ESG REPORT 1H21

Leading on ESG matters at EDP

Key Highlights

This month marks the 45th anniversary of EDP Group. Almost half a century ago, EDP embarked on a journey which has seen the company radically transformed. EDP began as a domestic utility in Portugal, now we are a truly global business leading the energy transition with a footprint in 4 continents and 22 countries.

EDP entered the renewables market ahead of time, two decades ago. Our heritage has continued to forge an ambitious path, setting significant decarbonisation targets and committing to invest € 24 billion in the energy transition over the next five years. By 2030 EDP will be 100% green. We have a decade of experience engaging with our investors and other stakeholders on our commitment and approach to ESG. We know that ESG reporting can have a meaningful impact on the environment and the communities where we operate, and on our bottom line.

We have recently defined a set of 12 strategic sustainability objectives for 2030. These support EDP's ambition as leader in the transition to a low-carbon economy, as well as our firm commitment to protect the environment with a positive societal impact. This strategy is monitored by a set of indicators that measure our progress towards implementing 9 of the 17 Sustainable Development Goals of the United Nations Agenda for 2030, to which we are fully committed.

This is the decade of decisive action for EDP and our motto "Changing Tomorrow Now" will guide our ambition in the coming years. We look forward to seeing the company grow as we create value and contribute to a fairer, more inclusive and sustainable planet.
For more information on our sustainability strategy please see our latest information here.

"Sustainability is at the top of the boardroom agenda. We proudly deliver on our ESG commitments and our mission to lead the energy transition"

Environment

I am very pleased to share that the Science Based Target initiative (SBTi) has recognised EDP's 98% target reduction of scope 1 and 2 GHG emissions per TWh by 2030 compared to 2015 levels, and 50% absolute reduction of scope 3 GHG emissions over the same timeframe. This means our targets are in line with climate science requirements towards limiting global warming to 1.5°C, highlighting the strength of our commitment to become carbon neutral by 2030.

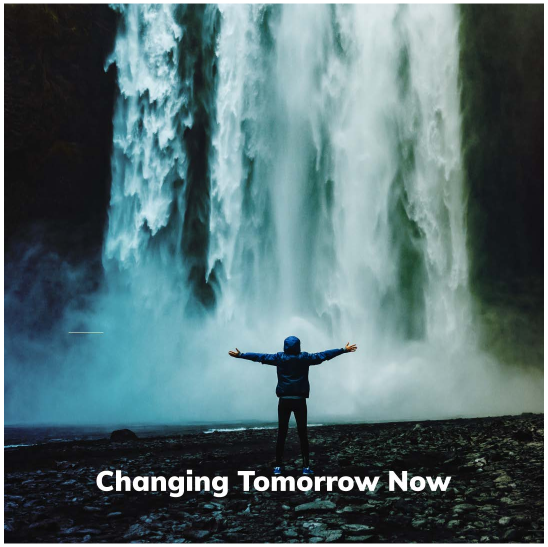
Social

In June, as we celebrated Diversity month at EDP Group, we committed to joining The Valuable 500, a global movement to promote and underline the importance of disability inclusion within leading companies around the world to generate systemic change and unlock the business, social and economic value of people living with disabilities. This is an important step for EDP Group because we see diversity as a source of innovation, bringing us one step closer to our communities and our stakeholders.

Governance

At EDP group, we continue to streamline our corporate governance structure. We reduced from 5 to 4 the number of specialized committees at the General Supervisory Board level. We have improved our approach to ethics in line with best practice and international standards and our Ethics Commission is now overseen by the Chairman of the General and Supervisory Board, a role previously held at the Executive Board of Directors level.

Miguel Setas - Executive Board Member



As the sector evolves towards further standardised adoption of sustainability reporting, so will progress in this performance report. The indicators included here are selected on relevance to investor communities and our business operations. For more sustainability information please see full-year EDP Sustainability report here.
Our annual sustainability report follows other voluntary regulatory reporting frameworks, namely the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB) and the Portuguese Securities Market Commission (CMVM).

ESG Performance at a Glance

	Indicator	Unit	1H21	1H20	Δ %	Target 2025	Target 2030
ENVIRONMENT	Revenues aligned with EU taxonomy [1]	%	69%	58%	19%	70%	>80%
	Scope 1 & 2 Emissions Intensity ○	gCO_2/kWh	131	111	18%	~100	0
	Renewables Generation ○	%	81%	80%	0%	85%	100%
	Coal Installed Capacity ○	%	8%	12%	-30%	0	0
	Total Waste	kt	123	94	30%	118	30
SOCIAL	Employee Engagement (top tier company) [2]		√	√		√	√
	Female Overall	%	26,0%	25,8%	1%	30%	35%
	Accident Frequency Rate [3]	Fr	1,78	1,26	41%	1,55	<1
GOVERNANCE	Female on Leadership	%	25,4%	25,2%	1%	30%	35%
	ESG & equity linked compensation for Top Management [4]		√	√		√√	√√
	Cybersecurity	bitsight rating	800	700	14%	Keep advanced [5]	
	Top quartile in ESG rating Performance [6]		√	√		√	√

Revenues aligned with the EU Taxonomy increased to 69% as we continue to accelerate growth and invest in the Energy Transition, with total Gross Investments increasing by 29% YoY, amounting to 1.6 billion euros in the 1H21, 94% of which in Renewables and Networks.

Renewables represented 81% of electricity generated by EDP in the 1H21, as we continue to ramp-up renewables deployment, with 2.1 GW gross capacity added YoY, of which 0.7 GW added YTD.

Specific CO_2 emissions increase in the 1H21, is related to the increase of production in Pecém in Brazil, due to adverse hydrology in the Northeast of Brazil in this period, given that Brazil is experiencing the worst in hydrology crisis for the past 91 years.

Similarly to last quarter, **total waste increased by 30% YoY**, mainly explained by the reduced activity of Pecém's power plant in 2020, which was completely idle between April and August, operating only partially in March and September of 2020.

Accident Frequency rate increased to 1.78 in the 1H21, in a very unfortunate quarter, in particular within our service providers. EDP continues determined to strengthen the culture of Occupational Health and Safety, by developing awareness, deepening willingness and making available the resources to improve health and safety.

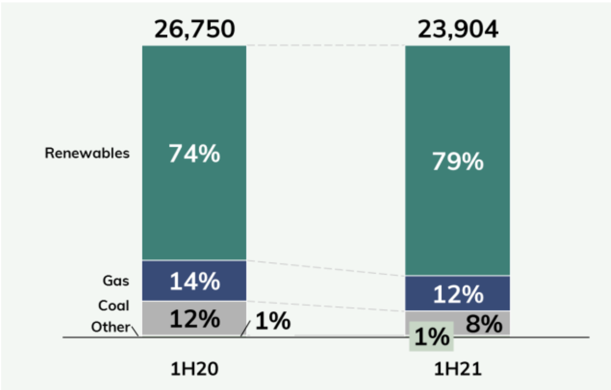
In the 1H21, **females representation stood at 26%** of EDP's workforce representing +1% increase versus the comparable period.

○ SFDR indicator

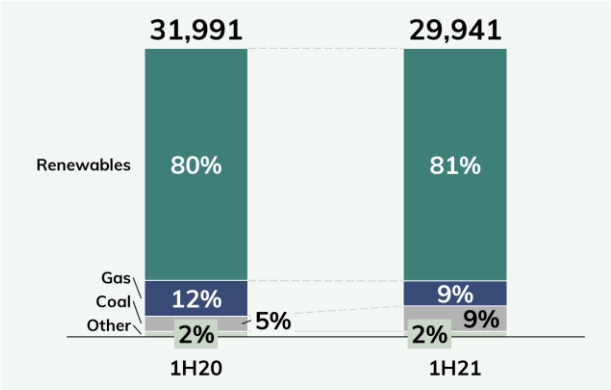
1. Value for 1H20 is an annual measure; 2. Above the high performing norm, including results of surveys done to more than 875,000 employees in 50 high performing organizations and is based on company financial performance and engagement and enablement scores. 3. Number of accidents at work with absence/fatalities, per million hours worked (including employees and contractors); 4. Applicable to Board of Directors and top management; 5. >= 740; 6. Includes DJSI, FTSE4Good, MSCI and Sustainalytics.

Operational Highlights
Committed to a renewables path

Installed Capacity (MW) [1,2] ○



Electricity Generation (GWh) ○



	Unit	1H21	1H20	Δ %
Hydro Coefficient	%			
Portugal		111%	96%	16%
Spain		100%	100%	0%
Brazil [3]		70%	86%	-19%
Renewables Index [4]	%	-5%	-6%	-20%
Electricity distributed	GWh			
Portugal		22.180	21.477	3%
Spain		7.083	3.752	89%
Brazil		13.055	11.828	10%
Clients connected	# th			
Portugal		6.336	6.300	1%
Spain		1.373	669	105%
Brazil		3.628	3.538	3%

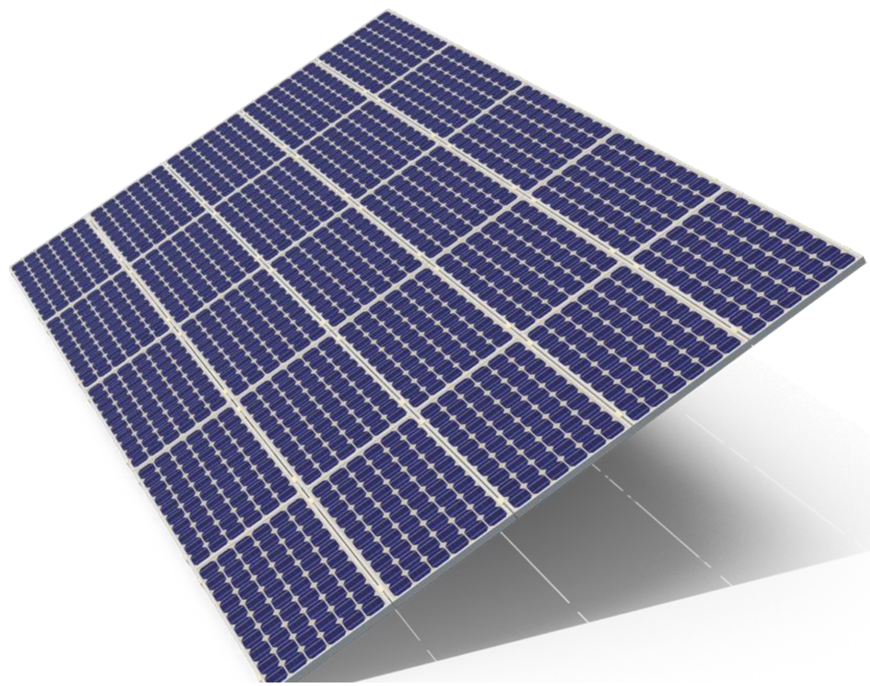
	Unit	1H21	
Total Energy consumption	GWh	13.871	○
Total Renewable consumption		913	○
Fuel		2	○
Electricity		911	○
Self-generated non-fuel renewable energy		876	○
Total Non-Renewable consumption		12.958	○
Fuel		12.394	○
Electricity		564	○
Energy consumption intensity	MJ/€	8	○

○ SFDR indicator

1. EBITDA MW; 2. Other includes Nuclear, Cogeneration & Waste; 3. Brazil hydro coefficient refers to ENA index; 4. Renewables Index (vs. LT avg. Gross Capacity Factor).

New Services Highlights
Committed to drive new client solutions and smarter networks

	Unit	1H21	1H20	Δ %
Energy Efficiency				
Energy Services Revenues / Turnover [2]	%	8,1%	8,2%	-1%
Energy Efficiency Services Revenues	€ m	116	118	-2%
Distributed generation				
Distributed solar (As a service & Transactional)	MW	280	113	147%
Portugal	MW	121	77	57%
Spain	MW	15	8	88%
Brazil	MW	51	28	81%
US & Other	MW	93	n.a.	
E-mobility				
Light fleet electrification	%	12%	9%	38%
Electric charging points [3]	#	2.556	1.073	138%
Clients with electric mobility solutions	# th	33.200	14.400	131%
Smart Meters				
Portugal	# m	3,6	2,9	24%
Spain	# m	1,4	0,7	104%
Client satisfaction [1]	%	n.a.	79%	
Electricity Grid Losses				
Portugal	%	8,6%	9,0%	-5%
Spain	%	5,0%	3,8%	30%
Brazil				
São Paulo	%	8,3%	8,3%	0%
Espírito Santo	%	12,9%	12,8%	0%
Customers with Sustainable Services [4]	%	13,2%	n.a.	
CO_2 savings downstream [1,5]	$ktCO_2$	n.a.	1.413	

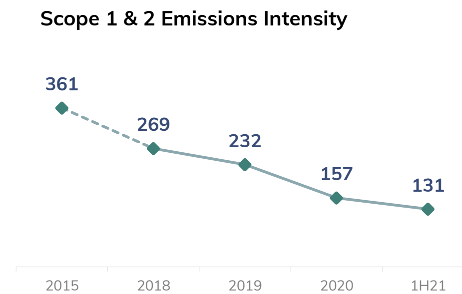


1. Annual Indicators refer to 2020YE; 2. Energy service: Services provided under energy supply, installation of more efficient and/or building retrofit, and sustainable mobility, which generate revenues for the company; 3. Includes public, private and charging points inside EDP facilities; 4. Sustainability Services concept aligned with EU taxonomy. Excludes Health Insurance, Fatura Segura and Gas Certification. Includes only B2C electricity clients; 5. CO_2 avoided by carrying out efficiency improvement measures that lead to a reduction in customer consumption, as well as measures to replace energy sources with other less CO_2-emitting ones, namely replacing fossil fossils with renewable energy sources or sustainable mobility.

Environmental Highlights
Committed to a carbon-free economy

	Unit	1H21	1H20	Δ %	
Greenhouse gas emissions					
Scope 1 & 2 Emissions Intensity	gCO_2/kWh	131	111	18%	○
Scope 1 GHG Emissions	$ktCO_2eq$	3.571	3.045	17%	○
Scope 2 GHG Emissions [1]	$ktCO_2eq$	314	464	-32%	○
Scope 3 GHG Emissions [2]	$ktCO_2eq$	n.a.	11.572		○
Avoided emissions	$ktCO_2$	12.899	14.430	-11%	
Air quality					
NOx emissions	kt	2,91	2,14	36%	○
SO_2 emissions	kt	3,93	2,23	76%	○
Particulate matter emissions	kt	0,56	0,54	4%	○
Water management					
Total freshwater withdrawn	10^3m^3	5.389	5.608	-4%	
Total freshwater consumed	10^3m^3	4.801	5.275	-9%	
Coal & Waste management					
Total waste disposal	t	105.913	79.944	32%	
Total coal combustion waste disposal	t	12.066	2.492	384%	
Average waste recovery rate	%	89%	97%	-9%	
Hazourdous waste	t	2.520	1.726	46%	○
Environmental Matters					
Investments	€ m	39,9	22,0	81%	
Expenses	€ m	100,5	87,5	15%	
Environmental Fines and Penalties	€ th	19,5	1,5	1199%	
Vegetation management [3]	€ m	10,9	7,0	54%	
ISO 14001 Certification	%	94%	96%	-3%	
Low carbon economy					
EBITDA in Renewables	%	60%	62%	-4%	
CAPEX in Renewables	%	70%	65%	7%	
Revenues from coal	%	5%	5%	-10%	○
Revenues aligned with EU taxonomy [2]	%	69%	58%	19%	
CO_2 / Revenues [4]	tCO_2eq/€ m	0,64	0,57	13%	○

-64% (vs. 2015) Scope 1 & 2 Emissions Intensity



- 1,180 MW Coal Decomissioned YoY

69% Revenues aligned with EU taxonomy in 1H21

For more information please check our Biodiversity Report here

○ SFDR indicator

1. Scope 2 emissions according with GHG Protocol based location methodology. 2. Annual Indicators; 3. Vegetation manaement includes CAPEX and OPEX. 4. Defined as the company's annual GHG emissions (Scope 1 and Scope 2), expressed as metric tons of carbon dioxide equivalent (tCO_2eq) emissions, divided by revenues for the corresponding year, expressed in millions of euros.

Social Highlights
Committed to provide a fair and safe workplace

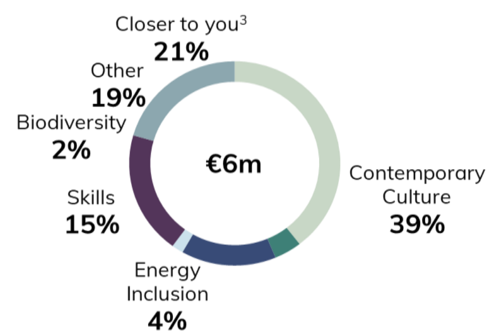
	Unit	1H21	1H20	Δ %	
Employment					
Employees	#	12.147	11.641	4%	
Female employees	%	26%	26%	0,9%	
Female/Male fixed salary	x	1,04	1,05	-1%	○
Employee Engagement [1,2]	%	n.a.	80%		
Employee Enablement [1,2]	%	n.a.	74%		
Employee Turnover	%	7,0%	5,5%	27%	○
Absenteeism*	%	2,6%	2,7%	-1%	
Training					
Total hours of training	h	168.752	101.355	66%	
Employees with training	%	94%	79%	20%	
Direct training investment	€ th	1.468	1.026	43%	
Health and Safety					
Accidents with lost workdays EDP	#	11	8	38%	
Accidents with lost workdays contractors [4]	#	71	34	109%	
Fatal work-related injuries EDP	#	0	0		
Fatal work-related injuries contractors	#	5	1	400%	
Frequency rate EDP	Fr	0,94	0,71	32%	
Frequency rate contractors	Fr	2,07	1,54	34%	
Total recordable injury rate	RFr	2,59	1,93	34%	○
Total recordable injury rate EDP	RFr	1,11	1,25	-11%	○
Total recordable injury rate contractors	RFr	3,09	2,24	38%	○
Social Investment					
Beneficiary Entities	#	230	n.a.		
EDP volunteers	#	1.674	n.a.		
EDP time used in volunteering	h	4.856	6.748	-28%	
Total Investment	€ th	6.463	7.319	-12%	

30% female employees by 2025

Top Tier Company in Employee Engagement

Accident Frequency Rate <1

Social Investment €100m by 2030



○ SFDR indicator

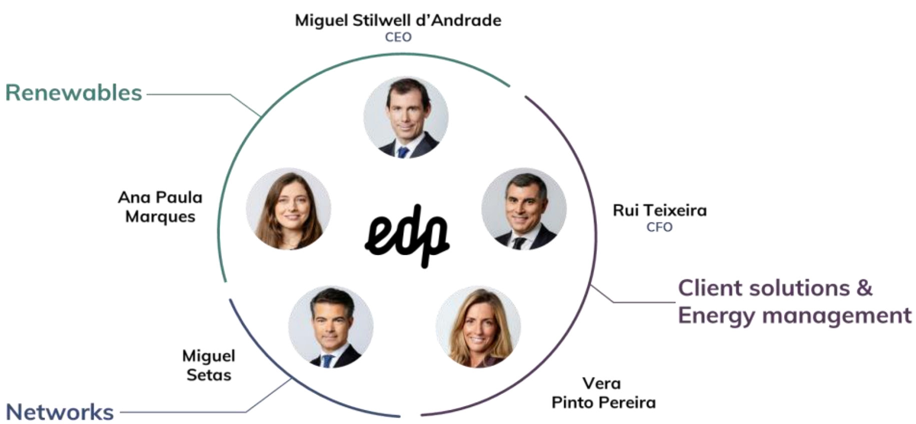
1. Annual Indicators refer to 2020YE. For more information please check our Sustainability Report. 2. Engagement - reflects the involvement and commitment by employees; Enablement - reflects the the perception of organizational support by employees. 3. With Closer to you Programme EDP, aims to support the most disadvantaged groups in the communities. For more information please see our Sustainability Report. 4. Accidents occurred at the place and working time or on a journey, with 1 or more days of absence and fatal accidents.

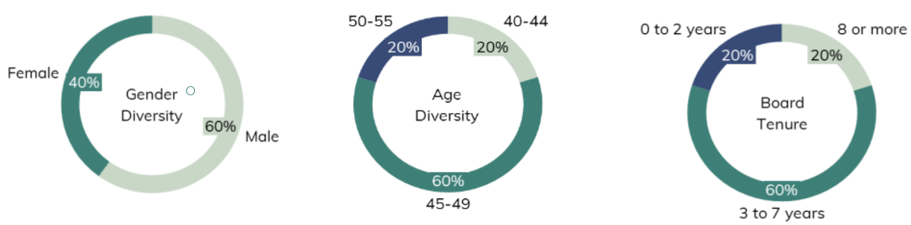
Governance Highlights
Committed to the best practices

Executive Board of Directors

Approved on the Extraordinary General Shareholders' Meeting on the 19th January 2021

- Reduced number of members from 9 to 5

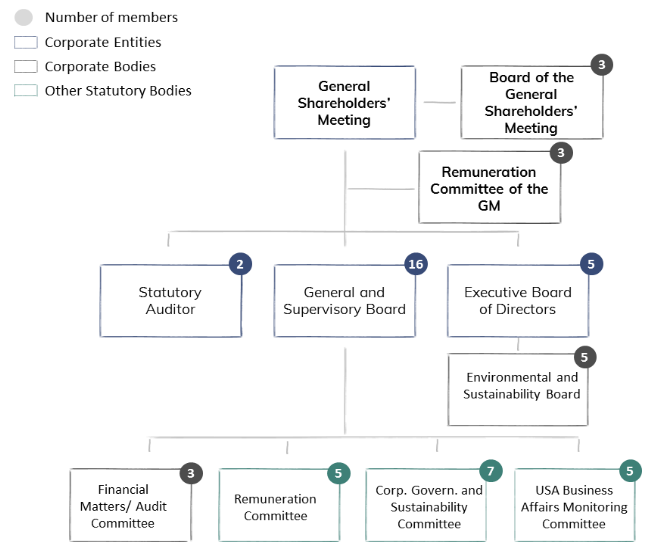


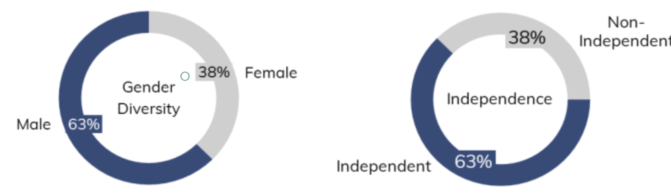


General and Supervisory Board

Approved on the General Shareholders' Meeting on the 14th April 2021

- Reduced number of members from 21 to 16

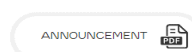




Key Links

Election of the members of the EBD, 2021-2023:

Election of the members of the GSB, 2021-2023:

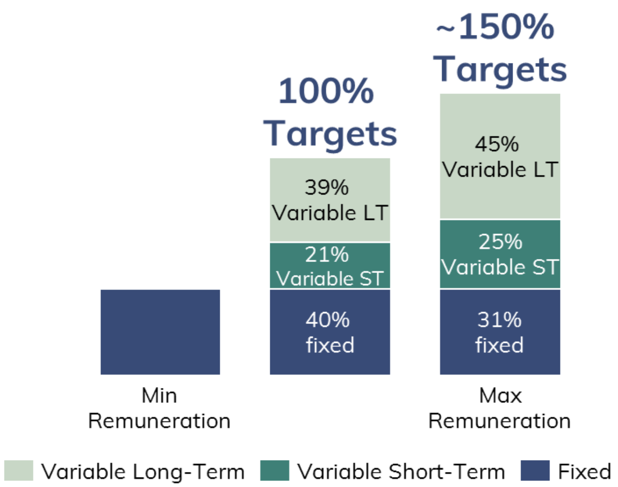


Annual report of the GSB, 2020:

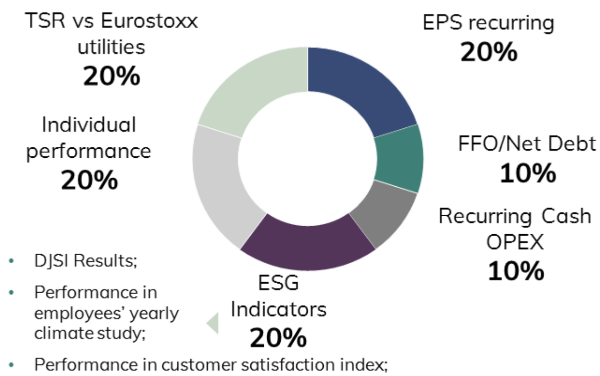
- SFDR indicator

Governance Highlights
Overview of the Remuneration Policy

New Remuneration Policy aligned with Best Practices
Approved on the General Shareholders Meeting on the 14th April 2021

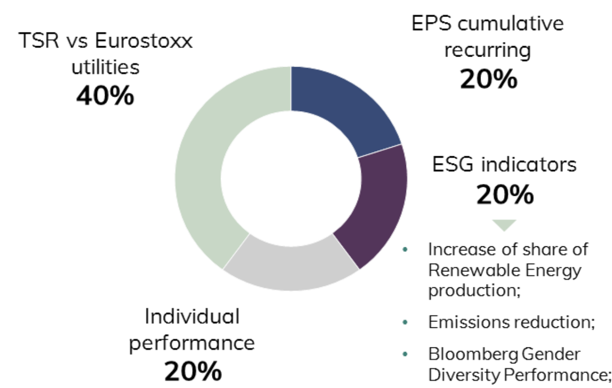


Short-term KPIs



- Comparison with **Budget**
- Max. Limit: **80%** fixed remuneration
- **>85%** of the targets need to be accomplished

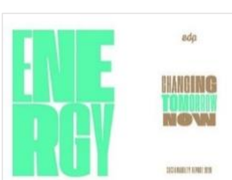
Long-term KPIs



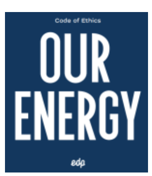
- Comparison with **Business Plan**
- Max. Limit: **145%** fixed remuneration
- **>85%** of the targets need to be accomplished
- Performance measured during **3 year period**

For further information:

Sustainability Report:



Code of Ethics:

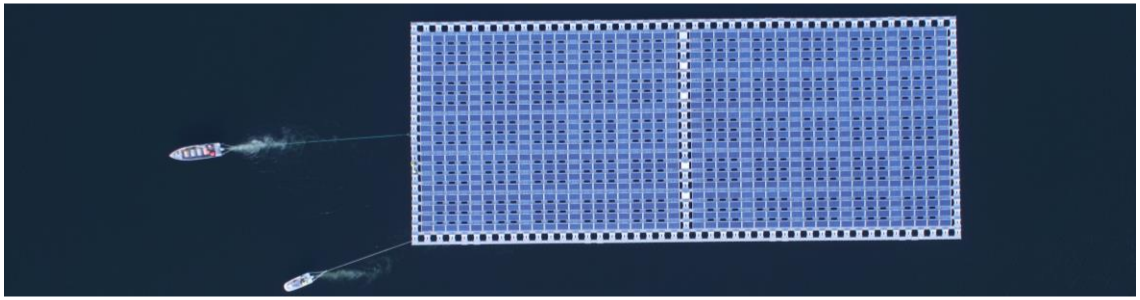


Corporate Governance:

EBD Remuneration Policy: 2021-2023

Digitalization & Innovation Highlights
Committed to drive transformation

			Unit	1H21	1H20	∆ %
Digitalization						
Global	Global	Cybersecurity	bitsight rating	800	700	14%
Digital Business	Customer	Selfcare Interactions [1]	%	71%	60%	18%
		Electronic Invoices [1]	%	37%	46%	-20%
	Assets & Operations	Predictive Maintenance [1,2]	%	65%	71%	-8%
	Enterprise	Digitalized Processes [1]	%	n.a.	82%	
Digital Enablers	Data & Technology	Systems in the cloud	%	56%	42%	33%
	People & Organization	People w/ digital training [1]	%	78%	n.a.	
		Collaborative Tools	%	81%	81%	0%
Innovation						
Innovation Team		Total investment (TOTEX) [3]	€ m	37	25	49%
		Employees [3]	#FTE	302	227	33%
Investment Portfolio		Ongoing investments VC	#	36	28	29%
		VC investment	€ m	3,2	1,6	101%
		VC investment cumulative [4]	€ m	36,8	33,5	10%



EDP launched the challenge: to create a more sustainable floater for the more than 11 thousand panels and 25 thousand floaters that make up the structure of the future floating solar park in the Alqueva reservoir. After intensive work in collaboration with Corticeira Amorim and the Spanish manufacturer Isigenere, over more than 12 months, it was possible to develop an innovative material, based on a new cork composite, which will be tested for the first time in a renewable energy production project. This new solution combines cork, a 100% natural, recyclable and biocompatible raw material, with recycled polymers. In addition to incorporating cork, the new photovoltaic floater will also replace part of the virgin plastic used in conventional floaters with recycled plastic. EDP believes that, with this more sustainable combination, the floating solar project can achieve a reduction of at least 30% of the CO_2 footprint.

1. Changes in scope of reporting limits comparability; 2. 1H20 Conventional Generation (PT & SP); 1H21 Generation (PT & SP), EDPR & EDP Brasil; 3. Excluding Brazil in 1H20; 4. Net of disinvestments.

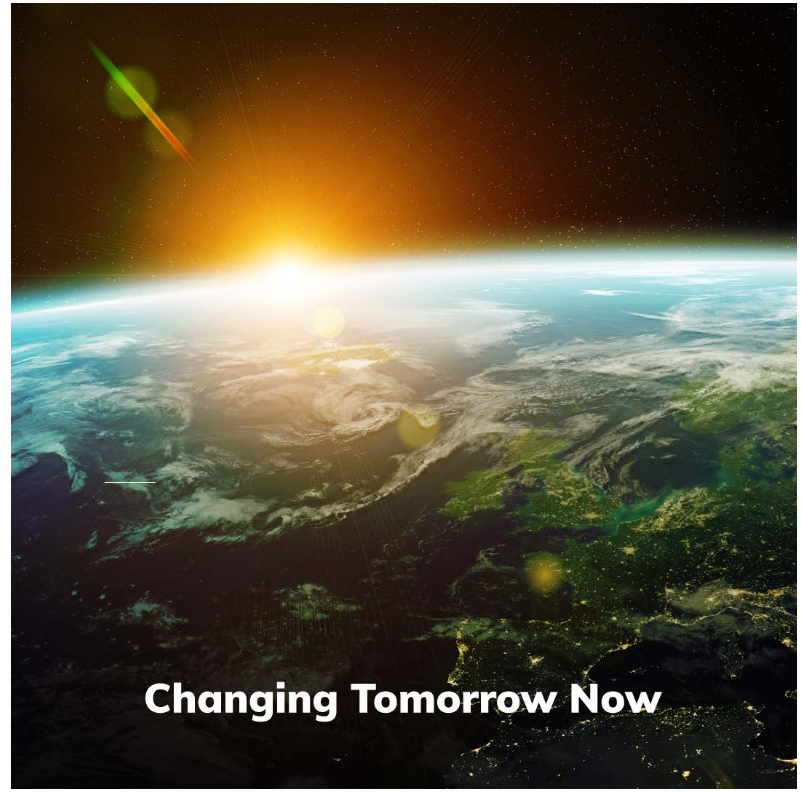
ESG Ratings
Committed to excellence

Rater	Range	Score	Ranking	Last Assessment	
Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA [1]	[0-100]	88	2nd	Nov-20	√
FTSE4Good	[0-5]	4,7	Top 3%	Dec-20	√
EURONEXT V.E INDICES [1]	[0-100]	71	3rd	Sep-20	√
Corporate ESG Performance Prime ISS ESG	[D^--A^+]	B	n.a.	Dec-20	√
SUSTAINALYTICS a Morningstar company [2]	[100-0]	22,5	n.a.	Apr-21	√
MSCI ESG RATINGS AAA	[CCC-AAA]	AAA	Top 7%	Apr-21	√
CDP A LIST 2020 CLIMATE	[D^--A]	A	n.a.	Dec-20	
CDP A LIST 2020 WATER	[D^--A]	A	n.a.	Dec-20	

√ Top quartile in ESG rating performance

For more information on EDP's sustainability performance please visit our website

For more information on indicators please visit our glossary online



1. The comparable peers exclude companies that manage transmission grids, only includes the ones that handle throughout the electricity value chain and electricity/gas supply. S&P ranking is considering the members' companies of DJSI World and Europe; 2. The ESG Risk Rating measures a company's exposure to industry-specific material ESG risks and how well a company is managing those risks (opposed to a score). This rating distinguishes five levels ranging from 100 (Severe) to 0 (Negligible). EDP is considered to have a medium level of risk.

EDP Sustainability Report 2020

For further information please visit our sustainability report available in our website