

*edp*

# CHANGING TOMORROW NOW

EDP BRASIL  
MAIN BOOK  
2021 ANNUAL REPORT



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This document is part of EDP Brasil's Annual Sustainability Report and presents the most relevant facts related to the Company's value generation during the year 2021. It was built in an interactive way with the ESG Book, which brings information related to the economic-financial, environmental, social and governance performance of the Company.

This main booklet was built following the world's main corporate sustainability reporting guidelines (learn more on page 04 of the ESG Book), and some of its contents address GRI indicators, identified by the acronym GRI- at the beginning of each chapter.

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# 01 – MESSAGE FROM THE MANAGEMENT

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# 1.1 — Message From The Chief Executive

## GRI 102-14

**The word that describes the company's performance in 2021 is delivery. But growth and efficiency are values that have also been part of our reality.**

We delivered economic results and delivered the materialization of a previously defined strategy. As for the results, we built an EBITDA of R\$4.3 billion and Net Income of R\$2.2 billion, with a growth of 28% and 43%, respectively. In terms of strategy, we executed planning through the asset rotation of three transmission lots.

Simultaneously, we prepared for the future through growth and investments, of which we highlight the first utility scale solar park – Monte Verde Solar. We also grew in transmission, especially through the acquisition of EDP Goiás (formerly CELG-T). Finally, the segment that continues to be the Company's core – distribution – showed organic growth in both the São Paulo and Espírito Santo concessions.

Given the macroeconomic scenario of accelerated inflation and weakening of our suppliers, the effectiveness of these deliveries was only possible with high efficiency. The efficiency achieved is the result of the work and commitment of our people, with their professionalism and engagement.

Financial discipline is another value that has guided our performance. We practice this discipline through a balanced capital leverage, as well as through the decisions taken in the evaluation of new projects as well as in participating in auctions. We won and lost transmission auctions, but always respecting the company's financial discipline.

For this performance to be achieved, it was necessary to reconcile every employee's personal life with their work, to reconcile the activities of our teams with safety and the fight against covid, not forgetting to reconcile the usual activities with innovation. This is the reconciliation that provides the necessary engagement, while respecting the quality of life of our people.

At EDP we don't talk about ESG; we practice ESG. We implemented the first School for Women Electricians and the first School for Trans Electricians in our distributors. As a reflection of our daily and effective ESG culture practice, we conquered the first place in the ISE B3 general ranking and we continue to be the most innovative

company, accomplishing the design that today's innovation is tomorrow's sustainability.

**For all those reasons, the market acknowledged the Company's result and performance, so that the share appreciated 13% while the Bovespa Index fell 12% in the same period.**

As such, we would like to thank the fantastic EDP Team, the colleagues from the Executive Board, the participative Board of Directors, our shareholders, especially the more than 300 thousand Brazilians who invest in our company, and, finally, all our customers, partners and stakeholders.

We are ready for 2022. It will be an overly ambitious, difficult year, but I am confident that we will maintain the same delivery level.

Thank you,



**JOÃO MARQUES DA CRUZ**

EDP Brasil CEO

## 1.2 — Message from the Board of Directors

The context in which we operated in 2021 was admittedly challenging. A scenario with a severe energy crisis, resulting from difficult hydrological conditions, further worsened by the COVID-19 pandemic effects and high inflationary pressure and rising interest rates. All these tested our resilience and efficiency.

**We are immensely proud to announce the annual results of EDP in Brazil for 2021. Once again we exceeded last year's results – 28% increase in EBITDA and 43% in Net Profit -, solidifying a consistent growth trajectory.**

A new chapter was written this year in EDP's long history in Brazil, spanning more than two decades. In line with the strategic plan to grow in the transmission segment, EDP won the privatization auction of CELG-T, taking the first step in the recently inaugurated EDP Goiás. This, among many other achievements, contributed to reinforce our equity story, which was widely recognized by the market and reflected in ENBR3's good share price performance.

I am especially pleased to highlight that this performance takes place in a year in which EDP stood out as a reference in the best sustainability, social responsibility and governance practices.

I highlight, of course, the 1st place overall in B3's Corporate Sustainability Index (ISE), the most important ESG assessment in the Brazilian capital market, topping a select list of 46 companies.

The Company was also the only one in the energy sector, in Latin America, to get the highest score in the Carbon Disclosure Project (CDP) – Climate, a global reference in the evaluation of performance indicators and targets related to Climate Change.

A number of commitments undertaken by EDP, the first company in the Brazilian energy sector to create an ESG vice-presidency, contributed to these results. On the Diversity front, it was appointed as one of the five companies listed on B3 with the highest women participation on the Board of Directors, and committed itself, in 2022, to have 50% of its job openings taken up by candidates from under-represented groups, such as women, black people, people with disabilities, LGBTQIAP+ or over 50 years of age.

EDP's brand in the Social Responsibility pillar was also made evident at the reopening to the public, in July last year, of the Museu da Língua Portuguesa (Portuguese Language Museum), whose reconstruction had the Company as its main sponsor. In 2022, we will help to return to society another of Brazilian cultural historic heritage's jewels – the Ipiranga Museum.

In October, EDP was elected one of the most transparent companies in terms of sustainability information disclosure, joining a list of only 14 organizations after a study by the Global Report Initiative (GRI) Transparency Observatory. Just a month before, EDP had already been awarded, for the eighth consecutive year, with the Transparency Trophy, granted by the National Association of Finance, Administration and Accounting Executives (Anefac).

The recognitions we received in 2021 can only reinforce our commitments to the global sustainability agenda, including the Global Compact Principles and the Sustainable Development Goals (SDGs) of the United Nations Organization (UNO).

We know that not everything went as we had hoped. One of the areas where we want to evolve towards better performance is in the occupational safety area. In 2021, we registered 5 fatalities in our business partners, which we deeply regret, and which mobilize us to continue working to reinforce a maximum safety culture.

The achievements in the economic, environmental, social and governance dimensions are not random. They are the result of the cooperation, ethical commitment and alignment between EDP Brasil's Executive Board, its Board of Directors and other stakeholders. In particular, our results of excellence were only possible thanks to the passionate delivery of the EDP team in Brazil, motivated by the mission of leading the energy transition and building a better future for the next generations. Many thanks to everyone who stands with us on this path.

Together we are changing tomorrow now.

### MIGUEL SETAS

Chairman of the Board of Directors



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## 2.1 — Changing Tomorrow Now

EDP believes that to tangibly transform the future, we need effective actions in the present. Therefore, the EDP Group has developed a new brand signature: Changing Tomorrow Now. Aligned with the new positioning, we are creating a new energy on the planet. More inclusive. More shared. Greener.

### Our initiatives to lead the energy transition:



Increase the renewable energy installed capacity.



Zeroing coal installed capacity.



Increase the lightweight electric fleet in relation to the total fleet.



Increase capacity, decentralized solar installed at customers



Increase solar photovoltaic energy installed capacity.



Reduce CO2eq emissions intensity in scopes 1, 2 and 3.



Investment in innovation and network digitalization

## 2.2 — EDP Brasil Highlights

### 2.2.1 Financial and ESG Highlights



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## 2.3 — EDP Brasil awards and recognitions

### 1ST PLACE IN THE OVERALL ISE RANKING

Highest rated company in B3's 2021 portfolio of the Corporate Sustainability Index (ISE), the most respected ESG index in the Brazilian capital market.

### ANEEL QUALITY AWARD

Considered the second best distributor in the Southeast in the category "Concessionaries of the Southeast Region above 400 thousand consumer units".

### MODERN CONSUMER AWARD

Elected the best Energy and Utilities company, in the Electric Power segment.

### VALOR INNOVATION AWARD

For the second consecutive year, we were recognized as the most innovative Brazilian company in the Electric Energy category by the Valor Innovation Award.

### TOP 100 OPEN CORPS

1<sup>st</sup> place in the electric sector and the only energy company included in the Top 20 in the annual ranking conducted by 100 Open Startups.

### GRI'S TRANSPARENCY OBSERVATORY

Chosen among the most transparent companies in disclosure of sustainability information by the Transparency Observatory of the Global Reporting Initiative (GRI) advisory board in Brazil.

### DOW JONES SUSTAINABILITY INDEX (DJSI)

Recognized as the most sustainable electricity company in the world, the EDP Group continues to be listed in the Dow Jones Sustainability Index (DJSI) portfolio, which brings together the shares of global leaders in sustainability.

### CATEGORY A IN THE CDP – CLIMATE

Only Latin American energy company to obtain the highest score in the CDP – Climate index, which evaluates indicators related to climate change management.

### GREAT PLACES TO WORK

Member of the large Brazilian companies' ranking, standing out for its socio-environmental actions, sustainability practices, and initiatives in favor of diversity and inclusion.

### ANEEL OMBUDSMAN AWARD

Recognized among the five best companies evaluated by the customer service to the demands received by the Ombudsman, pela Ouvidoria.

### ÉPOCA 360

Recognized as the best company in the energy sector by the Anuário Época Negócios 360°, conducted by the magazine in partnership with Dom Cabral Foundation.

### BEST OF THE ESG AWARD

Best company in the utilities sector in the Best of ESG Award, formerly EXAME Sustainability Guide.

### WOMEN ON BOARD SEAL

Granted by the initiative that is supported by UN Women for the increase of gender equity in top leadership. EDP Brasil has 33% female participation in the Board of Directors, three times the national average.

### CLIENTE SA AWARD

Granted by the Cliente SA magazine, which certifies the best practices in customer relationship management in the Brazilian market.

### TRANSPARENCY TROPHY FOR THE BEST ACCOUNTING STATEMENTS

Granted by the National Association of Executives in Finance, Administration and Accounting (ANEFAC).

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# 03 – EDP BRASIL AND OUR AMBITIONS FOR TOMORROW

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# 3.1 — About EDP Brasil

GRI 102-2

## TRANSMISSION

**5 TRANSMISSION LOTS** in Santa Catarina, São Paulo/Minas Gerais, Maranhão and Acre.

**1,485 KM** in transmission lines.

**3 TRANSMISSION LOTS** sold in 2021 (Espírito Santo and Maranhão).

Purchase of Celg-T in Goiás with **756 KM** of transmission lines.

## GENERATION

**6 HYDROELECTRIC** power plants, of which 3 in joint venture.

**1 THERMOELECTRIC** power plant.

**2,870.78 MW** in installed capacity\*

**75%** consisting of renewable energy sources.

\* Referring to EDP Brasil's stake in the assets

## COMMERCIALIZATION

**LARGEST TRADER** in the retail market.

**15,205 GWH OF ENERGY COMMERCIALIZED**, including the retail market.

## DISTRIBUTION

**SÃO PAULO:** Over 2 million customers in 28 municipalities.

**ESPÍRITO SANTO:** **1.6 million** customers in 70 municipalities.

Total volume of distributed energy in 2021: **26,016 GWH.**



## ENERGY SERVICES AND SOLUTIONS

EDP Smart.

E-commerce.

Residential products and services

Electric Mobility Solutions

Energy efficiency projects.

Distributed generation and solar shared generation.

**7,569 MWH** saved with energy efficiency projects.

Over **85 MWP** installed at customers (including Blue Sol's projects).

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### 3.1.1 Where we are

GRI 102-2 | 102-6 | 102-7

(Learn more about the EDP Group's distribution worldwide on page 10 of the ESG Book).

**EDP SMART**

**15,205 GWh**

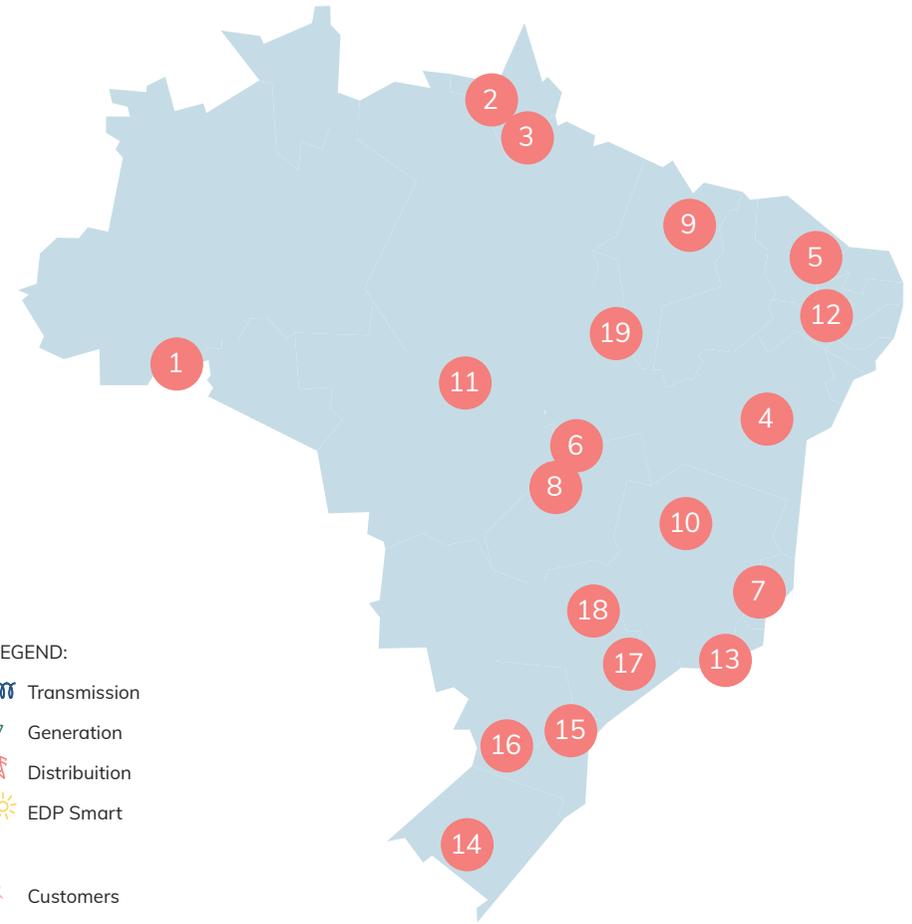
of energy sold

**85.92 MWp**

installed solar power.

**IN 2021 THREE TRANSMISSION LOTS WERE SOLD:**

lot 24, located in ES,  
and lots 7 and 11,  
located in MA.



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1. AC	Lot 1	350Km	HPP Mascarenhas	198 MW	14. RS	Distributed Generation	5.63 MWp	
2. AP	HPP Cachoeira Caldeirão	109.5 MW	Distributed Generation	1.34 MWp	15. SC	Lot 21	485 Km	
3. AP/PA	HPP Santo Antônio do Jari	196.48 MW	8. GO	EDP Goiás (former Celg-T)	756 Km	16. SC/RS	Lot Q	142 Km
4. BA	Distributed Generation	3.46 MWp	9. MA	Mata Grande Transmission	133 Km	17. SP	EDP São Paulo	2,023,814
5. CE	TPP Pecém	720.27 MW	10. MG	Distributed Generation	28.57 MWp		Distributed Generation	27.21 MWp
	Distributed Generation	0.02 MWp	11. PA/MT	HPP São Manoel	245.28 MW	18. SP/MG	Lot 18	375 Km
6. DF	Distributed Generation	3.90 MWp	12. PE	Distributed Generation	0.56 MWp	19. TO	HPP Peixe Angical	498.75 MW
7. ES	EDP Espírito Santo	1,656,624	13. RJ	Distributed Generation	3.93 MWp		HPP Luis Eduardo Magalhães	902,5 MW

The installed capacity of the joint venture plants considers only EDP's ownership interest; for the other plants, the installed capacity is being considered in its entirety.

## 3.1.2 The EDP way of being

GRI 102-16

### VISION

#### EDP

A global energy company, leader in the energy transition with a view to creating superior value.

#### EDP Brasil

To be an integrated reference company in the Brazilian energy market, focused on creating value and growth, enhancing results in accordance with the ESG pillars (environmental, social, and governance).



#### PURPOSE

Use our energy to take ever better care.

#### THE EDP CULTURE

It is shaped by the appreciation of our legacy and the construction of our future, directed by our employees' and other stakeholders' engagement, the transparency of our actions, and our business and processes' efficiency.

### VALUES

#### to add

To add up is to build with others, appreciating inclusion and diversity. It means caring for and getting closer to people, adding up to promote balance and a more sustainable society.

#### to look

Looking out for oneself and for society, providing well-being and health for current and future generations.

Looking at the whole, nurturing ethical relationships while building values with our customers and other stakeholders.

#### to change

To change is to be open to the new, knowing the risks to be taken to create value and innovate in the various actions that EDP carries out for people, society and the environment.

#### to organize

Organize our processes to foster efficiency and result orientation, ensuring outcomes, guaranteeing security, consistency, and transparency.

#### to simplify

Simplify the journey towards new business, learning, processes, and results, through digitalization and the use of new technologies.

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Subestação Vila Paiva – EDP São Paulo.

## 3.2 — Strategic Plan 2021-2025

EDP Brasil is a Company committed to excellence in ESG and we passionately believe in Sustainability as the main value of an integrated strategy. So that we can change tomorrow, we know that it is necessary to act in the now ( get to know the global positioning of the EDP Group, Changing Tomorrow Now, on page 07).

That is why our future vision is guided by the Strategic Plan 2021-2025, an ambitious commitment including unprecedented acceleration of our growth in renewable energy, supported by our success story as an energy transition leader.

In pursuit of our ambitions for tomorrow, the Strategic Plan 2021-2025 is guided by four axes:

:

## Energy Transition Leadership

In order for us to continue leading the energy transition, we invest in reducing our emissions by increasing our clean energy installed capacity and deconsolidating our coal portfolio. Added to this, we are developing technologies to expand renewable capacity, energy storage, and other initiatives to reduce CO2 emissions.

Our customers are also part of this journey toward more sustainable consumption. We offer them distributed solar generation services, electric mobility solutions, and sale of energy services.

## Commitment to Environmental Protection

At EDP Brasil, Environmental protection is sustained by incorporating the circular economy principles in the decision making processes, guided by the reduction, recovery and recycling of materials used in our activities.

We aim to appreciate natural capital preservation principles in our decision-making processes, reducing environmental impacts and implementing action plans to protect the biodiversity near our operations. Moreover, given the climate change scenario we are currently experiencing, we adapt our infrastructure and operations to climate events.

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## COMMITMENT TO AGENDA 2030

Since 2015, we have been committed to the Sustainable Development Goals (SDGs), defined by the UN, with the purpose of engaging organizations around the world toward goals that pursue gender equity, fighting climate change, and preserving natural resources by 2030.

Accordingly, we have aligned our strategy and business plan with the SDGs, in line with the global sustainability agendas.

Throughout the information materials, it will be possible to find details on how and on which SDG target each initiative and performance relates to and impacts.

## Positive impact on society

Our goal is to generate a positive social impact both inside and outside the company. To this end, we invest in diversity, equity and inclusion to ensure an engaging experience for our employees, increasing the participation of women, people with disabilities (PcDs) and multi-ethnicity at all occupational levels. We also work towards our employees' well-being, with initiatives to reduce accidents and fatalities.

External to the company, we foster the sustainable performance of our partners, involving our suppliers in themes such as climate change management, gender equality, labor safety, circular economy, biodiversity, human rights and ethics.

We also work on creating a positive social impact in the communities with which we have a relationship through a social investment policy, carried out by the EDP Institute, which aims to contribute to a fair energy transition, to initiatives with an inclusive education and culture, and programs designed to create general social well-being

## Robust governance structure

Our governance structure is governed by ensuring the best ethical and compliance principles, with excellence recognized by several market institutions. Our ESG control structure promotes a relationship between variable compensation, ESG practices and shareholder value, with excellence recognized by the world's main indexes and rankings.

To attain our ambition, we have a reference framework with goals to be achieved by 2025. Get to know the highlighted goals in each axis on [page 16 of the ESG Book](#).

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# 04 – ENERGY TRANSITION

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For EDP Brasil, leading the energy transition means taking the lead in the search for a more balanced relationship with the planet. Within the current context, impacted by major global problems, such as the Covid-19 pandemic, it is crucial that we adopt a responsible agenda aimed at contributing to tackle issues such as the climate emergency – one of humanity's greatest challenges.

Beyond our actions, we believe that the Company can play a key role in supporting governments and society as a whole, to encourage them to increase their ambition level and leverage partnerships among all players that hold a decisive role in the energy transition.

## 4.1 — Clean generation

GRI 103-1 | 103-2 | 103-3 | IF-EU-110a.3

The 2021-2030 decade will be pivotal in securing the next generations' future. Among the goals that are part of our ambitions for tomorrow is the commitment to be 100% green by 2030. For us to honor this commitment, we have made major investments, in line with the energy transition.

Along these lines, our growth will be underpinned by a distinctive and resilient portfolio in renewable energy generation, with increased capacity in solar power, and by deepening the smart grid business and solutions for our customers. We are also investing in new technologies, such as green hydrogen, energy storage through batteries, and creating energy efficiency solutions.

We are also focused on the decarbonization of our operation, through coal plant deconsolidation, in addition to the management of residual CO2 emissions through offsetting practices so that we may achieve carbon neutrality.

Our first Greenhouse Gas (GHG) emissions reduction target is aligned with science, which takes into account the most ambitious criteria and seeks to limit global warming to 1.5°C. Accordingly, our reduction target is 85% of our emissions intensity by 2032, considering the company's direct and indirect emissions.

We are also working towards the officialization of intermediate goals with the purpose of designing the paths to achieve this goal.

In 2021, EDP Brasil took some important strides towards this commitment. Get to know below the year's main highlights.

### NET-ZERO:

Net zero emissions are achieved when Greenhouse Gas (GHG) emissions from human activities are balanced by removals also from human activities, over a specified period.

### EMISSION NEUTRALITY:

Similar to the Net-Zero concept, the neutrality concept may involve eliminating emissions, offsetting them, or a combination of both. Emissions can be offset through carbon credits, where the credit from an avoided emission outside the company's boundary is purchased by the company.

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## 4.1.1 R\$ 3 billion investment in solar energy by 2025

EDP Brasil's great effort to consolidate energy generation growth in the country will be guided by increased participation in solar energy initiatives, both in distributed generation and in large-scale projects, which have greater installed capacity.

As part of the Strategic Plan 2021-2025, our goal is to invest R\$ 3 billion in solar energy by 2025, which will expand the installed capacity in this segment to 1 GW. The amount represents about 30% of the total investment planned by the Company in the next five years and is in tune with our goal of becoming leaders in the Brazilian electricity sector's energy transition.

Through corporate Power Purchase Agreements (PPAs), the investment in solar energy will also allow us to diversify our energy matrix, reducing potential hydrological risks and thus protecting our generation portfolio.

## 4.1.2 AES Inova Acquisition

### GRI 102-10

In June, we took a major step in our growth strategy in the solar energy segment by acquiring 100% interest in AES Inova, AES Brasil's and its subsidiaries' distributed generation investment platform. The deal added almost 34 MWp to EDP Smart's portfolio through assets located in Rio Grande do Sul, São Paulo and Minas Gerais, of which approximately 16 MWp are projects contracted and

in commercial operation. The remaining 18 MWp refer to ready-to-build projects in Minas Gerais, which will allow EDP to develop the construction work and take advantage of operational synergies with other assets in the region.

With a total investment of R\$177 million, the operation expanded the size of our project portfolio by 50%, supporting our growth in the solar energy segment.

## 4.1.3 Blue Sol investment

### GRI 102-10

In March, through EDP Ventures Brasil, our startup investment vehicle focused on early-stage businesses, we concluded the acquisition of 40% of Blue Sol Participações S.A. The company operates in the photovoltaic solar generation segment aimed at the B2C\* market.

The company's business model includes franchises and offers comprehensive solutions, ranging from project conception, equipment supply, and installation to documentary procedures to enable the connection with the local power utility.

The acquisition restates our goal of significantly increasing our presence in the B2C market, bringing clean energy to residential customers and small and medium-sized businesses. The investment should accelerate growth projections and leverage Blue Sol's digitalization process, enhancing the customer experience while also yielding significant gains in the Distributed Generation culture.

\* "Business to Consumer" refers to the business model in which a company makes direct sales to end consumers.



**THESE PROJECTS  
CONTRIBUTE  
TO TARGET**

### 7.2 OF THE SDG

By 2030, keep a high share of renewable energy in the national energy matrix.

Aligned with the study "Integration of the SDGs in the Brazilian Electric Sector: indicators and targets", of the Global Compact Network Brazil.

[Learn more.](#)

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## 4.1.4 EDP Brasil's first large-scale photovoltaic plant

In October, EDP Brasil announced the development of the country's first large-scale photovoltaic plant, Parque Monte Verde, in partnership with EDP Renováveis. The project, located in the state of Rio Grande do Norte, will have an installed capacity of 209 MW, and is expected to start operations in 2024.

Thanks to the investment in the plant, we will achieve meaningful advances in the goal announced in the 2021-2025 Strategic Plan to increase the size of our solar park in Brazil by over 25 times (learn more about the goals on [page 16 of the ESG Book](#)).

## 4.1.5 Transmission asset rotation

### GRI 102-10

Our energy transition plan is supported by our transmission asset rotation strategy. In 2021 we emphasized the acquisition of 100% of Celg Transmissão (located in Goiás), Mata Grande Transmissora de Energia (Lot 18, located in Maranhão) and Lot 1 (in Acre and Rondônia), and the sale of three transmission assets: Lot 24 (in Espírito Santo), Lot 7 and Lot 11 (located in Maranhão).

Following these operations, we now have eight transmission projects in our portfolio which, when operational, will total 2,241 km of transmission lines.

Our asset rotation strategy in the transmission segment also takes into account our great expertise in building and anticipating greenfield assets\*, delivery, creating substantial additional value to the project. Therefore, the divestment of these lots will allow us to collect this value still in 2021.

The transmission asset rotation strategy represents an opportunity to recycle capital for new investments and expansion in the country, especially the scaling up of solar energy investment, supporting the energy transition.

## 4.1.6 Coal portfolio deconsolidation by 2025

TPP Pecém is a high-efficiency coal-fired power plant with a low Unit Variable Cost (CVU), conditioned to operate when requested by the National System Operator (ONS). The plant has a critical role for energy security in the Northeast subsystem, as dependence on hydro sources (about 50% of the matrix is comprised of intermittent sources such as solar and wind), may generate risks to Brazil's energy supply. Taking into account that energy security must be a priority while we still develop feasible technologies that increase our energy storage capacity, we have committed in our business plan to deconsolidate the plant by 2025.

\* Greenfield: A venture conceived and executed where there is currently no other entrepreneurial organization, operation or asset in place

70%

IN ENERGY  
GENERATED FROM  
RENEWABLE  
SOURCES.

68%

GENERATION  
EBITDA

from renewable sources

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## 4.1.7 Strategic Climate Plan (PEC)

To face the challenges related to climate change, in 2020 we prepared the Climate Strategic Plan 2020-2021, intended to steer our actions in the climate sphere over a two-year period. The PEC 2020-2021 is based on three strategic pillars, with specific actions, strategies, and activities:

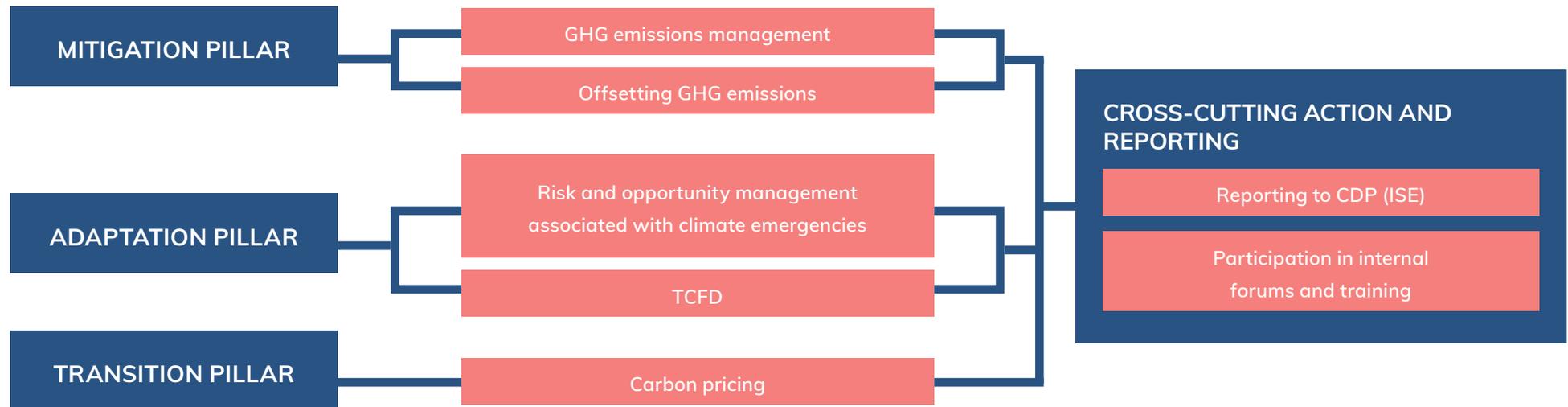
1. **Mitigation:** the mitigation strategy encompasses all activities related to the reduction or offsetting of GHG emissions directly or indirectly generated by the Company.

2. **Adaptation:** aiming to adjust to projected changes in different future scenarios, we investigate the opportunities and risks associated with changing climate patterns and the transition to a low-carbon economy (learn more about these actions on [page 123 of the ESG Book](#)).

3. **Transition:** to maximize opportunities, reduce risks, and keep pace with global decarbonization trends, our strategic planning includes the energy transition plan.

To meet the new market demands and bring a strategic vision aligned with the business, in 2021 we kicked off the creation of the Strategic Climate Plan 2021-2025 (PEC 21-25).

The plan aims to provide greater clarity about the mitigation measures that will be implemented to meet our climate targets, besides deepening our knowledge about the company's exposure in different climate and strategic scenarios to manage risks and opportunities and creating action plans to improve sustainability index performance related to the topic.



TCFD: Task Force on Climate-Related Financial Disclosures

## 4.2 Sustainable Consumption

GRI 103-2 | 103-3

We believe in the need for a transformation to a new decarbonized and electrified world, with a clean, affordable and reliable energy sector, boosting renewable energy.

Therefore, we have been investing in Distributed Generation services and in electric mobility solutions supporting the sustainable consumption of energy, so as to be able to face this challenge. Below, we present some initiatives developed by EDP Brasil in this sense.

### 4.2.1 Customer Vice Presidency supports solar generation and electric mobility

In 2021, we created the Customer Vice Presidency, an initiative whose objective is to position EDP to lead the transformations that the sector will undergo during this decade, including reshaping the customer relationship in an environment of increasing market liberalization and decentralized energy production.

EDP is aware of these transformations and with the creation of this area, wishes to assure an integrated vision of the entire customer base (present and future) in the energy supply areas,

distributed solar generation, centralized solar generation, electric mobility, among other solutions. This holistic vision will allow important synergies in offering products, in digitalizing the relationship, in understanding the customer's needs, and in building a relationship model based on reliability and trust, and on generating value for the customer.

Among the ramifications of creating the new VP, a series of strategies related to sustainability are derived, especially in the solar energy and electric mobility businesses. As such, the new vice-presidency appears as EDP Brasil's strategic vehicle for the future growth of these businesses.

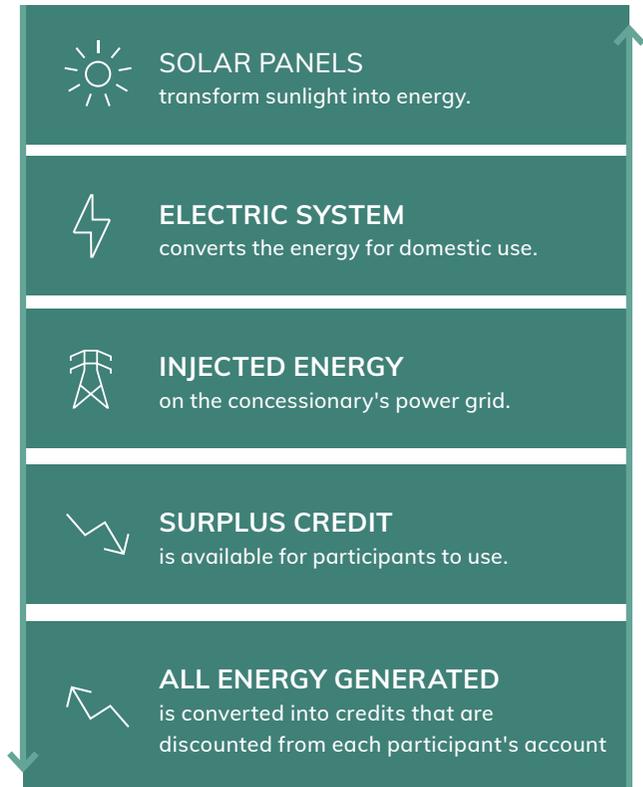
This initiative enables us to position ourselves clearly in terms of our relationship with our clients, since the ability to gain their trust, to have a good relationship with them over the long term, and to guarantee their satisfaction beyond the scope of the regulated market that exists today, will be critical to the positioning of companies in an increasingly competitive market.

### 4.2.2 Launch of Shared Generation

Shared Generation consists of a distributed generation modality and was one of the main highlights among the new products launched in 2021 by EDP Smart. Also called "solar subscription", the modality makes it possible to share mini or micro generation energy between two or more consumers, as long as all participants are in the same concession area.

Shared energy can be used by a group of individuals or companies, through a consortium or cooperative, in locations served by the same energy distribution network. By means of the initiative, it is possible, for example, to share photovoltaic energy among a group of residents or companies.

### Shared Generation



Shared generation offers a number of advantages, including the guarantee of financial return to users, since the installation costs are eventually covered from the self-generation of energy.

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### 4.2.3 Solar plants delivered to NGK do Brasil and Smart Fit

During 2021, through EDP Smart, we delivered two solar plants in the states of São Paulo and Minas Gerais, for the companies NGK do Brasil and Smart Fit. Together, both plants will avoid the emission of 231 metric tons of CO2 per year, of which 104 for NGK and 127 for Smart Fit.

Besides the environmental benefits, the plants also offer economic advantages for the companies, with a significant reduction percentage in electricity consumption – 24.3% at Smart Fit and 7% at NGK. Regarding the latter, it is also worth mentioning how quickly the project was executed, in less than three months, from the mobilization to the plant's energization.

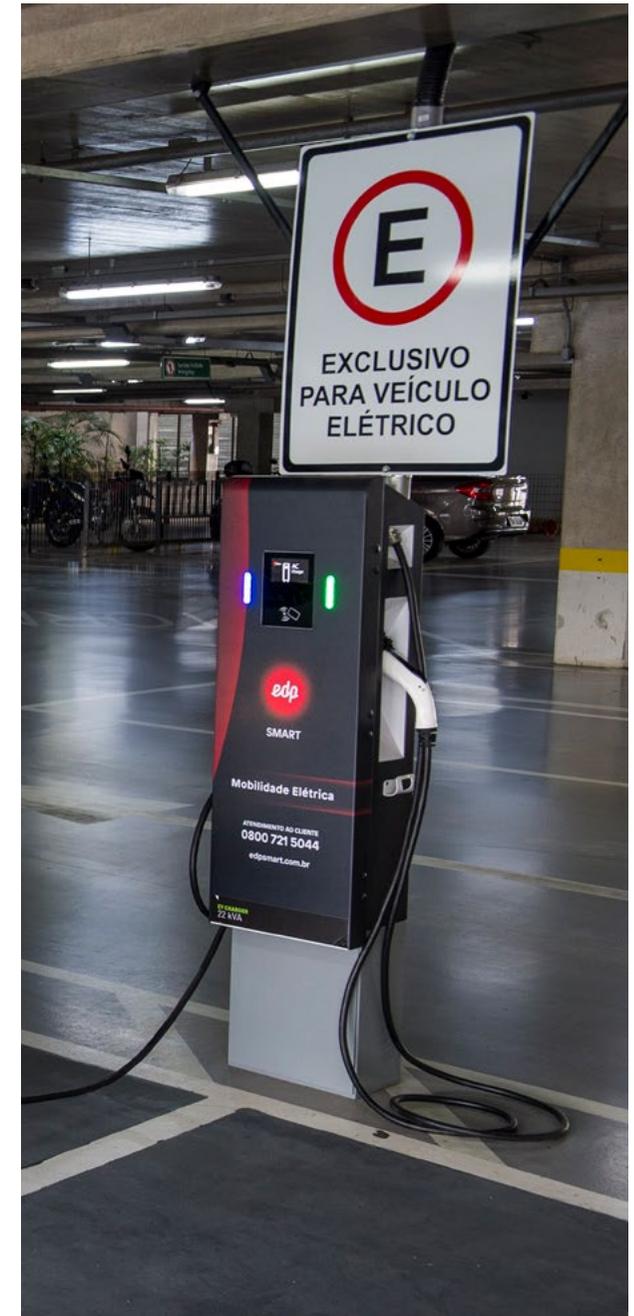
### 4.2.4 Infrastructure expansion for electric vehicle charging

We move forward in the electric mobility segment, highlighting investments to expand the electric vehicle charging infrastructure in the country. In tune with our commitment to lead the energy transition, our investments in electric mobility, one of the technologies needed to avoid the planet's temperature increase.

To ensure the necessary infrastructure to meet this segment's growing demand, in 2021 we implemented two more recharging stations at the São Paulo International Airport, in Guarulhos. As a result, the airport now has electric vehicle recharging infrastructure in all its passenger terminals.

Another year's highlight was the installation of nine ultra-fast charging points. Thanks to this initiative, we closed 2021 with ten ultrafast points already installed, one of which being 350 kW, Latin America's most powerful.

Among EDP Smart's projects in electric mobility presented via Research & Development to ANEEL, representing investments close to R\$ 50 million, the installation of an ultra-fast charging network is expected to cover the entire state of São Paulo by 2022. The stations will connect the main electric corridors in the country, interconnecting the São Paulo capital to the countryside and to other state capitals, such as Rio de Janeiro, constituting a corridor exceeding 2,500 kilometers in length.



Electric vehicle charger.

## 4.2.5 Internal fleet electrification

In 2021 we started incorporating the first 100% electric trucks in our fleet, aimed at providing field services. We were, therefore, the first company in the sector to introduce trucks with a fully electric motor and aerial basket equipment.

The operation started with one truck in Vitória, at the Espírito Santo distribution center, and another in São José dos Campos, to serve the distribution center in São Paulo. The intention is to acquire new trucks as factors such as recharging infrastructure and specialized labor advance in our region of operation.

In Espírito Santo state, we already have truck-compatible chargers in the cities of Vitória, Serra, Cachoeiro de Itapemirim, Linhares and Nova Venécia. According to our expansion plan, all the Distribution Service Centers, located in Cariacica, Guarapari and São Mateus, will have charging points by the end of 2022.

Another effort to increase the electric fleet occurred in Ceará with the introduction of a solar electric bus. This is the first Brazilian bus specially developed for long-distance passenger transportation, powered entirely by solar energy. The technology is the result of a Research & Development project by TPP Pecém, which received R\$4.85 million in investments.

The vehicle, which has a battery bank capable of providing 300 km of autonomy, is used to transport the company's employees, and the trip performance data is monitored by the team responsible for the project. By the end of the year, the bus traveled more than 30 thousand kilometers in intercity trips between Fortaleza and São Gonçalo do Amarante, in the state of Ceará.

The vehicle is charged in the break between trips, in the plant's parking lot, by means of a carport supplied by 183 solar panels, ensuring its independence in relation to the energy generated by TPP and the distribution system.

1. (More information about R&D investments can be found on [page 21](#)).

## 4.2.6 I-RECs offset customers' carbon footprint

One of EDP Smart's main initiatives in 2021 concerning the promotion of energy consumption in a sustainable manner was to start trading I-RECs (Renewable Energy Certificates). I-RECs are negotiated with customers who do not have the capacity to generate their own clean energy, but who wish to buy renewable energy and engage in sustainable practices. Buyers can use I-RECs to secure renewable energy in order to reduce or neutralize greenhouse gas (GHG) emissions generated during their energy consumption.

With I-REC, a renewable energy generating facility injects its clean energy into the grid, and the consumer pays for that amount of energy. By purchasing the certificates for the same amount of energy consumed, customers may reduce the carbon footprint of their consumption, with proof of origin. In doing so, it is possible to audit-trail the renewable energy attributes from its place of generation to its place of consumption. Renewable energy certificates can be issued from a variety of sources, including solar, wind, hydro, and biomass.

IN 2021,  
EDP SMART  
SOLD A  
TOTAL OF

**142,500**  
**MWh**

in I-RECs volume, which  
avoided the emission of  
10,674 tCO<sub>2</sub>e.

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## 4.3 — Open Innovation

To lead the energy transition, we are committed to promoting new ways of thinking and doing to transform the energy sector in Brazil. We believe that good business is born from good partnerships and for innovation to really happen, it is necessary to have consistency. We encourage the diversity of ideas, relationships and more human exchanges. After all, innovation is made by people and for people.

From valuing employees' ideas to investing in startups and small companies, we work to ensure that innovation happens from end to end and brings real results for the business. With a holistic journey, we encourage employees to learn methodologies and tools to apply innovation on a daily basis, to be hands-on when developing projects of all innovation horizons, as well as recognize people who are dedicated to promoting an innovative environment.

Next, we present the main initiatives developed by EDP Brasil towards this direction in 2021.

### 4.3.1 INNOVEX: Innovation investment management

In 2020, we unified in a single platform the innovation investments in EDP Brasil, allowing for a central-ized monitoring of each area' investments and ongoing projects. In 2021, Innovex (Innovation Expenditure), which gathers the entire budget dedicated to innovation in the Company, whether it is part of our internal investments, R&D funds from the National Agency of Electric Energy (ANEEL) or other incentivized sources.

The budget is defined annually, and for each priority idea an investment source is defined according to its type. The results of this survey are periodically shared with executives and employees, containing information about the number of projects underway in the corporation, investments made, objectives, horizons, types of innovation, funding source, expected results, among others. Determined quarterly, it is a vital tool for innovation investment management in the company and strategic direction.

In 2021, Innovex reached 1.88% of the Group's Net Operating Revenue (ROL).

### 4.3.2 High Impact Transformation

To further advance high-impact innovation projects in the sector, the Innovation area created a cell dedicated to evaluating potential businesses, aiming at

creating opportunities for related markets and promoting higher earnings and business extension. Its team identifies, monitors and evaluates the main trends with potential impact on the sector, as well as the consumers' view, and develops new products, services and business models from the identified opportunities, from idea to scale. Finally, each project can be carried out through its own development or through partnerships with companies from different segments to expedite its development.

### 4.3.3 Innovation Factory: innovation in the business units

In 2021, we created the Innovation Factory, a work cell of the Innovation Department focused on the performance with the Business Units and corporate areas. Its purpose is the development of new businesses and innovative solutions, which may improve products, services, processes and operations, besides internally supporting the companies invested by EDP Ventures to speed up strategic opportunities for the Company.

The choice of the term "Factory" refers to the concept of "manufacturing plant", reflecting our search to transform good ideas of the business units into great projects.

The Innovation Factory merges the concepts of open innovation and closed innovation. While the former reflects the collaborative process that seeks solutions with external agents, such as startups and innovation hubs, the latter is done in-house, by those who experience the problems.

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### 4.3.4 Innovation Partners: the innovation leaders

The Innovation Factory's new working model is led by Innovation Partners, experts in innovation who work together with the teams from each area to map challenges and opportunities and establish connections with the entrepreneurial ecosystem, speeding up solutions and results. They are part of the daily routine of the Business Units to understand their challenges and develop projects and partnerships with a clear focus on what problems call for solutions.

The team supports innovation idea mapping from all employees and has the backing to conduct strategic calls in the market, such as challenges, and hackathons. They also run trend reports and competitor mappings that support the Business Units in creating new product and service offerings.

### 4.3.5 EDP TransformAction Challenge

Aiming at further fostering our innovation ecosystem, in 2021 we launched the EDP TransformAction Challenge, another EDP Brasil Open Innovation initiative to address priority challenges of the company's Business Units. Through it, we make strategic calls for startups, in search of solutions that may promote new ways of thinking and doing for the Brazilian energy sector.

The initiative is carried out in partnership with the open innovation platform Liga Ventures. In 2021, we held three calls:

### EDP TransformAction Challenge: Consumer Journey

Looked for companies to present proposals that may help EDP's Distribution Unit, focusing on the final consumer. The project aimed at improving customers' experience through the investment in technologies that bring efficiency, cost reduction and improvements both in operation and service, building a complete solution ecosystem, from end to end.

The challenge had more than 200 enrollments and four companies were selected to follow in-depth conversations with the business areas, with a chance to carry out pilot projects with their technology, in a controlled environment, to evaluate if they are adherent to EDP Brasil's needs.

### EDP TransformAction Challenge: ESG Journey

Engaged startups and small companies to create solutions that could leverage our ESG agenda and strengthen the commitment to the theme throughout our value chain.

The participating startups are focused on the ESG journey and operate in the energy segment on several business fronts. The challenges focused on the themes of Energy Access and Energy Transition, Waste Disposal and Circular Economy, and Responsible Consumption and ESG culture. At the close of 2021, the project continued in the startup selection phase.

### Mapping of the Startup Ecosystem in Espírito Santo

Aiming to lend visibility to Espírito Santo's innovation ecosystem, EDP launched, in partnership with Liga Ventures, a dynamic mapping of startups with active solutions in the region. The study promoted an analysis of the innovation and entrepreneurship scenario in the state, reinforcing EDP Brasil's role in the promotion and development of the Espírito Santo entrepreneurial community.

The initiative had several local partners, such as FindesLab, MCI (Mobilização Capixaba pela Inovação), Base27 – Engineering and Construction Innovation Hub, SECTIDES (Department of Science, Technology, Innovation, Professional Education and Economic Development), SEBRAE, IFES (Federal Institute of Education, Science and Technology of Espírito Santo) and UFES (Federal University of Espírito Santo), Azys, Banded and Rede Vitória.



In 2021, there was a 15% increase in the number of jobs created by invested startups.



The percentage of female participation among new employees hired at startups has reached 30%.

### 4.3.6 EDP Ventures

Since 2018, through EDP Ventures Brazil, we foster venture capital investments in startups, focused both on early-stage and mature businesses. The invested companies work with EDP Brasil's business units, bringing efficiency, innovation and cutting-edge technology.

EDP Brasil pioneered this activity among the large multinationals in Brazil. This is the first corporate fund investment initiative in innovative companies of the Brazilian energy sector, with funds to be allocated to startups that operate in 6 verticals: renewable energy, smart grids, energy storage, digital innovation (blockchain, IoT, big data, virtual reality), customer-focused solutions and crosscutting areas (LegalTech's, fintechs, HRtechs).

The startups Delfos IM (artificial intelligence for predictive maintenance), Dom Rock (Big Data & Analytics), Fractal Engenharia (hydrological risk management and production optimization), and Voltbras (technology for management of electroposts),

Colab (popular engagement App for efficient public management and qualification of distribution demands), Clarke Energia (digital energy manager for tariff migration) and Time Energy (Internet of Things Company for energy efficiency) have already received investments in Brazil.

Besides the financial aspect, the investment portfolio's evolution considers other positive impact indicators. In 2021, for example, there was a 15% increase in the number of jobs generated by the startups invested in, and the percentage of female participation among the new employees hired in the companies reached 30%.

### 4.3.7 Colab: aplicativo colaborativo de melhorias na rede de distribuição

Among the projects developed by startups invested by EDP Brasil in 2021, we highlight the pilot carried out with Colab, in our concession area, in Guarulhos (SP). The company created an application aimed at

Distribution, which supports the management of the teams' emergency displacements to meet the demands received from clients via service channels.

The system developed by the startup works collaboratively, identifying necessary improvements in the distribution infrastructure. The software allows the user to photograph an occurrence, such as a broken utility pole on the street, and share the content, helping to map the necessary repairs and the need to send a field team to fix the problem.

The initiative serves an important social role, since the user is paid for the contents sent, earning extra income, and by the end of 2021, 43 users had been paid, totaling more than R\$ 13,800. After the pilot project's success, it was adopted by other distribution business units at EDP São Paulo and EDP Espírito Santo, where it supported the reduction of unnecessary field team displacements, with a set of new functionalities being developed to increasingly improve the service provided by EDP.

Remotely piloted aircraft (RPAs) for network monitoring.





### THIS INITIATIVE CONTRIBUTES TO GOAL

#### 9.4 OF THE SDG

By 2030, modernize infrastructure and upgrade factories to make them sustainable, with increased resource efficiency and greater adoption of clean and environmentally sound technologies and industrial processes; with all countries acting in accordance with their respective capabilities.

Aligned with the study "Integration of the SDGs in the Brazilian Electric Sector: indicators and targets", of the Global Compact Network Brazil.

[Learn more.](#)

### 4.3.8 Investment in startup aimed at reducing operational risks in renewable energy assets with artificial intelligence

In March, Delfos, a startup company, raised R\$ 5 million in a new round of investment, with funding from DOMO Invest, EDP Ventures, BMG Uptech and Bossa Nova. The company developed a software based on artificial intelligence for performance optimization and operational risk reduction of renewable energy assets, such as wind, photovoltaic and hydroelectric plants.

The startup captures information from sensors present in wind turbines, hydroelectric plants, and solar panels, and constantly analyzes them to predict failures. In the analysis, factors such as temperature, pressure, and vibration are considered.

The technology, which has already been used by EDP Brasil since April 2020 in HPP Mascarenhas, broadcasts informative digital bulletins for operational management with the plant's operation status in real time, including a module of occurrences and production analysis.

As the main strategic investor, EDP Ventures foresees opportunities for the software's expansion in the other hydroelectric plants in its portfolio, as well as in EDP Smart's solar generation assets.

### 4.3.9 EDP Brasil is recognized as the Brazilian energy sector's most innovative company for the second consecutive year

For the second year in a row, we were recognized as the most innovative Brazilian company in the Electric Energy category by the Valor Innovation Award. The innovation ranking, conducted by Strategy& – responsible for PwC's strategic consulting – in partnership with the newspaper Valor Econômico, is the country's most recognized.

In 2021, the survey had as its theme "Innovation in data security: challenges and opportunities" and assessed the innovation practices of companies operating in different sectors.

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# 05 – ENVIRONMENTAL PROTECTION

## CIRCULAR ECONOMY AND WASTE

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## BIODIVERSITY

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Aware of the delicate nature of natural ecosystems and of the pressures to which they are subject, EDP Brasil develops a number of initiatives and undertakes commitments aimed at protecting the Environment. To this end, we integrate sustainable development principles in all of the Company's processes, enabling us to evaluate, control, mitigate and compensate the environmental impacts of our activities throughout the entire value chain.

Our environmental management strives to ensure environmentally responsible operations, which consider their possible effects on biodiversity and natural resources, and the adaptation to and mitigation of climate change.

The following are some of the initiatives that reflect our actions to protect the environment developed over the course of 2021

## 100% of Distribution substations with environmental certification

In 2021 we met the established goal of environmentally certifying 100% of the Distribution substations under ISO 14,001 and ISO 45,001 Standards (Environment, Safety and Health).

By 2020, EDP Espírito Santo had nine certified substations, in addition to the Integrated Operation Center and the HV ("high voltage") Maintenance Base in Carapina. In 2021, the Company went up to 96 certified substations, reaching 100% of the substations in the concession area.

EDP's substations in Espírito Santo join those of the Company in São Paulo, which already holds certification in basically all units. Currently, EDP has 75 certified facilities in its concession area in the state of São Paulo (74 Substations, in addition to the head office in São José dos Campos).

With the ongoing evolution work in the evaluated requirements, we expanded the number of certified stations annually, demonstrating our commitment in the quest for the best practices and the improvement of our activities and processes.

## 5.1 —Circular Economy And Waste

The increasing exploitation of natural resources by humankind has been exceeding planetary limits and causing negative impacts on ecosystems, requiring a change in the linear economic model. Therefore, we have adopted the circular economy concept in our operation.

This concept is inspired by nature and aims to regenerate, retain, or add value to the materials and equipment used, extending their useful life as much as possible, while seeking ways to value and reuse waste as raw material in other production chains.

Instead of the mindset of producing, consuming and disposing, we seek to use our materials and equipment as much as possible, carrying out repairs and renovations when possible. When they reach the end of their useful life, when they become waste, we segregate, store, treat, and dispose of them in an environmentally adequate manner. We thus promote a continuous cycle that preserves and enhances natural capital, optimizes resource production, and minimizes environmental risks by managing finite resources and renewable flows.

**78%** OF THE WASTE WAS SENT TO

to recycling or other recovery options in 2021.

**75%** OF ASHES

were sent for co-processing in 2021.

**17%** OF TRANSFORMERS

used in operations from recycling and/or reuse.

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## 5.1.1 Circular Economy Program

To reinforce the implementation of the circular economy concept in the Company, we launched, in 2021, EDP's Circular Economy Program. By means of a systemic approach, the Program aims at implementing circular flows of resources that regenerate, retain or add value to materials and equipment necessary for our operation, in order to guarantee resource use effectiveness through the proposition of circular solutions and business models.

The Program vision is based on three pillars: Regeneration, Valorization, and Effective Operation. Its operation takes place through value networks whose objective is the construction of alliances and partnerships capable of enhancing circularity in EDP's business units, as well as to raise awareness and educate society about the topic.

Both the initiatives and the projects developed in the Program are based on 6 principles and 7 axes of action.

On the following pages you will learn about some of the initiatives developed in 2021 within the Program's scope, which exemplify our actions in relation to the circular economy.

### Program Principles

1. Take a systemic approach
2. Build alliances/networks
3. Effectiveness in resource utilization
4. Promote innovation
5. Promote effectiveness in value networks
6. Ensure transparent communication

### Axes of action



EFFECTIVENESS IN USE OF RESOURCES AND MATERIALS

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WASTE RECOVERY



CIRCULAR SUPPLIES



## Materials circularity in Transmission works

In 2021, EDP held the first auction for scraps and waste sale originating from transmission lines construction. The sales occurred with residual materials from the works of lots MA I and MA II located in Maranhão, totaling about 330 km of transmission lines, besides 6 substations.

At the end of the construction work on the lots, after a process to analyze the waste and stored scrap metal, the materials were sold through an auction process that had the support of the Logistics, Procurement and Compliance areas to ensure that the selection of the participating companies complied with all applicable legal and environmental requirements.

The auction took place in three rounds and directed more than 217 metric tons of waste and materials, including 19 metric tons of aluminum cable escorts, 160 metric tons of metallic structures, and 8.5 metric tons of steel cables.

Apart from the environmental benefits of reinserting these materials to be used in other activities and works, financially the auction resulted in a return of more than R\$1.2 million, demonstrating that internalizing the circular economy principles can bring gains in several aspects and can be strategic for business.

## Reuse of coal ash at TPP Pecém

The Pecém Thermoelectric Power Plant, in Ceará, reuses the coal ash produced when generating energy. Instead of sending it for disposal in landfills, it is sent for processing in the cement industry.

Furthermore, part of the ash is still used for internal paving, replacing the use of soil and rock materials that are used for building the base and sub-base of conventional paved roads.

In 2021, the initiative allowed the reuse of more than 89,000 metric tons of ash, which represents 75% of the amount generated.



## Green Power Transformers

As a way to minimize our environmental impacts, since 2019, all new power transformers used in our operation are purchased with vegetable oil. As of 2020, transformers sent to refurbishing companies began to return to the EDP Group distributors' assets park with vegetable oil.

Besides being supplied with a renewable resource, vegetable oil power transformers have a 40% longer life span, as estimated by the manufacturers, compared to mineral oil power transformers. In the event of environmental accidents with leaks on the ground, vegetable oil is less harmful to the environment since it is biodegradable and non-toxic.

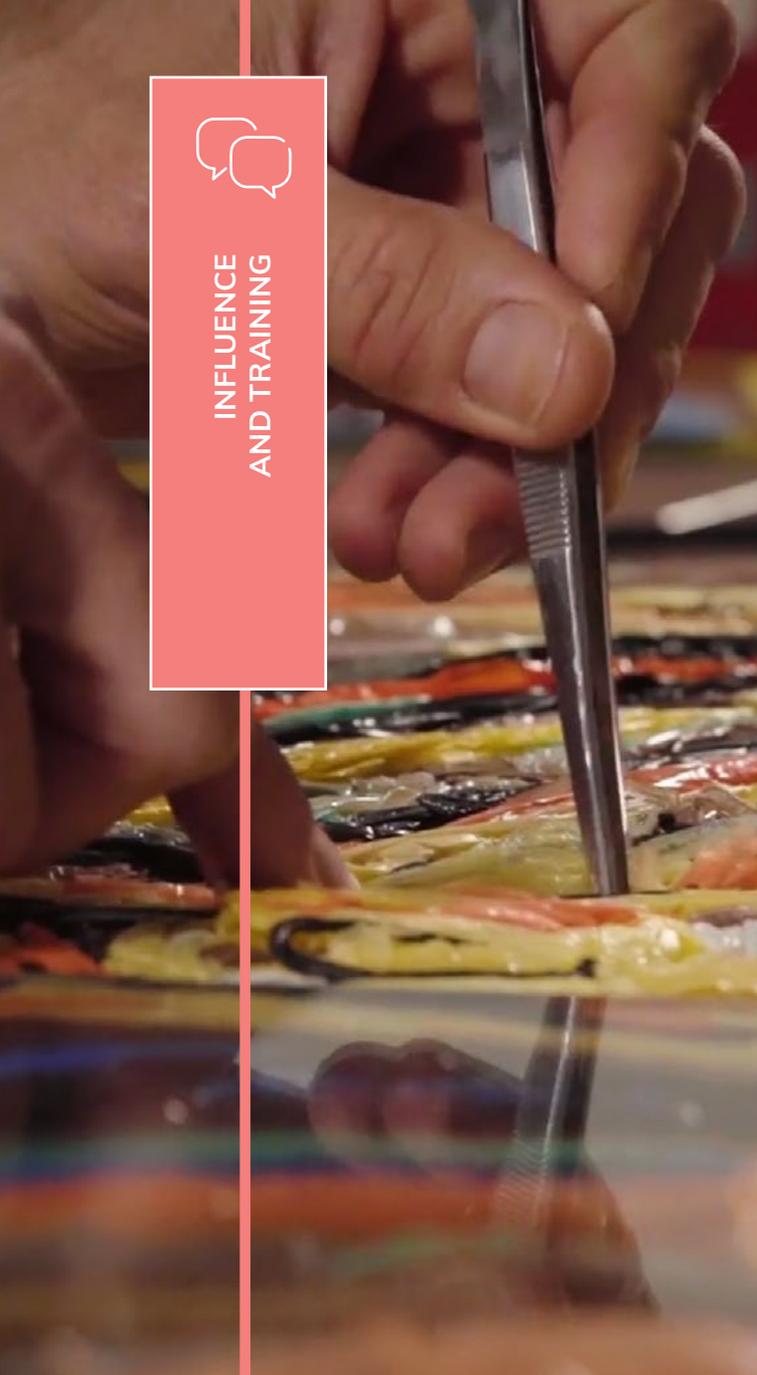
Currently, over 22 thousand overhead distribution power transformers and five power transformers use vegetable oil, totaling more than 44 thousand liters of oil.

## Initiatives to zero single-use plastic

EDP Brasil understands that it is important to send all the plastic used in the operation for recycling, but this initiative has a critical limit: even when separated and sent to recycling collection, only a part of the plastic is actually recycled. In view of this, we understand that, to rid the environment of this waste, the best thing to do is to reduce, until zero, the amount of plastic we use.

Thus, as part of the Circular Economy Program, we have taken steps to eliminate 100% of single-use plastics (in administrative activities) in all our business units by 2022. The initiative comes in the form of education, with actions to inform and raise awareness among employees. In August 2021, for example, we removed disposable plastic cups from the administrative headquarters in São Paulo, São José dos Campos, Porto Alegre, and Vitória.

Employees at these units have been given bottles for water and cups for coffee. Visitors, on the other hand, must now pick up paper cups at the reception desk to use during their time in the office. With this initiative, we will avoid the use of about 3.5 million disposable plastic cups per year, as well as encourage the responsible consumption of resources among employees.



Exhibition Natureza Plástica.

## Plastic Nature Exhibition transforms plastic bags into art

For EDP, art holds the power to transform lives, through the people impacted, and to preserve and recover the environment. For this reason, in 2021 we sponsored the virtual exhibition Natureza Plástica, idealized by the artist Eduardo Srur. In the exhibition, the artist transforms plastic into art with works inspired by famous paintings by great artists such as Leonardo da Vinci, Edvard Munch, and Van Gogh.

To create the collection of works, the artist used only plastic bags collected from the margins of rivers, streets, and recycling cooperatives, replacing brushes and oil paint for a technique that uses only plastic fragments to compose the works.

By transforming plastic into art, the artist brings a lesson about the circular economy importance and also the pressing need to reduce single-use plastic consumption. The exhibition can be accessed at the link: <https://www.vr360.com.br/tour360/eduardosrur/naturezaplastica-pt/>.

## Sustainable Communities Challenge raises awareness about waste

Aiming to raise the population's awareness about sustainability issues, in 2021, EDP Institute launched the Sustainable Communities Challenge. The initiative involved 58 communities mapped in the concession areas in the states of São Paulo and Espírito Santo through a distance learning model focused on the Waste topic.

For each module, a challenge was proposed to the participants, who received points according to their performance. At the challenge's end, the community of Conjunto Jefferson, in Mogi das Cruzes (SP), obtained the highest score and will be awarded with a R\$ 40 thousand local improvement.

The initiative's design, the content definition and the participation dynamics were defined after a survey was previously carried out with community leaders, reinforcing the collective construction aspect and the need to meet the needs of the local communities participating in the Challenge.

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## 5.2 Biodiversity

With life preservation at the center of our sustainability strategy, we position biodiversity as an element that is essential to our operations and to our value creation. We engage our business in the sense of recognizing and protecting ecological limits, guiding our actions in this area along the four axes described below.

We have regulatory and voluntary initiatives aimed at monitoring and mitigating impacts on biodiversity in the regions where we operate, ranging from risk analyses in all business units to habitat restoration programs and the recovery of degraded areas, in addition to formal commitments to the topic.

### Impact Mitigation

Our mitigation hierarchy is defined as a sequence of actions to anticipate and avoid potential impacts, minimize them when they occur, restore damage, and compensate where residual impacts remain.

### Innovation, Research and Development

Our goal is to develop and encourage nature-based studies, research and educational projects, technology, and innovation that contribute to biodiversity conservation and ecosystem services.

### Volunteer Work

It takes place independently of any conservation legal obligations. As volunteers, employees can act together with EDP Brasil, in several nature conservation actions.

### Community Engagement

We have a commitment to human and social development carried out through activities all over Brazil. Within the biodiversity scope, we engage the communities in our operating regions in order to empower their involvement with conservation.

ABOUT

**215** Km<sup>2</sup>

of protected or restored habitats in the Company's areas of operation.

**3.5**

THOUSAND SEEDLINGS

of native species planted in Pantanal and Atlantic Rainforest areas in voluntary actions.

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## 5.2.1 Brazilian Business Commitment to Biodiversity

Reaffirming our commitment to environmental issues, in 2020 we joined the Brazilian Business Commitment to Biodiversity, proposed by the Brazilian Business Council for Sustainable Development (CEBDS). The initiative aims to emphasize the importance of biodiversity and ecosystem services for companies, as well as the key role they can play in their conservation and sustainable use.

The commitment is made up of 9 goals, whose core principles are the conservation and sustainable use of natural resources based on sustainable consumption and production standards. For the commitment's initial cycle, we took on five goals, with specific indicators for the achievement of each one:

1. Include the biodiversity theme in the company's business strategy
2. Apply the hierarchy of prevention, mitigation, recovery and compensation of impacts on biodiversity throughout the projects' life cycle
3. Promote and enhance best practices that favor the rational use of biodiversity resources

4. Develop and encourage studies, research, technology and innovation projects that contribute to biodiversity conservation and ecosystem services
5. Disseminate knowledge related to biodiversity and ecosystem services within the scope of our activities and value chain.

Learn more about the Commitment and 2021 progress at: <https://cebds.org/ibnbio/o-compromisso>

## 5.2.2 Pantanal Restoration

In 2020, the Pantanal suffered the worst wildfire in its history, in which a third of its territory was burned, with countless environmental damages to the flora, fauna, and local populations. Thinking about the restoration of devastated areas, we signed a partnership with the NGO SOS Pantanal, the Laboratory of Intervention Ecology of the Federal University of Mato Grosso do Sul (UFMS) and Restaura Consultoria Ambiental to perform the reconstitution of 2.5 hectares of the Cachoeirinha Indigenous Land in Mato Grosso do Sul.

The action was the result of the "One Tree Counts" campaign, launched in September 2020, in which, for each customer who opted in to receive their energy bill online, the Company would donate a native tree seedling for the reforestation of priority areas in the Pantanal.

In 2021, we planted 2,500 seedlings resulting from the campaign. In addition to fostering the restoration of native vegetation, the project also promoted community involvement in the planting of native food species, helping the food security of families in the region. The community produced the seedlings itself, which sold them to the project, thereby providing income for the residents.

## 5.2.3 Atlantic Rainforest Restoration

Based on the alignment of our volunteering with environmental causes that are important to EDP, in the World Energy Day celebration, we combined physical activity incentive with the restoration of the Atlantic Rainforest. Using the Km Solidário App, we encouraged employees to go on walks that would be converted into the planting of native trees by EDP.

As a result, we had over 2,000 km traveled by bicycle (about 550 km of walking and 300 km of running), in two weeks, revealing our potential to mobilize employees for a cause. This effort resulted in the donation of 1,000 Atlantic Rainforest native tree seedlings to IPÊ – Instituto de Pesquisas Ecológicas.

More information on biodiversity management projects and initiatives can be found on [page 47 of the ESG Book](#).

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## 5.3 — Climate change adaptation and resilience

At EDP Brasil, we know that climate changes represent a global challenge. Caused by Greenhouse Gas Emissions (GHGs), climate change harms the population's health, increases extreme weather events and undermines natural resources, generating negative effects in the most varied sectors of the economy.

The energy sector is directly impacted by the threats posed by climate change, especially by the change in the rainfall regime and prolonged droughts, which increase the pressure on water resources, affecting assets operation and energy prices.

The fight against climate change integrated to the Company's business strategy includes actions such as investments in clean and efficient technologies, focus on R&D projects in solar energy, distributed generation and smart grids, and the promotion of energy efficiency and loss reduction programs (learn more on [page 56](#)).

On the other hand, we know that the quest for adaptation and resilience is pivotal to the technical viability of the energy sector, directly impacting our ability to meet the increased energy demand driven by economic and population growth. Learn more about our initiatives to adapt the business to climate change next.

### 5.3.1 Facing the Water Crisis

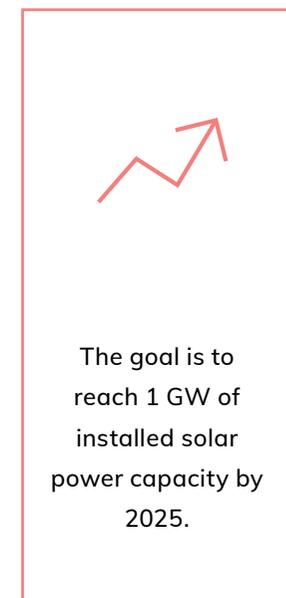
Given the worsening of the hydric crisis in Brazil in 2021, the worst in the last 91 years, we have been working to mitigate any additional hydrological risk impact through measures to protect our portfolio, such as the repactuation of the GSF (Generation Scaling Factor, which measures the hydrological risk in energy generation), hedging operations and discontracted physical guarantee.

Throughout the year, the EDP Brasil's integrated portfolio management showed its effectiveness in facing the hydroelectric crisis, with emphasis on the trading's performance together with the hydroelectric generators in energy purchase and sale transactions, which allowed us to entirely mitigate the economic impacts of the high price scenario.

Another central element in the strategy for tackling the crisis was the reduction of hydroelectric exposure in conjunction with the increase in solar installed capacity.

Accordingly, in 2021 our solar energy portfolio exceeded 85 megawatts-peak (MWp) and we have a goal of reaching 1 GW of installed solar energy capacity by 2025.

In the year's fourth quarter, affluence expectations improved, with the La Niña climate event at low intensity favoring rainfall in the main basins of the Southeast region and the start of reservoir level increases in the Rio Grande and Paranaíba basins. The hydrological scenario has not yet fully recovered but indicates a more comfortable operation for early 2022.



## 5.3.2 EDP Brasil invests in the future with green hydrogen

Reasserting our pioneering spirit in proposing innovative solutions for tackling climate change, in 2021 we announced an unprecedented project in Brazil: a green hydrogen plant in the Pecém industrial and port complex. Our only thermoelectric asset, TPP Pecém, is also located at this site.

Considered the fuel of the future, green hydrogen is one of the energy sources seen as a great opportunity to contain the excessive increase in the Earth's temperature. Besides being the planet's simplest, most abundant, and lightest chemical element, hydrogen has a high energy value, and burns three times more energy than gasoline.

The project, which will cost R\$41.9 million, foresees the installation of a solar plant with 3 megawatts (MW) capacity and an electrolyzer module to produce hydrogen with guaranteed renewable origin. The modular unit will have the capacity to produce 250 Nm<sup>3</sup>/h of gas.

With operations expected to start at the close of 2022, the project will advance clean energy production and put the state of Ceará at the forefront of the energy transition, while boosting economic development in the region.



### THIS INITIATIVE CONTRIBUTES TO TARGET

#### 13.2 OF THE SDG

Integrate climate change measures in national policies, strategies and planning.

Aligned with the study "Integration of the SDGs in the Brazilian Electric Sector: indicators and targets", of the Global Compact Network Brazil.

[Learn more.](#)



TPP Pecém.

# 06 – EMPLOYEES

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HUMAN RIGHTS

PEOPLE MANAGEMENT

SAFETY

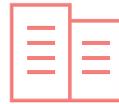
At EDP Brasil, our employees are the vital link for the daily achievement of our purpose. Their different stories make up the history of EDP Brasil and, therefore, we respect each individuality, building a unique and diverse team.

We are human-centered and, therefore, we value the search for balance between professional and personal life, creating a more humane, safe, sustainable, and fair work environment for all.

## 6.1 Diversity

EDP Brasil's trajectory is characterized by people's appreciation and by the promotion of diversity, equity and inclusion, promoting actions to strengthen a culture in which everyone feels respected, welcomed and belonged to.

In 2021, we joined the list of Incredible Places to Work, a survey conducted by FIA Business School in partnership with UOL, attesting to our search for the best work environment for our employees. The award evaluates people management and the initiatives aimed at employees' well-being and development, with an emphasis on socio-environmental, diversity, and inclusion actions.



### INAUGURATION OF THE NEW HEADQUARTERS

a healthy work environment with the Fitwell seal.



**19%**  
WOMEN

in leadership positions.



**23%**  
WOMEN

in our workforce.



### SETTING UP THE NEW AREA

for Engagement Management.



**25%**  
INCREASE

in participation of people with disabilities in the workforce.



### RENEWAL OF EDP CULTURE PROGRAM.

## 6.1.1 Inclusion and Diversity Program celebrates its second anniversary

In 2021, our Inclusion and Diversity Program completed two years since its implementation, with achievements that confirm our active role in building a fairer, more humane and inclusive society.

Internally, we point out the increase of women on the Board of Directors (learn more on page 62) and the definition of goals to include under-represented groups in the company, which have an impact on the performance evaluation of all employees and leadership. As for the Intern Program, in 2021 we had 48% of approved women and 51% of black and brown-skinned people (more on [page 41](#)).

During its two years of existence, the Inclusion and Diversity Program has also carried out several engagement actions on the theme. Among them we highlight 9 meetings on Racial Literacy, to promote awareness about the structural dimension of racism, and LGBTQIAP+ Training, to discuss gender matters, affective-sexual orientation and other identities (learn more on [page 60 of the ESG Book](#)).

The work of the Affinity Groups was also a major highlight, with agendas focused on the discussion of specific topics, always in a safe environment for exchanges on Gender Equity, People with Disabilities, Race, LGBTQIAP+, Generations, and Cultures and Spiritualities

Externally, the Program held the 1st EDP Low-Income Neighborhood Entrepreneurship Challenge, a formative immersion initiative aimed at strengthening businesses led by women in social vulnerability situations. Another highlight was the Electricians School for Women in Espírito Santo, which graduated two classes over these two years, with 28 trained women, all of whom were hired by EDP or by partner companies. In 2021, we launched the School of Electricians for Trans People, which should start its first class in 2022 (learn more about the initiative on [page 41](#)).

## 6.1.2 Women Connection Program: strengthening the women's network at EDP Brasil

In March, we launched Conexão Mulheres, a training program created to develop and strengthen the women's network at EDP Brasil. The initiative emphasizes our commitment to increase female representation from a self-knowledge journey, by sharing experiences and learning about the challenges of gender equity.

Aimed at women in leadership positions and in positions ranging from junior analyst-engineer to specialist-consultant, Conexão Mulheres also has the participation of five male directors who act as leaders supporting the gender equity cause and the inclusive culture in the Company.

The Program structure is as follows:

- Leadership Academy, aimed at all women in leadership positions
- Development Track, aimed at all female employees enrolled in the program
- Mentoring Stage, in which employees are mentored by women leaders and supporting leaders.

In total, we had 31 women participating in the Leadership Academy in workshops with the themes "Strategic female leadership", "Overcoming the impostor syndrome", "How do women get to the top" and "Gender biases and leadership". The Development Track stage had 66 female employees participating in workshops based on the theme "How do women get to the top?"

In the Mentoring stage, comprising two workshops complementary to the development track for the selected employees, 22 female participants are receiving mentoring from EDP Brasil leaders – 17 of whom are women leaders and five ambassador leaders.

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### 6.1.3 + Inclusion Program: fostering the development of employees with disabilities

In September, a month in which we celebrate the National Disabled People's Day, we launched the + Inclusion Program, aimed at promoting the development of disabled employees in the company, through a journey of awareness, self-confidence and a sense of belonging.

The program is aimed at all employees who have some type of disability, at all hierarchical levels, regardless of whether they fit into the Quotas Law (Law 8,213/1991). This training has the objective of promoting the development of employees with disabilities, based on a journey to boost self-confidence, a sense of belonging, and a support network among the participants.

Its structure includes a development track with four behavioral workshops and conversation rounds, in addition to a mirror-research involving participants and their respective leaders, following which a report will be delivered with a diagnosis and action plan.

The program also foresees an eight-hour training stage for key areas such as Human Resources, Health, and Communication, in addition to a distance learning course divided into 6 modules, which will be made available to all our employees and suppliers.

In all, 34 employees are participating in + Inclusion, which started in September 2021 and is scheduled to end in March 2022.

### 6.1.4 Internship Program: 51% black and brown people among the selected ones

EDP believes in affirmative actions as indispensable tools to increase representativeness and promote social transformation. Therefore, since 2020, our Internship Program has a racial equity goal, with 50% of the openings reserved for black students. The goal is extended to all our training programs, also called "entry doors": Internship Program, Electricians School and Young Apprentice. In this sense, in 2021, our percentage was 52.8% of black people considering these three programs.

### 6.1.5 First Electrician's School for Trans People

Aware of the difficulties faced by the trans population to enter the job market, in November we launched the first affirmative electrician school for trans people. In its first year, the School will have two classes in Guarulhos (SP) and Serra (ES), which will start in January, Trans Visibility Month.

The initiative, a pioneer in the energy sector, will offer full professional training, taught by SENAI, and the possibility of being hired at the end of the course. Students will also receive teaching materials, uniforms and Personal Protection Equipment (PPE), a stipend, and lunch on site.

Apart from the technical training, the school will include a module focused on the development of behavioral skills, taught by Maite Schneider, cofounder of the TransEmpregos recruitment platform and Inclusion and Diversity consultant.

As part of the initiative, we will make our Social Assistance Program available to course students, offering a humanized welcome through a channel that works 24 hours, seven days a week, with free and confidential calls. Therefore, we will provide psychological, social service, social security, and legal support.

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are participating in + Inclusion, scheduled to end in March 2022.

In 2021, we had

52.8%

of black people participating in the Internship Program.

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## 6.1.6 Women on Board Seal: female representation on the Board of Directors

In February, the Board Members Vera Pinto Pereira and Ana Paula Marques joined EDP Brasil's Board of Directors, increasing the female representation in the board, which already had Juliana Rozenbaum. As a result, in April, EDP Brasil was certified with the Women on Board seal on Board,

an initiative supported by UN Women to encourage gender equity on boards of directors.

Thanks to the addition of two women, the Board of Directors now has 33% female participation, three times the national average. The recognition of the Women on Board testifies to our commitment to expand the representation of women in the various company levels by means of tangible actions, in order to increasingly advance the gender equality agenda.



A class from the first electrician's school for transgender people.

In 2021, the Board of Directors was increased to

**33% FEMALE PARTICIPATION,**

three times the national average.

**EDP BRASIL WAS CERTIFIED WITH THE WOMEN ON BOARD SEAL,**

to encourage gender equity on boards of directors.

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## 6.2 — Engagement and well-being

At EDP Brasil, we believe in the importance of strengthening an organizational culture based on quality of life and well-being, which generates value for employees and brings greater engagement to our teams. Therefore, we carry out several initiatives to stimulate a healthy, balanced and productive work environment.



New EDP headquarters in São Paulo

### 6.2.1 Start of the hybrid working model

After over a year of living with the learnings and adaptations that the Covid-19 pandemic brought to our business, we prepared our offices with all the health and safety protocols to resume face-to-face administrative activities, for the employees who still worked in a completely remote model.

We have drawn up a guide for the voluntary return to the offices, with the objective of preparing employees for a working day that will prioritize a hybrid model, maintaining the balance between face-to-face and remote work.

Risk groups may continue to work at home office or work in administrative functions in a controlled environment, provided they are authorized by our occupational physician, with the exception of pregnant women, who must continue to work from home.

Safety protocols have also been adopted for all employees during face-to-face work:

- Checking body temperature
- Use of surgical masks or PFF2 provided by the Company 100% of the time
- Constant hand sanitization
- Mandatory weekly testing with registration in a card
- Scheduling entry times to avoid crowds

- A 30% maximum occupancy of the total office capacity
- 2-meter distance per workstation and when using all shared spaces

As return to face-to-face work was voluntary, the interested employee needed to schedule his or her visit with the help of an App, which also helped in the daily control over the amount of people at the site.

### 6.2.2 COVID-19 Monitoring

Since the Covid-19 pandemic began, we have taken a preventive approach, maintaining daily monitoring of all employees with any symptoms of the disease. Throughout the year, we monitored 700 new employees, who had not yet been monitored in 2020.

In 2021, we performed about 30 thousand Covid-19 tests on employees. To establish protocols and rules of behavior to bring even more safety to our team, we redesigned the Life Saving Rules – Covid.

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## 6.2.3 Golden Rules and Best Practices for Well-Being at Work

Connected to EDP Group's Global Wellness strategy, which has as one of its main goals to contribute to the balance of the employees' work routine and personal life, we launched two Golden Rules. The first prioritizes the lunch break and the second defines the time limit for meetings or external commitments as being between 9 a.m. and 5 p.m., being aware that exceptions must be analyzed, as in the cases in which field teams are involved.

Moreover, we also created a well-being best practices guide that strengthens the work environment, regardless of the format, whether at home, in the field, at the office, or in the hybrid model. With the motto "We are Wellness starts with you", the Guide is based on each person's responsibility and attitude and covers topics such as responsible consumption and workday organization.

## 6.2.4 Remote Management and Wellness

To welcome and support our leaders in developing the hybrid working model, we have built, in partnership with the EDP University, a development program with the following objectives:

- Develop skills and best practices for a more balanced leadership in the new work format
- Reinforce the creation and maintenance of habits supporting mental health and psychological safety, aspects that were directly impacted by the pandemic and the new work model
- Meet the training demand on the theme also requested by leaders and employees in climate surveys, events, home office and leaders meeting.

Two meetings were held on Remote Management, two meetings on wellness and an exclusive session with VP's and CEO, in addition to an exclusive track on the content and training platform, and a Guide to wellness actions. Throughout the training, topics such as effective meetings, remote communication, self-care, self-empathy, and decision making were covered.

The program was made available to the entire EDP leadership (operational managers, executives and directors), in online format, from August to December, in partnership with consultants specialized in the themes.

## 6.2.5 New Administrative Headquarters in São Paulo receives Fitwell Seal

In July, we made available to our employees a new administrative headquarters in São Paulo, whose project was recognized with the Fitwell seal, which,

rewards the creation of healthy workplace environments, improving occupant health and productivity. We are the first company in the energy sector to earn the certification, which reveals our commitment to taking care of our people.

The concept laid out for the new headquarters sought to meet the new labor market perspective and took into account a survey with the ambassador from each area involved in the project, to understand the activities performed in the space. Its conception used neuroscience applied to architecture in order to benefit spaces, applying the effect that ergonomics, lighting, art therapy, and other activities have on the users' well-being and cognition.

The decision to change headquarters took place in 2020, due to the health issues raised by the Covid-19 pandemic and the search for meeting the main working space trends worldwide. The office has double-height ceilings, a larger area where persons may move freely and more space between workstations, providing natural ventilation and lighting.

The new headquarters has more than 10,000 m<sup>2</sup>, with 600 workstations, 625 collaborative seats, and 268 seats for formal meetings. Also, the facilities have a Kids Space, a Game Room, meditation rooms, a three-dimensional room with advanced visual technology for events, a training room, and an auditorium with 105 seats.

According to a survey, 72% of employees benefited or suffered no impact in relation to commuting time due to the new location.

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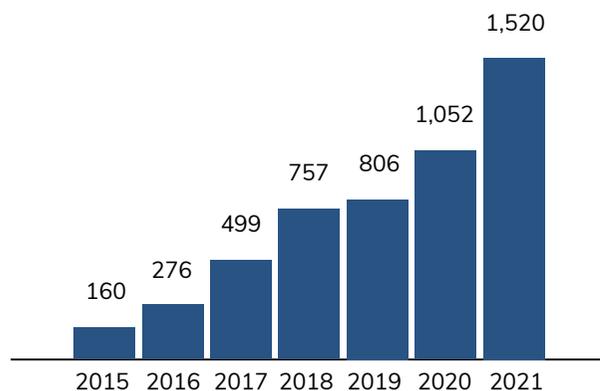
## 6.2.6 Volunteering

Created by EDP Group in 2011, the Volunteer Program celebrated its 10th anniversary. By means of employees' engagement, we intend to boost an organizational culture guided by values, contributing to the formation of socially responsible people.

We started the Program with 160 volunteers in Brazil. Today we are 1,520, a 42% growth if compared to the previous year, when we had reached the mark of 1/3 of volunteer employees in the first year of a pandemic.

In 2021, our volunteers' energy benefited 57 social organizations and about 13,800 people, considering assistance and skills initiatives. Highlighted here, are some of this year's initiatives:

VOLUNTEERING AT EDP BRASIL  
(employees involved in the activities)



\*Total volunteers considers only the companies controlled and partially controlled by EDP, in order to allow comparison with headcount data.

## Vaccine Yes, Hunger No!

During the annual flu vaccination campaign for EDP employees and their dependents, we asked for the donation of non-perishable food, which was delivered to local social organizations, already partners of EDP Institute. In total, we could count on the participation of more than 780 volunteers, who donated 2.5 metric tons of food benefiting over 360 families.

## World Energy Day

In our global campaign held on World Energy Day, employees could donate their own energy by running, walking, cycling or swimming. In partnership with the startup Km solidário and IPÊ (Ecological Research Institute), we established a goal of 1,000 kilometers, where, for each kilometer walked, EDP would donate the planting of a native tree. At the end of the action, we had 58 volunteers who donated more than 2,000 kilometers. Some of these employees were also able to participate in the planting of some native seedlings. More information on the results of this initiative can be found on [page 35](#).

## Crossing Stories – Boost your career

Created and conducted by the social organization Cruzando Histórias (Crossing Stories), with the goal of transforming the lives and careers of 1,000 women by 2021.

The initiative provides a journey of welcome, development, and opportunities for women with no jobs and no income from C, D, and E classes.

The project has 6 active listening cycles, as well as collective mentoring and special meetings, such as the one held in November, dedicated to the Black Consciousness month. The project will continue throughout the first quarter of 2022 but has already brought positive results. Through 29 volunteers and 156 hours of volunteering during working hours, 97 women were assisted. Of these, 38% were reinserted in the labor market, which represents about R\$ 117.3 thousand in income over the 9 months of the project.

Learn more about projects related to income generation in the " Social impact generated under the Impact Lab Program" chapter ([page 85](#)) of the [ESG Book](#).

## My Cause

Apart from the initiatives conducted by the engagement area, responsible for managing the Volunteer Program, employees are given the opportunity to build simultaneous social initiatives, which are shared with everyone through our volunteering platform. As a result, it is possible to engage many more employees in this network of good.

Throughout the year, 30 initiatives were organized, totaling 768 hours of volunteering during working hours, impacting more than 26 organizations and 6,030 people

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## 6.3 — Workplace Safety

For EDP Brasil, life always comes first. Therefore, we work relentlessly with the objective of zero accidents.

We carry out several initiatives aimed at ensuring the occupational safety of our own professionals and service providers that work in the Company, such as field inspections for processes improvement, behavioral observations, training, emergency service simulations, training courses held in partnership with Universidade EDP and continuous analysis of SST (Occupational Health and Safety) risks.

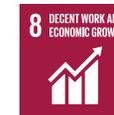
In this sense, we consider strengthening the safety management for service providers to be crucial. The Work Safety topic is one of the five categories evaluated in the Supplier Performance Index (IDF), and we also have a specific project directed to this public, called "Safe Partner".

### 6.3.1 Redesign of the Occupational Safety Area

In 2021, we reshaped the Occupational Safety management model at EDP Brasil. Until then, the Corporate Occupational Safety area was responsible for the administrative management of occupational safety issues of the business units. In view of the maturity acquired over the years, we perceived the opportunity to assign this responsibility to the business units themselves, which now have autonomy to handle their own management system, and not only operationalization.

The initiative reflected in process improvements, causing faster and easier implementation of actions, which could be adapted to each operation's specificities.

As a result, EDP Brasil's Corporate Occupational Safety area began to operate with a strategic focus, in drafting and reviewing regulations, quality management, critical analysis of performance indicators and implementation of a global Occupational Safety project within the company.



#### THE PERFORMANCE IN THIS THEME IMPACTS ON TARGET

#### 8.3 OF THE SDG

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the legalization and growth of micro, small, and medium-sized enterprises, including through access to financial services.

Aligned with the study "Integration of the SDGs in the Brazilian Electric Sector: indicators and targets", of the Global Compact Network Brazil.

[Learn more.](#)

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## 6.3.2 Zero accidents with lost time in our own teams

In 2021, EDP Brasil did not record any lost time accident with its own team of employees and there was a reduction of accidents without lost time by 10% when compared to 2020. The result is significant, considering the activity segment and the number of employees exposed to risk.

The indicator reflects the maturity of EDP Brasil's Safety Culture, resulting from the work developed together with a consulting company specialized in the topic to apply the behavioral program with our own employee teams.

In 2021, we reformulated the Work Safety management model at EDP Brasil.

In 2021, EDP Brasil did not record any lost time accidents of its own employees and there was a reduction of accidents without lost time by 10% compared to 2020.

## 6.3.3 We are Safety Program

In 2021, the transformation of the "VIVA" program into "Somos Segurança" (We are Safety) took place, providing more connection with EDP's values.

This change sought to take advantage of the effectiveness of the program's activities to increase the current maturity level of the Safety Culture in EDP Brasil, adjusting the Work Safety processes and initiatives regarding ESG requirements and structures while ensuring the continuity of the EDP Group's Safety processes and indicators.

The development of "We are Safety" included consultations with the top management and corporate areas of EDP Brasil, in addition to involving the sectors of transmission, distribution, generation and EDP Smart, allowing a global analysis of the topic in the Company's several operating fronts.

## 6.3.4 Safe Partner Program

Throughout 2021, we observed that the Somos Segurança program actions indirectly impacted the occurrences with service providers, with a decrease in accidents without lost time when compared to 2020. However, the occurrences of lost time accidents increased in the year (More information about the indicators and performance in Safety can be found in [ESG Book, page 65](#)).

In view of this, in partnership with a specialized consulting company, EDP developed a Work Safety project focused on service suppliers called Safe Partner. The initiative has the purpose of raising the occupational safety maturity of the companies that provide services to EDP, ensuring compliance with the Somos Segurança (we are Safety) initiatives.

The Safe Partner's main objectives are:

- To understand the maturity level of the safety culture of the service providing companies
- To apply the We are Safety Program actions to increase the maturity in Work Safety of the companies providing EDP's services
- To present adherence level and recommendations of adjustments to the occupational safety processes and initiatives regarding market requirements
- To consolidate and improve We are Safety practices required to advance the safety culture in partners.

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# 07 – POSITIVE IMPACT ON SOCIETY

## MATERIAL TOPICS IN THIS CHAPTER:

VULNERABLE CUSTOMERS	HUMAN RIGHTS
COMMUNITY ENGAGEMENT AND DEVELOPMENT	
SUPPLIER MANAGEMENT	ENERGY INFRASTRUCTURE
CUSTOMER SATISFACTION AND SERVICE	

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At EDP Brasil, we work together with all the publics in our value chain in a conscious, systemic and sustainable way to generate a significant and positive change in society, which meets urgent social challenges and responds to the needs of the communities where we operate.

To create shared value for all our stakeholders, we ensure that all the social projects supported and sponsored by the Company foster the search for a fairer and safer society, while developing responsible partnerships with our suppliers, encouraging sustainable practices. Another way to expand our social impact is through our relationship with our customers, to increase their satisfaction regarding the services and care provided.

## 7.1 — Sustainable Partnerships

EDP Brasil believes in Sustainability as the major value of an integrated strategy. Therefore, as a way of ensuring a sustainable value chain, we involve our partners and suppliers in social, environmental and corporate governance issues.

Accordingly, we prioritize partnerships with local companies that share our values and cultivate sustainable, ethical and responsible practices in their processes.

### 7.1.1 Constant monitoring of the supply chain

Throughout their contract term, we evaluate commercial partners on a quarterly basis using the Supplier Performance Index (IDF), which allows us to anticipate and mitigate operational, environmental, and social risks. The IDF is a vital tool for monitoring partners that fall into the critical and overly complex categories in the supply of goods and services.

In 2021, 120 suppliers were evaluated regarding their Performance, Health and Safety, Sustainability, Compliance and Innovation, which represents 34% of the Company's total suppliers. Suppliers whose IDF scores remain unsatisfactory or who do not meet any legal requirements for more than three consecutive evaluations may have their contracts terminated.

Based on the annual calculation of this indicator, we held an event to recognize the partners that stood out the most, through EDPartners, which this year was held in online format and had 246 participants from approximately 90 suppliers.

24.31%

OF EXPENSES

dedicated to local partners.

R\$

12.55

BILLION

spent with suppliers in 2021.

120

SUPPLIERS

evaluated on socio-environmental criteria.

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## 7.1.2 Partner Academy: training suppliers in Sustainability topics

Through the Partner Academy initiative, we develop our critical and non-critical suppliers, as well as their respective sub-suppliers, in sustainability topics such as environment, ethics, and labor relations.

In 2021, to reach a greater number of partners and maintain training during the Covid-19 crisis period, we continued to use online technologies to train and develop partners. A total of 34 online courses in different models were made available, totaling 803 students who registered on the platform. During the year, we managed to increase enrollment by more than 570% over the previous year.

The most requested courses were in the live virtual class model, aimed at environmental management, health and safety, quality, and compliance training, which had more than 350 participants. Another highlight was the course "The Value of Diversity", which included a specific module for LGBTQIAP+ issues.

## 7.1.3 Sustainability Goals for Suppliers

In 2021, the EDP Group presented its Strategic Plan 2021-2025, aligned with its new positioning "Changing Tomorrow Now".

One of the global sustainability targets set under the Plan for the supply chain is to achieve 40% purchasing volume from suppliers with sustainability targets by 2025, with emphasis on gender diversity targets, decarbonization, and transparency in reporting.

The Group's commitments in this area also include: 100% of purchases compatible with Integrity and Human and Labor Rights requirements; 100% environmental and health and safety certification for suppliers exposed to high risks; and ESG assessment and auditing of 100% of suppliers considered critical.

Thinking about the need to review internal processes, in 2021 we conducted a maturity diagnosis of our processes in relation to the ISO 20,400 sustainable procurement guidelines. The results should steer the next steps to meet the goal in the following years.

## 7.1.4 Diversity Criteria at IDF

In 2020, we introduced a Diversity criterion for supplier evaluation in the Supplier Performance Index platform (learn more about the initiative on page 49). In 2021, the evaluation results showed that 58% of the monitored suppliers have initiatives that meet the EDP Group's diversity requirements.

In 2021  
we offered

34

ONLINE COURSES  
IN DIFFERENT  
MODELS,  
TOTALING

803

ENROLLED  
STUDENTS

at the Partner Academy.  
Parceiros.

We performed in 2021  
a maturity diagnosis of  
our processes in relation  
to the sustainable  
procurement guidelines  
of

ISO 20,400.

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## 7.2 — Inclusive Communities

### GRI 103-1 | 103-2

Through Instituto EDP, the social investment management body of EDP Group in Brazil, we pursue to improve the positive impact of our social contributions. The Institute serves as a relationship platform that adds to the social inclusion, quality of life and well-being of the communities where we operate, by supporting and developing cultural and socioenvironmental programs carried out in several states of the country.

Guided by the vision of preserving life and being an agent of social transformation, the Institute's mission is to empower our social transformation work through four action pillars:

- **Inclusive education:** Support education as a tool for development and social inclusion.
- **Just transition:** Accelerate a fair energy transition based on clean and affordable energy.
- **Healthy Society:** Contribute to strengthen public health policies and to the overall well-being of the Society.
- **Transformative Culture:** Seeks to preserve, provide access to, and encourage art and culture as a means to transform society.



Portuguese Language Museum – Photo credit: Ana Mello

# Social contributions impact in 2021

## AMAPÁ

### SPORTS

Sports inclusion of 280 socially vulnerable children and adolescents through the Street Soccer program.

## CEARÁ

### CULTURE

Sponsorship of cinema studies for 60 young people from public schools with the Cinesolarzinho project.

### EDUCATION

Training of 30 young people by the Young Rural Entrepreneur project.

## TOCANTINS

### HEALTH

Donation of more than 400 thousand pieces of Personal Protection Equipment (PPE) to the State Health Department.

### SPORTS

450 children and teenagers assisted by the Aprender e Crescer (Learn and Grow) and Social Inclusion Through Soccer projects.

## ESPÍRITO SANTO

### HEALTH

- Acquisition of 60 beds for semi-intensive treatment in public hospitals in conjunction with other institutions.
- Donation of more than 8,500 masks to fight Covid-19
- Donation of 4,250 digital portable finger oximeters in partnership with other institutions.

### SPORTS

Sports inclusion of 500 socially vulnerable children and teenagers through the Judo with Tiago Camilo project.

### CULTURE

- Financial support of R\$10 million for the restoration and readjustment of the Carlos Gomes Theater, in Vitória.
- R\$3.8 million in financial support for the restoration and reorganization of the Churches of Reis Magos (Serra) and Nossa Senhora d'Ajuda (Araçatiba, Viana).

## RIO GRANDE DO SUL

### SPORTS

Sports inclusion of 80 socially vulnerable children and teenagers through the Street Soccer project.

## SÃO PAULO

### HEALTH

Support to the Hospital das Clínicas in hiring 386 health professionals to reinforce Covid-19 patient care and donation to open 84 new ICU beds with partner institutions.

### FOOD

Support to the Alimento Solidário (Solidary Food) project with the donation of 3,400 basic-needs grocery packages.

### SPORTS

- Sports inclusion of 80 socially vulnerable children and teenagers through the Street Soccer project.
- Assistance to 150 children by the Social Skate program.

### CULTURE

- R\$ 4 million financial support for the renovation of the Ipiranga Museum.
- Financial support of R\$1.6 million for the renovation of the Taubaté Railway Complex.

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## 7.2.1 Reopening of the Portuguese Language Museum

In August, the Portuguese Language Museum (MLP) was reopened after finishing the re-construction works, which had almost 25% of the total amount sponsored by EDP Brasil. Closed since 2015, when it was hit by a major fire, the MLP is one of the first museums fully dedicated to a language, located in São Paulo, the city with the largest number of Portuguese speakers in the world, in the historic Luz Station.

For the reopening, the museum's structure was completely renovated. Besides the exhibition content, which was revised and expanded, and fire prevention measures reinforced, the building now has a new terrace, with a view of the Luz Garden and the Clock Tower.

The Museum's reopening returns to society one of the country's most important cultural icons, a world heritage of the several peoples united by the historical, cultural, and affective ties of our language, the Portuguese language. As such, the sponsorship for the re-construction work is aligned with our commitment to be the main investor in the preservation of the Luso-Brazilian historical and cultural heritage, included in the Transforming Culture pillar of the EDP Institute.



Portuguese Language Museum.

## 7.2.2 Rescuing History Program: recovering the Brazilian historical heritage

In July, we participated in the kick-off of the initiative "Rescuing History", a joint action between the National Development Bank (BNDES), EDP Brasil and other partner companies aimed at providing financial support to recover the historical heritage and the Brazilian memorial collection. With R\$ 200 million in investments, "Rescuing History" will support projects located in all the country's regions, selected by means of a public call for proposals. EDP Brasil will support three initiatives, for three years:

### Theatro Carlos Gomes

Restoration and reorganization of Theatro Carlos Gomes, in Vitória (ES), to improve usage conditions and organize the functions of the theater, which opened in 1927. Besides the conservation and preservation of the Espírito Santo state historical heritage, the initiative is intended to ensure that the spaces are optimized and better used by professionals, the public and visitors alike, with an investment of R\$ 10 million from EDP Brasil.

### Jesuit Route

Restoration and reorganization of two of the heritage sites of the Jesuit circuit in Espírito Santo, the Church of Reis Magos, in the city of Serra, and the Church of Nossa Senhora D'Ajuda, in Viana. The monuments are part of the Jesuit Route, which also includes the Anchieta Sanctuary. In addition to the restoration, the project includes the setting up of a museum, with an investment of R\$ 3.8 million reais from EDP Brasil.

### Taubaté Railway Complex

The Taubaté (SP) railway complex, opened in 1876, had an important role in the national history, being the main means of coffee distribution to the port of Santos and a mandatory passenger stop for the connection between São Paulo and Rio de Janeiro until the 1980s. After the restoration, which will have the investment of R\$ 1.6 million from EDP Brasil, the station will have a new and important chapter in its history when it becomes Station t. Living Lab, an open, modern, inclusive and creative innovation space.



**THIS INITIATIVE CONTRIBUTES TO TARGET**

**OF THE SDG 11.4**

Strengthen efforts to protect and safeguard the world's cultural and natural heritage.

Aligned with the study "Integration of the SDGs in the Brazilian Electric Sector: indicators and targets", of the Global Compact Network Brazil.

[Learn more.](#)

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## 7.2.3 EDP in Schools Program fosters students' digital inclusion

The EDP in Schools Program, developed by the Company and by EDP Institute since 2002, reflects our commitment with the education transforming journey. In 2021, the initiative, which benefits over 10 thousand students from 44 Brazilian public schools, had reading incentive actions and virtual reality extracurricular experiences, which stimulate the learning process and favor digital inclusion.

This year, the Program's theme was Climate Change and explored the current global scenario, aligned with the Sustainable Development Goals. Furthermore, it included Indigenous schools located in Mato Grosso and Pará.

As for the teachers, the program offered training tailored to the National Common Curricular Base (BNCC) and held webinars to discuss topics of interest to them.

## 7.2.4 Fighting the pandemic's effects

All along 2021, EDP Brasil continued fighting the effects of Covid-19 with donations focused on guaranteeing the health and nourishment of the communities affected by the disease. Altogether, R\$ 4.3 million were allocated to these initiatives in several Brazilian states:

### EDP BRASIL

- **10 thousand basic-needs grocery packages donated**

### TOCANTINS

- Donating more than **400 thousand Individual Protection Equipment (IPE)** to the State Health Department.

### ESPÍRITO SANTO

- Acquisition of **60 beds for semi-intensive treatment** in public hospitals in conjunction with other institutions.
- Donation of more than **8,500 masks** to fight Covid-19.
- 'Donation of **4,250 portable digital finger oximeters** in partnership with other institutions.
- Collection of **1.0 metric tons of food** (corresponding to 3,000 meals) from employees during the flu vaccination campaign

### SÃO PAULO

- Support to the Hospital das Clínicas in **hiring 386 health professionals** to reinforce Covid-19 patient care and donation to open **84 new ICU beds** with partner institutions.
- Support to the Solidary Food Program with the donation of **3,400 basic-needs grocery packages**.
- Collection of **1.4 metric tons of food** from employees during the flu vaccination campaign, benefiting 187 families.

### CEARÁ

- Donation of a **power generator, mechanical ventilator, and oxygen cylinders** to the Santa Casa de Paracuru Hospital, as well as **1,800 basic-needs grocery packages**.

### MINAS GERAIS AND SANTA CATARINA

- Donation of **2 thousand basic-needs grocery packages** in our transmission area.

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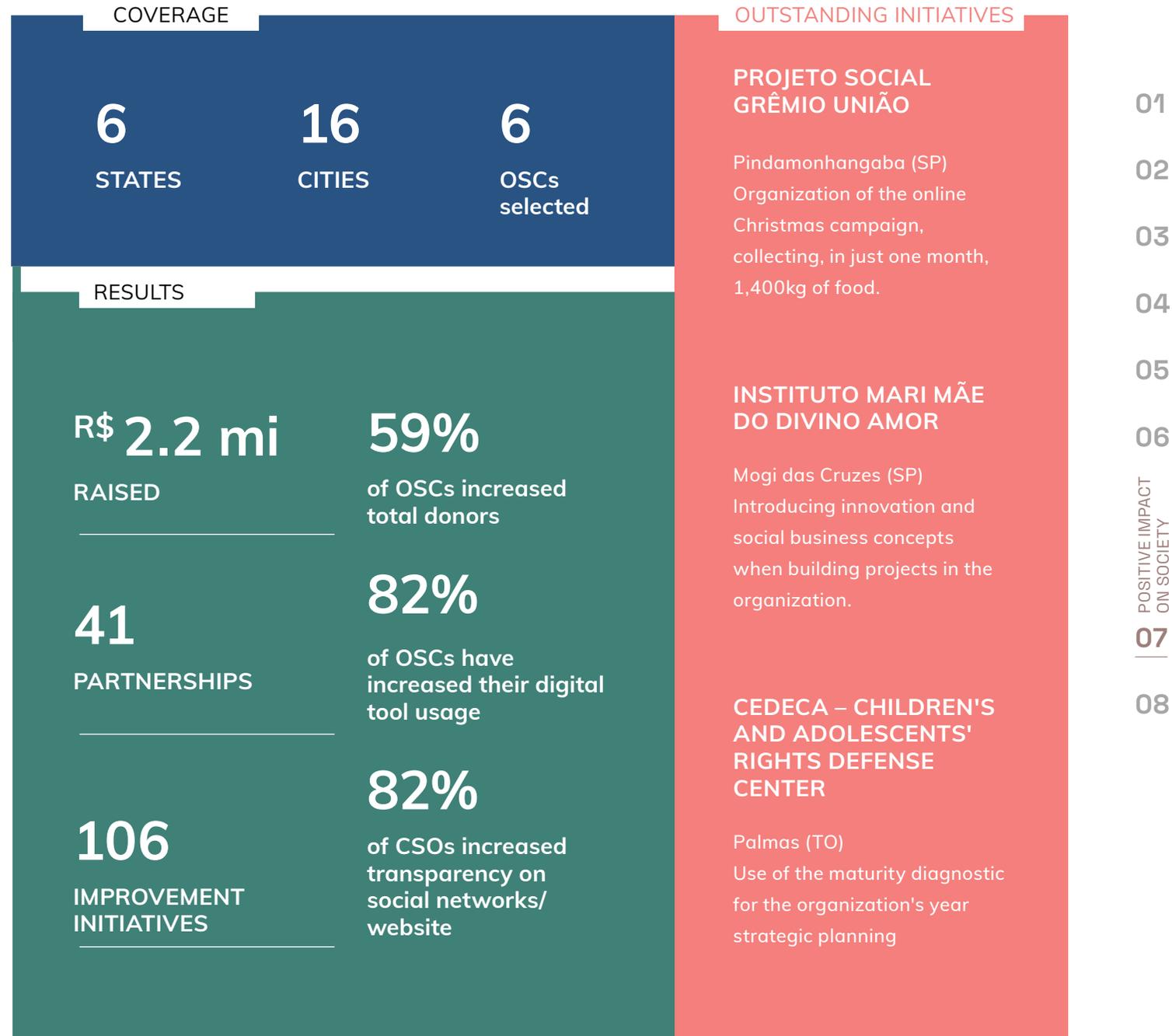
## 7.2.5 Reforça (Reinforce) Program: strengthening social organizations

Created in 2020, the Reforça (Reinforce) Program strengthens civil society organizations (OSCs) to execute higher impact projects, boosting both organizations already present in the EDP Institute's portfolio and new ones, aiming at possible future partnerships.

The program, developed in partnership with Phomenta, uses the Venture Philanthropy concept, which speeds up the maturation and value generation process of social organizations.

In 2021, the initiative continued to foster social organizations in the cities where EDP Brasil operates, reaching expressive results.

In 2021, two organizations were selected to be offered mentoring by EDP volunteers and seed capital to implement improvements and activities prepared during the Reinforce Program: the Instituto Suinã, of Guararema (SP) and the NGO Ação Vida, of Guarulhos (SP).



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## 7.2.6 Street Soccer for Education

In 2021, we continued our support for the Street Soccer for Education Project, developed by the Street Soccer Institute. The Project fosters the sports inclusion of children and teenagers in socially vulnerable situations, allowing them to improve their learning conditions, citizenship, and values formation.

With centers running in Pecém (CE), Baixo Guandu (ES), Guarulhos (SP), Laranjal do Jari (AP), and Tramandaí (RS), Street Soccer for Education serves around 350 students. Going far beyond the field, the Project targets each student's future who attends the centers, highlighting the sport's transformation power as an educational tool.

## 7.2.7 Learn and Grow Project: development through sports

Carried out by Associação Atlética Atenas and sponsored by Investco and Enerpeixe, through the EDP Institute, the project Aprender e Crescer (Learn and Grow) is aimed at children and adolescents from the cities of Lajeado, Miracema, Palmas, Paranaíba and Peixe (TO).

Conceived to contribute to improve quality of life and democratize access to educational, cultural, sports and humanistic tools, in 2021, the Project served 450 children and adolescents between seven and 17 years old.

Participation is subject to enrollment and school attendance by students from public schools. In addition to the school, participants take part in tutoring classes to improve their school performance.

## 7.2.8 Skateboarding is good, with education it is great

Following the skateboarding success in the Tokyo Olympic Games, interest in the sport in Brazil got even greater. Aware of the potential of the sport as a social inclusion tool, the Associação Social Skate, sponsored by the EDP Institute, launched in August the project "Skateboarding is good, with education it's great".

The initiative will benefit 150 children and teenagers from seven to 17 years old in the Calmon Viana neighborhood, in Poá (SP). Besides the Company's sponsorship, the Association received a donation from Rayssa Leal, Olympic medalist in Tokyo 2020.

The project encourages skateboarding as a facilitator for the learning process, aiming at the full development of the participating students. The activities include the development and learning of skateboarding-related techniques, but also reinforce values and attitudes that contribute to a citizen education, helping to transform the social reality in the region, as well as disseminating the sport

## 7.2.9 Friends of Sports Project: strengthening family and community bonds

Developed in Laranjal do Jari (AP), the Amigos do Esporte project offers direct services to strengthen family and community ties for children, teenagers, young people and families who are socially vulnerable.

The Amigos do Esporte Association engages the community about the importance of studying to build a professional career, besides encouraging families to participate in this process, ensuring childhood and youth protection.

The project is grounded on developing capacities and potentialities through participation in activities, especially sports activities, offered by the institution. In 2021, about 200 children, young people, and teenagers were assisted by the project.

ABOUT  
**200**

children, young people, and teenagers were assisted by the Friends of Sports Project

In 2021 the Learn and Grow Project reached

**450**  
CHILDREN AND ADOLESCENTS BETWEEN SEVEN AND 17 YEARS.

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## 7.2.10 Playing with Kites Project

Apart from warning about risks of accidents with electrical discharges from power lines, the Playing with Kites project allows children from the Guarulhos (SP) school system to play safely, providing educational activities and preventive measures.

An Evoluir initiative, carried out in partnership with the Municipal Education Department, the project has already helped reduce up to 30% of the occurrences of kite flying in the electrical grid in the neighborhoods and around the participating schools, in its four years of activities.

In the 2021 edition, the initiative involved 32 teachers and 6 thousand public school students, who were divided into teams and challenged to accomplish missions to conclude an educational and collaborative game.

Throughout the year, Playing with Kites carried out mobilization campaigns, planned and executed by the students themselves. Moreover, it promoted a live broadcast aimed at the students and the communities from the participating schools.

## 7.2.11 Moradigna Project: refurbishing residences with a focus on electrical safety

Operating all over Brazil, Moradigna is a social business that renovates low-income housing with a focus on eliminating unhealthy conditions. By means of housing improvements, residents are benefited with a better quality of life, as the renovations make the environment healthier and safer.

In 2021, supported by EDP Brasil, Moradigna arrived in Guarulhos (SP), benefiting 35 families of the Residencial Bambi neighborhood by renovating their houses, besides offering basic training for electricians, with a focus on improving their electrical safety. The renovations should be completed by 2022.

The initiative became part of the EDP Impact Lab, which is intended to engage social organizations, impact businesses and the Company's partners to embrace a social and environmental impact measurement culture.

After going through the EDP Impact Lab, the intention is to expand the initiative in order to benefit even more people, through microfinancing.

More information and results of the EDP Impact Lab can be found [in the ESG Book, page 85](#).

## 7.2.12 Hospital de Amor in Palmas (TO)

In 2021, we kept supporting the construction of the Hospital de Amor, in Palmas (TO), through investments from Investco and Enerpeixe. Currently, the hospital complex has already 10% of its construction work finished, in a total area of 40,000 m<sup>2</sup>.

The hospital already provides services to the community of Tocantins and the country's northern region, with preventive consultations, mammography and Pap smear exams.

In 2021, the Playing with Kites Project developed activities involving

**32**  
TEACHERS AND  
**6 thousand'**  
PUBLIC SCHOOL STUDENTS.

In 2021, the Moradigna Project arrived in Guarulhos (SP), benefited

**35**  
FAMILIES BY  
RENOVATING  
THEIR HOMES.

## 7.2.13 Litro de Luz takes public lighting to Juquehy residents

Faced with 2 million Brazilians who do not have access to electricity, the organization Litro de Luz provides energy inclusion with sustainable energy in vulnerable communities. The technology used is simple and economical, consisting of plastic bottles, solar panels, batteries, and LED lamps.

In 2020, the Company carried out studies to validate the project's technical feasibility to install 30 streetlamps, divided among the communities Vila do Sahy, Baleia Verde and Lobo Guar, in Juquehy (SP), which still have no public lighting.

In 2021, we continued the initiative with community engagement actions, streetlamps assembly and installation, done with residents and volunteers, and impact measurement. The installation brought countless benefits to the residents, among them easier transportation and improved safety at night.

Furthermore, these improvements also helped the company to better relate to the community, making it easier to carry out other future actions. By training ambassadors responsible for taking care of the streetlamps, the initiative also fosters community engagement and empowerment.

## 7.3 — Customers

At EDP Brasil, our purpose is to use energy to take ever better care. Therefore, by taking energy to the 3.68 million customers in our concession area, we fulfill our reason for being, playing an important role in each person's life and in the very development of the communities.

For this reason, we have a range of initiatives to increase satisfaction with the service and reduce complaint rates, such as multidisciplinary work groups to analyze customer demands and market trends. The ongoing improvement actions entail measures to fight losses and implement new service technologies.

We measure our customers' satisfaction through surveys conducted by accredited institutions, such as the Brazilian Association of Electricity Distributors (Abradee) and ANEEL itself.

The customer service and satisfaction indicators can be found on [page 81 of the ESG Book](#).

## 7.3.1 New omnichannel service platform

A major highlight of 2021 in terms of improving the relationship with customers was the replacement of our old omnichannel platform. The new solution adopted by EDP Brasil gathers several functionalities in a single tool, which facilitates the incorporation of digital channels and social networks such as WhatsApp, Facebook, Messenger, Instagram, Twitter, Telegram, YouTube, LinkedIn, among others, to traditional service channels.

Targeted at companies that have customer service in several channels and need to integrate them, the new platform permits to continue serving clients that for some reason open a call in a certain channel and give up on continuing through the process. The platform makes possible that, in these cases, when the customer changes channel, the service can be resumed with no loss of the information initially provided.

## 7.3.2 Self-service agency

Since 2018, we have been using the video call system to reduce the waiting time for customers. Using this method, the customer may contact us through a smartphone or internet-connected computer, with a camera and microphone, eliminating the need to go to an in-person agency. Once this tool was consolidated, it was possible to introduce a new agency format in the operation.

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The Autonomous Agency Project makes it possible to have a standardized customer service with the use of a video cabin and self-service totems, so that the customer may contact employees from our agencies. After ANEEL's validation through Technical Note 0070/2020, EDP Espírito Santo became the only distributor authorized to implement the project in 24 municipalities of its concession area.

### 7.3.3 Excellence recognized in customer relationship

In 2021, we received several awards that attest to our continuous search for excellence in customer relations.

#### CONAREC Award

We were highlighted in the Energy and Utilities category of the CONAREC Award (National Congress of Business-Customer Relations), the highest recognition in relational intelligence and engagement among market players in customer relations.

#### ClienteSA Award

We were elected among Brazil's three best companies in multichannel customer service by the ClienteSA Award, sponsored by the ClienteSA magazine, which certifies the best practices in customer relationship management in the Brazilian market.

The company was awarded the Bronze trophy in the "Multichannel/Omni Channel Strategy Leader" category for the "Energy that Renews" case, made in partnership with Atento, Latin America's largest customer service and business process management company. The work consisted in integrating the customer journey in the company's contact center by means of quick and easy solutions to provide immediate responses.

#### ANEEL Ombudsman Award

EDP São Paulo and EDP Espírito Santo distributors were among Brazil's five best in the 4th ANEEL Ombudsman Award. The initiative selects the ombudsman offices of the energy distributors that best meet customers' demands in the Country. EDP São Paulo ranked 3rd, while EDP Espírito Santo ranked 5th. The choice takes into account criteria such as average response time to customers, information clarity and transparency conveyed to the consumer and effectiveness of the channels available.

#### Consumidor Moderno Award

EDP Espírito Santo was elected the best Energy and Utilities company by the 22nd Consumidor Moderno Award for Excellence in Customer Services, in the Energy segment. In 2021, the award recognized outstanding agile and unprecedented evolution in customer service. Held by Consumidor Moderno magazine, in partnership with the Centro de Inteligência Padrão (CIP) and OnYou, the award analyzed, among other criteria, the way to communicate with and serve customers.

**EDP ESPÍRITO SANTO WAS VOTED THE BEST COMPANY IN**

Energy and Utilities by the 22nd Consumidor Moderno Award for Excellence in Customer Services, in the Energy segment.

We were elected among the country's three best companies in multichannel customer service.

**FOR THE CLIENTESA AWARD, PROMOTED BY CLIENTESA MAGAZINE.**

# 08 – SOLID GOVERNANCE STRUCTURE

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## 8.1 — Solid Governance Structure

To change tomorrow now, we have a robust governance structure that supports our actions to protect the environment and generate a positive impact on the communities where we operate. EDP Brasil embraces the highest corporate governance standards, trading on B3's Novo Mercado segment since 2005. Our governance structure is comprised of a General Shareholders' Meeting, a Board of Directors, supported by Advisory Committees, an Executive Board and a non-permanent Fiscal Council.

We have implemented international corporate governance, compliance and ethics standards. Over the last year, we have reached important milestones in the topic, such as the creation of the People & ESG Vice-Presidency, and the increase in women's participation in the Board of Directors of EDP Brasil (learn more on page 19 of the ESG Book). The initiatives reinforce our commitment to an increased integration of environmental, social and corporate governance issues with the business.

## 8.2 — Ethical Behavior

At EDP Brasil, integrity and transparency are non-negotiable values. They represent the basis of our credibility before our stakeholders and the driver of every decision we make.

These are the values that permeate all the Company's spheres and make us a sustainable company, capable of inspiring our employees, establishing fair relationships with our value chain partners, winning the trust of investors and shareholders and gaining the respect of society.

Therefore, we strive to identify and value aspects related to human rights, labor relations, respect for the environment, and fighting corruption that allow us to build a Company that is increasingly more solid and dependable for all our stakeholders. Our ongoing efforts to ensure the best ethical principles and compliance in our value chain are recognized by external institutions, such as our presence for nine consecutive years in the Ethisphere Institute's ranking among the world's most ethical companies.

### 8.2.1 New EDP Brasil Code of Ethics

Launched in 2020, EDP's new Code of Ethics was revised and updated to expand its scope and offer a clear wording, with objective reflections for the Company's day-to-day issues. In 2021, the document was adapted and implemented at EDP Brasil.'

Boasting a new design and a more interactive format, the new EDP Brasil Code of Ethics aims to bring the document closer to employees' reality, allowing its understanding in a simpler and more convenient way.

The graphic elements, videos, and testimonials bring the document to life and make it more interesting to consult, allowing us to clearly identify the Company's identity profile, as well as having several examples that give a practical insight into appropriate and inappropriate behavior on the most relevant ethical topics.

The new Code of Ethics intends to signal the essential themes of ethical culture today and how they should be addressed through our behaviors. The Code belongs to everyone, applies to any function, activity, and geography.

The new document is less theoretical and more focused on the performance of employees, using clear, concise and direct language, with an inclusive tone. Besides incorporating the importance of living ethics in daily business, it details the expected values and behaviors, favoring awareness of risks, improving decision making, and explaining their impact on business.

## 8.2.2 The Ethics Channel in the fight against LGBT+phobia

EDP Brasil's Ethics Channel is one of our tools to offer a psychologically safe environment to the employees. In 2021, so that no person is subject to prejudice in the Company, it started to include a report classification stage that covers several Inclusion and Diversity aspects, such as sexual orientation and gender identity.

The initiative was announced on May 17, the International Day against Homophobia and Transphobia, a date that celebrates the removal of homosexuality from the International Disease Classification, in 1990, by the World Health Organization (WHO).

More information about this initiative can be found on [page 93 of the ESG Book](#).

## 8.2.3 Reduction in the number of cases recorded in the Ethics Channel

In 2021, we recorded a 19% reduction in the cases reported in the EDP Brasil Ethics Channel. Throughout the year, we have promoted the integrity culture in the Company by means of initiatives such as training and awareness, besides the continuous investment in process improvement related to ethics to prevent misconducts.

Among the initiatives developed in this regard, we underline the holding of an exclusive training for the Company's leadership on harassment practices prevention. The livestream was transformed into pills and made available on the Online Campus as mandatory training for all the management positions and the videos were also made available for third parties with a supervisory position who act on behalf of EDP Brasil.

## 8.2.4 Supplier integrity evaluation aligned with ESG themes

In 2021, the Company's Compliance area reviewed the integrity assessment process (IDD) applied to EDP Brasil's suppliers. In partnership with the Centro de Excelência de Robotização (CER), a robotic model was developed to improve the Due Diligence process, with the objective of automating data capture – such as certificates and processes – and identifying relevant media with a higher assertiveness level.

Themes and weights related to diversity, social and environmental issues were included. As a result, the due diligence evaluation of our suppliers now includes their reputation in relation to important social issues, which since 2020 have been part of the Code of Ethics.

## 8.2.5 Continuation of ISO 37,001 certification – Anti-bribery management systems

In 2021, our best governance practices were again recognized by obtaining the recommendation for the continuation of ISO 37.001 – Anti-bribery management systems. The certification, achieved for the first time in 2019, testifies to the implementation and use of a number of protocols and measures aimed at preventing and combating illicit acts by the Company when dealing with public and private agents.

The recommendation was made based on internal and external audits that involved interviews with several areas and auditing of the Company's processes. Keeping the certification reinforces our integrity and transparency culture.

In 2021, we recorded a 19% drop in cases registered at the EDP Brasil Ethics Channel.

In partnership with the Centro de Excelência de Robotização (CER), a robotic model was developed to improve the Due Diligence process, with the aim of automating data capturing.

## 8.3 — Control Structure and ESG Reporting

At EDP Brasil we have a history of constant search for excellence in the control and reporting of information related to ESG topics for investors, society and sustainability indexes. We encourage transparency with our stakeholders for topics related to Sustainability, upholding the Company as a reference for financial, environmental, social and corporate governance performance reports.

Towards the achievement of the Strategic Plan 2021-2025 targets, we have reinforced our governance model, aligning it to the new ESG standards, and we continue to report our performance in a transparent and regular manner, helping the Company to maintain the confidence level of its different stakeholders.

### 8.3.1 Increasing ESG Transparency

EDP Brasil considers transparency and dialogue to be central elements for a sustainable and ethical performance. In 2021, we launched a section dedicated to reporting our ESG performance on the Company's Investor Relations website, where users will find content about our environmental, social and governance initiatives and indicators.

By doing so, we bring EDP Brasil closer to its stakeholders and investors, in addition to providing greater transparency about the implemented initiatives.

The new page has the ESG Question Bank, a search tool in the format of questions and answers allowing to quickly find the main information about EDP's performance in ESG issues, made available in the organization's quarterly and annual reports.

Another 2021 highlight was the initiative to publish our quarterly ESG reports, entirely dedicated to measuring our performance through metrics that are relevant to the investor community. The disclosure occurs simultaneously with the publication of the Company's quarterly results and includes environmental, social and corporate governance indicators that are constantly monitored, emphasizing the importance of ESG information in the investors' decision-making process.

### 8.3.2 Recognized ESG performance

In 2021, EDP Brasil was elected the best company in the utilities sector in the Best of ESG Award, formerly the Guia EXAME de Sustentabilidade. The companies were evaluated based on strategic and managerial criteria regarding the capitals used in their operations: financial, manufactured, intellectual, human, social and environmental.

To be selected, the companies went through a strict evaluation process that considered the main social, environmental and governance practices. The award highlighted EDP Brasil's ambitious goals within the ESG theme, including the goals approved by science in the reduction of carbon emissions and the focus on solar generation, as well as the creation of a vice-presidency dedicated to the topic.

### 8.3.3 1st place in B3's Corporate Sustainability Index (ISE)

EDP Brasil won 1st place in the general ranking of the 2021 portfolio of the B3 Corporate Sustainability Index (ISE), the most respected ESG index in the Brazilian capital market. The Company was at the top of a select list of 46 companies evaluated in the Human Capital, Corporate Governance and Top Management, Business Model and Innovation, Social Capital, Environment and Climate dimensions.

This is the 16th consecutive time that the Company is among the most sustainable companies on the Brazilian stock exchange, after the historic performance achieved in 2020, when we scored above average in all questionnaire dimensions and were considered a benchmark in five of the seven Index dimensions.

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### 8.3.4 Among the most transparent companies in sustainability

We rank among the most transparent companies in sustainability reporting in a study produced by the Transparency Observatory, an initiative of the Global Reporting Initiative (GRI) advisory board in Brazil, an institution dedicated to developing sustainability reporting standards.

The research was based on the evaluation of annual, integrated and sustainability reports of more than 70 companies based on criteria such as clarity and reliability. Among the points assessed were the timely disclosure of the sustainability report, assessment by an independent institution, and consistency with the information disclosed in press releases or in the Reference Form submitted to the Brazilian Securities and Exchange Commission (CVM), and all criteria used in the analysis were linked to the GRI principles.

The recognition reflects our years of experience in sustainability reporting, but we know we need to go further. Therefore, we will continue to invest in reporting our policies and initiatives in an increasingly transparent and frequent manner

### 8.3.5 First place among energy companies in the Dow Jones Sustainability Index

This year, the EDP Group was once again recognized by S&P Dow Jones Indices as one of the global companies with the best sustainability practices, securing first place among the 103 electric utilities evaluated. In a year that had a record number of participations – 1,843, 33% higher than in 2020 – we stood out again as the only Portuguese company to integrate the global reference index for 14 years in a row.

In 2021, we were recognized by S&P CSA2 as 'Best in Class' in 8 out of 27 criteria, thus confirming our best practices in such diverse questionnaire dimensions as environmental reporting, water-related risks, corporate citizenship/philanthropy, social reporting, risk and crisis management, materiality, market opportunities and policy influence.

Like other indices, the Dow Jones Sustainability Index is an important tool for EDP by allowing us to quantify our sustainability performance, contributing to the continued improvement of operations as well as guiding the business in accordance with market trends and challenges.

**1ST PLACE IN THE B3 ISE PORTFOLIO RANKING,**

the most respected ESG index in the Brazilian capital market.

**SCORE A IN THE CDP INDEX – CLIMATE.**

In Brazil, only two other companies have achieved top marks in the index.

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### 8.3.6 CDP performance

We are the only company of the Latin American energy sector to obtain the maximum score in the Carbon Disclosure Project (CDP) – Climate index. In addition to EDP, only two other companies in Brazil achieved an A grade in the Climate Change index, which evaluates performance indicators and targets related to Climate Change control.

CDP is a non-profit institution that enables companies, cities and states to disclose their environmental impact, so as to generate data and stimulate initiatives promoting a sustainable economy.

### Sustainable Development Goals (SDGs)

The Sustainable Development Goals were defined by the UN with the purpose of engaging organizations around the world in favor of goals such as gender equity, fighting climate change, and preserving natural resources.

### Science Based Targets Initiative (SBTi)

We are the first energy company in Latin America and the first large Brazilian company to have an emissions reduction target approved by science. The joint initiative of the Carbon Disclosure Project (CDP), the UN Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) aims to establish science-based targets to control temperature and to steer the efforts of governments, companies and civil society in the same direction, in order to prevent oceans and the atmosphere from warming. The initiative offers companies resources and guidance with the aim of reducing obstacles to their adoption, while also working on the evaluation and approval of corporate targets.

### ESG IN OUR OWN WAY

Marked by the Covid-19 pandemic, the year 2020 represented a turning point in humanity's relationship with the planet. The global impacts of the pandemic revealed the need for an evolution in the sustainability strategy of companies, making room to rethink priorities in relation to socio-environmental issues, so as to ensure a future perspective for the next generations.

Inspired by concepts and methodologies regarding planetary limits and the interdependence of natural resources and social foundations, EDP Brasil proposes the evolution towards a new look and a new strategy that directs society towards a fairer and safer space. We therefore embrace the New Business Ethics concept, which places health and human life preservation at the center.

For us, the creation of a new business ethic must be guided by a deepening of knowledge and science-based decision making. We believe that the materialization of this vision relies on acting together to advance social and human development through the simultaneous and cooperative involvement of various instances globally. For this reason, we have been expanding our sustainability strategy through commitments to worldwide initiatives aiming to respond to the main socio-environmental challenges that will be decisive for a viable future.

## 8.4 — Credits

### Corporate Information

#### GRI 102-3

##### EDP Brasil Headquarters

Rua Werner Von Siemens, 111, Prédio 22, Bloco A.  
05069-900 – Lapa de Baixo – São Paulo/SP – Brasil  
Tel.: +55 (11) 2185-5000  
[www.edp.com.br](http://www.edp.com.br)

### Credits

#### General Coordination

People, Digital and Society Board

#### Collaboration

Marketing and Communication Department

#### Consulting and Layout

Ricca Sustentabilidade  
[riccari.wixsite.com/sustentabilidade](http://riccari.wixsite.com/sustentabilidade)

#### Photos

EDP Image Bank

This document is part of EDP Brasil's Annual Sustainability Report and presents the most relevant facts related to the Company's value generation during the year 2021. It was prepared in an interactive manner with the ESG Book, which provides information related to the economic-financial, environmental, social and governance performance of the Company.

This main booklet was written following the world's main corporate sustainability reporting guidelines (learn more on page 04 of the ESG Book), and some of its contents answer to GRI indicators, identified by the acronym GRI- at each chapter's beginning.

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