 2020) reflecting 96% of P50 long term average GCF, following a recovery of the renewable resource in the 4Q21, where EDPR reached a 97% of P50 long term average GCF, with special emphasis in Europe, where the same metric reached 104%.

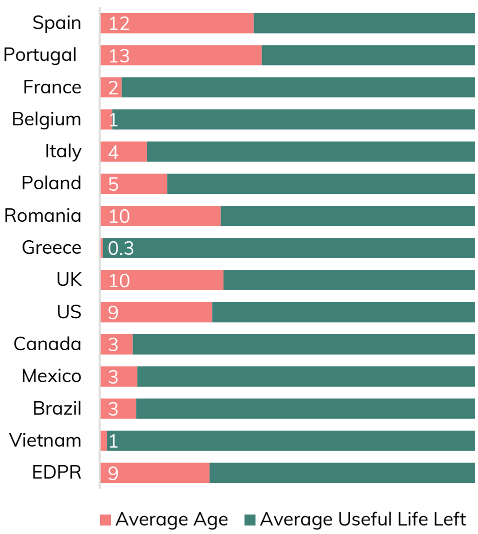
EDPR achieved a 97% availability in 2021, flat versus 97% in 2020. The company continues to leverage on its competitive advantages to maximise wind farm output and on its diversified portfolio across different geographies to minimise the wind volatility risk.

GENERATION BREAKDOWN



Solid growth and diversified portfolio delivers balanced output

ASSETS AVERAGE LIFE



EDPR's operations in Europe were a major driver for the electricity production increase in 2021, increasing +13% YoY to 11.4 TWh and representing 37% of the total output. This is mainly explained by the new capacity in operation and the better wind resource. In Europe, EDPR achieved a 26% load factor (+1pp vs 2020), with a distinct recovery in the last quarter of the year.

EDPR obtained a load factor of 26% in Spain (+1pp YoY), while in Portugal reached a load factor of 28% (+2pp YoY). On the other hand, in the Rest of Europe, EDPR accomplished a 26% load factor (-1pp YoY).

In North America, output decreased -2% YoY to 17.1 TWh, reflecting the low wind resource at 31% (-2pp vs 2020), that was mainly impacted by the one-off ERCOT event in the 1Q21. North America represented 56% of EDPR's total output in 2021.

EDPR's production in Latin America, more precisely in Brazil, increased to 1.9 TWh vs 1.1 TWh in 2020, representing a YoY increase of +73% in generation and 6% of total EDPR's generation, this is mainly explained by higher installed capacity allong with better resource where EDPR reached a 41% load factor (+3pp vs 2020).

Propelled by capacity additions in 2021, EDPR manages a portfolio of 13.6 GW

As of December 2021, EDPR had 1.8 GW of new capacity under construction, of which 1,592 MW related to wind onshore and 232 MW to solar technology. In terms of wind onshore, in Europe 412 MW were under construction, with 159 MW in Italy, 133 MW in Spain, 100 MW in Poland and 21 MW in France. In North America 320 MW were under construction, of which 96 MW corresponding to wind onshore in Mexico and 224 MW to solar in the US. In Latin America, Brazil and Colombia had 580 MW and 504 MW of wind under construction respectively, for a total of 1,084 MW under construction in the region. It is worth to mention that these numbers do not take into account the 162 MW of solar technology that Sunseap had under contruction by the end of 2021. As a result of continuous growth effort, EDPR also has a young portfolio with an average operating age of 9 years, with an estimate of over 21 years of useful life remaining to be captured.

3.1.2. Financial performance

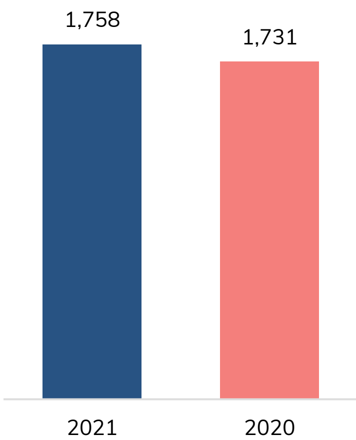
Income Statement

Revenues reached over €1.8 billion and EBITDA summed €1.8 billion.

Revenues totalled €1,758 million (+2% increase versus 2020) on the back of additional installed capacity (+€198 million versus 2020), higher average selling price excluding Sell-down (+€33 million versus 2020), partially offset by Sell-down assets deconsolidation (-€132 million versus 2020), lower wind resource (-€12 million versus 2020) along with forex translation and others (-€60 million versus 2020).

Other operating income amounted to €636 million (+€137 million versus 2020), with year on year evolution reflecting the gains (€523 million) related to Sell-down transactions closed by the end of the year in North America and Europe together with Offshore transactions, namely the stakes sold to the Offshore JV with Engie.

REVENUES (€M)



In the context of EDPR's continuous growth, Operating Costs (Opex) totalled €675 million (+19% versus 2020), given upfront costs to support expected growth over the coming years. In comparable terms, adjusted by offshore costs (mainly cross charged to projects' SPV), Sell-down assets deconsolidated, one-offs, service fees and forex, Core Opex (defined as Supplies and Services and Personnel Costs) per average MW was flat year on year.

In 2021, EBITDA summed €1,760 million (vs €1,655 million in 2020) and EBIT amounted to €1,151 million (versus €1,054 million in 2020), with Sell-down transactions having a positive impact of -€45 million in Depreciation and Amortisation along with a -€28 million extraordinary depreciation of a wind-farm (151 MW in the US) repowered during 2021 that offset the +€32 million impact from the consolidation of Viesgo assets. Net Financial Expenses decreased to €249 million (-13% versus 2020) with year on year comparison impacted by forex and TEI unwinding. At the bottom line, Net Profit summed €655 million (versus €556 million in 2020) mainly driven by the successful execution of the Sell-down strategy. Non-controlling interests in the period totalled €154 million, increasing by €27 million year on year, as a result of better overall performance.

CONSOLIDATED INCOME STATEMENT (€ MILLIONS)	2021	2020	Δ %
REVENUES	1,758	1,731	+2%
Other Operating Income	636	498	+28%
Operating Costs	(675)	(568)	+19%
Supplies and Services	(336)	(304)	+10%
Personnel Costs	(174)	(141)	+23%
Other Operating Costs	(165)	(123)	+34%
Share of Profit of Associates	41	(6)	(770%)
EBITDA	1,760	1,655	+6%
EBITDA/Revenues	*100%*	*96%*	*+5pp*
Provisions	(2)	(1)	+123%
Depreciation and Amortisation	(623)	(617)	+1%
Amortisation Government Grants	16	17	(3%)
EBIT	1,151	1,054	+9%
Financial Income/ (Expense)	(249)	(285)	(13%)
PRE-TAX PROFIT	903	769	+17%
Income Taxes	(93)	(86)	+8%
Profit of the Period	810	683	+19%
NET PROFIT (EQUITY HOLDERS OF EDPR)	655	556	+18%
Non-controlling Interests	(154)	(127)	+21%

Balance sheet

In 2021 total equity increased by €1,551 million.

Total Equity of €10.2 billion increased by €1,551 million in 2021, of which €1,710 million are attributable to reserves and retained earnings. Equity attributable to EDPR shareholders increased €100 million year on year, mainly explained by +€655 million from Net profit in the period, +€1,488 million from Capital increase, along with +€71 million of the exchange rate effects, -€742 million from variation in fair value cash flow hedges and -€77 million from dividend distributions to EDPR shareholders.

Total Liabilities increased €2,318 million year on year to €11.9 billion, explained by the increase in Institutional partnerships (+€394 million), in financial debt (+€94 million), deferred tax liabilites (+€27 million), rents due from lease contracts (+€9 million), provisions (+€9 million), and other liabilities (+€1,153 million), despite the decrease in deferred revenues from Institutional partnerships (-€67 million).

Debt-to-equity ratio stood at 116% by the end of 2021. Liabilities were mainly composed of financial debt (34%; versus 41% in 2020), liabilities related to institutional partnerships in the United States (13%; versus 12% in 2020) and accounts payable (28% versus 23% in 2020).

Liabilities to tax equity partnerships in the United States increased by €326 million to €2,260 million. Deferred revenues related to institutional partnerships primarily represent the non-economic liability associated to the tax credits already realised by the institutional investor, arising from accelerated tax depreciation, and yet to be recognised as income by EDPR throughout the remaining useful lifetime of the respective assets.

Deferred tax liabilities reflect the liabilities arising from temporary differences between the accounting and the tax basis of assets and liabilities. Accounts payables include trade suppliers, PP&E suppliers, deferred income related to investment grants received and derivative financial instruments.

As total assets summed €22.0 billion in December 2021, the equity ratio of EDPR reached 46%. Assets were 66% composed of net PP&E - property, plant and equipment representing €14.6 billion (+€1,071 million versus 2020). In detail it included +€2.5 billion of capex investments, -€0.6 billion of depreciation charges along with positive exchange differences of +€0.7 billion and -€1.6 billion coming from sales and others.

Net intangible assets of €1.6 billion mainly include €1.3 billion from goodwill registered in the books, for the most part related to acquisition of Viesgo renewable business, while accounts receivable is mainly related to loans to related parties, trade receivables, guarantees and tax receivables.

STATEMENT OF FINANCIAL POSITION (€ MILLIONS)	2021	2020	Δ €
ASSETS			
Property, Plant and Equipment, net	14,562	13,492	+1,071
Right-of-use asset	669	674	(5)
Intangible Assets and Goodwill, net	1,584	1,537	+48
Financial Investments, net	1,003	488	+515
Deferred Tax Assets	332	122	+210
Inventories	62	55	+8
Accounts Receivable - Trade, net	498	279	+219
Accounts Receivable - Other, net	1,772	999	+773
Assets Held for Sale	496	12	+484
Collateral Deposits	49	31	+18
Cash and Cash Equivalents	1,004	474	+529
Total Assets	**22,031**	**18,163**	**+3,868**
EQUITY			
Share Capital + Share Premium	6,402	4,914	+1,488
Reserves and Retained Earnings	1,710	1,878	(169)
Net Profit (Equity Holders of EDPR)	655	556	+100
Non-controlling Interests	1,408	1,276	+132
Total Equity	**10,175**	**8,624**	**+1,551**
LIABILITIES			
Financial Debt	4,041	3,947	+94
Institutional Partnerships	1,537	1,143	+394
Rents due from lease contracts	699	689	+9
Provisions	324	315	+9
Deferred Tax Liabilities	455	427	+27
Deferred Revenues from Institutional Partnerships	723	790	(67)
Other Liabilities	3,380	2,227	+1,153
Total Liabilities	**11,856**	**9,539**	**+2,317**
Total Equity & Liabilities	**22,031**	**18,163**	**+3,868**

Cash flow statement and Net debt

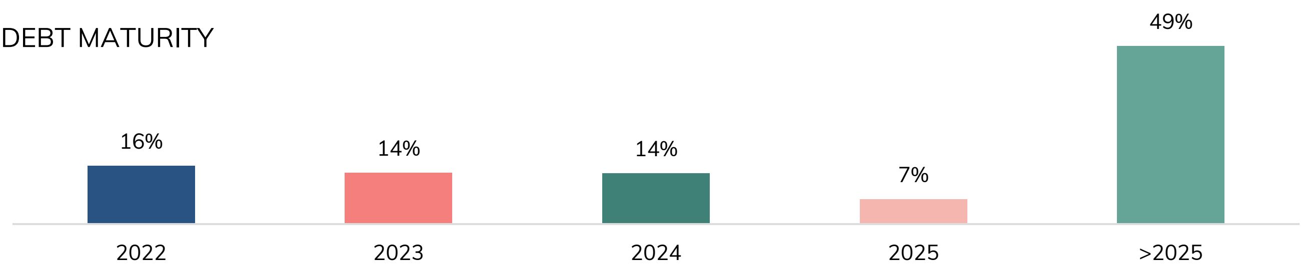
Operating cash-flow impacted by top line performance

In 2021, EDPR generated Operating Cash-flow of €1,171 million (+29% versus 2020), with year on year evolution explained by better top line performance. The key items that explain 2021 cash-flow evolution are the following:

- Funds from operations, resulting from EBITDA after net interest's expenses, share of profits of associates and current taxes, were €1,631 million (versus €1,519 million in 2020);
- Operating Cash-flow, which is the EBITDA net of income tax and adjusted by non-cash items (namely income from United States institutional partnerships) and net of changes in working capital, was €814 million (-10% versus 2020). Non-cash items include €523 million from capital gains related to the assets sold in Europe and North America along with assets sold to Ocean Winds (EDPR and Engie's Offshore JV);
- Capital expenditures with capacity additions, ongoing construction and development works totalled €2,522 million (+20% versus 2020) mainly from higher capex in North America and Europe;
- Payments to institutional partnerships totalled €84 million, contributing to the reduction of Institutional Partnership liabilities. Total net dividends and other capital distributions received totalled €1,300 million mainly due to the Capital increase operation performed during 2020. In the period, forex & others had a negative impact in Net Debt of €652 million.

CASH-FLOW (€ MILLIONS)	2021	2020	Δ %
EBITDA	1,760	1,655	+6%
Current Income Tax	(41)	(35)	+17%
Net Interest Costs	(89)	(101)	(13%)
FFO (FUNDS FROM OPERATIONS)	1,631	1,519	+7%
Net Interest Costs	89	101	(13%)
Income from Institutional Partnerships	(177)	(202)	(12%)
Share of Profit of Associates	(41)	6	-
Non-cash Items Adjustments	(493)	(439)	+12%
Changes in Working Capital	(194)	(78)	+150%
OPERATING CASH-FLOW	814	908	(10%)
Capex	(2,522)	(2,098)	+20%
Financial Desinvestments/ (Investments)	(330)	(1,093)	(70%)
Changes in Working Capital related to PP&E Suppliers	245	552	(56%)
Government Grants	-	-	n/a
NET OPERATING CASH-FLOW	(1,794)	(1,731)	+4%
Sale of Non-controlling Interests and Sell-down Strategy	1,144	950	+20%
Proceeds from Institutional Partnerships	682	305	+124%
Payments to Institutional Partnerships	(84)	(56)	+50%
Net Interest Costs (Post Capitalisation)	(89)	(101)	(13%)
Dividends Net and Other Capital Distributions	(200)	(184)	+9%
Forex & Others	(652)	178	-
DECREASE/(INCREASE) IN NET DEBT	508	(640)	-

DEBT MATURITY



As of December 2021, Net Debt totalled €2,935 million (-€508 million versus 2020) reflecting on the one hand assets cash generated and the Capital increase and on the other hand investments in the period and forex translation. Institutional Partnership Liabilities summed €1,537 million (+€394 million versus 2020), with benefits captured by the projects and tax equity partners along with a new institutional tax equity financing in the period and offset by Sell-down transaction concluded in the period.

NET DEBT + TAX EQUITY (€ MILLIONS)	2021	2020	Δ €
TOTAL NET DEBT + TAX EQUITY	4,472	4,586	(114)
Net Debt	2,935	3,443	(508)
Institutional Partnerships	1,537	1,143	+394

Europe

In 2021, Europe increased its revenues to €926 million (+12% versus 2020) due to higher production at 11.4 TWh (+13% versus 2020) with higher prices (+0.5% YoY). Net Operating costs (Operating costs net of other operating income), decreased to -€15 million, primarily explained by the increase in other operating income explained by the capital gains received from the Portuguese portfolio Sell-down in 2021. Operating costs increased +30% versus 2020 mainly due to higher average operating MW in the period. All in all, EBITDA in Europe totalled €950 million, a +11% increase versus 2020, reflecting an EBITDA margin of 103% (versus 104% in 2020).

North America

In North America, revenues decreased to €762 million in 2021 (-13% versus 2020) on the back of lower resource in period and the impact of the one-off ERCOT event in the first quarter of 2021. Net Operating costs decreased €64 million to €30 million, reflecting mainly the capital gains accounted from multiple Sell-down transaction conluded in the period that translate into a +€75 million increase in other operating income. Operating costs increased +4% versus 2020. As a consequence, North America EBITDA totalled €747 million (versus €777 million in 2020), reflecting an EBITDA margin of 98% (versus 89% in 2020).

Latin America

In Latin America, revenues increased to €68 million (versus €36 million in 2020) on the back of higher renewable resource and eletricity generation (+73% versus 2020) in Brazil. Net Operating costs increased to €19 million, due to the slightly higher operating costs due to higher average operating capacity in the period. All in all, EBITDA in Latin America totalled €49 million, versus €26 million in 2020 reflecting an EBITDA margin of 72% (versus 71% in 2020).

STATEMENTS (€ MILLIONS)	2021	2020	Δ %	2021	2020	Δ %	2021	2020	Δ %
	EUROPE			NORTH AMERICA			LATIN AMERICA		
REVENUES	926	824	+12%	762	871	(13%)	68	36	+85%
Other Operating Income	350	287	+22%	270	195	+39%	1	3	(80%)
Operating Costs	(335)	(259)	+30%	(300)	(290)	+4%	(20)	(14)	+41%
Supplies and Services	(189)	(158)	+19%	(157)	(163)	(4%)	(13)	(9)	+42%
Personnel Costs	(45)	(32)	+41%	(89)	(76)	+17%	(2)	(1)	+60%
Other Operating Costs	(101)	(68)	+48%	(54)	(50)	+8%	(4)	(3)	+31%
Share of Profit of Associates	9	4	+111%	15	(0.2)	-	-	(0.0)	(100%)
EBITDA	950	856	+11%	747	777	(4%)	49	26	+87%
EBITDA/Revenues	*103%*	*104%*	*(1pp)*	*98%*	*89%*	*+9pp*	*72%*	*71%*	*+1pp*
Provisions	(0.8)	(0.7)	+16%	(0.8)	-	n/a	0.02	(0.01)	-
Depreciation and Amortisation	(252)	(223)	+13%	(351)	(375)	(7%)	(11)	(9)	+25%
Amortisation of Government Grants	0.6	0.6	(1%)	15	16	(3%)	-	-	n/a
EBIT	698	633	+10%	411	418	(2%)	38	17	+120%

Other reporting topics

Subsequent events

Ocean Winds is awarded with exclusive rights to develop around 1 GW offshore wind project in Scotland

Madrid, January 17th 2022: EDP Renováveis, S.A. ("EDPR") is pleased to announce that Ocean Winds, the offshore JV owned by EDPR (50%) and Engie (50%), was awarded with block NE4 by the Crown Estate Scotland ("CES") in the ScotWind seabed tender.

Ocean Winds was awarded exclusive rights to develop a bottom-fixed offshore wind project of around 1 GW in block NE4, the Caledonia Offshore Wind farm ("Caledonia"), and consideration is being given to using part of the output for green hydrogen production.

Caledonia's 440 km^2 seabed area is adjacent to the existing 950 MW Moray East and c.0.9 GW Moray West offshore projects, allowing Ocean Winds to leverage on the experience and operational synergies of developing, building and operating Caledonia in conjunction with Moray East and Moray West.

The UK is among the largest offshore wind markets worldwide, having recently raised its offshore target to 40 GW by 2030. Ocean Winds continues to expand its presence and is fully committed to investing in Scotland, with Moray East 950 MW leading the way as the largest offshore wind farm in Scotland, Moray West c.0.9 GW which is shovel-ready, and now Caledonia with around 1 GW to be commissioned until the end of the decade, positioning Ocean Winds as a leader in the Scottish Offshore market and actively contributing with around 2.9 GW to reach the UK 40 GW target by 2030.

With today's announcement, EDPR increases its growth options in offshore wind in an attractive market, thereby enhancing and diversifying the company's long term profitable growth options while maintaining a balanced risk profile.

Change in Corporate Bodies

Madrid, January 17th 2022: EDP Renováveis, S.A. ("EDPR") informs that the Company has received the resignation of Mrs. Joan Avalyn Dempsey as independent member of EDPR's Board of Directors.

EDPR would like to thank Mrs. Joan Avalyn Dempsey for all her dedication and contribution to the success of the Company.

The Company will start the process to identify and propose the best possible candidates in order to fill this vacancy at EDPR's Board of Directors.

Information on average payment terms to suppliers

In 2021, total payments made from Spanish companies to suppliers amounted to €123,843 thousand with an average payment period of 42 days, below the payment period stipulated by law of 60 days.

Own shares

As of December 2021, EDPR did not hold own shares and no transactions were made during the year.

3.2. Human Capital

Key Data

2,150 Employees

WITH A GROWTH OF (comparing with last year)

+24%

32% Women

36 Nationalities

99.7% Permanent employees

38 Average age

GENERATIONS
- 8% Babyboomers generation
- 26% Generation X
- 53% Millenials
- 13% Generation Z

Highlights

During recent times, which were highly marked by the pandemic, EDPR team's commitment and capacity to adapt by working together while apart allowed the Company to keep achieving and surpassing its ambitious goals while always putting health and wellbeing first.

Following the outbreak of the COVID-19 crisis, and as a responsible company, EDPR quickly took measures to minimise the conditions for the virus to spread, focusing on people's health and keeping essential services in operation. During the first nine months of 2021, employees continued to have the option to work from home during the five days of the week, and after October they gradually returned to the facilities according to a Reopening Plan with geographical specifications, which inclyded a remote work model, guaranteeing the highest health and safety standards for all and complying with legal and space limitations.

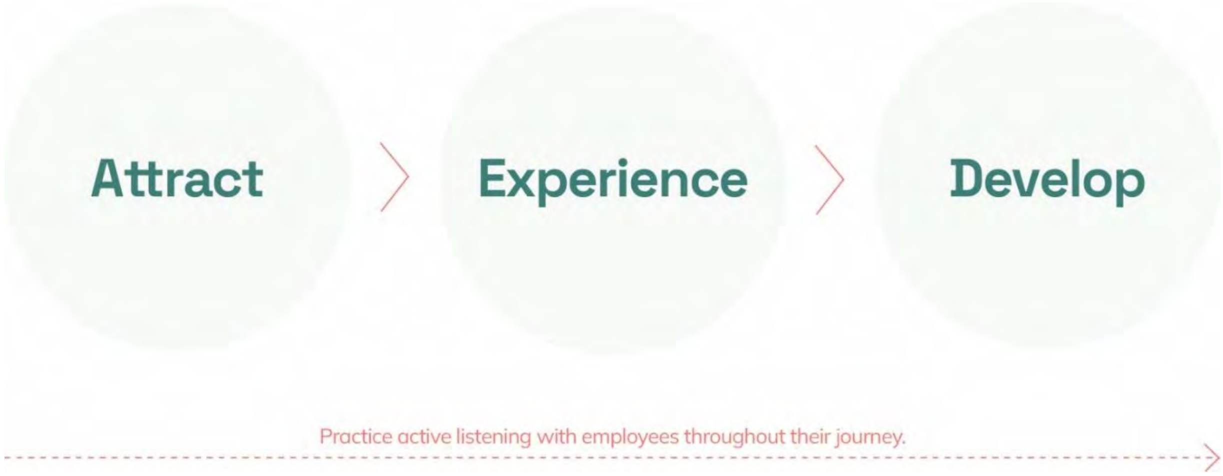
Even during the global crisis, EDPR was able to continue hiring and maintain the promotions, mobilities and training sessions, adapting the processes to the current situation.

Employee journey

A customised value proposition is offered to employees throughout their journey in EDPR, which allows them to join a multinational team and grow along with it. EDPR believes that motivated workforce aligned with the company's strategy is one of the key drivers behind the ability to deliver positive results. In this sense, EDPR bases its Human Resources policies on the Business Plan goals and implements its actions considering an active listening of the employees.

During 2021, a Climate Survey was launched, in which 95% of the employees participated. The levels of EDPR employees' enablement were of 73% of favourability (comparing to 76% in the last survey) and 79% of favourability regarding engagement (83% in the previous survey). In spite of the slight decrease when comparing with last year, the Company remains above pre-pandemic numbers and is also above current Utilities and General Industry indicators.

EDPR constinuosly works to provide excellent conditions for its employees, to grow and develop talent at all levels, and to optimise its employment policies and labour practices. As a result, EDPR has been recognised by the Top Employers Institute as one of the best companies to work for in Europe in 2021 for the third consecutive year and, at a local level, in Spain, France, Italy, Portugal, Poland and Romania. The Company was also recognised as a 2021 Top Workplace in the United States. These certifications endorse EDPR as one of the best companies to work at thanks to the journey it offers its employees. The main actions carried out by EDPR during 2021 in this sense are detailed in this chapter.



Attract

Attracting talent

EDPR aims to be a long-term market leader in the renewable energy sector and is aware that its team is key to achieve this. Therefore, the Company is continuously striving to attract talent, bringing in the right skills and profiles to address current and future business challenges, and retain professionals who seek to excel in their work.

In EDPR, non-discrimination and equal opportunities are guaranteed during all the selection processes. This is reflected in its Code of Ethics, which contains specific clauses on non-discrimination and equal opportunities, in line with the Company's culture of diversity and inclusion and the respect for human and labour rights.

During 2021, EDPR implemented different talent attraction initiatives to strengthen its image as a leading employer:

- **Pool of Engineers Program:** EDPR selects exceptional junior engineers for Tech profiles and different academic backgrounds to join and be an active part of one of the most compelling junior engineer programs in the market. Through the program, EDPR gives new talents the tools to develop themselves professionally and personally, having the chance to know and influence different technical areas, including a tailor-made training program. During the 24 month program, junior engineers have the opportunity to complete two rotations in EDPR in different technical areas. The current pool of 5 engineers completed their first rotation in February 2021, immediately assuming their new position in the second rotation to complete their technical training in order to assume the final assigned position by February 2022.
- **Job Fairs:** In 2021, EDPR attended 28 job fairs from the most relevant Universities and Business Schools worldwide with an assistance of more than 19,000 students.
- **LinkedIn:** The platform is a main source of Recruitment, covering up to 61% of the Corporate positions hired in 2021.

Integrating the team

Onboarding plays a critical role in a new hire's success and happiness, and builds relationships that are important to job satisfaction and performance. Aware of this, EDPR has an Onboarding Policy for new hires which details the process and measures to follow when integrating a new employee in the Company.

One of the measures detailed in EDPR's Policy is to prepare a meeting with an HR buddy in the employee's first day. In addition, some new hires have the opportunity to have breakfast with the CEO, a meeting where employees get to introduce themselves personally and ask the Company's CEO some questions, while also giving the leader some insight from the team. This year, both these meetings were done through interactive video sessions.

Also as a part of its Onboarding Policy, EDPR holds an annual Welcome Day event, which is exclusively for new employees. Welcome Day is focused on improving the integration and networking of the new members of the team and includes some short presentations from different business areas of the Company for an introduction on the Company's functioning. In addition, the CEO usually gives a welcome speech to the new employees and participates in a Q&A session, which helps the participants to know and better understand the Company's strategy. In 2021, the event was done online with an attendance of 113 new hires. In addition, EDPR shares a monthly newsletter to its employees where all the new hires' names, occupation and country of work are included, fostering their integration.

During 2021, EDPR welcomed 652 team members (+48% than in 2020), of whom 35% are women. There were 23 nationalities among the new hires, and their average age was 34 years old. 97% of the new employees correspond to levels of Specialists and Technicians, of which 83% have an University degree or above. 99,7% of the hires were allocated in permanent positions, and 140 internships were carried out during 2021.

Experience

EDPR strives every day to create an environment of trust and professionalism among its team. To this end, it regularly implements activities, measures and campaigns that are important for the professional and personal development of employees, by offering an individualised value proposition with working conditions that allow employees to grow and thrive, helping their wellbeing and that of their families, supporting volunteer activities and promoting diversity and inclusion.

Individualisation

Part of EDPR value proposition is a competitive remuneration package aligned with the best practices in the market. EDPR's Compensation Package includes (i) an Annual Base Salary and (ii) a Variable Pay depending on the achievements of the Area, Company KPIs and an Individual Global Assessment of the employee, and also an (iii) above market practice benefits package such as Health Insurance or Pension Plan. The remuneration package is not static, which means that it evolves at the same pace as the business and employees' needs and concerns.

In line with the above, in 2021 a Recognition Program has been created for all EDPR employees, in which the dedication to their work and to the Company is valued. This program is not linked to the performance management process, and it consists of circulating different emails whose purpose is to recognise each employee as a person, as a worker, and as an important team member of the Company.

Flexibility

Throughout 2021, both physical and mental health were once again a global priority. Accordingly, EDPR implements several initiatives focused on family, time, and health, offering its team a wide range of benefits that reinforce the Company's position as a flexible workplace with work-life balance policies; it also encourages an efficient use of time in employees' daily tasks to reconcile their professional and personal life while still achieving excellent results. As a result, EDPR's work-life balance practices have earned it the EFR Certification (Empresa Familiarmente Responsable) for ten years, awarded by the Spanish *Fundación MásFamilia*. In 2021, EDPR maintained the level of excellence in this certification obtained in 2020, which recognises the Company's efforts to reconcile professional and personal life, excellence and flexibility. To achieve this continuously, EDPR is committed to constantly improve the initiatives implemented, which will enable it to provide the most progressive and appropriate benefits to employees.

During the year, EDPR launched the *Flex-Movement*, an initiative to simplify flexibility measures and improve the conditions necessary to make EDPR a dynamic and innovative growth-based company. In this context, the Company was able to successfully kick-off the remote work strategy approved the previous year, in which employees are able to work remotely 2 days a week, where feasible. EDPR believes that remote work is crucial to improve flexibility, work-life balance and the overall wellbeing of its team while remaining productive. In addition, the Company has a wellness platform to further develop a culture of wellness and encourage healthy habits. The aim of the programs promoted by the platform is to create a culture where employees choose to voluntarily adopt healthy habits by sharing their experiences, form support networks to facilitate the process and motivate each other. In 2021, a virtual gym was included in the platform. EDPR also shared in its intranet several tips on health, wellbeing and remote work throughout the year. To raise awareness on mental health in particular, EDPR launched the *Mind Your Mind* campaign in October, which promoted educational talks with specialists, employees and other key stakeholders on how to approach the topic, especially in the current social context.

Also in 2021, EDPR introduced the *Golden Rules* initiative to provide guidelines for its employees on topics such as respecting routines, best practices when communicating through email and tips for organising their daily schedule. Later, together with the implementation of the new hybrid working model, the *Golden Rules 2.0* was created, which is an adaptation of the previous initiative to a new reality in which there are some employees working from home and others working at the office at the same time. By following these recommendations, people can be more efficient with their time and promote each other's wellbeing.

Furthermore, EDPR has a volunteer program addressed to its employees in order to promote social responsibility, giving them the opportunity to grow not only at work but also personally while also contributing to the society. As a result, EDPR employees are given 4 hours a month to dedicate to volunteering initiatives.

Diversity, Equity and Inclusion

EDPR incorporates the principles of diversity, equity and inclusion in its values and practices, as it is aware that a diverse team brings together different perspectives and knowledge, as well as representing different sources of talent. In particular, EDPR's goal is to contribute to improving the quality of life of its employees, removing professional barriers and promoting gender equality, in order to ensure a transparent workplace environment where mutual respect and equal opportunities prevail. In accordance, EDPR has a Diversity, Equity and Inclusion Committee to promote its commitment to these fundamental principles. The main objectives of the Committee are to reflect EDPR's strategy on diversity, equity and inclusion, including the definition and development of initiatives that contribute to a global action plan and local action plans, and to foster the exchange of knowledge and best practices. However, as a responsible company, EDPR's goal is to actively promote these values in its team.

In this context, EDPR celebrated the Diversity Month in May, during which an e-learning on Unconscious Bias was launched at EDP Group level, an online training course designed to address underlying attitudes that we sometimes unconsciously adopt in our day-to-day decisions. The Company believes that with the right tools and knowledge, we will be able to have a truly inclusive culture and a more sustainable future.

In addition, EDPR joined the "Empowering Women's Talent" program for the development of female talent promoted by *Equipos & Talento*. The program helps companies to learn, share, communicate and inspire about gender diversity, with the aim of promoting female empowerment and leadership. This reflects the Company’s committment to promote and recognise the work of women, especially those who develop careers in STEM (Science, Technology, Engineering and Mathematics), since one of its most relevant challenges is to attract, develop and retain female talent, especially in the technical area.

As a result of its commitment and practices, EDPR was featured for the second consecutive year in the Bloomberg Gender-Equality Index (GEI) in early 2021, a benchmark index that selects the listed companies most involved in the development of gender equality in the world. EDPR's inclusion as part of this index highlights the Company's work to promote equal opportunities for women through development, representation and transparency policies.

EDPR is dedicated to continuously fostering a culture founded on human equality and the strength in diversity, and will continue to lead by example. The Company upholds its commitment to Diversity, Equity & Inclusion not only through words, but through actions that truly make a positive impact on people.

Develop

People are EDPR’s most important asset. In this sense, EDPR is committed to the development of its employees, offering them an attractive professional career and aligning their capabilities and skills with the current and future needs of the company. The growth and development of the Company's business leads EDPR to invest in the employees by discovering, improving and emphasising the potential of each mainly through internal mobility, training and development actions.

Mobility

EDPR considers both functional and geographical mobility as a tool that contributes to the organisational development by stimulating employees’ motivation, skills, productivity, personal fulfilment and fostering the share of best practices. The mobility processes within EDPR aim to respond to the different challenges and needs of the Company, considering the characteristics of the different geographies. In 2021 there were 74 mobility processes, 53 of which functional, 11 geographical and 10 both functional and geographical.

Training

EDPR offers job-specific ongoing training opportunities to contribute to the learning, the improvement of knowledge and skills, as well as specific development programs aligned with the Company's strategy. The 360 potential appraisal process is created for all employees with the goal of defining each person’s training needs along with their manager, which is then used to define a customised Training Plan. The annual Training Plan is based on a catalogue of programs that is constantly evolving and is aligned with the Company’s challenges and new markets. The key aspect about the courses offered is that they usually contain subjects to promote the development of skills needed to ensure the sustainability of EDPR's business. Moreover, the networking and the share of best practices foster innovation and improve performance.

During 2021, EDPR delivered a total of 66,571 training hours throughout 4,588 sessions that included 57,900 participants. This translates into an average of 33.8 hours of training per employee and results in 97,9% of EDPR's team receiving training. Having already fully adapted the training activities due to the COVID-19 pandemic, EDPR has consolidated both the redesign and modification of training contents and sessions to virtual, e-learning or remote formats. This effort allowed to maintain and even increase the training provided when comparing with previous years, increasing the training courses delivered in e-learning, live webinars or other non-synchronous including game-based training (a total of 84% of training hours or 97% of the attendances were delivered in online methodology). Therefore, EDPR highlights Digitalisation as one of the main training drivers that helped to accelerate and consolidate during 2021 as a result of the methodologies and by contents increasingly delivered on topics such as Collaborative Tools (Microsoft 365 suite), Agile methodologies, Data Analyse tools, Digital Transformation, Cybersecurity, SMART business, IoT, Cloud or Artificial Intelligence.

Knowledge management

EDPR is aware of the importance of Knowledge as a valuable asset within the business and in employees' development. Thus, EDPR is boosting LINK as a knowledge platform, increasing the number of areas, domains and curated documents with valuable content captured and shared across the organisation(encouraging the access to a new recommended document each week), to help its employees learn from the past to face future challenges and move the Company forward. During 2021, EDPR organised a total of 13 sessions of *40fiveminutes*, an online initiative to easily share main business insights in a friendly and informal way to those employees who sign up to the sessions.

Becoming a Learning Organisation implies a strong knowledge sharing mindset, so EDPR strives to improve the use of knowledge by regularly distributing customised relevant documents or events, working to adapt to new ways of learning and to all the generations present in the Company, and by establishing a hybrid work model.

Development

In order to support the Company's growth and to align the current and future needs of the organisation with the skills of employees, as well as boost their professional growth, EDPR has designed different development programs that allow employees acquire the right tools to take on new responsibilities and adapt to new challenges:

- The **Lead Now Program** aims to support middle managers in their role as team leaders. As a result, participants have the possibility to self-assess their management style, improve the skills they need, and get to know the role they play in the different HR processes at EDPR, as well as the IT and H&S systems that can help them develop their role. Through online sessions, three editions were delivered to 38 employees in 2021 in Europe and LatAm, and other three in North America in which 43 employees participated. In addition, during the summer and in order to complement the Lead Now program, six remote leadership Webinars were held for managers, with the goal of helping them adapt to a new reality in which their teams work remotely, which can be challenging.
- The **Executive Development Program** is an advanced training with a similar philosophy of an MBA in which the main objective is to develop the vision, skills and management capabilities required to meet the many and diverse challenges that EDPR professionals have to face. In 2021, the Company had 30 employees selected for this program, which started in May and ends in January of 2022. It is focused on different topics, such as Economic Outlook, Strategic Vision, Operational Excellence, Financial Management, Communication and Leadership, among others.
- The **Management and Leadership Essentials Program** (MLE) aims to develop the group of Power Plant Managers in Europe and Brazil, by upskilling a traditionally technical profile at EDPR with the development of management and leadership skills. The program, which was recognised and awarded with the Cegos and E&T 2021 Award for Best Practices in the Development and Learning Category, had 107 participants in 7 different countries throughout its course, in collaboration with an external partner that provided 7 local consultants who conducted the online program in the local language. Each participant was able to complete a total of 50 hours distributed in two modules that took place in 2020 and 2021, in addition to individual e-coaching sessions as part of the program.

3.3. Supply Chain Capital

EDPR's market leadership, based in value creation capacity, innovation and relationship with its stakeholders, is much influenced by the performance of its suppliers.

Technical excellence together with sustainability is the basis of EDPR relationship with suppliers. This results in close collaboration, joint capacity to innovate, strengthen the sustainability practices and improve the quality of the Company's operations.

Key Data

+5,000

suppliers contribute to EDPR's success

Total invoiced volume

Suppliers in EU&BR: **46%**[1]

Suppliers in NA: **54%**[1]

94%[2]

local purchases at country level

EDPR's supply chain

EDPR has a strong and permanent interaction with its supply chain, in particular with the strategic suppliers understood as WTG (Wind Turbine Generator) & Solar Panels manufacturers and suppliers, Balance of Plant (BOP) and Operation and Maintenance (O&M) contractors. Those suppliers contribute in a meaningful and visible way to the value of EDPR core activities – construction and operation of wind farms and solar plants. This close relationship allows EDPR to benefit from all the new technical solutions and innovations available on the market to maximise the value creation in the projects worldwide.

High quality and sustainable procurement

EDPR's procurement process is developed within the framework of the Procurement Policy, which extends to EDPR's both direct and indirect suppliers, and from which the most relevant aspects for EDPR regarding the supply chain's high quality and sustainability are established: development of activities that promote the sharing of the best sustainability practices in EDPR purchases; contribution to the growth and profitability of the business through the promotion of initiatives for the progress and continuous improvement of the supply chain; systematic monitoring of suppliers' performance and risk profile; dissemination and implementation of EDPR's sustainability policies (Environmental and H&S policies and Code of Ethics) in the acquisition of goods and services and involvement and empowerment of all actors in the supply chain.

Implementation of the Procurement Policy leads to a better control in the suppliers' management process, assuring EDPR values are respected, product quality is high and risks are minimised.

EDPR has in place requirements related to Sustainability, Quality and Risk management that have to be met by its suppliers throughout the main procurement phases: registration and qualification, contracting and, lastly, the monitoring and evaluation of the suppliers.

[1] Weight of each platform on the total invoiced volume in 2021
[2] EDPR defines spending in local suppliers at a country level as purchases to suppliers in countries where EDPR is present divided by the total invoiced volume in 2021

Registration and qualification

The registration process is an indispensable requirement for any company who intends to become a supplier or apply for a qualification process issued by EDPR. The Corporate System of Supplier Registration of the Company works as the support to search and select suppliers by providing detailed information, validated and updated by credible sources in order to guarantee their accreditation through financial, technical quality and sustainability criteria.

EDPR has a Supplier Qualification Process in place since 2020. The main goal of this process is to provide a more thorough analysis on critical topics such as technical capabilities, health and safety, environment and ethics, and to establish highly standardised minimum requirements to ensure that the suppliers with whom EDPR conducts business are qualified. All parameters of the Qualification system are periodically reviewed and reassessed by EDPR to guarantee that supply chain performance remains on the high quality level required.

The qualified suppliers are then included in a Suppliers Qualification List and are able to participate in the EDPR bidding and contracting processes.

Contracting

The incorporation of adequate criteria in the bidding and contracting processes of the company is essential to ensure the management and mitigation of operational risks in the supply chain. In Europe & Brazil, EDPR has a Suppliers Sustainability Guide in place for both construction and O&M operations, providing an overview of the sustainability requirements EDPR expects its suppliers to meet. The guide includes H&S, environmental and ethical requirements such as compliance with applicable regulations, policies, internal norms, procedures and systems in place. In addition, EDPR has implemented a process that classifies suppliers according to their H&S and environmental risks. The classification serves as an input in the selection of suppliers during the bidding phase. Based on the individual values obtained in this classification, suppliers may be excluded from the bidding process. If the supplier wants to be re-considered or participate in new processes, an action plan to solve the identified issues has to be presented and EDPR shall approve the action plan proposal.

Adequate compliance by all EDPR suppliers with applicable H&S and environmental requirement is essential to guarantee the correct performance of the contracted services and works. Aiming to ensure that suppliers comply with these requirements, the Company has established a disciplinary and sanctioning regime, which is included in all requests for proposal, contracts and purchase orders so any provider will be always informed about the consequences of not complying with EDPR H&S and environmental requirements.

In parallel, financial capacity of the suppliers and their insurance policy are evaluated according to the EDPR's Credit-in procedure that defines the requirements to ensure the compliance with EDPR's Counterparty Risk Policy and the proper follow-up of active guarantees. EDPR Counterparty Risk Policy sets the methodology and process to measure counterparty risk of new contracts, monitor counterparty risk of existing contracts, define in which moments and situations it should be used and establish guidelines and mitigation instruments to reduce counterparty risk when they exceed established limits.

Monitoring and evaluation

In order to guarantee that the suppliers comply with the previously mentioned requirements, EDPR monitors strategic suppliers during their services delivery.

EDPR performs internal inspections during the construction and operation phases to monitor the suppliers performance regarding environmental and H&S aspects and to identify potential risks. In 2021, EDPR performed 1,742 inspections (+38% than in 2020) to 271 suppliers (+74% YoY) regarding EHS procedures. As a result of these inspections, the Company identifies corrective actions needed and establishes an action plan for continuous improvement. Furthermore, EDPR hires an external party for additional supervision in these areas. These processes are reinforced by the integrated Health and Safety and Environmental Management System, which was developed and externally certified according to international standards ISO 45001 and ISO 14001.

Moreover, since 2020, EDPR has a Third Party Integrity Due Diligence Procedure which was approved with the goal to reinforce the mechanisms for identifying and preventing possible integrity or corruption risks for EDPR in the relationship with third parties. In this sense, during 2021, 397 Compliance analysis of third parties were performed (closed Integrity Due Diligence Analysis). In addition, an internal tool has been developed to facilitate the management of the Integrity Due Diligence analyses. In cases with high risk, it is necessary the approval of the Management Team, and the inclusion of robust clauses related to corruption in the corresponding agreements is recommended.

3.4. Social Capital

EDPR believes it is indispensable to contribute to the development of the society respecting both human and labour rights and creating value in different ways, for different people. With this in mind, the Company is guided by three key social responsibility principles: guarantee the highest health and safety standards, respect human and labour rights in the whole value chain and, lastly, support communities.

3.4.1. Guarantee the highest health & safety standards

The health and safety of those who contribute to EDPR's activities is a key value and a priority for its success. Consequently, the Company aims to promote and build on a positive safety culture in which every employee, service provider and supplier is engaged. According to its Code of Ethics, EDPR undertakes to give priority to the employees and suppliers' safety, health and wellbeing and to ensure the development of appropriate occupational health and safety management systems. The commitment to guarantee the welfare of employees and contractors is further supported by EDPR's Occupational Health and Safety Policy.

EDPR team's commitment and capacity to adapt by working together while apart allowed the Company to keep achieving and surpassing its goals, leading to the development of a more ambitious 2021-2025 Business Plan. In line with the new Business Plan, the Company added 1,411 MW during 2021 and had 1.8 GW of capacity under construction as of Dec-21 (does not include 401 MW of installed capacity and 162 MW of under construction capacity as of Dec-21 relating to Sunseap acquisition). This growth is consistent with the increase of worked hours (+44% YoY) which, in turn, is reflected on the number of work-related injuries. During 2021, EDPR registered 38 work-related accidents that resulted in lost workdays for employees and contractors (+58% YoY). One of these accidents was fatal and the investigation carried out considered that the working methods and resources used did not in themselves represent a factor that contributed to the occurrence of the accident. The injury and the lost day rate were 2.1 work accidents per million hours worked and 84[1] days lost due to work accident per million hours worked, respectively.

However, EDPR continuously works to improve these ratios and to bring awareness to the best H&S practices. This is reinforced by the integrated Health & Safety and Environmental Management System, which was developed and certified according to international standards ISO 45001 and ISO 14001 for a more global and efficient approach, simplifying processes and managing the potential risks of its activity. The HSEMS, where synergies play a fundamental role, was implemented and jointly certified by an independent certifying organisation. The implementation of this integrated system allows for better management and prevention of accidents, with the objective of zero accidents overall. The commitment to health & safety is further supported through the ISO 45001 certification, which covers 100%[2] of EDPR's installed capacity by the end of 2021.

The COVID-19 pandemic resulted in a new way of living and working through strengthened H&S measures, adaption of work arrangements, and management of stress and other psychosocial risks. Following the initial outbreak of the pandemic, EDPR implemented a Response Plan, quickly taking measures to minimise the conditions for the virus to spread, focusing on people's health and keeping essential services in operation. During the first nine months of 2021, employees continued to have the option to work from home during the five days of the week, and after October they gradually returned to the facilities according to a Reopening Plan with geographical specifications, which inclyded a remote work model, guaranteeing the highest health and safety standards for all and complying with legal and space limitations.

During 2021, both physical and mental health were once again a global priority. Accordingly, EDPR implements several initiatives focusing on employees' health and wellbeing. For example, the Company has a wellness platform to further develop a culture of wellness and encourage healthy habits. The aim of the programs promoted by the platform is to create a culture where employees choose to voluntarily adopt healthy habits by sharing their experiences, form support networks to facilitate the process and motivate each other. In 2021, a virtual gym was included in the platform. EDPR also shared in its intranet several tips on health, wellbeing and remote work throughout the year. To raise awareness on mental health in particular, EDPR launched the *Mind Your Mind* campaign in October, which promoted educational talks with specialists, employees and other key stakeholders on how to approach the topic, especially in the current social context.

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[1] Adjusted severity rate excluding the lost days derived from accidents in 2020 (non-adjusted severity rate: 132)
[2] Calculation based on 2020YE installed capacity (EBITDA MWs). EDPR certifies the facilities the year after the COD (commercial operating date). Thus, the facilities that have entered into operation in 2021 will be certified in 2022

3.4.2. Respect human and labour rights

The EDP Group follows a framework of integral respect for human and labour rights and, at the same time, of active promotion of universal human values. These commitments are established in the Human and Labour Rights Policy, which was published in 2021. This Policy, which is an update the EDP Group's Declaration of Respect for Human and Labor Rights, is articulated with the Code of Ethics, the Stakeholder Relationship Policy and the Supplier's Code of Conduct. The Policy has a prescriptive nature, identifies the references, norms and international conventions to which it is submitted, establishes the strategic principles, specifies the principles of action, assigns responsibilities, defines obligations and management bodies. The Policy details the operational commitments, the way of working, the complaint channels and the communication and training obligations. In particular, the Policy establishes Due Diligence procedures, implementing the Ruggie methodology.

At EDPR, there's a commitment to integrate the social aspects in planning and decision-making and to guarantee responsible operations throughout the whole lifecycle of its business. As a result, EDPR undertakes to respect and foster due respect for these practices within the Company and in its supply chain, as well as to provide dignified working conditions for all.

For the Company, it is a top priority to promote human rights and fair labour practices across the entire value chain. EDPR respects and undertakes to promote Human Rights internally, in its suppliers, customers and the communities where it operates, namely in indigenous communities, by guiding its actions according to the Universal Declaration of Human Rights and international conventions, treaties or initiatives, such as the Conventions of the International Labour Organisation, the United Nations Global Compact and the Human Rights Council's Guiding Principles for Companies. This is reflected in EDPR's Code of Ethics, which contains specific clauses regarding non-discrimination and equal opportunities, in line with the Company's culture of diversity and respect for human and labour rights. The Code is not an isolated feature – it belongs to an Ethics framework that includes functional units, specific regulations, monitoring and accountability for our ethical performance, along with training, awareness-raising and capacity building for employees, service providers and suppliers.

EDPR requires its suppliers and service providers to comply with their ethical standards. In this way, the alignment with the spirit of EDPR's Code of Ethics is required. Moreover, the Sustainable Procurement Policy references the promotion of respect for dignity and human rights, and the rejection of any form of forced labour or child labour, harassment, discrimination, abuse or other types of physical or psychological violence.

In addition, as stated in its Code of Ethics, EDPR promotes a culture free from any sort of harassment, understanding this to be systematically undesired behaviour of a moral or sexual nature, in a verbal, non-verbal or physical form, which has the goal or effect of disturbing or embarrassing another person, or affecting their dignity or creating an intimidating, hostile, degrading, humiliating or destabilizing environment. Harassing forms of behaviour in a business context violate the victims' labour rights, and may affect their value as people and workers, causing harm that can have an impact on their self-esteem, physical and mental health, life project and family relationships. Therefore, in addition to the legal obligations to which EDPR is subject to, the Code of Ethics also states that it is the duty of all employees to prevent, confront and report any and all behaviour that may preclude a situation of har-assment. In this regard, the Code of Ethics has its own regulation that defines a process and channel, open to all stake-holders, to report any potential claim or doubt on the application of the Code.

An Ethics Channel is available for the communication of any breach of the Code related to the matters of human rights or labour practices, including those in the context of the supply chain. The Ethics Ombudsman receives ethical-related complaints, investigates and documents the procedure for each of them. A preliminary report is then submitted to the Ethics Committee, whose main goal is to ensure compliance with the Code of Ethics within EDPR.

3.4.3. Supporting communities

The Company believes that besides excelling in the way it performs, there must be a main factor weighing in every action or activity EDPR does – people. The Company considers that in order to have a positive impact on society, it is vital to work for the common good by promoting and supporting social investment activities.

In 2021, following a strategic reflection on social investment at EDP Group level, the new strategy for social investment reinforces two major topics - Fair Energy Transition, and Culture - having defined concrete objectives for the allocation of social investment to each of these themes.

- The **Fair Energy Transition** theme, which englobes social investment activities such as Closer2You, Keep it Local, Wind Experts and Your Energy, aims to promote energy efficiency, renewable energy and decarbonization through increased awareness, supporting education on renewable energy for all. This thematic focus is greatly aligned with EDPR's business and therefore also promotes a more efficient use of the Company's skills, thus contributing to supporting communities in a more efficient manner.
- The **Culture** theme, which englobes EDPR's Powering Culture initiative, contributes to the protection and promotion of cultural heritage, local traditions and access to culture and art, contributing to a more vibrant and creative society.

In parallel, and recognising the need to continue supporting projects that respond to other social needs of the communities where EDPR is present, the Company will maintain its investment in various topics such as health, social inclusion and response to emergency situations, among others.

In this context, and as an integral part of the communities where it operates and as stated in its Code of Ethics, EDPR undertakes to maintain a relationship of proximity with the local communities engaging in regular and open dialogue, seeking to know their needs, respecting their cultural integrity and looking to contribute to improve the living conditions of local population, taking measures to consider and respect the community interests. Therefore, in line with its social investment strategy and the communities' needs and expectations, EDPR has defined a Catalogue of Activities that works as a tool for defining the social investment made in local communities. Nevertheless, in addition to the development of social activities, EDPR provides long-lasting economic benefits to the surrounding areas that include, but are not limited to, infrastructure investments, tax payments, landowners' royalty payments and job creation.

However, as a responsible company, EDPR works to promote the wellbeing and development of not only the communities where it operates but also of society in general, focusing on the people who contribute to the success of the Company's business and how society may benefit from it. Specifically, as a global leader in the renewable energy sector, EDPR defined a clear strategy for promoting Access to Energy (A2E): to provide clean energy in developing countries based on energy efficiency and decentralised renewable energy solutions, promoting the sustainable development of communities involved.

Access to renewable energy makes the difference for people not connected to the electricity grid not only by providing sustainable energy services but also by enabling improvement on health and education conditions, job creation and new economic activities. Moreover, the use of clean energies and the promotion of energy efficiency has a positive impact on the environment. In 2018, EDPR purchased a stake in SolarWorks!, a company engaged in the marketing of decentralised solar energy solutions for off-grid domestic and business customers in Mozambique. The acquisition of the €2.2 million minority stake was an important step in the group's strategy for universal access to sustainable energy. In 2019, EDPR reinforced its strategy to promote universal access to sustainable energy by investing $2.9 million in Rensource, a company that develops and manages decentralised solar energy systems, to support its expansion in Nigeria. The investment, which was the result of a financing initiative completed by EDPR and other international investors, allowed EDPR to participate in Africa's largest market and to bring sustainable, low-cost energy solutions to more communities. The Company believes that the A2E initiative powerfully contributes to make EDPR's vision of a sustainable, safe and healthy world a reality.

The objective of supporting communities is fully supported by the Company's new and more ambitious 2021-25 Business Plan, in which EDPR commits to contribute to the decarbonization of the economy by promoting clean energy while operating in a sustainable way across the three ESG dimensions. Within the new Business Plan, one of the targets set by EDPR is to invest €7 million per year in social investment and A2E.

During 2021, EDPR invested a total of €6.6 million in supporting communities, of which €4.8 million are related to A2E and €1.7 million are a result of activities such as internally developed and collaborative initiatives, donations to charitable organisations and volunteering activities. 17% of EDPR employees participated in volunteering initiatives, contributing with more than 900 hours of their time to the development and wellbeing of the society.

3.5 Natural Capital

Wind and solar power are two of the most environmentally friendly ways of producing energy and actively contribute to the decarbonization of the economy. Even though EDPR's business inherently implies a positive impact on the environment, the company continues to work on a daily basis to hold itself to a higher standard. Accordingly, promoting clean energy while operating in a sustainable way across the three ESG dimensions is one of the key messages of the new 2021-2025 Business Plan, which includes three specific targets related to the environmental performance of the Company.

2021-25 Business Plan Targets		Development	Construction
20 GW Gross additions	**Climate Change**	As a clean energy company, EDPR is strongly committed to the protection of the climate by stepping-up to the challenge of the decarbonization of the economy. By producing renewable energy, EDPR is contributing to the world's fight against climate change. During the development phase, EDPR's teams of highly experienced and qualified developers start by locating sites with quality renewable resource (wind or solar) with nearby electricity transmission lines.	EDPR aims to be a reference in the industry for building the most cost competitive, safe and efficient wind farms and solar plants in order to generate clean energy and help protect the climate. The Procurement, Engineering and Construction teams from EDPR are well equipped to select the best wind turbines and solar panel systems based on each project's specifics. The Company also uses in-house expertise to design the best sites, and assure top-class engineering and construction standards.
85% Recovery rate for waste generated in the whole value chain	**Circular Economy**	EDPR carries out environmental viability studies to detect the environmental constraints and to ensure the best location of the project. It is key in this phase to have a circular economy approach to guarantee respect for the environment and to ensure a efficient use of natural resources in the following phases. It is also the phase to select and contract suppliers that prioritise materials and products with a high proportion of recyclable materials or a high possibility of recycling at the end of their useful life.	The construction phase is essential for circularity of the The Company, which promotes the efficient use of natural resources in the value chain, in particular by minimizing the use of resources, by maximizing the recovery of resources and its reintroduction into the economy as by-products. EDPR is working on gathering waste generation data for its sites in construction.
100% Facilities with high biodiversity risk with action plans defined	**Biodiversity**	The potential environmental impacts of each project are assessed in detail in the Environmental Impact Studies and other specific studies, and are always performed by professional external experts. These studies evaluate the potential impacts that a project may have on biodiversity aspects such as fauna, flora, soil, air and water bodies, among others. During 2021, EDPR invested more than 3 million euros in Environmental Impact Studies of its projects in the development phase.	The construction process is closely followed by EDPR, who works to minimise potential impacts or disturbances and ensure proper restoration of the land once the works finish. In 2021, EDPR finished the land restoration of four projects after construction works, restoring 98% of the hectares that were vegetally affected by the projects. In addition, EDPR implemented ecosystem enhancements at a solar farm in the US through installation of pollinator-friendly long-term vegetative cover throughout the site.

Beyond the emissions related to the operation phase, from a life cycle point of view, others shall be considered (manufacture of components, transport, construction...).

EDPR's Environmental Policy, updated during 2021, assumes specific commitments to the mitigation of climate change, promotion of circular economy and biodiversity protection. The policy reflects EDPR's approach of complementing its business strategy with a proactive and responsible environmental management along the entire value chain. As stated in its Environmental Policy, EDPR seeks to prevent, correct or compensate the potential impact of its activities on the environment through commitments that ensure the implementation and maintenance of an effective Environmental Management System. The integrated Health & Safety and Environmental Management System, which was developed and certified according to international standards ISO 45001 and ISO 14001 for a more global and efficient approach, simplifying processes and managing the potential risks of its activity, was implemented and certified by an independent certifying organisation. By the end of the 2021, the ISO 14001 certification covers 100%[1] of EDPR's installed capacity.

Operation

EDPR produces renewable energy, which inherently implies the reduction of GHG emissions. Wind and solar energy have zero carbon emissions and do not produce harmful SOx, NOx or mercury emissions, protecting valuable air and water resources and contributing to the world's fight against climate change. During 2021, EDPR's operations avoided the emission of 18.3 million tons of CO_2. The CO_2 emissions related to EDPR's activities represent 0.2% of the total amount of emissions avoided.

EDPR promotes a culture of rational use of resources. Thus, the Company encourages the recovery of waste rather than disposal through recycling and other means. Accordingly, EDPR recovered 80%[2] of the waste generated during operations. However, the waste is not directly linked to the generation process. Most of it is related to the turbines' operation & maintenance and the rest is originated in the offices.

In addition, generation from wind and solar energy does not consume water in its operational processes.

In order to guarantee that the suppliers comply with environmental requirements during construction and O&M, EDPR has an environmental monitoring plan implemented by an external party. Within this framework, EDPR performs internal inspections to monitor the suppliers environmental performance, which includes biodiversity related indicators.

In 2021, EDPR performed 1,246 inspections to 186 suppliers on their environmental procedures during the construction and operation of the Company's projects.

Dismantling / Repowering

Both due to efficiency or end of life, wind turbines and solar panels are assessed and replaced. One of the solutions implemented by EDPR is repowering the wind farm, which implies reducing the overall number of wind turbines and replacing them with more efficient ones. This results in a net increase of power generated, reduced land area per MW and, due to the use of more modern wind turbines, a better integration with the grid and reduced noise pollution, while also maximizing the production of clean energy.

The main waste generated in this phase are dismantled turbines, which are c.80%-90%[3] recyclable. EDPR participates in several initiatives to find a solution for the remaining percentage and encourage circular economy.

In this context, in the Corme wind farm in Spain which was repowered in 2021, EDPR was able to recycle 77% of the wind turbines, and sold the other 23% (in weight). In addition, 95% of all 219 dismantled blades at the Blue Canyon II repowering project the US were recycled.

Even though EDPR works to minimise any impact on the land surrounding its facilities, the Company commits to clean up and rehabilitate the sites to return the area to its initial state.

In this context, EDPR restored 100% of the vegetal cover affected by the repowering of the Corme wind farm in Spain that took place in 2021.

EDPR wind farms with a projected life span of 30 years will pay back its life cycle energy consumption in less than a year', meaning, more than 29 years of a wind farm's life will be producing clean energy.

[1] Calculation based on 2020YE installed capacity EBITDA. EDPR certifies the facilities the year after the COD (commercial operating date). Thus, the facilities that have entered into operation in 2021 will be certified in 2022; [2] Excluding non-recurrent events; [3] According to the life cycle assessments of our main turbine suppliers.

3.6. Digital Capital

The digital journey is a never-ending transformation given the rapid evolution of Technology and its big impact on the Business and the People.

Accordingly, digital transformation is one of EDPR's strategic pillars for the coming years, as we must continue to improve our digital capabilities to stay competitive with our peers as we continue to grow. EDPR's digital strategy involves not just the use of new technologies, but also upskilling and reskilling people to use these technologies, along with a clear definition of the processes that will change from physical to digital.

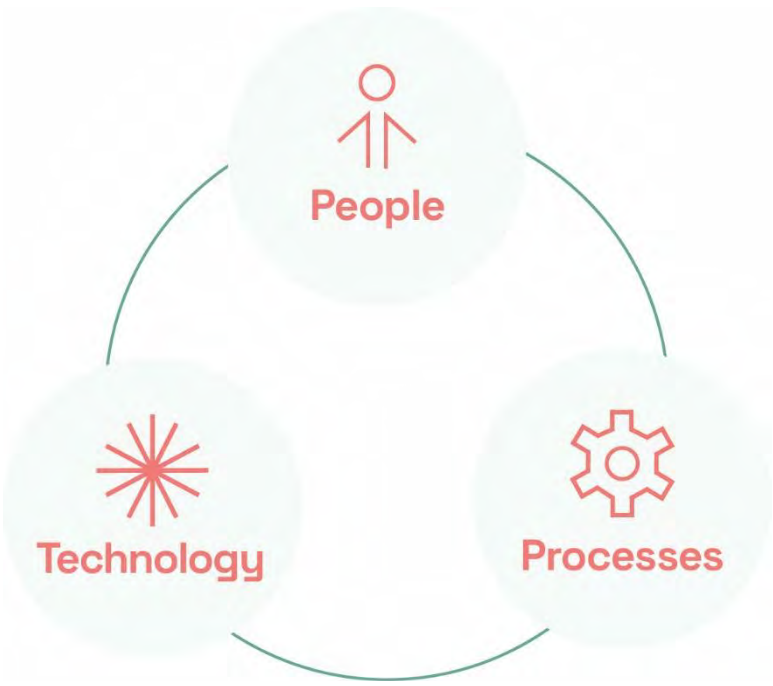
In this context, "digitalise" is one of the action verbs of EDPR, that includes a very significant number of innovative projects with the same purpose: "Business transformation" and "Business culture".

During 2021, different initiatives have been deployed towards having a holistic approach to digital within EDPR. As such, a Digital Transformation Committee was formally created to sponsor and enable digital transformation as a competitive advantage for EDPR. The Committee is sponsored directly by the Management Team and the 3 main areas that were designated Boosters (People, Process, Technology). The boosters have as main responsibilities the day to day support and monitor of the digital initiatives taking place, to facilitate the adoption of digital trends as Robotics & Automation, Analytics & Big Data, AR/ VR, Blockchain, Digital Platforms, IA and Mobile and to boost the Digital Culture and mindset within the Company.

The DTC (Digital Transformation Committee) also has the contribution of all the main core areas with the role of Enablers. Areas such as Asset Operations or Engineering and Construction that contribute to identify the main pain points, generate needs and ideas and help to implement/promote the solutions in areas that have a real impact on the core areas of EDPR Value Chain.

Additionally, a multidisciplinary team, the Digital Accelerator, has been created. This team is working with the existing EDPR Boosters and is contributing to achieve the ambitious metrics that EDPR has towards Digital Transformation, bringing a new approach to problem-solving involving the business in ideation, planning and implementation of new solutions.

Throughout the year, EDPR invested €12 million in Digital projects and obtained a score of 4.05 on a scale of 1 to 5 in the "IDC Digital Maturity Index" (compared to 3.48 achieved last year). EDPR is now a Digital Transformer according to the scale of the index, comparing to a Digital Player from last year's result. The "Digital Maturity Index" is an internal evaluation that fosters the continuous improvement mindset in EDPR. In 2021, the followed model was established by IDC, "The Future Enterprise", based in five pillars: 1) Leadership at scale; 2) Empathy at scale; 3) Work model at scale; 4) Resilience at scale; 5) Insight at scale.



Technology

The focus of digitalisation is seen as the way to achieve the necessary capacity to adapt in new contexts and to maximise operational efficiency (characterised by a high-level performance, in a global community).

EDPR participated in different typologies of IT/OT projects adapting it to the different business challenges specific needs and level of maturity, to ensure that initiatives are accordingly followed with the best practices of architecture and security:

- "Quick-wins" (small proof of concept; up to 2 months)
- "mVP" (minimum Viable Products; from 3 to 6 months)
- "Boost" (corporate transversal projects; from 6 months to 1 year)
- "Core teams IT projects" (projects or products to support the operation of business units and is included all operation, maintenance and technological evolution of applications and infrastructure such as Big Data; Outsystems Products)

In 2021, EDPR participated in 9 mVP's, 1 "boost" to edpON, and the main "Core teams IT" projects were essentially in the O&M area namely with the EDPR Mobility Program that support organisation needs, promoting the team's agility and improving productivity (Web & App UX front end to manage the main processes related with plant maintenance).

EDPR, with the collaboration of DGU (Digital Global Unit), launched an mVP Digital 1:1 with the purpose of bringing digital to all the users and allowing the Group to follow and monitor all the digital initiatives and KPI's. EDPR is the pilot of this corporate tool launched by the end of 2021, and during 2022 the tool will be expanded to all the remaining companies.

The continuous reinforcement of Agile methodology within IT teams working closely with the business areas represented a very significant boost in new ways of working, adding design thinking culture to a growing communication between teams and a promptly deploy of new tools and added functionalities.

Moreover, Cybersecurity is increasing and it is one of the main points for the operational business and strategic information definition of the Company. The BitSight rating is focused on the organisation's cybersecurity risk, with less elasticity. By the end of 2021, EDPR maintained the rating of "Advanced" with 792 points, exceeding the Group KPI of 740.

Technology

9
mVP

70,000
Core IT Development & Maintenance

1
Boost

BIG DATA:
- Benchmarking of market strategeis
- Operational data analytical

Cloudready

Agile Methodology

BITSIGHT SECURITY RATING IN DEC. 2021

Advanced (792 in 900)

Processes

EDPR is focused on ensuring that business processes are clear, efficient, aligned with business needs, and known to all stakeholders. As such, EDPR's Process Map is based on the EDPR Value Chain and critical processes are aligned towards meeting key business objectives. In 2021, efforts were focused on assessing the state of digitalisation across EDPR's Value Chain. A "digital start" exercise was performed where EDPR identified over 40 critical digital priorities.

In addition, EDPR continued with its existing programs to fast-track digital transformation at the Company:

- With more than 273 initiatives, the Plan for Optimisation of Administrative Processes (POPA) program continues into its second year of automating and streamlining administrative processes.
- The use of digital process technology was a priority and an important step to provide digitalisation in support of knowledge work. Moreover, this technology is key to accelerate digitalisation of processes. In 2021, EDPR teams created approximately 165,000 digital records across the Company's 140 tools. New developments include a recently implemented development milestone tracker, retrofit campaign process manager, and invoice validation console to streamline Accounts Payable workflows.
- The increasing evolution of Robotic Process Automation (RPA) technology represents an important milestone at EDPR. In 2021, RPA was adopted across 81 participating departments to increase efficiency, reduce new headcount requirements, and support profitable growth. This technology is performing many of the repetitive tasks that would have previously fallen on multiple employees across a variety of departments. Currently, 309 different automations are in place throughout EDPR, and in 2021 these automations performed tasks that would have taken employees an estimated 166,000 hours to do on their own, enabling employees to focus on activities that are more valuable.

The value generated from Business Process Management (BPM), Business Intelligence Tools (BI) and Robotic Process Automation programs (RPA), through hours saved and cost avoidance, amounted to €11.6 million in 2021.

RPA

309
Total RPA
vs 201 in 2020

166,000
Saved hours
vs 89,000 in 2020

81
Number of departments

BPM & BI

165,000
Records created

140
Digital tools

201
User stories completed

People

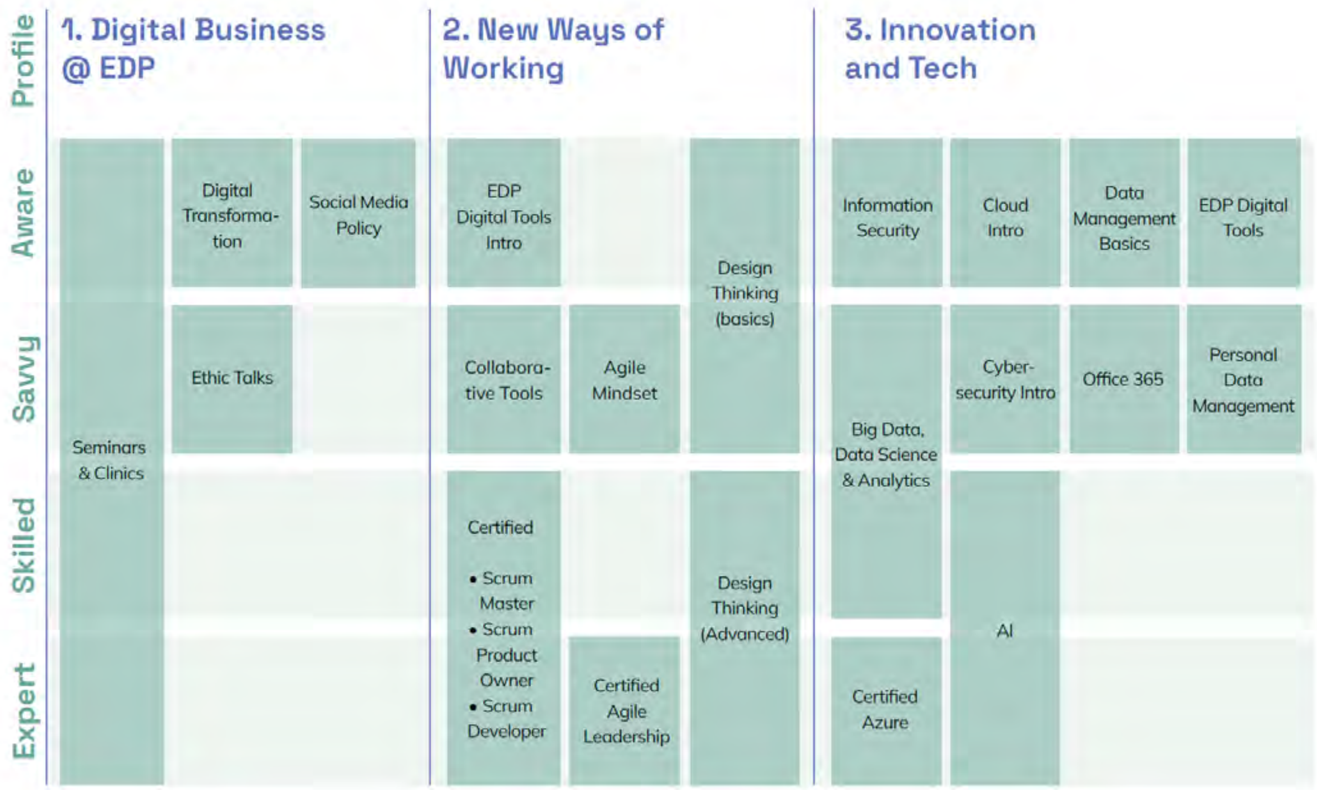
Every change in culture must start with people, and when talking about Digital Transformation it implies a change in our mindset to become more digital. Digital transformation only takes place if the people with the necessary skills are involved in the process.

Following the training roadmap initiated in 2019 on Digital Upskills, in 2021 different initiatives have been launched towards empowering people in this Digital Transformation Process. "Digital Upskills" is an initiative implemented in 2020, based on the monitoring of digital skills and know-how of employees. The intention is to reinforce an increasingly digital culture and to give new capacities in this phenomenon that is constantly changing. These initiatives are based on the 70-20-10 development methodology, so the roadmap includes not only training moments (10), but also learning initiatives through knowledge sharing and relationship development (20), as well as through on-the-job experiences (70).

During 2021, EDPR delivered 6,146 training hours in digital courses (9.2% of the total training hours) with 14,772 attendances (25.5% of the total), highlighting ongoing digitalisation initiatives on Cybersecurity (such as a specific TechSeries webinar), collaborative tools within the O365 suite, Agile methodologies, Data Analysis tools, Digital Transformation, SMART business, IoT, Cloud, Artificial Intelligence and other cutting-edge topics). In addition, digital contents were another important pillar of the digital skills transformation: new resources coming from eLearning solutions, recorded webinars conducted internally by employees or the consolidation of the UDEMY for Business portfolio with over 5,000 online courses added to the learning offer at EDPR. At the end of 2021, 83.2% of the employees received training in digitalisation during the year.

EDPR maintains the discussion during regular meetings in the Digital Transformation Committee composed by the main stakeholders in this field and lead by the CEO, whose main objective is to foster digital skills or mindset as part of the Digital culture and promote collaborative skills to work more efficiently, and the automation or robotisation of tasks and processes as part of the digital transformation path.

Employee involvement is considered key in this process and therefore the Digital Transformation strategy is focused on people. The three drivers included in this strategy (digital mindset, digital environment, and digital roles/skills) aim at extending the Digital Mindset throughout the Company. The digital training roadmap is planned to be delivered across three pillars, considering different profiles and background of employees:



New initiatives are expected to be launched regularly in order to reinforce and ensure that a digital culture is spreading all over the Company and that everyone is on board with the changes that will happen across the business.

3.7. Innovation Capital

Technical innovation is one of the hallmarks of EDPR. The Company's history is built on the continuous searching of new trends and solutions in energy production to meet its stakeholders expectations. Accordingly, EDPR develops projects within the framework of its two main strategic pillars for Innovation: Cleaner Energy focused on sustainable power generation, and Energy Storage & Flexibility to ensure a smoother transition to an energy mix system.

CLEANER ENERGY

WIND

Repowering

Both due to efficiency or to end of life, wind turbines and solar panels are assessed and replaced. With the aim of improving the service life of its wind farms, EDPR is continuously seeking to improve the technologies that will help it to do so. One of the solutions implemented by EDPR is repowering the wind farm, which implies reducing the overall number of wind turbines and replacing them with more efficient ones. This results in a net increase of power generated, reduced land area per MW and, due to the use of more modern wind turbines, a better integration with the grid and reduced noise pollution, while also maximizing the production of clean energy.

In 2021, EDPR repowered its Corme wind farm in Spain and the Blue Canyon II wind Farm in the US, representing a critical step toward extending the longevity and efficiency of the its projects.

EDPR anticipates that the repowering procedure will create an annual increase of more than 30 percent in the project's power production and will extend the project's life an additional 20 to 30 years. In addition, 77% (in weight) of the turbines in Corme and 95% of all 219 dismantled blades in Blue Canyon II were recycled.

Digital wind turbine twins

EDPR Technology is exploring the digitisation of wind farms using digital twinning techniques to monitor asset reliability and operate for a longer lifetime than current industry standards. To this end, 200 MW are being tested.

SOLAR

PV module technologies benchmark @PV TECH LAB (in Évora, Portugal)

New PV module testbed showcasing the most promising technologies of this decade. The structure consists of a fixed-tilt rack with front and rear side irradiance monitoring, on which five module technologies will be installed: P-PERC, SHJ, Shingled, CdTe, and Pk/c-Si tandems.

Hybrid Power Plants

EDPR, as part of its R&D strategy, boosts efforts to offer sustainable energy solutions that meet the increasing need to balance energy supply with grid demand.

Hybrid power plants combine various sources of power generation and energy storage to accentuate the positive aspects and address the challenges of a specific generation type, in order to produce power that is more affordable, reliable, and sustainable.

EDPR's commitment to innovation and new technologies has made it a leader in the renewable energy sector. Currently, the Company continues to take advantage of all expertise obtained since the start of its inception to ensure more efficient solutions, more attractive returns and a more sustainable future. As a result, EDPR engages in projects that englobe wind energy, solar energy, energy storage plants, floating offshore wind farms, green hydrogen and hybrid power plants.

CLEANER ENERGY

HYDROGEN

Green hydrogen

EDPR has established in 2021 a dedicated hydrogen business unit (H2BU), aiming to support investments targeting 250 MW of electrolysis capacity by 2025 and 1500 MW by 2030.

To achieve this ambition, the H2BU is promoting the development of renewable hydrogen projects at different scales, ranging from large centralized production hubs (~100 MW electrolysis capacity) to small-scale self-consumption units (1-10 MW electrolysis capacity).

The GreenH2Atlantic, a 100 MW project in the closed Sines coal power plant, is a flagship project being developed. The project aims to demonstrate the ability to produce renewable hydrogen at competitive prices, having been one of only three projects selected by the European Commission for funding under the Green Deal call.

The establishment of partnerships is also a key priority, with EDPR valuing the collaboration with different types of stakeholders to combine expertise and share risks. One example of such collaborations is with Repsol, which foresees the joint development or co-investment in renewable hydrogen projects in Iberia.

ENERGY STORAGE & FLEXIBILITY

BATTERY STORAGE

Energy Battery Storage

EDPR has been working on different projects to improve battery life, improving and maximising battery life in order to obtain the highest possible efficiency, allowing to get more potential out of them.

BESS (Battery Energy Storage System) State-of-Health modelling & monitoring

EDPR Technology team is working on the development of software and hardware tools to enable better analysis of the SOH (State of Health) of lithium-ion batteries. SOH is a key parameter that determines the remaining capacity (Ah) of a battery cell as a function of the degradation experienced by both cyclic degradation and lifetime. Thus, through an accurate characterisation of the SOH, optimisation of the complete lifetime of a BESS project (from design/sizing to operations/maintenance) can be achieved.

As a complementary activity, modelling is also extended to the other components of a BESS, mainly the Power Conversion System (PCS). The PCS acts as the connecting element between the DC component and the AC interface. The PCS is of vital importance to extract the full potential of a BESS as a provider of key and novel applications for the grid (RES integration, grid formation, etc.). Different power conversion system topologies for grid integration of lithium-ion batteries are analysed and modelled in order to assess their capabilities with respect to each of these applications.

3.8 Sustainable Development Goals

EDPR supplies affordable & clean energy while mitigating the climate change...

EDPR is a global leader in the sector of renewable energy and one of the world's largest wind energy producer, ending the year with 13.6 GW of installed capacity. In 2021, the Company generated 30.3 TWh of clean energy, a cost-effective way to fight climate change.

Wind and solar power are two of the most environmentally friendly ways of producing energy. EDPR's business inherently implies the reduction of GHG emissions and therefore has a positive impact on the environment. In 2021, EDPR's activities avoided the emission of 18.3 million tons of CO_2.

...impacting positively on communities & fostering innovative infrastructures & circular economy...

EDPR works to promote the wellbeing and development of the communities where it operates and of society in general. In 2021, EDPR invested €6.6 million in supporting communities, of which €4.8 million are related to A2E and €1.7 million are a result of activities such as internally developed and collaborative initiatives, donations to charitable organisations and volunteering activities.

Innovation is part of EDPR's day-to-day reality. The Company is focused on the more disruptive technologies of the industry and is committed to foster innovative solutions throughout its entire value chain. In 2021, EDPR centred on promoting digital skills and 83% of its employees participated in digitalisation trainings.

Even though EDPR is in the renewable energy business, it goes beyond its commitment with sustainability by fostering a culture of responsible operations and circular economy. In 2021, EDPR recovered 80% of total waste generated and 95% of hazardous waste generated.

...ensuring decent work, gender equality & preservation of the environment.

EDPR continuously works to provide excellent conditions for its employees, grow and develop talent at all levels and optimise its employment policies and labour practices. As a result, EDPR has been recognised as a Top Employer in Europe for the third consecutive year, and as a Top Workplace in the US.

In 2021, EDPR was featured for the second consecutive year in the Bloomberg Gender-Equality Index. The Company's inclusion in this index highlights EDPR's work to promote equal opportunities for women through development, representation and transparency policies

EDPR's business is its best contribution to reduce biodiversity loss. Nevertheless, the Company's commitment to contribute to the protection of biodiversity leads to an active role in the conservation of wildlife surrounding its facilities. In 2021, EDPR finished the land restoration of five projects after both construction and repowering works, restoring 99.7% of the hectares that were vegetally affected by the project.


GREEN
Giving energy transition
the right color.

04 — SUSTAINABILITY

4.1. Materiality assessment

The macro-economic context, where the challenges of sustainability are increasing, summing up with the diversity of EDPR's stakeholders, results in a large and complex list of important issues, which must be prioritised according to its relevance and significance. An issue is considered material when it influences the decision, the action and the performance of an organisation and its stakeholders.

4.1.1. Background and objectives

EDPR's material issues were identified and the results achieved supported the preparation of this Annual Report, as reflected in the Company's management strategy and, in particular, in its agenda for sustainability.

4.1.2. Methodology

The methodology adopted is based on the Accountability Standards and the information is collected corporately and within each business units as well.

Materiality is acquired by the interception of the issues identified by stakeholders with the importance given internally by the business. The topics identified by the Company are prioritised according to the frequency with which they appear in the different categories analysed.

Relevance for society

The relevance for society is determined by the importance/impact of a specific theme from an external perspective to the Company, designated as society perspective. Therefore, the society vision reflects the vision idea/concept of the several stakeholder groups that have influence on or are influenced by EDPR's activities. This vision must be achieved through sources that ensure independence from the Company to collect, on most cases, external data.

In parallel, the establishment of a society perspective is also supported by documents, analysis and international/national specific studies that allow a broad outlook on the emerging trends in the sustainability area. Consequently, the Company considers that the vision of the several stakeholders reflects the vision of society, thus allowing the assessment of the expectations outside EDPR.

Relevance for business

The vision of the business is obtained through the evaluation of the importance/impact of a specific theme from an internal perspective to the Company. This vision is originated from the analysis of the defined business strategic goals as these depict the current positioning and concerns of EDPR and reflect the future vision of the business. In 2019, EDPR defined a new strategic plan until 2022 and, thus, the material issues for the Company in which this assessment was based were updated accordingly.

Results

The materiality matrix describes visually and promptly the most sensitive and impacting themes by comparing the relevance to society with the relevance to the business. The critical and sensitive themes for EDPR, obtained from the analysis of the materiality matrix, allows the Company to drive the strategy and support the decision-making process as well as to focus the report of information based on shared interests between EDPR and stakeholders, facilitating the relationship between them.

Materiality matrix

Note 1: Environmental management includes biodiversity, waste management and spills.
Note 2: EDPR reports environmental indicators from EBITDA sites the year after their COD (commercial operating date), when the trial period is over and the data is significant. Thus, the environmental indicators of sites that have entered into operation in 2021 will be included in the 2022 report.

EDPR did not identify the following topics as material:

- Water: Generation from wind energy does not consume water in its operational processes. The water is consumed mainly for human use.
- Light pollution: EDPR activities do not have a material impact in light pollution.
- Raw materials: EDPR core business does not consume raw materials.
- Food waste: EDPR activities do not have a material impact in food waste.

4.2. Climate Change

For information regarding GRI 103 – Management Approach for this material topic, please refer to section Selective Growth of the chapter Strategy and to section Operational Performance of the chapter Execution.

GRI EU1 – Installed capacity, broken down by primary energy source and by regulatory regime

INSTALLED CAPACITY	UN	2021	2020	Δ YoY
EUROPE				
Spain	MW	2,349	2,304	+45
Portugal	MW	1,162	1,258	(96)
Rest of Europe	MW	2,216	1,403	+813
Total	MW	5,727	4,966	+761
NORTH AMERICA				
US	MW	6,500	6,299	+201
Canada	MW	130	68	+62
Mexico	MW	400	400	-
Total	MW	7,030	6,766	+263
LATIN AMERICA				
Brazil	MW	795	436	+359
Total	MW	795	436	+359
APAC				
Vietnam	MW	28	-	+28
Total	MW	28	-	+28
GRAND TOTAL	**MW**	**13,580**	**12,168**	**+1,411**

Note: The reported data includes EBITDA and Equity MWs.

As of December 2021, EDPR's operational portfolio totalled 13.6 GW, of which 5.7 GW in Europe (including 2.3 GW in Spain, 1.2 GW in Portugal and 2.2 GW in Rest of Europe), 7 GW in North America (6.5 GW in the US, 0.1 GW in Canada and 0.4 GW in Mexico), 0.8 GW in Brazil and the remaining 28 MW in Vietnam. From the 13.6 GW of installed capacity, 12.4 GW correspond to wind onshore technology, 0.9 GW are related to solar PV, and 0.3 MW to offshore wind technology.

During 2021, EDPR added a total of 2,584 MW (not including the 401 MW of solar that Sunseap had in operation in the APAC region by the end of the year). More specifically, EDPR added 1,769 MW of wind onshore, corresponding to 682 MW in Europe, namely 56 MW in Spain, 135 MW in Portugal, 56 MW in France, 144 MW in Italy, 272 MW in Poland, 45 MW in Greece and 5 MW in the UK, while in North America 930 MW of wind onshore were added, more precisely 870 MW in the United States and 62 MW in Canada. Finally, in Latin America, EDPR added 156 MW of wind onshore in Brazil. In terms of solar, 272 MW were added in the US, 204 MW in Brazil, and 28 MW in Vietnam, that marked EDPR entry the APAC region. Meanwhile, during the year, EDPR added 311 MW of offshore wind capacity in Europe through Ocean Winds.

Pursuing its Asset rotation strategy, EDPR successfully concluded several Asset rotation deals. In detail, a 100% stake in a 302 MW wind project, an 80% stake in a 405 MW wind portfolio and an 80% stake in a 200 MWac solar project, all in the US and in Portugal. During the last quarter, EDPR was able to conclude an Asset rotation deal of a 100% stake in a 221 MW wind portfolio. All in all, in the year of 2021, EDPR consolidated portfolio net variation was of +1,411 MW.

GRI EU2 – Net energy output broken down by primary energy source and by regulatory regime

ELECTRICITY GENERATED	UN	2021	2020	Δ% YoY
EUROPE				
Spain	GWh	4,979	4,346	+15%
Portugal	GWh	3,049	2,624	+16%
Rest of Europe	GWh	3,329	3,054	+9%
Total	GWh	11,357	10,024	+13%
NORTH AMERICA				
US	GWh	15,814	16,633	(5%)
Canada	GWh	255	78	+228%
Mexico	GWh	987	710	+39%
Total	GWh	17,057	17,421	(2%)
LATIN AMERICA				
Brazil	GWh	1,888	1,093	+73%
Total	GWh	1,888	1,093	+73%
APAC				
Vietnam	GWh	23	-	-
Total	GWh	23	-	-
GRAND TOTAL	**GWh**	**30,324**	**28,537**	**+6%**

EDPR produced 30.3 TWh of clean energy in 2021 (+6% YoY). The YoY evolution comes in line with a higher average installed capacity YoY following the multiple additions in the period, that more than offset the execution of EDPR's Asset rotation strategy – 1Q19: 997MW of European Assets (-1.2 TWh YoY); 1Q20: 137 MW in Brazil (-671 GWh YoY) and 4Q20: 237 MW in Spain (-64 GWh YoY).

GRI 201-2 – Financial implications and other risks and opportunities for the organisation's activities due to climate change

The Earth's climate has changed throughout history. Scientists attribute the current global warming trend observed since the mid-20th century to the human expansion of the "greenhouse effect"[1] – warming that results when the atmosphere traps heat radiating from Earth toward space. Over the last century, the burning of fossil fuels like coal and oil has increased the concentration of atmospheric carbon dioxide (CO_2).

EDPR is a clear example of how fighting against climate change creates business opportunities. The Company's core business, to deliver clean energy by developing, building and operating top quality wind farms and solar plants, inherently implies the reduction of greenhouse gas emissions, contributing to the world's fight against climate change and its impacts.

Since its inception, EDPR has been performing a strategy focused on selective growth, by investing in quality projects with predictable future cash-flows, and seamless execution, supported by core competences that yield superior profitability, all embedded within a distinctive and self-funding model designed to accelerate value creation. As a result of undertaking such strategy, at the same time flexible enough to accommodate changing business and economic environments, EDPR remains today a leading company in the renewable energy industry. As presented in its 2021-25 Business Plan, EDPR plans to add 20 GW in the 2021-2025, of which 8.4 GW is already secured. EDPR will diversify its portfolio geographically and technologically even more, developing more wind onshore, solar, wind offshore, green hydrogen and storage technology along with the entrance in new markets.

[1] IPCC Fifth assessment report, summary for policymakers.

During 2021, EDPR added 2,584 MW and finished the year managing a global portfolio of 13.6 GW. Benefiting from a diversified portfolio, the Company generated 30.3 TWh of renewable energy, avoiding the emissions of 18.3 million tons of CO_2. Capital expenditures and financial investments with capacity additions, ongoing construction and development works during the year totalled €2,852 million.

However, EDPR faces climate change not only as a business opportunity, but also as an opportunity to innovate. EDPR's commitment to innovation and new technologies has made it a leader in the renewable energy sector. Currently, the Company continues to take advantage of all expertise obtained since the start of its inception to ensure more efficient solutions, more attractive returns and a more sustainable future. As a result, EDPR engages in projects that englobe wind energy, solar energy, energy storage plants, floating offshore wind farms, green hydrogen and hybrid power plants.

Nevertheless, on the risk side, meteorological changes may pose a risk for EDPR's activities and results since they are carried out in areas of the planet that are being affected by climate change. In addition, future estimations of wind and solar production are based on analysis of historical measurements for more than 20 years and they are considered representative of the future. However, relevant unexpected meteorological changes could lead to a lower production than the one expected from historical data. Thus, when evaluating a new investment, EDPR considers potential changes in the production forecasted but, even so, the size of the potential deviation in the case of relevant meteorological changes is uncertain. Moreover, renewable plants in construction and in operation are exposed to weather hazards, natural disasters, etc., which depend on the location of assets. At EDPR, all plants are insured from the physical damage during construction and operation. During operation, any natural disaster, weather hazard or accident will also be partially insured to revenue losses due to the event. Thus, no material impacts are identified in the EDPR's consolidated financial statements as a consequence of climate change.

As a sector leader, EDPR is aware of the urgency to fight climate change and even though its business inherently implies a positive impact on the environment, the Company continues to work on a daily basis to hold itself to a higher standard and to incorporate innovation in its value chain in order to further contribute to the protection of the climate.

GRI 302-1 – Energy consumption within the organisation

Wind turbines and solar panels require a small amount of electricity to operate. This energy consumption is generally self-consumed. Given the intermittency of wind generation, sometimes it is needed to consume electricity from the grid.

ENERGY CONSUMPTION	UN	2021	2020	Δ% YoY
WIND FARMS				
Electricity consumption	GJ	323,462	296,457	+9%
OFFICES				
Electricity consumption	GJ	9,586	8,920	+7%
Gas	GJ	3,619	3,947	(8%)
FLEET				
Petrol consumption	GJ	27,441	25,109	+9%
Diesel consumption	GJ	5,469	5,144	+6%
Bioethanol consumption	GJ	108	-	-
Total	GJ	369,686	339,578	+9%

Note 1: Gas conversion factor according to Agência Portuguesa de Ambiente.

Note 2: Fleet energy consumption refers to O&M fleet.

Note 3: Data from offices refers to 1Q20 data and 4Q21 data (due to the remote work model implemented the rest of the year), except for O&M offices in NA.

GRI 302-4 – Reduction of energy consumption

EDPR's activity is based on clean energy generation, and it produces about 289 times the energy consumed by itself. Nonetheless, the Company is conscious about promoting a culture of rational use of resources and promotes many internal campaigns to encourage sustainable behaviours. In this context, EDPR is promoting the transition of its fleet to electric and hybrid vehicles. As of December 2021, 33% of EDPR's service fleet is hybrid or electric (+5pp YoY).

GRI 305-1 – Direct (scope 1) GHG emissions

EDPR's Scope 1 emissions represent 2,617 tons of CO_2 equivalent, +9% vs 2020. 2,097 tons are emitted by transportation related to the sites operation, 190 tons by gas consumption in the Company's offices and the rest of it is related to SF_6.

Part of the equipment used for electricity generation purposes contains SF_6 gasses and during 2021, EDPR registered emissions of 14 kg of this gas, which is equivalent to 329 tons of CO_2 eq.

Note 1: Emissions were estimated according to GHG protocol (including official sources such as IPCC or the US department of energy).

Note 2: Data from offices refers to 1Q20 data and 4Q21 data (due to the remote work model implemented the rest of the year), except for O&M offices in NA.

GRI 305-2 – Energy indirect (scope 2) greenhouse gas (GHG) emissions

EDPR's CO_2 indirect emissions (scope 2) represent 28,038 tons, -1% vs 2020. Of the 2021 scope 2 emissions, 27,206 tons are driven by electricity consumption by the wind farms and solar plants and 831 tons by electricity consumption in the offices.

In 2021, 100% of the emissions related to electricity consumption in wind farms and offices in all EDPR countries have been compensated by Certifications of Origin in Spain and Renewable Energy Certifications (RECs) in the US, obtained from the renewable energy generation.

Note 1: The emission factors used are based on the following sources: Portugal - EDP, Turbogás, Tejo energia, Rede Eléctrica Nacional (REN), and Entidade reguladora dos serviços energéticos (ERSE); Spain - Red Eléctrica de España (REE); Brazil - Ministry of Science and Technology – SIN (national interconnected system); Other European countries and Canada - IHS Cera.

Note 2: Electricity consumption emissions were calculated with the global emission factors of each country and state within the US.

Note 3: Data from offices refers to 1Q20 data and 4Q21 data (due to the remote work model implemented the rest of the year), except for O&M offices in NA.

GRI 305-3 – Other indirect (scope 3) greenhouse gas (GHG) emissions

EDPR's work requires employees to travel and commute. Based on the estimates, the transportation used by employees accounted for a total of 1,568 tons of CO_2 emissions, +22% vs 2020 mainly due to the resumption of business travel.

Note 1: Emissions were estimated according to GHG protocol, by following the Defra standard.

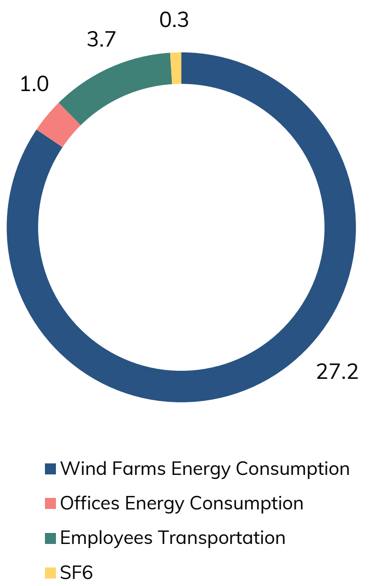
Note 2: Employee commuting emissions were calculated from data collected in a survey to all employees, and corresponds to 1Q20 and 4Q21 data (due to the remote work model implemented the rest of the year).

Note 3: When calculating employees transportation by air, the radioactive factor is not considered.

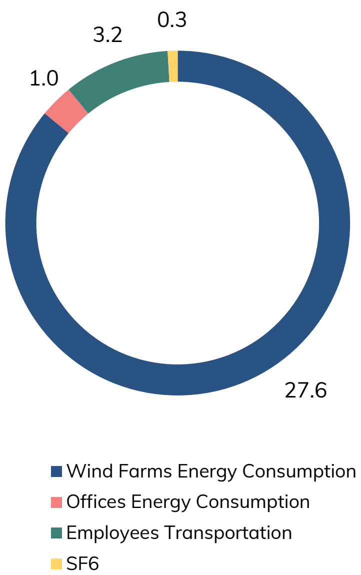
Note 4: Fleet energy consumption refers to O&M fleet.

Total CO_2 emissions

CO_2 Eq. Emitted in 2021 (k tons)



CO_2 Eq. Emitted in 2020 (k tons)



GRI 305-5 – Reduction of greenhouse gas (GHG emissions)

EDPR's core business activity inherently implies the reduction GHG emissions. Wind and solar energy has zero carbon emissions, contributing to the world's fight against climate change and does not produce harmful SOx, NOx, or mercury emissions, protecting valuable air and water resources. It is estimated that the Company's activities during 2021 avoided the emission of 18.3 million tons of CO_2.

The Company's emissions represent 0.2% of the total amount of emissions avoided and 84% of the total emissions are from the necessary electricity consumption by the wind farms and solar plants. Even though EDPR's activity is based on the clean energy generation, it is conscious about promoting a culture of rational use of resources and, in this context, the Company is promoting the transition of its fleet to electric and hybrid vehicles.

Nevertheless, even though EDPR activity inherently implies the reduction GHG emissions, the Company goes one-step forward by compensating 100% of the scope 2 emissions. In 2021, 100% of the emissions related to electricity consumption in windfarms and offices in all EDPR countries have been compensated by Certifications of Origin in Spain and Renewable Energy Certifications (RECs) in US, obtained from the renewable energy generation.

Note 1: To calculate the emissions avoidance, the energy generation has been multiplied by the CO_2 eq. emission factors of each country and state within the US. EDPR considers the emission factor of just fossil fuel energy, as it is considered that by increasing the generation of renewable energy, there is a displacing of these technologies, while other renewable technologies and nuclear plants will continue with its quota of generation.

Note 2: The emission factors used are based on the following sources: Portugal - EDP, Turbogás, Tejo Energia, Rede Eléctrica Nacional (REN), and Entidade reguladora dos serviços energéticos (ERSE); Spain - Red Eléctrica de España (REE); Brazil - Ministry of Science and Technology – SIN (national interconnected system); USA - emissions & generation resource integrated database (EGRID) for each state emission factor; other european countries, Mexico and Canada - IHS cera.

4.3. Economic Business Sustainability

For information regarding GRI 103 – Management Approach for this material topic, please refer to section Financial Performance of the chapter Execution.

GRI 201-1 – Direct economic value generated and distributed

ECONOMIC VALUE GENERATED AND DISTRIBUTED	UN	2021	2020
ECONOMIC VALUE GENERATED			
Revenues	€M	1,526	1,529
Other Income	€M	813	700
Share of Profit in Associates	€M	41	6
Financial Income	€M	107	77
Total	€M	2,487	2,312
ECONOMIC VALUE DISTRIBUTED			
Supplies and Services	€M	325	304
Other Costs	€M	164	123
Personnel Costs	€M	175	141
Financial Expenses	€M	347	362
Current Tax	€M	45	32
Dividends	€M	114	107
Total	€M	1,170	1,069
ECONOMIC VALUE ACCUMULATED	**€M**	**1,317**	**1,243**

PROFIT BEFORE INCOME TAX	UN	2021	2020
Spain	€M	9	306
Portugal	€M	420	104
France & Belgium	€M	-7	-3
Poland	€M	65	21
Romania	€M	77	30
Italy	€M	66	14
Greece	€M	-10	-
UK	€M	-2	0
Brazil	€M	27	15
Colombia	€M	-12	-
Chile	€M	-2	-
US	€M	252	276
Canada	€M	3	-1
Mexico	€M	20	13
Others	€M	-4	-5
Total	€M	903	769

Value creation

In a context in which climate change is one of the great challenges that society faces, and under the implementation of an integrated risk model, EDPR promotes clean energy through the development, construction and operation of wind farms and solar plants. Throughout its business model, EDPR transforms its industrial, financial, human, social, natural and intellectual capital, generating a competitive return for its shareholders, generating quality employment, promoting the development of the communities where it operates, having a positive impact on the environment and generating business and innovation together with the supply chain.

All the components of value creation are included in different chapters throughout the Annual Report:

- Context – Challenges and Opportunities: Chapter 2. Strategic Approach (Business Environment)
- Risks: Chapter 2. Strategic Approach (Risk Management)
- Business Model: Chapter 1. The Company (Business Description)
- Capitals: Chapter 3. Execution (Financial Capital, including Industrial Capital in the section Operational Performance; Human Capital; Social Capital, in the subchapters Social Capital and Supply Chain Capital; Natural Capital; and Intellectual Capital in the Innovation Capital and Digital Capital subchapters).
- Key stakeholders return: Chapter 3. Execution (Financial Capital, Human Capital, Social Capital, Natural Capital and Supply Chain Capital).

Taxonomy Regulation

The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving the path of carbon neutrality proposed by the European Commission and adopted in 2019 with the European Ecological Pact, as the Taxonomy is a classification system to identify whether or not a given economic activity should be considered as environmentally sustainable.

In accordance with the legislation in force, in the following section EDPR presents 3 KPIs: the proportion of its 2021 revenues, capital expenditure (Capex), and operating expenditure (Opex) derived from Taxonomy-eligible economic activities associated with environmentally sustainable economic activities – this is, related to climate change mitigation and climate change adaptation (the first two environmental objectives in accordance with Art. 8 Taxonomy Regulation and Art. 10 (2) of the Art. 8 Delegated Act). The specification of the KPIs is determined in accordance with Annex I of the Art. 8 Delegated Act, and EDPR determines the Taxonomy-eligible KPIs in accordance with the legal requirements.

Considering that its core business is the planning, construction, operation and maintenance of electricity generating power stations using renewable energy sources (mainly wind and solar), EDPR assigned the Taxonomy-eligible economic to the electricity generation from wind and solar power (economic activities 4.1 and 4.3 in accordance with Annex I and II of the Climate Delegated Act). The economic activities in this category could be associated with NACE codes D35.11 and F42.22 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.

Nevertheless, for the calculation of these indicators, they were not disaggregated between economic activities. Instead, it was determined that the activities 4.1 and activity 4.3 should be fully allocated to climate change. In addition, it should be considered that EDPR's core business consists of these two activities, so the items considered for the calculation can be extracted directly from the company's financial accounting systems. Taking this into account, there is no risk of double counting the reported indicators in the numerator, and it has not been necessary to carry out any analysis or estimation in the allocation of income or expenses to different economic activities.

Eligible Revenues

TAXONOMY-ELIGIBLE ACTIVITIES	TOTAL REVENUES (€m)	PROPORTION OF TAXONOMY-ELIGIBLE REVENUES (%)
Electricity generation from wind and solar power	€ 1,580	99%

Definition

The proportion of Taxonomy-eligible revenues was calculated as the portion of the total revenues derived from products and services associated with electricity generation from wind and solar power in the reporting period (numerator) divided by the total revenues in the reporting period (denominator).

The numerator of the KPI is defined as the net revenues derived from electricity sales and from management services provided to third parties for the asset management and O&M of wind farms and solar plants. These third parties include entities to whom EDPR sold assets in the context of its Asset Rotation strategy, and partners in EDPR controlled entities.

The denominator of the revenues KPI is based on the Company's consolidated revenues in accordance with IAS 1.82(a).

Reconciliation

EDPR's consolidated revenues can be reconciled to the Company's consolidated financial statements. Please refer to the income statement on page 3 of EDPR's 2021 Consolidated Annual Accounts (line "Revenues").

Eligible Capex

TAXONOMY-ELIGIBLE ACTIVITIES	TOTAL CAPEX (€m)	PROPORTION OF TAXONOMY-ELIGIBLE CAPEX (%)
Electricity generation from wind and solar power	€ 2,522	99%

Definition

The proportion of Taxonomy-eligible Capex was calculated as the portion of the total Capex derived from products and services associated with electricity generation from wind and solar power in the reporting period (numerator) divided by the total Capex in the reporting period (denominator).

The numerator consists of the Capex related to assets or processes associated with electricity generation from wind and solar power (considered as components necessary to execute the activity). Consequently, all Capex invested into planning, construction, operation and maintenance of wind farms and solar plants are considered in the numerator of the Capex KPI.

Total Capex consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38), right-of-use assets (IFRS 16) and investment properties (IAS 40). Additions resulting from business combinations are also included. Goodwill is not included in Capex, as it is not defined as an intangible asset in accordance with IAS 38.

Reconciliation

EDPR's consolidated total Capex can be reconciled to the Company's table on reconciliation between the Segment Information and the Financial Statements. Please refer to page 152 of EDPR's 2021 Consolidated Annual Accounts ("Operating Investment of the EDPR Group").

Eligible Opex

TAXONOMY-ELIGIBLE ACTIVITIES	TOTAL OPEX (€m)	PROPORTION OF TAXONOMY-ELIGIBLE OPEX (%)
Electricity generation from wind and solar power	€ 201	98%

Definition

The proportion of Taxonomy-eligible Opex is defined as Taxonomy-eligible Opex in the reporting period (numerator) divided by the Company's total Opex (denominator).

The numerator consists of the Opex related to assets or processes associated with electricity generation from wind and solar power (considered as components necessary to execute the activity). Consequently, all Opex related to planning, construction, operation and maintenance of wind farms and solar plants are considered in the numerator of the Opex KPI.

The denominator, total Opex, consists of direct non-capitalised costs that relate to leases and rents, and maintenance and repairs, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment. This value cannot be reconciled to Company's consolidated financial statements, as it includes:

- The volume of non-capitalised leases, which excludes expenses for short-term leases.
- Maintenance and repair and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment were determined based on the maintenance and repair costs allocated to the Company's internal cost centers. The related cost items can be found in various line items in EDPR's income statement, including production costs (maintenance in operations), sales and distribution cost (maintenance logistics) and administration cost (such as maintenance of IT-systems).

Relevant definitions

Taxonomy-eligible economic activity means an economic activity that is described in the delegated acts supplementing the Taxonomy Regulation (i.e. the Climate Delegated Act as of now) irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts.

Taxonomy-non-eligible economic activity means any economic activity that is not described in the delegated acts supplementing the Taxonomy Regulation.

Taxonomy-aligned economic activity means an economic activity that complies with all of the following requirements:

- The economic activity contributes substantially to one or more of the environmental objectives;
- It does not significantly harm any of the environmental objectives;
- It is carried out in compliance with the minimum safeguards; and
- It complies with technical screening criteria in the delegated acts supplementing the Taxonomy Regulation (i.e. Climate Delegated Act as of now).

4.4. Health & Safety

For information regarding GRI 103 – Management Approach for this material topic, please refer to section Health & Safety of the chapter Execution.

GRI 403-1 – Occupational health and safety management system

The management of all issues related to health and safety is collected and described in the integrated Health & Safety and Environment Management System (HSEMS), which covers all employees and operations of the Company. The processes and procedures regulated in the management system are developed to comply with the legal requirements of each country, the ISO 45001 standard, and the requirements that have been considered appropriate by EDPR to carry out a correct management of the related issues with the H&S of all workers.

GRI 403-2 – Hazard identification, risk assessment and incident investigation

The process to identify hazards and assess the H&S risks arising from the Company's activity and facilities is developed according to the Hazards Identification and Risks Assessment procedure of the HSEMS, in which responsibilities and methodologies are defined to ensure risks are reduced and, if possible, avoided. The Risk Assessment of each job position is reviewed and updated as applicable, pursuant to the Company's commitment to continuous improvement. The preparation of these risk assessments is carried out by senior H&S technicians. The risk assessments, as well as the risk assessment procedure itself, are audited every year with an internal audit and the external audit of ISO 45001 certification. All the findings, conclusions, and recommendations that emerge from the audits, monitoring and other reviews are managed according to the Findings Management procedure of the HSEMS, and an action plan is drawn. The results of this action plan are reviewed in subsequent audits.

In addition, the Communication, Consultation & Participation procedure of the HSEMS includes information on hazards communication management. The process of risks communication is an effective tool to establish an active information channel, fast and effective among employees, managers and the top management, to act in the fastest way possible and avoid risks that may arise. To promote the participation and commitment of the entire Company, any employee may report anomalies or detected risks on H&S and environmental issues. When an unsafe act or condition is detected, the employee may report it in an internal tool, specifying whether an immediate action is required. EDPR's commitment not to retaliate against any worker who expresses a concern about safety issues or who has intervened in any incident is included in the Company's Health & Safety Policy. The Policy also indicates that workers should remove themselves from work situations that they believe could cause injury or ill health, as no situation can justify endangering someone's life.

To know how to report, investigate and follow-up on an incident, there is an Incidents Management procedure available in the HSEMS. The purpose of this procedure is to define the process to identify, respond, report, analyse and investigate incidents and respond to emergency situations, as well as to take the necessary actions to prevent and/or mitigate them.

GRI 403-3 – Occupational health services

EDPR ensures that medical examinations are provided to the employees according to the legal requirements of each country, to determine whether a potential or current employee is medically fit to carry out their specific duties. EDPR has external medical services for all employees[2] for the medical follow-up, whose management is carried out directly by the medical service of the joint prevention service of the EDP Spain company. The detailed results of the medical examinations are confidential but shared with the employee, as EDPR receives only the conclusion of the examination: apt, not apt or apt with restrictions, indicating the restrictions.

[2] Except for employees working from the Oviedo office

GRI 403-4 – Worker participation, consultation, and communication on occupational health and safety

A significant part of the Company plays a fundamental role in the implementation of its Health & Safety Policy. In this context, EDPR created health and safety committees that collect information from different operational levels.

In addition, the H&S Policy, Management System and its procedures, as well as other health & safety aspects are communicated to employees using a multi-tier approach. The Policy is published on EDPR's website and intranet, and is also printed and posted at each facility, as the HSEMS and its documented procedures are automatically available in every employee's computer desktop for easy access. Moreover, the Company shares monthly H&S reports with its employees through Workplace, the social network that EDPR introduced as an internal communication tool in 2020.

GRI 403-5 – Worker training on occupational health and safety

The Company's commitment to ensure high safety standards for employees and contractors make EDPR an increasingly safe place to work, prioritising the safety and wellbeing of all stakeholders with the objective of zero accidents overall. In order to achieve this goal, EDPR provides training to both its employees and its contractors regarding both generic occupational health & safety aspects as well as training on specific work-related hazards. In 2021, EDPR provided 17,112 hours of training on H&S topics to its employees, which corresponds to 8.7 hours of training per employee on average.

GRI 403-6 – Promotion of worker health

During 2021, both physical and mental health were once again a global priority. In this context, EDPR has several initiatives focusing on employees' health and wellbeing to ensure the continuity of care, providing employees with different tools and services such as access to an online medical consultations, TelePharmacy, physiotherapy and psychological therapy sessions.

To raise awareness on mental health in particular, EDPR launched the *Mind Your Mind* campaign in October, which promoted educational talks with specialists, employees and other key stakeholders on how to approach the topic, especially in the current social context. In addition, the Company has a wellness platform to further develop a culture of wellness and encourage healthy habits. The aim of the programs promoted by the platform is to create a culture where employees choose to voluntarily adopt healthy habits by sharing their experiences, form support networks to facilitate the process and motivate each other. In 2021, a virtual gym was included in the platform.

GRI 403-7 – Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

To guarantee that the suppliers comply with EDPR's requirements regarding sustainability in the supply chain, EDPR monitors strategic suppliers during their services delivery. EDPR performs internal inspections during the construction and operation phases to monitor the suppliers performance regarding environmental and H&S aspects and to identify and consequently mitigate potential risks. In 2021, EDPR performed 1,670 inspections to 259 suppliers regarding H&S procedures. As a result of these inspections, the Company identifies corrective actions needed and establishes an action plan for continuous improvement.

Moreover, to prevent possible H&S risks to workers from other companies, EDPR provides a risk guide for the facility to all contractors before starting their work on the facility. In addition, the Company requires that the contractors participate in drills that are carried out at the facilities, so that everyone knows how to act in the event of an emergency. EDPR also has established, through the HSEMS's Safety Alerts Management technical instruction, the communication to contractors of any safety alert that may be applicable to the facility or the contractor.

GRI 403-9 – Work-related injuries

RECORDABLE WORK-RELATED INJURIES	UN	2021			2020		
		EMPLOYEES	CONTRACTORS	TOTAL	EMPLOYEES	CONTRACTORS	TOTAL
FATAL WORK-RELATED INJURIES	#	0	1	1	0	0	0
Europe	#	0	1	1	0	0	0
North America	#	0	0	0	0	0	0
Latin America	#	0	0	0	0	0	0
APAC	#	0	0	0	-	-	-
HIGH-CONSEQUENCE WORK-RELATED INJURIES [1]	#	1	2	3	0	0	0
Europe	#	0	1	1	0	0	0
North America	#	1	0	1	0	0	0
Latin America	#	0	1	1	0	0	0
APAC	#	0	0	0	-	-	-
WORK-RELATED INJURIES WITH LOST WORKDAYS [2]	#	4	30	34	1	23	24
Europe	#	2	16	18	0	6	6
North America	#	2	6	8	1	7	8
Latin America	#	0	8	8	0	10	10
APAC	#	0	0	0	-	-	-
Work-related injuries that result in fatalities and lost workdays	#	5	33	38	1	23	24
Europe	#	2	18	20	0	6	6
North America	#	3	6	9	1	7	8
Latin America	#	0	9	9	0	10	10
APAC	#	0	0	0	-	-	-
Recordable work-related injuries without lost workdays [3]	#	3	24	27	5	22	27
Europe	#	0	7	7	0	8	8
North America	#	3	8	11	5	11	16
Latin America	#	0	9	9	0	3	3
APAC	#	0	0	0	-	-	-
TOTAL RECORDABLE WORK-RELATED INJURIES [4]	**#**	**8**	**57**	**65**	**6**	**45**	**51**
Europe	#	2	25	27	0	14	14
North America	#	6	14	20	6	18	24
Latin America	#	0	18	18	0	13	13
APAC	#	0	0	0	-	-	-

[1] Excludes fatalities. According to GRI, refers to work-related injuries that result in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.
[2] Excludes high-consequence injuries.
[3] Includes injuries that result in restricted work or transfer to another job, minor first aid injuries, and injuries that required medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional.
[4] Corresponds to the sum of recordable work-related injuries without lost workdays, and work-related injuries that result in fatalities and lost workdays. Commuting incidents are not included (there were 4 commuting accidents in 2021 related to EDPR employees, of which 3 resulted in lost workdays).

Note 1: The number of lost days is calculated as the number of calendar days starting the day after the accident.

Note 2: The employee impacted by the high-consequence injury is male, and of the 4 employees impacted by injuries with lost workdays 3 are male and 1 is female. Even though EDPR does not register H&S indicators by gender for contractors, normally the majority of contractors working on EDPR sites are men.

WORKED HOURS	UN	2021			2020		
		EMPLOYEES	CONTRACTORS	TOTAL	EMPLOYEES	CONTRACTORS	TOTAL
Europe	#	1,885,408	3,167,493	5,052,902	1,495,066	1,789,806	3,284,872
North America	#	1,732,120	4,128,270	5,860,389	1,494,544	5,164,448	6,658,992
Latin America	#	251,616	7,028,048	7,279,664	178,608	2,559,350	2,737,958
APAC	#	9,224	49,542	58,766	-	-	-
Total	#	3,878,368	14,373,354	18,251,721	3,168,218	9,513,604	12,681,822

LOST WORKDAYS DUE TO WORK-RELATED INJURIES	UN	2021			2020		
		EMPLOYEES	CONTRACTORS	TOTAL	EMPLOYEES	CONTRACTORS	TOTAL
Europe	#	6	905	911	0	199	199
North America	#	335	137	472	84	297	381
Latin America	#	0	148	148	0	287	287
APAC	#	0	0	0	-	-	-
Total	#	341	1,190	1,531	84	783	867

Note: Adjusted to exclude the lost workdays derived from accidents that occurred in 2020. Total non-adjusted lost workdays: 2,404.

FREQUENCY RATE OF WORK-RELATED INJURIES	UN	2021			2020		
		EMPLOYEES	CONTRACTORS	TOTAL	EMPLOYEES	CONTRACTORS	TOTAL
RATE OF FATAL WORK-RELATED INJURIES	x	0.0	0.1	0.1	0.0	0.0	0.0
Europe	x	0.0	0.3	0.2	0.0	0.0	0.0
North America	x	0.0	0.0	0.0	0.0	0.0	0.0
Latin America	x	0.0	0.0	0.0	0.0	0.0	0.0
APAC	x	0.0	0.0	0.0	-	-	-
RATE OF HIGH-CONSEQUENCE WORK-RELATED INJURIES [1]	x	0.3	0.1	0.2	0.0	0.0	0.0
Europe	x	0.0	0.3	0.2	0.0	0.0	0.0
North America	x	0.6	0.0	0.2	0.0	0.0	0.0
Latin America	x	0.0	0.1	0.1	0.0	0.0	0.0
APAC	x	0.0	0.0	0.0	-	-	-
RATE OF WORK-RELATED INJURIES WITH LOST WORKDAYS [2]	x	1.0	2.1	1.9	0.3	0.0	1.9
Europe	x	1.1	5.1	3.6	0.0	0.0	0.0
North America	x	1.2	1.5	1.4	0.7	0.0	0.0
Latin America	x	0.0	1.1	1.1	0.0	0.0	0.0
APAC	x	0.0	0.0	0.0	-	-	-
Rate of work-related injuries that result in fatalities and lost workdays	x	1.3	2.3	2.1	0.3	0.0	1.9
Europe	x	1.1	5.7	4.0	0.0	0.0	0.0
North America	x	1.7	1.5	1.5	0.7	0.0	0.0
Latin America	x	0.0	1.3	1.2	0.0	0.0	0.0
APAC	x	0.0	0.0	0.0	-	-	-
Rate of recordable work-related injuries without lost workdays [3]	x	0.8	1.7	1.5	1.6	0.0	2.1
Europe	x	0.0	2.2	1.4	0.0	0.0	0.0
North America	x	1.7	2.0	1.9	3.3	0.0	0.0
Latin America	x	0.0	1.3	1.2	0.0	0.0	0.0
APAC	x	0.0	0.0	0.0	-	-	-
RATE OF TOTAL RECORDABLE WORK-RELATED [4]	**x**	**2.1**	**3.9**	**3.5**	**1.9**	**0.0**	**4.0**
Europe	x	1.1	7.6	5.1	0.0	0.0	0.0
North America	x	3.5	3.4	3.4	4.0	0.0	0.0
Latin America	x	0.0	2.6	2.5	0.0	0.0	0.0
APAC	x	0.0	0.0	0.0	-	-	-

[1] Excludes fatalities. According to GRI, refers to work-related injuries that result in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.
[2] Excludes high-consequence injuries.
[3] Includes injuries that result in restricted work or transfer to another job, minor first aid injuries, and injuries that required medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional.
[4] Corresponds to the sum of recordable work-related injuries without lost workdays, and work-related injuries that result in fatalities and lost workdays. Commuting incidents are not included (there were 4 commuting accidents in 2021 related to EDPR employees, of which 3 resulted in lost workdays).

Note: Frequency rate calculated as [# of accidents with absence/Hours worked * 1,000,000].

SEVERITY RATE OF WORK-RELATED INJURIES	UN	2021			2020		
		EMPLOYEES	CONTRACTORS	TOTAL	EMPLOYEES	CONTRACTORS	TOTAL
Europe	x	3	286	180	0	111	61
North America	x	193	33	81	56	58	57
Latin America	x	0	21	20	0	112	105
APAC	x	0	0	0	-	-	-
Total	x	88	83	84	27	82	68

Note 1: Severity rate calculated as [# of Lost workdays/Hours worked*1,000,000].

Note 2: 2021 adjusted severity rate excluding the lost days derived from accidents in 2020. Total non-adjusted severity rate: 132.

Note 3: Fatal accidents are not included in the severity rates since each fatal accident is methodologically associated with a total of 6,000 lost days, which would misrepresent the reported data. If these were included, the Total Severity Rate for EDPR would be 461 and the Total Severity Rate for contractors in Europe would be 2,180.

In line with the new and more ambitious 2021-2025 Business Plan, the Company added 1,411 MW during 2021 and had 1.8 GW of capacity under construction as of Dec-21 (does not include 401 MW of installed capacity and 162 MW of under construction capacity as of Dec-21 relating to Sunseap acquisition). This growth is consistent with the increase of worked hours (+44% YoY) which, in turn, is reflected on the number of work-related injuries. During 2021, EDPR registered 38 work-related accidents that resulted in fatalities and lost workdays for employees and contractors (+58% YoY). One of these accidents was fatal and the investigation carried out considered that the working methods and resources used did not in themselves represent a factor that contributed to the occurrence of the accident. The injury and the lost day rate were 2.1 work accidents per million hours worked and 84[3] days lost due to work accident per million hours worked, respectively.

However, EDPR continuously works to improve these ratios and to bring awareness to the best H&S practices. This is reinforced by the integrated Health & Safety and Environmental Management System, which was developed and certified according to international standards ISO 45001 and ISO 14001 for a more global and efficient approach, simplifying processes and managing the potential risks of its activity. The HSEMS, where synergies play a fundamental role, was implemented and jointly certified by an independent certifying organisation. The implementation of this integrated system allows for better management and prevention of accidents, with the objective of zero accidents overall. The commitment to health & safety is further supported through the ISO 45001 certification, which covers 100%[4] of EDPR's installed capacity by the end of 2021.

GRI 403-10 – Work-related ill-health

EDPR has no knowledge of any cases of occupational diseases in the company. EDPR is working to systematise the registration of this type of diseases, if detected.

[3] Adjusted severity rate excluding the lost days derived from accidents in 2020 (non-adjusted severity rate: 132)
[4] Calculation based on 2020YE installed capacity (EBITDA MWs). EDPR certifies the facilities the year after the COD (commercial operating date). Thus, the facilities that have entered into operation in 2021 will be certified in 2022

Absenteeism

In the table below, the hours and rate of absenteeism in 2021 and 2020 are disclosed by country.

ABSENTEEISM BY COUNTRY	2021		2020	
	HOURS (#)	RATE (%)	HOURS (#)	RATE (%)
EUROPE				
Spain	67,817	5.5%	8,566	0.8%
Portugal	2,880	1.6%	3,681	2.3%
France & Belgium	119	0.1%	933	0.7%
Italy	1,023	1.1%	290	0.4%
Poland	1,984	1.8%	1,591	1.9%
Romania	1,936	2.8%	808	1.2%
Greece	0	0.0%	-	-
Hungary	0	0.0%	-	-
NORTH AMERICA				
North America	28,740	1.7%	672	0.04%
LATIN AMERICA				
Brazil	687	0.4%	247	0.2%
Colombia	640	1.0%	168	0.7%
Chile	0	0.0%	-	-
APAC				
Vietnam	0	0.0%	-	-

Note 1: EDPR defines absenteeism as total of non-worked hours in workable periods. including absence hours due to accidents, absence hours due to diseases and absence hours due to other not justified motives.

Note 2: Absenteeism for North America in 2020 considers only lost worked hours caused by accidents.

GRI EU17 – Days worked by contractor and subcontractor employees involved in construction, operation and maintenance activities

Contractors involved in construction, operation and maintenance activities worked an average of 1,796,669 days during 2021, which represents an increase of 51% when compared to the previous year.

GRI EU25 – Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases

EDPR has no knowledge of any legal judgments, settlements and pending legal cases of diseases in 2021, neither in 2020.

Note: For the information reported in this indicator, EDPR considers passive contingencies associated with litigation qualified as probable in 2021 recorded in the contingencies reporting system.

4.5. People Management

For information regarding GRI 103 – Management Approach for this material topic, please refer to section Human Capital of the chapter Execution. Moreover, please find other people management related topics at the end of this section.

GRI 102-8 – Information on employees and other workers

In the table below, the number of full-time / part-time employees in 2021 is disclosed by age group, gender and professional category.

FULL-TIME / PART-TIME EMPLOYEES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
FULL-TIME								
Senior Managers	#	0	3	61	155	9	55	283
Managers	#	5	10	47	127	5	13	207
Specialists	#	155	194	281	626	35	77	1,368
Technicians	#	13	84	35	98	16	10	256
Total	#	173	291	424	1,006	65	155	2,114
PART-TIME								
Senior Managers	#	0	0	2	0	1	0	3
Managers	#	0	0	1	0	0	0	1
Specialists	#	0	0	23	2	3	0	28
Technicians	#	0	0	4	0	0	0	4
Total	#	0	0	30	2	4	0	36
GRAND TOTAL	**#**	**173**	**291**	**454**	**1,008**	**69**	**155**	**2,150**

Note: The number of part-time employees includes employees with reduced working day due to maternity/paternity, which represent 89% of the part-time employees.

In the table below, the number of full-time / part-time employees in 2020 is disclosed by age group, gender and professional category.

FULL-TIME / PART-TIME EMPLOYEES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
FULL-TIME								
Senior Managers	#	0	2	45	123	7	54	231
Managers	#	3	5	37	105	5	14	169
Specialists	#	115	166	199	486	29	72	1067
Technicians	#	6	78	34	90	17	10	235
Total	#	124	251	315	804	58	150	1,702
PART-TIME								
Senior Managers	#	0	0	1	0	2	0	3
Managers	#	0	0	2	0	0	0	2
Specialists	#	0	0	21	1	3	0	25
Technicians	#	0	0	3	0	0	0	3
Total	#	0	0	27	1	5	0	33
GRAND TOTAL	**#**	**124**	**251**	**342**	**805**	**63**	**150**	**1,735**

EDPR fosters quality employment with 99.6% of permanent contracts throughout the year (based on the proportion of permanent and temporary contracts at the end of each month). Temporary employees represent less than 1% of EDPR's team along the year, and therefore the Company does not report the average contracts.

In the table below, the number of permanent / temporary employees in 2021 is disclosed by age group, gender and professional category.

PERMANENT / TEMPORARY EMPLOYEES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
PERMANENT								
Senior Managers	#	0	3	63	155	10	55	286
Managers	#	5	10	48	127	5	13	208
Specialists	#	154	193	304	624	38	76	1,389
Technicians	#	13	84	39	98	16	10	260
Total	#	172	290	454	1,004	69	154	2,143
TEMPORARY								
Senior Managers	#	0	0	0	0	0	0	0
Managers	#	0	0	0	0	0	0	0
Specialists	#	1	1	0	4	0	1	7
Technicians	#	0	0	0	0	0	0	0
Total	#	1	1	0	4	0	1	7
GRAND TOTAL	**#**	**173**	**291**	**454**	**1,008**	**69**	**155**	**2,150**

Note 1: EDPR keeps a constant number of employees throughout the year, which makes the difference between the final number of employees and the average not significant (9%).

Note 2: All temporary employees are located in Europe.

In the table below, the number of permanent / temporary employees in 2020 is disclosed by age group, gender and professional category.

PERMANENT / TEMPORARY EMPLOYEES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
PERMANENT								
Senior Managers	#	0	2	46	123	9	54	234
Managers	#	3	5	39	105	5	14	171
Specialists	#	113	164	220	484	32	71	1,084
Technicians	#	6	77	36	90	17	10	236
Total	#	122	248	341	802	63	149	1,725
TEMPORARY								
Senior Managers	#	0	0	0	0	0	0	0
Managers	#	0	0	0	0	0	0	0
Specialists	#	2	2	0	3	0	1	8
Technicians	#	0	1	1	0	0	0	2
Total	#	2	3	1	3	0	1	10
GRAND TOTAL	**#**	**124**	**251**	**342**	**805**	**63**	**150**	**1,735**

Note 1: EDPR keeps a constant number of employees throughout the year, which makes the difference between the final number of employees and the average not significant (6%).

Note 2: All temporary employees are located in Europe.

The average number of contractors' workers during 2021 was 1,602 in Europe, 2,065 in North America, 3,357 in Latin America and 50 in APAC.

In the table below, the number of employees in 2021 is disclosed by age group, gender, region and professional category.

EMPLOYEES BY REGION	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
SPAIN								
Senior Managers	#	0	1	32	49	5	24	111
Managers	#	2	4	20	42	2	4	74
Specialists	#	50	70	119	210	14	25	488
Technicians	#	2	1	5	1	2	0	11
Total	#	54	76	176	302	23	53	684
PORTUGAL								
Senior Managers	#	0	0	2	10	0	7	19
Managers	#	0	0	0	5	0	2	7
Specialists	#	6	9	12	59	1	9	96
Technicians	#	0	0	1	0	1	0	2
Total	#	6	9	15	74	2	18	124
REST OF EUROPE								
Senior Managers	#	0	0	5	20	0	4	29
Managers	#	1	0	6	17	2	1	27
Specialists	#	29	28	61	107	1	9	235
Technicians	#	1	0	2	0	0	0	3
Total	#	31	28	74	144	3	14	294
USA								
Senior Managers	#	0	2	24	65	5	18	114
Managers	#	2	6	17	50	0	6	81
Specialists	#	54	71	85	189	21	31	451
Technicians	#	10	83	28	97	13	10	241
Total	#	66	162	154	401	39	65	887
REST OF NORTH AMERICA								
Senior Managers	#	0	0	0	3	0	0	3
Managers	#	0	0	0	4	0	0	4
Specialists	#	1	4	0	7	0	0	12
Technicians	#	0	0	3	0	0	0	3
Total	#	1	4	3	14	0	0	22
LATIN AMERICA								
Senior Managers	#	0	0	0	8	0	2	10
Managers	#	0	0	5	9	1	0	15
Specialists	#	15	11	24	48	1	3	102
Technicians	#	0	0	0	0	0	0	0
Total	#	15	11	29	65	2	5	127
APAC								
Senior Managers	#	0	0	0	0	0	0	0
Managers	#	0	0	0	0	0	0	0
Specialists	#	0	1	3	8	0	0	12
Technicians	#	0	0	0	0	0	0	0
Total	#	0	1	3	8	0	0	12
GRAND TOTAL	**#**	**173**	**291**	**454**	**1,008**	**69**	**155**	**2,150**

In the table below, the number of employees in 2020 is disclosed by age group, gender, region and professional category.

EMPLOYEES BY REGION	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
SPAIN								
Senior Managers	#	0	0	23	37	4	23	87
Managers	#	2	2	15	36	0	4	59
Specialists	#	40	59	87	155	14	23	378
Technicians	#	2	0	7	1	2	1	13
Total	#	44	61	132	229	20	51	537
PORTUGAL								
Senior Managers	#	0	0	1	5	0	6	12
Managers	#	0	0	0	5	0	2	7
Specialists	#	4	4	10	46	1	12	77
Technicians	#	0	0	1	0	0	0	1
Total	#	4	4	12	56	1	20	97
REST OF EUROPE								
Senior Managers	#	0	1	4	21	0	4	30
Managers	#	0	0	5	11	2	1	19
Specialists	#	20	23	41	86	0	9	179
Technicians	#	1	1	2	0	0	0	4
Total	#	21	25	52	118	2	14	232
USA								
Senior Managers	#	0	1	17	51	5	21	95
Managers	#	1	3	16	44	2	7	73
Specialists	#	43	67	64	156	16	26	372
Technicians	#	3	77	25	89	15	9	218
Total	#	47	148	122	340	38	63	758
REST OF NORTH AMERICA								
Senior Managers	#	0	0	0	2	0	0	2
Managers	#	0	0	0	2	0	0	2
Specialists	#	0	1	0	7	0	0	8
Technicians	#	0	0	2	0	0	0	2
Total	#	0	1	2	11	0	0	14
LATIN AMERICA								
Senior Managers	#	0	0	1	7	0	0	8
Managers	#	0	0	3	7	1	0	11
Specialists	#	8	12	18	37	1	2	78
Technicians	#	0	0	0	0	0	0	0
Total	#	8	12	22	51	2	2	97
GRAND TOTAL	#	**124**	**251**	**342**	**805**	**63**	**150**	**1,735**

GRI 102-41 – Collective bargaining agreements

According to its Code of Ethics, EDPR undertakes to respect freedom of trade union association and recognise the right to collective bargaining.

At EDPR, from 2,150 employees, 15% were covered by collective bargaining agreements in 2021. Collective bargaining agreements include different topics such as career development, mobility, salaries, health & safety etc. and apply to all employees working under an employment relationship with some companies of EDPR group, regardless of the type of contract, the professional group into which they are classified, their occupation or job. However, matters relating to the corporate organisation itself, the laws of each country or even usage and custom in each country result in certain groups being expressly excluded from the scope of collective bargaining agreements.

The collective bargaining agreements that are applied at EDPR are usually negotiated at state level or regional level, and EDPR may be just one of the players among other leading sectorial companies in the negotiation with employees' representatives, and in some cases, governmental representatives. In Portugal and Brazil, EDP negotiates its own agreements with employees, and those apply to any employee working for companies of the Group, including EDPR.

During the last years, EDPR has performed different benchmark analysis of the benefits stated at the different collective bargaining agreements that apply to its employees, comparing them against the benefits offered by the Company and, in general terms, the Company offers a more competitive benefits package compared to what is stated in the collective bargaining agreement.

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS	UN	2021	2020	UN	2021	2020
EUROPE						
Spain	#	36	49	%	5%	9%
Portugal	#	89	93	%	72%	96%
Rest of Europe	#	118	124	%	40%	53%
Total	#	243	266	%	22%	31%
NORTH AMERICA						
US	#	5	0	%	1%	0%
Rest of North America	#	0	0	%	0%	0%
Total	#	5	0	%	1%	0%
LATIN AMERICA						
Brazil	#	76	82	%	83%	99%
Rest of Latin America	#	1	0	%	3%	0%
Total	#	77	82	%	61%	85%
APAC						
Total	#	0	-	%	0%	-
GRAND TOTAL	**#**	**325**	**348**	**%**	**15%**	**20%**

GRI 401-1 – New employee hires and employee turnover

Throughout the year, EDPR hired 652 employees.

NEW HIRES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Europe	#	43	61	61	101	2	6	274
North America	#	44	80	53	125	7	12	321
Latin America	#	9	4	8	21	0	3	45
APAC	#	0	1	3	8	0	0	12
Total	#	96	146	125	255	9	21	652

Note: Excludes 35 employees from the acquisitions of two companies.

In 2020, EDPR hired 441 employees.

NEW HIRES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Europe	#	32	47	31	74	0	7	191
North America	#	19	75	29	73	2	15	213
Latin America	#	4	3	7	20	2	1	37
Total	#	55	125	67	167	4	23	441

During 2021, 277 employees left the Company, resulting in a turnover ratio of 13%.

TURNOVER	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Europe	%	7%	11%	5%	7%	4%	15%	7%
North America	%	21%	22%	18%	22%	10%	17%	20%
Latin America	%	0%	18%	10%	12%	0%	40%	12%
Total	%	12%	17%	10%	13%	7%	17%	13%

Note: Turnover calculated as departures / 2021YE headcount.

In 2020, 149 employees left the Company, resulting in a turnover ratio of 9%.

TURNOVER	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Europe	%	7%	8%	7%	4%	4%	0%	5%
North America	%	13%	17%	9%	14%	5%	11%	13%
Latin America	%	0%	8%	9%	4%	0%	0%	5%
Total	%	9%	14%	8%	8%	5%	5%	9%

Note 1: 2020 departures exclude transfers to OW, the offshore JV with ENGIE.

Note 2: Turnover calculated as departures / 2020YE headcount.

Of the 277 departures registered in 2021, 7% were dismissals.

DISMISSALS	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Senior Managers	#	0	0	0	1	0	2	3
Managers	#	0	0	1	1	0	0	2
Specialists	#	1	1	3	3	0	1	9
Technicians	#	0	1	0	3	1	0	5
Total	#	1	2	4	8	1	3	19

Of the 149 departures registered in 2020, 15% were dismissals.

DISMISSALS	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Senior Managers	#	0	1	0	2	0	0	3
Managers	#	0	0	0	1	0	0	1
Specialists	#	0	1	5	4	0	1	11
Technicians	#	1	2	1	3	0	0	7
Total	#	1	4	6	10	0	1	22

Note: 2020 departures exclude transfers to OW, the offshore JV with ENGIE.

GRI 401-2 – Benefits provided to full-time employees that are not provided to temporary or part-time employees

As a responsible employer, a quality employment that can be balanced with personal life is a priority for EDPR. In this sense, the package of benefits provided to full-time employees does not differ from that offered to part-time employees. This benefits package, depending on the country, includes medical insurance, life insurance, pension plan and conciliation measures.

GRI 402-1– Minimum notice periods regarding operational changes

Per country case law, EDPR may have a minimum period which it must comply with for giving formal notice of organisational changes at the companies in the Group with an impact on employees. However, it is customary to communicate significant events to the affected groups in advance.

As an employer in the United States, EDPR complies with the Worker Adjustment and Retraining Notification (WARN) Act Guide to Advance Notice of Closings and Layoffs.

GRI 404-1 – Average & total hours of training per year per employee

In 2021, EDPR invested €1.8 million in training. The number of training hours increased +34% vs 2020, +42% for women employees and +32% for male employees.

AVERAGE TRAINING HOURS	UN	2021			2020		
		FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Senior Managers	#	27	27	27	27	19	21
Managers	#	48	38	41	24	35	32
Specialists	#	26	33	30	25	29	27
Technicians	#	26	64	54	15	67	53
Total	#	28	37	34	24	33	30

Note: Average training hours are calculated as total training hours / YE average headcount.

TOTAL TRAINING HOURS	UN	2021			2020		
		FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
EUROPE							
Senior Managers	#	1,590	4,032	5,623	1,290	2,603	3,893
Managers	#	1,798	3,648	5,446	6,127	13,775	3,027
Specialists	#	8,612	19,017	27,630	520	2,508	19,903
Technicians	#	645	56	701	272	27	299
Total	#	12,646	26,753	39,400	8,209	18,913	27,122
NORTH AMERICA							
Senior Managers	#	151	872	1,022	174	515	689
Managers	#	186	1,336	1,523	1,645	4,091	5,736
Specialists	#	1,079	3,844	4,923	375	1,237	1,612
Technicians	#	1,058	11,982	13,041	612	10,633	11,245
Total	#	2,474	18,034	20,508	2,806	16,476	19,282
LATIN AMERICA							
Senior Managers	#	5	567	572	23	176	200
Managers	#	368	320	688	871	1,647	2,517
Specialists	#	1,585	3,719	5,304	94	291	385
Technicians	#	-	-	-	-	-	-
Total	#	1,957	4,607	6,564	988	2,115	3,102
APAC							
Senior Managers	#	-	-	-	-	-	-
Managers	#	-	-	-	-	-	-
Specialists	#	11	89	99	-	-	-
Technicians	#	-	-	-	-	-	-
Total	#	11	89	99			
GRAND TOTAL	**#**	**17,088**	**49,483**	**66,571**	**12,003**	**37,503**	**49,505**

GRI 404-2 – Programs for upgrading employee skills and transition assistance programs

People are EDPR's most important asset. In this sense, EDPR is committed to the development of its employees, offering them an attractive professional career and aligning their capabilities and skills with the current and future needs of the company. The growth and development of the Company's business leads EDPR to invest in the employees by discovering, improving and emphasising the potential of each mainly through internal mobility, training and development actions.

Mobility

EDPR considers both functional and geographical mobility as a tool that contributes to the organisational development by stimulating employees' motivation, skills, productivity, personal fulfilment and fostering the share of best practices. The mobility processes within EDPR aim to respond to the different challenges and needs of the Company, considering the characteristics of the different geographies. In 2021 there were 74 mobility processes, 53 of which functional, 11 geographical and 10 both functional and geographical.

Training

EDPR offers job-specific ongoing training opportunities to contribute to the learning, the improvement of knowledge and skills, as well as specific development programs aligned with the Company's strategy. The 360 potential appraisal process is created for all employees with the goal of defining each person's training needs along with their manager, which is then used to define a customised Training Plan. The annual Training Plan is based on a catalogue of programs that is constantly evolving and is aligned with the Company's challenges and new markets. The key aspect about the courses offered is that they usually contain subjects to promote the development of skills needed to ensure the sustainability of EDPR's business. Moreover, the networking and the share of best practices foster innovation and improve performance.

During 2021, EDPR delivered a total of 66,571 training hours throughout 4,588 sessions that included 57,900 participants. This translates into an average of 33.8 hours of training per employee and results in 97,9% of EDPR's team receiving training. Having already fully adapted the training activities due to the COVID-19 pandemic, EDPR has consolidated both the redesign and modification of training contents and sessions to virtual, e-learning or remote formats. This effort allowed to maintain and even increase the training provided when comparing with previous years, increasing the training courses delivered in e-learning, live webinars or other non-synchronous including game-based training (a total of 84% of training hours or 97% of the attendances were delivered in online methodology). Therefore, EDPR highlights Digitalisation as one of the main training drivers that helped to accelerate and consolidate during 2021 as a result of the methodologies and by contents increasingly delivered on topics such as Collaborative Tools (Microsoft 365 suite), Agile methodologies, Data Analyse tools, Digital Transformation, Cybersecurity, SMART business, IoT, Cloud or Artificial Intelligence.

Knowledge management

EDPR is aware of the importance of Knowledge as a valuable asset within the business and in employees' development. Thus, EDPR is boosting LINK as a knowledge platform, increasing the number of areas, domains and curated documents with valuable content captured and shared across the organisation(encouraging the access to a new recommended document each week), to help its employees learn from the past to face future challenges and move the Company forward. During 2021, EDPR organised a total of 13 sessions of *40fiveminutes*, an online initiative to easily share main business insights in a friendly and informal way to those employees who sign up to the sessions.

Becoming a Learning Organisation implies a strong knowledge sharing mindset, so EDPR strives to improve the use of knowledge by regularly distributing customised relevant documents or events, working to adapt to new ways of learning and to all the generations present in the Company, and by establishing a hybrid work model.

Development

In order to support the Company's growth and to align the current and future needs of the organisation with the skills of employees, as well as boost their professional growth, EDPR has designed different development programs that allow employees acquire the right tools to take on new responsibilities and adapt to new challenges:

- The **Lead Now Program** aims to support middle managers in their role as team leaders. As a result, participants have the possibility to self-assess their management style, improve the skills they need, and get to know the role they play in the different HR processes at EDPR, as well as the IT and H&S systems that can help them develop their role. Through online sessions, three editions were delivered to 38 employees in 2021 in Europe and LatAm, and other three in North America in which 43 employees participated. In addition, during the summer and in order to complement the Lead Now program, **six remote leadership Webinars** were held for managers, with the goal of helping them adapt to a new reality in which their teams work remotely, which can be challenging.
- The **Executive Development Program** is an advanced training with a similar philosophy of an MBA in which the main objective is to develop the vision, skills and management capabilities required to meet the many and diverse challenges that EDPR professionals have to face. In 2021, the Company had 30 employees selected for this program, which started in May and ends in January of 2022. It is focused on different topics, such as Economic Outlook, Strategic Vision, Operational Excellence, Financial Management, Communication and Leadership, among others.
- The **Management and Leadership Essentials Program** (MLE) aims to develop the group of Power Plant Managers in Europe and Brazil, by upskilling a traditionally technical profile at EDPR with the development of management and leadership skills. The program, which was recognised and awarded with the Cegos and E&T 2021 Award for Best Practices in the Development and Learning Category, had 107 participants in 7 different countries throughout its course, in collaboration with an external partner that provided 7 local consultants who conducted the online program in the local language. Each participant was able to complete a total of 50 hours distributed in two modules that took place in 2020 and 2021, in addition to individual e-coaching sessions as part of the program.

GRI 404-3 – Percentage of employees receiving regular performance and career development reviews

EDPR defines two assessment processes for its employees. The annual performance assessment, which covers all employees entitled to variable remuneration, and the potential assessment.

All EDPR employees, regardless of their professional category, are evaluated every two years to determine their development potential by providing the most suitable training. EDPR creates tailored development plan to address specific needs.

Moreover, EDPR offers the possibility to all employees to define an Individual Development Plan. This plan is a very effective tool that enable the Company to structure training actions for the employee aimed at widening their abilities and expertise since it requires a reflection upon the results of their skills assessment and identify the individual's strong points and improvement areas, taking into consideration the employee's development level, as well as the teamwork and organisational strategy.

The potential assessment process is independent from performance appraisal and is based on a 360 degree evaluation model which considers feedback from oneself, peers, subordinates and the manager.

GRI 405-1 – Diversity of governance bodies and employees

In the table below, the proportion of members of the Board of Directors in 2021 is disclosed by age group and gender.

BOARD OF DIRECTORS	UN	UNDER 30 YEARS OLD	BETWEEN 30 AND 50 YEARS OLD	OVER 50 YEARS OLD	TOTAL
Female	%	0%	17%	17%	33%
Male	%	0%	17%	50%	67%
Total	%	0%	33%	67%	100%

In the table below, the proportion of members of the Board of Directors in 2020 is disclosed by age group and gender.

BOARD OF DIRECTORS	UN	UNDER 30 YEARS OLD	BETWEEN 30 AND 50 YEARS OLD	OVER 50 YEARS OLD	TOTAL
Female	%	0%	7%	7%	14%
Male	%	0%	29%	57%	86%
Total	%	0%	36%	64%	100%

Following the best Corporate Governance practices, EDPR has analysed and discussed about the possible criteria applicable in the selection of the new members of its Governing Bodies. As a conclusion, the Appointments, Remunerations and Corporate Governance Committee and the Board of Directors resolved at their meetings held on November 2nd, 2016, and December 14th, 2016 respectively, to take into account the following criteria for the selection of new members of the Governing Bodies: the education, experience in the energy sector, integrity and independence, and the diversity that such candidate may provide to the related body. Likewise, on the Shareholder's Meeting held on March 26th, 2020, the Board of Directors made public its particular interest in supporting the gender diversity in accordance with the *Lei nº 62/2017* of August 1st, and specifically committed at the seventh resolution of the agenda, to promote that at the first Elective Shareholders' Meeting to be held after termination of the current term of office of the Board Members, the percentage of Board Members corresponding to the less represented gender is increased to a 33.3%.

Based on the above criteria, after the previous advice of the Appointments, Remunerations and Corporate Governance Committee, in 2021 the Board of Directors submitted the related proposals to the General Shareholders' Meeting (including, for sake of clarity, the *curriculum vitae* of the candidates, which were be publicly disclosed with the other supporting documents of the meeting).

In the table below, the proportion of employees in 2021 is disclosed by age group, gender and professional category.

EMPLOYEES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Senior Managers	%	0%	0%	3%	7%	0%	3%	13%
Managers	%	0%	0%	2%	6%	0%	1%	10%
Specialists	%	7%	9%	14%	29%	2%	4%	65%
Technicians	%	1%	4%	2%	5%	1%	0%	12%
Total	%	8%	14%	21%	47%	3%	7%	100%

In the table below, the proportion of employees in 2020 is disclosed by age group, gender and professional category.

EMPLOYEES	UN	UNDER 30 YEARS OLD		BETWEEN 30 AND 50 YEARS OLD		OVER 50 YEARS OLD		TOTAL
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	
Senior Managers	%	0%	0%	3%	7%	1%	3%	13%
Managers	%	0%	0%	2%	6%	0%	1%	10%
Specialists	%	7%	10%	13%	28%	2%	4%	63%
Technicians	%	0%	4%	2%	5%	1%	1%	14%
Total	%	7%	14%	20%	46%	4%	9%	100%

GRI 405-2 – Ratio of basic salary and remuneration of women to men

Note 1: The tables below refer to average remuneration. 2021 values do not include expats, 2021 mobilities, new hires from December, employees from OW (the offshore JV with ENGIE) and employees from Viesgo (a company acquired at the end of 2020), totalling 5% of the employees. 2020 values do not include expats, 2020 mobilities, long term absences, new hires from December and Executive Committee members, totalling 2% employees.

Note 2: The calculations are based on the December headcount. The base salaries of the new hires are annualised but the rest of the monetary and non-monetary benefits are not annualised, which may cause deviations.

Note 3: The wage gap is calculated based on GRI methodology (female/male remuneration). The calculation considers the employees' working hours.

In the table below, the average remuneration of employees in 2021 and 2020 is disclosed by age group, gender and professional category.

REMUNERATION	UN	2021		2020		Δ% YoY	
		FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
UNDER 30 YEARS OLD							
Senior Managers	€	-	109,926	-	108,598	-	+1%
Managers	€	75,489	89,345	76,782	85,282	(2%)	+5%
Specialists	€	50,686	55,554	51,842	56,754	(2%)	(2%)
Technicians	€	46,859	62,280	39,956	64,702	+17%	(4%)
BETWEEN 30 AND 50 YEARS OLD							
Senior Managers	€	189,009	206,568	169,553	182,250	+11%	+13%
Managers	€	83,856	94,436	91,152	92,833	(8%)	+2%
Specialists	€	62,798	71,329	65,743	73,118	(4%)	(2%)
Technicians	€	56,420	73,698	56,744	72,482	(1%)	+2%
OVER 50 YEARS OLD							
Senior Managers	€	192,051	206,038	172,520	191,570	+11%	+8%
Managers	€	64,508	107,968	103,016	109,042	(37%)[1]	(1%)
Specialists	€	86,066	92,987	87,004	96,545	(1%)	(4%)
Technicians	€	66,921	80,351	71,538	77,410	(6%)	+4%

[1] Impacted by decrease of female managers in North America in 2021 vs 2020.

In the table below, the average total remuneration of employees in 2021 and 2020 is disclosed by region, gender and professional category. The total remuneration also includes remuneration supplements not consolidated during the year, variable remuneration and other monetary benefits.

WAGE GAP - TOTAL REMUNERATION	UN	2021			2020		
		FEMALE	MALE	F/M	FEMALE	MALE	F/M
EUROPE							
Senior Managers	€	119,874	134,156	89%	120,462	133,936	90%
Managers	€	67,246	76,154	88%	68,215	72,104	95%
Specialists	€	48,903	53,033	92%	48,720	52,813	92%
Technicians	€	34,513	25,561	135%	32,439	39,667	82%
NORTH AMERICA							
Senior Managers	€	302,801	311,568	97%	245,121	256,996	95%
Managers	€	116,502	124,660	93%	129,728	126,619	102%
Specialists	€	91,890	104,149	88%	96,219	110,500	87%
Technicians	€	62,909	69,619	90%	67,116	69,712	96%
LATIN AMERICA							
Senior Managers	€	-	98,368	-	131,173	100,229	131%
Managers	€	48,740	49,108	99%	45,894	46,112	100%
Specialists	€	30,274	38,107	79%	31,403	34,846	90%
Technicians	€	-	-	-	-	-	-
APAC							
Senior Managers	€	-	-	-	-	-	-
Managers	€	-	-	-	-	-	-
Specialists	€	47,477	46,476	102%	-	-	-
Technicians	€	-	-	-	-	-	-

Please see below some notes that help explain the YoY variations of the table above and of the table below:

Europe:

- Managers: The average total remuneration for female employees in 2021 decreases compared to 2020 because the segment includes newly promoted employees (when a promotion takes place, the base salaries are positioned at the beginning of the salary band).
- Technicians: The average total remuneration for male employees in 2021 decreases vs 2020 because the segment now excludes an employee that retired, and includes a new hire.

North America:

- Managers: The decrease of the average total remuneration for female employees in 2021 compared to 2020 is mainly because the segment includes newly promoted employees and new hires (when a promotion takes place, the base salaries are positioned at the beginning of the salary band).
- Specialists: The average total remuneration for female employees in 2021 vs 2020 decreases mainly because the female employee with the higher salary in 2020 within this segment left the company in 2021.

Latin America:

- Senior Managers: There are no female employees in this segment in 2021.
- Specialists: The average total remuneration for female employees in 2021 decreases compared to 2020 because the segment includes several new hires.

In the table below, the average base salary of employees in 2021 and 2020 is disclosed by region, gender and professional category.

WAGE GAP - BASE SALARY	UN	2021			2020		
		FEMALE	MALE	F/M	FEMALE	MALE	F/M
EUROPE							
Senior Managers	€	83,680	94,080	89%	83,698	94,836	88%
Managers	€	50,192	57,073	88%	51,530	55,581	93%
Specialists	€	40,849	43,435	94%	40,383	43,206	93%
Technicians	€	28,063	23,048	122%	27,087	31,956	85%
NORTH AMERICA							
Senior Managers	€	163,388	166,643	98%	168,591	173,662	97%
Managers	€	85,834	86,500	99%	91,993	88,426	104%
Specialists	€	76,237	79,861	95%	76,523	81,263	94%
Technicians	€	46,751	46,292	101%	48,806	46,549	105%
LATIN AMERICA							
Senior Managers	€	-	75,876	-	110,160	71,179	155%
Managers	€	39,241	36,605	107%	36,577	34,830	105%
Specialists	€	24,037	29,508	81%	23,492	25,638	92%
Technicians	€	-	-	-	-	-	-
APAC							
Senior Managers	€	-	-	-	-	-	-
Managers	€	-	-	-	-	-	-
Specialists	€	46,712	44,846	104%	-	-	-
Technicians	€	-	-	-	-	-	-

GRI 102-38 – Annual total compensation ratio

The ratio presented below represents of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees.

ANNUAL TOTAL COMPENSATION RATIO	UN	2021	2020	Δ% YoY
Spain	x	5.4	5.6	(3%)
Portugal	x	4.7	4.2	+12%
US	x	11.2	6.1	+84%

Note 1: Miguel Stilwell d'Andrade and Rui Teixeira did not receive any remuneration from EDPR. EDPR and EDP signed an executive management services agreement according to which EDPR paid to EDP a fee for the services rendered by these officers.

Note 2: X as unit means times.

Note 3: 2021 values do not include expats, 2021 mobilities, new hires from December, employees from OW (the offshore JV with ENGIE) and employees from Viesgo (a company acquired at the end of 2020), totalling 113 employees. 2020 values do not include expats, 2020 mobilities, long term absences, new hires from December and Executive Committee members, totalling 34 employees.

Note 4: The calculations are based on the December headcount. The base salaries of the new hires are annualised but the rest of the monetary and non-monetary benefits are not annualised, which may cause deviations.

Please note that the variation in the US ratio is mainly due to the inclusion of the LTIP payment.

GRI EU15 – Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region

EMPLOYEES ELIGIBLE TO RETIRE	UN	2021		2020	
		IN 10 YEARS	IN 5 YEARS	IN 10 YEARS	IN 5 YEARS
BY EMPLOYMENT CATEGORY					
Senior Managers	%	10%	6%	10%	6%
Managers	%	2%	0%	2%	1%
Specialists	%	4%	2%	5%	3%
Technicians	%	5%	4%	6%	5%
BY REGION					
Europe					
Spain	%	4%	2%	4%	2%
Portugal	%	15%	11%	20%	15%
Rest of Europe	%	2%	1%	2%	1%
Total	%	5%	3%	5%	3%
North America					
US	%	6%	4%	6%	3%
Rest of North America	%	0%	0%	0%	0%
Total	%	6%	4%	6%	3%
Latin America					
Brazil	%	0%	0%	0%	0%
Rest of Latin America	%	0%	0%	0%	0%
Total	%	0%	0%	0%	0%
APAC					
Total	%	0%	0%	-	-
GRAND TOTAL	**%**	**5%**	**4%**	**5%**	**4%**

Note: The employees eligible to retire in the next 5 years is with 60 years reference and in the next 10 years with 57 years reference.

Other people management related topics:

Communication with employees

EDPR's global presence with employees from different regions, nationalities and generations requires the Company to listen and provide feedback on different ambitions and expectations. This is why EDPR launches a Climate Survey every two years, allowing the Company to better understand and act in accordance with employees' opinions. It also works to keep its employees well informed and therefore continues to improve the internal communications channels, which also helps keep them motivated and committed to the Company's strategy.

EDPR and EDP Group have invested strategically in this area with innovative communication channels that have consistently been recognized internationally for their mix of dynamism and creativity.

Below are the EDPR internal communication channels that keep employees informed and connected every day:

- Intranet: the platform takes online interaction among employees to a new level by including social media-style features and advanced customization options. It is a place to share information, work together, and learn about projects and news from EDPR and EDP.
- Workplace: the social network aims to strengthen internal communication by customizing content according to the audience, bringing it closer to the company hierarchy, fostering top-down and bidirectional communication and improving teamwork.

- EDP On Renew magazine: the print magazine has been a mainstay of EDP Group's internal communications since 1988. The On Renew edition, specific to EDPR, shows the Company and its people through stories, interviews and reports.
- EDP On TV: the TV channel broadcasts in EDPR and EDP offices and online. It includes dynamic news reports and interviews on news and events. It is the medium that truly puts a face on projects, employees and initiatives.
- EDP On App: a mobile app to access the company's intranet, where corporate news can be consulted and the tools and services available to employees can be used.
- Global newsletter: a monthly newsletter gives a broader reach to news and information regarding the Company's projects, teams, successes, and strategies.
- HR App: EDPR has an app in place to offer employees news and access to recruitment processes or measures, all in a practical, simple way. This tool is particularly useful to keep traveling and geographically dispersed employees connected.

Apart from these communication channels, EDPR holds Company-wide Annual Meetings[5] that allow employees to streamline their long-distance communication, improve their day-to-day work, share their concerns, and get to know the business goals set by EDPR's senior management. The Company also holds meetings and team-building events; conference calls regarding results, internal campaigns through the various internal channels, and a robust website that informs both internal and external stakeholders. All of these communication efforts look to motivate employees, promote knowledge-sharing and bring people together.

Employees with disabilities

In the companies in Spain where there is a legal obligation to have people with disabilities in the workforce to comply with the LISMI due to the number of employees, EDPR has opted for the exceptionality measures provided by the Law. The Company is able to comply with the quota that legally applies to it through contracts of goods or services with companies that promote the hiring of disabled people and also through donations. EDPR's companies under this obligation are covered with the exceptionality measures since February 2018 and for a period of three years. For the rest of EDPR countries, the approach is the same. Recently, as part of EDPR's global strategy, a Diversity and Equality Committee has been set up with the participation of the Management Team, whose objective is to integrate the commitment to this issue within the company. One of the objectives of this Committee is focused on the group of people with disabilities as one of the most important topics to be developed. Please note that by the end of the 2021, 1.3% of the Company's employees had disabilities.

Work organisation and implementation of "right to disconnect" policies

For EDPR, it is a priority to foster time efficiency of employees' daily tasks to balance their professional and personal life, while still delivering excellent results. In this context, the Company has been implementing several initiatives that contribute to achieve this, and even though currently EDPR does not have policies regarding the right of people to disconnect from work during non-work hours, messages of work organisation and disconnection will continue to be conveyed. For example, in 2017 EDPR designed Work Smarter, a Code that includes a set of guidelines to work efficiently by maximising the time efficiency of each daily task, mainly regarding work organisation, email & phone and meetings. Additionally, different initiatives took place during 2017 in order to involve employees around this different way of working. Some of the initiatives were placing inspiring sentences and clocks in the meeting rooms to remind the employees that their time is gold. Within Work Smarter, some of the initiatives were focused on the right to disconnect. In 2020, due to the COVID-19 and subsequent home office regime implemented, EPDR shared several tips in its intranet on how to better work from home, which included the separation between professional and personal life, setting a work schedule and taking breaks. Lastly, in 2021, EDPR introduced the *Golden Rules* initiative to provide guidelines for its employees on topics such as respecting routines, best practices when communicating through email and tips for organising their daily schedule. Later, together with the implementation of the new hybrid working model, the *Golden Rules 2.0* was created, which is an adaptation of the previous initiative to a new reality in which there are some employees working from home and others working at the office at the same time. By following these recommendations, people can be more efficient with their time and promote each other's wellbeing.

[5] No Annual Meetings or other types of events have been held in the last year due to COVID-19

Work life balance

Throughout 2021, both physical and mental health were once again a global priority. Accordingly, EDPR implements several initiatives focused on family, time, and health, offering its team a wide range of benefits that reinforce the Company's position as a flexible workplace with work-life balance policies; it also encourages an efficient use of time in employees' daily tasks to reconcile their professional and personal life while still achieving excellent results. As a result, EDPR's work-life balance practices have earned it the EFR Certification (Empresa Familiarmente Responsable) for ten years, awarded by the Spanish *Fundación MásFamilia*. In 2021, EDPR maintained the level of excellence in this certification obtained in 2020, which recognises the Company's efforts to reconcile professional and personal life, excellence and flexibility. To achieve this continuously, EDPR is committed to constantly improve the initiatives implemented, which will enable it to provide the most progressive and appropriate benefits to employees.

During the year, EDPR launched the *Flex-Movement*, an initiative to simplify flexibility measures and improve the conditions necessary to make EDPR a dynamic and innovative growth-based company. In this context, the Company was able to successfully kick-off the remote work strategy approved the previous year, in which employees are able to work remotely 2 days a week, where feasible. EDPR believes that remote work is crucial to improve flexibility, work-life balance and the overall wellbeing of its team while remaining productive. In addition, the Company has a wellness platform to further develop a culture of wellness and encourage healthy habits. The aim of the programs promoted by the platform is to create a culture where employees choose to voluntarily adopt healthy habits by sharing their experiences, form support networks to facilitate the process and motivate each other. In 2021, a virtual gym was included in the platform. EDPR also shared in its intranet several tips on health, wellbeing and remote work throughout the year. To raise awareness on mental health in particular, EDPR launched the *Mind Your Mind* campaign in October, which promoted educational talks with specialists, employees and other key stakeholders on how to approach the topic, especially in the current social context.

Furthermore, EDPR has a volunteer program addressed to its employees in order to promote social responsibility, giving them the opportunity to grow not only at work but also personally while also contributing to the society. As a result, EDPR employees are given 4 hours a month to dedicate to volunteering initiatives.

Equality plans

EDP Renováveis S.A. has an Equality Plan for the period 2020-2022 in accordance with the Spanish Organic Law 3/2007 which has already achieved 76% compliance at a global level and has taken the appropriate steps to comply with local legislation on equality as required.

Adopted measures to promote employment related to equality

EDPR incorporates the principles of diversity, equity and inclusion in its values and practices, as it is aware that a diverse team brings together different perspectives and knowledge, as well as representing different sources of talent. In particular, EDPR's goal is to contribute to improving the quality of life of its employees, removing professional barriers and promoting gender equality, in order to ensure a transparent workplace environment where mutual respect and equal opportunities prevail. In accordance, EDPR has a Diversity, Equity and Inclusion Committee to promote its commitment to these fundamental principles. The main objectives of the Committee are to reflect EDPR's strategy on diversity, equity and inclusion, including the definition and development of initiatives that contribute to a global action plan and local action plans, and to foster the exchange of knowledge and best practices. However, as a responsible company, EDPR's goal is to actively promote these values in its team.

In this context, EDPR celebrated the Diversity Month in May, during which an e-learning on Unconscious Bias was launched at EDP Group level, an online training course designed to address underlying attitudes that we sometimes unconsciously adopt in our day-to-day decisions. The Company believes that with the right tools and knowledge, we will be able to have a truly inclusive culture and a more sustainable future.

In addition, EDPR joined the "Empowering Women's Talent" program for the development of female talent promoted by *Equipos & Talento*. The program helps companies to learn, share, communicate and inspire about gender diversity, with the aim of promoting female empowerment and leadership. This reflects the Company's commitment to promote and recognise the work of women, especially those who develop careers in STEM (Science, Technology, Engineering and Mathematics), since one of its most relevant challenges is to attract, develop and retain female talent, especially in the technical area.

As a result of its commitment and practices, EDPR was featured for the second consecutive year in the Bloomberg Gender-Equality Index (GEI) in early 2021, a benchmark index that selects the listed companies most involved in the development of gender equality in the world. EDPR's inclusion as part of this index highlights the Company's work to promote equal opportunities for women through development, representation and transparency policies.

EDPR is dedicated to continuously fostering a culture founded on human equality and the strength in diversity, and will continue to lead by example. The Company upholds its commitment to Diversity, Equity & Inclusion not only through words, but through actions that truly make a positive impact on people.

Sexual harassment protocol

Currently, EDPR does not have a specific sexual harassment protocol. Nevertheless, as stated in its Code of Ethics, EDPR promotes a culture free from any sort of harassment, understanding this to be systematically undesired behaviour of a moral or sexual nature, in a verbal, non-verbal or physical form, which has the goal or effect of disturbing or embarrassing another person, or affecting their dignity or creating an intimidating, hostile, degrading, humiliating or destabilizing environment.

Harassing forms of behaviour in a business context violate the victims' labour rights, and may affect their value as people and workers, causing harm that can have an impact on their self-esteem, physical and mental health, life project and family relationships. Therefore, in addition to the legal obligations to which EDPR is subject to, the Code of Ethics also states that it is the duty of all employees to prevent, confront and report any and all behaviour that may preclude a situation of harassment. In this regard, the Code of Ethics has its own regulation that defines a process and channel, open to all stakeholders, to report any potential claim or doubt on the application of the Code.

Universal accessibility

Most of the offices in which EDPR has its operations are not owned by the company. Therefore, EDPR is limited in the implementation of accessibility measures in its offices. However, in other topics in which EDPR has decision-making power, such as the creation of its website, the company took measures to comply with the accessibility specifications that help blind people to use it.

4.6. Corporate governance

For information regarding GRI 103 – Management Approach for this material topic, please refer to section Organisation of the chapter The Company. For further information on the topic please see chapter 5. Corporate Governance.

Average remuneration of EDPR's BoD members and Executive Directors

Board of Directors

In 2021, the average salary for EDPR's Board of Directors male members was €47,905 (-16% vs 2020) and €42,500 (-26% vs 2020) for female members. The YoY variations are mainly due to the changes in the Board's composition that occurred in 2021.

Note 1: António Mexia, João Manso Neto, Miguel Stilwell d'Andrade, Rui Teixeira, Vera Pinto, Ana Paula Marques and Miguel Setas did not receive any remuneration from EDPR. EDPR and EDP signed an Executive Management Services Agreement according to which EDPR paid EDP a fee for the services rendered by these Board Members.

Note 2: Miguel Ángel Prado received the remuneration as board member from EDPR North America LPP and is not considered in this average.

Note 3: The calculations include all board members that belonged to EDPR BoD in 2021.

Executive Directors

At the beginning of 2021, EDPR had five (5) Executive Directors: João Manso Neto, Rui Teixeira, Duarte Bello, Miguel Ángel Prado and Spyridon Martinis. At the meeting held in January 19th, 2021, the Board received the resignations to the positions as Directors of Duarte Bello (with effects January 19th, 2021), Spyridon Martinis (with effects January 19th 2021) and Miguel Ángel Prado (with effects as of the next General Shareholders' Meeting to be held). In addition, after the public communication of João Manso Neto about his non-availability to be re-elected for his positions in EDP, João Manso Neto was also ceased as Vice-Chairperson of EDPR's Board and CEO of EDPR.

In order to fulfil the referred vacant positions, and following the proposal of the Appointments, Remunerations and Corporate Governance Committee, EDPR's Board of Directors also agreed on its meeting held on January 19th to approve the appointment by co-option of Miguel Stilwell d'Andrade as Executive Director and Chairperson of EDPR's Board and CEO of EDPR.

In this context, the average salary for EDPR's Executive Directors in 2021, all male, was €460,000 (-13% vs 2020), which includes the fixed salary corresponding to the period of 2021 before their resignation to the positions as Directors (Duarte Bello and Spyridon Martinis up to January 19th, 2021, and Miguel Ángel Prado up to February 22nd, 2021), the variable salary related to the performance of previous years, retirement savings plan, company car and health insurance.

Note: João Manso Neto, Miguel Stilwell d'Andrade and Rui Teixeira did not receive any remuneration from EDPR. EDPR and EDP signed an Executive Management Services Agreement according to which EDPR paid EDP a fee for the services rendered by these Executive Directors.

4.7. Innovation

For information regarding GRI 103 – Management Approach for this material topic, please refer to section Innovation Capital of the chapter Execution.

4.8. Community Engagement

For information regarding GRI 103 – Management Approach for this material topic, please refer to section Contribute to the Society of the chapter Execution.

GRI 202-2 – Proportion of senior management hired from the local community

The Code of Ethics contains specific clauses of non-discrimination and equal opportunities in line with the Company's culture of diversity. This is reflected in the procedures for hiring people via a non-discriminatory selection process. A potential employee's race, gender, sexual orientation, religion, marital status, disability, political orientation or opinions of any other nature, ethnic or social origin, place of birth or trade union membership are not considered.

In this context, there are no specific procedures explicitly requiring local recruitment. Nevertheless, a high percentage of EDPR employees are hired from the same country in which the Company operates.

LOCAL RECRUITMENT	UN	2021	2020
SENIOR MANAGERS			
Europe	%	89%	84%
North America	%	84%	79%
Latin America	%	50%	50%

GRI 203-1 – Infrastructure investments and services supported

Wind and solar energy require infrastructure investments which benefit surrounding communities. This includes the reinforcement of existing electricity networks and the rehabilitation of existing roads or the construction of new roads.

The investment in roads is necessary in order to transport heavy equipment (wind turbine components, power transformers, etc.) to the site during construction. The improved road system facilitates future maintenance activities after construction works, as well as improves access to remote locations for the surrounding communities. During the operation of the wind farms and solar plants, these roads are maintained. The integration of the generation capacity may also require upgrades in the distribution and transmission grids that belong to the system operators. Those upgrades indirectly benefit the quality of service offered in the surrounding areas by minimising electricity supply interruptions. In 2021, EDPR invested €28 million in the development of community roads surrounding its projects.

GRI 203-2 – Significant indirect economic impacts

Renewable energy technologies are viewed not only as tools for mitigating climate change, but are also increasingly recognised as investments that can provide direct and indirect economic advantages by reducing dependence on imported fuels (and hence, improving trade balances), enhancing local air quality and safety, advancing energy access and security, propelling economic development and creating jobs. In 2021, EDPR implemented several economic development projects, which foster job creation and profit generation.

GRI 411-1 – Incidents of violations involving rights of indigenous peoples

EDPR has no knowledge of any incident of violations involving rights of indigenous people in 2021, neither in 2020.

Note: For the information reported in this indicator, EDPR considers passive contingencies associated with litigation qualified as probable in 2021 recorded in the contingencies reporting system, and claims/doubts reported in the Ethics Channel or the Compliance Channel and considered as founded.

GRI 413-1 – Operations with local community engagement, impact assessments, and development programs

EDPR's main goal regarding their relationship with communities near its facilities is to preserve a close and long-term connection with them in order to guarantee a good coexistence. This concern presents itself as a valuable instrument in the entire life cycle of EDPR's operations that goes from the development, construction and operation of wind farms and solar plants to their dismantlement.

During the development phase, EDPR performs an environmental impact assessment for all the projects. This assessment includes the most significant issues for the affected areas both from an environmental and social perspective. During the entire life cycle of its operations, EDPR promotes the wellbeing and development of the communities throughout the countries where it operates. EDPR considers that in order to make a positive impact on local communities, it is vital to work for the common good by promoting and supporting social and environmental activities.

In 2021, following a strategic reflection on social investment at EDP Group level, the new strategy for social investment reinforces two major topics - Fair Energy Transition, and Culture - having defined concrete objectives for the allocation of social investment to each of these themes.

- The **Fair Energy Transition** theme, which englobes social investment activities such as Closer2You, Keep it Local, Wind Experts and Your Energy, aims to promote energy efficiency, renewable energy and decarbonization through increased awareness, supporting education on renewable energy for all. This thematic focus is greatly aligned with EDPR's business and therefore also promotes a more efficient use of the Company's skills, thus contributing to supporting communities in a more efficient manner.
- The **Culture** theme, which englobes EDPR's Powering Culture initiative, contributes to the protection and promotion of cultural heritage, local traditions and access to culture and art, contributing to a more vibrant and creative society.

In parallel, and recognising the need to continue supporting projects that respond to other social needs of the communities where EDPR is present, the Company will maintain its investment in various topics such as health, social inclusion and response to emergency situations, among others.

In line with its social investment strategy and the communities' needs and expectations, EDPR has defined a Catalogue of Activities that works as a tool for defining the social investment made in local communities.

During 2021, EDPR invested a total of €6.6 million in supporting communities, of which €4.8 million are related to A2E and €1.7 million are a result of activities such as internally developed and collaborative initiatives, donations to charitable organisations and volunteering activities. In addition, 17% of EDPR employees participated in volunteering initiatives, contributing with more than 900 hours of their time to the development and wellbeing of the society.

GRI 413-2 – Operations with significant actual and potential negative impacts on local communities

Noise, visual impact, TV interferences and ice thrown from wind turbines are identified as EDPR's business environmental impacts within the category of disturbance to the local communities. EDPR implements the necessary measures to make these impacts as minor as possible. Moreover, during the operation phase, EDPR has grievance mechanisms in place available to the local communities to ensure that suggestions or complaints are properly recorded and addressed. This allows EDPR not only to solve the complaints but also to introduce improvements in all processes. In 2021, EDPR registered 74 complaints regarding potential impacts on the local communities, +64% when comparing to 2020 which, in turn, was -61% vs 2019. There were 46 complaints in the US, of which 27 were related to possible interferences with the TV or radio signal, 15 related to noise, 3 related to spills and 1 related to road drainage. In addition, there were 27 claims related to possible interferences with the TV or radio signal in Europe, of which 25 from France, 1 from Belgium, and 1 from Italy, which also had 1 complaint related to noise.

Please note that EDPR does not have individual consumers, according to the concept this term has associated in the Spanish regulation (Law 11/2018). Regarding the complaint systems, given the core business of the Company, EDPR does not deal directly with individual consumers. However, EDPR considers the local communities near its operations as its clients and makes different complaint channels available to them, among which is the Ethics Channel.

4.9. Suppliers Management

GRI 204-1 – Proportion of spending on local suppliers

At EDPR, there is no specific policy or in-house procedure for preferring locally based suppliers. Nevertheless, under equal commercial terms, EDPR chooses local suppliers in order to enhance the socio-economic sustainability of the 18 markets where it is present.

In this way, 94% of vendor spending in 2021 was sourced from local suppliers at a country level.

Moreover, during the construction of the Company's projects, the local community can see an influx of temporary local construction workers and suppliers that provide a positive impact on the local economy.

Note: EDPR defines spending in local suppliers at a country level as purchases to suppliers in countries where EDPR is present divided by the total invoiced volume in 2021.

GRI 308-2 – Negative environmental impacts in the supply chain and actions taken

EDPR's procurement process is developed within the framework of the Procurement Policy, which extends to EDPR's both direct and indirect suppliers, and from which the most relevant aspects for EDPR regarding the supply chain's high quality and sustainability are established. Accordingly, EDPR has in place requirements related to Sustainability, Quality and Risk management that have to be met by its suppliers throughout the main procurement phases: registration process, contracting and, lastly, the monitoring and evaluation of the suppliers.

EDPR has a Corporate System of Supplier Registration in place which works as the support to search and select suppliers by providing detailed information, validated and updated by credible sources in order to guarantee their accreditation through financial, technical quality and sustainability criteria. This includes environmental topics such as the existence of an environmental management system and its certification, the existence of environmental requirements in the suppliers procurement conditions or the availability of procedures and resources to assure the prevention/minimisation of environmental impacts.

EDPR has a Supplier Qualification Process in place since 2020. The main goal of this process is to provide a more thorough analysis on critical topics such as technical capabilities, health and safety, environment and ethics, and to establish highly standardised minimum requirements to ensure that the suppliers with whom EDPR conducts business are qualified. All parameters of the Qualification system are periodically reviewed and reassessed by EDPR to guarantee that supply chain performance remains on the high quality level required. The qualified suppliers are then included in a Suppliers Qualification List and are able to participate in the EDPR bidding and contracting processes.

The incorporation of adequate criteria in the bidding and contracting processes of the Company is essential to ensure the management and mitigation of operational risks in the supply chain. In Europe & Brazil, EDPR has a Suppliers Sustainability Guide in place for both construction and O&M operations, providing an overview of the sustainability requirements EDPR expects its suppliers to meet. The guide includes H&S, environmental and ethical requirements such as compliance with applicable regulations, policies, internal norms, procedures and systems in place. In addition, EDPR has implemented a process that classifies suppliers according to their H&S and environmental risks. The classification serves as an input in the selection of suppliers during the bidding phase. Based on the individual values obtained in this classification, suppliers may be excluded from the bidding process. If the supplier wants to be re-considered or participate in new processes, an action plan to solve the identified issues has to be presented and EDPR shall approve the action plan proposal.

Adequate compliance by all EDPR suppliers with applicable H&S and environmental requirement is essential to guarantee the correct performance of the contracted services and works. Aiming to ensure that suppliers comply with these requirements, the Company has established a disciplinary and sanctioning regime, which is included in all requests for proposal, contracts and purchase orders so any provider will be always informed about the consequences of not complying with EDPR H&S and environmental requirements.

In order to guarantee that the suppliers comply with the previously mentioned requirements, EDPR monitors strategic suppliers during their services delivery.

EDPR performs internal inspections during the construction and operation phases to monitor the suppliers performance regarding environmental and H&S aspects and to identify potential risks. In 2021, EDPR performed 1,246 inspections to 186 suppliers regarding their environmental performance. As a result of these inspections, the Company identifies corrective actions needed and establishes an action plan for continuous improvement. Furthermore, EDPR hires an external party for additional supervision in these areas. These processes are reinforced by the integrated Health and Safety and Environmental Management System, which was developed and externally certified according to international standards ISO 45001 and ISO 14001.

Moreover, since 2020, EDPR has a Third Party Integrity Due Diligence Procedure which was approved with the goal to reinforce the mechanisms for identifying and preventing possible integrity or corruption risks for EDPR in the relationship with third parties. In this sense, during 2021, 397 Compliance analysis of third parties were performed (closed Integrity Due Diligence Analysis). In addition, an internal tool has been developed to facilitate the management of the Integrity Due Diligence analyses. In cases with high risk, it is necessary the approval of the Management Team, and the inclusion of robust clauses related to corruption in the corresponding agreements is recommended.

In a previous study to characterise EDPR's supply chain, performed in 2015, including the analysis of the exposure to economic, social and environmental risks, performed using the ESCHER (Efficient Supply Chain Economic and Environmental Reporting) methodology developed by PwC, it was determined that 300 thousand-ton GHG emissions were associated to EDPR's direct and indirect purchases, only 5% of which related to direct purchases. Through this study, EDPR aims to identify areas where should focus its improvement activities in order to significantly reduce its exposure to risk and optimise impacts.

GRI 414-2 – Negative social impacts in the supply chain and actions taken

EDPR's procurement process is developed within the framework of the Procurement Policy, which extends to EDPR's both direct and indirect suppliers, and from which the most relevant aspects for EDPR regarding the supply chain's high quality and sustainability are established. Accordingly, EDPR has in place requirements related to Sustainability, Quality and Risk management that have to be met by its suppliers throughout the main procurement phases: registration process, contracting and, lastly, the monitoring and evaluation of the suppliers.

EDPR has a Corporate System of Supplier Registration in place which works as the support to search and select suppliers by providing detailed information, validated and updated by credible sources in order to guarantee their accreditation through financial, technical quality and sustainability criteria. This includes social topics such as the existence of an occupational health & safety management system and its certification, the existence of social requirements in the suppliers procurement conditions or previous condemnations of forced, compulsory or child labour.

EDPR has a Supplier Qualification Process in place since 2020. The main goal of this process is to provide a more thorough analysis on critical topics such as technical capabilities, health and safety, environment and ethics, and to establish highly standardised minimum requirements to ensure that the suppliers with whom EDPR conducts business are qualified. All parameters of the Qualification system are periodically reviewed and reassessed by EDPR to guarantee that supply chain performance remains on the high quality level required. The qualified suppliers are then included in a Suppliers Qualification List and are able to participate in the EDPR bidding and contracting processes.

The incorporation of adequate criteria in the bidding and contracting processes of the Company is essential to ensure the management and mitigation of operational risks in the supply chain. In Europe & Brazil, EDPR has a Suppliers Sustainability Guide in place for both construction and O&M operations, providing an overview of the sustainability requirements EDPR expects its suppliers to meet. The guide includes H&S, environmental and ethical requirements such as compliance with applicable regulations, policies, internal norms, procedures and systems in place. In addition, EDPR has implemented a process that classifies suppliers according to their H&S and environmental risks. The classification serves as an input in the selection of suppliers during the bidding phase. Based on the individual values obtained in this classification, suppliers may be excluded from the bidding process. If the supplier wants to be re-considered or participate in new processes, an action plan to solve the identified issues has to be presented and EDPR shall approve the action plan proposal.

Adequate compliance by all EDPR suppliers with applicable H&S and environmental requirement is essential to guarantee the correct performance of the contracted services and works. Aiming to ensure that suppliers comply with these requirements, the Company has established a disciplinary and sanctioning regime, which is included in all requests for proposal, contracts and purchase orders so any provider will be always informed about the consequences of not complying with EDPR H&S and environmental requirements.

In order to guarantee that the suppliers comply with the previously mentioned requirements, EDPR monitors strategic suppliers during their services delivery.

EDPR performs internal inspections during the construction and operation phases to monitor the suppliers performance regarding environmental and H&S aspects and to identify potential risks. In 2021, EDPR performed 1,670 inspections to 259 suppliers regarding their H&S performance. As a result of these inspections, the Company identifies corrective actions needed and establishes an action plan for continuous improvement. Furthermore, EDPR hires an external party for additional supervision in these areas. These processes are reinforced by the integrated Health and Safety and Environmental Management System, which was developed and externally certified according to international standards ISO 45001 and ISO 14001.

Moreover, since 2020, EDPR has a Third Party Integrity Due Diligence Procedure which was approved with the goal to reinforce the mechanisms for identifying and preventing possible integrity or corruption risks for EDPR in the relationship with third parties. In this sense, during 2021, 397 Compliance analysis of third parties were performed (closed Integrity Due Diligence Analysis). In addition, an internal tool has been developed to facilitate the management of the Integrity Due Diligence analyses. In cases with high risk, it is necessary the approval of the Management Team, and the inclusion of robust clauses related to corruption in the corresponding agreements is recommended.

In a previous study to characterise EDPR's supply chain, performed in 2015, including the analysis of the exposure to economic, social and environmental risks, performed using the ESCHER (Efficient Supply Chain Economic and Environmental Reporting) methodology developed by PwC, it was determined that more than 20,000 jobs related to EDPR's direct purchases were created, more than €735 million gross value added was associated to EDPR's purchases, and that ~0% of EDPR's direct purchases were identified as having significant risk for incidents of child labour, forced or compulsory labour or freedom of association. Through this study, EDPR aims to identify areas where should focus its improvement activities in order to significantly reduce its exposure to risk and optimise impacts.

4.10. Environmental Management

For information regarding GRI 103 – Management Approach for this material topic, please refer to section Natural Capital of the chapter Execution.

GRI 304-2 – Significant impacts of activities, products, and services on biodiversity

As a responsible company, EDPR is aware of the sensitivity of natural ecosystems and the pressures affecting biodiversity. Thus, EDPR assumes its commitment to contribute to the prevention or reduction of loss in biodiversity, as stated in its Environmental Policy. EDPR's commitment towards biodiversity protection is focused on the main impacts of its activities: migrating birds, bats and habitat fragmentation. As a result, the Company particularly commits to protect the wildlife surrounding its wind farms.

The Company has implemented relevant measures to identify the impacts of its operations on biodiversity, including:

- **Environmental impact assessments and/or risk mapping:** During the development phase of any project of the Company, the potential environmental impacts are analysed in detail in the environmental impact studies of the projects and other specific environmental studies, always performed by professional external experts. These studies evaluate the possible impacts of the projects in factors such as fauna, flora, soil, air and water bodies, among others.
- **Monitoring of biodiversity indicators:** EDPR has established an environmental monitoring which is implemented by an external party. Even so, efforts are intensified with specific monitoring procedures in the small number of sites located inside or close to protected areas.

In addition, the Company has defined general procedures in its Environmental Management System to prevent, correct or compensate impacts in the environment. The environmental strategy of the Company complements this approach, with the ambition for a globally positive balance through projects focused on the conservation of wildlife.

Moreover, as a sustainable company, it is EDPR's duty to contribute to the development of research and conservation programs, as well as to broaden scientific knowledge on biodiversity matters by supporting institutions and strengthening dialogue and partnerships.

GRI 304-3 – Habitats protected or restored

EDPR's business is its best contribution to reduce biodiversity loss. Nevertheless, the Company's commitment to contribute to the protection of biodiversity leads to an active role in the conservation of wildlife surrounding its facilities.

Even though EDPR works to minimise any impact on the land surrounding its facilities, the construction and dismantlement processes of wind farms and solar plants are closely followed by EDPR teams, who work to reduce potential impacts or disturbances and to ensure proper restoration of the land once the works finish, cleaning up and rehabilitating the sites to return the area to its initial state.

In 2021, EDPR finished the land restoration of five projects after both construction and repowering works, restoring 99.7% of the hectares that were vegetally affected by the project.

In addition, EDPR actively participates in the protection of biodiversity mainly through collaborations with several organisations to further protect wildlife surrounding its facilities.

GRI 304-1 – Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

COUNTRY	FACILITY NAME	TYPE OF OPERATION	POSITION IN RELATION WITH PROTECTED AREA	FACILITY AREA IN PROTECTED NATURAL AREA (ha)	FACILITY AREA IN PROTECTED NATURAL AREA (%)	ATTRIBUTE OF THE PROTECTED AREA	STATUS OF THE PROTECTED AREA
Belgium	Sivry	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
Poland	Korsze III	Wind farm	Adjacent	0.0	0%	Terrestrial-Freshwater	Area of Protected Landscape
	Ilza	Wind farm	Partially Within	6.6	81%	Terrestrial	Regional park
	Tomaszow	Wind farm	Adjacent	0.0	0%	Terrestrial-Freshwater	Natura 2000
Portugal	Pena Suar	Wind farm	Inside	6.3	100%	Terrestrial	Natura 2000
	Açor	Wind farm	Partially Within	0.1	1%	Terrestrial	Natura 2000
	Açor II	Wind farm	Partially Within	6.0	88%	Terrestrial	Natura 2000
	Bustelo	Wind farm	Inside	8.9	100%	Terrestrial	Natura 2000
	Falperra-Rechãzinha	Wind farm	Partially Within	29.2	88%	Terrestrial	Natura 2000
	Fonte da Quelha	Wind farm	Inside	8.1	100%	Terrestrial	Natura 2000
	Alto do Talefe	Wind farm	Inside	9.2	100%	Terrestrial	Natura 2000
	Fonte da Mesa	Wind farm	Partially Within	8.2	83%	Terrestrial	Natura 2000
	Madrinha	Wind farm	Inside	4.1	100%	Terrestrial	Natura 2000
	Safra-Coentral	Wind farm	Inside	19.7	100%	Terrestrial	Natura 2000
	Negrelo e Guilhado	Wind farm	Partially Within	9.6	98%	Terrestrial	Natura 2000
	Testos	Wind farm	Partially Within	2.9	22%	Terrestrial	Natura 2000
	Serra Alvoaça	Wind farm	Partially Within	7.8	61%	Terrestrial	Natura 2000 National protected area
	Tocha	Wind farm	Inside	6.8	100%	Terrestrial	Natura 2000
	Padrela/Soutelo	Wind farm	Partially Within	1.0	41%	Terrestrial	Natura 2000
	Guerreiros	Wind farm	Partially Within	0.1	0.2%	Terrestrial	Natura 2000
	Vila Nova	Wind farm	Partially Within	7.1	42%	Terrestrial	Natura 2000
	Vila Nova II	Wind farm	Partially Within	9.1	34%	Terrestrial	Natura 2000
	Balocas	Wind farm	Partially Within	0.4	1%	Terrestrial	Natura 2000
	Ortiga	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	S. João	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Alto Arganil	Wind farm	Partially Within	0.8	5%	Terrestrial	Natura 2000
	Salgueiros-Guilhado	Wind farm	Partially Within	0.3	3%	Terrestrial	Natura 2000
	Serra do Mú	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Barão de São João	Wind farm	Inside	22.1	100%	Terrestrial-Marine	Natura 2000
Romania	Albesti	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Pestera	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Sarichioi	Wind farm	Partially Within	0.1	0.1%	Terrestrial	Natura 2000
	Burila Mica	Solar plant	Inside	22.7	100%	Terrestrial-Freshwater	Natura 2000
Spain	Sierra de Boquerón	Wind farm	Inside	10.4	100%	Terrestrial	Natura 2000
	La Cabaña	Wind farm	Partially Within	8.2	53%	Terrestrial	Natura 2000
	Tahivilla	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000 National protected area
	Coll de la Garganta	Wind farm	Partially Within	0.060	1%	Terrestrial-Freshwater	Natura 2000
	Puntaza de Remolinos	Wind farm	Partially Within	1.770	57%	Terrestrial	Natura 2000
	Planas de Pola	Wind farm	Partially Within	6.1	55%	Terrestrial	Natura 2000
	Ávila	Wind farm	Adjacent	0.0	0%	Terrestrial-Freshwater	Natura 2000
	Buenavista	Wind farm	Adjacent	0.0	0%	Terrestrial-Marine	Natura 2000
	Serra Voltorera	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Villoruebo	Wind farm	Partially Within	2.1	43%	Terrestrial-Freshwater	Natura 2000
	Villamiel	Wind farm	Partially Within	1.9	29%	Terrestrial-Freshwater	Natura 2000
	La Mallada	Wind farm	Partially Within	1.41	7.87%	Terrestrial-Freshwater	Natura 2000
	Las Monjas	Wind farm	Partially Within	0.0	0%	Terrestrial-Freshwater	Natura 2000
	Coll de la Garganta	Wind farm	Partially Within	0.06	1%	Terrestrial-Freshwater	Natura 2000
	Tejonero	Wind farm	Partially Within	0.2	1%	Terrestrial	Natura 2000
	Ávila	Wind farm	Adjacent	0.0	0%	Terrestrial-Freshwater	Natura 2000
	Sierra de los Lagos	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Mostaza	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Los Almeriques	Wind farm	Adjacent	0.0	0%	Terrestrial-Freshwater	Natura 2000
	Suyal	Wind farm	Partially Within	0.0	0%	Terrestrial	Natura 2000
	Serra Voltorera	Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	Monseivane	Wind farm	Partially Within	17.2	97%	Terrestrial-Freshwater	Natura 2000
	La Celaya	Wind farm	Partially Within	9.0	70%	Terrestrial-Freshwater	Natura 2000
	Cerro del Conilete	Wind farm	Partially Within	0.01	0.3%	Terrestrial	Natura 2000
		Wind farm	Adjacent	0.0	0%	Terrestrial	Natura 2000
	La Victoria	Wind farm	Partially Within	0.07	0.1%	Terrestrial	Natura 2000
	La Victoria	Wind farm	Partially Within	0.07	0.1%	Terrestrial	Natura 2000
	Marquesado	Wind farm	Partially Within	1.52	2.2%	Terrestrial	Natura 2000

Note 1: This table contains information regarding every EDPR operational sites in or adjacent to protected areas. EDPR does not own sites in or adjacent to protected areas in its remaining markets.

Note 2: Coll de la Garganta appears twice in the table as the first entry refers to a bird protected area and the second entry to a protected area due to the community importance of the site.

Note 3: Serra Voltorera appears twice in the table the first entry refers to a bird protected area and the second entry to a protected area due to the community importance of the site.

Note 4: Ávila appears twice in the table the first entry refers to a bird protected area and the second entry to a protected area due to the community importance of the site.

Note 5: Although the Suyal wind farm, which is partially within a protected area, shows 0.0 ha in the table above, this is due to rounding since 0.007 ha of the site is in a protected area.

GRI 306-1 – Waste generation and significant waste-related impacts

The waste generated by EDPR is not directly linked to the generation process. Most of them are related to turbines' operation and maintenance processes, and the rest is waste originated in facilities and offices.

Accordingly, most of the hazardous waste produced by the sites is related to oil and oil-related waste such as oil filters or oil containers, used mainly for lubrication of the turbines. The consumption of this oil is based on certain pre-defined replacement time frequencies (between 2 and 5 years, based on the component, oil type and manufacturer). Annual fluctuations in hazardous waste generated are heavily dependent on the multiannual oil replacement programs mentioned. Non-hazardous waste generated by the company includes mixed municipal waste, paper, metals, and plastics, among others.

GRI 306-2 – Management of significant waste-related impacts

The company promotes the recovery of waste rather than disposal through recycling and other means. In this context, during 2021, EDPR recovered 80% of the waste generated. Please see below the summary of waste generation and recovery ratios:

WASTE - RATIOS	UN	2021	2020	Δ% YoY
Total waste	kg/GWh	45	37	+22%
Total hazardous waste	kg/GWh	23	17	+38%
Total non-hazardous waste	kg/GWh	22	21	+6%
Total waste recovered	%	80%	76%	+4 pp
Hazardous waste recovered	%	95%	94%	+1 pp
Non-hazardous waste recovered	%	65%	62%	+3 pp

GRI 306-3 – Waste generated

WASTE BY COMPOSITION	UN	WASTE GENERATED
HAZARDOUS WASTE		
Oil related waste	t	595
Contaminated packaging	t	39
Batteries	t	18
Antifreeze fluids	t	10
Electronic equipment containing hazardous waste	t	5
Other hazardous waste	t	12
Total	t	677
NON-HAZARDOUS WASTE		
Mixed municipal waste	t	195
Paper and cardboard	t	117
Metals	t	72
Electronic equipment	t	67
Iron and steel	t	40
Plastics	t	32
Wood	t	28
Septic tank sludge	t	21
Wiping cloths and protective clothing	t	11
Fiberglass	t	9
Biodegradable waste	t	2
Glass	t	1
Other non-hazardous waste	t	64
Total	t	658
GRAND TOTAL	**t**	**1,336**

GRI 306-4 - Waste diverted from disposal

WASTE RECOVERED	UN	2021	2020
HAZARDOUS WASTE			
Total hazardous waste recycled	t	261	122
Total hazardous waste with other recovery, except recycled	t	380	315
Total	t	640	436
NON-HAZARDOUS WASTE			
Total non-hazardous waste recycled	t	257	276
Total non-hazardous waste with other recovery, except recycled	t	171	88
Total	t	428	364
GRAND TOTAL	**t**	**1,068**	**800**

GRI 306-5 - Waste directed to disposal

WASTE DISPOSED	UN	2021	2020
HAZARDOUS WASTE			
Total hazardous waste sent to landfill	t	19	20
Total hazardous waste with other disposal, except landfill	t	18	10
Total	t	37	30
NON-HAZARDOUS WASTE			
Total non-hazardous waste sent to landfill	t	214	215
Total non-hazardous waste with other disposal, except landfill	t	17	9
Total	t	231	224
GRAND TOTAL	**t**	**268**	**254**

Notes to the waste indicators reported above:

- For the purposes of this report, all wastes have been classified as hazardous or non-hazardous according to European waste catalogue; however, in each country where EDPR has a geographic presence, each wind farm is required to adhere to national law by following company procedures for handling, labelling, and storage of wastes to ensure compliance. in cases like in the United States, when the company's operations generate small quantities of substances which fall into additionally-regulated categories such as used oils and universal wastes, EDPR follows strict standards for handling and disposal of these waste types to ensure and remain compliant with all applicable laws.
- Includes waste both from operational facilities and offices. Waste from offices refers to 1Q20 and 4Q21 data (due to the home office implemented the rest of the year).
- Data excludes waste caused by non-recurrent events.
- All waste is treated offsite.

Significant spills

Given EDPR’s activity and its locations, oil spills and fires are the major environmental risks the Company faces. The Environmental Management System is designed and implemented to prevent emergency situations from happening. But, just to be cautionary, the system covers the identification and management of these, including the near miss situations.

EDPR defines significant spills and fires as any spill affecting water bodies/courses, protected soils or soils of interest because of its natural value, or fire affecting protected areas and/or species (according to local protection laws), derived from the O&M activities in the facilities. EDPR continues to register near miss situations, when a registered incident does not reach the category of significant spill. In 2021, there was a fire incident at a solar plant in Mexico, that resulted in a fatality of a snake protected under the country law. There were also 83 near miss situations registered during the year (no variation vs 2020).

In this context, EDPR performs regular environmental drills to guarantee that all employees and suppliers are familiar with the risks and have received the appropriate training to prevent and act, if necessary.

Other environmental management related topics:

Despite EDPR's core activities do not pose any threats of serious or irreversible damage to the environment, the Company, in compliance with the Precautionary Principle, applies cost-effective measures to prevent environmental degradation such as provisions for dismantling and decommissioning of property, plant and equipment to dismantle and decommission those assets at the end of their useful lives. Consequently, EDPR has booked provisions for property, plant and equipment related to electricity wind and solar generation for the responsibilities of restoring sites and land to its original condition, in the amount of €313,594 thousand as at 31 December 2021 (+3% vs 2020).

4.11. Communication and transparency

Contributions to foundations and non-profit entities

EDPR contributed with more than 305 thousand euros to Foundations (87% related to Fundación EDP España and Instituto EDP in Brazil), -55% vs 2020. In addition, EDPR contributed with c.437 thousand euros to non-profit organisations and NGOs, -18% YoY. The interannual variations are mostly due to EDPR's solidarity campaign carried out in 2020 in response to the COVID-19 pandemic.

GRI 102-13 – Membership of associations

The EDP Group raises awareness to policy makers and legislators about the interests of the business sector and/or its own. Globally, EDP Group's activities include participation in industry associations ("Industry Institutions") comprising multiple industry participants that work to advance shared policy objectives.

EDPR's approach and involvement with Industry Institutions is in accordance with EDP Group's internal regulations, policies and procedures, including the principles of integrity and transparency expressed in the Code of Ethics.

In Europe, activities are monitored by means of voluntary registration on a platform created for that purpose by the European Commission – "Transparency Register". EDP has been registered since the creation of this platform in 2011. In North America, relevant Industry Institutions are required to disclose and/or register campaign finance and lobbying activities in accordance with applicable local, state, or federal law.

In the following table are presented the contributions concerning the activities of representation of interests of EDPR:

ACTIVITIES OF REPRESENTATION OF INTEREST	UN	2021	2020
Trade associations or tax-exempt groups	€k	1,700	1,874
Lobbying, interest representation or similar	€k	549	586
Other	€k	29	22
Local, regional or national political campaigns / organizations / candidates	€k	0	0
Total	€k	2,278	2,482

The table below contains the most relevant contributions for associations in 2021:

MOST RELEVANT CONTRIBUTIONS	UN	2021
American Clean Power Association	€k	370
Solar Energy Industry Association	€k	141
American Wind Wildlife Institute	€k	97
Asociación Empresarial Eólica (AEE)	€k	73
American Energy Action	€k	65

GRI 201-4 – Financial assistance received from government

EDPR has not received any financial assistance from the government in 2021, neither in 2020.

Note: The American legislation foresees - and has foreseen in the past - several tax incentives for the production of renewable energy in the United States. Some examples are the production tax credits, the research and development tax credits, the former cash grant, the so-called MACRS (a way of accelerated depreciation), etc. These tax credits are in most cases are part of the renewable energy remuneration scheme.

GRI 206-1 – Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices

EDPR has no knowledge of any legal actions for anti-competitive behaviour, anti-trust or monopoly practices in 2021, neither in 2020.

Note: For the information reported in this indicator, EDPR considers passive contingencies associated with litigation qualified as probable in 2021 recorded in the contingencies reporting system.

GRI 307-1 – Non-compliance with environmental laws and regulations

EDPR has no knowledge of any non-compliance with environmental laws and regulations in 2021, neither in 2020. In addition, during 2021 and 2020, the Company did not receive any significant penalty for non-compliance with environmental laws and regulations.

Note 1: For the information reported in this indicator, EDPR considers passive contingencies associated with litigation qualified as probable in 2021 recorded in the contingencies reporting system and that have obtained an unappealable judgement.

Note 2: EDPR defines as significant penalty the ones above €10k.

GRI 415-1 – Political contributions

The Integrity Policy, in line with the principles defined in the Code of Ethics, prohibits any contribution or association of the EDPR brand to political parties, candidates, campaign structures / political candidacy or to related persons or entities, namely through the delivery of goods or the provision of services, directly or indirectly, on behalf or representation of EDPR, since it may jeopardize the integrity of the Group entities, unless otherwise required by law. In addition, EDPR should make available the necessary arrangements for employees to take part, in their strictly personal capacity, in political processes, under applicable law.

In North America, EDPR retains political consultants for lobbying activities. However, these political consultants are prohibited from making contributions to political candidates, campaigns or parties on behalf of or in the name of EDPR. Additionally, EDPR has provided financial support for the activities of America Energy Action, a welfare organisation organised under Section 501(c)(4) of the US Internal Revenue Code. Such social welfare organizations may participate legally in some political activity on behalf of or in opposition to candidates for public office. However, any such political activity must be completely independent of any political candidate or political campaign.

Finally, in accordance with US law, and at the request of US employees, EDPR provides properly regulated mechanisms for employees participation in political processes and has enabled the establishment of a political action committee (PAC) called the EDPR NA PAC. The EDPR PAC is funded entirely by voluntary personal monetary contributions made by members of the PAC, who are eligible employees in accordance with US law, and decisions on which political campaigns to support are made with the approval of the PAC governing board, which is made up of elected members of the PAC, also in accordance with US law.

These activities are then aligned with the above mentioned principles of the Integrity Policy and the Code of Ethics.

GRI 419-1 – Non-compliance with laws and regulations in the social and economic area

EDPR has no knowledge of any non-compliance with social and economic laws and regulations in 2021, neither in 2020.

The Company received a significant tax related penalty of €12.2k in 2021, and of €21.8k in 2020.

Note 1: For the information reported in this indicator, EDPR considers passive contingencies associated with litigation qualified as probable in 2021 recorded in the contingencies reporting system and that have obtained an unappealable judgement.

Note 2: EDPR defines as significant penalty the ones above €10k.

GRI 207-1 – Approach to tax

EDPR's fiscal strategy is based on five main pillars:

1) EDPR has an ethical and civic duty to contribute to the financing of the general functions of the States in which it operates, by paying the taxes, levies and other contributions that are due, contributing to the well-being of citizens and to the development of the Group's local business. In this context, it carries out its fiscal function with rigor and professionalism, in line with the "EDPR Fiscal Mission", in accordance with the following principles:

- Implements the options which are most appropriate to the business and to the shareholders, in faithful compliance with the spirit and letter of the Law;
- Pays the taxes that are due in all the geographical areas where it carries out its activity;
- Adopts the arm's length principle in intra-group transactions, in the context of the applicable international transfer pricing rules, guidelines and best practices, by transversally implementing an internal transfer pricing policy based on three main principles:
    - All intra-group transactions of a commercial or financial nature have a pre-defined pricing, with terms and conditions that are in line with what would normally have been practised between independent entities, in comparable operations;
    - The definition of the transfer price is based on the economic rationale of the intra-group transaction and, in accordance with the internal rules of the EDPR, not constituting an instrument for tax planning and / or tax evasion;
    - The documentation of intra-group transactions is fully compliant with the Guidelines of the Organisation for Economic Co-operation and Development (OECD), without prejudice to the specific aspects of the internal legislation of each geographical area.
- Adopts tax practices based on principles of economic relevance and commonly accepted business practices;
- Discloses true and complete information concerning relevant transactions; and,
- Seeks to defend its legitimate interests by administrative means and, when appropriate, judicially, when the payment of any taxes, contributions and levies reasonably raises doubts regarding its legality.

2) EDPR reconciles the responsible compliance with tax obligations, with the commitment to create value for its shareholders, efficiently managing its tax burden and using the available tax benefits and incentives applicable in each region, taking into account the Group's global interest and foreseeing significant tax risks.

3) EDPR is committed to maintain a relationship with the Tax Authorities of the countries where it operates based on principles of trust, good faith, transparency, cooperation and reciprocity, aiming to facilitate the application of the Law and to minimise litigation.

4) EDPR applies responsible policies, striving to maintain a low-risk tax profile in order to avoid conducts that could generate significant tax risks. To this end, EDPR implemented a global risk management policy with the objective of identifying, quantifying, managing, monitoring and minimising the tax risks, in close connection with the highest levels of control and decision.

5) EDPR considers transparency a core principle of its fiscal function, particularly through:

- Not resorting to opaque structures or operating in jurisdictions for reasons that do not have a close connection with the economic activity developed within them. EDPR does not have subsidiaries in territories considered to be noncooperating in accordance with Spanish and Portuguese legislations and / or with the OECD benchmarks; and,
- Disclosure of tax information in accordance with the best international practices and recommendations, to facilitate the understanding of the global contribution for the economies and the principles governing its fiscal policies and practices.

GRI 207-2 – Tax governance, control and risk management

The process of management and control of the tax risk begins with the identification and mapping of the risks to which the EDPR is subject. In this sense, EDPR continuously assesses the tax risks and uncertainties, conducting regular exercises in order to identify, quantify and monitor risks that arise from external events with potential material impact.

Accordingly, the Group implemented a risk management policy for identifying, quantifying, managing, monitoring and mitigating, among others, the tax risks, particularly the risk of materialisation of the tax contingencies. Indeed, EDPR, through a specialised team, continuously monitors the processes associated with tax risks and contingencies (related and not related to ongoing litigation), in close cooperation with the respective Business Units, corporate legal services and external lawyers and consultants. In addition, the EDPR's Management Team is involved in the decision-making process of the relevant operations, being its tax impact, if any, analysed, documented and included in the documentation submitted for approval, in particular when it may constitute an important element for the final decision, in order to ensure long-term value creation for shareholders. EDPR also has an Audit, Control and Related-Party Transactions Committee, whose main mission, upon delegation of the BoD, includes the permanent monitoring and supervision of any matters related to the internal control system over financial information and the risk management process, particularly in its fiscal aspects.

207-3 – Stakeholder engagement and management of concerns related to tax

The EDP Group reconciles responsible compliance with tax obligations, with the commitment to create value for its shareholders, advocating efficient management of its tax burden through the use of legally available tax benefits and incentives applicable in each region and which are appropriate to the business carried out. The EDP Group is specifically committed to maintain a relationship with the Tax Authorities of the countries where it operates based on principles of trust, good faith, transparency, cooperation and reciprocity, aiming to facilitate the application of the Law and to minimize litigation.

207-4 – Country-by-country reporting

CORPORATE INCOME TAX PAID	UN	2021	2020
Spain	€M	4	18
Portugal	€M	28	34
France / Belgium	€M	1	1
Poland	€M	11	4
Romania	€M	0	0
Italy	€M	3	3
Greece	€M	0	0
UK	€M	0	0
Brazil	€M	5	15
Colombia	€M	0	0
Chile	€M	0	-
US	€M	1	0
Canada	€M	0	0
Mexico	€M	10	0
Others	€M	0	0
Total	€M	63	76

Note 1: The American legislation foresees - and has foreseen in the past - several tax incentives for the production of renewable energy in the United States. Some examples are the production tax credits, the research and development tax credits, the former cash grant, the so-called MACRS (a way of accelerated depreciation), etc. these tax credits, that in most cases are part of the renewable energy remuneration scheme, have accumulated during the last years, allowing the minimisation of CIT cash-out in this geography.

Note 2: As a general rule, the corporate income tax cash-out detailed above considers both the down payments corresponding to the fiscal year in course (where applicable) and the balance of the corporate income tax corresponding to the previous year.

Note 3: For information regarding Profit before income tax, please refer to 4.3 Economic Business Sustainability. For the number of employees by country, please refer to 4.5 People Management, GRI 102-8.

4.12. Digital transformation

For information regarding GRI 103 – Management Approach for this material topic, please refer to section Digital Capital of the chapter Execution.

4.13. Ethics and Compliance

For information regarding GRI 103 – Management Approach for this material topic, please refer to section Integrity and ethics of the chapter The Company.

GRI 205-1 – Operations assessed for risks related to corruption

EDPR analyses all the new markets where it operates through a Market overview including Sustainability topics such as human rights, labour and environment. This study also evaluates the corruption risk.

Since 2020, EDPR has a Third Party Integrity Due Diligence Procedure which was approved with the goal to reinforce the mechanisms for identifying and preventing possible integrity or corruption risks for EDPR in the relationship with third parties. In this sense, during 2021, 397 Compliance analysis of third parties were performed (closed Integrity Due Diligence Analysis). In addition, an internal tool has been developed to facilitate the management of the Integrity Due Diligence analyses. In cases with high risk, it is necessary the approval of the Management Team, and the inclusion of robust clauses related to corruption in the corresponding agreements is recommended.

GRI 205-2 – Communication and training on anti-corruption policies and procedures

This year, EDPR modified its Anti-Corruption Policy, and since July 2021 it is called Integrity Policy. EDPR's Integrity Policy aims to define the general principles of action and the duties for the Company, its employees, and business partners, in order to avoid the commission of criminal and administrative offences, in particular, conducts associated with crimes of corruption and bribery, money laundering and terrorism financing, antitrust/anti-competitive practices and non-compliance with data protection requirements.

During 2021, the Integrity Policy was complemented by other procedures that facilitate the application of this Policy. Among others: (i) the Donations and Sponsorships Procedure, (ii) the Offers and Events Procedure and (iii) the Conflict of Interest Procedure.

All this normative development has implied a strong work to make the new policies and procedures of the Group known, having deepened this year a lot in training and communication in the anti-corruption area.

Training and communication are fundamental tools to strengthen and disseminate the ethic and integrity culture. In that sense, the following activities have been developed: (i) Training at Group level regarding the Integrity Due Diligence Procedure and the Procedure for relationship with Public Officials and Politically Exposed Persons; (ii) a Conflict of Interest Procedure Training; (iii) a Gifts and Events Procedure Training; and (iv) an Integrity Policy Training.

These trainings have been complemented with communication activities. In addition, specific anti-corruption topics have been communicated through different platforms (EDPR intranet or EDPR workplace): (i) a Speak up culture communication and (ii) a communication for the anti-corruption day, among others.

GRI 205-3 – Confirmed incidents of corruption and actions taken

EDPR has no knowledge of any confirmed incident of corruption in 2021, neither in 2020.

Note: For the information reported in this indicator, EDPR considers passive contingencies associated with litigation qualified as probable in 2021 recorded in the contingencies reporting system and claims/doubts reported in the Ethics Channel or the Compliance Channel.

GRI 406-1 – Incidents of discrimination and corrective actions taken

EDPR has no knowledge of any incident of discrimination in 2021.

In 2020, EDPR had knowledge of a complaint for discrimination at the Equal Employment Opportunity Commission (EEOC). The issue was analysed by the responsible area and finally, resolved and withdrawn by the complainant.

Note: For the information reported in this indicator, EDPR considers passive contingencies associated with litigation qualified as probable in 2021 recorded in the contingencies reporting system, and claims/doubts reported in the Ethics Channel or the Compliance Channel and considered as founded.

GRI 407-1 – Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

Throughout EDPR's operations, both employees and suppliers must comply with the EDPR's Code of Ethics, which has specific clauses to respect freedom of trade union association and recognise the right to collective bargaining. During 2021, neither in 2020, EDPR did not register any claims/doubts in the Ethics Channel nor the Compliance Channel regarding operations with significant risk where the right to freedom of association and collective bargaining may be at risk.

In a previous study to characterise EDPR's supply chain, performed in 2015, including the analysis of the exposure to economic, social and environmental risks, performed using the ESCHER (Efficient Supply Chain Economic and Environmental Reporting) methodology developed by PwC, it was determined that ~0 of EDPR's direct purchases were identified in which the right to exercise freedom of association and collective bargaining may be at significant risk. Through this study, EDPR aims to identify areas where should focus its improvement activities in order to significantly reduce its exposure to risk and optimise impacts.

GRI 408-1 – Operations and suppliers at significant risk for incidents of child labour

Throughout EDPR's operations, both employees and suppliers must comply with the EDPR's Code of Ethics, which has specific clauses against child labour. During 2021, neither in 2020, EDPR did not register any claims/doubts in the Ethics Channel nor the Compliance Channel regarding operations with significant risk for incidents of child labour.

In a previous study to characterise EDPR's supply chain, performed in 2015, including the analysis of the exposure to economic, social and environmental risks, performed using the ESCHER (Efficient Supply Chain Economic and Environmental Reporting) methodology developed by PwC, it was determined that ~0 of EDPR's direct purchases were as having significant risk for incidents of child labour. Through this study, EDPR aims to identify areas where should focus its improvement activities in order to significantly reduce its exposure to risk and optimise impacts.

GRI 409-1 – Operations and suppliers at significant risk for incidents of forced or compulsory labour

Throughout EDPR's operations, both employees and suppliers must comply with the EDPR's Code of Ethics, which has specific clauses against forced labour. During 2021, neither in 2020, EDPR did not register any claims/doubts in the Ethics Channel nor the Compliance Channel regarding operations with significant risk for incidents of forced and compulsory labour.

In a previous study to characterise EDPR's supply chain, performed in 2015, including the analysis of the exposure to economic, social and environmental risks, performed using the ESCHER (Efficient Supply Chain Economic and Environmental Reporting) methodology developed by PwC, it was determined that ~0 of EDPR's direct purchases were as having significant risk for incidents of forced or compulsory labour. Through this study, EDPR aims to identify areas where should focus its improvement activities in order to significantly reduce its exposure to risk and optimise impacts.

Other corporate ethics topics:

Money laundering

The money laundering risk involves acquiring, possessing, using, converting, or transmitting goods knowing that they have their origin in a criminal activity, or perform any other act that seeks to cover their illicit origin. EDPR has identified in its Compliance Model the money laundering risk and has developed several controls and measures to minimise the probability of occurrence. Currently, the money laundering risk is categorised as low.

4.14. Reporting Principles

This is the thirteenth year EDPR publishes an integrated report describing the Company's performance, with respect to the three pillars of sustainability: economic, environmental, and social.

Information is presented according Global Reporting Initiative (GRI) Standard 101 Foundation guidelines for Sustainability Reporting and also provides information on the additional electricity sector supplement indicators directly related to the Company business, which is the power generation from renewable sources, basically wind.

A full GRI standards content index for the report can be found in Annex II of this chapter (4. Sustainability).

United Nations Global Compact

Global Compact is an initiative of the United Nations launched in 2000 that defines guideline directives for businesses that opt to contribute to sustainable development. EDPR has become signatory of this initiative and is committed to put these principles into practice, informing society of the progress it has achieved.

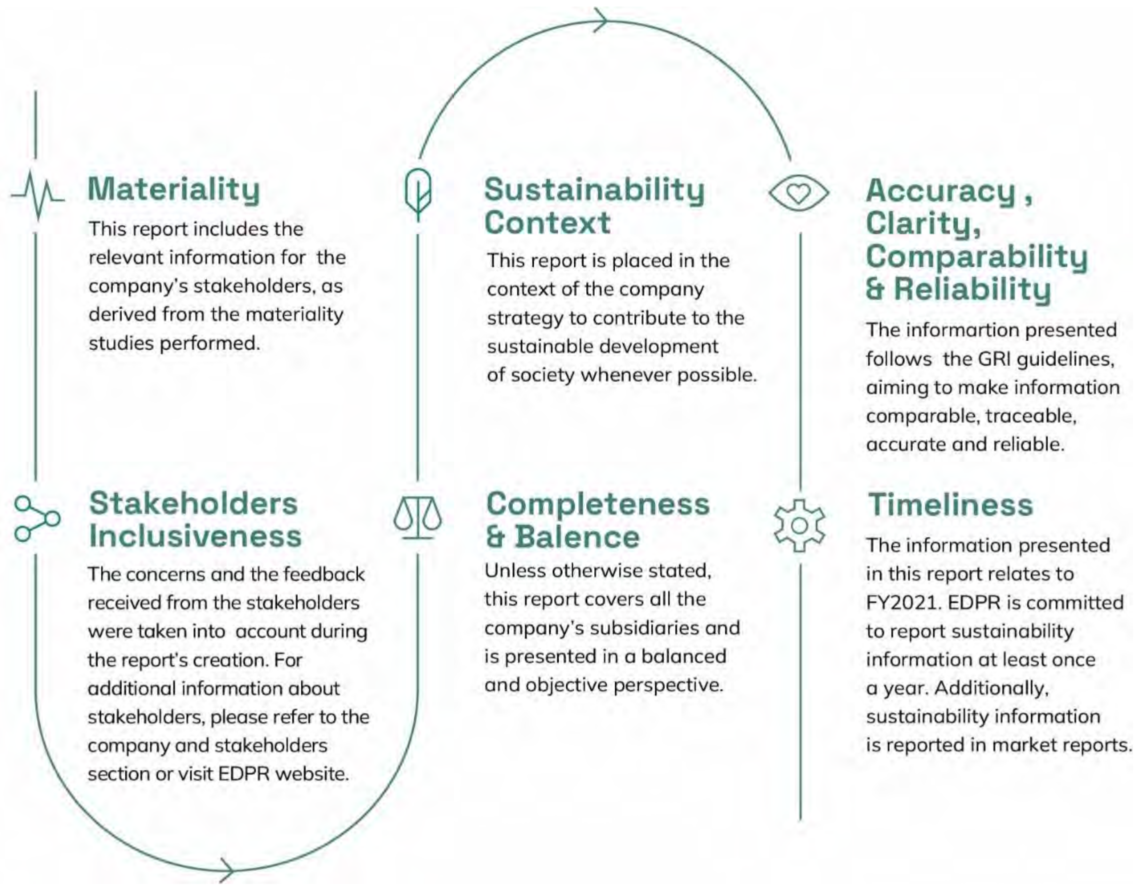
Additionally, in 2015, in the United Nations General Assembly, the world leaders decided to assume a set of global goals to change the world until 2030. The agenda that must guide the joint work of governments, citizens, companies and organisations, consists of 17 Sustainable Development Goals (SDGs) with the ambition of ending poverty, fighting against inequality and stopping climate change. EDPR will direct its contributions to eight of the 17 Sustainable Development Goals.

To learn more about the UN Global Compact, please visit WWW.UNGLOBALCOMPACT.ORG.

Global Reporting Initiative

The GRI Standards are the first global standards for sustainability reporting, representing the global best practice for reporting on a range of economic, environmental and social impacts. A company's adherence to this initiative means that it concurs with the concept and practices of sustainability. This Annual Report has been prepared in accordance with the GRI Standards in its Core option, and these Standards have been independently assured according to ISAE 3000 by PwC.

To learn more about the GRI guidelines, please visit WWW.GLOBALREPORTING.ORG.



Annex I: Non-Financial Information Statement

NON-FINANCIAL INFORMATION STATEMENT (SPANISH LAW 11/2018)				
AREA	CONTENT	SCOPE/ PERIMETER	RELATED GRI STANDARDS	CHAPTER
BUSINESS MODEL	Brief description of the Group's business model, which includes: • its business environment • its organisation and structure • the markets in which it operates • its goals and strategies • the main factors and trends that may affect its future evolution.	Global	EU1; EU2; 102-2; 102-4; 102-6; 102-7; 102-18; 103; 201-2	1.1.2 EDPR in the world[6]; 1.1.3 Business description; 1.3 Organisation; 2.1 Business Environment; 2.2 Strategy; 3.1.2 Financial Performance; 4.2 Climate Change, GRI EU1, EU2 & 201-2;
POLICIES	A description of the policies that the Group applies regarding these issues, which includes: • due diligence procedures implemented for the identification, evaluation, prevention and mitigation of significant risks and impacts; • verification and control procedures, including adopted measures.	Global	103; 102-16	1.1.1 Vision, Values & Commitments; 1.3.4 Integrity and Ethics; 3.2 Human Capital; 3.3 Supply Chain Capital; 3.4 Social Capital; 3.5 Natural Capital.
SHORT, MEDIUM AND LONG-TERM RISKS	The main risks regarding these issues related to the activities of the Group, including, where relevant and proportionate, its business relationships, products or services that may have negative effects in these areas, and • how the group manages these risks, • explaining the procedures used to detect and evaluate them according to national, European or international reference frameworks for each subject. • Information on the impacts that have been detected must be included, offering a breakdown of them, in particular on the main risks in the short, medium and long term.	Global	201-2; 205-1; 304-2; 306-1; 306-2; 308-2; 407-1; 408-1; 409-1; 413-2; 414-2	2.3 Risk Management; 4.2 Climate Change, GRI 201-2; 4.8 Community Engagement, GRI 413-2; 4.9 Suppliers Management, GRI 308-2 & 414-2; 4.10 Environmental Management, GRI 304-2, 306-1 & 306-2; 4.13 Ethics and Compliance, GRI 205-1, 407-1, 408-1 & 409-1.
KPIs	Key indicators of non-financial results that are relevant to the specific business activity, and that meet the criteria of comparability, materiality, relevance and reliability.	Global		Please refer to Annex II: GRI Content Index
ENVIRONMENTAL TOPICS	**Global Environment:** • detailed information on the current and foreseeable effects of the company's activities on the environment and, where applicable, health and safety, environmental assessment or certification procedures; • resources dedicated to the prevention of environmental risks; • the application of the Precautionary Principle, the amount of provisions and guarantees for environmental risks (e.g. derived from the law of environmental responsibility).	Global	103 102-11; 201-2; 304-2; 305-1; 305-2; 305-3; 305-5; 307-1; 308-2	3.5 Natural Capital; 4.2 Climate Change, GRI 201-2, 305-1, 305-2, 305-3 & 305-5. 4.9 Suppliers Management, GRI 308-2; 4.10 Environmental Management, GRI 304-2; 4.11 Communication and Transparency, GRI 307-1.
	Pollution Measures to prevent, reduce or repair carbon emissions that seriously affect the environment, taking into account any form of air pollution specific to an activity, including:	Global	302-4; 305-5	4.2 Climate Change, GRI 302-4 & 305-5.
	Noise	Global	413-2	4.8 Community Engagement, GRI 413-2.
	Light pollution	-	-	4.1 Materiality Assessment, notes to the Materiality Matrix.

[6] Secured MWs are not verified by PwC.

NON-FINANCIAL INFORMATION STATEMENT (SPANISH LAW 11/2018)				
AREA	CONTENT	SCOPE/ PERIMETER	RELATED GRI STANDARDS	CHAPTER
ENVIRONMENTAL TOPICS	**Circular economy and waste prevention and management**			
	Circular economy.	Global	306-2	3.5 Natural Capital; 4.10 Environmental Management, GRI 306-2.
	Waste prevention, recycling, reuse, other forms of recovery and disposal.	Global	306-1; 306-2; 306-3: 306-4; 306-5	4.10 Environmental Management, GRI 306-1, 306-2, 306-3, 306-4 & 306-5;
	Actions to combat food waste.	-	-	4.1 Materiality Assessment, notes to the Materiality Matrix.
	Sustainable use of resources			
	Water consumption and water supply according to local constraints.	Global	-	4.1 Materiality Assessment, notes to the Materiality Matrix.
	Consumption of raw materials and the measures adopted to improve the efficiency of their use.	Global	-	4.1 Materiality Assessment, notes to the Materiality Matrix.
	Direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energies.	Global	302-1; 302-4	3.5 Natural Capital; 4.2 Climate Change, GRI 302-1 & 302-4.
	Climate Change		103	2.1.1 COP 26 and "FIT for 55 package" deliver new hopes for decarbonization; 2.1.2 The evolution of renewables around the world in 2021; 3.5 Natural Capital.
	The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces.	Global	305-1; 305-2; 305-3	4.2 Climate Change, GRI 305-1, 305-2 & 305-3.
	The measures adopted to adapt to the consequences of climate change.	Global	201-2; 302-4; 305-5	4.2 Climate Change, GRI 201-2, 302-4 & 305-5.
	The reduction goals established voluntarily in the medium and long-term to reduce greenhouse gas emissions and the means implemented for that purpose.	Global	305-5	4.2 Climate Change, GRI 305-5.
	Protection of biodiversity			
	Measures taken to preserve or restore biodiversity.	Global	304-2; 304-3	4.10 Environmental Management, GRI 304-2 & 304-3.
	Impacts caused by activities or operations in protected areas.	Global	304-1	4.10 Environmental Management, GRI 304-1.
SOCIAL AND EMPLOYEES TOPICS	**Employment**	Global	103	3.2 Human Capital.
	Total number and distribution of employees by gender, age, country and professional category.	Global	102-8; 405-1	4.5 People Management, GRI 102-8 & 405-1.
	Total number and distribution of work contract modalities.	Global	102-8	4.5 People Management, GRI 102-8.
	Annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional category.	Global	102-8; 405-1	4.5 People Management, GRI 102-8 & 405-1.
	Number of dismissals by gender, age and professional category.	Global	401-1	4.5 People Management, GRI 401-1.
	Average remunerations and their evolution disaggregated by gender, age and professional category or equal value. Wage gap, the remuneration of equal or average positions in the company.	Global	405-2	4.5 People Management, GRI 405-2.
	Avg. remuneration of directors and executives, incl. variable remuneration, allowances, compensation, payment to l/t savings forecast systems and any other perception disaggregated by gender.	Global	-	4.6 Corporate Governance.
	Implementation of labour disconnection policies.	Global	-	4.5 People Management, section "Work organisation and implementation of "right to disconnect" policies".
	Employees with disabilities.	Global	-	4.15 People Management, section "Employees with disabilities".

NON-FINANCIAL INFORMATION STATEMENT (SPANISH LAW 11/2018)				
AREA	CONTENT	SCOPE/ PERIMETER	RELATED GRI STANDARDS	CHAPTER
SOCIAL AND EMPLOYEES TOPICS	**Work organisation**			
	Working hours organisation.	Global	EU17	4.4 Health & Safety, GRI EU17; 4.5 People Management, section "Work organisation and implementation of "right to disconnect" policies".
	Number of hours of absenteeism.	Global	403-9	4.4 Health & Safety, section "Absenteeism".
	Measures designed to facilitate the enjoyment of conciliation and encourage joint responsibility of these by both parents.	Global	-	4.5 People Management, page 126.
	Health & Safety	Global		
	Conditions of health and safety at work.	Global	103; 403-1; 403-2; 403-3; 403-5; 403-6; 403-7	3.4.1 Guarantee the highest health & safety standards; 4.4 Health & Safety, GRI 403-1, 403-2, 403-3, 403-5, 403-6 & 403-7.
	Work-related accidents, in particular their frequency and severity, occupational diseases, disaggregated by gender.	Global	403-9; 403-10	4.4 Health & Safety, GRI 403-9 & 403-10.
	Social Relations			
	Organisation of social dialogue, including procedures for informing and consulting employees and negotiating with them.	Global	402-1	4.5 People Management, GRI 402-1.
	Percentage of employees covered by collective bargaining agreements by country.	Global	102-41	4.5 People Management, GRI 102-41.
	The result of collective bargaining agreements, particularly in the health & safety at work area.	Global	102-41	4.5 People Management, GRI 102-41.
	Training			
	Policies implemented in the training area.	Global	404-2; 404-3	4.5 People Management, GRI 404-2 & 404-3.
	Total amount of training hours by professional categories.	Global	404-1	4.5 People Management, GRI 404-1.
	Universal accessibility for people with disabilities		-	4.5 People Management, section "Universal accessibility".
	Equality			
	Measures taken to promote equal treatment and opportunities between women and men.	Global	405-1	4.5 People Management, GRI 405-1.
	Equality plans (Chapter III of Organic Law 3/2007, of the 22nd of March, for effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and the universal accessibility of people with disabilities.	Global	-	4.5 People Management, section "Equality plans".
	Policy against all types of discrimination and, where appropriate, management of diversity.	Global	-	1.3.4 Integrity and Ethics; 3.4.2. Respect human and labour rights; 4.5 People Management, section "Adopted measures to promote employment related to equality".
HUMAN RIGHTS	Application of due diligence procedures in the field of human rights; Prevention of the risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuses.	Global	-	1.3.4 Integrity and Ethics; 3.4.2. Respect human and labour rights.
	Complaints regarding cases of violation of human rights.	Global	411-1	1.3.4 Integrity and Ethics; 4.8 Community Engagement, GRI 411-1.
	Promotion and compliance with the provisions of the fundamental Conventions of the International Labour Organization related to respect for freedom of association and the right to collective bargaining.	Global	102-41; 407-1	4.5 People Management, GRI 102-41; 4.13 Ethics and Compliance, GRI 407-1.
	The elimination of discrimination in employment and occupation.	Global	406-1	3.4.2. Respect human and labour rights; 4.13 Ethics and Compliance, GRI 406-1.

NON-FINANCIAL INFORMATION STATEMENT (SPANISH LAW 11/2018)				
AREA	CONTENT	SCOPE/ PERIMETER	RELATED GRI STANDARDS	CHAPTER
HUMAN RIGHTS	The elimination of forced or compulsory labour.	Global	409-1	3.4.2. Respect human and labour rights; 4.13 Ethics and Compliance, GRI 409-1.
	The effective abolition of child labour.	Global	408-1	3.4.2. Respect human and labour rights; 4.13 Ethics and Compliance, GRI 408-1.
CORRUPTION AND BRIBERY	Adopted measures to prevent corruption and bribery.	Global	205-1; 205-2; 205-3; 415-1	4.11 Communication and Transparency, GRI 415-1; 4.13 Ethics and Compliance, GRI 205-1, 205-2 & 205-3.
	Measures to combat money laundering.	Global	-	4.13 Ethics and Compliance, section “Money laundering”.
	Contributions to foundations and non-profit entities.	Global	413-1	4.8 Community Engagement, GRI 413-1;
SOCIETY	**Company's commitments to the sustainable development**			
	The impact of the society's activity on employment and local development.	Global	202-2; 203-1; 203-2; 413-1	4.8 Community Engagement, GRI 202-2, 203-1, 203-2 & 413-1;
	The impact of society's activity on local populations and in the territory.	Global	103; 413-1; 413-2	3.4.3. Supporting communities; 4.8 Community Engagement, GRI 413-1 & 413-2.
	The relationships maintained with the local communities and the modalities of dialogue with them.	Global	413-1; 413-2	4.8 Community Engagement, GRI 413-1 & 413-2.
	The association or sponsorship actions.	Global	102-13; 413-1	4.8 Community Engagement, GRI 413-1; 4.11 Communication and Transparency, GRI 102-13.
	Subcontracting and suppliers			
	The inclusion of social issues, gender equality and environmental issues in the Procurement Policy. Consideration of the suppliers and subcontractors' social and environmental responsibility when interacting with them.	Global	102-9; 103; 204-1; 308-2; 414-2	3.3 Supply Chain Capital; 4.9 Suppliers Management, GRI 204-1, 308-2 & 414-2.
	Supervision systems and audits and their results.	Global	414-2	3.3 Supply Chain Capital; 4.9 Suppliers Management, GRI 414-2.
	Customers			
	Measures for the health and safety of consumers.	Global	EU25; 413-2	4.4 Health & Safety, GRI EU25; 4.8 Community Engagement, GRI 413-2.
	Complaining system, complaints received and their resolution.	Global	205-3; 406-1; 407-1; 408-1; 409-1; 413-2;	1.3.4 Integrity and Ethics; 4.8 Community Engagement, GRI 413-2; 4.13 Ethics and Compliance, GRI 205-3, 406-1, 407-1, 408-1 & 409-1.
	Tax information			
	Profit before income tax, by country. Corporate income tax paid.	Global	201-1; 207-4	4.3 Business Sustainability, GRI 201-1; 4.11 Communication and Transparency, GRI 207-4.
	Financial assistance received from the government.	Global	201-4	4.11 Communication and Transparency, GRI 201-4.
OTHERS	Annual total compensation ratio.	Global	102-38	4.5 People Management, GRI 102-38.
	Legal Actions for anti-competitive behaviour, anti-trust and monopoly practices.	Global	206-1	4.11 Communication and Transparency, GRI 206-1.
	Non-compliance with environmental laws and regulations.	Global	307-1	4.11 Communication and Transparency, GRI 307-1.
	Non-compliance with laws and regulations in the social and economic area.	Global	419-1	4.11 Communication and Transparency, GRI 419-1.
	Statement from senior decision-maker.	Global	102-14	Message from the CEO
	Identifying and selecting stakeholders; Approach to stakeholder engagement.	Global	102-40; 102-42; 103	1.1.5 Stakeholder focus.
	Key topics and concerns raised; List of material topics.	Global	102-44; 102-47	4.1 Materiality Assessment, Materiality Matrix.
	Innovation	Global	103	3.7 Innovation Capital.
	Taxonomy Regulation	Global	-	4.3 Business Sustainability.

Note: In addition to the indicators included in this table, non-financial information can be found in the following indicators: 102-1, 102-3, 102-5, 102-10, 102-12, 102-43, 102-45, 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54, 102-55, 102-56.

Annex II: GRI Content Index

External assurance: The GRI indicators included in the following table have been verified by PwC. See the correspondent Independent verification report in pages 158-160. Additionally, some GRI indicators refer to Notes in EDPR's 2021 Annual Accounts, which have been audited by PwC. See the correspondent Independent auditor's report on the consolidated annual accounts at the beginning of the document.

GRI STANDARD		DISCLOSURES	CHAPTER
GENERAL DISCLOSURES			
GRI 102: General Disclosures 2016			
	102-1	Name of the organisation	5. Corporate Governance (A. Shareholder Structure)
	102-2	Activities, brands, products and services	1.1.3 Business Description
	102-3	Location of headquarters	EDPR head offices are located in Madrid (Spain)
	102-4	Location of operations	1.1.2 EDPR in the world
	102-5	Ownership and legal form	5. Corporate Governance (A. Shareholder Structure); 2021 Consolidated Annual Accounts - Note 1
	102-6	Markets served	1.1.2 EDPR in the world
	102-7	Scale of the organisation	1.1.2 EDPR in the world; 3.1.2 Financial Performance
	102-8	Information on employees and other workers	4.5 People Management
	102-9	Supply chain	3.3 Supply Chain Capital
	102-10	Significant changes to the organisation and its supply chain	5. Corporate Governance (A. Shareholder Structure); 2021 Consolidated Annual Accounts - Note 6 & 41
	102-11	Precautionary Principle or approach	2.3 Risk Management; 4.10 Environmental Management, "Other environmental management related topics"; 5. Corporate Governance (C. Internal Organization)
	102-12	External Initiatives	4.14 Reporting Principles
	102-13	Membership of associations	4.11 Communication and Transparency
	102-14	Statement from senior decision-maker	Message from the CEO
	102-16	Values, principles, standards, and norms of behaviour	1.3.4 Integrity and Ethics; 5. Corporate Governance (C. Internal Organization)
	102-18	Governance structure	1.3 Organisation; 5. Corporate Governance
	102-38	Annual total compensation ratio	4.5 People Management
	102-40	List of stakeholder groups	1.1.5 Stakeholders Focus
	102-41	Collective bargaining agreements	4.5 People Management
	102-42	Identifying and selecting stakeholders	1.1.5 Stakeholders Focus; 4.14 Reporting Principles

GRI STANDARD		DISCLOSURES	CHAPTER
	102-43	Approach to stakeholder engagement	1.1.5 Stakeholders Focus; 4.1 Materiality Assessment; 4.14 Reporting Principles; Please visit our stakeholders' information on the sustainability section in our website, www.edpr.com
	102-44	Key topics and concerns raised	4.1 Materiality Assessment; 4.14 Reporting Principles
	102-45	Entities included in the consolidated financial statements	2021 Consolidated Annual Accounts - Note 6 and Annex I
	102-46	Defining report content and topic boundaries	4.1 Materiality Assessment; 4.14 Reporting Principles
	102-47	List of material topics	4.1 Materiality Assessment, Materiality Matrix
	102-48	Restatements of information	2021 Consolidated Annual Accounts - Note 6
	102-49	Changes in reporting	2021 Consolidated Annual Accounts - Note 6
	102-50	Reporting period	4.14 Reporting Principles
	102-51	Date of most recent report	4.14 Reporting Principles
	102-52	Reporting cycle	4.14 Reporting Principles
	102-53	Contact point for questions regarding the report	"Contact us" at www.edpr.com
	102-54	Claims of reporting in accordance with the GRI Standards	4.14 Reporting Principles
	102-55	GRI content index	4. Sustainability - Annex II - GRI Content Index
	102-56	External assurance	4.14 Reporting Principles
MATERIAL TOPICS			
Climate Change			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	2.1 Business Environment
	103-2	The management approach and its components	3.1.1 Operational Performance; 3.5 Natural Capital
	103-3	Evaluation of the management approach	3.5 Natural Capital
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	4.2 Climate Change
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	4.2 Climate Change
	302-4	Reduction of energy consumption	4.2 Climate Change
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.2 Climate Change
	305-2	Energy indirect (Scope 2) GHG emissions	4.2 Climate Change
	305-3	Other indirect (Scope 3) GHG emissions	4.2 Climate Change
	305-5	Reduction of GHG emissions	4.2 Climate Change

GRI STANDARD		DISCLOSURES	CHAPTER
GRI EU	EU1	Installed capacity, broken down by primary energy source and by regulatory regime	4.2 Climate Change
	EU2	Net energy output broken down by primary energy source and by regulatory regime	4.2 Climate Change
Economic Business Sustainability			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	2.2 Strategy
	103-2	The management approach and its components	2.2.2 Value; 2.2.3 Excellence
	103-3	Evaluation of the management approach	3.1.2 Financial Performance
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	4.3 Economic Business Sustainability
Health & Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	3.4.1 Guarantee the highest health & safety standards
	103-2	The management approach and its components	3.4.1 Guarantee the highest health & safety standards
	103-3	Evaluation of the management approach	3.4.1 Guarantee the highest health & safety standards
GRI 403: Occupational Health and Safety 2016	403-1	Occupational health and safety management system	4.4 Health & Safety
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	4.4 Health & Safety
	403-3	Occupational health services	4.4 Health & Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.4 Health & Safety
	403-5	Worker training on occupational health and safety	4.4 Health & Safety
	403-6	Promotion of worker health	4.4 Health & Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4 Health & Safety
	403-9	Work-related injuries	4.4 Health & Safety
	403-10	Work-related ill health	4.4 Health & Safety
GRI EU	EU17	Days worked by contractor and subcontractor employees involved in construction and O&M activities	4.4 Health & Safety
	EU25	Number of injuries and fatalities to the public involving company assets, including legal judgements, settlements and pending legal cases of diseases	4.4 Health & Safety
People Management			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	3.2 Human Capital
	103-2	The management approach and its components	3.2 Human Capital

GRI STANDARD		DISCLOSURES	CHAPTER
	103-3	Evaluation of the management approach	3.2 Human Capital
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	4.5 People Management
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.5 People Management
			4.5 People Management
GRI 402: Labour / Management Relations 2016	402-1	Minimum notice periods regarding operational changes	4.5 People Management
			4.5 People Management
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	4.5 People Management
	404-2	Programs for upgrading employee skills and transition assistance programs	4.5 People Management
	404-3	Percentage of employees receiving regular performance and career development reviews	4.5 People Management
			4.5 People Management
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	4.5 People Management
	405-2	Ratio of basic salary and remuneration of women to men	4.5 People Management
			4.5 People Management
GRI EU	EU15	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	4.5 People Management
Corporate Governance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	1.3 Organisation
	103-2	The management approach and its components	1.3 Organisation
	103-3	Evaluation of the management approach	1.3 Organisation
Innovation			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	3.7 Innovation Capital
	103-2	The management approach and its components	3.7 Innovation Capital
	103-3	Evaluation of the management approach	3.7 Innovation Capital
Community Engagement			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	3.4.3 Supporting communities
	103-2	The management approach and its components	3.4.3 Supporting communities
	103-3	Evaluation of the management approach	3.4.3 Supporting communities
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	4.8 Community Engagement

GRI STANDARD		DISCLOSURES	CHAPTER
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	4.8 Community Engagement
	203-2	Significant indirect economic impacts	4.8 Community Engagement
GRI 411: Rights of Indigenous People 2016	411-1	Incidents of violations involving rights of indigenous peoples	4.8 Community Engagement
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	4.8 Community Engagement
	413-2	Operations with significant actual and potential negative impacts on local communities	4.8 Community Engagement
Suppliers Management			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	3.3 Supply Chain Capital
	103-2	The management approach and its components	3.3 Supply Chain Capital
	103-3	Evaluation of the management approach	3.3 Supply Chain Capital
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	4.9 Suppliers Management
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	4.9 Suppliers Management
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	4.9 Suppliers Management
Environmental Management			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	3.5 Natural Capital
	103-2	The management approach and its components	3.5 Natural Capital
	103-3	Evaluation of the management approach	3.5 Natural Capital
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	4.10 Environmental Management
	304-2	Significant impacts of activities, products, and services on biodiversity	4.10 Environmental Management
	304-3	Habitats protected or restored	4.10 Environmental Management
GRI 306: Effluents and Waste 2020	306-1	Waste generation and significant waste-related impacts	4.10 Environmental Management
	306-2	Management of significant waste-related impacts	4.10 Environmental Management
	306-3	Waste generated	4.10 Environmental Management
	306-4	Waste diverted from disposal	4.10 Environmental Management
	306-5	Waste directed to disposal	4.10 Environmental Management

GRI STANDARD		DISCLOSURES	CHAPTER
Communication & Transparency			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	1.1.5 Stakeholder focus
	103-2	The management approach and its components	1.1.5 Stakeholder focus
	103-3	Evaluation of the management approach	1.1.5 Stakeholder focus
GRI 201: Economic Performance 2016	201-4	Financial assistance received from government	4.11 Communication and Transparency
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	4.11 Communication and Transparency
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	4.11 Communication and Transparency
GRI 415: Public Policy 2016	415-1	Political contributions	4.11 Communication and Transparency
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	4.11 Communication and Transparency
GRI 207: Tax 2019	207-1	Approach to tax	4.11 Communication and Transparency
	207-2	Tax governance, control, and risk management	4.11 Communication and Transparency
	207-3	Stakeholder engagement and management of concerns related to tax	4.11 Communication and Transparency
	207-4	Country-by-country reporting	4.3 Economic Business Sustainability, "Profit before income tax"; 4.5 People Management, GRI 102-8; 4.11 Communication and Transparency; 2021 Consolidated Annual Accounts - Note 1; 2021 Consolidated Annual Accounts - Annex I; Reporting requirements iv, v, vii, ix and x of GRI 207-4 are omitted as the information is not available with the requested detail by tax jurisdiction. EDPR will work on obtaining the required details in a near future.
Digital Transformation			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	3.6 Digital Capital
	103-2	The management approach and its components	3.6 Digital Capital
	103-3	Evaluation of the management approach	3.6 Digital Capital

GRI STANDARD		DISCLOSURES	CHAPTER
Ethics and Compliance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	1.3.4 Integrity and Ethics
	103-2	The management approach and its components	1.3.4 Integrity and Ethics
	103-3	Evaluation of the management approach	1.3.4 Integrity and Ethics
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	4.13 Ethics and Compliance
	205-2	Communication and training on anti-corruption policies and procedures	4.13 Ethics and Compliance
	205-3	Confirmed incidents of corruption and actions taken	4.13 Ethics and Compliance
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	4.13 Ethics and Compliance
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.13 Ethics and Compliance
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	4.13 Ethics and Compliance
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	4.13 Ethics and Compliance

Independent verification report

To the shareholders of EDP Renováveis, S.A.:

Pursuant to article 49 of the Code of Commerce, we have verified, with the scope of a limited assurance engagement, the accompanying Statement of Non-Financial Information ("SNFI") for the year ended 31 December 2021 of EDP Renováveis, S.A. and its subsidiaries (hereinafter "EDPR" or the Group) which forms part of EDPR's Consolidated Management Report.

The content of the Consolidated Management Report includes information additional to that required by current mercantile legislation in relation to non-financial information, which has not been covered by our verification work. In this respect, our work was limited solely to verifying the information identified in the tables: Annex I: "Statement of Non-Financial Information" and Annex II: "GRI content index".

Responsibility of the EDPR's directors

The preparation of the SNFI included in EDPR's Consolidated Management Report and the content thereof, are the responsibility of the directors of EDP Renováveis, S.A. The SNFI has been drawn up in accordance with the provisions of current mercantile legislation and in accordance with the criteria of the *Sustainability Reporting Standards* of the *Global Reporting Initiative* ("GRI Standards") described in line with the Essential Option and the Electric Utilities Industry Supplement in accordance with the details provided for each matter in the tables: Annex I: "Statement of Non-Financial Information" and Annex II: "GRI content index".

This responsibility also includes the design, implementation and maintenance of the internal control considered necessary to allow the SNFI to be free from material misstatement due to fraud or error.

The directors of EDP Renováveis, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the SNFI is obtained.

Our independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team has consisted of professionals specialising in Non-financial Information reviews, specifically in information on economic, social and environmental performance.

R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290

Our responsibility

Our responsibility is to express our conclusions in a limited assurance verification report based on the work we have performed. We carried out our work in accordance with the requirements set out in the current International Standard on Assurance Engagements 3000 Revised, “Assurance Engagements other than Audits or Reviews of Historical Financial Information” (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and in the Guidelines for verification engagements of the Statement of Non-Financial Information issued by the Spanish Institute of Auditors (“Instituto de Censores Jurados de Cuentas de España”).

In a limited assurance engagement, the procedures performed vary in nature and timing, and are less extensive than, those carried out in a reasonable assurance engagement and accordingly, the assurance provided is also lower.

Our work consisted of posing questions to management as well as to the various units of ABC that were involved in the preparation of the SNFI, of the review of the processes for compiling and validating the information presented in the SNFI, and in the application of certain analytical procedures and review procedures on a sample basis, as described below:

- Meetings with EDPR personnel to understand the business model, policies and management approaches applied, principal risks relating to these matters and to obtain the necessary information for the external review.

- Analysis of the scope, relevance and integrity of the content of the SNFI for the year 2021, based on the materiality analysis carried out by EDPR and described in 4.1. “Materiality assessment” of the Consolidated Management Report, taking into account the content required by current mercantile legislation.

- Analysis of the procedures used to compile and validate the information presented in the SNFI for the year 2021.

- Review of information relating to risks, policies and management approaches applied in relation to material matters presented in the SNFI for the year 2021.

- Verification, by means of sample testing, of the information relating to the content of the SNFI for the year 2021 and that it was adequately compiled using data provided by the sources of the information.

- Obtaining a management representation letter from the directors and management.

Conclusion

Based on the procedures performed in our verification and the evidence we have obtained, nothing has come to our attention that causes us to believe that the SNFI of EDPR, , for the year ended 31 December 2021 has not been prepared, in all material respects, in accordance with the provisions of current mercantile legislation and in accordance with the criteria of the GRI Standards described in line with the Essential Option and the Electric Utilities Industry Supplement in accordance with the details provided for each matter in the tables: Annex I: “Non-financial information statement” and Annex II: “GRI content index”.

Emphasis of matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020, relating to the establishment of a framework to facilitate sustainable investments, establishes the obligation to disclose information on the manner and extent to which the company's activities are associated with economic activities considered to be environmentally sustainable in relation to the objectives of climate change mitigation and adaptation to climate change for the first time for the year 2021, provided that the Statement of Non-Financial Information is published as from 1 January 2022. Consequently, comparative information on this matter has not been included in the accompanying SNFI. In addition, information has been included in respect of the criteria that the directors of EDPR have chosen to apply that, in their opinion, best allow compliance with the new obligation and that are defined in 4.3. “Economic business sustainability” of the accompanying SNFI. Our conclusion is not modified in respect of this matter.

Use and distribution

This report has been drawn up in response to the requirement laid down in current Spanish mercantile legislation and therefore might not be suitable for other purposes or jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

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16 February 2022

GLOBAL

Creating a carbon
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05 — CORPORATE GOVERNANCE

PART I - Information on shareholder structure, organisation and corporate governance

A. Shareholder structure

I. Capital structure

1. Capital structure

EDP Renováveis, S.A. (hereinafter referred to as "EDP Renováveis", "EDPR" or the "Company") total share capital is 4,802,790,810€, since the Share capital increase in April 2021, where 88,250,000 new shares were issued at a subscription price of EUR 17.00 per share for a share premium of EUR 12.00. EDPR total share capital is composed of 960,558,162 shares with a nominal value of EUR 5.00 each, fully paid. All these shares are part of a single class and series and are admitted to trading on the Euronext Lisbon regulated market.

Codes and tickers of EDP Renováveis SA share: ISIN:ES0127797019 LEI:529900MUFAH07Q1TAX06

Bloomberg Ticker (Euronext Lisbon): EDPR PL Reuters RIC:EDPR.LS

EDPR main shareholder is EDP – Energias de Portugal, S.A., through EDP – Energias de Portugal, S.A. Sucursal en España (hereinafter referred as "EDP"), with 74.98% of share capital and voting rights. Excluding EDP, EDPR shareholders comprise more than 30,000 institutional and private investors spread across more than 30 countries with main focus in the United States and United Kingdom.

Institutional Investors represent about 96% of Company shareholders (ex-EDP Group), mainly investment funds and socially responsible investors ("SRI"), while Private Investors, mostly Portuguese, stand for the remaining.

For further information about EDPR shareholder structure please see chapter 1.3 of the Annual Report ("Organisation").

2. Restrictions to the transferability of shares

EDPR's Articles of Association have no restrictions on the transferability of shares.

3. Own shares

EDPR does not hold own shares.

4. Change of control

EDPR has not adopted any measures designed to prevent successful takeover bids, nor defensive measures for cases of a change in control in its shareholder structure or agreements subject to the condition of a change in control of the Company, other than in accordance with normal practice, and therefore, has not adopted any mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body, or that could be likely to harm the free transferability of shares or shareholder assessment of the performance of the members of the managing body.

Notwithstanding the above, the following are normal market practice related to a potential change of control:

- In the case of financing of certain wind farm projects, lenders have the right to approve change in control at the borro wer if the later ceased to be controlled, directly or indirectly by EDPR.
- In the case of guarantees provided by EDP Group companies, if EDP directly or indirectly ceases to have the majority of EDPR then EDP is no longer obliged to provide such services or guarantees. The relevant subsidiaries will be obliged to provide for the cancellation or replacement of all outstanding guarantees within approximately sixty (60) days of the change of control event.
- In the cases of intra-group services agreements and according to the Framework Agreement signed between EDP Renováveis S.A. and EDP Energias de Portugal S.A., the contracts will maintain their full force as long as (i) EDP maintains its share capital above 50% or the right to exercise directly or indirectly more than 50% of voting rights on EDPR's share capital, or (ii) even if the share capital of EDP or its voting rights are below 50%, but more than half of the Members of the Board are elected through an EDP proposal.

5. Special agreements regime

EDPR does not have a special system for the renewal or withdrawal of counter measures for the restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders.

6. Shareholders' agreements

The Company is not aware of any shareholders' agreement that may result in restrictions on the transfer of securities or voting rights.

II. Shareholdings and bonds held

7. Qualified holdings

Qualifying holdings in EDPR are subject to the Spanish Law, which regulates the criteria and thresholds of the shareholder's ownerships. The table below includes the information about the qualifying holdings of EDPR and their voting rights as of December 31st, 2021:

SHAREHOLDER	SHARES	%CAPITAL	%VOTING RIGHTS
EDP – ENERGIAS DE PORTUGAL, S.A. – SUCURSAL EN ESPAÑA	720,191,372	74.98%	74.98%
BLACKROCK INC.	35,042,710	3.65%	3.65%
Total qualified holdings	**755,234,082**	**78.62%**	**78.62%**
EDP detains 74.98% of EDPR capital and voting rights, through EDP – Energias de Portugal, S.A. – Sucursal en España.			

As of December 31st, 2021, EDPR's shareholder structure consisted in a total qualified shareholding of 78.62%, corresponding to EDP Group and Blackrock Inc., with 74.98% and 3.65% of the capital, respectively.

8. Shares held by the Members of the Management and Supervisory Boards

As of December 31st 2021, none of the members of the Board of Directors /Delegated Committees of the Company directly or indirectly own EDPR shares.

9. Powers of the Board of Directors

The Board of Directors is vested with the broad-ranging powers of administration, management, and governance of the Company, with no other limitations besides the powers which are expressly assigned to the General Shareholders' Meetings in the Company's Articles of Association (specifically in article 13) or in the applicable law. In this regard, the powers of the Board include, without limitation[1] to:

- Acquire on lucrative or onerous title basis personal and real property, rights, shares and interests that may suit the Company;
- Sell and mortgage or charge personal and real property, rights, shares and interests of the Company and cancel mortgages and other rights in rem;
- Negotiate and enter into loans and credit operations that it may deem appropriate;
- Negotiate and formalize all sort of acts and contracts with public entities or private persons;
- Exercise civil and criminal actions and all further actions to be undertaken by the Company, representing it before governmental officers, authorities, corporations, governing, administrative, administrative-economic, administrative-litigation and judicial courts, labour courts and the labour sections of the Supreme Court and of the High Courts of the Autonomous Communities, with no limitations whatsoever, including before the European Court of Justice, and in general before the Government, in all its levels and hierarchies; to intervene or promote, follow and terminate, through all procedures and instances, the processes, court sections or proceedings; to accept decisions, to file any kind of appeal, including the cassation one and other extraordinary appeals, to discontinue or confess, to agree an early termination of a proceeding, to submit litigious questions to arbitration judges, and to carry out all sorts of notices and requirements and to grant a power of attorney to Court Representatives and other representatives, with the case-related powers and the powers which are usually granted to litigation cases and all the special powers applicable, and to revoke such powers;
- Agree the allotment of interim dividends;
- Call and convene the General Meetings and submit to them the proposals that it deem appropriate;
- Direct the Company and organize its operations and exploitations by acknowledging the course of the Company businesses and operations, managing the investment of funds, making extraordinary amortizations of bonds and realizing anything that it is considered appropriate for the best achievement of the Company's objectives;
- Freely appoint and dismiss Directors and other Company's technical and administrative personnel, defining their responsibilities and remuneration;
- Agree any changes of the registered office's address within the same municipal area;
- Incorporate legal entities as stipulated under the law; assigning and investing all sorts of assets and rights, as well as entering merger and cooperation agreements, association, grouping and temporary union agreements between companies or business and joint property agreements, and agreeing their alteration, transformation and termination;

Likewise, the General Shareholders' Meeting held in March 26th, 2020, approved the delegation to the Board of Directors of the power to issue in one or more occasions both:

- Fixed income securities or other debt instruments of analogous nature;
- Fixed income securities or other type of securities (warrants included) convertible or exchangeable into EDP Renováveis, S.A. shares, or that recognize at the Board of Directors' discretion the right of subscription or acquisition of shares of EDP Renováveis, S.A. or of other companies, up to a maximum amount of three hundred million Euros (EUR 300,000,000) or its equivalent in other currency.

As part of such delegation, the General Shareholder's Meeting delegated into the Board of Directors the power to increase the share capital up to the necessary amount to execute the related tasks above. Additionally, it was also approved to authorize the Board of Directors for the acquisition of own shares by the Company and/or the affiliate companies up to the maximum limit of 10% of the subscribed share capital. These delegations may be exercised by the Board of Directors within a period of five (5) years since the proposal was approved, and within the limits provided under the law and the By-Laws.

[1] *This list has a merely indicative nature, as the Board of Directors may perform all further powers expressly granted to the Board in the Articles or in the applicable law.*

The General Shareholders' Meeting may also delegate to the Board of Directors the power to implement an adopted decision to increase the share capital, indicating the date or dates of its implementation and establishing any other conditions that were not specified by the General Shareholders' Meeting. The Board of Directors may use this delegation wholly or partially, and may also decide not to perform it in accordance with the situation and conditions of the Company, the market, or any particularly relevant events or circumstances that justify such decision - of which the General Shareholders' Meeting must be informed at the end of the time limit or limits for adopting and performing the decision.

Additionally, in compliance with its personal law and Company's internal regulations, some functions of the Board of Directors are non- delegable and, as such, have to be performed at this level, which are the following[2]:

- Election of the Chairperson of the Board of Directors;
- Appointment of Directors by co-option;
- The supervision of the effective functioning of any committees that it may have incorporated and of the performance of any delegated bodies or managers it may have designated;
- The determination of the company's general policies and strategies;
- The authorization or waiver of the obligations arising from the Directors duty of loyalty;
- Its own organization and functioning;
- The formulation of the annual accounts and its submission to the General Shareholders' Meeting;
- The preparation of any type of report required from the board by law, when the underlying transaction to which the report refers cannot be delegated;
- The appointment and removal of the delegated directors ("*Joint Directors*") of the company, as well as the determination of their contract conditions;
- The appointment or removal of the members of the Management Team, as well as the determination of their basic contract conditions, including remuneration;
- Decisions relating to directors' remuneration, within the statutory framework and, if such is the case, within the remuneration policy approved by the General Shareholders' Meeting;
- Calling the General Shareholders' Meeting and preparing the agenda and proposed resolutions;
- The policy relating to own shares;
- Any powers that the General Shareholders' Meeting has vested to the board of directors, unless the board has explicitly authorized that they may be sub- delegated;
- The approval of the strategic or business plan, annual management objectives and budget, investment and financing policies, social sustainability policy and the dividends policy;
- The determination of the risk control and management policy, including those related to tax matters, and the supervision of the internal information and control systems;
- The determination of the company's corporate governance policy as well as the one applicable to the group of which the company is the parent entity; its organization and functioning and, in particular, the approval and amendment of its own regulations;
- The approval of the financial information that the company must disclose periodically;
- The definition of the structure of the group of companies of which the company is the parent entity;
- The approval of all type of investments and transactions that due to their high amount or special nature are considered as strategic or that may imply a financial risk, unless their approval falls under the General Shareholders' Meeting. For the purposes of this paragraph, the following transactions shall be considered as included:
    i. The purchase and sale of assets, rights or shareholdings by EDPR, included in the business plan approved by the Board of Directors (the Business Plan), whenever their [A] (i) book value, or (ii) market value assessed in terms of equity value, or (iii) the transaction price, or (iv) the initial investment value, is over one hundred and

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[2] *This list was updated by approval of the Board of Directors on its session held on July 27th, 2021, in order to align them the new Spanish Companies Act and the thresholds implemented in EDP Group.*

fifty million Euros (150,000,000€)[3] (at present value), or [B] initial investment value consumes the total amount foreseen Business Plan for these type of transactions, whenever their (i) book value, or (ii) its market value assessed in terms of equity value, or (iii) the transaction price, or (iv) the initial investment value, is over seventy-five million Euros (75,000,000€) (at present value);

ii. Agreements regarding (i) bank loans and (ii) credit facilities in an amount above two hundred and fifty million Euros (250.000.000€), provided that, as a result of such agreements, EDPR's overall indebtedness exceeds the amount set forth in the approved annual budget;

iii. Total or partial opening or closure of establishments, as well as extensions or reductions of its activity, provided that, according to a reasonable estimate of the executive directors, they result in a change in the turnover or in the assets of the Company of over seventy-five million Euros (75,000,000€);

iv. Other operations and relevant transactions, and in particular, those excluded from the scope of the Business Plan whenever their (i) book value or (ii) market value assessed in terms of equity value, or (iii) the transaction price, or (iv) the initial investment value is above seventy-five million Euros (75,000,000€)[4] (at present value);

v. Any operations not directly related to the energy sector which amount is above twenty million Euros (20,000,000€);

vi. Setting up or terminating strategic partnerships or any other forms of enduring cooperation, in an amount above twenty million Euros (20,000,000€).[5]

- The approval of the creation or acquisition of shares in special purpose entities or registered in countries or territories considered tax havens, as well as any other transaction or operation of a similar nature that, due to its complexity, may undermine the transparency of the company and its group;
- The approval of Related Party Transactions, unless:

i. its approval corresponds to the Shareholders' Meeting; or

ii. transactions (i) between companies of the same group and that are performed in the ordinary management of the company and under market conditions, or (ii) closed under standardized conditions and wholesale applied to a high number of clients, and at prices or tariffs generally established by the supplier of the good or service, the amount of which does not exceed the 0,5% of the net annual company turnover ; which will be approved by the Audit, Control and Related Party Transactions Committee.

- The determination of the company's fiscal strategy;
- The supervision of the elaboration and submission process of the financial information and the management report, that will include as the case may be the required non-financial information; and the submission of the recommendations or proposals presented to the Board aimed to protect its integrity.

Should be noted that in case of duly justified urgency situations, or when considered convenient in an interim period between meetings of the Board of Directors, the decisions related to the reserved matters referred above may be adopted by the delegated bodies or individuals, and will be ratified at the first Board meeting to be held after the adoption of the decision.

As per the governance model adopted, EDPR has to comply with the regulation established under the Spanish Companies Act, which among others, as mentioned above, stablishes that the approvals of the strategic lines and policies of the company are a reserved matters of the Board of Directors that cannot be delegated, and that shall be necessarily approved at this level. Therefore, in EDPR the assessment and issuance of the opinion regarding the strategic lines and risk policies of the Company is not assigned by a Supervisory Board (as EDPR does not have this governing Body) but in line with its applicable law, is assumed by its Board of Directors.

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[3] *For the purposes of this provision, the amounts of the respective financial guarantees shall be considered in aggregate.*
[4] *For the purposes of this provision, the amounts of the respective financial guarantees shall be considered in aggregate.*
[5] *For the purposes of this provision, partnerships or other forms of cooperation which do not have a strategic and lasting character, namely regarding cases where such partnerships are limited to specific transactions in predominantly commercial and operational matters or which relate to the Company's core activities.*

10. Significant business relationships between the holders of qualifying holdings and the Company

Information on any significant business relationships between the holders of qualifying holdings and the Company is described on topic 90 of this Chapter 5 of the Annual Report.

B. Corporate Boards and Committees

I. General Shareholders' Meeting

A) Composition of the Board of the General Meeting

11. Board of the General Shareholders' Meeting

On the General Meeting of April 8th, 2014, it was approved to appoint José António de Melo Pinto Ribeiro as the Chairperson of EDPR's Shareholders' Meeting for a three-year (3) term; who was re-elected on the General Shareholders' Meeting held on April 6th,2017 for a last mandate of three-year (3) term; being his office extended until the first General Shareholders' Meeting following of the end of this office term, which was finally held on February 22nd, 2021.

Based on the proposal submitted by the Appointments, Remunerations and Corporate Governance Committee[6], and given the expiration of the mandate of José António de Melo Pinto Ribeiro as Chairperson of the Shareholders' Meeting, in 2021 it was decided to adopt the general practice followed under the personal law of the Company (Spanish one) that allows the Shareholders' Meeting to be chaired by the Chairperson of the Board of Directors. Therefore, at the Board of Directors meeting held in January 19th, it was approved to submit the related Bylaws amendment proposal for the approval of the Extraordinary Shareholders' Meeting held in February 22nd,2022, stating that the Chairmanship of the General Meeting will correspond to the Chairperson of the Board of Directors and, in the absence thereof, to the Vice-Chairperson (in the absence of both of them, it will be assigned to the oldest director). It was also stated that the Chairperson of the Board of Directors, or whoever substitutes him, together with the remaining members of the Board, shall constitute the Board of the General Shareholders' Meeting, and its Secretary will be the Secretary of the Board of Directors. Therefore, the Ordinary Shareholders' Meeting held on April 12th, 2021, was chaired by the Chairperson of the Board of Directors (who in that moment was Miguel Stilwell d' Andrade).

As such, since April 12th, 2021, and as of December 31th, 2021 the role of Chairperson of the Shareholders' Meeting corresponds to António Gomes Mota, who was appointed as member of the Board for a three-year (3) term by the General Shareholders' Meeting held in April 12th, 2021, and for the position of Chairperson of the Board of Directors on its meeting subsequently held on the same date.

The Secretary of the Board of Directors since December 2007 and until November 2nd, 2021 was Emilio García-Conde Noriega, and therefore, he assumed also the role of Secretary of the two General Shareholders' Meetings held in 2021. At the Board of Directors meeting held on November 2nd 2021, Emilio García-Conde Noriega presented the resignation from his position as Secretary of the Board of Directors of EDP Renováveis S.A., and in order to fill this vacancy, following the proposal of the Appointments, Remunerations and Corporate Governance Committee, the Board of Directors unanimously agreed to appoint María González Rodríguez (Vice-Secretary of the Board of Directors since 2019) as Secretary non-member of the Board of Directors of EDPR, and to appoint Borja Pérez Dapena as new Vice secretary non-member of the Board of Directors of EDPR. The Secretary of the Board of Directors' mandate does not have an end of term date according to the Spanish Companies Law since is not a Board Director.

Should be also highlighted that accordance with article 180 of the Spanish Companies' Law, all the Board Members are obliged to attend the General Meetings.

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[6] On February 19th, 2021, the Board of Directors of EDPR approved to adjust the name of this Committee to refer the assumption of the Corporate Governance functions.

The Chairperson of the General Shareholders' Meeting of EDPR has at his disposal, the necessary human and logistical resources required for the performance of his duties. Therefore, in addition to the resources provided by the Company's General Secretary, in 2021 the Company hired a specialized entity to give support to the meetings and to collect, process and count the votes submitted by the shareholders on the Extraordinary Shareholders' Meeting held on February 22nd and on the Ordinary Shareholders' meeting held on Abril 12th.

B) Exercising the right to vote

12. Voting rights restrictions

Each EDPR share entitles its holder to one vote. EDPR's Articles of Association have no restrictions regarding voting rights.

13. Voting rights

EDPR's Articles of Association have no reference to a maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship. All shareholders, regardless the number of shares owned, may attend to the General Shareholders' Meeting and request the information or explanations that they consider relevant regarding the matters included in the Agenda of the convened meeting, and are entitled as shareholders of the Company, to take part in its deliberations and to participate in its voting process.

The Board of Directors approves a Shareholder's Guide for each General Shareholders' Meeting, detailing among other matters, the procedure and requirements for the submission through mail and electronic communication of voting forms. This Guide was made available at the Company's website (www.edpr.com). As informed in the related Notice and in the corresponding Shareholders' Guide, in order to exercise their right to attend, the shareholders must have the ownership of their shares duly registered in the Book Entry Account at least five (5) days prior to the date of the General Shareholders' Meeting.

Any shareholder may be represented at the General Shareholders' Meeting by a third party by means of a revocable Power of Attorney (even if such representative is not a shareholder). The Board of Directors may require shareholders' Power of Attorney to be in the Company's possession at least two (2) days in advance, indicating the name of the representative.

These Powers of Attorney shall be granted specifically for each General Shareholders' Meeting and can be evidenced in writing or by remote means of communication such as email or post.

According to the applicable law and the Company's Articles of Association, the notice of EDPR's General Shareholders' Meetings is published in the Official Gazette of the Commercial Registry and on the Company's website at least thirty (30) days prior to the meeting date. Likewise, the Notice of the General Shareholders' Meeting is published at the website of *Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A* ("Interbolsa") and on the website of the *Comissão do Mercado de Valores Mobiliários* ("CMVM") – at www.cmvm.pt - and of the *Comisión Nacional del Mercado de Valores* ("CNMV") – at www.cnmv.es. Simultaneously with the publication of the meeting Notice, the supporting documentation in relation to the General Shareholders' Meeting is published on the CMVM website. Likewise, as soon as the notice of the meeting is formally published, the following information and documentation related to the General Shareholders' Meeting is made available at the Company's website (www.edpr.com):

I. the notice of the General Shareholders' Meeting;

II. the total number of shares and voting rights at the date of the Meeting notice;

III. the template letter expressing the intention to attend the Meeting, the template of the letter of representation and the template of the ballot to be sent by mail, and also, the links to the electronic platforms that the Company provides for the telematic submission of the intention to attend and the voting on the topics included in the Agenda;

IV. the full texts of the proposed resolutions (included when received if such were the case, those proposed by shareholders) and related supporting documentation, that will be submitted to the General Shareholders' Meeting for approval;

V. The Shareholders' Guide;

VI. The consolidated texts in force (Articles of Association and the other applicable regulations).

In 2021, the Company included the English and Portuguese versions of the information and documents related to the Shareholders´ Meetings on its website (www.edpr.com) with the notice of the meetings, being the Spanish version of the documents the one that prevailed.

Shareholders may vote on the topics included on the Shareholders' Meeting Agenda, in person (including by means of the corresponding representative) at the meeting, by ordinary mail, or by electronic communication (in this latest case, through a telematic vote platform made available at the Company's website or sending the related filled and signed templates by email), and in any case providing the documentation indicated in the Shareholder's Guide. Pursuant to the terms of article 15 of the Articles of Association, both electronic and mail-in votes must be received by the Company before midnight (24.00 hours) of the day before the scheduled meeting date of first call. Remote votes can be revoked subsequently by the same means used to cast them, always within the deadlines established for that purpose, or by personal attendance to the General Shareholders' Meeting of the shareholder who casted the vote to his/her representative.

Considering the health emergency resulted from the expansion of the Covid-19 during 2021 at international level, and given the exceptional measures adopted by the Spanish Government aimed to limit the virus spreading - which were particularly referred to restrictions to events with a high number of people - the Board of Directors recommended to EDPR shareholders to exercise their rights for the General Meetings held in 2021 in the safest way, particularly through the representation and vote at a distance.

14. Decisions that can only be adopted by a qualified quorum

According to EDPR's Articles of Association and as established in the law, both ordinary and extraordinary General Shareholders' Meetings are validly constituted when first called if the shareholders, either present or represented, jointly reach at least twenty-five percent (25%) of the subscribed voting capital. On second call, the General Shareholders' Meeting will be validly constituted regardless of the amount of the capital present or represented.

Notwithstanding the above percentages, to validly approve the issuance of bonds, the increase or reduction of capital, the transformation, global assignment of assets and liabilities, merger or spin-off of the Company, the transfer of the Registered Office abroad, the elimination or limitation of pre-emptive rights of new shares and in general, any necessary amendment to the Articles of Association, in the Ordinary or Extraordinary Shareholders' Meeting, it is required that on first call, the Shareholders, either present or represented, reach at least fifty percent (50%) of the subscribed voting capital and, on second call, at least twenty-five percent (25%) of the subscribed voting capital.

In relation to the quorum required to validly approve these matters, in accordance with the Law and the Articles of Association, when the shareholders attending represent more than fifty percent (50%) of the subscribed voting capital, the above mentioned resolutions will be validly adopted by absolute majority, and in the case the shareholders attending represent between the twenty-five percent (25%) and the fifty percent (50%) – but without reaching it - the favorable vote of the two-thirds (2/3) of the present or represented capital in the General Shareholders' Meeting will be required to approve these resolutions.

EDPR has not established any mechanism that may intend to cause mismatching between the rights to receive dividends or the subscription of new securities and the voting right of each common share, and has not adopted mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided by the law.

II. Management and supervision

A) Composition

15. Corporate Governance model

EDPR is a Spanish Company listed in a regulated stock exchange in Portugal. The corporate organization of EDPR is subject to its personal law and to the extent possible, to the recommendations contained in the Corporate Governance Code of the Instituto Português de Corporate Governance ("IPCG"), resulted as of the Protocol signed on October 13th, 2017 between the Comissão do Mercado de Valores Mobiliários ("CMVM" – Portuguese Securities Market Commission) and the IPCG, which was last reviewed in July 2020. This governance code is available at the IPCG website (https://cam.cgov.pt/). As such, the Company intends to comply with both legal systems but always taking into account that its personal law is the Spanish one, and that in case of discrepancy, the aim is to adopt the law that entails more protectionism for its shareholders.

The governance structure of EDPR is the one applicable under its personal law, that comprises a General Shareholders' Meeting and a Board of Directors that represents and manages the Company. Additionally, parallelly seeks to correspond it to the so-called "Anglo-Saxon" model set forth in the Portuguese Commercial Companies Code, in which the management body is a Board of Directors, and the supervision and control duties are of the responsibility of an Audit, Control and Related Party Transactions Committee.

The organization and functioning of EDPR corporate governance model aims to achieve the highest standards of corporate governance, business conduct and ethics referenced on the best national and international practices.

In line with its governance model above referred, and as detailed along topics 15 - 29 of this Chapter 5 of the Annual Report and contemplated in the law and Articles of Association of the Company, as of December 31st, 2021, EDPR does not have a Supervisory Board, but its Board of Directors has set up two Delegated Committees entirely composed by Members of the Board of Directors: the Audit, Control and Related-Party Transactions Committee and the Appointments, Remunerations and Corporate Governance Committee. This structure and its functioning, enables a fluent workflow between all levels of the governance model, as: i) each of the Delegated Committees shall report the decisions taken to the Board of Directors (drafting the minutes of each of the meetings and also providing whatever further clarification is required by the Board), and ii) as the committees Members are also members of the Board, all of them will also receive the complete information at Board of Directors level (as convening of the meetings, supporting documents and related minutes) in order to take the corresponding decisions; and all in all, thus ensuring in time and manner the access to all the information to the whole Board of Directors in order to appraise the performance, current situation and perspectives for the further development of the Company.

The General Secretary constitutes the focal point in charge of the centralization of the reception and management of all the information and documents to be provided to the different Governing Bodies. This information is prepared by the different departments of EDPR, with the support when necessary of external experts, and always managed in a strictly confidential basis. Additionally, the corresponding duties and functioning procedures for the Governing Bodies (including but without limitation, the performance of their functions, their Chairmanship, periodicity of meetings, their functioning and the duties of their members) have been defined at the Articles of Association, and Board of Directors and Delegated Committees Regulations (which are published at the website of the Company www.edpr.com), with the aim of ensuring the adequacy in terms of time and manner of the elaboration, management and access to the information in order to procced at each level with the corresponding acknowledgements and decisions. In line with the above, the General Secretary sends the notices and supporting documents of the topics to be discussed in each meeting of the Board and of each of its committees to their proper discussion during the meeting. Besides the above, Secretary to the Board of Directors also provides necessary legal advise to the Governing Bodies. Finally, the minutes of all meetings are drawn and also circulated by the General Secretary.

The governance model of EDPR was designed to ensure the transparent and meticulous separation of duties, management and the specialization of supervision, through the following governing bodies:

- General Shareholders' Meeting
- Board of Directors
- Audit, Control and Related Party Transactions Committee
- Appointments, Remunerations and Corporate Governance Committee

The experience gained operating the Company through this structure indicates that the governance model approved by EDPR shareholders, and adopted in EDPR, is the most appropriate in line with the corporate organization of its activity, especially because it affords transparency and a healthy balance between the management and the supervisory functions.

The links of the Company Website that refers to the information of the Governing Bodies and its regulations are indicated in topics 59-65 of this Chapter 5 of the Annual Report.

16. Rules for the nomination and replacement of directors

According to Article 29.5 of the Company's Articles of Association, the Appointments, Remunerations and Corporate Governance Committee is empowered by the Board of Directors to propose, advise and inform the Board regarding the appointments (including by co- option), re-elections, removals and remuneration of the Board Members, as well as the composition of the committees of the Board. This committee also advises on the appointment, remuneration and dismissal of top management officers.

As also referred in the Company Articles of Association (Article 21) the term of office of the Board Members shall be of three (3) years and may be re-elected once or more times for equal periods. The appointment proposals shall be approved by majority.

Following the best Corporate Governance practices, EDPR has analyzed and discussed about the possible criteria applicable in the selection of the new members of its Governing Bodies. As a conclusion, the Appointments, Remunerations and Corporate Governance Committee and the Board of Directors resolved at their meetings held on November 2nd, 2016, and December 14th, 2016 respectively, to take into account the following criteria for the selection of new members of the Governing Bodies: the education, experience in the energy sector, integrity and independence, and the diversity that such candidate may provide to the related body. Likewise, on the Shareholder's Meeting held on March 26th, 2020, the Board of Directors made public its particular interest in supporting the gender diversity in accordance with the *Lei nº 62/2017 of August 1st*, and specifically committed at the seventh resolution of the agenda, to promote that at the first Elective Shareholders' Meeting to be held after termination of the current term of office of the Board Members, the percentage of Board Members corresponding to the less represented gender is increased to a 33.3%.

Based on the above criteria, after the previous advice of the Appointments, Remunerations and Corporate Governance Committee, in 2021 the Board of Directors submitted the related proposals to the General Shareholders' Meeting (including for sake of clarity, the curriculum vitae of the candidates, which were be publicly disclosed with the other supporting documents of the meeting in the terms referred in topic 13 above). For more information about the composition of the Board of Directors please check the Sustainability Chapter of the Annual Report at its topic GRI 405-1, and the Annex I of this Chapter 5 of the Annual Report, which includes the curricular details of its Members.

Additionally, in case of a vacancy, pursuant to the Articles of Association and the Spanish Companies Law, the Board of Directors may co-opt a new Board Member, who will occupy the position until the next General Shareholders' Meeting, to which a proposal will be submitted for the ratification of such appointment by co-option. Pursuant to the Spanish Companies Law, the co-option of Directors must be approved by absolute majority of the Directors at the Board meeting.

Finally, pursuant to Article 23 of the Articles of Association and article 243 of the Spanish Companies Act, shareholders may group their shares until constituting an amount of capital equal or higher than the result of dividing the company's capital by the number of Members of the Board, to be entitled to appoint a number of Directors equal to the result of the fraction using only whole amounts. Those shareholders making use of this power, cannot intervene in the nomination of the other members of the Board of Directors.

17. Composition of the Board of Directors

At the meeting held in January 19th,2021, the Board received the resignations to the positions as Directors of Duarte Bello (with effects January 19th, 2021), Spyridon Martinis (with effects January 19th 2021) and Miguel Angel Prado (with effects as of the next General Shareholders' Meeting to be held). Likewise, after the public communication of António Mexia and João Manso Neto about their non - availability to be re-elected for their positions in EDP, following the appointment by EDP's shareholders of a new Executive Board of Directors team at EDP, and taking in consideration that both informed that they were putting their positions at the disposal of the Board, António Mexia was also ceased as Chairperson of EDPR´s Board, and João Manso Neto as Vice-Chairperson of EDPR´s Board and CEO of EDPR.

In order to fulfil the referred vacant positions, (including also the seat of Francisca Guedes the Oliveira, who presented his resignation by the end of 2020), following the proposal of the Appointments, Remunerations and Corporate Governance Committee, the Board of Directors of EDPR also agreed on its meeting held on January 19th, 2021, to approve the appointment by co-option of Miguel Stilwell d'Andrade (as Executive Director); Ana Paula Marques (as Non-executive Director) and Joan Avalyn Dempsey (as Non-executive and Independent Director). Likewise, Miguel Stilwell de Andrade was appointed as Chairperson of EDPR´s Board and CEO of EDPR and Rui Teixeira, who at that moment was EDPR's Executive Director and "*Consejero Delegado*," as CFO of the company.

On the Extraordinary Shareholders' Meeting held on February 22nd, 2021, the above-mentioned appointments by co-option were ratified, and it was approved the termination of António Mexia and João Manso Neto as members of the Board of Directors of the Company.

The above changes lastly contributed to better maximize EDPR's Board participation in the management of the company. Consequently the Executive Committee body -which included up to that date the Executive Board members- was dissolved and the remaining members were integrated in a Management Team[7].

Considering the new composition of the Board, and always taking into account the size of EDPR and the complexity of the risks intrinsic to its activity, following the proposal of the Appointments, Remunerations and Corporate Governance Committee, the Board of Directors EDPR submitted to the Extraordinary Shareholders Meeting held on February 22nd, 2021 the proposal adjust the number of Directors of the Company - that until that date was stablished in fifteen (15) - to a total of twelve (12) members, within the range included in Article 20.1 of the Articles of Association (that stablishes that the Board of Directors shall consist of no less than five (5) and no more than seventeen (17) Directors).

On the Board of Directors held on February 23rd, 2021 the resignations presented by António Nogueira Leite, Conceição Lucas, Francisco Seixas da Costa and Alejandro Fernández de Araoz to their positions as members of the Board of Directors with effects at the date of the Ordinary Shareholders' Meeting to be held in 2021 were received. In order to fill these vacancies, following the proposal of the Appointments, Remunerations and Corporate Governance Committee, the Board of EDPR submitted to the Ordinary Shareholders' meeting held on April 12th, 2021 the proposal to approve the appointment for the statutory term of three (3) years of António Gomes Mota (as Non- Executive and Independent Director), of Miguel Nuno Simões Nunes Ferreira Setas (as Dominical Director), of Rosa García García (as Non-Executive and Independent Director) and of José Manuel Félix Morgado (as Non-Executive and Independent Director). Likewise, the Ordinary Shareholders' Meeting approved the reelection for the statutory term of three (3) years of Miguel Stilwell d'Andrade (as Executive Director), Rui Manuel Rodrigues Lopes Teixeira (as Executive Director), Vera de Morais Pinto Pereira Carneiro (as Dominical Director), Ana Paula Garrido de Pina Marques (as Dominical Director), Manuel Menéndez Menéndez (as External Director), Acácio Liberado Mota Piloto (as Non-Executive and Independent Director), Allan J. Katz (as Non- Executive and Independent Director) and Joan Avalyn Dempsey (as Non- Executive and Independent Director).

On the Board of Directors held after the Ordinary Shareholders' Meeting of April 12th, 2021, it was also approved to appoint António Gomes Mota as independent Chairperson of EDPR's Board and Miguel Stilwell d'Andrade as Vice-Chairperson; as well as to appoint Miguel Stilwell d'Andrade as CEO and of Mr. Rui Teixeira as CFO of EDPR.

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[7] *Detailed information regarding EDPR's Management Team functions and composition has been included in topic 21 of this Chapter 5 of the Annual Report.*

As a result of the above referred resolutions, as of 31st December 2021, the Board of Directors of EDPR was composed by twelve (12) members, had an independent Chairperson; had only two executive members, had a reinforced presence of independent Directors with 50% of Board representation and had a reinforced presence of women with 33% of Board representation.

Therefore, as of December 31st, 2021, the Board of Directors was composed by the following Directors:

BOARD MEMBER	POSITION	DATE OF FIRST APPOINTMENT	DATE OF RE-ELECTION	END OF TERM
António Gomes Mota	Independent Chairperson	12/04/2021	-	12/04/2024
Miguel Stilwell d'Andrade	CEO and Executive Vice-Chairperson	19/02/2021	12/04/2021	12/04/2024
Rui Teixeira	CFO and Executive Director	29/10/2019	12/04/2021	12/04/2024
Vera Pinto	Director	26/02/2019	12/04/2021	12/04/2024
Ana Paula Marques	Director	19/02/2021	12/04/2021	12/04/2024
Miguel Setas	Director	12/04/2021	-	12/04/2024
Manuel Menéndez	Director	04/06/2008	12/04/2021	12/04/2024
Acácio Piloto	Director	26/02/2013	12/04/2021	12/04/2024
Allan J. Katz	Director	09/04/2015	12/04/2021	12/04/2024
Joan Avalyn Dempsey	Director	19/02/2021	12/04/2021	12/04/2024
Rosa García García	Director	12/04/2021	-	12/04/2024
José Manuel Félix Morgado	Director	12/04/2021	-	12/04/2024
*António Mexia**	*Director*	*18/03/2008*	*27/06/2018*	-
*João Manso Neto**	*Director*	*4/12/2007*	*27/06/2018*	-
*Duarte Bello***	*Director*	*26/09/2017*	*27/06/2018*	-
*Spyridon Martinis***	*Director*	*26/02/2019*	-	-
*Miguel Ángel Prado****	*Director*	*26/09/2017*	*27/06/2018*	-
*António Nogueira Leite*****	*Director*	*26/02/2013*	*27/06/2018*	-
*Francisco Seixas da Costa*****	*Director*	*14/04/2016*	*27/06/2018*	-
*Conceição Lucas*****	*Director*	*27/06/2018*	-	-
*Alejandro Fernandez de Araoz*****	*Director*	*27/06/2018*	-	-

**António Mexia and João Manso Neto, given their public notice of their lack of availability to be members of EDP, were dismissed by the Ordinary Shareholders' Meeting Held on April 12th 2021 from their positions as Board Members.*
***Duarte Bello and Spyridon Martinis presented the resignation to their positions as Board Members with effects January 19th, 2021*
****Miguel Angel Prado presented the resignation to his position as Board Member with effects February 22nd, 2021.*
*****António Nogueira Leite, Conceição Lucas, Francisco Seixas da Costa and Alejandro Fernández de Araoz presented the resignation to their positions as members of the Board of Directors with effects April 12th,2021.*

At the Board of Directors meeting held on November 2nd, 2021, Emilio García-Conde Noriega, Secretary of the Board of Directors of EDPR since December 2007, presented the resignation from this position, and in order to fill this vacancy, following the proposal of the Appointments, Remunerations and Corporate Governance Committee, the Board of Directors of EDPR unanimously agreed to appoint María González Rodríguez (Vice-Secretary of the Board of Directors since 2019) as Secretary non-member of the Board of Directors of EDPR, and to appoint Borja Pérez Dapena as new Vice-Secretary non-member of the Board of Directors of EDPR.

18. Executive, Non-Executive and Independent Members of the Board

The independence of the Directors is evaluated according to the Company's personal law, and annually confirmed by each of the corresponding Directors through the signature of an independence declaration. Likewise, EDPR Board of Directors Regulations, and Article 20.2 its Articles of Association, defines independent Directors as those who are able to perform their duties without being limited by relations with the Company, its significant Shareholders, or its management officers and comply with the other legal requirements.

Corporate Governance recommendations of the IPCG Code state that the number of non-executive directors should be higher than the number of executive directors, and that at least one third over the total members shall be non-executive members that also comply with the independence criteria. To this extent, and provided that the independence criteria applicable to EDPR Directors are the ones established under its personal law, from a total of fifteen (12) positions that composed of EDPR's Board of Directors as of December 31st, 2021, ten (10) were non-executive, being six (6) of them also independent. In accordance with the law and Articles of Association, it has been established that Non- Executive Directors can only be represented in the Board meetings by other Non- Executive Director.

As such, it has been concluded that the composition of the Board and its Delegated Committees is suitable for the size of the company and the complexity of the risks intrinsic to its activity mainly considering that enables a separation of duties, management and specialization of supervision at the same time that the non-executive and independent directors take part in all the decisions also at the Board of Directors level. Should be noted to this extend that the Board of Directors is composed by a majority of non-executive members, with a high percentage of independents; and that the Audit, Control and Related Party Transactions Committee and the Appointments, Remunerations and Corporate Governance Committee, are entirely composed by non- executive and independent members. Likewise, the executive line of the Board is centralized in two directors, who are supported in the daily activity of the Company by the Members of a Management Team.

Spanish law, Regulations of the Board of Directors and Company Articles of Association regulate the criteria for the incompatibilities with the position of Director. Specifically, Article 23 of the Articles of Association, establish that the following can not be Directors:

- Those who are directors of or are associated with any competitor of EDPR, or have family relations with them. In this respect a Company shall be considered as a competitor of EDPR, whenever it is engaged, if it is directly or indirectly involved in the production, storage, transport, distribution, marketing or supply of electricity or fuel gas; or also if has interests opposed to those of EDPR, or to the ones of any competitor or any of the companies in its group, and the Board members, employees, lawyers, consultants, or representatives of any of them. Under no circumstances shall companies belonging to the same group as EDPR, including abroad, be considered competitors;
- Those who are in any other situation of incompatibility or prohibition under the law or EDPR's Articles of Association. Under Spanish law, among others, are not allowed to be Directors those who are underage – under eighteen (18) years - and were not emancipated, disqualified, competitors, convicted of certain offences, or that hold certain management positions.

The prevention and avoidance of the conflict of interest in the performance of the duties of the Directors of EDPR is regulated in line with the terms contained in article 229 of the Spanish Companies Law and implemented in article 28.3 of the Board of Directors Regulations, which is also applicable to the committees under article 12 of their respective regulations. This article states that in case any direct or indirect conflict of interest arose, it shall be communicated to the Board of Directors, being the Director involved obliged to abstain from intervening in the corresponding operation. Additionally, all the Board Members (and hence those of its Delegated Committees, as they are entirely composed by Members of the Board) shall annually sign an statement declaring their compliance with the terms of the requirements stated under article 229 of the Spanish Companies Law, and their commitment to notify any variation in the information declared under the statement as soon as it may occur, in order to fully comply with the loyalty duty and avoid any interference or irregularity in any decision-making process.

The following table includes the executive, non-executive and independent members of the Board of Directors as of December 31st, 2021:

BOARD MEMBER	POSITION
António Gomes Mota	Chairperson (non-Executive and Independent)
Miguel Stilwell d'Andrade	CEO and Executive Vice-Chairperson
Rui Teixeira	CFO and Executive Director
Vera Pinto	Non-Executive Director
Ana Paula Marques	Non-Executive Director
Miguel Setas	Non-Executive Director
Manuel Menéndez	Non-Executive Director
Acácio Piloto	Non-Executive Director and independent Director
Allan J. Katz	Non-Executive Director and independent Director
Joan Avalyn Dempsey	Non-Executive Director and independent Director
Rosa García García	Non-Executive Director and independent Director
José Manuel Félix Morgado	Non-Executive Director and independent Director

19. Professional qualifications and biographies of the Members of the Board of Directors

The skills and main positions held by the members of the Board of Directors, as well as those that they currently hold in Group and non-Group companies and other relevant curricular information details are available in the Annex I of this Chapter 5 of the Annual Report.

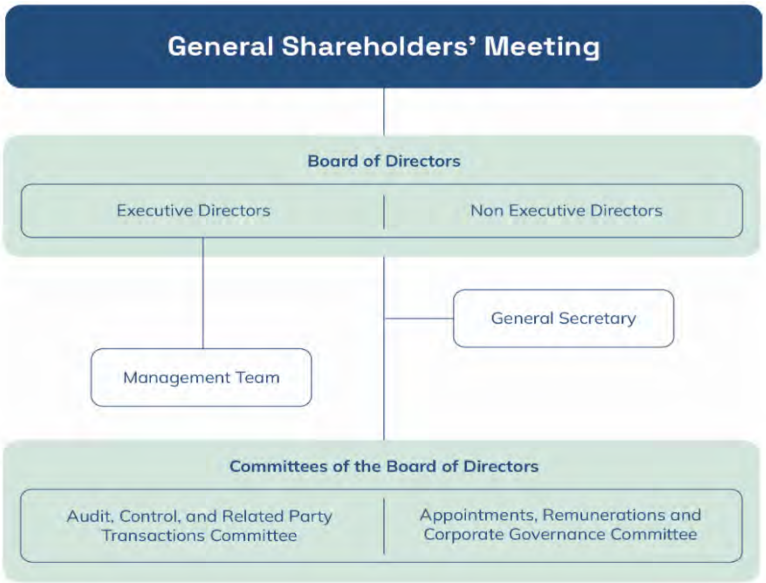
20. Family, professional and business relationships of the Members of the Board of Directors with qualifying shareholders

Qualifying Shareholders in EDPR are subject to the Spanish Law, which regulates the criteria and thresholds of the shareholders' holdings. As of December 31st, 2021, and as far as the Company was informed, there are no family or business relationships of Members of the Board of Directors with qualifying shareholders but only professional relationships due to the fact that some of the Members of EDPR's Board of Directors are currently Members of the Board of Directors in other companies belonging to the same group as EDP Renováveis S.A., which are the following:

- Miguel Stilwell d' Andrade;
- Rui Teixeira;
- Vera Pinto;
- Ana Paula Marques;
- Miguel Setas;
- Manuel Menéndez Menéndez

21. Corporate bodies and management structure

As exposed in topic 15 above, the governance model of EDPR was designed to ensure the transparent and meticulous separation of duties and the specialization of supervision through the following governing bodies and management structure:



General Shareholders' Meeting: which is the body in which the shareholders participate. Represents the Company with the full authority corresponding to its legal personality and has the power to deliberate, vote and adopt decisions, particularly on matters that the law and Articles of Association reserve for its decision and that must be submitted for its approval.

Board of Directors: that represents and administrates the Company under the broadest powers of management, supervision and governance with no limitations other than the responsibilities expressly and exclusively granted to the jurisdiction of the General Shareholders Meeting in the Company's Articles of Association or in the applicable law.

Executive Directors: EDPR has two Executive Directors who are also Joint Directors, Miguel Stilwell de Andrade (CEO) and Rui Teixeira (CFO), to whom the Board agreed to delegate all the competences that can be delegated as per established under the Company Bylaws and the applicable law.

Delegated Committees: as regulated by the applicable Law and pursuant to the best corporate governance recommendations, EDPR has set up two additional specialized internal committees:

- The Audit, Control and Related Party Transactions Committee, whose main duties are the supervision of the financial information and internal control, risk management and Compliance systems. It also assumes the functions related to the analysis and, when applicable, the approval of the Related Party Transactions of the Company.

- The Appointments, Remunerations and Corporate Governance Committee, whose main duties are the assistance and report to the Board of Directors in the appointments, re-elections, dismissals, evaluation, and remunerations of the members of the Board of Directors and Management Team members. It also assumes the functions related to the reflection on the Corporate Governance structure of the company and its efficiency.

Management Team: On January 2021 the Board of Directors agreed to create this body in order to assume the conduction and supervision of the daily activity and performance of the Company.

Considering the growing tendence of EDPR and its presence in new geographies, during 2021 it was analyzed the appropriate composition of the Management Team in order to ensure the required support to the needs to be covered both in business and technical terms. As conclusion, and in particular considering that the potential completion of the acquisition of Sunseap (Asian Platform) will imply the creation of an Asian-Pacific Platform, and that the need of implementing a standardization of technical process and criteria made also necessary to incorporate a technical profile to the Management Team, following the proposal of the Appointments, Remunerations and Corporate Governance Committee, the Board of Directors agreed to stablish a new structure for the Management Team that would entail the following composition: the CEO and CFO, the representatives of EDPR's Platforms (Europe, LATAM, APAC and North America), and a member in charge of the coordination of the technical functions.

On November 2nd, 2021 the Board of Directors acknowledged the resignation presented by Spyridon Martinis and Miguel Angel Prado as COOs and Members of the Management Team, and following the proposal of the Appointments, Remunerations and Corporate Governance Committee, approved to appoint two members for the new Management Team positions considered under the new structure: Pedro Vasconcelos as COO of APAC platform and Bautista Rodriguez as Chief Technical Officer ("CTO") & Offshore Business.

Finally, on December 23rd, 2021, following the proposal of the Appointments, Remunerations and Corporate Governance Committee, the Board of Directors approved to appoint Sandhya Ganapathy as the COO of North America, and therefore, as new member of the Management Team.

As a result of the new structure applicable to the Management Team and the new appointments approved, as of December 31st, 2021, the composition of the Management Team of EDPR is the following:

- Miguel Stilwell d'Andrade (CEO)
- Rui Teixeira (CFO)
- Duarte Bello (COO Europe&LATAM)
- Pedro Vasconcelos (COO APAC)
- Sandhya Ganapathy (COO NA)
- Bautista Rodríguez (CTO& Business Offshore)

B) Functioning

22. Board of Directors regulations

EDPR's Board of Directors Regulations are available at Company's website (www.edpr.com), and at Company's headquarters at Plaza de la Gesta, 2, Oviedo, Spain.

23. Number of meetings held by the Board of Directors and attendace report

According to the Law and its Articles of Association, EDPR's Board of Directors meetings take place at least once every quarter. During the year ended on December 31st, 2021, the Board of Directors held nine (9) meetings. The notices and supporting documents of the topics to be discussed in each meeting are sent to the Board members in advance to their proper discussion during the meeting. Additionally, the minutes of all meetings are drawn and also circulated.

The table below expresses the attendance percentage of the participation of the Directors to the meetings held during 2021:

BOARD MEMBER	POSITION	ATTENDANCE*
António Gomes Mota	Chairperson (non-Executive and Independent)	100%
Miguel Stilwell d'Andrade	CEO and Executive Vice-Chairperson	100%
Rui Teixeira	CFO and Executive Director	100%
Vera Pinto	Non-Executive Director	100%
Ana Paula Marques	Non-Executive Director	100%
Miguel Setas	Non-Executive Director	100%
Manuel Menéndez	Non-Executive Director	88,88%
Acácio Piloto	Non-Executive Director and independent Director	100%
Allan J. Katz	Non-Executive Director and independent Director	100%**
Joan Avalyn Dempsey	Non-Executive Director and independent Director	100%**
Rosa García García	Non-Executive Director and independent Director	100%
José Félix Morgado	Non-Executive Director and independent Director	100%
Duarte Bello	*Executive Director*	*100%*
Spyridon Martinis	*Executive Director*	*100%*
Miguel Ángel Prado	*Executive Director*	*100%*
António Nogueira Leite	*Non-Executive Director and independent Director*	*100%*
Francisco Seixas da Costa	*Non-Executive Director and independent Director*	*100%*
Conceição Lucas	*Non-Executive Director and independent Director*	*100%*
Alejandro Fernandez de Araoz	*Non-Executive Director*	*100%*

**The percentage reflects the meetings attended by the Members of the Board during 2021, provided that:*

i) Duarte Bello and Spyridon Martinis presented the resignation to their positions as Board Members with effects January 19th, 2021; Miguel Angel Prado presented the resignation to his position as Board Member with effects January 22nd, 2021; and António Nogueira Leite, Conceição Lucas, Francisco Seixas da Costa and Alejandro Fernández de Araoz presented the resignation to their positions as members of the Board of Directors with effects April 12th,2021, thus the percentage shown in the table for them reflects the attendance calculated over the meetings celebrated until such date.

ii) Miguel Stilwell d'Andrade, Ana Paula Marques and Joan Avalyn Dempsey were appointed by co-option on January 19th, 2021, and António Gomes Mota, Miguel Nuno Simões Nunes Ferreira Setas, Rosa García García, and José Manuel Félix Morgado were appointed by the Shareholders' meeting held on April 12th, 2021, thus the percentage shown in the table for them reflects the attendance calculated over the meetings celebrated since such dates.

***Allan J. Katz and Joan Avalyn Dempsey we not able to attend to the Board of Directors meeting held on March 3rd,2021 but in line with the Company bylaws and the applicable law, they delegated their representation and votes into other two non-executive members of the Board.*

24. Competent body for the performance appraisal of Executive Directors

The key performance indicators for the appraisal of the Executive Directors are set in advance and approved by the General Shareholder's Meeting.

Once the corresponding fiscal year is completed, the Appointments, Remunerations and Corporate Governance Committee performs the first assessment about the compliance with such key performance indicators, and submits its recommendation to the Board of Directors, which evaluates the proposal of this committee and makes the final decision. Should be noted that according to the personal law of EDPR, the definitive assessment of this performance is a non-delegable competence of the Board of Directors.

25. Performance evaluation criteria

The criteria for assessing the Executive Directors' performance are described on topics 70, 71 and 72 of this Chapter 5 of the Annual Report.

26. Availability of the Members of the Board of Directors

The members of Board of Directors of EDPR are fully available for the performance of their duties having no constraints for the execution of this function simultaneously with other positions. Additionally, Executive Directors of EDPR, do not perform any other executive duties outside the Group. The positions held at the same time in other companies within and outside the Group, and other relevant activities undertaken by members of the Board of Directors throughout the financial year are listed in the Annex I of this Chapter 5 of the Annual Report.

C) Committees within the Board of Directors or Supervisory Board and Board Delegates

27. Board of Directors' Committees

As previously exposed, in line with Spanish Law and as specifically foreseen in Article 10 of the Company's Articles of Association, the Board of Directors is entitled to create delegated bodies. The Board of Directors of EDPR has set up two committees:

- Audit, Control and Related-Party Transactions Committee
- Appointments, Remunerations and Corporate Governance Committee

Both Committees are composed exclusively by non-executive and independent members.

28. Details of the Board Delegates

On January 19th, 2021, the Board of Directors agreed to disolve the Executive Committee of the Company, and to appoint Miguel Stillwel d'Andrade and Rui Teixeira as Joint Directors, delegating in them all the competences that can be delegated as per established under the Company Bylaws and the applicable law. The reserved matters of the Board of Directors are identified in topic 9 of this Chapter 5 of the Annual Report and article 9 of the Board of Directors Regulations.

29. Committees competencies

Audit, Control and Related Party Transactions Committee

Composition

Pursuant to Article 28 of the Company's Articles of Association and Article 9 of its Regulations, the Audit, Control and Related Party Transactions Committee consists of no less than three (3) and no more than five (5) members.

According to Article 28.5 of the Articles of Association the term of office of the Chairperson of the Audit, Control and Related Party Transactions Committee is a maximum of six (6) years. Following the proposal submitted by the Appointments, Remuneration and Corporate Governance Committee, its Chairperson, Acacio Piloto, was first elected for this position on June 27th, 2018, and re-elected on April 12th, 2021.

The Audit, Control and Related Party Transactions Committee consists of three (3) non-executive and independent members, who since April 12th, 2021[8] and as of December 31st 2021, are the following:

- Acacio Piloto, who is the Chairperson
- Rosa García García
- José Manuel Félix Morgado

Additionally, María González Rodríguez is the Secretary of the Audit, Control and Related Party Transactions Committee since November 2nd, 2021.

The committee members shall maintain their positions for as long as they are Company Directors. Nevertheless, the Board may decide to discharge members of the committee at any time, and also the members may resign of these positions but still maintaining their seat as Members of the Board of Directors.

Competences

Notwithstanding the other duties that the Board may assign to this committee, it shall perform supervisory functions of Audit and Control independently from the Board of Directors, as well as, by delegation of the Board of Directors, the supervisory functions of the transactions between Related Parties, as follows:

A) Audit and Control functions[9]:

- Reporting through the Chairperson on questions falling under its jurisdiction to the General Shareholders' Meetings;
- Proposing the appointment of the Company's auditors to the Board of Directors for subsequent approval by the General Shareholders' Meeting, as well as the contractual conditions, scope of the work – specially concerning audit services, "audit related" and "non-audit" – annual activity evaluation and revocation or renovation of the auditor appointments;
- Supervising the finance reporting and the functioning of the internal risk management and control systems, as well as evaluating those systems and proposing the adequate adjustments according to the Company necessities;
- Supervising internal audits;
- Establishing a permanent contact with the external auditors to assure the conditions, including independence, that may be adequate for provision of services performed by them acting as the Company speaker for the subjects related to the auditing process, and receiving and maintaining information on any other questions regarding accounting subjects;
- Preparing an annual report on its activities, including eventual constraints, and expressing an opinion on the Management Report, the accounts and the proposals presented by the Board of Directors;
- Receiving notices of financial and accounting irregularities presented by the Company's employees, shareholders, or entities that have a direct interest and judicially protected, related with the Company's social activity;
- Engaging the services of experts to collaborate with committee members in the performance of their functions (when engaging the services of such experts and determining their remuneration, it must be taken into account the importance of the matters entrusted to them and the economic situation of the Company);
- Drafting reports at the request of the Board and its committees;
- Approving and supervising, in coordination with the Management Team, the Annual Activity Plan of the Corporate Compliance Department;

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[8] During the period of 2021 elapsed until April 12th, the members of this Committee were Acacio Piloto (Chairperson), Antonio Nogueira Leite (vocal) and Francisco Seixas (vocal). Likewise, Emilio García-Conde Noriega was its Secretary until November 2nd, 2021.

[9] In addition to the competences listed in this section, the Audit, Control and Related Party Transactions Committee approved at its meeting held on December 21st 2021 the amendment of its regulations in order to specifically include: i) the competence to supervise the suitability of the preparation process and the disclosure of financial information including suitable accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form (which was already being performed in practise by this body but not formally reflected at its regulations), and ii) to concrete the supervisory functions of the Committee over internal audit activities in order to comply with the best Governance market practices, in particular referring to approving and supervising in coordination with the CEO, the Annual Internal Audit Plan; approving and reviewing the Internal Audit Rule; and supervising in coordination with the CEO and Management Team the implementation of the recommendations issued by Internal Audit. This amendment will be submitted for Board's approval on the first meeting to be held in 2022.

- Appreciating and monitoring the recommendations on measures to be taken in situations of significant non-compliance;
- Supervising compliance with regulations and alignment of business processes with the requirements of the Compliance Management System in order to achieve a sustainable compliance culture throughout the Company.

B) Related Party Transactions functions:

In 2021 the Spanish Companies Act was amended by the law 5/2021, which among others, sets a new regulation and requirements for Related Party Transactions with regards to the definition of Related Party Transactions, and the approval and disclosure procedures of these type of operations. Consequently, the Audit, Control and Related Party Transactions Committee, at its meeting held on June 28th, 2021, agreed to propose to the Board of Directors an amendment to its Regulations to align its competences with the new applicable law. The Board approved this proposal on July 27th, 2021, stating the following Related Party Transactions competences at the new version of the Regulations of this Committee:

- By delegation of the Board of Directors: analyzing and, where appropriate, approving the (i) (a) intragroup transactions or (b) transactions performed between EDPR Group and EDP Group when their amount is below 10% of the total assets at the last annual balance sheet approved by the company, as long as they are in the ordinary management of the company and under market conditions; (ii) transactions executed under contracts with standardized terms that are wholesale applied to a high number of clients under prices or tariffs generally established by the supplier of the goods or services, and which amount does not exceed the 0,5% of the net annual company turnover, and periodically informing the Board of Directors about the transactions approved by this Committee in the exercise of the above referred delegation, stating the fairness and transparency of such transactions, and as the case may be, the compliance with the applicable legal criteria;

- Analyzing and informing about any modification of the Framework Agreement signed by EDP and EDP Renováveis on 7 May 2008;

- Submitting reports to the Board of Directors of the Company regarding the Related Party Transactions - that shall be approved by the Board of Directors of EDPR SA or by its Shareholder's Meeting in accordance with the law - and that shall include: (i) the information regarding the nature of the operation and the relation with the Related Party, (ii) the identity of the Related Party, the date and value or amount of the compensation of the transaction, and any other information necessary to appraise if the operation is fair and reasonable for the company and for the non-Related Party shareholders;

- Asking EDP for access to the information needed to perform its duties.

Functioning

In addition to the Articles of Association and the law, this committee is governed by its regulations (that were last amended on July 27th 2021[10]), which are available at the Company's website (www.edpr.com).

The committee shall meet at least once a quarter and additionally whenever its Chairperson deems fit. The notices and supporting documents of the topics to be discussed in each meeting of this committee are sent to its members in advance to

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[10] In 2021 the Board of Directors approved two amendments to the regulations of the Audit, Control and Related Party Transactions Committee (one in May 12th, in order to formalize the delegation of the compliance supervisory functions, and a second one in July 27th to align the Related Party concepts, competences and procedures with the new applicable law in Spain). Likewise, at its meeting held on 21st, December 2021, the Committee agreed a new amendment in order to formally include the competence to supervise the suitability of the preparation process and the disclosure of financial information, and to concrete its supervisory functions over internal audit activities, but this latest amendment is still pending from Board approval.

their proper discussion during the meeting. Additionally, this committee shall draft minutes of every meeting held and inform the Board of Directors of its decisions at the first Board held after each committee meeting.

Decisions shall be adopted by majority and the Chairperson shall have the casting vote in the event of a tie.

2021 Activity

In 2021 the Audit, Control and Related Party Transactions committee's activities included the following:

A)Audit and Control Activities:

- Monitor the closure of quarterly accounts, first half-year and year-end accounts;
- Information about the proposals of application of results for the fiscal year ended on December 31st 2020 and the distribution of dividends;
- Information about the independence of the External Auditor;
- Assessment of the external auditor's work, especially concerning the scope of work in 2021, approval of all "audit related" and "non- audit" services and analysis of external auditor's remuneration;
- Assessment on the policies and remunerations systems of the Company;
- Supervision of the quality and integrity in the preparation and disclosure of the financial information in accordance with the applicable accounting policies, estimates and judgments;
- Drafting of an opinion about the individual and consolidated reports (including the Corporate Governance report) and accounts, in a quarterly, half year and yearly basis;
- Monitorization of Internal Audit Activity, including the supervision of the execution of the Audit Plan, its Budget and headcount. and pre-approval of the draft prepared for the 2022 Internal Audit Action Plan;
- Monitorization of the recommendations issued by Internal Audit and reviewing the Internal Audit Standard;
- Follow-up and supervision of the quality, integrity and efficiency of the treasury management (finance and debt), the Internal Control System, Compliance and Risk Management;
- Monitorization and evaluation of the risk management performed during 2021, issuing a report including the assessment about it;
- Information about Whistle-Blowing;
- Information about the contingencies affecting to the Group;
- Issuance of the report of its activities performed during 2020 and self-assessment about its performance, as well as of specific annual reports regarding the appraisal of the Internal Audit functions and Internal Control activities.
- Analysis of best practices and regulations applicable to Corporate Compliance structures, which among others require that the Compliance Officer has enough independency to perform the supervisory role, and analysis regarding the most adequate reporting structure for EDPR Corporate Compliance, proposing to the Board of Directors to update article 8.1.A) of its Regulations in order to expressly attribute to it the necessary competences over Corporate Compliance;
- Analysis of the new regulation applicable in Spain regarding Related Party Transactions, and revision of its Regulations in order to align its definitions and competences under Article 8.1.B) with the new applicable law;
- Analysis of the impacts of the climate event occurred in February 2021 in Oklahoma and Texas (supply shortcuts and increase in the demand and prices), approving the necessary adjustments in the budget, and the conclusions and recommendations to be taken into account at these markets;
- Following the best Corporate Governance practice, the Committee holds a specific and complementary meeting with the External Auditors twice a year to discuss any remark in the process of the elaboration of the Company 1H and YE accounts;
- Celebration of an specific meeting with Ocean Winds to analyze its structure, projects and main challenges and objectives; in particular with regards to: i) its governance, internal organization and Human Resources Policy; ii) Business

Plan; iii) Accounting, Consolidation and Tax; iv) Audit, Internal Control, Compliance and Risk Management (including the functional report EDPR/ENGIE).

- Considering the conclusions obtained by the Appointments, Remunerations and Corporate Governance Committee regarding the feedback and possible improvements issued by the CEAM for 2020 Corporate Governance Report, in order to fully comply with the suggestions made for recommendation VII.1.1 of the IPCG Code, the Committee approved the amendment of its regulations in order to specifically include under article 8.1.A) the competence to supervise the suitability of the preparation process and the disclosure of financial information by the Board of Directors, including suitable accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form (which was already being performed in practice by this body but not formally reflected at its regulations);
- In order to comply with the best Governance market practices, the Committee approved to concrete its supervisory functions over Internal Audit activities by amending article 8.1.) of its regulations, in particular referring to approving and supervising in coordination with the CEO, the Annual Internal Audit Plan; approving and reviewing the Internal Audit Rule; and supervising in coordination with the CEO and Management Team the implementation of the recommendations issued by Internal Audit.

B)Related Party Transactions Activities:

In 2021, the Audit, Control and Related Party Transactions Committee revised, approved and submitted to the Board of Directors the transactions between related parties submitted to its consideration in accordance with its competences and the applicable law.

Section E – I, topic 90 of Chapter 5 this Annual Report includes a description of the fundamental aspects of the agreements and contracts between related parties.

The Audit, Control and Related Party Transactions Committee found no constraints during its control and supervision activities.

The information regarding the meetings celebrated by this Committee and the attendance of its related members during the year 2021 is described at topic 35.

Appointments, Remunerations and Corporate Governance Committee

Composition

Pursuant to Article 29 of the Company's Articles of Association and Article 9 the Appointments, Remunerations and Corporate Governance Committee Regulations, this committee shall consist of no less than three (3) and no more than six (6) members. At least one of its members must be independent and shall be its Chairperson.

In accordance with its personal law (Spanish law), with recommendation V.3.3. of the Corporate Governance Code of IPCG, and to the extent possible with recommendation V.2.1. of the Corporate Governance Code of IPCG (as considering that in Spain this committee shall be created by the Board and being entirely comprised by members of its Board of Directors), the Appointments, Remunerations and Corporate Governance Committee of EDPR is entirely integrated by Non-Executive and Independent Directors.

The Appointments, Remunerations and Corporate Governance Committee consists of three (3) non-executive an independent, who since April 12th, 2021[11] and as of December 31st 2021, are the following :

- António Gomes Mota, who is the Chairperson
- Rosa García García
- José Félix Morgado

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[11] During the period of 2021 elapsed until April 12th, the members of this Committee were Antonio Nogueira Leite (Chairperson), Francisco Seixas (vocal) and Conceição Lucas (vocal). Likewise, Emilio García-Conde Noriega was its Secretary until November 2nd, 2021.

Additionally, María González Rodríguez is the Secretary of the Appointments, Remunerations and Corporate Governance Committee since November 2nd, 2021.

None of the committee members are spouses or up to third degree relatives in direct line of the other members of the Board of Directors.

The committee members shall maintain their positions for as long as they are Company Directors. Nonetheless, the Board may decide to discharge members of the committee at any time and the members may resign said positions while remaining Company Directors.

Competences

The Appointments, Remunerations and Corporate Governance Committee is a permanent body belonging to the Board of Directors with an informative and consultative nature and its recommendations and reports are not binding.

The Appointments, Remunerations and Corporate Governance Committee has no executive functions. The main functions of this committee are to assist and report to the Board of Directors about appointments (including by co-option), re- elections, removals and remuneration of Directors and members of the Management Team. It also assumes the functions related to the reflection on the Corporate Governance structure and on its efficiency, and informs the Board of Directors on general remuneration and incentive policy and incentives for Board members and executive staff. These functions include the following:

- Defining the standards and principles governing the composition of the Board of Directors and the selection and appointment of its members;
- Proposing the appointment and re-election of Directors (including nominations by co-option) for the submission to the General Shareholders' Meeting by the Board of Directors;
- Proposing to the Board of Directors the candidates for the different committees;
- Proposing to the Board, within the limits established in the Articles of Association, the remuneration system, distribution method, and amounts payable to the Directors;
- Making proposals to the Board of Directors on the conditions of the contracts signed with Directors;
- Informing and making proposals to the Board of Directors regarding the appointment and/or removal of executives and the conditions of their contracts and generally defining the hiring and remuneration policies of executive staff;
- Reviewing and reporting on incentive plans, pension plans, and compensation packages;
- Overseeing and assessing the suitability of the corporate governance model implemented by the Company and their compliance with internationally accepted models of corporate governance, forwarding any appropriate recommendations in this area to the Board of Directors;
- Supervising compliance with, and the correct application of, the corporate governance principles and standards in force, promoting and requesting the exchange of information necessary for this purpose;
- Any other functions assigned in the Articles of Association or by the Board of Directors.

In accordance with the personal law of EDPR, all the Board Members shall attend to the General Shareholder's Meeting, and as exposed in topic 15 of this Chapter 5 of the Annual Report, all the Delegated Committees are composed Directors. As such, the Chairperson of the Appointments, Remunerations and Corporate Governance Committee shall attend the Shareholder's Meetings, and in case its agenda includes any topic related to remuneration of the company's governing bodies, this Director will be most adequate to answer.

During 2021 two Shareholders' Meetings were held (on February 22nd, 2021 and on April 12th, 2021) and the Chairperson of the Committee in that moment, Antonio Nogueira Leite, attended.

Functioning

In addition to the Articles of Association, the Appointments, Remunerations and Corporate Governance Committee is governed by its Regulations (that were last amended on February 23rd, 2021)[12], which are available at the Company's website (www.edpr.com).

The notices and supporting documents of the topics to be discussed in each meeting of this committee are sent to its members in advance to their proper discussion during the meeting. Additionally, this committee shall draft minutes of every meeting held and inform the Board of Directors of its decisions at the first Board held after each committee meeting. Decisions shall be adopted by majority and the Chairperson shall have the deciding vote in the event of a tie.

2021 Activity

In 2021 the Appointments, Remunerations and Corporate Governance Committee held five (5) meetings, and the main activities performed were:

- Acknowledgement of the resignations to the position as Board Member presented by Francisca Guedes de Oliveira (with effects December 30th, 2020), Duarte Belo and Spyridon Martins (with effects January 19th, 2021) and Miguel Angel Prado (with effects February 22nd, 2021);
- Analysis of the most adequate candidates to cover the above referred vacancies, proposing to the Board of Directors the co-option of Miguel Stilwell d'Andrade (as Executive Director), of Ana Paula Marques (as Dominical Director) and of Joan Avalyn Dempsey (as Independent Director);
- Analysis of the measures to be adopted in order to fully comply with the applicable regulation on gender diversity at the Board of Directors level, assuming the commitment of ensuring its complete compliance by adopting a balanced composition by the Ordinary shareholders' Meeting to be held in 2021;
- Considering the public communication of António Mexia and João Manso Neto about their no availability to be re-elected for their positions in EDP and following the appointment by EDP's shareholders of a new Executive Board of Directors team at EDP, taking in consideration that both informed that they were putting their positions at the disposal of the Board, the Committee analyzed the implications of the situation, and agreed to propose to the Board of Directors the dismissal of António Mexia as Chairperson of EDPR's Board, and of João Manso Neto as Vice-Chairperson of EDPR´s Board and CEO of EDPR, revoking the powers delegated in their favor;
- Proposing to the Board of Directors, for its submission to the Extraordinary Shareholders' Meeting to be held on February 22nd, 2021: i)the ratification of the co-option of Miguel Stilwell d'Andrade (as Executive Director), of Ana Paula Marques (as Dominical Director) and of Joan Avalyn Dempsey (as Independent Director); ii) the deliberation on the termination of António Mexia and João Manso Neto as members of the Board of Directors; iii) the adjustment of the number of Board Members in twelve (12); and iv) the amendment to the By-Laws to eliminate the role of the Chairperson of the Shareholders' Meeting, and allow the Shareholders Meeting to be chaired by the Board of Directors Chairperson;
- Proposing to the Board of Directors the candidates for the roles of Chairperson, Vice-chairperson, CEO and CFO, as well as the corresponding delegation of competences, to be considered in case of approval of the proposals submitted to the Extraordinary Shareholders' Meeting of February 22nd, 2021;
- Analysis of the contractual conditions to be considered under the contracts to be executed between EDPR and Miguel Stilwell d'Andrade and Rui Teixeira in compliance with article 249 of the Spanish Companies Act in the case of approval of the delegation of powers in their favor.
- Analysis of the amendments to be considered for the Management Services Agreement between EDP and EDPR in case the proposals of appointments and dismissals submitted for the Extraordinary Shareholders' Meeting of February 22nd, 2021 were approved;
- The development of a screening about the different Governance structures adopted in listed companies, and of an analysis about a possible restructuration of the one adopted in EDPR in order to better maximize the participation of the

[12] On its meeting held on December 14th, 2016, the Board of Directors approved to delegate the functions related to the reflection on the Corporate Governance structure and on its efficiency in this Committee and, since then, in the performance of these functions, revised the Corporate Governance Report prepared for each exercise and annually prepared and issued a report under which the Corporate Governance system adopted by EDP Renováveis, S.A. was analysed. In order to formalize the assignment of these functions, and considering that under recommendation III.7 of the IPCG Code companies should have specialised committees on matters related to Corporate Governance, the Board of Directors of EDPR approved on February 23rd, 2021 to adjust the name of the committee to refer the assumption of these functions (thereinafter Appointments, Remunerations and Corporate Governance Committee), and to amend its Regulations to specifically include the functions regarding Corporate Governance matters within its competences.

Board in the management of the Company, proposing to this extent to eliminate the Executive Committee body, and to set up a Management Team;

- Proposing the candidates to integrate the Management Team, as well as their contract and remuneration conditions;
- Proposing the applicable adjustments to the Remuneration Policy of EDPR to be considered as per the elimination of the Executive Committee and the creation of a Management Team;
- Proposing the appointment of Francisco Seixas (Independent Director) as new member of the Audit, Control and Related Party Transactions Committee in order to cover the vacancy left by Francisca Guedes de Oliveira;
- Issuing its opinion regarding the performance evaluation of the Board of Directors and Delegated Committees for year 2020;
- Drafting of the Declaration of the Board of Directors Remuneration Policy for 2020-2022 to be proposed to the Board of Directors for its submission to the General Shareholders' Meeting;
- Drafting the report of its activities performed during the year 2020;
- Analysis and issuance of a reflection on the Corporate Governance system adopted by EDPR during 2020;
- Acknowledgement of the resignations to the position as Board Member presented by Antonio Nogueira Leite, Conceição Lucas, Francisco Seixas da Costa and Alejandro Fernández de Araoz (with effects April 12th, 2021);
- Analysis of candidates to cover the vacancies left by the above referred resignations, proposing to the Board of Directors, for its submission to the Ordinary Shareholders' Meeting of April 12th, 2021, the appointment of António Gomes Mota (as Independent Director), Miguel Setas (as Dominical Director), Rosa García (as Independent Director) and José Manuel Felix Morgado (as Independent Director);
- Proposing to the Board of Directors, for its submission to the Ordinary Shareholders' Meeting of April 12th, 2021, the re-election as Directors of Miguel Stilwell d'Andrade (as Executive Director), Rui Teixeira (as Executive Director), Vera Pinto (as Dominical Director), Ana Paula Marques (as Dominical Director), Manuel Menéndez (as External Director), Acacio Piloto (as Independent Director), Allan Katz (as Independent Director) and Joan Avalyn Dempsey (as Independent Director);
- Analysis of candidates for the positions of Chairperson and Vice-Chairperson of the Board of Directors - considering the best corporate governance practices under which the Chairperson is an Independent Director -, proposing to this extent to the Board of Directors the appointment of António Gomes Mota as Chairperson and Miguel Stilwell de Andrade as Vice-Chairperson;
- Proposing to the Board of Directors the re-election of Miguel Stilwell de Andrade as CEO of the Company and of Rui Teixeira as CFO, as well as to approve the related delegation of powers in their favour;
- Analysis of candidates to integrate the Audit, Control and Related Party Transactions Committee, proposing to the Board of Directors the appointment of Acacio Piloto as its Chairperson, and of Rosa García and José Manuel Félix Morgado as vocals;
- Analysis of candidates to integrate the Appointments, Remunerations and Corporate Governance Committee, proposing to the Board of Directors the appointment of António Mota as its Chairperson, and of Rosa García and José Félix Morgado as vocals;
- Review and approval of the Remunerations Report related to 2020;
- In order to formalize the assignment of the competences related to Corporate Governance - delegated and performed in practice by this Committee since 2016 - and considering that under recommendation III.7 of the IPCG Code companies should have a specialised committee on matters related to Corporate Governance, this Committee proposed to the Board of Directors to adjust its name to refer the assumption of these functions (thereinafter Appointments, Remunerations and Corporate Governance Committee), and to amend its Regulations to specifically include the functions regarding Corporate Governance matters within its competences;
- Analysis of the amendments to be considered for the Management Services Agreement between EDP and EDPR in case the proposals of appointments and re-elections submitted to the Ordinary Shareholders' Meeting of April 12th, 2021 were approved;
- Review of the reserved matters of the Board of Directors considering: i) those that were regulated at the Executive Committee's Regulations, ii) those applicable as of the amendment of the Spanish Companies Act (which implies that the section for listed companies is now applicable to EDPR) and iii) the alignment with the economic thresholds adopted in

EDP; proposing to the Board of Directors the amendment of its Regulations in order to include new list of non-delegable matters of the Board of Directors;

- Analysis of the scope, competences, functioning and composition of the Ethics Committees within EDP Group, proposing to the Board of Directors, in line with the initiatives performed at EDP level, the approval of a revised version of its Regulations and a new composition of these Committee that would be integrated by: the Chairperson of the Appointments, Remunerations and Corporate Governance Committee (who will be the Chairperson of the Ethics Committee); the Chairperson of the Audit, Control and Related Party Transactions Committee, the Ombudsperson, the Compliance Officer, the Corporate Director of Human Resources, the General Counsel & Regulatory Compliance of EDPR NA and the Secretary of the Board of Directors (who will also act as Secretary of the meetings);
- Review of a benchmark and frame reference in the market for the remunerations of Non-Executive Directors, complements for membership or chairmanship of Committees, and of Independent Chairperson, proposing to the Board of Directors the approval of a new Remuneration Policy for Non-Executive Directors;
- Proposing to the Board of Directors the approval of a Long Incentive Plan for the COOs;
- Analysis of the appropriate composition of the Management Team in order to ensure the required support to the needs to be covered both in business and technical terms, proposing to the Board of Directors to stablish a new structure that would entail the following composition: the CEO and CFO, the representatives of EDPR's Platforms (Europe, LATAM, APAC and North America), and a member in charge of the coordination of the technical functions.
- Analysis of the candidates to assume the position of COO of APAC and Member of the Management Team, proposing to this extent to the Board of Directors the appointment of Pedro Vasconcelos;
- Analysis of the candidates to assume the position of Chief Technical Officer & Business Offshore and Member of the Management Team, proposing to this extent to the Board of Directors the appointment of Bautista Rodríguez;
- Acknowledgement of the resignments to the positions in the Management Team presented by Spyridon Martinis (with effects November 30th, 2021) and Miguel Angel Prado (with effects November 19th, 2021);
- Proposing the applicable adjustments to the Remuneration Policy of EDPR to be considered as per the new composition of the Management Team and its alignment with market conditions;
- Deliberation about the convenience of including the analysis and definition of a Succession Plan for certain key positions in the Company as well as an analysis of the background and experience of Board members, resolving to adopt the commitment of working on these initiatives during 2022;
- Discussing on the convenience of providing a training plan for Non-Executive Directors, including legal developments in Spain and Portugal that may have any impact in the Company:
- Analysis of the feedback issued by the CEAM regarding the 2020 Corporate Governance Report, issuing an action plan in order to reach the room of improvement where applicable;
- Acknowledgement of the retirement of Emilio Garcia-Conde from his position as Secretary of the Board of Directors, analysing the candidates to cover this vacancy, and proposing to the Board of Directors to appoint María González Rodríguez (Vice-Secretary of the Board of Directors since 2019) as Secretary non-member of the Board of Directors of EDPR, and to appoint Borja Pérez Dapena as new Vice secretary non-member of the Board of Directors of EDPR.
- Analysis of the candidates to assume the position of the CEO of EDPR NA/COO of EDPR for North America and Member of the Management Team, proposing to this extent to the Board of Directors the appointment of Sandhya Ganapathy;
- Proposing the applicable adjustments to the Remuneration Policy of EDPR to be considered in order to include the conditions applicable to the CEO of EDPR NA/COO of EDPR SA for North America.

III. Supervision

A) Supervision

30. Supervisory Board - model adopted

EDPR's governance model, as long as it is compatible with its personal law (Spanish law), corresponds to the so -called "Anglo- Saxon" model set forth in the Portuguese Commercial Companies Code, in which the management body is a Board of Directors, and the supervision and control duties are of the responsibility of an Audit, Control and Related Party Transactions Committee.

31. Composition of the Audit, Control and Related Party Transactions Committee

The Audit, Control and Related Party Transactions Committee is comprised only by non-executive and independent members.

The composition of this Committee during the period of 2021 elapsed until April 12th, 2021, was as follows:

MEMBER	POSITION	DATE OF FIRST APPOINTMENT
Acacio Piloto	Chairperson	27/06/2018
Antonio Nogueira Leite	*Vocal*	*6/11/2018*
*Francisco Seixas**	*Vocal*	*19/01/2021*

**Francisca Guedes de Oliveira presented her resignation as Member of the Board with effects 30th December 2020, and therefore also as member of the Audit, Control, and Related Party Transactions Committee. In order to fill this vacancy at the committee level, the Board of Directors resolved at its meeting held on January 19th, 2021 to appoint Francisco Seixas as new member of the Audit, Control and Related Party Transactions Committee.*

The composition of this Committee during the period of 2021 elapsed since April 12th, 2021, and as of December 31st, 2021 was as follows:

MEMBER	POSITION	DATE OF FIRST APPOINTMENT
Acacio Piloto	Chairperson	27/06/2018*
Rosa García García	Vocal	12/04/2021
José Félix Morgado	Vocal	12/04/2021

**Re-elected in April 12th, 2021.*

Additionally, María González Rodríguez is the Secretary of the Audit, Control and Related Party Transactions Committee since November 2nd, 2021.

32. Independence of the Members of the Audit, Control and Related Party Transactions Committee

Information concerning the independence of the members of the Audit, Control and Transactions Party Committee is available on the chart of topic 18 of this Chapter 5 of the Annual Report. As mentioned on the first paragraph of topic 18, the independence of the members of the Board and of its committees is evaluated according to the Company's personal law, the Spanish law.

33. Professional qualifications and biographies of the Members of the Audit, Control and Related Party Transactions Committee

Professional qualifications of each member of the Audit, Control and Related Party Transactions Committee and other important curricular information, are available in the Annex I of this Chapter 5 of the Annual Report.

B) Functioning

34. Audit, Control and Related Party Transactions Committee Regulations

The Audit, Control and Related Party Transactions Committee regulations are available at the Company's website (www.edpr.com) and at the Company's Headquarters at Plaza del Fresno, 2, Oviedo, Spain.

35. Number of meetings held by the Audit, Control and Related Party Transactions Committee

The Audit, Control and Related Party Transactions Committee regularly meets representatives of the internal specialized departments involved in the areas under committee's competences in order to discuss the information periodically reported about, among others, work plans and resources of the internal auditing service, Compliance and SCIRF, Company accounts, detection of potential irregularities (whistleblowing), global risk management and audit and non-audit services provided by the External Auditor (including the appraisal about its independence). This relationship provides a wider information to the committee that would be taken into account for the development of its functions and in particular, for the assessments issued under the elaboration of the appraisal report over the functions of Internal Audit, the Internal Control Report and the Risk Management Report, that this committee issues for every fiscal year.

During 2021, the Audit, Control and Related Party Transactions Committee held a total of eleven (11) meetings, and as referred in paragraph above, in order to better perform its supervisory functions over the activities reported by the areas within its competences, the committee invited the responsible teams of the related areas to several of these meetings as follows: Internal Audit participated in nine (9), CIC (Compliance and Internal Control) in five (5), Global Risk in four (4), Planning and Control in four (4); Finance in four (4) and Administration, Consolidation and Tax in six (6). Likewise, the committee invited the External Auditors to five (5) of these meetings.

The following table reflect the attendance of the members of the Audit, Control and Related Party Transactions Committee to its meetings held during 2021:

MEMBER	POSITION	ATTENDANCE*
Acacio Piloto	Chairperson	100%
Rosa García García	Vocal	100%
José Manuel Félix Morgado	Vocal	100%
Antonio Nogueira Leite	*Vocal*	*100%*
Francisco Seixas	*Vocal*	*100%*

(*) The percentage reflects the meetings attended by the Members of the Audit, Control and Related Party Transactions Committee in 2021, provided that:

i) António Nogueira Leite and Francisco Seixas da Costa presented the resignation to their positions as members of the Board of Directors (and therefore also as members of the Audit, Control and Related Party Transactions Committee) with effects April 12th,2021, thus the percentage shown in the table for them reflects the attendance calculated over the meetings celebrated until such date.

ii) Rosa García García and of José Manuel Félix Morgado were appointed as members of this Committee on April 12th, 2021, thus the percentage shown in the table for them reflects the attendance calculated over the meetings celebrated since such dates.

36. Availability of the Members of the Audit, Control and Related Party Transactions Committee

The members of the Audit, Control and Related Party Transactions Committee are fully available for the performance of their duties having no constraints for the execution of this function simultaneously with positions in other companies. The positions held simultaneously in other companies inside and outside the Group and other relevant activities undertaken by members of this committee throughout the financial year are listed in Annex I of this Chapter 5 of the Annual Report.

C) Powers and duties

37. Procedures for hiring additional services to the External Auditor

In accordance to the Recommendation VII.2.1. of the IPCG Corporate Governance Code, in EDPR there is a policy of pre-approval by the Audit, Control and Related Party Transactions Committee of the provision of non-audit services to be provided by the External Auditor and any related entity. This policy was strictly followed during 2021.

The non-audit services provided by the External Auditor and entities in a holding relationship with or incorporated in the same network as the External Auditor were previously approved by the Audit, Control and Related Party Transactions Committee according to Article 8.A)b) of its Regulations, considering the following aspects: (i) such services having no effect on the independence of the External Auditor and any safeguards used; and (ii) the position of the External Auditor in the provision of such services - notably the External Auditor's experience and knowledge of the Company.

Furthermore, although hiring services other than auditing services to the External Auditor is admissible, it is envisaged as an exception. In 2021 such services reached only around 5.4% of the total amount of services provided to the Company.

38. Other duties of the Audit, Control Related Party Transactions Committee

Apart from the competences expressly delegated on the Audit, Control and Related Party Transactions Committee according to Article 8 of its Regulations, and in order to safeguard the independence of the External Auditor, the following additional competences of this committee were exercised during the 2021 financial year and should be highlighted:

- Pre-approval of any services to be hired from the External Auditor and perform its direct and exclusive supervision;
- Assessment of the qualifications, independence, and performance of the External Auditors, and obtaining, yearly and directly from the External Auditors, written information on all relations existing between the Company and the Auditors or associated persons, including all services rendered and all services in progress. In order to evaluate independence, the Audit Committee, obtained the information regarding External Auditors' independence in light of the Spanish Law no. 22/2015 of July 20th, 2015 ("*Ley de Auditoría de Cuentas*");
- Review of the transparency report, signed by the Auditor and disclosed at its website. This report covers the matters provided for under Law no. 22/2015 of July 20th, 2015 ("Ley de Auditoría de Cuentas"); including those regarding the quality control internal system of the audit firm and the quality control procedures carried out by the competent authorities;
- Review with the External Auditors their scope, planning, and resources to be used in their provision of services;

IV-V. STATUTORY AND EXTERNAL AUDITORS

39-41.

According to the Spanish law, the External Auditor ("*Auditor de Cuentas*") is appointed by the General Shareholders' Meeting and corresponds to the statutory auditor body ("*Revisor Oficial de Contas*") described on the Portuguese Law.

The information about the External Auditor is available in topics 42 to 47 of this Chapter 5 of the Annual Report.

42. External Auditor identification

The main criteria considered in the selection of the most suitable and competitive firm to be appointed as External Auditor are the following:

- Recognized technical and professional track record as External Auditor;
- Consolidated *Know-How* about the business developed by the whole Group;

- Tailored and highly prepared working team;
- Competitive contractual conditions and working methodology (including but without limitation, the total estimation of hours required for the development of the services- both as a total for the complete provision of services, and per each professional category of the proposed team);
- Competitive fee proposal, including the final cap and a breakdown referring the price average per hour, and the remuneration per hour for each professional category of the proposed team.

As a result of a competitive process launched in 2017, during which the above criteria were exhaustively analyzed, PricewaterhouseCoopers Auditores, S.L. was appointed as EDPR SA External Auditor by the Shareholder's Meeting held on April 3rd, 2018. PricewaterhouseCoopers Auditores, S.L., is a Spanish Company registered at the Spanish Official Register of Auditors under number S0242 with Tax Identification Number B-79031290. The renewal of PricewaterhouseCoopers Auditores, S.L. as External Auditor of EDPR SA for years 2021, 2022 and 2023 was approved by EDPR's Shareholders Meeting on April 12th, 2021, and the audit partner in charge of EDPR is Iñaki Goiriena.

43. Number of years of the External Auditor

PricewaterhouseCoopers Auditores, S.L. is in charge of the audit of EDPR SA accounts for the years 2021, 2022 and 2023, being 2018 the first year performing these duties.

44. Rotation Policy

According to the personal Law of EDPR - the Spanish Law- the maximum term for an audit firm as the External Auditor of a company is established in a 10-year term.

Following the proposal of the Audit, Control and Related Party Transactions Committee presented to the Board of Directors to its submission to the General Shareholders' Meeting, on its meeting held on April 3rd , 2018, it was approved to appoint PricewaterhouseCoopers Auditores, S.L as EDPR's External Auditor for the years 2018, 2019 and 2020. The renewal of PricewaterhouseCoopers Auditores, S.L. as External Auditor of EDPR SA for years 2021, 2022 and 2023 was approved by EDPR's Shareholders Meeting on April 12th, 2021.

45. External Auditor evaluation

The Audit, Control and Related Party Transactions Committee is responsible for the monitorization and annual evaluation of the services provided by the External Auditor according to the competences granted by its Regulations. In order to perform this assessment, this committee periodically includes in the agenda of its meetings a topic regarding the review of the services provided by the External Auditor (both audit an *non-audit*) and the fees already incurred and those estimated until year end. Likewise, and as exposed in topic 35 of this Chapter 5 of the Annual Report, the External Auditor attends and participates in some of the meetings held by this committee, mainly in order to analyze the results of their audit reports. As such, the Audit, Control and related Party Transactions Committee acts as the company speaker with the External Auditor, with whom establishes a permanent contact throughout the year to assure the proper conditions for the provision of both the statutory audit services and non-audit services, and being also the body in charge of monitoring its independence along the year. Likewise, the External Auditor shall sign an annual statement declaring its independence.

During 2021, according to the Audit, Control and Related Party Transactions Committee's competences and in line with Recommendation VII.2.2, this committee was the first and direct recipient and the corporate body in charge of the permanent contact with the External Auditor on matters that may pose a risk to their independence as well as any other matters related to the auditing of accounts.

Additionally, in compliance with the auditing standards in effect, it also receives and maintains the record of information about other matters as provided in the applicable auditing and accounting legislation. The External Auditor, within the scope of its duties, verified the implementation of the remuneration policies and systems of the corporate bodies as well as the efficiency and effectiveness of the internal control mechanisms and report any shortcomings to the Audit, Control and Related Party Transactions Committee of the Company.

46. Non-Audit Services carried out by the External Auditor

On March 3rd, 2016, it was approved the regulation on the provision of services by the Statutory Auditor or Statutory Audit Firm, which defines and promotes criteria and methodologies to safeguard the independence of the audit and non-audit services (SDA).

In accordance with such regulation, the Audit, Control and Related Party Transactions Committee closely follows the requests of non- audit services, each of which necessarily require the preapproval of this committee before its provision as per exposed in topic 29 of this Chapter 5 of the Annual Report and Article 8.A),b) of its Regulations.

The identification of such non- audit services that will eventually be provided by the External Auditors is performed under the rules issued by the European Union on this matter, in particular under Regulation 537/2014 and the Spanish Auditing Law nº 22/2015, of 20th July, as well as when applicable, in line with the particularities of the local regulations where the service is to be provided.

During 2021 the non-audit services provided by the External Auditor of EDP Renováveis S.A (PricewaterhouseCoopers Auditores, S.L) consisted mostly on i) limited review as of March 31, 2021, June 30th, 2021 and September 30, 2021 of the EDPR Consolidated Financial Statements; ii) review of the internal control system on financial reporting for the EDPR Group; iii) review of the non-financial information related to sustainability included in the EDPR Group's annual report; and iv) access to a repository of international accounting standards as well as to the PwC Accounting Manual in digital version. Other non-audit services provided by the External Auditor or its network to EDPR's subsidiaries mainly refer to i) agreed-upon procedures related to the review of covenants in the context of bank financing agreements; and ii) IFRS adoption for some EDPR subsidiaries.

PricewaterhouseCoopers Auditores, was engaged to provide the above-mentioned services due to its in-depth knowledge of the Group's activities and processes. These engagements did not risk their independence as External Auditors and were pre - approved by the Audit, Control and Related Party Transactions Committee prior to rendering the services.

47. External Auditor remuneration in 2021 for EDP Renováveis S.A. and subsidiaries

TYPE OF SERVICE	PORTUGAL	SPAIN	BRAZIL	US	OTHER	TOTAL	%
Audit and statutory audit of accounts	170,201	623,896	188,719	1,290,216	919,016	3,192,048	94.6%
Total audit related services	**170,201**	**623,896**	**188,719**	**1,290,216**	**919,016**	**3,192,048**	**94.6%**
Other non-audit services	-	162,307	6,000	-	14,865	183,172	5.4%
Total non-audit related services	**-**	**162,307**	**6,000**	**-**	**14,865**	**183,172**	**5.4%**
Total	170,201	786,203	194,719	1,290,216	933,881	3,375,220	100%

The amount of Other non-audit services in Spain includes, among others, services that refer to the entire Group such as the review of the internal control system on financial reporting and review of the non-financial information related to sustainability included in the EDPR Group's annual report, which are invoiced to a Spanish companies. This amount also includes the limited review as of March 31st , 2021, June 30th, 2021 and September 30th, 2021 of the EDPR Consolidated Financial Statements and other reviews for Group consolidation purposes which are considered non-audit services according to the respective local regulation.

Total amount for Spain refers to services provided by PricewaterhouseCoopers Auditores S.L.

C. Internal organisation

I. Articles of Association

48. Amendmets to the articles of association

The amendments of the Articles of Association of the Company are of the responsibility of the General Shareholders' Meeting. According to Article 17 of the Company's Articles of Association ("*Constitution of the General Shareholders' Meeting, Adoption of resolutions*"), to validly approve any amendment to the Articles of Association, the Ordinary or Extraordinary Shareholders' Meeting will need:

- On first call, that the Shareholders either present or represented by proxy, represent at least fifty percent (50%) of the subscribed voting capital.
- On second call, that the Shareholders either present or represented by proxy, represent at least twenty-five percent (25%) of the subscribed voting capital.

In the event that the shareholders attending represent more than fifty percent (50%) of the subscribed voting capital, the resolutions referred to in the present paragraph will be validly adopted when reached absolute majority. If the shareholders attending represent between twenty-five percent (25%) and fifty percent (50%) – but without reaching it – the favorable vote of two-thirds (2/3) of the present or represented capital in the General Shareholders' Meeting will be required in order to validly approve these resolutions.

In 2021 there were approved two amendments to EDPR Bylaws:

- The Extraordinary Shareholders' Meeting held on February 22nd, 2021 approved the amendment of articles 12 ("Notice of General Meetings") and 16 ("Chairman of the General Meetings"), in order to align its contents with the decision of assigning the Chairmanship of the General Meeting to the Chairperson of the Board of Directors.

- The Ordinary Shareholders' Meeting held on April 12th, 2021, approved the amendment of article 5 ("Share capital"), in order to align its contents with the resolution of approving a share capital increase for a nominal amount of €441,250,000, being the resulting share capital of the company of €4,802,790,810.

II. Reporting of irregularities

49. Irregularities communication channels

WHISTLEBLOWING

EDPR has always carried out its activity by consistently implementing measures to ensure the good governance of its companies, including the prevention of incorrect practices, particularly in the areas of accounting and finance.

On this basis, and in compliance with the provisions of IPCG Corporate Governance Code, EDPR provides the Group workers with a channel enabling them to report directly and confidentially to the Audit, Control and Related Party Transactions Committee any practice presumed illicit or any alleged accounting and/or financial irregularity in their Company. The channel is published in the official website so that any person can have easily access to it (https://www.edpr.com/en/edpr/our-company/ethics-compliance).

With this channel for reporting irregular accounting and financial practices, EDPR aims to:

- Guarantee conditions that allow workers to freely report any concerns they may have in these areas to the Audit, Control, and Related Party Transactions Committee;
- Facilitate the early detection of irregular situations, which, if practiced, might cause serious damage to the EDPR Group, its workers, customers and shareholders.
- Contact with the Company's Audit, Control and Related Party Transactions Committee to this extent is only possible by email and post, and access to information received is restricted.

Any complaint addressed to the Audit, Control and Related Party Transactions Committee will be kept strictly confidential and the whistle-blower will remain anonymous, provided that this does not prevent the investigation of the complaint. He/she will be assured that the Company will not take any retaliatory or disciplinary action as a result of exercising his/her right to blow the whistle on irregularities, provide information, or assist in an investigation. The process and functioning rules of this channel are explained in the Welcome Presentation organized every year for the new hires of EDPR and also published on the intranet and website of the Company. The bylaws of this channel are available at the intranet of the Company, which includes, among other issues, the regulation of the suitable means and procedure of communication and treatment of irregularities, and the terms of safeguarding the confidentiality of the information transmitted and the identity of its provider.

The Secretary of the Audit, Control and Related Party Transactions Committee receives all the communications and presents a quarterly report to the members of the Committee. In 2021 there were no communications through this channel regarding any irregularity at EDPR.

CODE OF ETHICS AND ETHICS CHANNEL

EDPR has a strong commitment in relation to the dissemination and promotion of compliance with ethic guidelines and principles like transparency, honesty, integrity, non-discrimination, equal opportunity, and sustainability, which is encouraged to all employees. With this goal, a new Code of Ethics was approved in December 2020 which replaces the Code of Ethics of February, 2014 as well as the regulation to the Code of Ethics. The commitments of this new Code are equally applicable to EDPR business partners, representatives and suppliers who are, in any way, entitled to act on behalf of EDPR.

Other suppliers are explicitly required to respect this Code, in accordance with the obligations arising from qualification procedures or established contracts.

The Code of Ethics is an "action guide" reflecting the way EDPR believes one should work, therefore its enforcement is inevitably mandatory; and employees who do not comply with this Code should be subject to disciplinary actions under the terms of the applicable regulations. Suppliers are also subject to the fulfilment of the principles of the Code of Ethics. The Code is a privileged tool that frames the reflection on Ethics, but it is essentially a mean of supporting the resolution of ethical issues, since it presents standards and norms of behavior that help sustain our decisions.

Both the Code and its regulations are published on its intranet and website (https://www.edpr.com/en/edpr/our-company/ethics-compliance) and annually all employees, including new hires, declare that they have received, read and understood the EDPR Code of Ethics, and they agree to comply with its provisions.

Likewise, this Code has been widely circulated to the employees of the Group through internal communications and additionally, with the objective that every employee the Company receive an specific training on Ethics the Company periodically, the Company provides an online courses basis on its Code of Ethics to all the employees. In this sense, during 2021 the following Ethic courses were launched: (i) Let's live our (new) Code of Ethics (May 2021), (ii) To speak is to build (June 2021) and (iii) Say no to Harassment (September 2021).

In order to support and achieve its Ethics Code and Ethics commitments and initiatives, and with the aim of minimizing the risk of unethical practices, generating transparency and trust in relationships, EDPR has also approved and implemented the following:

- **New Ethics Committee**: in 2021, EDPR decided to revise organization and functioning of its Ethics Commission, namely to:

  - Ensure independence from executive management;
  - Decrease the number of members for more efficient operation;
  - Allow the analysis and decision on ethical complaints in a more restricted context;
  - Allow more participatory debates on structuring Ethics themes, as well as on the annual Ethics Plan and its regular follow-up.

  As a consequence, a new Ethics Commission was created with the following main functions:

  - To establish guidelines for complying with the Code of Ethics;
  - To propose to the Board of Directors multi-annual Ethics Programs and the relevant annual Plans prepared by the Compliance Area and the Ethics Ombudsperson;
  - To appraise the quarterly Reports on the implementation of the Group's annual ethics plans prepared by the Compliance area and the Ethics Ombudsperson or other elements on ethical performance;
  - To review the cases of infraction of the Code of Ethics instructed by the Ethics Ombudsperson with the support of the teams that manage complaints at EDPR and to issue a binding opinion thereon;
  - To issue recommendations, when requested by any of the management bodies of the companies that make the EDPR Group, on practices or codes of conduct in the fields of ethics or deontology, developed within the framework of specific, legal, or regulatory needs;
  - To continuously ensure that the Code of Ethics and the procedures deriving from it are appropriate to the needs of the EDPR Group and to promote reviews of that document, at least every two years, duly supported by a review report to be sent to the Board of Directors for approval.

  In this sense, the new Ethics Commission is composed by:

  (i) the Chairperson of the Appointments, Remunerations and Corporate Governance Committee, who shall chair the Committee;
  (ii) the Chairperson of the Audit, Control, and Related Party Transactions Committee;
  (iii) the Ethics Ombudsperson;
  (iv) the Compliance Officer;
  (v) the Human Resources Director;
  (vi) the General Counsel & Compliance of EDPR North America LLC.;
  (vii) the Secretary of the Board of Directors, who shall also perform the duties of the Secretary of the Ethics Committee meetings.

- **Ethics Ombudsperson:** is an external person from the Company that receives complaints and doubts submitted through the Ethics Channel and investigates and documents the procedure for each of them, with guaranteed confidentiality in relation to the identity of the claimant. The appointment for this position is made by the Board of Directors. Its main functions are therefore as follows:

  - To be an independent, impartial listener, respecting confidentiality, and anonymity, at the disposal of those who seek his/her to clarify any situations on allegedly ethical grounds, bearing in mind the framework and the provisions of the EDPR Code of Ethics;
  - To receive communications of an ethical nature and, where appropriate, to instruct, document and submit the respective ethical infraction processes to the Ethics Committee;
  - To monitor each of the infraction proceedings, until their adjournment, establishing, whenever necessary and appropriate, the liaison with the complainant;
  - To regularly promote, jointly with the Compliance area, initiatives with the areas of the Group that are the subject of complaints, to improve procedures and practices that will enable future complaints to be avoided and especially, to promote behaviour that is more in line with the EDPR Code of Ethics;
  - Prepare with the Compliance Area initiatives to be included in the Compliance and Ethics Programmes and Annual Plans;
  - To advice the Ethics Committee regarding strengthening the consistency of the Group´s Ethic Policy;
  - To annually report on the activity with the scope of their assigned function;
  - To annually review and update the procedure for managing all contacts addressed to them.

  Since January 2019, the Ombudsperson of EDPR is Maria Manuela Casimiro da Silva.

- **Ethics Channel:** is an internal and external channel made available for the submission of claims and doubts about the infringements of the Ethics Code in matters of legislation and ethics, conduct in the work environment, human rights and equal opportunities, integrity, relations with customers and suppliers, environment and sustainability.

This channel is available on the intranet and Website of the Company and its existence and functioning is also introduced in Welcome Presentation organized every year for the new hires of EDPR. The procedure and workflow of the claims and queries submitted through this channel is regulated under the Regulations of the Code of Ethics and the regulations of the Ethics Committee, and is as follows:

1. The claimant (internal or external) submits its communication through the Ethics Channel (by email or letter through the template available at the Website an intranet), which is received by the Ethics Ombudsperson.
2. The Ethics Ombudsperson starts the investigation and drafts the related report.
3. The Ethics Ombudsperson submits the summary of the investigation to the Ethics Committee (omitting the identity of the complainant) for its deliberation about the effective infringement of the Ethics Code or not and, to analyses if additional information is needed. If the latest were the case, an investigation will be carried out with the support of internal or external means as appropriate.
4. The final decision about the query or claim is communicated to the claimant. The Ethics Ombudsperson will make further contact with the complainant to report the opinion of the Ethics Commission.

In 2021, there were five (5) claims submitted through the Ethics Channel. Four of them were considered unfounded, and there is one still open.

Other activities: in October 2021, with the goal of reinforcing the ethics culture, the new following activities were performed at EDPR: (i) launch of Ethics survey (October 13th) and (ii) celebration of the Global Ethics Day (October 20th). The Ethics survey was launched with an email from the CEO encouraging all employees to participate in the survey in order to learn about the evolution of the ethical environment and to get a closer feel of how employees perceive ethics at EDPR. Regarding the Global Ethics Day, the Ethics ombudsperson published a message in the intranet highlighting that “Doing Good, well” is the only way to achieve EDPR's commitments related to the environment, the creation of social value and improving the quality of life of employees and, in general, populations.

III. Internal Control and Risk Management

50. Internal Audit

EDPR’s Internal Audit Department (“IAD”) is composed by ten (10) members.

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The IAD is not an executive body of EDPR, so it has no power in making management decisions in the Group’s activities, nor any hierarchical or functional link with the audited units, thus maintaining a relationship of total independence and objectivity in relation to them.

The functions of the Internal Audit Department of EDPR were evaluated by the *“Instituto de Auditores Internos”* for the first time in 2020, obtaining the highest calification.

The detailed information regarding the internal control system implemented in EDPR is included in topic 55 of this Chapter 5 of the Annual Report.

51. Organisational structure of Internal Audit

The Internal Audit function in the EDPR Group is a corporate function, carried out by the Internal Audit Department (“IAD”), which has administrative dependence to the CEO of EDPR and functional dependence to the Audit, Control and Related Parties Committee which supervise the activities and to which Internal Audit activities are reported to EDP Internal Audit Director.

The articulation between EDPR Internal Audit and EDP Internal Audit is carried out through the Functional Reporting of the EDPR Internal Audit Director to the EDP Internal Audit Corporate Director, in which the associated management function includes the promotion and harmonization of work policies and methodologies, the management of action plans and reporting activities to EDP Internal Audit Director.

52. Risk Management

EDPR's Enterprise Risk Management Process is an integrated and transversal management model that ensures the minimization of the effects of risk on EDPR's capital and earnings, as well as the implementation of best practices of Corporate Governance and transparency. The process aligns EDPR's risk exposure with the company's desired risk profile.

The Enterprise Risk Management Framework was approved in 2016, in accordance with the guidelines agreed at its Board of Directors level. Based on this risk framework, the Company develops a Risk Management System through individual risk policies and procedures for most relevant risks, where it is defined the methodology to calculate probability of occurrence and impacts, as well as mitigation measures and thresholds. In addition, these risk policies and procedures establish the process for control, periodic evaluation and eventual adjustments. The approvals necessary to proceed with this system are submitted to the Management Team, which will inform the Board of Directors of the progress. Likewise, the Risk Management System is closely followed and supervised by the Audit, Control and Related Party Transactions Committee, an independent supervisory body composed of non-executive members that reports to the Board of Directors, in charge, among others, of the monitorization of the compliance and progresses of the Risk Management Plan and possible improvements to the measures and controls for mitigating potential risks identified within EDPR.

Market, counterparty, operational, business and strategic risks are identified and assessed and, following the result of the assessment, Risk Policies are defined and implemented across the company. These policies are aimed to mitigate risks without compromising potential opportunities, thus, optimizing return versus risk exposure.

The increase in commodity prices during 2021 required additional analyses to assess a balanced market risk position:

- Increase in energy prices: EDPR had no benefit for the general increase in energy prices during 2021, as merchant energy was already sold at fixed prices. The relevant rise in prices demonstrated the asymmetry between long and short positions. Given 2021 market evolution, EDPR reassessed the optimal hedged position to account for this asymmetry and adjusted the position within 2021 and in future years.

- Increase in commodity prices: Metals and fuel prices significantly increased during 2021, implying an increase in Capex. Most of the projects approved at EDPR with a PPA at a fixed price had already the Capex secured. Nonetheless, EDPR Global Risk defined the methodology for a potential execution of a commodity price hedge in those projects where Capex is not secured at the moment of PPA signing.

In 2021 EDPR tested the possibility of using weather derivatives to hedge volatility of wind production at a portfolio level. Once market risk from energy prices is hedged, volume risk concentrates most of the market risk and a great portion of Net Income @Risk, hence, the interest of hedging production volumes.

Considering that the Distributed Generation activity was added to EDPR North America within 2021, EDPR performed a backtesting of its Counterparty Risk Policy to assess its effectiveness and to propose some adjustments for this new activity.

During 2021, EDPR reassessed the Operational Risk of the company, executing a bottom-up analysis across all departments, as stated in EDPR's Operational Risk Policy. Following the growth of the installed capacity at EDPR in recent years, together with the planned growth within the new Business Plan 2021-25, the Operational Risk threshold was accordingly adjusted in EDPR's Operational Risk Policy and Enterprise Risk Management framework.

Finally, EDPR updated its view on the sustainability of RES policies in the geographies where the Company is present and in new potential geographies.

53. Risk Map

Risk Management at EDPR is focused on covering all risks of the company. In order to have a holistic view of risks, they are grouped in Risk Categories, which are Market, Counterparty, Operational, Business and Strategic. The definition of Risk Categories at EDPR is as follows:

- **Market Risk** – It refers to the risk to EDPR resulting from movements in market prices. Due to the relationship between wind production and energy price, production risk is considered within market risk. In particular, market risk are changes in energy prices, production, interest rates, foreign exchange rates, inflation and commodity prices (other than energy);
- **Counterparty Risk (credit and operational)** – Risk that counterparty to a transaction could default before final settlement of the transaction's cash flows. A direct economic loss would occur if transactions with the counterparty had positive economic value at the time of default. Even in the case of not defaulting, it may not comply with its contract obligations (timing, quality, etc.), implying additional higher costs due to its replacement or to delays in fulfilling the contract;
- **Operational Risk (other than counterparty)** – Defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events (such as an increase in equipment default rates, increasing O&M, or natural disasters), including the effect of a loss created by not being able to ensure business continuity;
- **Business Risk** – Potential loss in the company's earnings due to adverse changes in business margins. Such losses can result above all from a serious increase in equipment prices or changes in the regulatory environment. Changes in electricity prices and production are considered market risks;
- **Strategic Risk** – It refers to risks coming from macroeconomic, political, social or environmental situation in countries where EDPR is present, as well as those coming from a change in competitive landscape, from technology disruptions, from changes in energy markets or from governance decisions (investment decisions criteria, Corporate Governance and Reputational issues).

Within each Risk Category, risks are classified in Risk Groups.

1. Market Risk

1. i) Energy price risk

EDPR faces limited electricity price risk as it pursues a strategy of being present in countries or regions with long -term visibility on revenues. In most countries where EDPR is present, prices are determined through regulated framework mechanisms. In those countries with no regulated tariffs, power purchase agreements are negotiated with different off- takers to eliminate electricity and Green Certificate or Renewable Energy Credit (REC) price risks.

Despite EDPR's strategy of eliminating market price risk, EDPR still has some plants with merchant exposure.

In Europe, EDPR operates in countries where the selling price is defined by a feed-in-tariff (Portugal, France and Italy) or in markets where, on top of the electricity price, EDPR receives either a pre-defined regulated premium or a green certificate, whose price is achieved on a regulated market (Spain, Belgium, Poland and Romania). EDPR is also developing projects in the UK and in Greece, under contract for differences remuneration schemes.

In countries with a predefined regulated premium or a green certificate scheme, EDPR is exposed to electricity price fluctuations.

Considering current Power Purchase Agreements (PPAs) in place, EDPR is exposed to electricity price risk in Romania, in Poland, in Belgium and partially in Spain. Additionally, in European countries with a green certificate scheme (Romania, Belgium and Poland), EDPR is exposed to fluctuation on the price of green certificates.

The US market does not provide a regulated framework system for the electricity price. Nevertheless, renewable generation is incentivized through PTCs (Production Tax Credits) and regional Renewable Portfolio Standard (RPS) programs that allow receiving RECs for each MWh of renewable generation. REC prices are very volatile and depend on the regional supply/demand equilibrium in the relevant market.

Most of EDPR's capacity in the US has predefined prices determined by bundled (electricity + REC) long-term contracts with local utilities in line with the Company's policy of avoiding electricity price risk. Despite existing long term contracts, some EDPR's plants in the US do not have PPA and are selling merchant with exposure to electricity and REC prices. Additionally, some plants with existing PPAs do not sell their energy where it is produced and are therefore exposed to basis risk (difference in price between the location where energy is produced and that where energy is sold).

In Ontario (Canada), the selling price is defined by a long-term feed-in-tariff, thus, there is no electricity price exposure.

In Brazilian and Colombian operations, the selling price is defined through a public auction which is later translated into a long - term contract. Electricity price exposure is almost null, with little exposure for the production above or below the contracted production.

Under EDPR's global approach to minimize the exposure to market electricity prices, the Company evaluates on a permanent basis, if there are any deviations to the pre-defined limits (measured through EBITDA at risk, Net Income at risk and total merchant exposure).

EDPR intends to eliminate Green Certificates and REC price risk with the signing of bundled PPAs with private off-takers, which include the sale of the electricity and the Green Certificate or REC. In some cases, the off-taker may be interested in contracting only the Green Certificate or the REC, thus a GCPA (Green Certificate Purchase Agreement) or a RECPA (REC Purchase Agreement) is signed.

In those geographies with remaining merchant exposure, EDPR uses various commodity-hedging instruments in order to minimize the exposure to fluctuating market prices. In some cases, due to the lack of liquidity of financial derivatives, it may not be possible to successfully hedge all existing merchant exposure, after considering PPAs in place.

As aforementioned, some US plants have exposure to REC price risk and/or basis risk (difference in electricity price between locations). EDPR hedges REC prices through forward sales and basis exposures through financial swaps or FTR (Financial Transmission Rights).

1. ii) Energy Production Risk

The amount of electricity generated by EDPR's renewable plants is dependent on weather conditions, which vary across locations, from season to season and from year to year. Variation on the amount of electricity that is generated affects EDPR's operating results and efficiency.

Not only the total wind or solar production in a specific location is relevant, but also the profile of production. Wind usually blows more at night than at daytime, when energy prices are lower and the opposite for solar. Generation profile will affect the discount or add-on in price of a plant versus a baseload generation.

Finally, curtailment of a plant will also affect its production. Curtailment occurs when the production of a plant is stopped by the TSO (Transmission System Operators) for external reasons to the Company. Examples of cases of curtailment are upgrades in transmission lines or exceptional congestion (high level of electricity generation for available transmission capacity).

EDPR mitigates wind and solar resource volatility and seasonality through geographical diversification of its asset base in different countries and regions.

EDPR acknowledges the correlation between different plants in its portfolio that allows for this geographical diversification, which enables EDPR to partially offset production variations in each region and to keep the total energy generation relatively steady. Currently, EDPR is present in 17 countries: Spain, Portugal, France, Belgium, Poland, Romania, Italy, UK, Greece , Colombia (no generation), Hungary (no generation), South Korea (no generation), Vientam, US, Canada, Brazil and Mexico.

Nevertheless, 2021 was a year with generation below the one initially forecasted.

EDPR continues to analyze the potential use of financial products to hedge wind risk and might use this product to mitigate risk in specific cases.

Profile risk and curtailment risk are managed ex-ante. For every new investment, EDPR factors the effect that expected generation profile and curtailment will have on the output of the plant. Generation profile and curtailment of EDPR's plants are constantly monitored by EPDR's Risk department to detect potential future changes.

1. iii) Risks related to financial markets

EDPR finances its plants through project finance or corporate debt. In both cases, a variable interest rate might imply significant fluctuations in interest payments.

On the other hand, due to EDPR's presence in several countries, revenues are denominated in different currencies. Consequently, exchange rate fluctuations may have a material adverse effect on financial results or on the value of the foreign investment.

1. iii) a) Interest rate risk

Given the policies adopted by EDPR Group, current exposure to variable interest rate is not significant and financial cash flows are substantially independent from the fluctuation of interest rates.

The purpose of interest rate risk management policies is to reduce the exposure of long-term debt cash flows to market fluctuations, mainly by contracting long term debt with a fixed rate.

When long-term debt is issued with floating rates, EDPR settles derivative financial instruments to swap from floating to fixed rate.

EDPR has a portfolio of interest-rate derivatives with maturities of up to 14 years. Sensitivity analyses of the fair value of financial instruments to interest-rate fluctuations are periodically performed.

With most of interest rate being fixed, main exposure to interest rates arises at refinancing. To protect against this risk, EDPR intends to maintain a balanced maturity profile for its corporate fixed debt, thus, diversifying the risk of bad timing when refinancing occurs.

Repricing calendar of debt is continuously monitored together with interest rates in order to detect good timing for restructuring debt.

Taking into account risk management policy and approved exposure limits, Global Risk Area supports the Finance team in interest rate hedging decisions and the Finance team submits the financial strategy appropriate to each project/location for Management Team's approval.

1. iii) b) Exchange rate risk

EDPR has international operations and is exposed to the exchange-rate risk resulting from investments in foreign subsidiaries. Currency exposure in operating plants is to U.S. dollar, Romanian leu, Polish zloty, Brazilian real, British pound, Canadian dollar and Colombian pesos. In addition, EDPR has a marginal fiscal exposure to MXN due to Mexican assets.

EDPR hedges risk against currency fluctuations by financing in the same currency as the revenues of the project. When local financing is not available, EDPR hedges debt cash flows though cross currency interest rate swaps.

EDPR also hedges net investment (investment after deducting local debt) in foreign currency through cross currency interest rate swaps.

Finally, EDPR contracts foreign exchange forwards to hedge the risk in specific transactions, mainly in payments to suppliers which may be denominated in different currencies.

EDPR's hedging efforts minimize exchange rate volatility, but do not eliminate completely this risk due to high costs associated to hedging FX in certain situations.

iii) c) Inflation risk

In specific projects, regulated remuneration is linked to inflation. Additionally, O&M costs are considered to be linked to inflation in most cases.

Exposure to inflation in revenues may be naturally hedged with exposure to interest rates and EDPR regularly analyses inflation exposure and its relationship with interest rates to adjust level of interest rate coverage in project finance structures.

Exposure to inflation in O&M costs is managed at the moment of the investment decisions, by executing sensitivity analyses.

iii) d) Liquidity risk

Liquidity risk is the risk of EDPR not meeting its financial obligations. Liquidity risk is mainly related to extreme market movements in electricity prices, interest rates, exchange rates or credit markets, which may change the expected cash flow from revenues, opex, margin calls or funding (due to credit downgrades).

EDPR tracks liquidity risk in the short term (margin calls, etc.) and in the long term (financing sources) in order to meet strategic targets previously set (EBITDA, debt ratio and others).

EDPR's strategy to manage liquidity risk is to ensure that its liquidity is sufficient to meet financial liabilities when due, under both normal and stressed conditions, and without incurring unacceptable losses or risking damage to EDPR's reputation.

Different funding sources are used such as Tax Equity investors, commercial banks, multilateral organisations, corporate debt and asset rotation in order to ensure long-term liquidity to finance planned projects and working capital.

The Directors have estimated cash flows that show that the Group will meet the commitments existing at the close of the 2021 financial year and those foreseen for 2022.

1.iv) Commodity price risk (other than energy)

In projects in which there is a significant number of years between investment decision and start of construction, EDPR may be exposed to the price of the materials used in turbine manufacturing, foundations and interconnection through escalation formulae included in the contracts with suppliers.

In order to manage this risk, EDPR may hedge the market exposure in OTC/future commodity markets, considering the risks (potential losses) and the cost of the hedge.

2. Counterparty Risk

Counterparty credit risk is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. An economic loss could occur, either a direct economic loss if the transaction has a positive value at the moment of default (counterparty credit risk) or a replacement cost due to change of the counterparty (counterparty operational risk).

2. i) Counterparty Credit Risk

If the transactions or portfolio of transactions with the counterparty has a positive economic value at the time of default, an economic loss would occur.

To control credit risk at EDPR, thresholds of Expected Loss and Unexpected Loss are established at company level as defined under Basel Standards and re-evaluated monthly. If the threshold is surpassed by the company as a whole, mitigation measures are implemented in order to remain within the pre-established limit.

Additionally, Expected Loss limits are established for each individual counterparty or Group of counterparties (parent and subsidiaries).

2.ii) Counterparty Operational Risk

If the transactions or portfolio of transactions with the counterparty do not have a positive economic value at the time of default, it will impact operations. Despite no direct loss at the time of default, the replacement of the counterparty could imply a cost to EDPR due to potential delays, higher contract value with a new counterparty (replacement costs), etc.

Construction and O&M subcontractors are counterparties to which EDPR is exposed from an operational point of view.

To minimize the probability of incurring in potential replacement costs with counterparties, EDPR´s policy concerning counterparty operational risk is managed by an analysis of the technical capacity, competitiveness, credit quality and replacement cost of the counterparty.

3. Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events (such as an increase in equipment default rates, increasing O&M, or natural disasters). Moreover, it includes the risk of the business being disrupted due to internal or external causes (such as a pandemic, cyberattack or IT systems malfunctioning), affecting business continuity.

3. i) Development Risk

Renewable plants are subject to strict regulations at different authority levels (international, national, state, regional and local) relating to the development, construction, grid interconnection and operation of power plants. Among other things, these laws regulate landscape and environmental aspects, building licenses, land use and land securing and access to the grid issues.

While level of exigency might be different depending on the geographies, EDPR acknowledges a trend for legislations to align towards concentrating the most restrictive rules and development risks on the consenting (environmental and urban permissions) and interconnection (electricity connection of the plant to the national grid).

In this context, EDPR's experience gathered in different countries is useful to anticipate and deal with similar situations in other countries.

During the development and design phase, EDPR focuses on the optimization of its projects. By mastering the variables, such as choice of locations, layout, etc., the objective is to make our projects more resilient to permitting risks.

Additionally, EDPR mitigates development risk by generating optionality, with development activities in 14 different countries (Spain, Portugal, France, Belgium, Poland, Romania, UK, Italy, Greece, US, Canada, Colombia, Brazil and Mexico) and a portfolio of projects in several stages of maturity. EDPR has a large pipeline of projects that provide a "buffer" to overcome potential delays in the development of prioritized projects, ensuring growth targets and being able to compensate permitting delays in some geographies.

ii) Execution Risk

During the construction of the foundations, interconnection and substation of a plant, and the installation of the equipment, different events (bad weather, accidents, etc.) might occur that could imply an over cost or a delay in the commercial operation date of the plant:

- The delay implies a postponement of cash flows, affecting profitability of the investment.
- When a plant has a PPA, a delay of the commercial operation date might imply the payment of LDs, with the consequent loss of revenues and the impact on annual financial results.

During the design phase, EDPR engineering teams supervise the engineering and the installation method. Construction is subcontracted to technically capable construction companies.

In both cases, a critical path analysis is performed to assess the reliability of construction and installation plan. Also, collaterals may be required to the counterparty following EDPR's Counterparty Risk Policy.

3.iii) Operation Risk

Damage to Physical Assets Risk

Renewable plants in construction and in operation are exposed to weather hazards, natural disasters, etc. These risks depend on the location.

All plants are insured the physical damage during construction and operation. During operation, any natural disaster, weather hazard or accident will be partially insured to revenue losses due to the event.

Equipment Performance Risk (O&M costs)

Output from renewable plants depends upon the operating availability of the equipment.

EDPR mitigates this risk by using a mix of suppliers which minimizes technological risk, avoiding exposure to a unique manufacturer.

EDPR also engages suppliers through medium-term full-scope maintenance agreements during the first years of operation to ensure alignment with supplier in minimizing technology risk.

Finally, for older plants, EDPR has created an Operation and Maintenance (O&M) program with an adequate preventive and scheduled maintenance program. EDPR externalizes non-core technical O&M activities of its renewable plants, while primary and value added activities continue to be controlled by EDPR.

3. iv) Information Technology Risk

IT (Information Technologies) risk may occur in the technical network (information network for plants operation) or in the office network (information network of corporate services: ERP, accounting...)

EDPR mitigates this risk creating redundancy of servers and control centers of renewable plants. Redundancy is created in a different location to anticipate potential natural disasters, etc.

3. v) Legal claims Risk (compliance, corruption, fraud)

EDPR faces potential claims of third parties, corruption and fraud of its employees.

EDPR has implemented an internal "Code of Ethics" and an Anticorruption Policy where the company commits to comply with legal obligations in every community where EDPR is established.

Additionally, the company Ombudsperson receives all the complaints sent through the "Code of Ethics" channel and decides the appropriate procedure for each one of them. An anticorruption mailbox is also available to report any questionable practice.

3. vi) Personnel Risk

EDPR identifies four main risk factors regarding personnel: turnover, health and safety, human rights, and discrimination, violence or behavior against human dignity.

- **Turnover:** A high turnover implies direct costs of replacement and indirect costs of knowledge loss. EDPR mitigates turnover through constant reassessment and benchmarking of remuneration schemes in different geographies. Additionally, EDPR offers flexibility to its employees to improve work life balance. In 2021, EDPR was elected as "Top Employer" in Spain by the Top Employers Institute.
- **Health and safety:** EDPR has deployed an H&S management system, complying with OHSAS 18001, pursuing the "zero accidents" target.
- **Human rights:** EDPR has committed, through its "Code of Ethics", to respect international human rights treaties and best work practices. All counterparties which sign a contract with EDPR are committed to respect EDPR's "Code of Ethics".
- **Discrimination, violence or behavior against human dignity:** EDPR forbids any kind of discrimination, violence or behavior against human dignity, as stated in its "Code of Ethics". Strict compliance is enforced, not only through the reporting channel of the Ombudsperson, but also through constant awareness from all employees of the company.

vii) Processes Risk

Internal processes are subject to potential human errors that may negatively affect the outcome. Internal Audit Department regularly reviews internal processes and recommends the establishment of new controls or the improvement in the implementation of existing procedures.

Moreover, business continuity is ensured by a Global Crisis Plan, which defines the procedure to follow for each level of crisis and frames individual emergency plans at activity or asset level.

4. Business Risk

4. i) Regulatory Risk (renewables)

The development and profitability of renewable energy projects are subject to policies and regulatory frameworks. The jurisdictions in which EDPR operates provide different types of incentives supporting energy generated from renewable sources.

Remuneration schemes have become less competitive in some countries due to the financial crisis and it cannot be guaranteed that current support will be maintained in all EDPR's geographies or that future renewable energy projects will benefit from current support measures. Regulation promoting green energy has been revised or is under revision in some of the countries where EDPR is present.

In the US, renewable generation from wind will be incentivized through Production Tax Credits (PTC) at a Federal level for all projects beginning of construction up to 2021. Level of incentives will be progressively fading out. Additionally, wind and solar production is also incentivized through State RPS Programs that allow receiving RECs (Renewable Energy Credit) for each MWh of renewable generation.

EDPR is managing its exposure to regulatory risks through diversification, by being present in several countries and through participation as an active member in several wind and solar associations.

Regulatory Risk in each of EDPR's countries is monitored continuously, considering current regulation, potential drafts of new laws, feedback from associations, evolution of installed renewable generation capacity and other inputs. EDPR has developed an internal quantitative assessment of Regulatory Risk that serves as an indicator for changes in supporting schemes. This measure is updated annually in all EDPR´s geographies.

Regulatory Risk is also considered ex-ante, at the moment of the investment, through sensitivity analyses that are performed to evaluate its impact in project profitability under different scenarios.

4. ii) Equipment Market Risk Equipment Price Risk

Price of equipment is affected, not only by market fluctuations of the materials used, but also by the demand of this equipment or a possible increase in trade tariffs and levies.

For every new project, EDPR secures the demand risk by engaging in advance with manufacturers, elected through a competitive process.

5. Equipment Supply Risk

The demand for new plants may offset the offer of equipment. Currently, the local component requirement in some geographies (Ex: Brazil) may create this shortfall situation. In the event of a trade war, supply chain of equipment suppliers may be affected, creating further imbalances in local component requirements.

EDPR currently faces limited risk to the availability and price increase of equipment due to existing framework agreements with major global suppliers. The Company uses a large mix of suppliers in order to diversify equipment supply risk. For geographies with specific requirements of local component, EDPR does not engage in a project before securing the supply of the equipment. This risk is further explained on EDPR's annual report due to its current relevance in the business.

6. Strategic Risk

6. i) Country Risk

Country Risk is defined as the probability of occurrence of a financial loss in a given country due to macroeconomics, political or natural disasters. EDPR has defined a Country Risk Policy that assesses country risk through an internal scoring based on publicly available data. This internal scoring is compared with external assessments from renowned organisations. Each risk factor affecting country risk is evaluated independently to decide on potential mitigating actions:

- Macroeconomic Risk: risks from the country's economic evolution, affecting revenue or cost time of the investments.
- Political Risk: all possible damaging actions or factors for the business of foreign companies that emanate from any political authority, governmental body or social group in the host country.
- Natural disaster risk: natural phenomena (seismicity, weather) that may impact negatively in the business conditions

Before approving a project in a new geography, EDPR analyses the risk of the new country and compares it to our existing portfolio. Mitigation measures may be decided when this risk is above a certain threshold.

In addition, EDPR uses a Security risk index to rank countries from a security and safety standpoint, establishing mitigation measures for employees when above a pre-defined threshold.

6. ii) Competitive landscape

In the renewable business, size can be an advantage or disadvantage in specific situations. For example, in development of renewable plants, small and dynamic companies are usually more competitive than larger companies.

On the other hand, when participating in tender processes for offshore wind farms, the size of the investment benefits larger companies.

Additionally, the consequences of a change in the competitive landscape due to mergers and acquisitions may also be a risk.

To mitigate the risks, EDPR has a clear knowledge of its competitive advantages and tries to leverage on them. When EDPR has no advantage versus its competitors, alternatives are considered in order to become competitive. For example, for offshore wind farms, EDPR has partnered with large companies with previous experience in large electricity generation projects, in order to become a more competitive consortium.

6. iii) Technology disruptions

Most renewables are relatively recent technologies, which are continuously evolving and improving efficiency. As such, some initially expensive technologies can become competitive in a relatively short time.

EDPR growth focuses in the most competitive renewable technologies at the moment, which are onshore wind, offshore wind and PV solar, but also participates in other innovative projects such as floating offshore wind.

6. iv) Meteorological changes

Future estimations of wind and solar production are based on analysis of historical measurements for more than 20 years, and they are considered to be representative of the future. Relevant unexpected meteorological changes could lead to a lower production than the one expected from historical data.

When evaluating a new investment, EDPR considers potential changes in the production forecasted, however, the size of the potential deviation in the case of relevant meteorological changes is uncertain.

6. v) Investment decisions criteria

Not all projects have the same risk profile. This will depend on merchant exposure of remuneration, construction risk, etc.

In order to take proper business decisions, EDPR uses Risk Adjusted Metrics for investment decisions, which take into consideration the different risks inherent of each project.

6. vi) Energy Planning

Assumptions in future evolution of energy markets affect the profitability of the investments for the period after the fixed remuneration (regulated tariff or PPAs). Structure of electricity markets in most of EDPR geographies (marginal setting price) were not designed to consider a great share of generation from renewable sources with zero marginal price. Thus, the increase in renewable generation could lead to lower pool prices in medium term if reforms of electricity markets are not properly undertaken.

When investing, EDPR performs sensitivity analyses to stress pool price scenarios for the period without fixed remuneration to understand the robustness of the profitability of the investment.

6. vii) Corporate Organisation and Governance

Corporate governance systems should ensure that a company is managed in the interests of its shareholders and other relevant stakeholders.

In particular, EDPR has an organisation in place with a special focus on transparency, where the management body (Board of Directors) is separated from the supervision and control duties (Audit, Control and Related Party Transactions Committee). Members of this Committee are invited to the General Risk Committee of EDPR.

6. viii) Reputational risk

Companies are exposed to public opinion and today's social networks are a rapid mean to express particular opinions. A bad reputation could eventually harm financial results of a company in the short and in the long term.

Sustainability makes part of the essence of EDPR. EDPR is not only committed in building a better future, but also in doing it well, in an ethical and sustainable manner, consequently limiting reputational risk.

54. Risk functions and framework

A corporation can manage risks in two different ways, one risk at a time on a largely and compartmentalized basis, or all risks together within a coordinated and strategic framework. The latter approach is called "Enterprise Risk Management" and is the approach used at EDPR. Risk Management at EDPR is supported by three distinct organisational functions, each on a different role: Strategy (Risk Profiler), Management (Risk Manager) and Controlling (Risk Controller).

RISK FUNCTIONS	DESCRIPTION
Strategy – General risk strategy & policy	Global Risk Department provides analytically supported proposals to general strategic issues. Responsible for proposing guidelines and policies for risk management within the company
Management – Risk management & risk business decisions	Implement defined policies by Global Risk Responsible for day-to-day operational decisions and for related risk taking and risk
Controlling – Risk monitoring	Responsible for follow-up of the results of risk taking decisions and for contrasting alignment of operations with general risk policy approved by the board

The Risk Committee is the forum where the different Risk Functions discuss the policies to be implemented and control the risk exposure of the company. EDPR's Risk Committee integrates and coordinates all Risk Functions and assures the link between corporate's risk appetite and defined strategy and the operations of the company.

EDPR created three distinct meetings of the Risk Committee in order to separate discussions on execution of mitigation strategies from those on the definition of new policies:

- **Restricted Risk Committee:** Held every month, it is mainly focused on development risk and market risk from selling energy (electricity price, basis, profile, GCs and RECs). It is the forum to discuss the evolution of projects under development and construction and the execution of mitigation strategies to reduce merchant exposure. It also monitors compliance with risk thresholds defined within risk policies (market risk, counterparty risk, operational risk and country risk).
- **Financial Risk Committee:** Held every quarter, it is held to review main financial markets risks (exchange rates, interest rates and inflation), liquidity risk and credit risk to financial institutions and discuss the execution of mitigation strategies.
- **Risk Committee:** Held every quarter, it is the forum where new strategic analysis is discussed and new policies and procedures are proposed for approval to the Management Team. Additionally, EDPR's overall risk position is reviewed, together with EBITDA@Risk and Net Income@Risk.

55. Details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information

With the purpose of not only controlling risks, but also managing them ex-ante, EDPR has created Global Risk policies that are enforceable at a Global Level. These policies are proposed and discussed in the Risk Committee and approved by the Management Team.

EDPR's Enterprise Risk Management Process is inspired on Basel Committee on Banking Supervision's principles, guidelines and recommendations and is similar to other risk management frameworks. In this respect, performance of risk metrics at EDPR and their compliance with established internal risk limits are assessed on a monthly basis. Additionally, a formal review and update of each Risk Policy, and the adequacy of its limits, is performed every two years

INTERNAL CONTROL SYSTEM OVER FINANCIAL REPORTING

EDPR has an Internal Control System over Financial Reporting (SCIRF) updated and monitored in line with international standards of Internal Control.

This system covers the main aspects of the COSO framework: maintaining a control environment for the preparation of qualified financial information, assessment of the risks of financial reporting, existence of control activities to mitigate risks of error, information and communication and evaluation mechanisms.

SCOPE REVISION AND UPDATE

The SCIRF Manual includes the annual update of the scope that aims to identify companies, areas and processes that must be included in the scope of SCIRF, according to criteria of materiality and risk, including the risk of error or fraud.

The risk analysis included in the scoping process for SCIRF, includes both the different types of risk (operational, economic, financial, technological or legal) and the control objectives of financial reporting (existence and occurrence, completeness, measurement, presentation, disclosure and comparability, and rights and obligations in terms of their potential impact on the financial statements).

The results of the updated scope with the methodology outlined are communicated at all levels of the organization involved in the SCIRF and supervised by the Audit, Control and Related Party Transactions Committee.

CONTROL ACTIVITIES

In documented SCIRF processes and controls, information capture mechanisms are established (including identification of the scope of consolidation) and are specified the steps and checks that are carried out for the preparation of the financial information that will be part of consolidated financial statements.

The procedures for the review and approval of financial information are provided by the areas of Planning and Control, and Administration, Consolidation and Tax Financial information is supervised in the scope of its competences by the Audit, Control and Related Party Transactions Committee, prior to the formulation of the accounts by the Board of Directors.

The SCIRF includes control activities related to these processes, embodied in Entity Level Controls, Process Controls and General Computer Controls. These processes include review and approval activities of the financial information which are described in the processes of elaboration of individual accounts, preparation of consolidated accounts and processing of consolidated financial statements.

EDPR has descriptions of Competency Profiles for the Positions to be carried out in the exercise of the main features of each position that includes a description of the main responsibilities. These include the descriptions of the key positions of those involved in the preparation of financial information. These descriptions include responsibilities in the preparation of financial information and compliance with internal control procedures.

The documentation of processes and associated controls designed include among others, the completion of closure activities by completing monthly closing checklists by entity, setting time limits for the closures, the identification of the relevance of the operations in order to be reviewed at the appropriate level, conducting analytical reviews of financial information, the existence of limitations in systems to prevent erroneous records or access by unauthorized persons, analysis of deviations from the budget, the analysis by the Management Team of relevant and significant facts that could cause a significant impact on the accounts, or the allocation of responsibilities for calculating amounts to be provisioned for them to be carried out by authorized personnel with the right skills.

In addition to the mentioned processes, major transactional processes resulting from the scope are documented. The description of the activities and controls are designed with the aim of ensuring the registration, evaluation, appropriate presentation and disclosure of transactions in financial reporting.

Control activities of EDPR's SCIRF also include those relating to systems and information technology (Computer General Controls) following an international reference, the COBIT framework (Control Objectives for Information and related Technologies). The importance of this area is that information systems are the tools with which financial information is prepared, and is therefore relevant for transactions conducted with them.

These control activities include those related to access control to applications and systems, segregation of duties, management of corrective and preventive maintenance, new projects implementation, administration and management of the systems, facilities and operations (back-ups, security incidents) and their proper monitoring and planning. These activities are developed taking into account the requirements of control and supervision.

Among the activities of SCIRF's scope update, there is a periodic analysis of the existence of service suppliers that perform relevant activities in relation to the processes of preparing financial information.

SCIRF SUPERVISION

The Audit, Control and Related Party Transactions Committee supervises the SCIRF in the scope of the exercise of their activities through the monitoring and supervision of the developed mechanisms for SCIRF's implementation, evolution and evaluation, and the results of the scope analysis and the extent of the situation in terms of coverage. To this extent, the Internal Control Area assists the Audit, Control and Related Party Transactions Committee.

EDPR has an Internal Control area, integrated in the Compliance and Internal Control Department, which report to the CEO. The Audit, Control and Related Party Transactions Committee supervises the Internal Control area activities.

The main functions of the Internal Control area are set out in the SCIRF Manual, which includes, among others, the evaluation of the activities of internal control systems, including the internal control system over financial reporting.

Internal Control supports the Audit, Control and Related Party Transactions Committee in supervising the implementation and maintenance of SCIRF and reports the results of the evaluation, improvement actions identified and their evolution.

The entity has action plans for improvement actions identified in SCIRF's assessment processes, which are accompanied and supervised by the Internal Control area, considering their impact on the financial information.

Also in the year 2021, as in previous years, a process of self-certification was made by the heads of the various controls and Entity Level Control owners regarding proper documentation update on SCIRF controls and processes in their area of responsibility and the implementation of controls with corresponding evidence.

Finally, in 2021 the Internal Audit Department has performed the audit "Review of the SCIRF Model" with the result of an "acceptable evaluation of existing Internal Control", which is the best evaluation.

SCIRF EVALUATION

Besides the monitoring and evaluation activities described in the preceding paragraph, in case the auditors identified internal control weaknesses in the scope of their financial audit work, they are expected to communicate these circumstances to the Audit, Control and Related Party Transactions Committee, which regularly monitors the results of the audit work.

Additionally, in 2021 the EDPR Group decided to have its SCIRF audited by the external auditor. As a result of its evaluation, the external auditor issued a report with a favorable opinion on the SCIRF of the EDPR Group, according to ISAE 3000 (International Standard on Assurance Engagements 3000), included in Annex II of this Chapter 5 of the Annual Report.

CORPORATE COMPLIANCE

The implementation of a solid corporate culture of integrity and transparency has always been a priority for EDPR, structuring its supervision and monitoring, through a regulatory compliance conduct basis and through the adoption of ethical values and principles; both consolidated as central elements of its business model.

Taking into account the Group's priority, the Compliance Model has evolved over the years:

- During 2016 and 2017, the Compliance Officer position and the Criminal and Legal Risk Prevention Model (Specific Compliance Model) were created.

- During 2018, the Company completed the first update of the Criminal Compliance Model and started working on the definition of a criminal risk matrix at an international level including an inventory of the potential risks and its controls in each of the geographies where EDPR operates.

- In June 2019, the Compliance Area was created to support and provide assistance to the Compliance Officer. In February 2020, with the commitment of strengthening the Compliance culture and to comply with the international standards in Corporate Governance, the area evolved to the Department of Compliance and Internal Control – a new department which reports, directly, to the CEO. Additionally, EDPR has developed a Compliance Channel which allows any employee, supplier, contractor, client or any person or entity outside the Company, who has indications or doubts of behavior contrary to the law and/or that may imply the materialization of a criminal risk, to inform about it (complianceofficer@edpr.com). The bylaws of this Channel are available at the intranet and website of the Company. In 2021, 3 claims were submitted through the Compliance Channel of EDPR; 2 of them are closed (one as non-founded and one as founded) and one is still open.

- In 2021, a main objective has been the definition of a Global Compliance Model, which applies to the whole Group, maintaining the idea of establishing Compliance as an strategic part of EDPR's corporate culture.

GLOBAL COMPLIANCE MODEL

In the definition of the Global Compliance Model, the Global Compliance structure has been defined, and a great effort has been made to develop a robust set of policies and procedures for the Group, which includes the following:

- The Compliance Standard, approved by the Board of Directors in November 2021, which establishes the basic principles, the methodological rules that govern the carrying out of the Compliance function and the specific Compliance functions of all employees.

- The Code of Conduct for Top Management and Senior Financial Officers, approved by the Board of Directors in July 2021, that reinforces and complements the Code of Ethics, and reflects the commitment of the people who have been given the responsibility and power to carry out the supervisory and administrative functions of the EDPR Group.

The Global Compliance Model integrates specific models depending on the risks affecting the Group:

- A specific Integrity Compliance Program focused on the prevention of corruption and bribery risks. EDPR has a zero-tolerance approach to bribery and corruption and is committed to act professionally, fairly and with integrity in all business dealings and relationships wherever we operate. For this reason, the specific Integrity Compliance Program has as its central axis the Integrity Policy, which replaces the previous Anticorruption Policy; it has been approved by the Board of Directors in July 2021. The Integrity Policy has been complemented by other procedures that facilitate the application of this Policy. Among others:
    - The Donations and Sponsorships Procedure, approved by the Management Team in June 2021.
    - The Offers and Events Procedure, approved by the Management Team in June 2021.
    - The Conflict of Interest Procedure, approved by the Management Team in June 2021.
    - The Integrity Due Diligence Procedure and the Procedure for relationship with Public Officials and Politically Exposed Persons, approved on 2020 and developed during 2021 through different electronic platforms. The creation of a technological platform for third-party analysis, which can be used by all Group employees, is noteworthy.
- A specific Criminal Compliance Program focused on the prevention of criminal risks in Spain taking into consideration the regulation in Spain.
    - During this 2021 the Criminal Compliance Policy has been updated (initially approved in December 2017).
    - The risk and control matrix has been updated. All the Areas/departments of EDPR Group have reviewed the assigned controls and have validated the applicable controls (self-assessment).
    - A Control Audit Plan has been established and the controls assigned in the Plan have been audited by an independent third party.
    - In addition, the Risk Assessment Methodology has been updated in order to have a more objective risk assessment.
- A specific Personal Data Protection Program focused on the protection of personal data to which EDPR has access. In this context, EDPR has been strengthening its management system to ensure the adequacy of EDPR Group's entities to the applicable legal requirements regarding Data Protection. The specific Data Protection Compliance Program has as its central axis the Data Protection Policy, approved by the Board of Directors in 2020.To this end and during 2021, a set of methodologies and procedures have been defined:
    - An Employees Privacy Notice, a Candidates Privacy Notice, a Website Privacy Notice, and a Cookies Management Notice approved by the Management Team in May 2021.
    - Data Storage and Destruction Procedure, approved by the Management Team in May 2021.
    - Security breach notification Methodology, approved by the Management Team in June 2021.
    - Privacy by Design/Default Methodology, approved by the Management Team in November 2021.
    - Data Processors Management Methodology, approved by the Management Team in November 2021.

All this normative development has implied a strong work to make known the new policies and procedures of the Group, having made special focus this year in training and communication in the field of Compliance.

TRAINING AND COMMUNICATION

Training and communication are fundamental tools to strengthen and disseminate the ethic and integrity culture. In this sense, the following activities have been developed: (i)Training for all the Group employees on Integrity Due Diligence Procedure and Procedure for relationship with Public Officials and Politically Exposed Persons; (ii) a GDPR Global Training; (iii) a Conflict of interest Procedure Training; (iv) a Gifts and Events Procedure Training; (v) a GDPR level 2 training; (vi) an Integrity Policy Training; (vii) a Criminal Compliance training; and viii) a GDPR Roulette.

These trainings have been complemented with communication activities. In addition, specific communications have been made on: (i) a welcome day, (ii) a presentation of the department, (iii) a communication about the GDPR Anniversary, (iv) a specific communication of Compliance in the Group magazine, (v) a Speak up culture communication and (vi) a communication for the Anticorruption day, among others.

REPORTING SYSTEM

Lastly, the reporting system to Top Management and Senior Management has also been improved, establishing reports about the Global Compliance Model to: (i) the CEO (monthly), (ii) the Audit Control and Related Party Transactions Committee (CAUD) (quarterly), (iii) the Management Team (yearly) and (iv) to the Board of Directors (yearly).

OPERATION, METHODOLOGY AND CERTIFICATIONS

The entire operation and methodology for the management of the Criminal Compliance Program and the Integrity Compliance Program has been compiled in an internal departmental document called Integrated Management System for Criminal Compliance and Antibribery Handbook, approved by the Compliance Officer in October 2021. Additional documents, for the support and documentation of this system, have been also drafted.

All this development has allowed EDPR to obtain the UNE 19601 and ISO 37001 certifications.

IV. Investor Assistance

56. Investor Relations department

EDPR seeks to provide to shareholders, investors, financial analysts and other stakeholders and the market in general, all the relevant information about the Company and its business environment, on a regular basis and whenever a relevant fact takes place. The promotion of transparent, consistent, rigorous, easily accessible, and high-quality information is essential to an accurate perception of the Company's strategy, financial situation, accounts, assets, prospects, risks, and significant events.

EDPR, therefore, looks to provide the market with accurate information that can support them in making informed, clear and concrete investment decisions.

The Investor Relations Department was created to ensure a direct and permanent contact with all market related agents and stakeholders, to guarantee effective communication, equality between shareholders and to prevent imbalances in the information access.

The EDPR Investor Relations Department (IR) is the intermediary between EDPR and its actual and potential shareholders, the financial analysts that follow Company's activity, all investors and other members of the financial community. The main purpose of the department is to guarantee the principle of equality among shareholders, by preventing asymmetries in the access of the information and reducing the gap between market perception and Company's strategy and intrinsic value. The Investor Relations department centralizes all relevant and material information that could impact EDPR share price. This information is prepared by the different departments of EDPR, with the support when necessary of external experts, and always managed in a strictly confidential basis. The department responsibility also comprises developing and implementing EDPR's communication strategy and preserving an appropriate institutional and informative relationship with the financial market, the stock exchange at which EDPR shares trade and the regulatory and supervisory entities (CMVM – *Comissão de Mercado de Valores Mobiliários* – in Portugal and CNMV – *Comisión Nacional del Mercado de Valores* – in Spain.

EDPR is clearly aware of the importance of detailed and transparent information, delivered on-time to the market. Consequently, EDPR publishes Company's price sensitive information before the opening or following the closing of the Euronext Lisbon stock exchange through CMVM's information system and, simultaneously, make that same information available on the website investors' section and through the IR department's mailing list. In 2021, EDPR made more than 46 market notifications, in addition to quarterly, semi-annual and annual results presentations, handouts and operating data statement elaborated by the IR Department. In addition, the IR Department also elaborates key data files and interim presentations which are available on the website investors' section.

On each earnings announcement, EDPR promotes a conference call and webcast, opened to the market in general, at which the Company's management updates the market on EDPR's activities. On each of these events, shareholders, investors and analysts had the opportunity to directly submit their questions and to discuss EDPR's results as well as the Company's outlook and strategy.

EDPR IR Department is coordinated by André Fernandes and is located at the Company's head offices in Madrid, Spain. The department structure and contacts are as follows:

IR Contacts:

- André Fernandes, Head of Planning & Control, Investor Relations and Sustainability
- Calle Serrano Galvache, 56; Centro Empresarial Parque Norte; Edificio Olmo – 7th floor; 28033 – Madrid – España
- Website: www.edpr.com/en/investors
- E-Mail: ir@edpr.com
- Phone: +34 902 830 700

EDPR IR Department was in continuous contact with capital markets agents, namely shareholder and investors, along with financial analysts who evaluate the Company. In 2021, as far as the Company is aware, sell-side analysts issued more than 89 reports evaluating EDPR's business and performance.

At the end of the 2021, as far as the Company is aware of, there were 23 institutions elaborating research reports and following actively EDPR activity. As of December 31st 2021, the average price target of those analysts was of Euro 23.00 per share with 12 "Neutral", 8 "Buy" and 3 "Sell" recommendations.

COMPANY	ANALYST	PRICE TARGET	DATE	RECOMMENDATION
Bank of America	Mikel Zabala	€ 25.00	04-Mar-21	Neutral
Barclays	Jose Ruiz	€ 20.10	01-Jul-21	Equalweight
Bestinver	Daniel Rodríguez	€ 21.70	13-Apr-21	Buy
Berenberg	Lawson Steele	€ 24.50	31-Aug-21	Buy
Bernstein	Meike Becker	€ 26.00	02-Jul-21	Outperform
BNP Paribas	Manuel Palomo	€ 23.70	03-Nov-21	Neutral
CaixaBank BPI	Flora Trindade	€ 27.00	15-Nov-21	Buy
Citi	Ayesha Khalid	€ 21.40	29-Jul-21	Neutral
Commerzbank	Tanja Markloff	€ 19.00	23-Mar-21	Hold
Credit Suisse	Christopher Leonard	€ 22.00	16-Dec-21	Neutral
Deutsche Bank	Olly Jeffery	€ 22.50	26-Jul-21	Hold
Goldman Sachs	Alberto Gandolfi	€ 27.00	10-Nov-21	Buy
HSBC	Charles Swabey	€ 26.00	07-Oct-21	Buy
JB Capital	Jorge Guimarães	€ 24.00	19-Oct-21	Neutral
JP Morgan	Javier Garrido	€ 24.50	30-Sep-21	Overweight
Kepler Cheuvreux	Jose Porta	€ 27.50	01-Sep-21	Buy
Morgan Stanley	Arthur Sitbon	€ 24.00	10-Sep-21	Equalweight
MedioBanca	Sara Piccinini	€ 22.20	02-Aug-21	Neutral
ODDO BHF	Philippe Ourpatian	€ 17.40	03-Nov-21	Sell
RBC	Fernando Garcia	€ 19.50	28-Jun-21	Equalweight
Santander	Bosco Muguiro	€ 20.45	05-Aug-21	Sell
Société Générale	Jorge Alonso	€ 21.00	19-Nov-21	Sell
UBS	Gonzalo Sanchez-Bordona	€ 22.45	08-Sep-21	Neutral

57. Market Relations Representative

EDPR representative for relations with the market at CNMV is Rui Teixeira, Chief Financial Officer; while at CMVM the representative is Rui Antunes, former Head of Investor Relations.

58. Information Requests

During the year, IR Department received more than 250 information requests and interacted more than 300 times with institutional investors. On average, information requests were replied in less than 24 hours, with complex requests being replied within one-week time. As of December 31st 2021 there was no pending information request.

V. Website – Online information

59-65.

EDPR considers online information a powerful tool in the dissemination of material information, updating its website with all the relevant documents. Apart from all the required information by CMVM and CNMV regulations, EDPR website also carries financial and operational updates of Company's activities ensuring an easy access to the information.

EDPR website:

www.edpr.com

INFORMATION	LINK
Company information	www.edpr.com/en/who_we_are
Corporate by-laws and bodies/committees' regulations	www.edpr.com/en/investors/corporate-governance/company-data
Members of the corporate bodies and management structure	https://www.edpr.com/en/investors/corporate-governance/governing-bodies-and-management-structure
Market relations representative, IR department	www.edpr.com/en/investors
Information channels	www.edpr.com/en/edpr
Financial statements documents	www.edpr.com/en/investors/investors-information/reports-and-results
Corporate events Agenda	www.edpr.com/en/investors

E. Remuneration

I. Power to establish

66. Competences to determine the Remuneration of the Corporate Bodies and Executive Staff

The Appointments, Remunerations and Corporate Governance Committee is a permanent body belonging to the Board of Directors with an informative and advisory nature. Its recommendations and reports are non-binding.

The Appointments, Remunerations and Corporate Governance Committee has no executive functions. The main functions of the Appointments, Remunerations and Corporate Governance Committee are to assist and inform the Board of Directors regarding the appointments (including by co-option), re-elections, dismissals, and the remuneration of the Directors and executive staff. It also assumes the functions related to the reflection on the Corporate Governance structure and on its efficiency and informs the Board of Directors on general remuneration and incentive policies and incentives for Board members and executive staff.

As such, the Appointments and Remunerations Committee is the body responsible for proposing to the Board of Directors the remuneration of the Executive and Non-Executive Directors, the members of the Board Committees and the Executive Staff; the Remuneration Policy; the evaluation and compliance of the KPI's (Key Performance Indicators); the annual and multi annual variable remuneration, if applicable.

The Board of Directors is responsible for the approval of the above-mentioned proposals except the Remuneration Policy which is approved by the General Shareholders' Meeting. The Board of Directors also evaluates with an annual periodicity its own performance and the performance of its delegated Committees. The evaluation of the performance of the Board of Directors, is then additionally submitted for the approval of the General Shareholders' Meeting.

The proposal on the Remuneration Policy is submitted by the Board of Directors to the approval of the General Shareholders' Meeting as an independent proposal, which will be in effect for a maximum of a three-year period. According to the Company's Articles of Association the Board of Directors remuneration is subject to a maximum value that can only be modified by a Shareholders' agreement.

II. Appointments, Remunerations and Corporate Governance Committee

67. Appointments and Remunerations Committee composition. Relevant service providers in 2021.

The Composition of the Appointments, Remunerations and Corporate Governance Committee is reflected on topic 29 of the report.

The Company has not stablished any restrictions within its Articles of Association, Regulations or internal policies limiting the competence of the Appointments, Remunerations and Corporate Governance Committee to hire any consulting services that may be considered necessary to carry out its duties; additionally in case such services would be hired, it should be noted that they should be rendered independently, ensuring that the service provider do not provide any other services to EDPR or to any company in controlling or group relationship.

In 2021 the Committee hired the services of Spencer Stuart for the elaboration of a benchmark of Non-Executive Directors and Independent Chairpersons, and the provision of these services strictly complied with the referred requirements.

68. Knowledge and experience regarding Remuneration Policy

The members of the Appointments, Remunerations and Corporate Governance Committee have knowledge and experience regarding Remuneration Policy.

III. Remuneration structure

69. Remuneration Policy

Pursuant to Article 26 of the Company's Articles of Association the Directors shall be entitled to a remuneration which consists of a fixed amount to be determined annually by the General Shareholders' Meeting for the whole Board of Directors.

The above-mentioned article also establishes the possibility of the Directors of receiving attendance fees or being remunerated with Company shares, share options, or other securities granting the right to obtain shares or by means of share-indexed remuneration systems. In any case, the system chosen must be approved by the General Shareholders' Meeting and comply with current legal provisions.

The total amount of the remunerations that the Company will pay to its Directors shall not exceed the amount determined by the General Shareholders' Meeting. The maximum remuneration approved by the General Shareholders' Meeting for all the members of the Board of Directors is EUR 2,500,000 per year.

Pursuant to Article 26.4 of the Company's Articles of Association, the rights and duties of any kind derived from the condition of Board Member shall be compatible with any other rights and obligations either fixed or variable that could correspond to the Board Members as a consequence of other employment or professional engagements, if any, carried out in the Company.

Variable remuneration resulting from said contracts or from any other relationship, including being a Board Member, will be limited to a maximum annual amount to be established by the General Shareholders' Meeting.

The maximum annual amount approved by the General Shareholders' Meeting for the variable remuneration for all the executive members of the Board of Directors is EUR 1,000,000 per year.

EDPR, in line with EDP Group corporate governance practices, has signed an Executive Management Services Agreement with EDP, under which the Company bears the cost for such services to some of the members of the Board of Directors to the extent their services are devoted to EDPR.

The Non-Executive Directors only receive a fixed remuneration, which is calculated on the basis of their work as Directors and a complement as Member or Chairperson of the Appointments, Remunerations and Corporate Governance Committee and/or to the Audit, Control and Related Party Transactions Committee. Such amounts are cumulative, except for the Chairman of the Board of Directors who does not receive any complement derived from his role at any Committee.

EDPR has not incorporated any share remuneration or share purchase options plans as components of the remuneration of its Directors.

No Director has entered into any contract with the Company or third parties that have the effect of mitigating the risk inherent in the variability of the remuneration established by the Company.

In EDPR there are not any payments for the dismissal or termination of Director's duties.

In 2021, the Remuneration Policy for the Directors of the Company was submitted to the General Shareholders' Meeting for approval.

70. Remuneration Structure

The Remuneration Policy applicable for 2020-2022 was approved by the General Shareholders' Meeting (the "Remuneration Policy"). This Remuneration Policy maintains a structure with a fixed remuneration for all members of the Board of Directors, whereas for the Executive Directors also defines a fixed and a variable remuneration, with an annual component and a multi-annual component.

71. Variable Remuneration

Variable annual and variable multi-annual remuneration apply to the Executive Directors.

The variable annual remuneration may range from 0 to 102% over the annual fixed remuneration and the multi-annual remuneration from 0 to 102% over the annual fixed remuneration for the CEO and CFO.

The key performance indicators (KPIs) used to determine the amounts of the annual and multi -annual variable remuneration for each year of the term are proposed by the Appointments, Remunerations and Corporate Governance Committee with the aim of aligning them with the strategic grounds of the Company: growth, risk control and efficiency. For the year 2021 the KPIs were:

				CEO / CFO	
	WEIGHT		KEY PERFORMANCE INDICATOR	WEIGHT	EDPR RESULTS
Total Shareholder return	15%	100%	TSR vs. Wind peers & Psi 20	100%	100%
Shareholders	80%	60%	Operating Cash Flow (€ million)	10%	100%
			AR/Sell-down + TaxEquity (€ million)	10%	100%
			EBITDA+ sell downgains (€ million)	10%	100%
			Net Profit (€ million)	10%	100%
			Core Opex Adjusted (€ thousand/MW)	10%	100%
			Projects with FID (% of total '19-'22 additions in BP)	10%	100%
Clients		10%	Renewable Capacity Built (in MW)	10%	100%
Assets & Operations		10%	Technical Energy Availability (%)	5%	100%
			Capex per MW (€ thousand)	5%	100%
Environment & Communities		5%	Certified MW %	5%	100%
Innovation & partners		5%	H&S frequency rate (employees + contractors)	5%	100%
People Management		10%	People Management	10%	100%
Remuneration Committee	5%	100%	Appreciation Remuneration Committee	100%	100%

According to the Remuneration Policy approved by the General Shareholders' Meeting, the maximum variable remuneration (annual and multi-annual) is applicable if all the above mentioned KPI's were achieved and the performance evaluation is equal or above 110%.

72. Deferral period applicable to variable Remuneration

In line with corporate governance practices, the Remuneration Policy incorporates the deferral for a period of three years of the multi-annual variable remuneration, being the relevant payment conditioned to the lack of any willful illicit action, known after the appraisal and which endangers the sustainable performance of the company.

The amounts paid in application of such deferral policy during 2021 for the multiannual accrued in 2018 are reflected in topic 78 of this Chapter 5 of the Annual Report.

73. Variable Remuneration based on shares

EDPR has not allocated variable remuneration on shares and does not maintain Company shares that the Executive Directors have had access to.

74. Variable Remuneration based on options

EDPR has not allocated variable remuneration on options.

75. Annual Bonus and non-monetary benefits

The key factors and grounds for any annual bonus scheme are described on topics 71 and 72.

No non-monetary benefits are paid by EDPR to its Board Members, except for a company car for the Chairman of the Board of Directors, that in 2021 corresponded to an amount of €93 488,74 and the retirement savings plan for Executive Directors referred in the following section.

76. Retirement Savings Plan

The retirement savings plan applicable to 2021, which is included within the Remuneration Policy applicable for 2021 was defined and proposed by the Appointments, Remunerations and Corporate Governance Committee to the Board of Directors for its submission to the General Shareholder's Meeting, which approved it on its meeting held on April 12th, 2021. For the Executive Directors of EDPR (Miguel Stilwell d' Andrade and Rui Teixeira) it was stablished in a 5% of the fixed fee under the Management Services Agreement. For the year 2021, EDPR paid a fee to EDP under the Management Services agreement of 19,200€ corresponding to the retirement saving plan of Miguel Stilwell d' Andrade, and of 14,500€ corresponding to the retirement saving plan Rui Teixeira.

IV. Remuneration disclosure

77. Board of Directors remuneration

Below the list of EDPR Directors as of December 31st 2021, and the amounts paid by EDPR either (i) as remuneration to them or (ii) as fee to EDP under the Management Services Agreement for their services (not remuneration), marked in green.

The figures below reflect the period of 2021 in which each relevant Director was member of the Board: Ana Paula Marques and Joan Avalyn Dempsey were appointed by co-option on January 19th, 2021, and António Gomes Mota, Miguel Nuno Simões Nunes Ferreira Setas, Rosa García García, and José Manuel Félix Morgado were appointed by the Shareholders' meeting held on April 12th, 2021.

DIRECTOR	REMUNERATION	FEES MANAGEMENT SERVICES AGREEMENT EDP-EDPR
EXECUTIVE DIRECTORS		
Miguel Stilwell d'Andrade	-	384,000€*
Rui Teixeira	-	290,000€*
NON-EXECUTIVE DIRECTORS		
António Gomes Mota**	172,500€	
Vera Pinto	-	45.000€*
Ana Paula Marques	-	45,000€*
Miguel Setas	-	33,750€*
Manuel Menéndez Menéndez	60,000€	
Acácio Jaime Liberado Mota Piloto**	60,000€	
Allan J.Katz	60,000€	
Joan Avalyn Dempsey	56,250€	
Rosa García**	48,750€	
José Félix Morgado**	48,750€	
Sub- Total	**506,250€**	**797,750€**
Total	**1,304,000€**	

**These amounts correspond to the service fee paid by EDPR to EDP under the Management Services Agreement for the services rendered in 2021 by such director. In addition, EDPR pays to EDP a 5% of such service fee which is applied to the retirement savings plan described in topic 76 of this Chapter 5 of the Annual Report.*

***These Directors also received remuneration for their Chairmanship/membership in the Delegated Committees.*

The amounts paid by EDPR for the Directors that presented their resignation during 2021 for their functions as Members of the Board were as follows:

DIRECTOR	TOTAL FIXED (€)
EXECUTIVE DIRECTORS	
João Manso Neto	0
Duarte Bello*	5,150€
Spyridon Martinis*	5,150€
Miguel Ángel Prado*	0
NON-EXECUTIVE DIRECTORS	
Antonio Mexia	0
António Nogueira Leite**	22,500€
Francisco Seixas da Costa**	22.500€
Conceição Lucas**	22.500€
Alejandro Fernández de Araoz Gómez-Acebo	22.500€
TOTAL	100,300€

**Duarte Bello, Spyridon Martinis and Miguel Angel Prado Martinis, for the relevant period of 2021 corresponding to each of them, received their remuneration as Directors as described on the table above and as Executive Directors, as described on topic 78.*

***These Directors also received remuneration for their Chairmanship/membership in the Delegated Committees.*

The total amount paid by EDPR in 2021 either (i) as remuneration and (ii) as fee to EDP under the Management Services Agreement, for the services performed by its Directors as members of its Board was of 1.404.300€, which is below the maximum amount agreed by the Shareholders' Meeting (2,500,000€).

78. Remuneration from other Group Companies

The members of the Board of Directors as of end of December 2021 do not receive any payment from any company under EDPR control or subject to EDPR common control.

Notwithstanding the above, the following Executive Board Members that resigned during 2021, received the amounts below paid by other Group Companies of EDPR corresponding to the period of 2021 before their resignation: Duarte Bello and Spyridon Martinis up to January 19th, 2021; and Miguel Angel Prado up to February 22nd, 2021.

DIRECTOR	PAYER	FIXED	VARIABLE ANNUAL	VARIABLE MULTI- ANNUAL	VARIABLE PLURI- ANNUAL	TOTAL
Duarte Bello	EDP Energías de Portugal, S.A. Sucursal en España	11,878€	154,534€	128,975€	154,425€	449,812€
Miguel Ángel Prado	EDPR North America LLC	67,810$	191,522$	263,428$	217,748$	740,508$
Spyridon Martinis	EDP Energías de Portugal S.A. Sucursal en España	11,878€	137,791€	-	154,425€	304,094€

79. Remuneration paid in form of profit sharing and/or bonus payments

In EDPR there is no payment of remuneration in the form of profit sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded.

80. Compensation for contract termination of Board Members

In EDPR there is no compensation paid or owed to former Executive Directors concerning contract termination during the financial year.

81. Audit, Control And Related Party Transactions Committee Remuneration

Except in the case of the Chairperson of the Board of Directors, the directors that are also members/chairperson of the Delegated Committees receive for these functions a complement to their fixed remuneration as members of the Board.

Below the list of members of the Audit, Control and Related Party Transactions Committee as of December 31st 2021, and the amounts paid by EDPR as remuneration to them for the functions performed at this body.

The figures below reflect the period of 2021 in which each relevant Director was member of the Committee, provided that Rosa García García, and José Manuel Félix Morgado were appointed on April 12th, 2021.

COMMITEE MEMBER	POSITION	REMUNERATION
Acacio Piloto	Chairman	50,000€
Rosa García García	Vocal	18,750€
José Félix Morgado	Vocal	18,750€

The amounts paid by EDPR to the members of the Audit, Control and Related Party Transactions Committee that presented their resignation during 2021 for their functions at this Committee were as follows:

COMMITEE MEMBER	POSITION	REMUNERATION
Antonio Nogueira Leite	Vocal	7,500€
Francisco Seixas	Vocal	6,250€

82. Remuneration of the Chairperson of the General Shareholders' Meeting

In 2021, José António de Melo Pinto Ribeiro chaired one meeting (Extraordinary Shareholders' Meeting held on February 22nd) before the definitive expiration of his mandate, and the remuneration paid for the provision of these services as Chairman of the General Shareholders' Meeting of EDPR was EUR 15,000.

Based on the proposal submitted by the Appointments, Remunerations and Corporate Governance Committee, and given the referred expiration of the mandate of the former Chairman of the Shareholders' Meeting, in 2021 it was decided to adopt the general practice followed under the personal law of the Company (Spanish one) that allows the Shareholders Meeting to be chaired by the Board of Directors Chairman, approving at the Extraordinary Shareholders' Meeting held in February 22nd the related amendment to the bylaws. Therefore, the Ordinary Shareholders' Meeting held on April 12th, 2021, was chaired by the Chairperson of the Board of Directors (who in that moment was Miguel Stilwell de Andrade).

V. Agreements with remuneration implication

83-84.

EDPR has no agreements with remuneration implication.

For avoidance of doubt, the Company has not adopted any mechanism that imply payments or assumption of fees in the case of change in the composition of the managing body (Board of Directors), and which could be likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of this managing body.

VI. Share-allocation and/or Stock Option Plans

85-88.

EDPR does not have any Share-Allocation and/or Stock Option Plans.

D. Related-Party transactions

I. Control mechanisms and procedures

89. Related-Party Transactions Controlling Mechanisms

The Spanish Companies Act has been recently amended by the law 5/2021, which among others, sets a new regulation and requirements for Related Party Transactions with regards to the definition of Related Party Transactions, and the approval and disclosure procedures of these type of operations.

As such, the new definition of Related Party Transactions under Spanish Law considers those performed by a company or its subsidiaries, with Directors, shareholders holding a 10% or more of the voting rights or represented at the Board of the company, or with whomever that shall be considered as related party under the International Accounting Standards.

With regards the competence to approve Related Party transactions, as of such amendment, it has been stablished an assignation of competence to different governing bodies depending on the amount as follows:

- The Shareholders Meeting: transactions of an amount equal or above a 10% of the total assets according to the last annual balance sheet. These transactions shall be submitted together with a supporting report issued by the Audit Committee of the Company.

- The Board of Directors: transactions of an amount below a 10% of the total assets according to the last annual balance sheet. These transactions shall be also submitted together with a supporting report issued by the Audit Committee of the Company.

- Delegated Bodies: the Board of Directors may delegate the approval of: (i) transactions performed between companies of the same group that are performed in the ordinary management of the company and under market conditions, and (ii) that are executed under contracts with standardized terms that are wholesale applied to a high number of clients under prices or tariffs generally established by the supplier of the goods or services, the amount of which does not exceed the 0,5% of the net amount of the annual company business value.

  The transactions approved by the delegated body will not require the issuance of the Audit Committee report, but the Board shall establish a periodic internal reporting and control procedure involving the Audit committee, which will verify the fairness and transparency of the transactions and the compliance with the applicable legal criteria.

Likewise, this new regulation foresees new disclose obligations regarding these type of transactions, stating the obligation to made publicly available the information of certain Related Party Transactions which amount exceeds: i) 5% of the total assets, or ii) 2,5% of the annual company turnover. This disclosure shall be made through the publication at the Company's website and at the CNMV, latest upon execution. The announcement shall be released together with a report issued by the Audit Committee including: (i) the information regarding the nature of the operation and the relation with the Related Party, (ii) the identity of the Related Party, (iii) the date and value of the transaction, and (iv) any other information necessary to appraise that the operation is fair and reasonable for the company and for the non-Related Party shareholders.

In light of the above, on July 27th, 2021, the Board of Directors approved to implement the necessary adjustments in the process of analysis and approval of Related Party Transactions, and in particular resolved to take the following decisions:

i. To approve the delegation in the Audit, Control and Related Party Transactions Committee of the competence to approve Related Party Transactions that are delegable under the law.

ii. To approve a procedure for reporting and control of such transactions involving the Audit, Control and Related Party Transactions Committee.

iii. To approve a new definition of Related Party Transactions to be regulated under the Audit, Control and Related Party Transactions Committee, considering as Related Party the following:(i) any company of the EDP Group, (ii) any company in which both EDPR SA and a Related Party have a stake, (iii) any shareholder holding a 10%

or more of the voting rights or with representation at the Board of the Company, and (iv) any party deemed as Related Party under the International Accounting Standards, including without limitation, Board members, Key Employees[13] and Relatives[14].

iv. In order to formalize the above referred delegations, to amend article 8.B. ("Nature and Competence") of the Regulations of the Audit, Control and Related Party Transactions Committee including the necessary competences to perform its duties, as follows:

- Analise and, where appropriate, approve the (i) (a) intragroup transactions or (b) transactions performed between EDPR Group and EDP Group when their amount is below 10% of the total assets at the last annual balance sheet approved by the company, as long as they are in the ordinary management of the company and under market conditions; (ii) transactions executed under contracts with standardized terms that are wholesale applied to a high number of clients under prices or tariffs generally established by the supplier of the goods or services, and which amount does not exceed the 0,5% of the net annual company turnover, and

- Periodically inform the Board of Directors about the transactions approved by this Committee in the exercise of the above referred delegation, stating the fairness and transparency of such transactions, and as the case may be, the compliance with the applicable legal criteria.

- Analise and inform about any modification of the Framework Agreement signed by EDP and EDP Renováveis on 7 May 2008.[15]

- Submit a report to the Board of Directors of the Company regarding the Related Party Transactions that shall be approved by the Board of Directors of EDPR SA or by its Shareholder's Meeting in accordance with the law, and that shall include: (i) the information regarding the nature of the operation and the relation with the Related Party, (ii) the identity of the Related Party, the date and value or amount of the compensation of the transaction, and any other information necessary to appraise if the operation is fair and reasonable for the company and for the shareholders that are not Related Parties.

- Request EDP for access to the information needed to perform its duties.

It should be also noted that in accordance with article 13.3 of the Regulations of the Audit, Control and Related Party Transactions Committee, the resolutions adopted by this committee are reported to the Board of Directors at the first Board meeting held following the meeting of the committee in which such proposals were discussed. That means that in case there are Related Party Transactions, they are reported to the Board of Directors at least every quarter (maximum period elapsed between Board of Directors Meeting in accordance with Article 22 of its Regulations).

90. Transactions subject to control during 2021

During 2021, EDPR has not signed any contracts with the members of its corporate bodies or with holders of qualifying holdings, excluding EDP, as mentioned below.

The contracts signed between EDPR and its related parties have been analyzed by the Audit, Control and Related Party Transactions Committee according to its competences, as mentioned on the previous topic, and have been concluded according to the market conditions.

The total amount of supplies and services in 2021 incurred with or charged by the EDP Group was EUR 39,068,467 corresponding to 11.64% of the total value of Supplies & Services for the year (EUR 335,673,949)

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[13] To this extent the following shall be considered as Key Employees: (i) the members of the Management Team of EDP Renováveis, S.A., (ii) the General Secretary of the Company, (iii) the Directors of Internal Audit, Compliance and Internal Control, Global Risk, Finance, ACT, Planning and Control, Investor Relations, Legal, IT, as well as (iv) any other that the Audit, Control, and Related Party Transactions Committee may designate.

[14] To this extent the following shall be considered as Relatives: the spouse or assimilated partners of a Board Member and or/ of a Key Employee, the children of a Board Member and/or of a Key Employee, or of his/her spouse or assimilated partner, as well as the dependent individuals of the Board Member and/or Key Employee or of his/her spouses or assimilated partners.

[15] This Framework Agreement was signed between EDP and EDPR in order to regulate the transactions closed between companies of EDP Group and EDPR Group, stating that in compliance with the transparency purposes for future investors, such shall continue to be developed in line with the market prices, in an arm's length basis, and following certain predefined principles and rules (considering criteria as parties involved, scope and amount).

The most significant contracts in force during 2021 are the following:

FRAMEWORK AGREEMENT

The framework agreement was signed by EDP and EDPR on May 7th 2008 and came into effect when the latter was admitted to trading. The purpose of the framework agreement is to set out the principles and rules governing the legal and business relations existing when it came into effect and those entered into subsequently.

The framework agreement establishes that neither EDP nor the EDP Group companies other than EDPR and its subsidiaries can engage in activities in the field of renewable energies without the consent of EDPR. EDPR shall have worldwide exclusivity, with the exception of Brazil, where it shall engage its activities through a joint venture with EDP Energias do Brasil S.A., for the development, construction, operation, and maintenance of facilities or activities related to wind, solar, wave and/or tidal power, and other renewable energy generation technologies that may be developed in the future. Nonetheless, the agreement excludes technologies being developed in hydroelectric power, biomass, cogeneration, and waste in Portugal and Spain.

It lays down the obligation to provide EDP with any information that it may request from EDPR to fulfil its legal obligations and prepare the EDP Group's consolidated accounts. The framework agreement shall remain in effect for as long as EDP directly or indirectly owns more than 50% of the share capital of EDPR or appoints more than 50% of its Directors.

MANAGEMENT SERVICES AGREEMENT

On November 4th, 2008 EDP and EDPR signed a Management Services Agreement that has been amended during the last years in accordance of the variations in the services rendered by EDP to the Company.

Through this contract, EDP provides management services to EDPR, including matters related to the day-to- day running of the Company. As of 31 December 2021, under this agreement EDP renders management services corresponding to five (5) people from EDP which are part of EDPR's Management: (i) two Executive Directors, who are also the CEO and CFO of EDPR, and (ii) three Non-Executive Directorss, for which EDPR pays EDP an amount defined both by the Appointments, Remunerations and Corporate Governance Committee and by the Audit, Control and Related Party Transactions Committee, and approved by the Board of Directors and the Shareholders Meeting. Under this contract, EDPR incurred an amount of EUR 831,450 for the management services rendered in 2021.

FINANCE AGREEMENTS AND GUARANTEES

The most significant finance agreements between EDP Group companies and EDPR Group companies were established under the above-described Framework Agreement and currently include the following:

LOAN AGREEMENTS

EDPR and EDPR Servicios Financieros SA ("EDPR SF" as the borrower) have loan agreements with EDP Finance BV and EDP Servicios Financieros España ("EDP SFE" as the lender), companies 100% owned by EDP Energias de Portugal S.A. Such loan agreements can be established both in EUR and USD, up to 10-year tenor and are remunerated at rates set at an arm's length basis. As of December 31st 2021, such loan agreements totalled USD 2,963,967,282.26 and EUR 444,587,000.

CURRENT ACCOUNT AGREEMENT

EDPR SF and EDP SFE signed an agreement through which EDP SFE manages EDPR SF's cash accounts. The agreement also regulates the current account (cc) scheme on arm's length basis. As of December 31st 2021, there are two different current accounts with the following balance and counterparties:

- in USD, for a total amount of USD 46,696,790.03 in favour of EDPR SF;
- in EUR, for a total amount of 372,108,036.35 in favour of EDPR SF.

The agreements in place are valid for one year as of date of signing and are automatically renewed for equal periods.

COUNTER-GUARANTEE AGREEMENT

A counter-guarantee agreement was signed, under which EDP or EDP Energias de Portugal S.A., Sucursal en España (hereinafter guarantor or EDP Sucursal) undertakes on behalf of EDPR, EDP Renewables Europe SLU (hereinafter EDPR EU), and EDP Renewables North America LLC (hereinafter EDPR NA) to provide corporate guarantees or request the issue of any guarantees, on the terms and conditions requested by the subsidiaries, which have been approved on a case by case basis by the EDP's Executive Board.

EDPR will be jointly liable for compliance by EDPR EU and EDPR NA. The subsidiaries of EDPR undertake to indemnify the guarantor for any losses or liabilities resulting from the guarantees provided under the agreement and to pay a fee established in arm's length basis.

Nonetheless, certain guarantees issued prior to the date of approval of these agreements may have different conditions. As of December 31st 2021, such counter-guarantee agreements totalled EUR 339,689,625.56 and USD 468,502,446.

A counter-guarantee agreement was signed between EDPR Group and EDP España, under which, EDPR group can request the issue of any guarantee, on the terms and conditions requested by the subsidiaries of EDPR. EDPR group undertake to indemnify the guarantor for any losses or liabilities resulting from the guarantees provided under this agreement and to pay a fee established in arm's length basis. As of December 31st 2021, the amount of guarantees issued under this agreement totalled EUR 44,160,107.61.

CROSS CURRENCY INTEREST RATE SWAPS

Due to the net investments in North America, Canada, Brazil, United Kingdom, Poland, Romania and in Colombian companies, EDPR's accounts were exposed to the foreign exchange risk. With the purpose of hedging this foreign exchange risk, EDPR Group companies settled the following Cross Currency Interest Rate Swap (CIRS). As of December 31st 2021 the total amount of CIRS by geography and currency are as following:

- in USD/EUR, with EDP Energias de Portugal SA for a total amount of USD 1,778,815,770.00
- in CAD/EUR, with EDP Energias de Portugal SA for a total amount of CAD 139,148,472
- in BRL/EUR, with EDP Energias de Portugal SA for a total amount of BRL 122,500,000
- in GBP/EUR, with EDP Energias de Portugal SA for a total amount of GBP 41,064,430
- In RON/EUR, with EDP Energia de Portugal SA for a total amount of RON 160.000.000
- in PLN/EUR, with EDP Energias de Portugal SA for a total amount of PLN 1,078,489,477
- in COP/EUR with EDP Energias de Portugal SA for a total amount of COP 37,326,000,000

HEDGE AGREEMENTS – EXCHANGE RATE

EDPR Group companies entered into several hedge agreements with EDP Energias de Portugal S.A., with the purpose of managing the transactional exposure related to the short term or transitory positions, in Colombian, Canada, Hungary, Romania, Polish and United Kingdom subsidiaries, fixing the exchange rate for USD/EUR, EUR/PLN and GBP/EUR in accordance to the prices in the forward market in each contract date. As of December 31st 2021, the total amount of Forwards and Non Delivery Forwards by geography and currency are as following:

- Colombian operations, for USD/EUR, a total amount of EUR 276.733.634 (FWDs) and, for COP/EUR, a total amount of EUR 31.598.473 (NDFs);
- Canada operations, for CAD/USD, a total amount of USD 257.796.000 (FWDs) and EUR/CAD, a total amount of EUR 3.436.741 (FWD)
- Hungary operations, for HUF/EUR, a total amount of 15.263.303 (FWDs) and HUF/USD, a total amount of 19.313.279 (FWDs)

- Romania operations, for RON/EUR, a total amount of EUR 95.766.829 (FWD)
- Polish operations, for EUR/PLN, a total amount of PLN 2,036,642,441(FWDs+NDFs)
- United Kingdom operations, for GBP/EUR a total amount of EUR 58,630,094 (FWDs)

HEDGE AGREEMENTS – COMMODITIES

EDP and EDPR EU entered into hedge agreements for 2021 for a total volume of 3.024.278,52 MWh (sell position) and 703.702,00 MWh (buy position) at the forward market price at the time of execution related with the expected sales of energy in the Spanish market.

CONSULTANCY SERVICE AGREEMENT

On June 4th 2008, EDP and EDPR signed a consultancy service agreement. Through this agreement, and upon request by EDPR, EDP (or through EDP Sucursal) shall provide consultancy services in the areas of legal services, internal control systems, financial reporting, taxation, sustainability, regulation and competition, risk management, human resources, information technology, brand and communication, energy planning, accounting and consolidation, corporate marketing, and organizational development.

The price of the agreement is calculated as the cost incurred by EDP plus a margin. For the first year, it was fixed at 8% based on an independent expert on the basis of market research. For 2021 the estimated cost of these services is EUR 8.675.902,44. This was the total cost of services provided for EDPR, EDPR EU, and EDPR NA.

The duration of the agreement is one (1) year tacitly renewable for equal periods.

RESEARCH AND DEVELOPMENT AGREEMENT

On May 13th, 2008, EDP Inovação S.A. (hereinafter EDP Inovação), an EDP Group Company, and EDPR signed an agreement regulating relations between the two companies regarding projects in the field of renewable energies (hereinafter the R&D Agreement).

The object of the R&D Agreement is to prevent conflicts of interest and foster the exchange of knowledge between companies and the establishment of legal and business relationships. The agreement forbids EDP Group companies other than EDP Inovação to undertake or invest in companies that undertake the renewable energy projects described in the agreement.

The R&D Agreement establishes an exclusive right on the part of EDP Inovação to project and develop new renewable energy technologies that are already in the pilot or economic and/or commercial feasibility study phase, whenever EDPR exercises its option to undertake them. The fee corresponding to this agreement in 2021 is EUR 449.265.

The agreement shall remain in effect for as long as EDP directly or indirectly maintains control of more than 50% of both companies or appoint the majority of the members of the Board and Executive Committee of the parties to the agreement.

MANAGEMENT SUPPORT SERVICES AGREEMENT BETWEEN EDP RENOVÁVEIS PORTUGAL S.A., AND EDP GLOBAL SOLUTIONS - GESTÃO INTEGRADA DE SERVIÇOS S.A .

On January 1st , 2003, EDPR – Promoção e Operação S.A., and EDP Global Solutions - Gestão Integrada De Serviços S.A. (hereinafter EDP Global Solutions), an EDP Group Company, signed a management support service agreement.

The object of the agreement is the provision to EDPR – Promoção e Operação S.A. by EDP Global Solutions of services in the areas of procurement, economic and financial management, fleet management, property management and maintenance, insurance, occupational health and safety, and human resource management and training.

The remuneration accrued by EDP Global Solutions by EDPR Promoção e Operação S.A. and its subsidiaries for the services provided in 2021 totaled EUR 2,044,820. The initial duration of the agreement was five (5) years from date of signing on January 1st 2008, and tacitly renewable for equal periods of one (1) year. Either party may renounce the contract with one (1) year's notice.

INFORMATION TECHONOLOGY MANAGEMENT SERVICES AGREEMENT BETWEEN EDP RENOVÁVEIS S.A. AND EDP ENERGIAS DE PORTUGAL S.A.

There exists an IT management services agreement effective since January 1st, 2020, which supersedes the existing IT management services agreement from that date.

The object of the agreement is to provide to EDPR the information technology services described on the contract and its attachments by EDP.

The amount incurred for the services provided in 2021 totaled EUR 7,319,963.

The initial duration of the agreement is one (1) year from date of signing and it is tacitly renewed for a new period of one (1) year. Either party may renounce the contract with one (1) month notice.

CONSULTANCY AGREEMENT BETWEEN EDP RENOVÁVEIS BRASIL S.A., AND EDP ENERGIAS DO BRASIL S.A.

The object of the agreement is to provide to EDP Renováveis Brasil S.A. (hereinafter EDPR Brasil) the consultancy services described on the contract and its attachments by EDP – Energias do Brasil S.A. (hereinafter EDP Brasil).

Through this agreement, and upon request by EDPR Brasil, EDP Brasil shall provide consultancy services in the areas of legal services, internal control systems, financial reporting, taxation, sustainability, regulation and competition, risk management, human resources, information technology, brand and communication, energy planning, accounting and consolidation, corporate marketing, and organizational development.

The amount incurred by EDP Brasil for the services provided in 2021 totalled BRL 269,575.

The initial duration of the agreement is one (1) year from the date of signing and it is tacitly renewed for a new period of one (1) year.

91. description of the procedures applicable to the supervisory body for the assessment of the business deals.

The most significant contracts signed between EDPR and its Qualified Shareholders are analyzed by the Audit, Control and Related- Party Transactions Committee according to its competences, as mentioned on topic 89 of the Chapter 5 of this Annual Report.

II. Data on business deals

92. Details of the place where the financial statements including information on business dealings with related parties are available, in accordance with IAS 24, or alternatively a copy of said data.

The information on business dealings with related parties is available on Note 39 of the Financial Statements.

PART II – Corporate Governance Assessment

I. Details of the Corporate Governance code implemented

Following the protocol signed between the CMVM and the Portuguese Institute of Corporate Governance (IPCG) on October 13th, 2017, the CMVM revoked its Corporate Governance Code (2013), which was replaced by a single applicable code, the new Corporate Governance Code of the IPCG, which entered into force on January 1st, 2018, and that was reviewed in 2020.

For the purposes of the proper preparation of corporate governance reports for the year beginning in 2021, and to be reported in 2022, they should continue to be prepared in accordance with the structure of contents referred the annex to CMVM Regulation No. 4/2013 available at the CMVM website (www.cmvm.pt). The report template is divided into two parts:

- Part I - mandatory information on shareholder structure, organisation and governance of the company. This information shall be referred within points 1 to 92 of this Corporate Governance Report in accordance with the structure included in that Annex.
- Part II - Corporate governance assessment: should include a declaration in which they must: (i) identify the applicable code, (ii) state whether or not they adhere to each of the recommendations of this code and, (iii) with respect to recommendations that do not follow, explain reasonably why.

The agreement between CMVM and IPCG on the new Corporate Governance Code may be found on the Protocol signed on October 13th, 2017, which is available at the website of CMVM (http://www.cmvm.pt/). Likewise, the reviewed version Corporate Governance Code of the IPCG is published on the website of IPCG and of the Monitoring Committees (https://cam.cgov.pt/)

II. Analysis of Compliance with the Corporate Governance code implemented

The following table shows the recommendations set forth in the Corporate Governance Code of the IPCG and indicates EDPR's compliance with it and the place in this report in which they are described in more detail.

Also in order to comply with the best Corporate Governance recommendations, and according to the results of the reflection made by the Appointments and Remunerations Committee, the governance model that was adopted has been ensuring an effective performance and articulation of EDPR Governing Bodies and proved to be adequate to the Company's governance structure without any constraints to the performance of its checks and balances system adopted to justify the changes made in the governance practices of EDPR.

The explanation of the Corporate Governance Code of the IPCG recommendations that EDPR does not adopt or that the Company deems not applicable, reasoning and other relevant comments as well as reference to the part of the report where the description may be found, are in the table below.

In this context, EDPR states that it has adopted the Corporate Governance recommendations on the governance of listed companies provided in the Corporate Governance Code of the IPCG, with the exceptions indicated in the following table.

CORPORATE GOVERNANCE RECOMMENDATIONS - STATEMENT OF COMPLIANCE			
CHAPTER I - GENERAL PROVISIONS			
1.1. COMPANY'S RELATIONSHIP WITH INVESTORS AND DISCLOSURE			
I.1.1			
The Company should establish mechanisms to ensure the timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts, and to the markets in general.	ADOPTED		Section B - II, a) Topic 15 (Page 173); Section C) -III, Topic 55 (Pages 210-212) Section C-IV, Topic 56; and Section C-V, 59 – 65 (Pages 214 - 216)
1.2. DIVERSITY IN THE COMPOSITION AND FUNCTIONING OF THE COMPANY'S GOVERNING BODIES			
I.2.1			
Companies should establish standards and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity, which may contribute to a better performance of the governing body and to the balance of its composition.	ADOPTED		Section B-II, a) Topics 16 and 17 (Pages 174 - 176)
I.2.2			
The company's managing and supervisory boards, as well as their committees, should have internal regulations — namely regulating the performance of their duties, their Chairmanship, periodicity of meetings, their functioning and the duties of their members —, disclosed in full on the company's website. Minutes of the meetings of each of these bodies should be drawn out.	ADOPTED		Section B-II, a) Topic 15 (Page 173 and 174);

I.2.3			
The composition and the number of annual meetings of the managing and supervisory bodies, as well as of their committees, should be disclosed on the company's website	ADOPTED		Section B-II, a) Topic 15 (Page 173 and 174); Section C-V, Topics 59 – 65 (Page 216)
I.2.4			
A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and treatment of those irregularities, with the safeguarding of the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality is requested.	ADOPTED		Section C-II, Topic 49 (Pages 196 and 197)
1.3. RELATIONSHIPS BETWEEN THE COMPANY BODIES			
I.3.1			
The bylaws, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing and supervisory boards are provided with access to all the information and company's collaborators, in order to appraise the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the managing board, without impairing the access to any other documents or people that may be requested for information.	ADOPTED		Section B-II, a) Topic 15 (Page 173)
I.3.2			
Each of the company's boards and committees should ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary for the exercise of the competences, determined by law and the bylaws, of each of the remaining boards and committees.	ADOPTED		Section B-II, a) Topic 15 (Page 173); Section B-II, c) Topic 29 (Pages 184, 185 and 188)

1.4 CONFLICTS OF INTEREST			
I.4.1			
The members of the managing and supervisory boards and the internal committees are bounded, by internal regulation or equivalent, to inform the respective board or committee whenever there are facts that may constitute or give rise to a conflict between their interests and the company's interest.	ADOPTED		Section B-II, a) Topic 18 (Page 177)
I.4.2			
Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision- making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.	ADOPTED		Section B-II, a) Topic 18 (Page 177)
1.5. RELATED PARTY TRANSACTIONS			
I.5.1			
The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying transactions with related parties.	ADOPTED		Section E-I, Topic 89 (Pages 224 and 225)
I.5.2			
The managing body should report to the supervisory body the results of the internal procedure for verifying transactions with related parties, including the transactions under analysis, at least every six months.	NOT APPLICABLE	*This procedure is now regulated by law (art 249ºA, nº1 of the Código dos Valores Mobiliarios) and therefore the recommendation has been surpassed by the Portuguese Law in force.* *Should be noted that applicable law to EDPR to this extent is the Spanish Law. The procedure implemented by EDPR for the approval of Related Party Transactions is described in topic 89 of this Chapter 5 of the Annual Report*	Section E-I, Topic 89 (Pages 224 and 225)

CHAPTER II – SHAREHOLDERS AND GENERAL MEETINGS			
II.1			
The company should not set an excessively high number of shares to confer voting rights, and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote.	ADOPTED	*As per the split of multiple-recommendations, should be clarified that the part of this recommendation corresponding to II.1.(2) shall be considered as not applicable as each EDPR share corresponds to one vote*	Section B-I, b) Topics 12 and 13 (Page 171)
II.2			
The company should not adopt mechanisms that make decision making by its shareholders (resolutions) more difficult, specifically, by setting a quorum higher than that established by law.	ADOPTED	*Please note EDPR's personal law is the Spanish one, and as such, the majorities and quorums applicable for the Shareholders' Meeting resolutions are not the ones set under Portuguese Law, but those established under the Spanish one, with which is completely aligned.*	Section B-I, b) Topic 14 (Page 172)
II.3.			
The company should implement adequate means for the remote participation by shareholders in the general meeting, which should be proportionate to its size.	NOT ADOPTED	*EDPR has deeply analysed the needs and priorities of its shareholders worldwide, and therefore, since 2009, it is provided the possibility of fulfilling all the requirements necessary to validly exercise their right to vote by distance means (registry of intention to attend, submission of the certificate of titularity of shares, granting of representation proxies, and properly voting). The efficiency and interest of our shareholders in these initiatives has been clearly proved, as nearly almost all of the participation is exercised by these means.* *In the same way, EDPR has also reviewed the track record of participation in the Shareholders' Meeting the day of its celebration (when generally all the votes are submitted beforehand by distance voting), the shareholding structure of the Company (under which a 78% is qualified shareholding (EDP Energías de Portugal S.A with a 75% and Blackrock with a 3%) and therefore the free float is only of 22%), and its shareholders' profiles; concluding that the implementation of a streaming system to digitally participate will imply a material cost where the demonstrated preferences of almost all EDPR shareholders is to submit their votes by distance means.* *Notwithstanding the foregoing, EDPR has deeply analysed the market trends during this year, and also with the aim of improving the compliance commitment with Corporate Governance recommendations, has been considering the possibility of providing this option to its shareholders. Considering that under Spanish law it is required to specifically regulate under the Company's bylaws the option of celebrating telematic Shareholders' Meetings, as a first step, EDPR will propose the corresponding bylaws amendment proposal to the General Shareholders' meeting to be held in 2022, so that EDPR would be able to offer this option in the next meetings to be held thereinafter*	Section B-I, b) Topic 13 (Page 172)
II.4.			
The company should also implement adequate means for the exercise of remote voting, including by correspondence and electronic means.	ADOPTED		Section B-I, b) Topic 13 (Page 172)

II.5.			
The bylaws, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this rule will be subject to a shareholder resolution — without increased quorum in comparison to the legally established — and in that resolution, all votes cast will be counted without observation of the imposed limits.	NOT APPLICABLE		Section A-I, Topic 5 (Page 166); Section B-I, b) Topic 12 (Page 171)
II.6.			
The company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body.	ADOPTED		Section A-I, Topic 4 (Pages 165 and 166); Section D - IV, Topic 80 (Page 222); and Section D - V, Topics 83- 84 (Page 223)
CHAPTER III – NON-EXECUTIVE MANAGEMENT, MONITORING AND SUPERVISION			
III.I			
Without prejudice to the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1.	NOT APPLICABLE	*On April 12th, 2021 EDPR appointed an independent Chairperson, António Gomes Mota.* *Should be noted that during the period of 2021 elapsed until this appointment, EDPR had an interdependent coordinator (António Nogueira Leite, who was appointed for this position on February 2019)*	Section B-II, a) Topic 18 (Page 178).

III.2			
The number of non- executive members in the managing body, as well as the number of members of the supervisory body and the number of the members of the committee for financial matters should be suitable for the size of the company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed. The formation of such suitability judgment should be included in the corporate governance report.	ADOPTED	*As per the split of multiple-recommendations, should be clarified that the part of this recommendation corresponding to III.2.(3) is not applicable, as EDPR does not have a German Governance Model.*	Section B-II, a) Topic 18 (Pages 177 and 178)
III.3			
In any case, the number of non-executive directors should be higher than the number of executive directors.	ADOPTED		Section B-II, a) Topic 18 (Pages 177 and 178)
III.4			
Each company should include a number of non- executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to: i. having carried out functions in any of the company's bodies for more than twelve years, either on a consecutive or non-consecutive basis; ii. having been a prior staff member of the company or of a company which is considered to be in a controlling or group relationship with the company in the last three years; iii. having, in the last three years, provided services or established a significant business relationship with the company or a company which is considered to be in a controlling or group relationship, either directly	NOT APPLICABLE	*The independence criteria applicable to EDPR are those stablished under its personal law (Spanish law).*	Section B-II, a) Topic 18 (Pages 177 and 178)

or as a shareholder, director, manager or officer of the legal person; iv. having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship other than the remuneration resulting from the exercise of a director's duties; v. having lived in a non-marital partnership or having been the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons who are direct or indirect holders of qualifying holdings, or vi. having been a qualified holder or representative of a shareholder of qualifying holding.			
III.5			
The provisions of paragraph (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the termination of his/her functions in any of the company's bodies and the new appointment, a period of 3 years has elapsed (cooling-off period).	NOT APPLICABLE	*The independence criteria applicable to EDPR are those stablished under its personal law (Spanish law).*	Section B-II, a) Topic 18 (Pages 177 and 178)
III.6			
The supervisory body, in observance of the powers conferred to it by law, should assess and give its opinion on the strategic lines and the risk policy prior to its final approval by the management body.	NOT APPLICABLE	*As per the governance model of EDPR, its supervisory body is the Audit, Control and Related Party Transactions Committee – a Delegated Committee of the Board of Directors.* *Considering that under the personal law of EDPR (this is the Spanish one): i) the Delegated Committees shall be entirely composed by members of the Board of Directors, and ii) the approval of the strategic lines and policies of the Company is a reserved matter of the Board of Directors; implementing this prior analysis at the Audit, Control and Related Party Transactions Committee level (composed by Directors that will vote the related resolution at Board of Directors level) will not add material value to the process.*	Section A -II, Topic 9 (Page 169)

III.7			
Companies should have specialised committees, separately or cumulatively, on matters related to corporate governance, appointments, and performance assessment. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created and should this not be prohibited by law, this recommendation may be fulfilled by conferring competence on such committee in the aforementioned matters.	ADOPTED		Section B - II, a) Topic 15 (Pages 173 and 174) Section B-II, c), Topics 27 (Page 182) and 29 (Pages 182 - 190)
CHAPTER IV – EXECUTIVE MANAGEMENT			
IV.I			
The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors applicable to their performance of executive functions in entities outside of the group.	ADOPTED		Section B-II, b) Topic 26 (Page 182)
IV.2			
The managing body should ensure that the company acts consistently with its objects and does not delegate powers, namely, in what regards the definition of the strategy and main policies of the company; the organization and coordination of the business structure; matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics.	ADOPTED		Section A -II, Topic 9 (Pages 168 and 169)
IV.3			
In the annual report, the managing body explains in what terms the strategy and the main policies defined seek to ensure the long-term success of the company and which are the main contributions resulting therein for the community at large.	ADOPTED		Chapter 2.2. of the Management Report (Pages 47 and 42)

CHAPTER V – EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENT			
V.1 EVALUATION OF PERFORMANCE			
V.I.I			
The managing body should annually evaluate its performance as well as the performance of its committees and executive directors, taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees.	ADOPTED		Section A -II, Topic 9 (Page 168); Section B-II b), Topic 24 (Page 181); Section D – I Topic 66 (Page 217); Section D – III, Topic 71 (Page 219 - 220)
V.2 Remuneration			
V.2.I			
The company should create a remuneration committee, the composition of which should ensure its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Commercial Companies Code.	ADOPTED		Section B - II, c) Topic 27 (Page 182); Section B- II, c) Topic 29 (Page 186); Section D - I, Topic 66 (Page 216)
V.2.2			
The remuneration should be set by the remuneration committee or the general meeting, on a proposal from that committee.	ADOPTED		Section D – I, Topic 66 (Page 217); Section D – III, Topic 69 (Page 218)
V.2.3			
For each term of office, the remuneration committee or the general meeting, on a proposal from that committee, should also approve the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report.	ADOPTED		Section D – IV, Topic 80 (Page 222)

V.2.4			
In order to provide information or clarifications to shareholders, the chair or, in case of his/her impediment, another member of the remuneration committee should be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the company's boards and committees or, if such presence has been requested by the shareholders.	ADOPTED		Section B-I, a) Topic 11 (Page 170); Section B-II, a) Topic 29 (Page 187)
V.2.5			
Within the company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the company, of necessary or convenient consulting services to carry out the committee's duties.	ADOPTED		Section D – II Topic 67 (Page 217)
V.2.6			
The remuneration committee should ensure that those services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorization of the committee.	ADOPTED		Section D – II Topic 67 (Page 217)
V.2.7			
Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.	ADOPTED		Section D – III, Topics 70 -72 (Pages 219 - 220)

V.2.8			
A significant part of the variable component should be partially deferred in time, for a period of no less than three years, being necessarily connected to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation.	ADOPTED		Section D – III, Topic 72 (Page 220)
V.2.9			
When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.	NOT APPLICABLE		Section D – III, Topics 73 and 74 (Page 220)
V.2.10			
The remuneration of non- executive directors should not include components dependent on the performance of the company or on its value.	ADOPTED		Section D – III, Topic 69 (Page 218); Section D – IV, Topic 77 (Page 221)
V.3 Appointments			
V.3.I			
The company should, in terms that it considers suitable, but in a demonstrable form, promote that proposals for the appointment of the members of the company's governing bodies are accompanied by a justification in regard to the suitability of the profile, the skills and the curriculum vitae to the duties to be carried out.	ADOPTED		Section B-II, a) Topics 16, 17 (Pages 174 - 176)
V.3.2			
The overview and support to the appointment of members of senior management should be attributed to a nomination committee unless this is not justified by the company's size.	ADOPTED		Section B- II, c) Topic 29 (Page 187)
V.3.3			
This nomination committee includes a majority of non- executive, independent members.	ADOPTED		Section B- II, c) Topic 29 (Page 186)

V.3.4			
The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including gender diversity.	ADOPTED		Section B-II, a) Topics 16, 17 (Pages 174 -176);
CHAPTER VI – INTERNAL CONTROL			
VI.I			
The managing body should debate and approve the Company's strategic plan and risk policy, which should include the establishment of limits on risk-taking.	ADOPTED	.	Section A -II, Topic 9 (Pages 168 and 169); Section C) - III, Topic 52 (Page 200)
VI.2			
The supervisory board should be internally organised, implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are consistent with the company's objectives, as set by the managing body.	ADOPTED		Section B -III,b), Topic 35 (Page 191); Section C– II, Topic 52 (Page 200)
VI.3			
The internal control systems, comprising the functions of risk management, compliance, and internal audit should be structured in terms adequate to the size of the company and the complexity of the inherent risks of the company's activity. The supervisory body should evaluate them and, within its competence to supervise the effectiveness of this system, propose adjustments where they are deemed to be necessary.	ADOPTED		Section B- II, c) Topic 29 (Pages 183-186); Section B- III, Topic 30 (Page 191); Section B -III, b), Topic 35 (Page 192); Section C– III, Topics 50-55 (Pages 199 - 214)

VI.4			
The supervisory body should provide its view on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance and internal audit functions, and may propose the adjustments deemed to be necessary.	ADOPTED		Section B- II, c) Topic 29 (Pages 183-186); Section B – III, b) Topic 35 (Page 192)
VI.5			
The supervisory body should be the recipient of the reports prepared by the internal control services, including the risk management functions, compliance and internal audit, at least regarding matters related to the approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities.	ADOPTED		Section B- II, c) Topic 29 (Pages 183 – 186); Section B – III, b) Topic 35 (Page 192)
VI.6			
Based on its risk policy, the company should establish a risk management function, identifying (i) the main risks it is subject to in carrying out its activity; (ii) the probability of occurrence of those risks and their respective impact; (iii) the devices and measures to adopt towards their mitigation; and (iv) the monitoring procedures, aiming at their accompaniment.	ADOPTED		Section C) – III, Topics 52 – 55 (Pages 200 - 214); Chapter 2 of this Annual Report (Pages 36-56)
VI.7			
The company should establish procedures for the supervision, periodic evaluation, and adjustment of the internal control system, including an annual evaluation of the level of internal compliance and the performance of that system, as well as the perspectives for amendments of the risk structure previously defined.	ADOPTED		Section C) -III, Topics 52, 54, 55 (Pages 200, 209 -214)

CHAPTER VII – FINANCIAL INFORMATION			
VII.1 Finantial information			
VII.1.1			
The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the managing body, including suitable accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form.	ADOPTED		Section B- II, Topic 29 (Page 184 -footnote); Section B – III, b) Topic 35 (Page 192);
VII.2 Statutory Auditor, Accounts and Supervision			
VII.2.1			
By internal regulations, the supervisory body should define, according to the applicable legal regime, the monitoring procedures aimed at ensuring the independence of the statutory audit.	ADOPTED		Section B- II, c) Topic 29 (Pages 182 and 183), Section B – III, c) Topics 37 and 38 (Page 192); Section B – IV-V, Topics 45, 46 and 47 (Pages 194 and 195)
VII.2.2			
The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports, having the powers, namely, to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company.	ADOPTED		Sections B – II, c) Topic 29 (Pages 183 - 184); Section B – V, Topics 45, 46 (Pages 194 and 195)
VII.2.3			
The supervisory body should annually assess the services provided by the statutory auditor, their independence and their suitability in carrying out their functions, and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.	ADOPTED		Section B – II, c) Topic 29 (Pages 185 - 186); Section B – III a), Topic 30 (Page 191), Section B – III, c) Topics 37 and 38 (Page 193); Section B- IV- V, Topic 45 (Page 194)

Annex I

Curriculum vitae of the Board of Directors EDP Renováveis S.A.

António Mota

CURRENT POSITION

Chairman of the Board of Directors - EDP Renováveis, S.A.
Chairman of the Appointments, Remunerations and Corporate Governance Committee - EDP Renováveis, S.A.

PREVIOUS POSITIONS AND EXPERIENCE

- **Non-executive director and Chair of Nominations and Remuneration Committee** - CIMPOR
- **Non-executive director as member of the Supervisory Board and Chair of the Audit Committee** - EDP
- **Non-executive director as Chair of the Audit Committee and then as Chairman of the Board** – CTT
- **Dean** - ISCTE Business School
- He has been a consultant for large corporations in the areas of corporate restructuring and valuation, regulation, corporate governance and remuneration policies
- He is the author of several books in the areas of corporate finance, investments and risk management and a regular invited speaker at professional and industry conferences

- **PhD in management** – ISCTE, University Institute of Lisbon
- **MBA** - Nova School of Business and Economics
- **Bachelor's degree in management** – ISCTE, University Institute of Lisbon

CURRENT MAIN EXTERNAL APPOINTMENTS

- **Full Professor of finance** - ISCTE Business School
- **President** - Portuguese Institute of Corporate Governance
- **Chair of the Audit Committee** - MYSTICINVEST HOLDING
- **Chair of the Remuneration Committee** - PHAROL, SGPS

Miguel Stilwell d'Andrade

CURRENT POSITION

CEO – EDP - Energias de Portugal, S.A.
CEO and Vice-Chairman of the Board of Directors – EDP Renováveis, S.A.

PREVIOUS POSITIONS AND EXPERIENCE

- **Interim CEO** – EDP - Energias de Portugal, S.A.
- **CFO** – EDP - Energias de Portugal, S.A.
- **Member of the Executive Board of Directors** – EDP - Energias de Portugal, S.A.
- **CEO** – EDP Comercial, EDP Spain & other companies within the EDP Group
- **Member of the Executive Board** – E-Redes and other companies within the EDP Group
- **Non-executive member of Board of Directors** – EDP Inovação
- **Head of Strategy & Corporate Development/M&A** – EDP - Energias de Portugal, S.A.
- **Strategy & Corporate Development/M&A** – EDP - Energias de Portugal, S.A.
- **Mergers and Acquisitions** – UBS Investment Bank

- **MBA** – MIT Sloan School of Management
- **MEng with Distinction** – University of Strathclyde

CURRENT MAIN EXTERNAL APPOINTMENTS

- **Member of the General Board** – AEM - Association of Listed Companies

Rui Teixeira

CURRENT POSITION

CFO – EDP - Energias de Portugal, S.A. and EDP Renováveis, S.A.
CEO – EDP España, S.L.U.
Member of the Board of Directors – EDP – Energias do Brasil, S.A.

PREVIOUS POSITIONS AND EXPERIENCE

- **Interim CEO** – EDP Renováveis, S.A.
- **Member of the Executive Committee** – EDP Renováveis, S.A.
- **Member of the Board of Directors** – EDP Energias de Portugal, S.A.
- **CEO** – EDP - Gestão de Produção de Energia, S.A.
- **Director's assistant at the Commercial Naval department** – Gellweiler Sociedade Equipamentos Marítimos e Industriais, Lda
- **Project Manager and Ship Surveyor** – Det Norske Veritas
- **Associate consultant on Energy, Shipping, and Retail banking** – McKinsey & Company

- **Graduate** – Harvard Business School's Advanced Management Program, AMP184
- **MBA** – Nova University of Lisbon
- **Degree in Naval Architecture and Marine Engineering** – Instituto Superior Técnico de Lisboa

Vera Pinto

CURRENT POSITION

Member of the Executive Board of Directors – EDP - Energias de Portugal, S.A.
Member of the Board of Directors – EDP Renováveis, S.A.
CEO – EDP Comercial, S.A.
Chairman of the Board of Directors – EDP Foundation
Member of the Executive Board of Directors – EDP España, S.L.U.
Member of the Executive Board of Directors – EDP - Energias do Brasil, S.A.

PREVIOUS POSITIONS AND EXPERIENCE

- **Executive Vice-President and General Manager (Portugal and Spain)** – Fox Networks Group
- **Member of the Board** – Pulsa Media
- **Television Business Director** – MEO
- **Television Business Director** – TV Cabo - PT Multimedia
- **Founder** – Innovagency Consulting
- **Associate** – Mercer

- **Executive Education program** – Harvard Business School
- **MBA** – INSEAD
- **Degree in Economics** – NOVA University of Lisbon

CURRENT MAIN EXTERNAL APPOINTMENTS

- **Member of the Board** – Portuguese Institute of Corporate Governance
- **Member of the Board** – Fundação Alfredo de Sousa
- **Member of the Board** – Charge up Europe
- **President** – Portuguese-Chinese Chamber of Commerce and Industry

Ana Paula Marques

CURRENT POSITION

Member of the Executive Board of Directors – EDP - Energias de Portugal, S.A.
Member of the Board of Directors – EDP Renováveis, S.A.
CEO – EDP Gestão de Produção de Energia, S.A.
CEO – Labelec - Estudos, Desenvolvimentos e Actividades Laboratoriais, S.A
Member of the Executive Board of Directors – EDP - Energias do Brasil, S.A.
Member of the Executive Board of Directors – EDP España, S.L.U.

PREVIOUS POSITIONS AND EXPERIENCE

- **Executive Vice-President** – NOS, SGPS, S.A.
- **Executive Board Member** – NOS, SGPS, S.A.
- **Non-Executive Board Member** – SportTV
- **President** – APRITEL (Portuguese Association of Telecom Operators)
- **Executive Board Member** – Optimus
- **Marketing and Sales Director (Mobile Residential Business Unit) and Brand Director** – Optimus
- **SMEs Business Unit Director** – Optimus
- **Marketing** – Procter & Gamble

- **Executive Education Programs** – Harvard Business School, IMD, LBS
- **MBA** – INSEAD
- **Degree in Economics** – Faculdade de Economia do Porto

CURRENT MAIN EXTERNAL APPOINTMENTS

- **Member of the Board** – Eurelectric
- **President of the Board** – Elecpor
- **Guest Professor** – Porto Business School and Faculdade de Economia do Porto

Miguel Setas

CURRENT POSITION

Member of the Executive Board of Directors – EDP - Energias de Portugal, S.A.
Member of the Board of Directors – EDP Renováveis, S.A.
Risk and Sustainability Officer - EDP – Energias de Portugal, SA
Chairman of the Board of Directors - EDP – Energias do Brasil, S.A.
Chairman of the Board of Directors –
E-Redes España

PREVIOUS POSITIONS AND EXPERIENCE

- **CEO** – EDP - Energias do Brasil, S.A.
- **Chairman of the Board of Directors** – EDP - Gestão da Produção de Energia, S.A.
- **Board Member** – EDP Inovação, Portgás and Fundação EDP
- **Board Member** – EDP Comercial
- **Chief of Staff for the CEO** – EDP - Energias de Portugal, S.A.
- **Executive Board Member** – CP - Comboios de Portugal
- **Strategic Marketing Director** – Galp Energia
- **Executive Board Member** – Lisboagás
- **Corporate Director** - GDP – Gás de Portugal
- **Consultant** – McKinsey & Company

- **Executive Education** – Harvard, Wharton, IESE (Barcelona) and CEIBS (Shanghai)
- **MBA** – Nova University of Lisbon
- **Masters in Electrical and Computing Engineering** – Instituto Superior Técnico
- **Degree in Physics Engineering** – Instituto Superior Técnico

Manuel Menéndez

CURRENT POSITION

Member of the Board of Directors – EDP Renováveis, S.A.

PREVIOUS POSITIONS AND EXPERIENCE

- **Chairman** - Liberbank, S.A.
- **Chairman** - Cajastur
- **Chairman** - EDP España, S.A.U.
- **Chairman** - Naturgás Energía Grupo, S.A.
- **Member of the Board** - Confederación Española de Cajas de Ahorro (CECA)
- **Member of the Board** - AELÉC
- **Member of the Board of Directors** - EDP Renewables Europe, S.L.U.
- **University Professor in the Department of Business Administration and Accounting -** University of Oviedo

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- **PhD in Economic Sciences** - University of Oviedo
- **Degree in Economics and Business Administration** -University of Oviedo

CURRENT MAIN EXTERNAL APPOINTMENTS

- **CEO** - Liberbank, S.A.

Acácio Piloto

CURRENTPOSITION

Member of the Board of Directors - EDP Renováveis, S.A.
Chairman of the Audit, Control and Related-Party Transactions Committee - EDP Renováveis, S.A.

PREVIOUS POSITIONS AND EXPERIENCE

- **International Division** - Banco Pinto e Sotto Mayor
- **International and Treasury Division** - Banco Comercial Português
- **Head** - BCP International Corporate Banking
- **Member of the Executive Committee** - AF Investimentos SGPS
- **Chairman** - AF Investimentos SGPS group companies: AF Investimentos, Fundos Mobiliários; AF Investimentos, Fundos Imobiliários; BPA Gestão de Patrimónios; BCP Investimentos International; AF Investimentos International and Prime International
- **Member** - BCP Investment Committee
- **Executive Board Member** - BCP – Banco de Investimento, in charge of Investment Banking
- **Treasurer and Head of Capital Markets** - Millennium BCP Group
- **Millennium BCP Chair** - Group ALCO
- **CEO** - Millennium Gestão de Ativos SGFIM
- **Chairman** - Millennium SICAV
- **Chairman** - BII International
- **Member of the Board of Directors and Member of the Audit Committee** - INAPA IPG, S.A.
- **Member of the Supervisory Board and Chairman of the Risk Committee** - Caixa Económica Montepio Geral.
- **Member of the Nominations and Remunerations Committee** - EDP Renováveis, S.A.
- **Member of the Related-Party Transactions Committee** - EDP Renováveis, S.A.

- **Trainee** - International Division of Bayerische Hypoteken und Wechsel Bank
- **Professional education courses** mostly in banking, financial and asset management - International Banking School, the Asset and Liability Management Seminar (Merrill Lynch International) and the INSEAD Executive Program (Fontainebleau)
- **Executive Program on Corporate Governance and Leadership of Boards** - Nova SBE
- **Post- Graduate degree in European Community Competition Law** - Max Planck Institut
- **Post-Graduation in Economic Law** - Ludwig Maximilian University (Scholar Hanns Seidel Foundation, Munich)
- **Degree in law** - Lisbon University

CURRENT MAIN EXTERNAL APPOINTMENTS

- **Member of the General Board** - Instituto Português de Corporate Governance (representing EDP Renováveis, S.A.)

Allan Katz

CURRENT POSITION

Member of the Board of Directors - EDP Renováveis, S.A.

PREVIOUS POSITIONS AND EXPERIENCE

- **National Director of the Public Policy practice group** -firm of Akerman Senterfitt
- **Assistant Insurance Commissioner and Assistant State Treasurer** - State of Florida
- **Legislative Counsel** - Congressman Bill Gunter and David Obey
- **General Counsel** - Commission on Administrative Review of the US House of Representatives
- **Member of the Board** - Florida Municipal Energy Association
- **President** - Brogan Museum of Art & Science in Tallahassee, Florida
- **Board member** - Junior Museum of Natural History in Tallahassee, Florida City of Tallahassee Commissioner
- **First Chair** - State Neurological Injury Compensation Association
- **Member** - State Taxation and Budget Commission
- **City of Tallahassee Commissioner**
- **Ambassador of the United States of America to the Republic of Portugal**
- **Distinguished Professor** - University of Missouri Kansas City
- **Board Member** - International Relation Council of Kansas City

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- **JD** - Washington College of Law at American University in Washington DC (1974)
- **Degree** - UMKC (1969)

CURRENT MAIN EXTERNAL APPOINTMENTS

- **Founder** - the American Public Square
- **Executive Committee Chair of the Academic and Corporate Board** - ISCTE Business School in Lisbon Portugal
- **Board Member** - WW1 Commission Diplomatic Advisory Board
- **Creator** - Katz, Jacobs and Associates LLC (KJA)
- **Frequent speaker and moderator** on developments in Europe and on American Politics

Joan Avalyn Dempsey

CURRENT POSITION

Member of the Board of Directors - EDP Renováveis S.A.

PREVIOUS POSITIONS AND EXPERIENCE

- She spent 25 years in the US Government as an active duty **US Navy cryptologist US Navy Reserve intelligence officer**, a civilian employee of the Office of Naval Intelligence, the Defense Intelligence Agency, the Office of the Secretary of Defense and the Central Intelligence Agency
- **Deputy Director** - Central Intelligence for Community Management
- **Executive Director** - President's Foreign Intelligence Advisory Board in the White House
- **Senior partner and Executive Vice President** - Booz Allen Hamilton with P&L responsibility in the firm's homeland security business (2005)

CURRENT MAIN EXTERNAL APPOINTMENTS

- Since 2017, Dempsey has focused on helping small and midsize companies achieve quality growth in the federal and commercial markets, particularly, in the technology sector
- She serves on five corporate boards, two proxy boards, and two commercial advisory boards
- She serves on two government senior advisory boards

Rosa García

CURRENT POSITION

Member of the Board of Directors - EDP Renováveis, S.A.
Member of the Audit, Control, and Related Party Transactions Committee - EDP Renováveis, S.A.
Member of the Appointments, Remunerations and Corporate Governance Committee - EDP Renováveis, S.A.

PREVIOUS POSITIONS AND EXPERIENCE

- She has more than thirty years of international experience in the fields of Information Technology, Energy, Infrastructure, and Manufacturing. The majority of her career was spent at Microsoft and at Siemens
- **Director of Corporate Strategy -** Microsoft working at the company's headquarters in Redmond United States (1996-1999)
- **General Manager** - Microsoft Worldwide Partner Group. She directed Microsoft's worldwide strategy for more than 640,000 independently owned-and-operated partner companies (1999-2002)
- **Executive Chair** - Microsoft in Spain (2002-2008)
- **Consumer & Online Vice-President** - Microsoft Western Europe (2008- 2011)
- **Executive Chair** - Siemens in Spain (2011-2018)
- **Non-Executive Chair** - Siemens Gamesa immediately after the merger of Siemens Wind Power and Gamesa (2017-2018)
- She has more than ten years of experience as a **Non-Executive Director** of the Board for several IBEX companies including Banesto, Bolsas y Mercados Españoles, Acerinox and Bankinter. In every company, she has been either a member of the audit and control committee or of the nominations and remuneration committee
- **Non-Profit work**: Member of the Board at the Asociación para el Progreso de la Direccion (2002-2019). President of the German Chamber of Commerce in Spain (2016-2018). Member of the Advisory Board for the Universidad Europea de Madrid and Vice-president of Consejo Social de la Universidad Carlos III de Madrid (2008-2018)
- **Awarded** by AED (the most prestigious Spanish CEO association) as “Spanish CEO of the Year”
- **Awarded** by the President of Germany the Cross of Merit, one of the highest civilian honor that can be granted in the country

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- **Bachelor's degree in Mathematics** - Universidad Autónoma de Madrid

CURRENT MAIN EXTERNAL APPOINTMENTS

- **Member of the Board** - Mapfre and Sener and Non-Executive Chair of Exolum

José Morgado

CURRENT POSITION

Member of the Board of Directors of EDP Renováveis S.A:
Member of the Audit, Control, and Related Party Transactions Committee of EDP Renováveis S.A:
Member of the Appointments, Remunerations and Corporate Governance Committee of EDP Renováveis, S.A:

PREVIOUS POSITIONS AND EXPERIENCE

- **Employed** in the investment banking arm of Midland Bank and HSBC (1984)
- Joined BCP Investimento in Lisbon as an **investment banker** and within Banco Comercial Português (1997-1999) was in charge of the medium and long-term business of centre and south regions in Portugal
- **Member of the Board and Chief Financial Officer** - Seguros e Pensões SGPS, and member of the board of the insurance companies of the group in Portugal and Mozambique as well as Chairman of the Board of the Spanish subsidiary (2000-2005)
- **Vice President and Chief Financial Officer** - ONI SGPS, a telecoms operator in Portugal and Spain (2005-2007)
- **CEO**- INAPA IPG SGPS (2007-2015)
- **Chairman** - EUGROPA, European Paper Merchant Association in Brussels (2012-2015)
- **Board Member** - REN-Redes Energéticas Nacionais SGPS and **Chairman of the Board** - OZ Energia SA (2011-2015)
- **CEO**- Banco Montepio
- **Member of the Board** - Associação Portuguesa de Bancos

- **Postgradute degree in Corporate Governance** - Universidade de Lisboa – Law Department and the International Directors Programme – IDP Certification Corporate Governance at INSEAD in Fontainebleau
- **Degree in Business and Management** - Universidade Católica

CURRENT MAIN EXTERNAL APPOINTMENTS

- **Chairman of the Board** - VERLINGUE- Corretores de Seguros since 2018
- **Member of the Board** - NORFIN – SGOIC since 2021
- **Corporate Governance adviser** of family-owned groups

María González Rodríguez

CURRENT POSITION

Secretary of the Board of Directors - EDP Renováveis, S.A.

PREVIOUS POSITIONS AND EXPERIENCE

- Between 1997 and 2000 she worked as **Corporate Lawyer** at the Madrid office of Squire, Sanders & Dempsey LLP (American law firm)
- Between 2000 and 2008 she worked as **Senior Lawyer** at Duro Felguera, S.A. (Spanish EPC contractor, listed at the Spanish Stock Exchange) being responsible for its international legal area
- Joined EDPR in 2008 and has since then worked at the General Secretary area, serving from 2019 as **Vice-Secretary of the Board of Directors and Board Committees**
- **Member and/or Secretary** of several Boards of Directors of EDPR's subsidiaries
- **Executive Director** - EDPR Legal Department, in charge of the Legal Business Development area which manages Procurement, Finance and Energy Management legal activities of EDPR in all its geographies

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- **Bachelor of Laws (LL.B.) and Bachelor Degree in Economics** - Universidad Pontificia de Comillas (ICADE)
- **Executive Program** - IE Business School
- **International Directors Program** - INSEAD

edp renewables

ANNEX II

Report from Management concerning responsibility for the System of Internal Control over Financial Reporting

The board of directors and management are responsible for establishing and maintaining an adequate System of Internal Control over Financial Reporting (SCIRF).

The SCIRF of EDP Renováveis Group is a set of processes designed to provide reasonable assurance as to the reliability of the financial information and the preparation of the consolidated annual accounts for external purposes, in accordance with the applicable financial information reporting framework.

Due to the limitations inherent to all internal control systems, it is possible that the system of internal control over financial reporting does not prevent or detect all errors that could occur and may only provide reasonable assurance with respect to the presentation and preparation of the consolidated annual accounts. Furthermore, extrapolating the effectiveness assessment to future years entails a risk that controls may cease to be adequate due to changing conditions or erosion in the level of compliance with policies and procedures.

Management has assessed the effectiveness of the SCIRF at 31st December 2021 based on the criteria established in the Internal Control – Integrated Framework issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

As a result of this assessment, and based on the aforementioned criteria, management concludes that at 31st December 2021 EDP Renováveis Group had an effective system of internal control over financial reporting.

The SCIRF of EDP Renováveis Group at 31st December 2021 has been audited by the independent auditors PricewaterhouseCoopers Auditores, S.L., as indicated in their report included in the Annual Corporate Governance Report.

Chief Executive Officer

Miguel Stilwell de Andrade

Chief Financial Officer

Rui Manuel Rodrigues Lopes Teixeira

15 February 2022

Independent reasonable assurance report on the design and effectiveness of the Internal Control System over Financial Reporting (ICSFR)

To the Board of Directors of EDP Renováveis, S.A.:

We have carried out a reasonable assurance engagement of the design and effectiveness of the Internal Control System over Financial Reporting (hereinafter, ICSFR) and the description of it that is included in the attached Report that forms part of the corresponding section of the Corporate Governance Report of the Directors Report, prepared according to the applicable portuguese regulation, accompanying the consolidated annual accounts of EDP Renováveis, S.A., and its subsidiaries (hereinafter, the EDPR Group) as at December 31, 2021. This system is based on the criteria and policies defined by the EDPR Group in accordance with the guidelines established by the *Committee of Sponsoring Organizations of the Treadway Commission* (COSO) in its *"Internal Control-Integrated Framework"* report.

An Internal Control System over Financial Reporting is a process designed to provide reasonable assurance over the reliability of financial information in accordance with the applicable financial reporting framework and includes those policies and procedures that: (i) enable the records reflecting the transactions performed to be kept accurately and with a reasonable level of detail; (ii) provide reasonable assurance as to the proper recognition of transactions to make it possible to prepare the financial information in accordance with the accounting principles and standards applicable to it and that they are made only in accordance with established authorizations; and (iii) provide reasonable assurance in relation to the prevention or timely detection of unauthorised acquisitions, use or sales of the Group's assets that could have material effect on the financial information.

Inherent limitations

In this regard, it should be borne in mind that, given the inherent limitations of any Internal Control System over Financial Reporting, regardless of the quality of the design and operation of the system, it can only allow reasonable, but not absolute security, in relation to the objectives it pursues, which may lead to errors, irregularities or fraud that may not be detected. On the other hand, the projection to future periods of the evaluation of internal control is subject to risks such that said internal control being inadequate as a result of future changes in the applicable conditions, or that in the future the level of compliance of the established policies or procedures may be reduced.

Director's responsibility

The Directors of EDP Renováveis, S.A., are responsible for taking the necessary measures to reasonably ensure the implementation, maintenance and supervision of an appropriate Internal Control System over Financial Reporting, as well as the evaluation of its effectiveness, the development of improvements to that system and the preparation and establishment of the content of the information relating to the ICSFR attached.

Our responsability

Our responsibility is to issue a reasonable assurance report on the design and effectiveness of the EDPR Group Internal Control System over Financial Reporting, based on the work we have performed and on the evidence we have obtained. We have performed our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (ISAE 3000) (Revised), "Assurance Engagements other than Auditing or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

A reasonable assurance engagement includes the understanding of the Internal Control System over Financial Reporting, assessing the risk of material weaknesses in the internal control, that the controls are not properly designed or they do not operate effectively, the execution of tests and evaluations on the design and effective implementation of this ICSFR, based on our professional judgment, and the performance of such other procedures as may be deemed necessary.

We believe that the evidence we have obtained provides a sufficient and adequate basis for our opinion.

Our Independence and Quality Control

We have complied with the independence requirements and other ethical requirements of the International Accounting Professionals Code of Ethics (including the International Independence Standards) issued by the International Ethics Standards Board for Accountants (Code of IESBA, for its acronym in English), which is based on the fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our firm applies the “International Standard on Quality Control 1 (ISQC 1)” and maintains a qualitative global control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory provisions.

Opinion

In our opinion, the EDPR Group maintained, as at December 31, 2021, in all material respects, an effective Internal Control System over Financial Reporting for the period ended at December 31, 2021, which is based on the criteria and the policies defined by the EDP Renováveis Group’s management in accordance with the guidelines established by the *Committee of Sponsoring Organizations of the Treadway Commission* (COSO) in its *"Internal Control-Integrated Framework*" report.

In addition, the attached description included in the Corporate Governance Report within the Directors Report of the ICSFR Report as at December 31, 2021 has been prepared, in all material respects, in accordance with the requirements established by the Code of Recommendations of the IPCG and the Appendix I to CMVM Regulation nº 4/2013 for the purposes of the description of the ICSFR in the Reports of Corporate Governance.

This work does not constitute an audit nor is it subject to the regulations governing the audit activity in force in Spain, so we do not express any audit opinion in the terms provided in the aforementioned regulations.

PricewaterhouseCoopers Auditores, S.L.

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2022-02-16 09:29:04 (UTC +01:00)

Iñaki Goiriena Basualdu

16 February 2022

edp renováveis CHANGING TOMORROW NOW

HUMAN

Diverse and inclusive,
for generations to come.

06 — REMUNERATION REPORT

Remuneration Report

In compliance with both the Portuguese Securities Code, and the Spanish Companies Act, EDP Renováveis S.A. ("EDPR" or "Company") issues this Remuneration Report with the aim to provide a comprehensive view of the remuneration received by the members of its Governing Bodies, including all benefits, regardless of their form, attributed or due during the 2021 financial year.

The Remuneration Policy of EDPR is defined by its Appointments, Remunerations and Corporate Governance Committee, and presented to its Board of Director for its final approval at the Shareholders' Meeting level. As a result, at the General Meeting held on April 12^{th}, 2021, the proposal submitted for the Remuneration Policy applicable in 2021 was approved by EDPR Shareholders'' Meeting.

Approval procedure of the Remunerations Policy of the Board of Directors

The definition of the proposal of the remuneration policy for the members of the Board of Directors of EDPR is incumbent on the Appointments, Remunerations and Corporate Governance Committee which is a delegated body of the Board of Directors, that in order to avoid any conflict of interest, is entirely composed by non- executive and independent members. Under such competences this Committee takes the responsibility for proposing to the Board of Directors the determination of the remuneration of the Executive Directors of the Company; the Remuneration Policy, the evaluation and compliance of the KPI's (Key Performance Indicators); the annual and multi annual variable remuneration, and also proposes the remuneration of the Non-Executive Directors and members of the Board Committees.

As such, this Committee prepares a proposal that defines the remuneration to be attributed to Directors, with the purpose that it reflects the performance of each of them, establishing for the Executive Directors a variable component which is consistent with the maximization of the Company's long term performance (variable annual and multi-annual remuneration for a three-year period), for the achievement of the most challenging objectives of the business plan, thereby guaranteeing the alignment of the performance of the governing bodies with the interests of the shareholders.

The Board of Directors is responsible for the approval of the above-mentioned proposals except to the extent it concerns the Remuneration Policy which approved by the General Shareholders' Meeting as an independent item of the agenda.

As a Company integrated in a multinational business group, EDPR aims to maintain a solid culture that ensures the management, monitoring, control and supervision of the risks that the Group, its shareholders, employees, customers and, in general, all its stakeholders face, including those arising from the remuneration systems it adopts. EDPR adopts the transversal remuneration practices applied in EDP group, consistent and based on common principles that comply with the regulations applicable in the jurisdictions where it operates.

As such, the remuneration systems applied, including those applicable to the Executive Directors, are defined to promote a culture of merit and high performance that ensures that people and teams are recognized, encouraged and awarded on the basis of responsibility, availability, loyalty and competence placed at Group's service, ensuring action aligned with the long-term interests of shareholders and promoting sustainable actions

The proposal for remuneration policy of the members of the Executive Directors also aimed at simplify, and provide transparency and clarity, favoring a complete understanding of the framework of principles and rules that constitute it, and which will be applied and evaluated by the Appointments, Remunerations and Corporate Governance Committee.

Definition, revision and renewal of the Policy

The definition of the Remuneration Policy of EDPR is submitted for approval by the General Meeting, on a proposal from the Board of Directors, based on the proposal presented by the Appointments, Remunerations and Corporate Governance Committee. Likewise, as in line with EDP Group corporate governance practices, EDPR has signed an Executive Management Services Agreement with EDP under which the Company bears the cost for such services to some of the members of the Board of Directors (Executive and Non-Executive) to the extent their services are devoted to EDPR, the Audit, Control and Related Party Transactions Committee (which is also entirely composed by non-executive and independent members) is involved in any revision and/or amendment of this agreement.

The definition and possible proposals for revision of the Remuneration Policy by the Appointments, Remunerations and Corporate Governance Committee are based on the articulation of EDPR long-term objectives, measured according to its strategic plan at all times, in the conclusions of comparative remuneration studies with national listed companies and with foreign sectoral peers and on an articulation of principles with the remuneration plan of other employees of the Group.

The Appointments, Remunerations and Corporate Governance Committee may hire the external consultants and support necessary for the performance of comparative remuneration studies and corporate governance best practices within the framework of directors' remuneration policies, assessing their conditions of independence for the provision of the services that may be requested.

Regulatory Framework and principles of the Remuneration Policy applied in 2021

EDPR is a Spanish Company listed in a regulated stock exchange in Portugal. The corporate organization of EDPR is subject to its personal law and to the extent possible, to the recommendations contained in the Corporate Governance Code of the Instituto Português de Corporate Governance ("IPCG"). As such, the Company intends to comply with both legal systems but always taking into account that its personal law is the Spanish one, and that in case of discrepancy, the aim is to adopt the law that entails more protectionism for its shareholders.

As in 2021 the amendment of the Spanish Companies Act that transposes the Directive No 2017/828 of the European Parliament was still not approved, EDPR applied a Remuneration Policy that was issued in line with the applicable Portuguese law (that at that moment already had amended its Securities Code to transpose the such directive). As such, the Remuneration Policy applied in 2021 (duly approved by its Shareholders' Meeting) complies comply with Article 26 - C of the Securities Code (as amended by Law No. 50/2020 of 5 August), the IPCG Corporate Governance Code adopted by EDPR and international good practices, being aligned and consistent with the remuneration policy and remuneration practices applied to all employees of the Group.

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

A. Remuneration structure and disclosure

Pursuant to Article 26 of the Company's Articles of Association the Directors shall be entitled to a remuneration which consists of a fixed amount to be determined annually by the General Shareholders' Meeting for the whole Board of Direc-tors. This article also establishes the possibility of the Directors of receiving attendance fees or being remunerated with Company shares, share options, or other securities granting the right to obtain shares or by means of share-indexed remuneration systems. In any case, the system chosen must be approved by the General Shareholders' Meeting and comply with current legal provisions.

The remuneration policy applicable for 2021 defines a structure with a fixed remuneration for all members of the Board of Directors, whereas for the members of the Executive Directors defines a fixed and a variable remuneration, with an annual component, and a multi-annual component.

The Non-Executive Directors only receive a fixed remuneration, which is calculated on the basis of their work exclusively as Directors or, if such is the case, considering their membership/chairmanship of the Appointments, Remunerations and Corporate Governance Committee, and to the Audit, Control and Related Party Transactions Committee. Except in the case of the Chairperson of the Board of Directors, the directors that are also members/chairperson of the Delegated Committees receive for these functions a complement to their fixed remuneration as members of the Board.

As already indicated, EDPR has signed an Executive Management Services Agreement with EDP, under which the Company bears the cost for such services to some of the members of the Board of Directors to the extent their services are devoted to EDPR. In 2021 these Directors were Miguel Stilwell d'Andrade and Rui Teixeira (Executive Directors), and Vera Pinto, Ana Paula Marques and Miguel Setas. Likewise Antonio Mexía and Joao Manso Neto services were considered under the scope of the Management Services Agreement but no amounts were paid to them for their positions held in EDPR in 2021.

The total amount of the remunerations that the Company will pay to its Directors shall not exceed the amount determined by the General Shareholders' Meeting. The maximum remuneration approved by the General Shareholders' Meeting for all the members of the Board of Directors for fixed remuneration is EUR 2,500,000 per year and the maximum annual amount approved by the General Shareholders' Meeting for the variable remuneration for all the executive members of the Board of Directors is EUR 1,000,000 per year.

i) Remuneration of EDPR Directors for their functions as Members of the Board

This section includes the information regarding the remuneration received by EDPR Board members in 2021 provided that:

- Given the public notice of the lack of availability of António Mexia and João Manso Neto to be members of EDP, they were dismissed by the Ordinary Shareholders' Meeting Held on April 12th 2021 from their positions as Board Members, and no amounts were paid to them for their positions held in EDPR in 2021.

- Duarte Bello and Spyridon Martinis presented the resignation to their positions as Board Members with effects January 19th, 2021; Miguel Angel Prado presented the resignation to his position as Board Members with effects January 22nd, 2021; and António Nogueira Leite, Conceição Lucas, Francisco Seixas da Costa and Alejandro Fernández de Araoz presented the resignation to their positions as members of the Board of Directors with effects April 12th,2021, thus the amounts shown in the tables for them reflect the remuneration received for the functions performed until such date.

- Miguel Stilwell d' Andrade, Ana Paula Marques and Joan Avalyn Dempsey were appointed by co-option on January 19th, 2021, and António Gomes Mota, Miguel Nuno Simões Nunes Ferreira Setas, Rosa García García, and José Manuel Félix Morgado were appointed by the Shareholders' meeting held on April 12th, 2021, thus the amounts shown in the tables for them reflect the remuneration received for the functions performed since such dates.

Fixed component – base remuneration

Conditions

The fixed remuneration of the members of the Board of Directors is aligned with the basic remuneration practiced by a number of companies comparable to EDPR, the national market and the international electricity sector, in terms of size, market capitalization, risk profile, relevance and geographical implementation, while also considering, at all times, the complexity of the functions performed, the remuneration conditions of its employees and the non-increase of the average market pay gap between workers and administrators.

The Non-Executive Directors only receive a fixed remuneration, which is calculated on the basis of their work as Directors and if such is the case, a complement as Member or Chairperson of the Appointments, Remunerations and Corporate Governance Committee and/or to the Audit, Control and Related Party Transactions Committee. Such amounts are cumulative, except for the Chairman of the Board of Directors who does not receive any complement derived from his role at any Committee.

Figures 2021

Below the list of EDPR Directors as of December 31st 2021, and the amounts paid by EDPR either (i) as remuneration to them or (ii) as fee to EDP under the Management Services Agreement for their services (not remuneration), marked in green, for their functions performed at the Board of Directors level:

DIRECTOR	REMUNERATION	FEES MANAGEMENT SERVICES AGREEMENT EDP-EDPR
EXECUTIVE DIRECTORS		
Miguel Stilwell d'Andrade	-	384,000€*
Rui Teixeira	-	290,000*€
NON-EXECUTIVE DIRECTORS		
António Gomes Mota	172,500€	-
Vera Pinto	-	45,000€*
Ana Paula Marques	-	45,000€*
Miguel Setas	-	33,750€*
Manuel Menéndez Menéndez	60,000€	-
Acácio Jaime Liberado Mota Piloto**	60,000€	-
Allan J.Katz	60,000€	-
Joan Avalyn Dempsey	56,250€	-
Rosa García**	48,750€	-
José Félix Morgado**	48,750€	-
Sub- Total	**506,250€**	**797,750€***
Total	**1,304,000€**	

**These amounts correspond to the service fee paid by EDPR to EDP under the Management Services Agreement for the services rendered in 2021 by such director. In addition, EDPR pays to EDP a 5% of such service fee which is applied to the retirement savings plan of these Directors .*

***These Directors also received remuneration for their Chairmanship/membership in the Delegated Committees.*

The amounts paid by EDPR for the Directors that presented their resignation during 2021 for their functions as Members of the Board were as follows:

DIRECTOR	TOTAL FIXED (€)
EXECUTIVE DIRECTORS	
João Manso Neto	0
Duarte Bello*	5,150€
Spyridon Martinis*	5,150€
Miguel Ángel Prado*	0
NON-EXECUTIVE DIRECTORS	
Antonio Mexia	0
António Nogueira Leite**	22,500€
Francisco Seixas da Costa**	22.500€
Conceição Lucas**	22.500€
Alejandro Fernández de Araoz Gómez-Acebo	22.500€
TOTAL	**100,300€**

**Duarte Bello, Spyridon Martinis and Miguel Angel Prado for the relevant period of 2021 corresponding to each of them, received their remuneration as Directors as described on the table above and as Executive Directors and detailed in Section D.*

***These Directors also received remuneration for their Chairmanship/membership in the Delegated Committees.*

The total amount paid by EDPR in 2021 either (i) as remuneration and (ii) as fee to EDP under the Management Services Agreement, for the services performed by its Directors as members of its Board was of 1.404.300€, which is below the maximum amount agreed by the Shareholders' Meeting (2,500,000€).

Variable remuneration

Conditions

The annual variable remuneration has the nature of incentive/performance premium linked to financial and non-financial objectives (linked to the Business Plan and budget) of short-term, evaluated annually, reflecting in the year under analysis and possible repercussion in the following years, being paid in cash. The amount of the annual performance premium shall be determined within three months of the approval of EDPR's accounts at the ordinary General Meeting in each year, by reference to the previous year/annual performance period.

Variable annual and variable multi-annual remuneration apply to the Executive Directors. The variable and multiannual remuneration may range from 0 to 102% over the annual fixed remuneration.

- If performance reaches less than 90% of the targets set, there is no place for the allocation of an annual variable component;
- If the performance recorded is between 90% and 95% of the targets set, an amount corresponding to a 10% of the fixed reference remuneration shall be due;
- If the performance recorded is between 95% and 100% of the targets set, an amount corresponding to a 30% of the fixed reference remuneration shall be due;
- If the performance recorded is between 100% and 105% of the targets set, an amount corresponding to a 50% of the fixed reference remuneration shall be due;
- If the performance recorded is between 105% and 110% of the targets set, an amount corresponding to a 70% of the fixed reference remuneration shall be due;
- If the recorded performance reaches more than 110% of the targets set, an amount corresponding to a 85% of the fixed reference remuneration shall be due.

According to the Remuneration Policy in place, the maximum variable remuneration (annual and multi-annual) is applicable if all the above mentioned KPI's were achieved and the performance evaluation is equal or above 110%.

The key performance indicators (KPIs) used to determine the amounts of the annual and multi -annual variable remuneration for each year of the term are proposed by the Appointments, Remunerations and Corporate Governance Committee with the aim of aligning them with the strategic grounds of the Company: growth, risk control and efficiency. For the year 2021 the KPIs were:

	WEIGHT		KEY PERFORMANCE INDICATOR	CEO / CFO WEIGHT	CEO / CFO EDPR RESULTS
Total Shareholder re-turn	15%	100%	TSR vs. Wind peers & Psi 20	100%	100%
Shareholders	80%	60%	Operating Cash Flow (€ million)	10%	100%
			AR/Sell-down + TaxEquity (€ million)	10%	100%
			EBITDA+ sell downgains (€ million)	10%	100%
			Net Profit (€ million)	10%	100%
			Core Opex Adjusted (€ thousand/MW)	10%	100%
			Projects with FID (% of total '19-'22 additions in BP)	10%	100%
Clients		10%	Renewable Capacity Built (in MW)	10%	100%
Assets & Operations		10%	Technical Energy Availability (%)	5%	100%
			Capex per MW (€ thousand)	5%	100%
Environment & Commnunities		5%	Certified MW %	5%	100%
Innovation & partners		5%	H&S frequency rate (employees + contractors)	5%	100%
People Management		10%	People Management	10%	100%
Remuneration Committee	5%	100%	Appreciation Remuneration Committee	100%	100%

In line with corporate governance practices, the Remuneration Policy incorporates the deferral for a period of three years of the multi-annual variable remuneration, being the relevant payment conditioned to the lack of any willful illicit action, known after the appraisal and which endangers the sustainable performance of the company.

Figures 2021

The variable remuneration only applies to Executive Directors, that as of December 31st 2021 are Miguel Stilwell d'Andrade and Rui Teixeira. As these Directors were appointment in 2021 no variable remuneration was still paid to them for their functions performed at EDPR.

Notwithstanding the above, the Executive Board Members that resigned during 2021, received the amounts related to varible remuneration that are referred in Section D, for their services provided in previous years, that were due before their resignation.

Non-Monetary Benefits

No non-monetary benefits are paid by EDPR to its Board Members, except for a company car for the Chairman of the Board of Directors, that in 2021 corresponded to an amount of €93 488,74 and the retirement savings plan for Executive Directors referred in the following section.

Retirement Savings Plan

The retirement savings plan applicable to 2021, which is included within the Remuneration Policy applicable for 2021 was defined and proposed by the Appointments, Remunerations and Corporate Governance Committee to the Board of Directors for its submission to the General Shareholder's Meeting, which approved it on its meeting held on April 12th, 2021. For the Executive Directors of EDPR (Miguel Stilwell d' Andrade and Rui Teixeira) it was stablished in a 5% of the fixed fee under the Management Services Agreement. For the year 2021, EDPR paid a fee to EDP under the Management Services agreement of 19,200€ corresponding to the retirement saving plan of Miguel Stilwell d' Andrade, and of 14,500€ corresponding to the retirement saving plan Rui Teixeira.

ii) Remuneration of EDPR Directors for their functions as Members of the Delegated Committees

Conditions

In line with Spanish Law and as specifically foreseen in Article 10 of the Company's Articles of Association, the Board of Directors of EDPR is entitled to create delegated bodies. The Board of Directors of EDPR has set up two committees that are composed exclusively by non-executive and independent members:

- Audit, Control and Related-Party Transactions Committee
- Appointments, Remunerations and Corporate Governance Committee

Except in the case of the Chairperson of the Board of Directors, the directors that are also members/chairperson of the Delegated Committees receive for these functions a complement to their fixed remuneration as members of the Board.

Figures 2021 – Audit, Control and Related Party Transactions Committee

Below the list of members of the Audit, Control and Related Party Transactions Committee as of December 31st 2021, and the amounts paid by EDPR as remuneration to them for the functions performed at this body.

The figures below reflect the period of 2021 in which each relevant Director was member of the Committee, provided that Rosa García García, and José Manuel Félix Morgado were appointed on April 12th, 2021.

COMMITEE MEMBER	POSITION	REMUNERATION
Acacio Piloto	Chairman	50,000€
Rosa García García	Vocal	18,750€
José Félix Morgado	Vocal	18,750€

Regarding the members of the Audit, Control and Related Party Transactions Committee that resigned during 2021: Antonio Nogueira Leite received 7,500€ and Francisco Seixas received 7,083€.

Figures 2021 – Appointments, Remunerations and Corporate Governance Committee

Below the list of members of the Appointments, Remunerations and Corporate Governance Committee as of December 31st 2021, and the amounts paid by EDPR as remuneration to them for the functions performed at this body.

These figures reflect the period of 2021 in which each relevant Director was member of the Committee, provided that Rosa García García, and José Manuel Félix Morgado were appointed on April 12th, 2021, and that as indicated at the beginning of this section, the Chairman of this Committee, António Gomes Mota, does not receive a complement to its remuneration as Chairperson of the Board for the functions performed at this Committee:

COMMITEE MEMBER	POSITION	REMUNERATION
António Gomes Mota	Chairperson	0
Rosa García García	Vocal	7,500€
José Félix Morgado	Vocal	7,500€

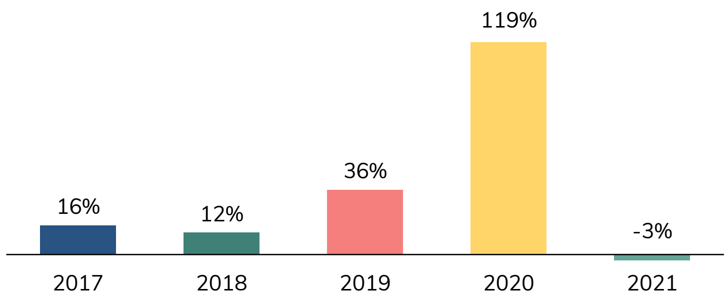
Regarding the members of the Appointments, Remunerations and Corporate Governance Committee that resigned during 2021: Conceição Lucas received 5,000€, and Antonio Nogueira Leite and Francisco Seixas received the remuneration for the services to this committee together with the remuneration paid for the services rendered at the Audit, Control and related Party Transactions Committee.

B. Alignment of the application of the remuneration with the Remuneration Policy adopted. Contribution of the Remuneration Policy to the long-term performance of the Company and criteria taken into account.

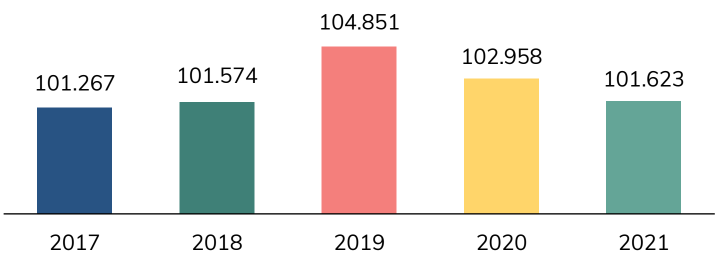
The remuneration policy adopted by EDPR for 2021 included key elements to enhance a Company's management performance not only focused on short-term objectives, but also incorporate as part of its results the interests of the Company and of shareholders in the medium and long term. These elements are: (i) the definition of the indicators in accordance with the 6 clusters, (ii) the relative weight assigned to each KPIs to calculate annual, multiannual variable remuneration (iii) the relevance associated with the achievement of such KPIs (iv) the three-year term considered for determining the value of variable multi-annual component of the remuneration (v) the deferral in three years for the payment of the variable multi-annual as recommended by CMVM as a good corporate governance practices, as well as conditioning its payment to the fact of there has not been unlawful actions known after the performance evaluated that may jeopardize the sustainability of the company's performance, (vi) the use of the qualitative criteria focused on a strategic and medium term perspective of the development of the Company, and (vii) the existence of a maximum limit for the variable remuneration.

C. Performance of the company and remuneration average of the employees

TOTAL SHAREHOLDER RETURN



EMPLOYEE AVERAGE REMUNERATION (€)



D. Remuneration from other Group Companies

The members of the Board of Directors as of end of December 2021 do not receive any payment from any company under EDPR control or subject to EDPR common control.

Notwithstanding the above, the following Executive Board Members that resigned during 2021, received the amounts below paid by other Group Companies of EDPR corresponding to the period of 2021 before their resignation: Duarte Bello and Spyridon Martinis up to January 19th, 2021; and Miguel Angel Prado up to February 22nd, 2021.

DIRECTOR	PAYER	FIXED	VARIABLE ANNUAL	VARIABLE MULTI- ANNUAL	VARIABLE PLURI- ANNUAL	TOTAL
Duarte Bello	EDP Energías de Portugal, S.A. Sucursal en España	11,878€	154,534€	128,975€	154,425€	449,812€
Miguel Ángel Prado	EDPR North America LLC	67,810$	191,522$	263,428$	217,748$	740,508$
Spyridon Martinis	EDP Energías de Portugal S.A. Sucursal en España	11,878€	137,791€	-	154,425€	304,094€

E. Share-allocation and/or Stock Option Plans

EDPR does not have any Share-Allocation and/or Stock Option Plans.

F. Refund of a variable remuneration

In line with corporate governance practices, the Remuneration Policy of EDPR incorporates the deferral for a period of three years of the multi-annual variable remuneration, being the relevant payment conditioned to the lack of any willful illicit action, known after the appraisal and which endangers the sustainable performance of the company.

G. Compliance with the applicable Policy during 2021

The remuneration policy for 2021 was applied without exceptions since its approval.

Other remunerations

i) Remuneration of the Chairman of the General Shareholders' Meeting

In 2021, José António de Melo Pinto Ribeiro chaired one meeting (Extraordinary Shareholders' Meeting held on February 22nd) before the definitive expiration of his mandate, and the remuneration paid for the provision of this services as Chairman of the General Shareholders' Meeting of EDPR was EUR 15,000.

Based on the proposal submitted by the Appointments, Remunerations and Corporate Governance Committee, and given the referred expiration of the mandate of the former Chairman of the Shareholders' Meeting, in 2021 it was decided to adopt the general practice followed under the personal law of the Company (Spanish one) that allows the Shareholders Meeting to be chaired by the Board of Directors Chairman, approving at the Extraordinary Shareholders' Meeting held in February 22nd the related amendment to the bylaws. Therefore, the Ordinary Shareholders' Meeting held on April 12th, 2021, was chaired by the Chairperson of the Board of Directors (who in that moment was Miguel Stilwell de Andrade.

ii) External Auditor remuneration in 2021 for EDP Renováveis S.A. and subsidiaries

According to the Spanish law, the External Auditor ("Auditor de Cuentas") is appointed by the General Shareholders' Meet-ing and corresponds to the statutory auditor body ("Revisor Oficial de Contas") described on the Portuguese Law.

As a result of a competitive process launched in 2017, and following the proposal of the Audit, Control and Related Party Transactions Committee to the Board of Directors, PricewaterhouseCoopers Auditores, S.L. was appointed as EDPR SA External Auditor by the Shareholder's Meeting held on April 3rd, 2018. PricewaterhouseCoopers Auditores, S.L., is a Spanish Company registered at the Spanish Official Register of Auditors under number S0242 with Tax Identification Number B-79031290. The renewal of PricewaterhouseCoopers Auditores, S.L. as External Auditor of EDPR SA for years 2021, 2022 and 2023 was approved by EDPR's Shareholders Meeting on April 12th, 2021, and the audit partner in charge of EDPR is Iñaki Goiriena.

Figures 2021

TYPE OF SERVICE	PORTUGAL	SPAIN	BRAZIL	US	OTHER	TOTAL	%
Audit and statutory audit of accounts	170,201€	623,896€	188,719€	1,290,216€	919,016€	3,192,048€	94.6%
Total audit related services	**170,201€**	**623,896€**	**188,719€**	**1,290,216€**	**919,016€**	**3,192,048€**	**94.6%**
Other non-audit services	-	162,307€	6,000€	-	14,865€	183,172€	5.4%
Total non-audit related ser-vices	**-**	**162,307€**	**6,000€**	**-**	**14,865€**	**183,172€**	**5.4%**
Total	**170,201€**	**786,203€**	**194,719€**	**1,290,216€**	**933,881€**	**3,375,220€**	**100%**

The amount of Other non-audit services in Spain includes, among others, services that refer to the entire Group such as the review of the internal control system on financial reporting and review of the non-financial information related to sustaina-bility included in the EDPR Group's annual report, which are invoiced to a Spanish companies. This amount also includes the limited review as of March 31st , 2021, June 30th, 2021 and September 30th, 2021 of the EDPR Consolidated Financial State-ments and other reviews for Group consolidation purposes which are considered non-audit services according to the respec-tive local regulation.

Total amount for Spain refers to services provided by PricewaterhouseCoopers Auditores S.L.

Members of the Board of Directors of the Company EDP Renováveis, S.A.

DECLARE

To the extent of our knowledge, the information referred to in sub-paragraph a) of paragraph 1 of Article 245 of Decree-Law no. 357-A/2007 of October 31st, in sub-paragraph a) of paragraph 1 of Article 8 of the Royal Decree 1362/2007 of October 19th, and other documents relating to the submission of accounts required by current regulations (including, among others, article 253 of the *Spanish Companies' Act* and article 44 of the *Spanish Commercial Code*), have been prepared in accordance with applicable accounting standards and principles, reflecting a true, faithful and appropriate view of the equity, assets, liabilities, financial position and results of EDP Renováveis, S.A. and the companies included in its scope of consolidation and the management report fairly presents the business evolution, the performance, the business results and the position of EDP Renováveis, S.A. and the companies included in its scope of consolidation, containing a description of the principal risks and uncertainties that they face.

That the Consolidated Annual Financial Statements and the Consolidated Management Report submitted, including the Non-Financial Statements, were drawn up by the Board of Directors following the single electronic format and mark up requirements set under the Commission Delegated Regulation (EU) 2019/815 of December 17th, 2018, at its meeting held on February 15th 2022.

Madrid, February 15th, 2022.

Antonio Sarmento Gomes Mota
Chairman

Miguel Stilwell de Andrade
Vice Chairman

Rui Manuel Rodrigues Lopes Teixeira
Director

Vera de Morais Pinto Pereira Carneiro
Director

Ana Paula Garrido de Pina Marques
Director

Miguel Nuno Simões Nunes Ferreira Setas
Director

Manuel Menéndez Menéndez
Director

Acácio Jaime Liberado Mota Piloto
Director

Allan J. Katz	Rosa María García García
Director	Director

José Manuel Félix Morgado
Director

edp renewables

Ms. María González Rodríguez, Secretary non director of the Board of Directors of EDP Renováveis, S.A.

HEREBY CERTIFIES

That on February 15th, 2022 a meeting of the Board of Directors of EDP Renováveis, S.A. was held in Madrid, being present or represented all the Directors: Mr. Antonio Sarmento Gomes Mota, Mr. Miguel Stilwell de Andrade, Mr. Rui Manuel Rodrigues Lopes Teixeira, Ms. Vera de Morais Pinto Pereira Carneiro, Ms. Ana Paula Garrido de Pina Marques, Mr. Miguel Nuno Simões Nunes Ferreira Setas, Mr. Manuel Menéndez Menéndez, Mr. Acacio Liberado Mota Piloto, Mr. Allan Katz, Ms. Rosa María García García, y Mr. José Manuel Félix Morgado.

That it was unanimously agreed to drawn up the Individual and Consolidated Annual Financial Statements and the Individual and Consolidated Management Report (including the Non-Financial Information Report which is incorporated in the same) of EDP Renováveis, S.A. and its subsidiaries for the fiscal year 2021, expressly stating the approval and without any disconformity being raised.

That the Individual Annual Financial Statements and the Individual Management Report submitted, were drawn up following the single electronic reporting format requirements set under the Commission Delegated Regulation (EU) 2019/815 at the referred Board of Directors meeting.

That the Consolidated Annual Financial Statements and the Consolidated Management Report (including the Non-Financial Information Report which is incorporated in the same) submitted, were drawn up following the single electronic reporting format and mark up requirements set under the Commission Delegated Regulation (EU) 2019/815 also at the referred Board of Directors meeting.

That Individual and Consolidated Annual Financial Statements and the Individual and Consolidated Management Report for the financial year 2021 submitted are consistent with those audited, and that the Auditor's Reports attached to the xHTML files (including the Independent Verification Report ("EINF") and the report about the Internal Control System over Financial Reporting ("SCIIF")) are copy of the original signed by the Auditor.

That the documentation described above was signed by all the members of the Board (either by those who were present, or by the related representatives) except in the case of Ms. Vera de Morais Pinto Pereira Carneiro and Mr. Allan J. Katz that attended the meeting by video conference as permitted under the By Laws, but expressly stating their agreement with drawing up the Individual and Consolidated Accounts. In that sense, the relevant minutes contains the favorable vote of such drawing up, issued by each of the Directors (either by those present or through the related representatives) during the meeting.

That EDP Renováveis S.A. is hereby submitting its Individual and Consolidated Annual Financial Statements and the Individual and Consolidated Management Reports for the fiscal year 2021 in ESEF format which were drawn up both in Spanish and English languages and duly drawn up by the Board of Directors of the company at its meeting held on February 15th, 2022.

This certification, the authenticity of which I hereby guarantee, is issued at Madrid on February 15th, 2022.

Secretary Non-director	Chairman's approval
María González Rodríguez	Antonio Sarmento Gomes Mota

edp renováveis CHANGING TOMORROW NOW

CONCEPTS AND DEFINITIONS

Concepts and definitions

A

Asset rotation

Strategy aimed at crystallizing the value of a project by selling a minority stake in an asset and reinvesting the proceeds in another asset, targeting greater growth.

Availability

The percentage of time a wind turbine is technically available to capture the wind resource and convert it to electricity.

B

Blades

The large "arms" of wind turbines that extend from the hub of a generator. Most turbines have either two or three blades. Wind blowing over the blades causes the blades to "lift" and rotate.

BOP

Balance of plant. All the supporting components and auxiliary equipment of the wind farm other than the generating unit.

BP

Business Plan.

BU

Budget.

C

CAGR

Compound annual growth rate.

Carbon leakage

Occurs when due to the higher costs related with climate change policies (for example taxes or other penalties on carbon emissions), the companies decide to move their production to countries with more relaxed policies, therefore leading to higher carbon emissions ex-post.

Capex

Capital Expenditure. Funds used by a company to acquire or upgrade physical assets such as property, industrial buildings or equipment (ex: construction of wind farms).

Cash-flow

Amount of cash generated and used by a company in a given period. Cash flow can be used as an indication of a company's financial strength.

CfD

Contract for difference. Remuneration scheme based on the difference between the market price and an agreed "strike price" where if the "strike price" is higher than the market price, the CfD Counterparty pays the generator the price difference.

CO_2

Carbon dioxide. A heavy colorless gas that does not support combustion, dissolves in water to form carbonic acid, is formed especially in animal respiration and in the decay or combustion of animal and vegetable matter, is absorbed from the air by plants in photosynthesis, and is used in the carbonation of beverages.

COD

Commercial Operating Date. Date at which the project starts officially operating, after the testing and commissioning period.

Core opex

Includes costs of supplies and services and with personnel, costs that are controllable by the company.

Critical suppliers

Includes suppliers of turbines, balance of plant and O&M.

Curtailment

The forced shut-down of some or all the wind turbine generators within a wind farm to mitigate issues associated with turbine loading export to the grid, or certain planning conditions. Curtailment is controlled by the regional transmission operator.

D

Dividend pay-out ratio

Measures the percentage of a company's net income that is given to shareholders in the form dividends. (Total Annual Dividends per Share / Earnings per Share).

Dividend policy

Set of guidelines a company uses to decide how much of its earnings it will pay out to shareholders.

E

EBITDA

An accounting measure calculated using a company's net earnings, before interest expenses, taxes, depreciation and amortization are subtracted, as a proxy for a company's current operating profitability.

EMS

Environmental Management System. System that assures the protection of the environment through a proactive environmental management of the facilities in operation.

EPS

Earnings per share. The portion of a company's profit allocated to each outstanding share of common stock.

Equity consolidation

Accounting process of treating equity investments, in associate companies. Equity account is usually applied where the entity holds 20-50% of voting stock.

F

Feed in tariffs

Remuneration framework that guarantees that a company will receive a set price from their utility, applied to all of the electricity they generate and provide to the grid.

Financial investment

An asset in which to put money into with the expectation of obtaining gains or an appreciation in to a larger sum of money.

Forex/FX

The market in which currencies are traded.

Full scope

Scheme of maintenance in which a third-party supplier is directly responsible for the full maintenance of the project. The project pays a fixed fee and assumes low risk.

G

GC

Green certificate. Tradable commodity proving that certain electricity is generated using renewable energy sources.

GCF

Gross Capacity Factor – The ratio of a site's gross output over a period of time, to its potential output if it were possible for it to operate at full capacity continuously over the same period of time.

GHG

Greenhouse gases. Gases that trap the heat of the sun in the Earth's atmosphere, producing the greenhouse effect; the two major greenhouse gases are water vapor and carbon dioxide; lesser greenhouse gases include methane, ozone, chlorofluorocarbons, and nitrogen oxides.

GO/GoO

Guarantee of Origin. Tracking instrument that guarantees that electricity has been produced from renewable energy sources. Those GO are traded and used by suppliers to sell green energy.

Gross profit

An accounting measure calculated using a company's revenue minus its cost of goods sold. Gross profit is a company's residual profit for selling a product or service and deducting the cost associated with its production and sale.

GW

Unit of electric power equal to 1,000 MW.

GWH

Equal to 1,000 MW used continuously for one hour.

H

Hedging

Risk management strategy used in limiting or offsetting probability of loss from fluctuations in the prices of commodities, currencies, or securities.

I

IFRS16

Regulatory standard of operating leases that requires the recognition of lease commitments for the entire duration of contracts into the balance sheet liabilities as well as the recognition of a new asset "Right of Use Asset" as counterparty.

Installed capacity

Capacity installed and ready to produce energy.

ISO 14001

ISO 14001:2015 – Environmental Management Certification is an international standard for designing and implementing an effective environmental management system (EMS) to enhance the company's environmental performance.

ISO 45001

ISO 45001:2018 - Specifies requirements for an occupational health and safety (OH&S) management system, and gives guidance for its use, to enable organizations to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as by proactively improving its OH&S performance.

ITC

Investment tax credit. Tax incentive in the US which differ from the Production Tax Credit in the sense that the Tax Equity Investor receives a one shot tax credit that covers a percentage of the investment.

L

LCOE

Levelized cost of electricity. Provides a common way to compare the cost of energy across technologies. LCOE takes into account the installed system price and associated costs such as financing, land, insurance, transmission, operation and maintenance, and depreciation. The LCOE is a true apples-to-apples comparison of electricity costs and is the most common measure used by electric utilities or purchasers of power to evaluate the financial viability and attractiveness of a wind energy project.

M

M3

Modular maintenance model. Maintenance scheme which is halfway between the self-perform and a full scope maintenance, with some activities being performed in-house.

MW

Unit of electric power equal to 106 watts.

MWH

Equal to 106 watts of electricity used continuously for one hour.

N

Net capacity factor (NCF)

The ratio of a plant's actual output over a period of time, to its potential output if it were possible for it to operate at full nameplate capacity continuously over the same period of time. Also known as Load Factor.

Net debt

A metric that shows a company's overall debt situation calculated using company's total debt less cash on hand.

Net investment

Equals (Capex + Financial investments – Financial divestments).

O

O&M

Operations and maintenance. All the activities necessary to run the wind-farm in a reliable, safe and economical way including for instance maintenance, repair, monitoring and operation.

P

PPA

Power purchase agreement. A legal contract between an electricity generator (provider) and a power purchaser (host). The power purchaser buys energy, and sometimes also capacity and/or ancillary services, from the electricity generator.

PTC

Production tax credit. The result of the Energy Policy Act of 1992, a commercial tax credit in the US that applies to wholesale electrical generators of wind energy facilities based upon the amount of energy generated in a year.

R

Renewable energy

Energy that is derived from resources that are regenerative or that cannot be depleted including wind energy, solar, biomass, geothermal, and moving water. Also known as alternative energy.

REC

Renewable energy credit. Represents the property rights to the environmental, social, and other non-power qualities of renewable electricity generation. A REC can be sold separately from the electricity associated with a renewable energy generation source.

RES

Renewable energy sources.

RCF

Retained cash-flow. The amount to pay dividends to shareholders and/or to fund new investments and includes EBITDA after paying interests and tax equity investor's costs and after paying distributions to equity partners and taxes.

ROIC Cash

Return on Invested Capital (based on Cash Flows). Represents a measure of the profitability and value creation of a project or company.

RPS

Renewable Portfolio Standard. Regulation in the US that places an obligation in certain states on electricity supply companies to source a specific percentage of their energy from renewable sources.

S

Self-perform

Maintenance scheme in which all the maintenance works are done in-house which means that the project assumes the whole risk.

Sell-down

Divestment strategy by which the company sells majority stakes of projects in operation or under development to recycle capital, with up-front cash flow crystallization, and creates value by reinvesting the proceeds in accretive growth, while continuing to provide operating and maintenance services.

SF6

Sulfur hexafluoride. Colorless, odorless, non-flammable and potent greenhouse gas which is used in the electrical industry especially in gas insulated switchgear power installations.

Solar PV

Solar photovoltaic. Plant that generates electricity by means of solar power through photovoltaics, consisting on an arrangement of several components, including solar panels to absorb and convert sunlight into electricity, a solar inverter, cables and other electrical accessories.

T

TSR

Total Shareholder Return. Measures the return that the stock provides to the shareholder, including dividends paid and the stock price appreciation.

Tax equity

Financing structure (US) where the tax equity investor contributes capital in exchange of tax benefits and cash distributions during the 1st ten years the park operates, or until investment is recovered.

TEI

Tax Equity Investor – Financing structure (US) where the tax equity investor contributes capital in exchange of tax benefits and cash distributions during the

1st ten years the park operates, or until investment is recovered.

U

UN SDG

United Nation's Sustainable Development Goal.

W

WATT (W)

The rate of energy transfer equivalent to one ampere under an electrical pressure of one volt. One watt equals 1/746 horsepower, or one joule per second. It is the product of voltage and current (amperage). Watts are the yardstick for measuring power.

Wind energy

Power generated by converting the mechanical energy of the wind into electrical energy using a wind generator.

Wind farm

Used in reference to the land, wind turbine generators, electrical equipment, and transmission lines for the purpose of generating wind energy and alternative energy.

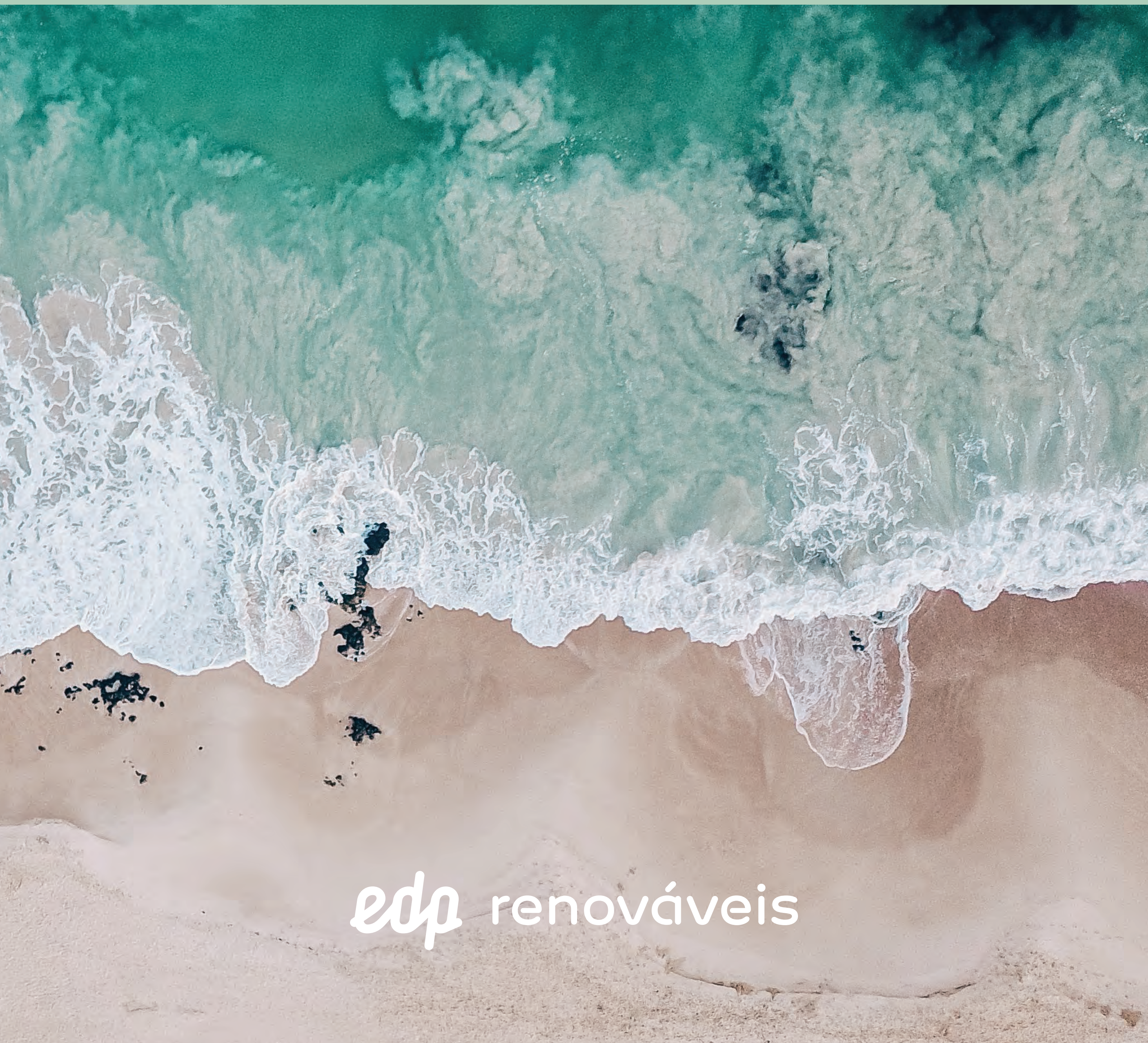
Y

YoY

Year-on-Year.

YTD

Year-to-date.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