

ESG

PERFORMANCE

REPORT 2 Q 2 1



edp

16

Leadership in ESG themes

In the last quarter, the EDP Group celebrated 45 years of history, a journey of excellence and leadership in the electricity sector, with many milestones that demonstrate our commitment to the integration of Sustainability in the Business strategy.

We are in the decade of action and so our driver has been “Changing Tomorrow Now”, an ambition that demonstrates exactly what we believe in for the future: value creation for a fairer, more inclusive and sustainable planet.

To change tomorrow now, we rely on a solid governance structure that supports our efforts to protect the environment and generate a positive impact on the communities where we operate, as well as open and trusting relationships. Therefore, we continue this publication, which aims to bring transparency about our ESG performance and is in a constant analysis and improvement process - a construction that relies on the constant dialogue with all our stakeholders.

ENVIRONMENTAL

We took another step in advancing our strategy integrated with our commitments to Sustainability by closing the construction of four solar plants

with approximately 4.4 MWp of installed power by EDP Smart. The project will ensure the electric supply of 60 clinical centers and will occupy an area of more than 155 thousand square meters - equivalent to 15 soccer fields - and will use 8,361 photovoltaic modules. With this, we continue building a low-carbon energy transition in all the locations where we operate.

SOCIAL

Despite our commitment and constant concern with the life and safety of the people who work at EDP or in partnership with us, we are facing great challenges to decrease the occurrence of accidents in the Company’s workforce. In the first six months of 2021, we observed an increase in occurrences with leave of absence in service providers, compared to 2020.

In this regard, we continue working with the goal of “zero accidents” for both our own employees as well as for service providers, and to this end we have developed a joint effort with a consulting firm specializing in occupational safety to have a plan for applying the behavioral program - which we already maintain for our own teams - also with our service providers. Moreover, we

have intensified the inspections and audits for the improvement of processes in the field and the safety management of our partners.

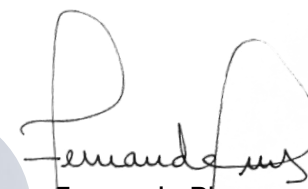
GOVERNANCE

We were proudly recognized as the best company in the utilities sector in the Melhores do ESG Award, another result of a lot of work and initiatives that address the issue of Sustainability in the Company. Furthermore, we were awarded the Women on Board seal as a result of the increase in the participation of women on the Board of Directors, 33%, three times the national average.

These and other highlights you will find in the next pages of our ESG Report.

We wish you a good reading,




Fernanda Pires

VICE PRESIDENT AND OFFICER
OF PEOPLE AND ESG

Overview of ESG Performance

With the sector's move towards greater standardization in sustainability reports, this performance report is also expected to continue in a state of constant progress.

The indicators in this report are selected on the basis of their relevance to the investor community as well as the other stakeholders. For more information, please consult the Annual Sustainability Report of EDP Brasil.

Our Annual Sustainability Report adheres to the voluntary reporting guidelines, specifically the GRI (Global Reporting Initiative), TCFD (Task Force on Climate-related Financial Disclosures), SASB (Sustainability Accounting Standards Board) e IIRC (International Integrated Reporting Council) initiatives which have also been used as a basis for the selection of indicators included in the material presented.

Assurance of ESG indicators takes place annually following the conclusion of the Annual Report, and for this reason the information in this report is subject to adjustments as a result of this process.

						TARGET	
INDICATOR		UNIT	6M21	6M20	Δ %	2025	2030
ENVIRONMENTAL	EBITDA in Renewables	%	64	54	19	–	100
	Scopes 1 & 2 Emissions	tCO ₂ /MWh	1,458.55	673.38	131	–	-85*
	Renewable Generation	%	78	90	-13	–	100
SOCIAL	Women in the Workforce	%	22.5	22.3	1	30	35
	Accident Frequency Rate	Fr	1.25	1.11	20	0	0
GOVERNANCE	Women in Positions of Leadership	%	14.9	14.3	4	30	35
	Cybersecurity	<i>bitesight rating</i>	790	730	8	<i>"Keep Advanced"</i>	

* Target approved by the Science Based Targets (SBTi) initiative with a horizon of 2032, the value of the target set according to the performance against that for 2017.

Environmental Highlights*

> COMMITMENT TO A CARBON FREE ECONOMY

	UNIT	6M21	6M20	Δ %
GHG emissions				
• Specific Emissions CO ₂	tCO ₂ eq/MWh	0.28	0.14	104
• Scope 1 Emissions	ktCO ₂ eq	1,359.60	563.06	141
• Scope 2 Emissions**	ktCO ₂ eq	98.95	110.32	-10
Air Quality				
• NOx Emissions	kt	1,086	504	116
• SO ₂ Emissions	kt	3,437	1,978	74
• Particulate matter emissions	kt	507	502	1
Water Management				
Total withdrawal of fresh water	10 ³ m ³	3,066	1,391	120
• Consumption of water in regions with a hydric shortfall	%	99	98	1
Coal and waste management				
• Total disposable waste	t	59,745	34,057	75
• Total waste from coal combustion	t	50,073	22,212	125
Average valorization rate of ash residue	%	76	89	-15

* The quarterly environmental indicators consolidate only the companies controlled by EDP Brasil, with the exception of the "Low Carbon economy" block, which included the values proportionally to the EDP's stakes in joint venture assets.

** The Scope 2 emissions are underestimated because the emission factor of the grid in 2021 tends to be higher than in 2020 due to the greater use of thermoelectric power plants. As the emissions factor 2021 is not available, the 2020 value was used to calculate the emissions.



85%

REDUCTION OF

specific emissions
by 2032



85%

REDUCTION

waste generation
by 2030

	UNIT	6M21	6M20	Δ %
Environmental Material				
Investments	R\$ mil	76,124	30,903	146
Expenses	R\$ mil	10,035	9,532	5
Environmental penalties and rates	R\$ mil	0	0	–
Environmental Management				
Environmental accidents	#	0	0	–
Low Carbon Economy				
EBITDA in Renewables	%	64	54	19
Installed Coal Capacity	%	25	25	–
Renewable Generation*	%	78	90	-13

* Proportion calculated in relation to the Generation segment EBITDA.

NOTE 1: The increase in the pollutant and CO2 emission, water withdrawal and waste generation indicators is associated with the higher dispatch of the Pecém TPP in 2021 compared to the analogous period in 2020. The dispatch is determined by ONS (National System Operator) from the electricity supply planning.

NOTE 2: The increase in environmental investments is associated with the project of substitution of mineral oil for vegetable oil in the Distribution, the so-called “green transformers”, equipment with less environmental impact.

NOTE 3: With the higher dispatch of the Pecém TPP compared to the analogous period in 2020, the portion of renewable generation has suffered a proportional reduction.



Investment in low carbon projects.

Social Highlights

> COMMITMENT TO PROVIDE A FAIR AND SAFE WORKPLACE

	UNIT	6M21	6M20	Δ %
Employment*				
Women on the payroll	%	23	22	1
People with disabilities	%	2	1.6	12
Racial Diversity** (under-represented groups)	%	25	24	3
Employee beneficiaries with complementary pension program	%	2.449	2.560	-4
Turnover	%	7	4	58
Rate of retention of employees who return to work and remain 12 months after the termination of maternity/paternity leave	%			
Women	%	64	100	36
Men***	%	88	-	-
Training				
Total hours of training	hours	50.241	28.635	75
Trained employees	%	92	37	145
Direct investments in training	R\$ mil	450	349	29

* The indicators with respect to employees consider controlled and partially controlled employees and make up the consolidated figures.

** The indicator consolidates the number of employees pertaining to under-represented groups, nominally, black, mixed race, indigenous, asian as well as "not informed".

*** The indicator refers to male employees who were entitled to extended paternity leave via Empresa Cidadã (Citizen Company), which started in 2020, so there is no 12-month history available.



	UNIT	6M21	6M20	Δ %
Occupational Health and Safety				
Accidents with own employees	#	5	5	-
● Accidents with service providers	#	72	44	64
Fatal accidents with own employees	#	0	0	-
● Fatal accidents with service providers	#	3	1	200
Frequency rate - Own	Rate	0	0.28	-100
● Frequency rate – Service providers	Rate	1.49	0.83	80
Accidents in communities	#	14	13	8
Social Investment				
EDP Volunteers	%	34	14	137
● Beneficiaries	#	26.233	84.301	-69
Total Investment	R\$	1.267.762	3.616.001	-65
Education	R\$	738.957	734.991	1
● Emergency support	R\$	168.571	2.428.791	-93
Climate and Biodiversity	R\$	39.540	42.884	-8
Art and Culture	R\$	101.100	192.343	-47
Social inclusion	R\$	125.094	26.598	370
Other	R\$	93.500	190.394	-51
Sustainable Value Chain				
Global IDF (Supplier Development Index)	%	91	88	3
Procurement from local suppliers	%	19	22	-12
Satisfaction of the partners	%	88	88	-



> **30%**

WOMEN

in the payroll
by 2025

NOTE 1: More information about the action plans that address the topic and aim to improve safety performance can be found in the Opening Letter on page 2.

NOTE 2: In 2020, EDP Brasil, via EDP Institute, launched the Public Bidding Notice EDP Solidária | COVID-19, an initiative that received applications from projects from all over Brazil with the objective of supporting vulnerable communities to overcome the effects of the crisis caused by the pandemic. The variation of beneficiaries and the amount in the Emergency Aid class are associated with the projects supported by the Public Bid and the amount of social investment above what was initially planned, given the emergency nature of the context.

Governance Highlights



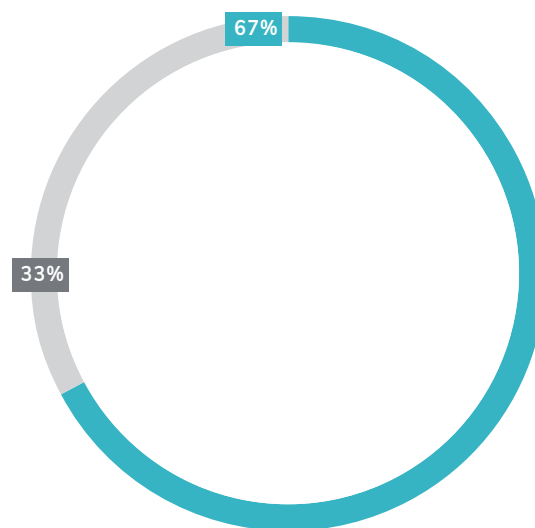
BOARD OF DIRECTORS

- › Miguel Nuno Simões Nunes Ferreira Setas
- › João Manuel Veríssimo Marques da Cruz
- › Rui Manuel Rodrigues Lopes Teixeira
- › Vera Pinto Pereira
- › Ana Paula Garrido Pina Marques
- › Pedro Sampaio Malan
- › Francisco Carlos Coutinho Pitella
- › Modesto Souza Barros Carvalhosa
- › Juliana Rozenbaum Munemori

> COMMITMENT TO BEST PRACTICES

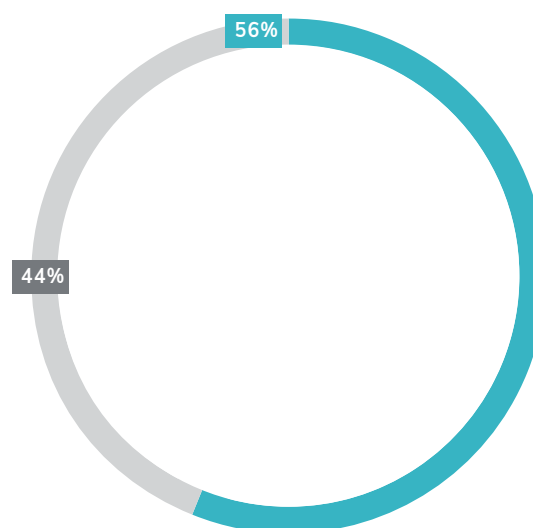
	UNIT	6M21	6M20	Δ %
Women in positions of leadership	%	14.9	14.3	4
Cybersecurity	Bitsight rating	790	730	8
Cases reported through the Ethics Channel	#	44	52	-15

> GENDER DIVERSITY ON THE BOARD



■ WOMEN ■ MEN

> GENERATIONAL DIVERSITY ON THE BOARD



■ 30 ~ 50 YEARS ■ 50 YEARS+

New Business Highlights

> COMMITMENTS DRIVING NEW CLIENT SOLUTIONS AND SMARTER GRIDS



	UNIT	6M21	6M20	Δ %
Electric Mobility				
Electric charging stations	#	255	173	47
Clients with electric mobility solutions	#	1,070	96	1,015
Energy Efficiency and Solar Energy				
Energy saved in energy efficiency projects	GWh	6.39	38.28	-83
Installed Solar Capacity	MWp	55.41	28.23	96
CO ₂ emissions avoided by the projects	ktCO ₂	23.99	18.50	30



Increase in
distributed
solar power



Downstream CO₂
reduction by 2030

ESG Ratings & Cases

> COMMITMENT TO EXCELLENCE

	ISEB3	ICO2B3	CDP	CDP ICDPR-70	MSCI
Current Performance	Benchmarking in 5 of the 7 dimensions	0.152%	A-	2.64%	AA
Historical	Benchmarking in 3 of the 7 dimensions	0.152%*	C	1.55%*	AA

* The index results are updated every four months.



EDP is committed to ensuring that its activities actively contribute to 9 of the 17 United Nations SDGs by 2030.



ENVIRONMENTAL



SOCIAL



GOVERNANCE





EDP Brasil took another step towards the development of the strategy integrated to the Sustainability commitments. EDP Smart, a division that gathers EDP's portfolio of energy solutions, continues to grow in solar energy. In June, a contract was signed with Grupo NotreDame Intermédica for the implementation of four solar plants with approximately 4.4 MWp of installed power. The objective is to guarantee the electrical supply for 60 of the Group's Clinical Centers. The supply contract will last for 10 years, with an investment of R\$20 million to build the projects. The plants will occupy a combined area of more than 155 thousand square meters - equivalent to 15 soccer fields - and will use 8,361 photovoltaic modules.

Also in the last quarter, EDP Espírito Santo expanded ISO 14.001 and ISO 45.001 certification in its substations in the State. EDP ES had 9 certified substations by 2020. In 2021, the Company took a leap, reaching 96 certified facilities, reaching 100% of the substations in the concession area. As a result, EDP's substations in Espírito Santo join those in São Paulo, which are close to reaching the total number of such units certified.

With such initiative, it is expected to reach the goal of 100% environmental and safety certification contemplating the generation, distribution and commercialization activities of EDP Brasil, a commitment associated with SDG 15 – Life on Land and SDG 8 - Decent Work and Economic Growth, showing excellence in meeting the international standards related to environmental management and work safety.



In the social area, one of the period's highlights was the result achieved with the Reforça program, an initiative in partnership with Phomenta aimed at strengthening organizations that aim to generate a positive socio-environmental impact. In its first edition, Reforça helped the institutions served to raise more than R\$2.2 million in funds for their activities.

Furthermore, the social organizations that participated in the Program closed 41 new partnerships and managed to execute 106 internal improvement initiatives. These institutions serve over 7,500 people in six Brazilian states (AP, CE, ES, SP, TO and RS) and the acceleration process lasted seven months, fully online. One more initiative that confirms EDP Brasil's commitment to strengthen solutions and projects that help build a more sustainable society.

Another important highlight in the social subject was the two-year milestone of the Inclusion and Diversity Program of

EDP Brasil. With important evolutions, such as the increase of women in the Board of Directors, these two years were distinguished by the establishment of exclusive goals to include under-represented groups in the Company, which impact the performance of all employees and leadership, as well as by the execution of several affirmative actions.

There were nine meetings on Racial Literacy, to promote awareness about the structural dimension of racism, LGBTQIAP+ Training, to discuss issues of gender, affective-sexual orientation and other identities, and also the EDP Periphery Entrepreneurship Challenge, a formative immersion initiative to strengthen businesses spearheaded by women in situations of social vulnerability. More information on the actions is available on the page of the Inclusion and Diversity Program EDP Brasil (<https://brasil.edp.com/pt-br/edp-brasil/diversidade>).



EDP Brasil was elected the best company in the utilities sector in the *Prêmio Melhores do ESG*, formerly known as *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.

For the selection, the companies went through a rigorous evaluation process that considered the main social, environmental and governance practices, as well as the commitment of companies to stakeholder capitalism in Brazil. Companies that in 2020 had revenues of at least 50 million reais and that publish audited balance sheets and have an advisory board with at least one independent member were eligible to participate.

EDP Brasil's ambitious goals within the ESG theme were highlighted, including the goals approved by science in the reduction of carbon emissions and the focus on solar generation, as well as the creation of the vice-presidency dedicated to the topic.

Still on the subject of diversity in leadership positions, the Company recently won the Women on Board seal, an initiative supported by UN Women to encourage the increase of gender equity in top leadership. In February, the Board of Directors, which already included Juliana Rozenbaum, was joined by Vera Pinto Pereira and Ana Paula Marques, and now has 33% female participation, three times the national average.

ESG Glossary



B3	Brasil, Bolsa, Balcão – the official stock exchange in Brazil
Bitsight rating	Rating based on the cybernetic security of an organization
CDP	Carbon Disclosure Project
Cybersecurity	Cybersecurity – Protection of computers, servers, mobile devices, electronic systems, networks and data against malicious attacks
EBITDA	Earnings before interest, taxes, depreciation and amortization
Escopo 1	Emissions caused directly by the activities of an organization
Escopo 2	Indirect emissions resulting from the energy consumption of an organization
GEE	Greenhouse gas effect
GRI	Global Reporting Initiative
ICO₂	B3's Carbon Efficient Index
IDF	Supplier Development Index
IIRC	International Integrated Reporting Council
ISE	B3's Corporate Sustainability Index
MSCI	Morgan Stanley Capital International
SASB	Sustainability Accounting Standards Board
TCFD	Task Force on Climate-related Financial Disclosures
Turnover	Rotativity



Credits

EDP Energias do Brasil

Vice-Presidency People & ESG | Executive Management of Sustainability

<https://ri.edp.com.br/pt-br/governanca-corporativa/sustentabilidade>

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