

ENERGY

edp

CHANGING
TOMORROW
NOW

EDP BRASIL
2020 ANNUAL REPORT

ENERGY



CHANGING TOMORROW NOW

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At EDP, we are in the business of innovating. Our 4 decade long track record has turned us into better energy providers and pioneers of the green evolution. Change has been our driver as we deliver an agile network with more efficient, smart and sustainable solutions. As leaders in the energy transition, we see investment in renewables as an active way to engage with future generations, promoting decarbonisation in energy production and consumption. We are playing our part for a more balanced and sustainable world, one that is inclusive, diverse and humane.

We're changing tomorrow now.

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01

MESSAGE FROM THE CHIEF EXECUTIVE

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MESSAGE FROM THE CHIEF EXECUTIVE

EDP has acted in a timely manner following a strategy divided into three phases called the 3Rs, a work that made it possible to recover from the pandemic's impact on its economic-financial performance.

GRI 102-14

The year 2020 was, beyond question, branded by the novel coronavirus pandemic. In the face of the impacts endured, we had to act quickly to protect our people and partners, guarantee energy suppliers to our customers, and minimize the impacts on the Company's operational and financial results. Since early March, EDP's actions have been timely, embracing a three-phase strategy called 3R (React; Recover; and Reshape), an effort that enabled recovering from the pandemic's impact on economic and financial performance and reaching yearend with EBITDA at BRL 3.4 billion, up 16% YoY, and BRL 1.5 billion in Net Income, up 12.7%, which are landmark results for the Company.

On Distribution, despite the signs of gradual economic recovery seen in the latter half of the year, the volume of distributed energy was down 4.6% in the fiscal year because of the preventive and social distancing measures adopted nationwide, resulting in manufacturing output retraction, reduced retail sales, and rising unemployment. In the final quarter, however, the volume of distributed energy was up 1.9% versus the same period in the previous year. Still on the Distribution segment, EDP invested BRL 752 million over the course of the year in network upgrades and expansion and loss combat, up 16.2% from the investment made in 2019.

On Transmission, despite the temporary construction stoppage, we were able to resume work in early June and make important gains, such as completion of the last stretch of Lot 11, in the state of Maranhão, in early August, 12 months ahead of the regulatory deadline. We also made headway in the other Lots.

On the Generation segment, we made important progress in connection with the Generation Scaling Factor (GSF). The passing of Law 14.052/20 and Resolution 895/20 enabled

hydrological risk renegotiation, which allowed booking BRL 388 million to the Fiscal Year's results, with the extension of our concessions by at least one year on average.

On the Solutions Distributed Solar segment we took important strides. Nine projects were delivered in the year, reinforcing our commitment to expand investments in this market, aligned with the EDP Group's global vision and positioning us as a leading company in the Brazilian electric industry's energy transition. EDP reached yearend 2020 with 65.4 MWp in solar energy projects – 34.5 MWp already installed for customers such as Banco do Brasil, TIM, Claro, Globo and Johnson & Johnson, and 30.8 MWp under development. In December, we executed an investment agreement for Blue Sol Participações S.A. to acquire a stake of up to 40% in the company which operates in the B2C photovoltaic generation segment.

One of the Recovery Plan's main fronts was keeping costs under control. From the early days of the pandemic, we revisited our expenses to control and postpone non-essential spending. As a result, we reached yearend with our recurring PMTO down 3.6%. I would like to underscore

the adjustments to the Dividends Policy and Capital Structure had in August to make value creation clearer to shareholders, with a proposal to pay a minimum BRL 1.00 per share and maintain minimum leverage at 2X Net Debt/EBITDA, with a target in the 2.5X-3.0X range. The Company reached yearend with consolidated leverage, ex- non-cash effects, of 2.4X Net Debt/EBITDA proposing payment of BRL 598.6 million in Dividends and ISE.

Concerning the ESG – Environmental, Social and Governance agenda, we now created a Vice-Presidency to focus on integration of these matters with business, in addition to further increasing integration thereof into decision-making processes. As such, we also reiterate our commitment to the 2030, Agenda, the Sustainable Development Goals, and the Principles of the Global Compact, all of which are initiatives associated with the United Nations Organization (UNO).

2020 was also the second hottest year on record, requiring added emphasis on the climate emergency as the business agenda is concerned. In June, EDP made a pledge to reduce emission, adhering to the Business Ambition for 1.5°C – Our Only Future, UNO. The Company also adhered to the Recover Better, a global initiative that proposes for Governments and businesses around the world to align their recovery and economic support efforts associated with the Covid-19 crisis, based on the latest climate studies. Also, as concerns the weather, the Science Based Target is worth mentioning. On this front, EDP was the first large electric energy company in Latin America to have its CO2 emissions reduction target approved by climate science.

These new pledges reinforce the internalization of the sustainability strategy into EDP's actions as key factors for the Company's performance and align with our vision

of leading the energy transition, electrifying consumption and decarbonizing production. On the social dimension, over the year we created a Diversity and Inclusiveness Program towards the development of more just, diverse and inclusive organization.

Since the pandemic began, we allocated over BRL 10 million to purchasing respirators and PPE gear for the public healthcare system, to doing electrical work on campaign hospitals, and to the donation of 350 tons of foodstuffs and personal hygiene kits to underserved communities and Native peoples. All told, these initiatives had over 400 thousand beneficiaries across Brazil.

We are glad to report that, for the 15th year in a row, we are part of the B3 Corporate Sustainability Index ("Índice de Sustentabilidade Empresarial" – ISE), and a Benchmark on 5 out of its 7 dimensions (Overall, Social, Environmental, Economic and Product Type), having achieved our best performance so far.

Today we begin a new cycle in the life of EDP Brasil, after the General Meeting that approved important changes to the makeup of our Company's Corporate Management Bodies.

I would like to begin by wishing João Marques da Cruz, who was today appointed CEO of EDP Brasil, great success carrying out his new mission, which will be inevitably marked by significant challenges. He will find an extremely competent executive team that I would like to thank for their many years of loyal collaboration, and that is now joined by Fernanda Pires, to whom I also wish the best as VicePresident with the important mission of deepening the ESG agenda.

I am very honored to accept the position as Chairman of the Board, and I will do everything within my power to honor the legacy of close to 15 years of chairmanship by Mr. António Mexia, to whom I would like to profess my great esteem and respect. His contribution to our Company's successful journey is beyond measure.

We have now created a Vice Presidency that will be focused on further strengthening the ESG integration into the business, as well as improving its inclusion in the decision making processes.



I extend these thanks to the entire Board of Directors, and in particular to our Independent Directors, who have always been able to find the right balance between maintaining the Company's stability and creating the appropriate conditions for its transformation and growth.

I would also like to note the admission of Rui Teixeira, Vera Pinto Pereira and Ana Paula Marques as Directors of EDP Brasil. I am sure that their membership will be of great value facing the Company's new challenges. We now have 33% female representation, while Brazilian listed companies average just 11%. This is a great source of pride because it is a move towards the improved gender equality that we advocate pursuant to our Diversity and Inclusiveness Program.

Over the past 7 years, as CEO, I had the privilege of being able to play a role in the development of EDP Brasil. We expanded into new markets, such as transmission and distributed generation. We expanded our geographic presence, with moves such as entry into Santa Catarina with CELESC, into Mato Grosso, Pará, Amapá, Maranhão, Minas Gerais and Rio Grande do Sul, with the construction of three hydroelectric plants (Jari, Cachoeira Caldeirão and São Manuel) and six transmission lots. It has been a very intense and gratifying seven years.

I therefore thank all of EDP's investors, customers, business partners and 3,000-plus employees for the trust they placed in the Company and for their leadership over these years. I reaffirm our firm commitment to keep on creating shared value for all of our stakeholders and for Brazil.

Miguel Setas

CHIEF EXECUTIVE OFFICER

02

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02

About the report

GRI 102-1 | 102-32 | 103-1 | 102-45 | 102-46 | 102-50 | 102-52 | 102-53 | 102-54 | 102-56

Welcome to EDP Brasil's Annual Sustainability Report, a document that shows how we generate value together with our stakeholders and seek to make our business more and more sustainable. The publication presents a general overview of the Company, addressing the most relevant facts in the several business areas between January 1st and December 31st, 2020.

Along its pages, we present what makes our business solid, efficient and sustainable from the environmental, social and corporate governance points of view.



EDP Espírito Santo Headquarters.

The publication covers all the units of EDP Brasil and the assets in joint venture with other companies, with the exception of the activities of minority stakes, as is the case of Celesc.

The report was prepared based on the Global Reporting Initiative (GRI) guidelines – core option – and on the Sustainability Accounting Standards Board (SASB) guidelines, considering the International Integrated Reporting Council (IIRC). The information presented was assured by KPMG, an external and independent company, and validated by the top management of EDP Brasil and by the Board of Board of Directors.

Any questions, suggestions or information inquiries can be sent to:

✉ sustainability.edp@edpbr.com.br

2.1.1. Materiality matrix review

GRI 102-40 | 102-43 | 102-47 | 103-1

The report’s content was defined based on the review of EDP Brasil’s materiality matrix, which considers the most important topics for the Company’s stakeholders and follows the guidelines established by the Global Reporting Initiative (GRI) and the AccountAbility AA1000 standard.

The creation of the matrix included updating the list of material topics used the previous year with the help of an internal tool of the Group, analysis of relationship channels,

interviews with stakeholders and sectorial studies to identify relevant topics for society. Internal documents were also considered, such as strategic objectives, goals and corporate risk matrix, as well as the Executive Board’s vision.

The materiality review allowed us to identify the topics that had the greatest relevance and power to influence our ability to generate value to the business and to society during 2020, presented in the following matrix.

Relevance for society	<ul style="list-style-type: none"> • Vulnerable Customers. • Communication and Transparency. • Human Rights. • Energy Efficiency. • Community Involvement. • Environmental Management. • Energy Infrastructure. • Innovation. • Sustainable Mobility. • Promoting Renewable Energy. • Customer Satisfaction and Service. 	<ul style="list-style-type: none"> • Climate Change. • Business Ethics. • Safety. • Business Sustainability.
	<ul style="list-style-type: none"> • Crisis Management. • People Management. • Governance. • Digital Transformation. 	<ul style="list-style-type: none"> • Supplier Management. • Socially Responsible Investment.

Relevance to the business

Stakeholders Consulted

- Shareholders and investors.
- Autonomous entities.
- Customers.
- Employees.
- Scientific community.
- Location communities.
- Competitors.
- Suppliers.
- Government.
- Public agencies.
- Regulatory Agencies.
- International Institutions.
- Media.
- Opinion Leaders.
- NGOs.
- Financial Institutions.

- Critical Topics
- Business Sensitive Topics
- High Relevance to Business
- High Relevance to Society

TOPIC	BOUNDARY DESCRIPTION	
	EXTERNAL BOUNDARIES	INTERNAL BOUNDARIES
CLIMATE CHANGE	<ul style="list-style-type: none"> Shareholders and investors, Government. 	<ul style="list-style-type: none"> All business units.
HUMAN RIGHTS	<ul style="list-style-type: none"> Communities, Suppliers, Government. 	<ul style="list-style-type: none"> All business units.
COMMUNITY INVOLVEMENT AND DEVELOPMENT	<ul style="list-style-type: none"> Communities. 	<ul style="list-style-type: none"> All business units.
BUSINESS ETHICS	<ul style="list-style-type: none"> Shareholders & investors, Communities, Customers, Government. 	<ul style="list-style-type: none"> Employees, All business units.
ENVIRONMENTAL MANAGEMENT	<ul style="list-style-type: none"> Shareholders and investors, Communities, Customers, Government. 	<ul style="list-style-type: none"> All business units.
PEOPLE MANAGEMENT	<ul style="list-style-type: none"> Government. 	<ul style="list-style-type: none"> Employees, All business units.
CORPORATE GOVERNANCE	<ul style="list-style-type: none"> Shareholders and investors, Government. 	<ul style="list-style-type: none"> Employees, All business units.
ENERGY INFRASTRUCTURE	<ul style="list-style-type: none"> Communities, Suppliers, Customers, Government. 	<ul style="list-style-type: none"> All business units.
RENEWABLE ENERGY PROMOTION	<ul style="list-style-type: none"> Suppliers, Customers, Government. 	<ul style="list-style-type: none"> All business units.
CUSTOMER SATISFACTION AND SERVICE	<ul style="list-style-type: none"> Shareholders and investors, Communities, Suppliers, Clients, Government. 	<ul style="list-style-type: none"> Employees, All business units.
BUSINESS SUSTAINABILITY	<ul style="list-style-type: none"> Shareholders and investors, Suppliers, Customers. 	<ul style="list-style-type: none"> Employees, All business units.

How to read this report

The references used throughout the publication unfold in different ways of reading the document. Besides the linear reading, it is possible to navigate the contents according to the reporting guidelines adopted:

GRI and SASB indicators:

Based on our material topics, we have chosen GRI and SASB indicators to be included in the Report. At the beginning of each chapter, we point out which indicators are being addressed, and in the GRI Content Index and SASB Index (page 128 and 176) we explain the content of each indicator and point to the page on which they are reported.

CAPITALS

Using the Integrated Reporting, we have designed our Value Creation Model (page 25) and indicated which capitals are addressed in each chapter. At the end of the Report, in the Capitals Map (page 180), we present the pages in which each capital is addressed.



Environmental
CAPITAL



Social and Relationship
CAPITAL



Financial
CAPITAL



Intellectual
CAPITAL



Manufactured
CAPITAL



Human
CAPITAL

SDGS

Sustainable Development Goals

Taking into account our adherence to the SDGs, we refer throughout the Report whenever a topic addresses a business contribution to one of the goals. In the SDG Map (page 181), we describe the page where each SDG is addressed.



ACT ION

FROM TOMORROW TO BEYOND

Changing tomorrow now.



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2020 HIGHLIGHTS





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03

2020 Highlights

Resilience of

Ability to quickly adapt or recover.

- Year affected by the Covid-19 pandemic.
- Four major challenges for EDP Brasil:
 -  Preserving employees' health.
 -  Keeping operations running, with a constant power supply for society.
 -  Ensuring business financial sustainability.
 -  Supporting communities to overcome the crisis.
- In response to this challenge, we implemented the 3Rs plan (React, Recover, and Reformulate):

THE 3Rs PLAN

REACT	<ul style="list-style-type: none"> • Crisis Committee created with daily meetings – learn more on page 32. • Creation of six subcommittees (Health and People, Operational, Finance, Communication and Society, Regulatory and Legal, and Supply Chain) – learn more on page 94. • Employee prevention and protection measures. • Reduction in TOTEX and dividends by R\$ 1.35 billion. • R\$1.75 billion increase in liquidity. • Structuring the COVID account. • A conservative leverage level is provided <2,5x. • Donations of R\$10,1 million for fighting the pandemic – learn more on pages 108 and 109. <ul style="list-style-type: none"> • R\$8,4 million in donations for health support (hygiene, prevention, equipment and technology). • R\$1,7 million in donations to support vulnerable communities (more than R\$1.7 million in food to fight one of the biggest problems caused by the pandemic: hunger). • R\$ 498 thousand raised among our employees to be donated to initiatives and institutions supporting the communities. • Over 400 thousand beneficiaries among institutions, people in situations of social vulnerability, indigenous people, hospitals and health professionals.
RECOVER	<ul style="list-style-type: none"> • Implementation of the Results Recovery Plan (PRR) – learn more on page 64. • Creation of 57 initiatives to mitigate the pandemic's effects – learn more on page 64. • R\$ 103 million recovered with the implementation of the PRR – learn more on page 65. • CAPEX Resumption – learn more on page 65.
REFORMULATE	<ul style="list-style-type: none"> • Future-oriented, aiming to see new opportunities from the learnings brought by the crisis – learn more on page 30. • Creation of Opportunity Committees – learn more on page 92. • Pillar structured in the subcommittees Growth, Customer, Digital, Innovation, Green Recovery, Diversity & Inclusion and New Working Models – learn more on page 90.

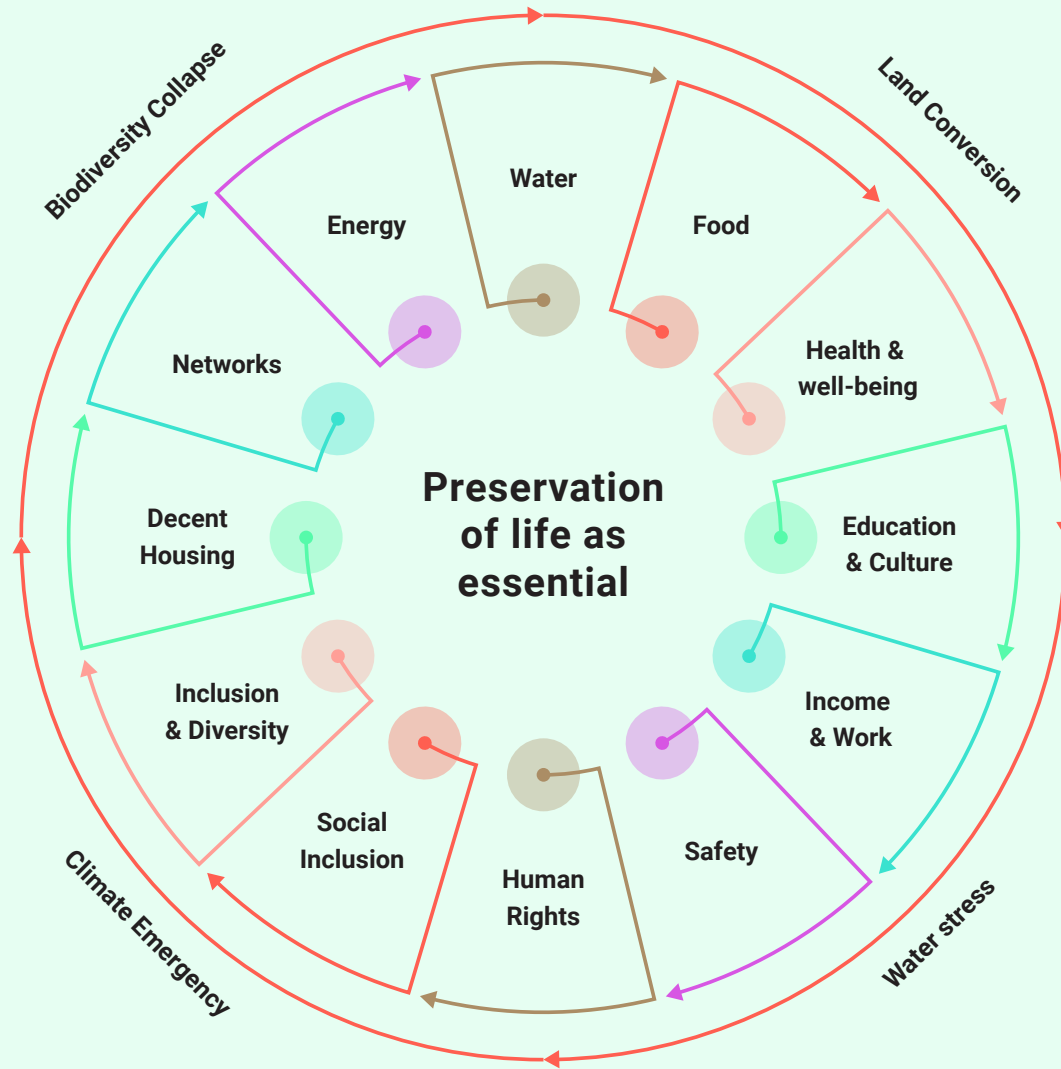
New Business Ethics

Reformulate

The COVID-19 pandemic brought deep changes to the planet and to humanity, which reflect the way society deals with the environment and underlines the need to reflect on the performance of organizations and on current consumption patterns.

In view of the global impacts of the pandemic, the need for an evolution in the sustainability strategy of companies has become clear. The Triple Bottom Line* concept, used for decades by companies and society to better define the term "sustainability", opens room for improvement. ESG (environmental, social and governance) aspects have been increasingly incorporated into investors' agendas, reinforcing the relevance of sustainability aspects in corporate decision-making.

EDP Brasil, inspired by concepts and methodologies regarding planetary limits and the interdependence of natural resources and social foundations, proposes the evolution to a new gaze and a new strategy that directs society toward a fairer and safer space. Therefore, we have embraced the concept of a New Business Ethics, which puts the health and human life preservation at the very center.



* O Triple Bottom Line é um conceito de Management que preza pela sustentabilidade de forma ampla nas empresas, levando em conta fatores ambientais, sociais e econômicos.

Image based on the Donut Economy concept, created by Kate Raworth.

EDP Brasil believes in science to support the vision of respecting the planet's ecological limits.



In 2020, EDP Brasil's CEO became the spokesperson of the SDG 11.

We believe that by deepening knowledge and supporting decision-making in science, we will enable the establishment of a new business ethic, and we recognize that in order to elevate social and human development, we must act in a cooperative and just way.

With the New Business Ethics in mind, we have established and deepened commitments to a number of global initiatives:

Business Ambition for 1.5°C:

Initiative promoted by the UN with the aim of limiting the increase in global temperature to 1.5°C above pre-industrial levels.

Recover Better:

Commitment to emission reduction targets, a fair energy transition, and action on climate policies, at a time of post-crisis recovery instigated by COVID-19.

Sustainable Development Goals (SDG):

We deepened our commitment to the SDGs by becoming a spokesperson for SDG 11 – Sustainable Cities, through CEO Miguel Setas.

Science Based Targets:

Reaffirms the commitment to respect the planet's ecological limits, relying on science as the best way to support this future vision.

3.1.1.

RECOGNITION

Valor Innovation Award in the electric sector

Brazil's most innovative company in the ranking organized by Valor Econômico newspaper.

Top 100 Open Corps of Innovation Award

4th place in the annual ranking conducted by 100 Open Startups.

Mobility Portal Ambassador

EDP Brasil was elected as one of the ambassadors of the Estadão Mobility Portal.

Dow Jones Sustainability Index (DJSI)

In 2020, the EDP Group continued to be listed on the Dow Jones Sustainability Index (DJSI) portfolio, which brings together the shares of global sustainability leaders.

Época Negócios 360° – General Ranking

- 6th position among all companies evaluated.
- 2nd place in the Future Vision category.
- 5th position in the Sustainability category.

Época Negócios 360° – Sector Ranking

Silver Seal in the Energy sector.

- 1st place in the Sustainability category.
- 1st place in the Future Vision category.
- 1st place in the People category.
- 2nd place in the Innovation category.

Corporate Sustainability Index (ISE)

EDP Brasil achieved the best portfolio performance in the General, Product Nature, Economic, Environmental and Social dimensions, the Company's best in the last 15 years of participation in the index.

Best CDP performance ever

EDP Brasil registered its best performance in the Carbon Disclosure Project (CDP), earning an A- rating.

Climate Action Platform Coordination

EDP Brasil was elected for the Coordination of the Climate Action Platform of the Global Compact Network Brazil.

Best CEO of the Brazilian Electric Sector

Award granted by Valor Econômico newspaper.

Global Compact Network Brazil (UN)

Miguel Setas, president of EDP Brasil, was announced as CEO spokesperson for Sustainable Development Goal 11 (SDG 11) – Sustainable Cities and Communities – in the Leadership with ImPact initiative.

Order of Ipiranga Medal

The highest honor of the State of São Paulo was granted to the CEO of EDP Brasil, Miguel Setas, for the company's work in favor of culture, art and appreciation of the Portuguese language.

Transparency Trophy for the best accounting statements

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

Transparency Trophy for the best CFO of the year

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

Companies that Best Communicate with Journalists

EDP Brasil's President, Miguel Setas, was ranked among the 10 CEOs that best communicate with journalists. Also, the Company's press office won the award in the Electric Energy category.

Ethisphere Institute

The EDP Group was recognized for the eighth consecutive year in the Ethisphere Institute ranking as one of the world's most ethical companies.

ABEMD Award

Case in partnership with Atento was a finalist in the award promoted by the Brazilian Association of Data Marketing (ABEMD), which recognizes the most innovative ideas in data marketing.

Avaya Brasil Award

Worldwide success case for the use of Avaya Oceana platform in the Customer Experience category.

Prata Cliente S.A. Trophy

BeeDoo callcenter content platform won recognition in the Leading Motivational Campaign category.

ANEEL Quality Award

The energy distributor in Espírito Santo is in the Top 3 in the category "biggest utilities growth 2019/2018".

The award indicates that the company was among the ones that most evolved in the satisfaction level of residential consumers among the utilities with more than 400 thousand customers.

Best company in the electric power segment

EDP Espírito Santo was recognized as the best company in the electric energy segment by the XXI Consumidor Moderno Award for Excellence in Customer Services.

ANEEL Award for the best power plants in Brazil

Granted by the Brazilian Electric Energy Agency to HPP Peixe Angical and HPP Lajeado, the two best in the ranking.

04

EDP BRASIL

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04

EDP Brasil

4.1. Who we are

GRI 102-2 | 102-3 | 102-4 | 102-5

With over 20 years of operations in the country, EDP – Energias do Brasil S.A. is an integrated energy company that operates in the areas of generation, transmission, distribution, commercialization and solutions aimed at the B2C* and B2B** segments.

We are a company controlled by EDP Energias de Portugal, the largest Portuguese industrial group and one of the largest European operators in the electricity sector, with operations in 19 countries.

Headquartered in São Paulo, our assets are distributed in 11 states: Amapá, Ceará, Espírito Santo, Maranhão, Mato Grosso, Minas Gerais, Pará, Rio Grande do Sul, Santa Catarina, São Paulo and Tocantins. In the Commercialization and Energy Solutions businesses, we operate throughout the entire national territory.

4.1.1 Business Model

GRI 102-7

GENERATION

- Six hydroelectric power plants, of which 3 in joint venture
- 1 thermoelectric power plant.
- 2.9 GW in installed capacity***.
- 75% consisting of renewable energy sources.

COMMERCIALIZATION

- Largest trader in the retail market.
- 19.97 TWh of energy commercialized, including the retail market.

TRANSMISSION

- 6 projects of lines and sub-stations in Espírito Santo, Maranhão, Minas Gerais, Rio Grande do Sul, Santa Catarina and São Paulo.
- 1373 Km in transmission lines, of which 315 km in operation and 1058 km under construction.

DISTRIBUTION

- São Paulo: 1.98 million customers in 28 municipalities.
- Espírito Santo: 1.62 million customers in 70 municipalities.
- Total volume of distributed energy in 2020: 24.42 TWh.

ENERGY SERVICES AND SOLUTIONS

- EDP Smart
- E-commerce
- Residential products and services
- Electric Mobility Solutions
- Projects under the Energy Efficiency Program (PEE)
- Distributed Solar Generation
- More than 39.2 GWh saved with energy efficiency projects
- 18.39 MWp installed at customers

* Business to Consumer” refers to the business model in which a company sells directly to end consumers.






























** Business to Business, an expression used to refer to companies that sell products and services to other companies, a business model in which one is the supplier and the other is the customer.

*** Business to Business, an expression used to refer to companies that sell products and services to other companies, a business model in which one is the supplier and the other is the customer.

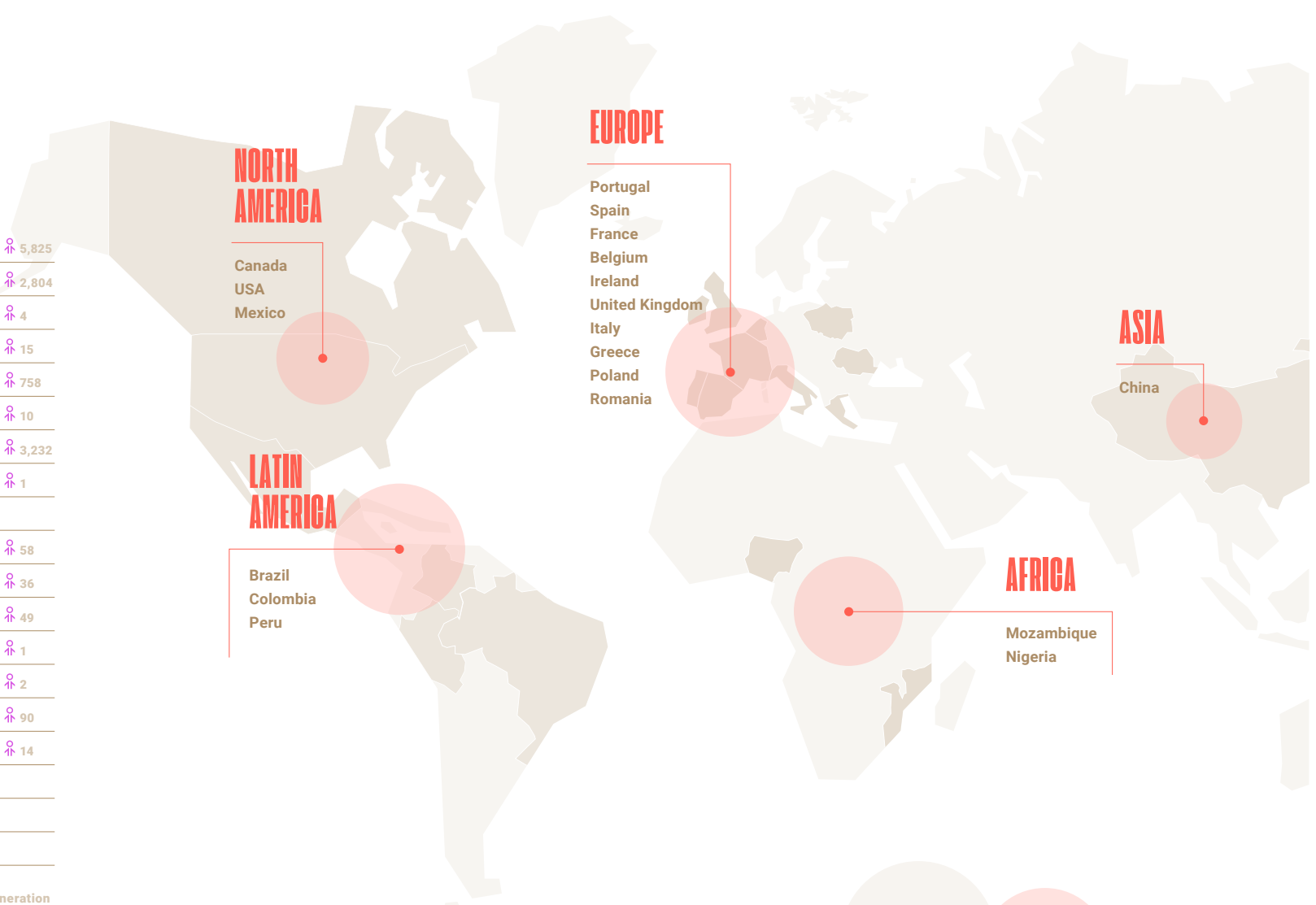
4.1.2. EDP worldwide*

WHERE WE ARE

GRI 102-6

Portugal	   	5,825
Spain	   	2,804
Canada		4
Colombia		15
USA		758
Mexico		10
Brazil	    	3,232
Peru		1
China		
Poland		58
Romania		36
Italy		49
UK		1
Belgium		2
France		90
Greece		14
Ireland		
Mozambique		
Nigeria		

-  Conventional generation
-  Renewable Generation
-  Transportation
-  Distribution
-  Commercialization
-  Offices
-  Employees



NORTH AMERICA

Canada
USA
Mexico

LATIN AMERICA

Brazil
Colombia
Peru

EUROPE

Portugal
Spain
France
Belgium
Ireland
United Kingdom
Italy
Greece
Poland
Romania

ASIA

China

AFRICA

Mozambique
Nigeria

Employees
12,180

19

Countries where we operate

* The data used for the consolidation of EDP Group's employees consider only the companies 100% controlled by the Company, also adding the employees of EDP Renováveis operating in Brazil.

4.1.3. EDP in Brasil

GRI 102-6

Legend

STATE

Structure ⚡🔌🏠👤
City installed/Extension

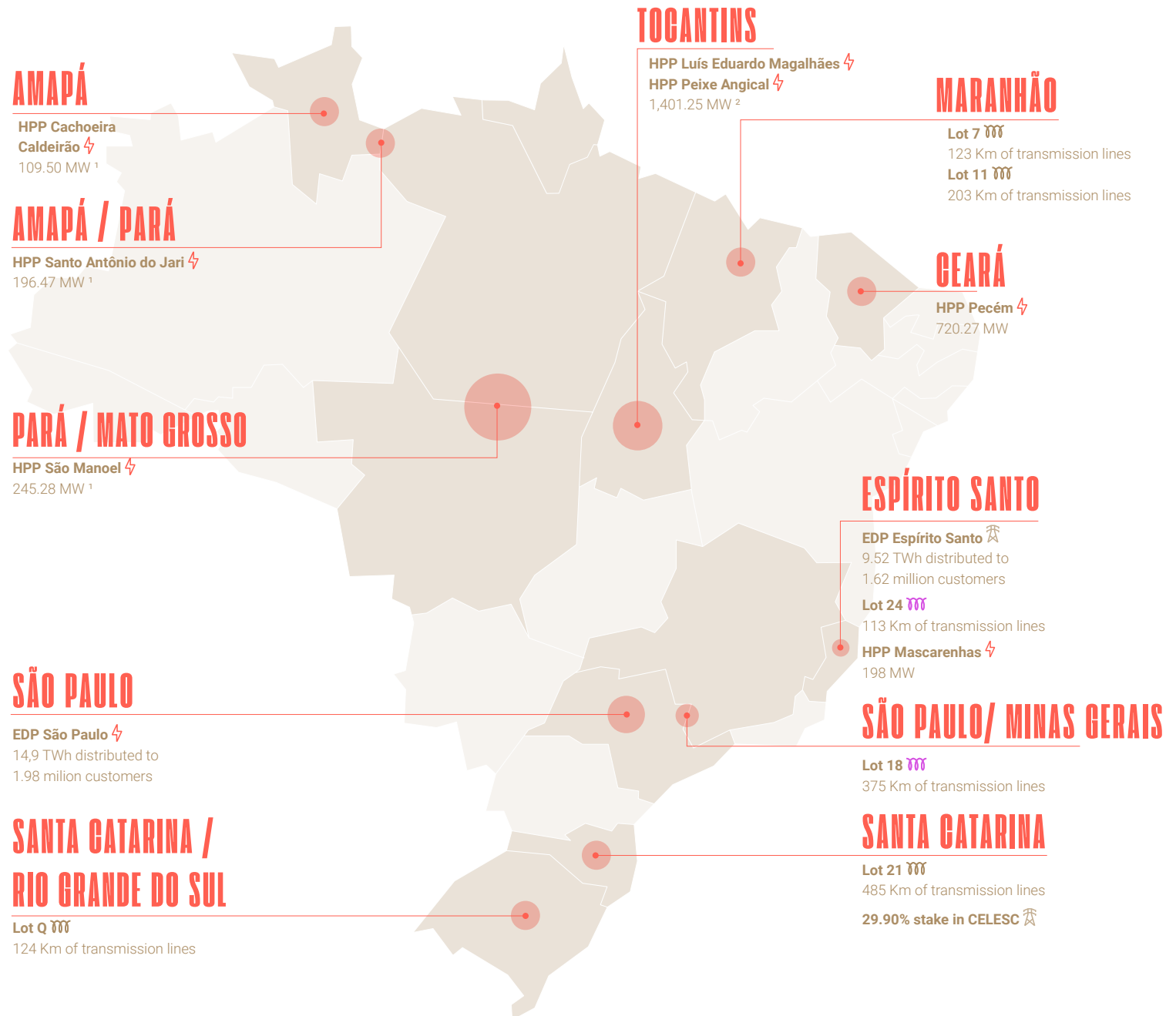
Business segments (Icons):

- ⚡ Generation
- 🔌 Transmission
- 🏠 Distribution
- 👤 Commercialization
- 📄 Services

TOTAL

EDP Smart 👤
19,968,58 GWh of energy commercialized

EDP Smart 📄
18,39MWp installed solar power

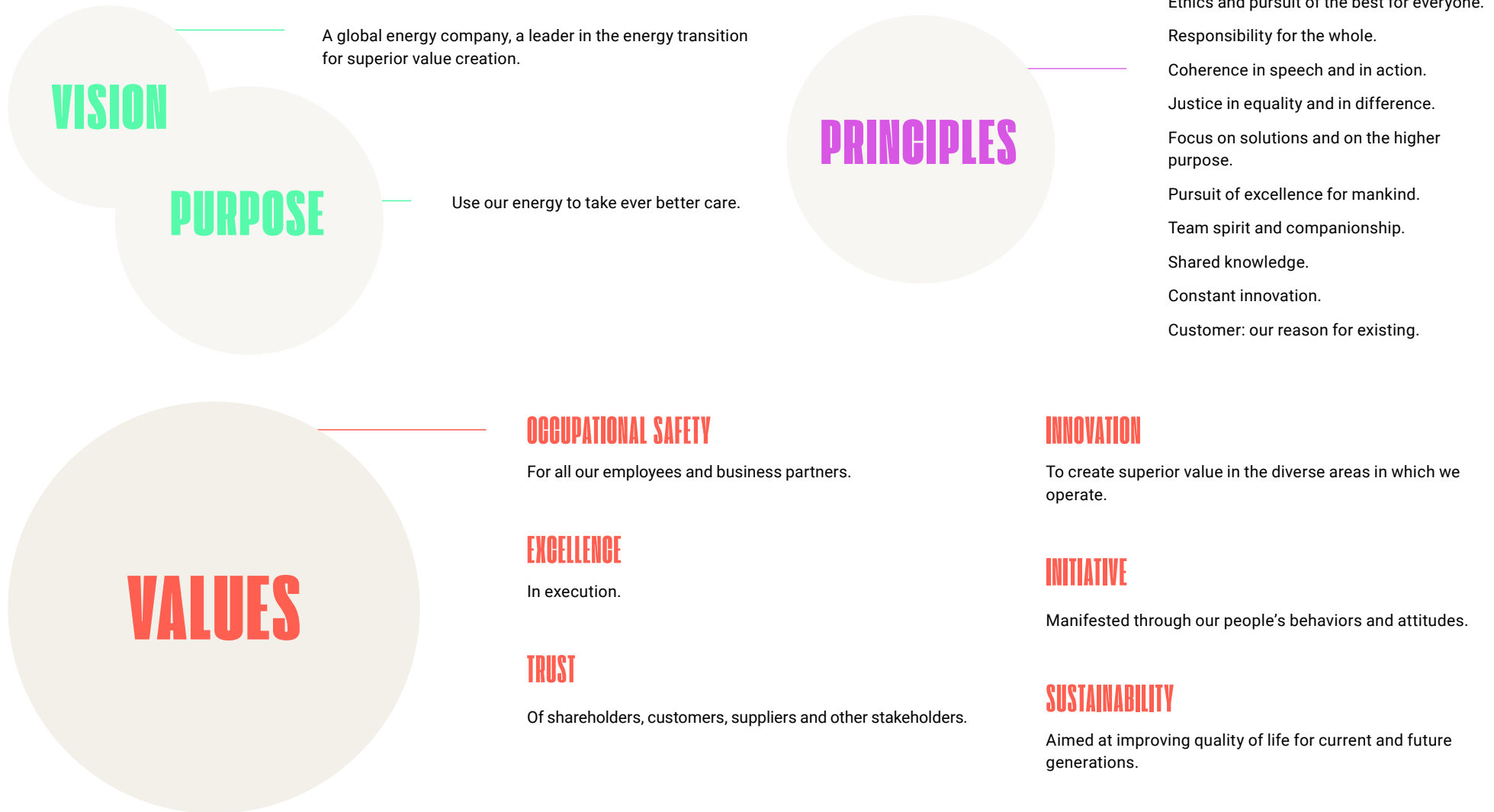


¹ The installed capacity refers to the percentage of EDP Brasil's interest in the joint venture plants.

² The installed capacity refers to the sum of the two plants, where HPP Luís Eduardo Magalhães has 902.50 MW and HPP Peixe Angical has 498.75 MW.

4.1.4. The EDP Way of Being

GRI 102-16



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EDP
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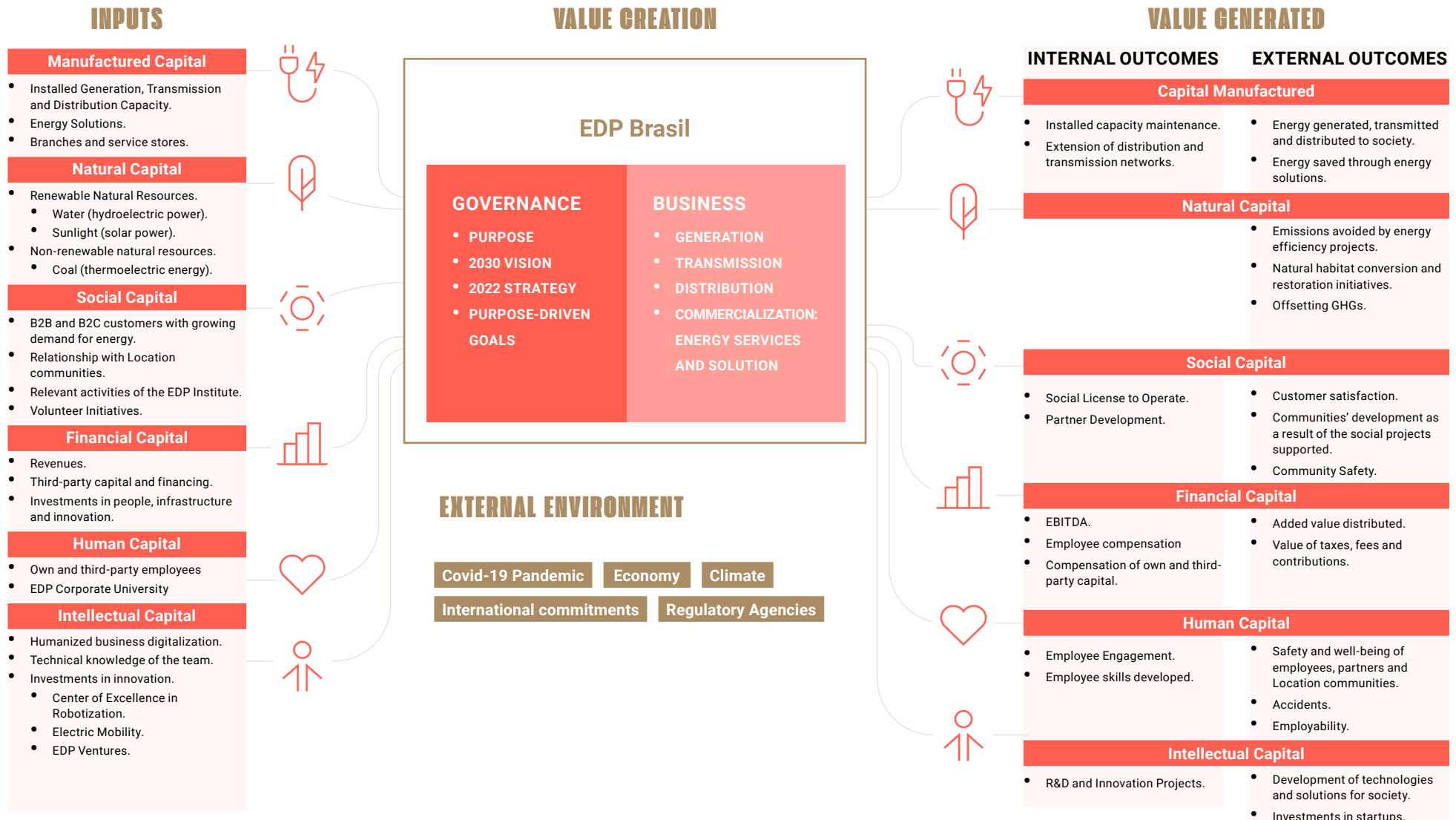
09

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4.1.5. How we create value

Our business model is based on the Company's perennality and on the generation of value for our stakeholders.



TRANSITION

FROM A JUST TRANSITION
TO SUSTAINABLE COMMUNITIES

Changing tomorrow now.



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Future Vision

5.1 Future Vision

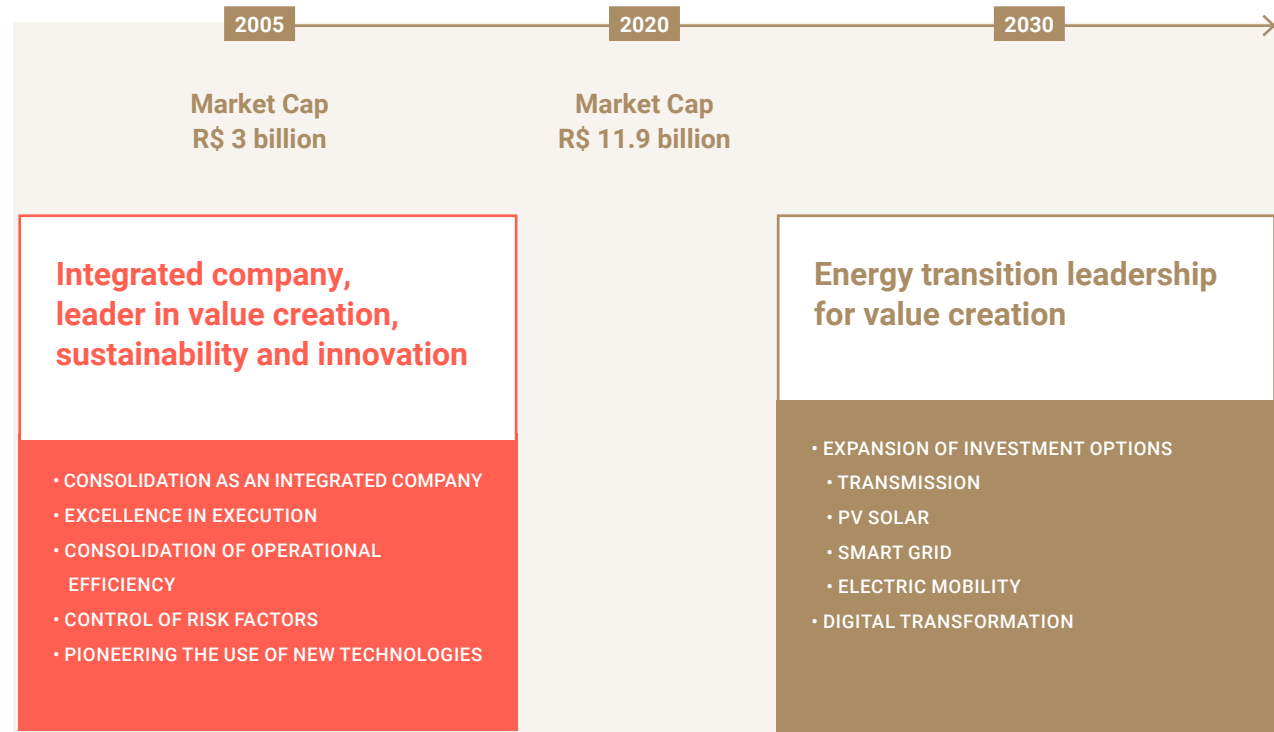
5.1.1. Strategic Planning

Our strategy is based on solid governance, coupled with sustainability and innovation, in order to achieve our global strategic vision: Leading the energy transition for superior value creation.

Among the competitive advantages that support this vision, we highlight the high efficiency in asset management, consolidation of operational efficiency, control of risk factors, pioneering the use of new technologies, and a great capacity to anticipate construction work, recognized by the

industry, the market, and regulatory agencies. Furthermore, as an integrated energy company, we are able to balance the risk among the businesses, with greater opportunities to create value for shareholders and society.

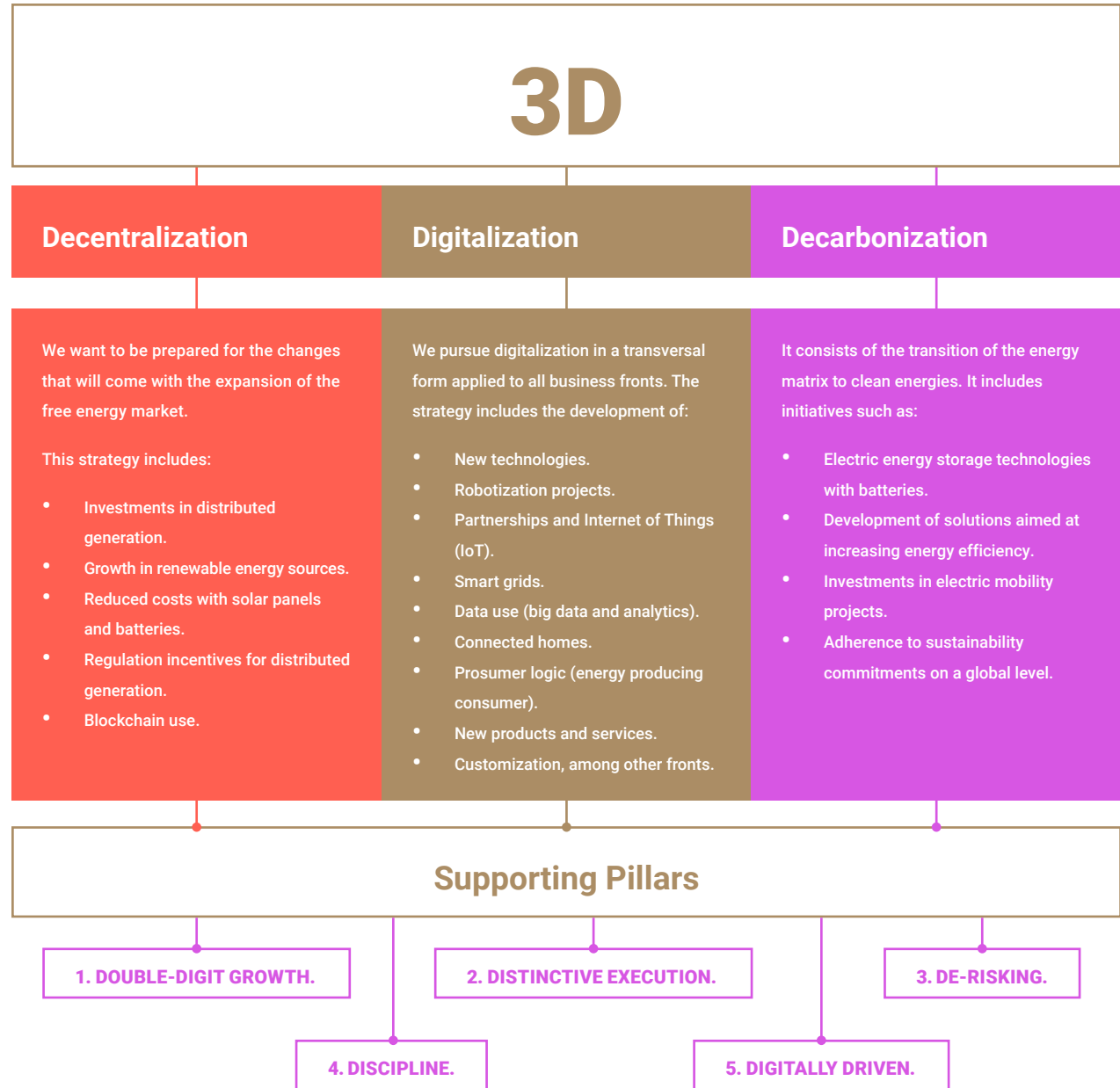
Evolution of EDP's strategy



Worldwide, the power sector is undergoing a huge change through an energy transition from the so-called 3D Transition: Decarbonization, Decentralization, and Digitalization. Our strategy is oriented on these three platforms and unfolds on the 5 Sustaining pillars: Double Digit Growth, Distinctive execution, De Risking, Discipline and Digitally Driven.

More information on each of the pillars that support our strategy can be found in the EDP Brasil Strategic Overview:

[Find out more by clicking here.](#)





TTP Pecém

Strategic Planning Process

The planning and achievement of EDP Brasil's strategic goals involve employees from different areas, hierarchical levels and processes, which contributes to the assertive direction of the business.

The strategies are shared and discussed for an effective engagement of the teams that, by participating and cooperating with the decision making, assume a leading position in the development of the activities.

The process also considers the expectations of various stakeholder groups (more information in the Stakeholder Engagement chapter on page 100).

The execution of the current strategy and the construction of the future strategy occur simultaneously in the Strategic Planning Cycle. In 2020, continuous meetings were promoted to sustain the process, which is periodically revisited and updated throughout the year, due to possible changes in the internal and external contexts.



EDP Brasil's strategic planning is periodically reviewed and has the active involvement of the teams.

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The ESG aspects are pivotal elements of EDP Brasil's Strategy.

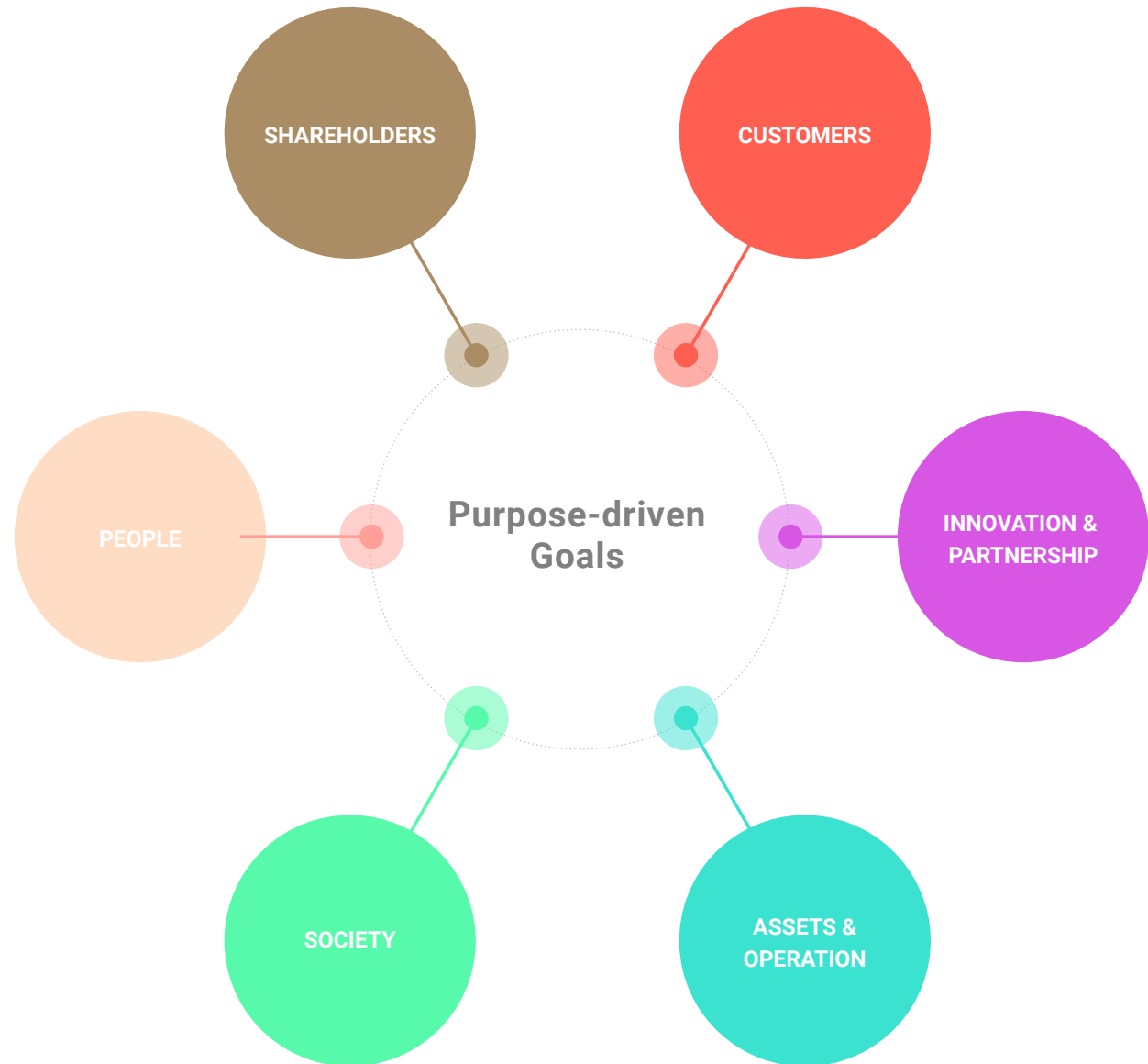
Purpose-Driven Goals

Strategy achievement is monitored by means of our own performance management system: Purpose Driven Goals. They aim to combine the company's purpose with indicators and goals, internalizing our current and future challenges.

The Purpose Driven Goals program consists of a star divided into six dimensions, each with specific goals that are used to evaluate the Company's management and leadership.

The goals also encompass themes related to the ESG agenda (Environmental, Social and Governance), expanding the excellence concept beyond financial performance. The results of the Purpose Driven Goals are linked to the performance of all employees, including top management.

The follow-up of the Purpose Driven Goals is done monthly in operational review meetings, with the participation of the entire leadership, and any suggestions or directions are sent back to the teams, thus establishing a virtuous cycle of improvement and learning.



5.1.2. COVID-19 Response

From the first news about the COVID-19 pandemic, still at the beginning of the year, and based on the experiences of the EDP Group, in Europe, we prepared our management and aligned our leadership so that we were able to act quickly and make effective decisions to preserve our employees and the business.

Also in February, we created our Crisis Committee with the objective of monitoring and mitigating the impacts and consequences on the Company's main activities. To this end, the Committee defined three action priorities to fight the crisis:

- Protect lives.
- Protect the Company.
- Support society.

EDP Brasil's response to the crisis was structured by means of the 3Rs Plan, which was divided into three pillars and focused on the Company's adaptation to the new scenario, contributing in a direct manner so that we could get through the adverse moment.

Faced with situations that required more immediate responses, we sought to react to minimize the impacts in terms of intensity and duration. Since the beginning of the pandemic, a quick and safe strategy was created reinforcing the "Life Always First" principle.

Protocols aligned to the advisory guidelines of the Crisis Management Committee and Contingency Plans for the Business Units were prepared, all geared toward the same purpose: protecting people, ensuring the continuity of the operation, and supporting society.

To this end, we have implemented several initiatives such as the Home Office Preventive Program, Operational Contingency Plans, travel restrictions and participation in events, adoption of the Life-Saving Rules – COVID-19, monitoring of suspected cases, hiring of infectious disease specialists, carrying out COVID-19 tests, among other actions necessary to protect people and reduce the impact on the business.

Given the continued pandemic and the need for business continuity, several cities carried out the resumption of activities and flexibilizations. Considering this context, we highlight that EDP Brasil, in addition to maintaining the Preventive Home Office Program and the Operational Contingency Plans, reinforced the alert that the danger is not over, maintaining active communication with prevention tips.

5.1.3. Management Tools

To ensure efficient company management, we have adopted the following tools and instruments:

Alignment between strategic planning and operational activities

- Balanced Scorecard (BSC).
- Quality Management.
 - ISO 9.001 Certification: Quality Management System.
 - ISO 14.001 Certification: Environmental Management System.
 - ISO 37.001 Certification: Anti-Bribery Management System.
 - ISO 45.001 Certification: Occupational Health and Safety Management Systems.
 - OHSAS 18.001 Certification: Occupational Health and Safety Management System.
- Process optimization and waste reduction.
 - Lean/Six Sigma Methodology
 - Kaizen Methodology.

The performance of the business units is monitored in monthly meetings called "Operations Reviews" with the participation of the entire leadership.

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In 2020, we assisted our customers in reducing energy costs, helping them to overcome the pandemic's effects.



The Energy Planning operates as a management tool for EDP Brasil's energy portfolio.

5.1.4. Energy Planning

The energy planning department anticipates scenarios to guide the management of the Generation, Distribution and Commercialization segments.

As of 2021, the spot market price will be disclosed hourly, affecting the operating strategy in each of the segments. With this focus, a new computational model was developed to monitor the energy price and the energy contract operations – previously monitored on a weekly basis – so as to enable continuous evaluation of the impacts and opportunities for the segments.

In the hydrological risk scope, we participated in the GSF (Generation Scaling Factor) renegotiation discussion, which has been the result of judicialization since 2015, with a solution presented and regulated in 2020.

Such discussion made it possible for the owners of hydroelectric power plants participating in the Energy Reallocation Mechanism (MRE), a solution that involves the calculation of the amounts due to each of the plants and the respective compensation of these amounts through

concession extensions. The solution proposes the non-judicialization of the GSF, with the resumption of the normal operating environment of the Short Term Market (MCP) and covers all plants with contracts in the Free Energy Contracting Environment (ACL).

In the energy portfolio aspect, Energy Planning operated as a management tool for the Company's energy portfolio, continuously assessing market conditions, prices, and risk while working together with the generators in energy purchase and sale transactions, carrying out operations to hedge against hydrological risk, and in energy commercialization, indicating market opportunities to maximize the portfolio's return.

In 2020, we conducted several negotiations with customers to help them reduce their costs and overcome this very delicate pandemic moment. This strategy made it possible to meet our customers' demand and ensure a balanced energy portfolio for the coming year.

5.2. Sustainability

5.2.1. Sustainability Commitments and Strategy

GRI 102-12

The EDP Group is committed to the Global Compact, a United Nations Organization initiative to encourage companies to adopt corporate social responsibility and sustainability policies by adhering to ten principles related to human rights, labor, environment and corruption.




EDP Brasil’s sustainability strategy is based on Ambition 2030, which proposes to contribute to the decarbonization of production and the electrification of consumption.

This ambition crosses, on a global level, fronts such as:

- Renewable-based energy generation, including increased solar power projects.
- Substantial reductions in greenhouse gas emissions.
- Strengthening electric mobility by increasing private and publicly accessible charging points and renewing the domestic fleet.

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 in favor of goals such as gender equity, fighting climate change, and preserving natural resources.

With our public commitment to nine of the 17 SDGs, we have established goals and targets on the 2016-2020 horizon:

2016-2020 GOALS AND TARGETS				
TARGET	SDG	STATUS	GOAL	DETAIL
Create economic value		●	Limit by 25% the weight of coal technology in the power generation portfolio by 2020 and promote projects to reduce CO ₂ emissions.	Maintenance of the renewable installed capacity at 75%.
		●	Provide energy efficiency products and services to reduce customer energy consumption by 100 GWh by 2020, compared to 2014.	Thanks to the creation of EDP Smart, it was possible to surpass the goal previously established, resulting in a reduction of 240 GWh.
		●	Invest R\$ 100 Million by 2020 in the expansion of telemetry in low-voltage customers	Considering the last 3 years, the investment in telemetry for low voltage customers totaled more than R\$ 200 Million in SP and ES.
		●	Invest R\$ 100 Million in innovative projects by 2020.	EDP Brasil’s R&D investment exceeded R\$ 125 Million in the last 3 years.

2016-2020 GOALS AND TARGETS				
TARGET	SDG	STATUS	GOAL	DETAIL
Manage environmental and climate issues	 	●	Achieve 100% environmental certification	EDP Brasil EDP Brasil considers that the management of environmental issues must be conducted with excellence, therefore, the commitment was reformulated and maintained, considering a new time horizon. It is until the end of 2021 for Distribution and 2022 for Generation.
		●	Internalize the circular economy concept and promote energy efficiency in EDP Brasil buildings	Several actions were developed aiming to internalize the circular economy concept in EDP Brasil's activities, with highlight to the reuse of 70% of the ash produced by Pecém TPP in 2020.
		●	To value the environmental externalities at EDP Brasil related to priority ecosystem services	During the period, EDP Brasil carried out an R&D project, where it was possible to map and value the ecosystem services that are used by the Company's Business Units.
Developing our people	 	●	Maintain employee engagement levels above 75% by 2020	EDP Brasil maintains the highest engagement levels of the EDP Group, with a result of 86% in the last evaluation cycle.
		●	Achieve 100% health and safety certification	EDP Brasil considers that the management of occupational health and safety topics must be conducted with excellence, therefore, the commitment was reformulated and maintained, considering a new time horizon. Being until the end of 2021 for Distribution and 2022 for Generation.
		●	Promote diversity, ensuring equal access in hiring processes	EDP Brasil maintains a robust Inclusion and Diversity program and more information is on page 88.
Improve confidence		●	Keep EDP Brasil as one of the most Ethical Companies in Brazil	EDP Brasil discontinued its participation in the Pro-Ethics Seal, however, it has a robust Keep EDP Brasil as one of the most Ethical management system for the topic, including certification of ISO 37.001 – Anti-bribery Management System. More information can be found on page 122.
		●	Achieve more than 80% customer satisfaction	In 2020, EDP São Paulo reached 77.5% of client satisfaction and EDP Espírito Santo, 81.1%. For the Comercializadora, the satisfaction index was 83.5% in 2020
		●	Implement regular stakeholder consultation tools	With the restructuring of the Institutional Relations and Stakeholder Management Department, consultation processes are taking place on a regular basis, more information can be found on page 100.
		●	Invest R\$ 50 million by 2020 to promote social businesses and sustainable lifestyle initiatives	EDP Brasil's private social investment between 2016 and 2020 exceeded R\$ 71 Million. More information on the projects supported by IEDP can be consulted on page 107.

Legend: ● ACHIEVED ● UNDER DEVELOPMENT

To continue the performance and contributions to Ambition 2030, we have built a new set of commitments for 2022, aligned with the global strategy.

Para To get to know all the targets of the EDP Group's strategy, go to:


[Find out more by clicking here.](#)

ODS	META	2022 EDP BRASIL
7 AFFORDABLE AND CLEAN ENERGY	Maintain the renewable installed power.	75%
	Increase the installed solar power (centralized and decentralized).	135.5 MWp
13 CLIMATE ACTION	Reduce specific CO ₂ eq emissions.	21%
	Increase the number of customers with electric mobility solutions.	4,4 thousand
	Promote the acquisition of an electric fleet for light vehicles.	11%
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Increase customer energy efficiency.	318.7 GWh
	Achieve carbon neutrality in EDP administrative buildings.	100%
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Maintain the average waste recovery rate.	75%
8 DECENT WORK AND ECONOMIC GROWTH	Eliminate fatal accidents for employees and service providers.	0
11 SUSTAINABLE CITIES AND COMMUNITIES	Maintain the community investment level (value accumulated from 2015).	R\$ 52M
5 GENDER EQUALITY	Increase the female employee rate.	30%
13 CLIMATE ACTION	Internalize the TCFD recommendations.	100%
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Eliminate single-use plastics.	100%
15 LIFE ON LAND	Eliminate environmental accidents and penalties.	0
13 CLIMATE ACTION	Implement Climate Change Adaptation Plans.	100%
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Improve the customer satisfaction index.	> 75%
11 SUSTAINABLE CITIES AND COMMUNITIES	Ensure high attendance in volunteer actions.	20%




To unfold this strategy into practices and actions, the following pillars of action are used:

PILLARS




Climate Emergency

Faced with today's extreme climate change scenarios, we want to become a reference in climate resilience and fair energy transition.




Biodiversity

Faced with the loss of habitats and species, we want to become an industry benchmark for the recognition of ecological limits for biodiversity.




Environmental Management

Considering the growing shortage of natural resources, we are seeking to become a sector reference as to the recognition of ecological limits within environmental management.




Sustainable value chain

Faced with the need to expand sustainability performance, we want to decarbonize the chain, reduce impacts on natural resources, and expand our business partners' development.



Social impact

Ensure that all social projects supported and sponsored by the Company meet the safe and fair space for society.



Performance and Reporting

Promote transparency with our stakeholders on issues that correlate with Sustainability, maintaining the Company as a benchmark for reporting and performance on ESG* aspects.

* ESG: stands for Environmental, Social and Governance, which refers to the three core factors in measuring the sustainability and social impact of an investment in a company or business.

Considering that our operations extend to all geographies and interactions with various stakeholders, we participate in the following initiatives linked to our sustainability strategy:

- **Carbon Disclosure Project (CDP):** a non-profit organization whose goal is to create a relationship between shareholders and companies focused on climate change policies.
- **Letter of Commitment from the Corporate Movement for Integrity and Transparency,** from Instituto Ethos.
- **Climate Action Platform Coordination,** from the Global Compact Network Brazil.
- **Iniciativas Empresariais,** da from FGVces.
- **Business Pact for Integrity and Against Corruption,** from Ethos Institute.
- **Women's Empowerment Principles,** from UN Women.
- **Brazilian GHG Protocol Program,** a business initiative for greenhouse gas accounting.
- **United Nations Global Compact Network Brazil.**

Commitments made in 2020

Business Ambition for 1.5°C:

Initiative of the Global Compact, composed of a group of more than 9 thousand companies that commit to reduce emissions to ensure that global warming does not exceed 1.5°C. As part of the commitment, EDP Brasil has undertaken to ensure that, by 2030, 100% of the energy generated by the Company will be from renewable origin.

Recover Better:

Commitment to emission reduction targets, a fair energy transition, and action on climate policies, in the post-crisis recovery moment launched by COVID-19.

Business Coalition for Racial and Gender Equity:

Created by the Ethos Institute, the Center for the Study of Labor Relations and Inequalities (CEERT) and the Institute for Human Rights and Business (IHRB), with the support of Movimento Mulher 360 and the Inter-American Development Bank (IDB). The initiative aims to promote changes in the labor market by engaging companies, public authorities and civil society to promote more inclusive policies and actions, besides sharing good

practices and innovations in this area, disseminating policies to face all forms of violence and discrimination, and developing alternatives to overcome the difficulties faced by companies.

Brazilian Business Commitment to Biodiversity:

Proposed by the Brazilian Business Council for Sustainable Development (CEBDS), aims to emphasize the importance of biodiversity and ecosystem services to companies, as well as the key role they can play in their conservation and sustainable use.

Spokesperson for SDG 11 (Sustainable Cities and Communities):

Our president, Miguel Setas, was announced by the Global Compact Network Brazil as the new CEO spokesperson for SDG 11 in the Leading with ImPact initiative. The initiative reaffirms our recognition of the pivotal role of the energy sector in halting the climate emergency, contributing to the construction of more sustainable and inclusive cities.

Science Based Targets Initiative:

We are the first energy company in Latin America and the first large Brazilian company to have a science-approved emissions reduction target. 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 focus the efforts of governments, companies and civil society in the same direction, in order to curb the warming of the oceans and atmosphere.

The initiative offers companies resources and guidance with the aim of reducing obstacles to its adoption, and also acts in the evaluation and approval of corporate goals. More than 1 thousand companies worldwide have already committed to a target and 553 of them already have a target set. [Find out more by clicking here.](#)

At the same time, aiming to ensure transparency in the disclosure of our performance in relation to sustainability, we participate in the market's main sustainability indexes.

EDP Brasil

in ISE B3.

EDP Group

in the Down Jones Sustainability Index (DJSI).

Integrating the SDGs into the Brazilian Electricity Sector

- In 2020, it was launched, by the Global Compact with the support of EDP Brasil and other companies, the study "Integration of SDGs in the Brazilian Electric Sector: indicators and targets", which brings an innovative approach of sectorial application of the SDG Compass methodology, which defines five steps of integration of the Global Sustainability Agenda in the business strategy.
- The guidelines pointed out by the study allow companies to assume Location responsibility, contributing to the solution of global issues. The objective is to reinforce the integration of the SDGs in the business strategy, so that the sector moves forward in the 2030 Agenda.

Making History in ESG Performance

- In 2020, EDP Brasil registered the best ever performance in the Portfolio of the Corporate Sustainability Index (ISE) of B3 (Brasil, Bolsa, Balcão), which selects companies with high performance level in ESG aspects.
- The result was 3 points higher than the previous year, with above average scores in all dimensions of the questionnaire and was considered a reference in five of the seven dimensions (General, Social, Environmental, Economic, and Nature of Product).
- With this result, valid from January 4, 2021 to December 30, 2021, it will be the 15th time in a row that the Company appears among the most sustainable companies on the Brazilian stock exchange.

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This initiative contributes to the goal

9.4 of ODS

By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.

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

[Find out more by clicking here.](#)

5.3. Innovation

GRI EU8

In view of our ambition to be recognized as a leading company in innovation in Brazil and the world, in 2020 we initiated the implementation of a new innovation model: Innovation Horizon. It's a structured process for the generation of ideas and prioritization of innovation projects in the Company, with the objective of making them happen in a faster and more uniform manner.

Our innovation management model has evolved on four fronts:

- **Great ideas, everywhere:** operates in the tireless search for good ideas inside and outside EDP Brasil, in order to leverage the best of our employees and the Innovation ecosystem in which we operate.
- **Innovation with a Unique Purpose:** front that acts in the prioritization of efforts and allocation of resources based on the potential to create value for EDP Brasil, favoring EDP Group's vision, with no loss of vision of each business unit.
- **Accelerated execution, coordinated scale:** aims to expedite and coordinate the efforts necessary to innovate, in order to gather the necessary competencies inside and outside EDP Brasil for the development of

new projects, from the conception to the scaling and operation of the innovations.

- **Integrated management of value capture:** promotes the integrated management of the evolution of innovation projects and the results captured according to EDP Brasil's ambition.

As a consequence of this new model, we unified in a single platform the investments in innovation at EDP Brasil, allowing the centralized monitoring of the investments of each area and of the ongoing projects.

And so we created Innovex (Innovation Expenditure), which brings together the entire budget dedicated to innovation in the company, whether it is part of our internal investments, R&D funds from the National Electric Energy Agency (ANEEL) or other incentive sources. The budget is defined annually, and for each prioritized idea a source of investment is defined according to its nature.

Our innovation efforts are based on the pillars of clean energy, customer solutions, smart grids, digital innovation, energy storage, and in internal processes.



Solar panels at ParkShopping Canoas, in Rio Grande do Sul

5.3.1. Starter Business Acceleration

Starter Business Acceleration is our global business acceleration program with startups that offer solutions applicable to the energy sector. Conceived by EDP, the program also includes the participation of Verbund, Austria's largest electricity supplier, and Turning Tables, an innovation company of the Spanish Cuerva Group.

In 2020, the program reached its fourth edition and received a record 820 applications from startups from 74 countries, with Brazil being one of the countries that received the highest number of applications, a total of 127. In all, 30 startups were selected to develop business with EDP and its partners, seven of them being Brazilian companies.

The Yotta Energy startup, which has developed a scalable and decentralized solar energy storage solution, was elected the most outstanding company of this edition, receiving a prize of 50 thousand Euros to invest in its business.

Relations with Startups

In 2020, we connected with 230 new startups in Brazil, of which 65 advanced to opportunity mapping sessions, culminating in 20 validations of new solutions or business models. Moreover, we also invested in three new startups this year.

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5.3.2. EDP Ventures

EDP Ventures Brasil, created in 2018, is EDP Brasil's vehicle for venture capital investment in startups, focusing on both early-stage and mature businesses.

EDP Brasil was a pioneer in this activity among the large multinational companies in Brazil, being the first corporate fund investment initiative in innovative companies in the Brazilian electricity sector.

Apart from direct investments in these companies, we also offer strategic know-how with the possibility of signing commercial agreements and pilot projects with the business units of the EDP Group, including its partners in 16 countries.

In 2020, due to the crisis related to the COVID-19 pandemic, EDP Ventures was dedicated to preserving the financial health of the startups in its own portfolio, both by accelerating the formalization of commercial agreements with the Business Units and by sharing best practices for cash preservation. Additionally, EDP Ventures continued investing in the ecosystem and three startups received contributions: Colab, Clarke Energia and Time Energy. All the companies in the portfolio today are working with EDP Brasil's Business Units, bringing efficiency, innovation and cutting-edge technology.

The current portfolio of EDP Ventures Brasil includes seven companies: Delfos IM (Artificial Intelligence for predictive maintenance), Dom Rock (Big Data & Analytics), Fractal Engenharia (hydrological risk management and production

optimization) Voltbras (Technology for electropost management), Colab (popular engagement application 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). Below, we detail the investments made by EDP Ventures in 2020:

Colab:

The startup has developed a collaborative system for identifying necessary improvements in distribution infrastructure. The system allows, for example, users to photograph a broken pole on the street and share the content, helping to map the necessary repairs. The initiative fulfills an important social role, since the user is paid for the content sent, generating extra income. Colab entered into two contracts with EDP's Distributors (São Paulo and Espírito Santo) for inspection "uberization" services and others that will help in the reduction of unreasonable displacement and in the distributors' efficiency.

Clarke Energia:

Startup specialized in digital energy management, received an investment of R\$ 3 million in a round led by Canary fund with participation of EDP Ventures. Clarke advises companies to save on energy bills through tariff studies, energy efficiency, consumption monitoring or energy purchase on the free market.

Time Energy:

The startup received an investment of R\$ 2 million from EDP Ventures and provides technology and equipment for the electric sector, among which is an Internet of Things solution that allows the analysis of energy consumption data, helping to detect the consumption of each equipment or consumer unit while optimizing energy management in commercial and industrial establishments. Through a contract signed with EDP Brasil, in Shopping Vitória, Espírito Santo, the system has been used to measure and to understand the storeowners' energy consumption, which is apportioned among all. The tests were jeopardized by the pandemic, which affected the operation of the malls, but they will continue to be carried out throughout 2021.

Electric Mobility Applications

Voltbras, a startup invested by EDP Ventures and EDP Brasil's partner in electric mobility, developed the electric mobility app that the Company offers to its customers in Brazil: EDP EV.Charge. The App is available for free in Android and iOS systems and is focused on route planning, allowing the user to check the map and view the recharging stations on his/her way, in addition to unlocking electroposts and monitoring his/her profile and history of use and payment of energy consumed.



Findeslab
promotes open
innovation with the
development and
structuring of startups.



136

**Clean tech startups
(cleantechs)**
were mapped by the Clean
Tech Observatory study.

5.3.3 Participation in Findeslab

In 2020, we signed an agreement with the Federation of Industries of the State of Espírito Santo (FINDES) to participate in the Findeslab Program, an innovation hub for the Espírito Santo industry that supports Location companies and entrepreneurs in the innovation process. The initiative also has the participation of the National Service for Industrial Learning of Espírito Santo (SENAI-DR/ES), which is responsible for its operation.

The hub promotes open innovation by supporting the development and structuring of startups, with strategic actions to accelerate the technological development of products, processes, services, and innovative businesses.

5.3.4. Clean Technologies Observatory

Idealized by EDP Brasil and several partners, the Clean Technologies Observatory is a platform that gathers data that substantiate the clean technologies scenario in Brazil and in the world, allowing companies, professionals and researchers to elaborate strategies, plans and operational models about the theme.

The platform is part of the unprecedented study conducted by the partners on the impact of the startup ecosystem in the Brazilian electricity sector, which mapped and analyzed the particularities of 136 clean technology startups (cleantechs). The group also proposed regulatory suggestions for cooperation between startups and large companies in the electricity sector.

The Clean Technologies Observatory is the result of a partnership between EDP Brasil, the Center for Sustainability Studies of the Getúlio Vargas Foundation (FGVces), the Alberto Luiz Coimbra Institute for Graduate Studies and Engineering Research (COPPE) of the Federal University of Rio de Janeiro (UFRJ) and the Brazilian Association of Startups (ABStartups), made possible by ANEEL's R&D Program.

5.3.5. Robotização

EDP Brasil constantly strives to increase its productivity and reached in 2020, the total of 207 robots in operation and a total of 209 thousand accumulated hours, saving employees' operational and repetitive work and freeing up time for creative and higher value-added activities.

The Company's growing digitalization aims to increasingly improve the user experience (customers, employees, suppliers), with digital solutions that are more pleasant and friendly, progressively minimizing the differences between physical and digital channels aimed at EDP's different audiences.

Faced with the effects of the pandemic, robotization played an important role in helping to maintain our productivity, helping areas to control overtime and reduce costs.

The process also helps to improve the governance of EDP Brasil, since the robots' training in the performance of the tasks requires clarity about how the processes must be conducted, as well as mastery of the details, rules and standards to be followed. While the simpler and repetitive processes are the robots' responsibility, the evaluation part is the responsibility of the employees, after the processes are completed.

Regarding digital security, each robot has its own user and password, without scripting automation, helping to mitigate compliance and access risks. Thus, it is possible to know precisely which processes were performed by the robots and which were performed by humans, as well as the responsibilities of each.

Digitization Training

To strengthen the culture of data analysis in our business, in 2020 we started an internal training program for data scientists. Considering the shortage of qualified professionals in the market today, the program aimed to boost the knowledge of employees who have greater analytical and programming skills. Given the strategic importance of this market, the initiative allowed for the creation of career opportunities with the company's own employees.

In this respect, we conducted a Data Science Mentorship program, which trained 45 employees in São Paulo and Espírito Santo. Besides this, we made available theoretical training on the subject, carried out in partnership with FAAP (Fundação Armando Álvares Penteado) from São José dos Campos in São Paulo, in partnership with Alura in Espírito Santo, as well as internal training.

Also, since 2017 we have continued the strategy of decentralizing robotization through training conducted by the Center of Excellence in Robotization (CER), totaling 82 employees trained in the topic. The goal is that more areas will be able to automate processes autonomously and develop robots focused on the specificity of each activity. The CER serves transversally all of the Company's business units and companies.

Supporting Compliance

- One of the highlights in robotization in 2020 was the Integrity Due Diligence Compliance (IDD Compliance) system, which supports the Compliance area to conduct integrity research on government, public, private and press sources, investigating the possible involvement of business partners in scandals and activities unaligned with our principles.
- With automation and the use of a tool in the machine learning model, we make the process increasingly assertive, expanding the benchmark for decision making and mitigating our integrity and image risks.

GREEN WATER

FROM DISRUPTION
TO EVOLUTION

Changing tomorrow now.



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Performance

6.1. Scenario

6.1.1. Macroeconomic scenario

Although the fall in Brazil's GDP in 2020 was much smaller than the 4.3% projection made by analysts in the middle of the year, the Brazilian economy has been characterized by sharp contrasts since September. If on the one hand production and sales reacted well to the initial adverse shock caused by the pandemic, on the other an uneven recovery across sectors was observed, with industry and trade at average levels above the pre-crisis period and services significantly below.

Inflation closed 2020 with a rise of 4.52%, the highest since 2016 (6.29%), according to the National Wide Consumer Price Index (IPCA), released by the IBGE. The December indicator, which was released along with the year's accumulated figure, accelerated to 1.35%, the most intense variation since February 2003 (1.57%) and the highest for the month of December since 2002 (2.10%).

With the result, the index for the year was above the target center, defined by the National Monetary Council, which was 4.0%, but within the tolerance margin of 1.5 percentage points down (2.5%) or up (5.5%).

6.1.2. Hydrological Scenario

The affluences registered in January were below the expected for the period, mainly in the southeast and south submarkets. During the months of February, March and April, the favorable rainfall indices and the low load caused by the COVID-19 pandemic allowed the southeast reservoirs to recover, registering 54.7% of stored energy at the end of April, 10% more than in the same period of the previous year.

The southern subsystem, on the other hand, presented critical conditions during almost the entire first half of the year, requiring the dispatch of thermal plants during some weeks to ensure the energy security of the National Interconnected System (SIN).

The energy load during January and February was, on average, 2% lower than the same period in the previous year in the SIN. With the declaration of the pandemic, in March, there was a steep drop in demand and the lowest load of the year was registered in April, with 60.7 GWm, 12% less than the previous year. The resumption of activities

in the second half of the year was perceived more sharply in the load in the months of September and October. On an annual comparison, the load was 1.5% lower than the previous year in the SIN.

Even with the beginning of the year with good affluence and good reservoir recovery, the beginning of the dry period, which was more severe than expected, and the resumption of load after the peak period of the pandemic caused a strong reduction in the levels of stored energy, closing the year at 18.7% of Energy Stored (EARM) in the SE/CO subsystem.

In the Northeast, the scenario was of near average precipitation during almost the entire year. This scenario aligned with the low demand for energy during the year influenced the average Difference Settlement Price (PLD) for the year, of R\$ 177.00/MWh for the SE/CO and R\$ 134.42/MWh for the Northeast. The average Generation Scaling Factor (GSF) was 80.3%, reaching a minimum of 62.8% in August.

In the electricity sector, according to the National Energy Balance (BEN) 2020 – base year 2019, published by the Energy Research Company (EPE) – the domestic energy supply in Brazil reached 651.3 TWh, an increase of 2.3% compared to 2018.

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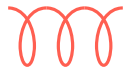
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R\$

574 million

was the amount required
by EDP Brasil for the
COVID account.



The GSF renegotiation
in the Free Contracting
Environment (ACL)
is being regulated by
ANEEL through a Public
Consultation.

6.1.3. Regulatory Scenario

The main subjects that permeated the regulatory debates throughout the year were:

COVID Account adherence for Distributors:

In July, we adhered to the Term of Acceptance of Normative Resolution 885/2020, referring to the COVID-Account. The account was instituted by Provisional Measure 950/20, with the objective of providing financial liquidity to the sector and relieving consumers from tariff impacts in the period. The total amount required by the Company was R\$ 574 million, of which R\$ 354 million referred to EDP SP and R\$ 220 million to EDP ES, amount that represents 92% of the total amount established for the Company's subsidiaries.

In August, ANEEL presented the improvement of the admissibility criteria for the extraordinary tariff revision as a proposal to recompose the economic balance of the distributors in relation to market variation and default. In December, after analyzing the contributions received, the Agency resumed the discussion about the economic recomposition, maintaining the admissibility criteria, but with improvements, and presented a proposal for the treatment of involuntary exposure of energy agreements during the pandemic period and for the spread allocation of the Conta-COVID loan. The agents will have until 02/01/2021 to present their contributions.

GSF renegotiation in the Free Contracting Environment (ACL):

In September, Law 14.052/20 was published, which created the legal basis for the GSF renegotiation in ACL resulting from the assumption of non-hydrological risks by hydroelectric generation agents. The main risks evaluated are: Generation Outside the Order of Merit (GFOM), anticipation of physical guarantee of structuring plants and transmission delays for the flow of structuring plants (Belo Monte, Santo Antonio and Jirau). The reimbursement will be made through an extension of the plants' concession term.

The theme is being regulated by ANEEL through Public Consultation 56/2020. In December 2020, given the contributions of several agents (including EDP Brasil), ANEEL improved the draft initially submitted to public consultation, maintaining the initial premises and including two more factors that will increase the initial estimate: (i) Cost of capital incurred by generators in periods not protected by injunctions since the beginning of the retroactive calculation of non-hydrological risks, in 2012. (ii) Delays in the transmission implementation for the outflow of energy from Belo Monte.

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6.2. Operational Performance

GRI 103-1 | 103-2 | 103-3

6.2.1. Generation

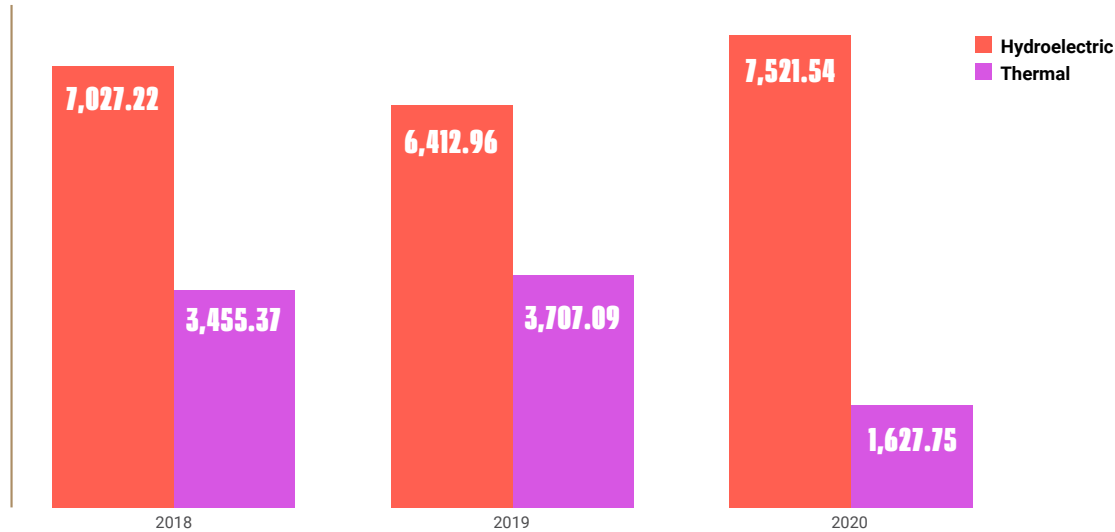
GRI EU1 | EU2 | EU11 | EU30

Our generation portfolio is composed of six hydroelectric and one thermal plant, with a total of 2.9 GW of installed capacity and 2.35 GW average of physical guarantee**, all plants being centrally dispatched by the ONS – National System Operator.

INSTALLED CAPACITY				
OPERATIONAL UNITS	UNIT	2018	2019	2020
TTP Pecém	MW	720.27	720.27	720.27
HPP Mascarenhas	MW	198.00	198.00	198.00
HPP Peixe Angical	MW	498.75	498.75	498.75
HPP Luís Eduardo Magalhães	MW	902.50	902.50	902.50
HPP Cachoeira Caldeirão*	MW	109.50	109.50	109.50
HPP São Manoel*	MW	233.33	245.28	245.28
HPP Santo Antônio do Jari*	MW	196.48	196.48	196.48
Total EDP Brasil	MW	3,006.80	2,870.78	2,870.78

* The amounts correspond to the proportion of EDP Brasil's interest in the assets, in the case of the joint ventures.

Net energy output by source (GWh)



In Hydroelectric Generation, the accumulated availability (60 months) reached the historical value of 94.1%, being 2.7% above the reference availability foreseen by the regulator. Among the highlights of the year is the annual availability of 91.9% of TTP Pecém, generating an accumulated availability (60 months) of 87.86%, higher than the reference of 83.75%, which represents a FID (availability factor) of 104.9%.

The average availability factors of the power plants operated by EDP Brasil can be consulted in the Report’s attachments, on page 175.

HPP São Manoel presented an expressive performance evolution plan in relation to

the previous year, with a 0.2% increase in availability, reaching the 90.5% mark (60 months) and a 37.1% reduction in the failure rate, closing the year with 10.3 failures/year.

We thus demonstrate that the Operation and Maintenance (O&M) methodologies employed show significant results.

Another highlight was the successful plan to deal with COVID-19, which included the implementation of a social isolation routine for the O&M teams in all plants, with the quartering of employees on 14-day uninterrupted shifts, ensuring the operational continuity of the facilities



This initiative contributes to the goal

7.2 of the SDG

By 2030, increase substantially the share of renewable energy in the global energy mix.

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

[Find out more by clicking here.](#)



RECOGNIZED EFFICIENCY IN GENERATION

HPP Peixe Angical

The best hydroelectric power plants in Brazil

In 2020, Peixe Angical and Lajeado Hydroelectric Power Plants, controlled by EDP Brasil, were ranked, respectively, by the Brazilian Electricity Regulatory Agency (ANEEL) as the first and second best in Brazil. Additionally, HPP Mascarenhas, also managed by EDP Brasil, appears among the top ten positions of the ranking. The achievement attests our dedication in relation to the efficiency increase in electric power generation, rewarding the intensive work of application of the best sustainability and operational safety practices.

HPP Peixe Angical, located in Tocantins, obtained a score of 99.40 in the overall ranking, with maximum points in five of the six listed topics: environment, safety, operation management, maintenance management, and operation and maintenance. The plant achieved yet another expressive mark of excellence, reaching zero failure rate in the year.

HPP Lajeado, also located in Tocantins, received top scores in four of them. HPP Mascarenhas, in Espírito Santo, was ranked eighth on the list. The monitoring took place in two distinct stages, between December 2019 and April 2020.

It was the second year in a row that a power plant managed by EDP Brasil appears in the ranking's first place, occupied in 2019 by HPP Lajeado.



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6.2.2. Transmission

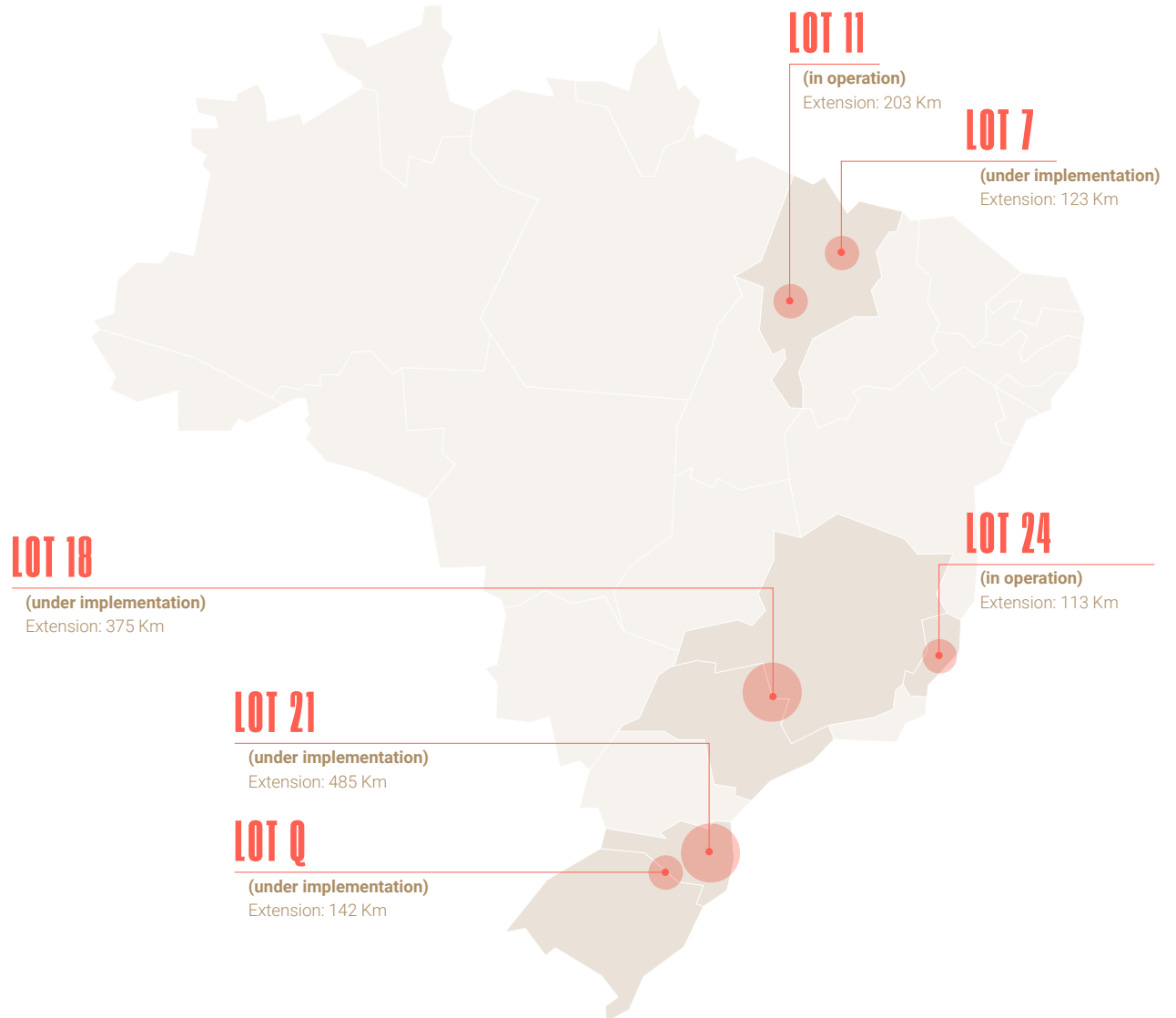
The transmission lots total approximately 1,441 km of transmission lines, of which 316 km are in operation (Lots 11 and 24) and 1,125 km are under construction in five Brazilian states.

In March, due to the need for social distancing, it was necessary to halt work at our construction sites. Construction resumed in early June, with the challenge of not compromising the schedule due to the challenges posed by the global crisis scenario. Even in the face of adversity, it was possible to mitigate the delays and maintain the anticipated schedules.

We highlight the conclusion of the works and commercial operation of Lot 11 with the delivery in August of the Chapadinha – Miranda stretch. The delivery was accomplished 12 months ahead of the regulatory deadline.

For 2021, we expect for the first quarter the completion of stretch 01 of Lot 21 in Santa Catarina and Lot 07, in Maranhão, in its entirety. By the end of the year, the completion of Lot 21 and Lot 18 in the states of São Paulo and Minas Gerais is planned.

EDP Brasil currently has six Transmission Lots:





Distribution Unit da EDP Brasil

6.2.3. Distribution

GRI EU4 | EU27

We operate in the Distribution business by means of concessionaires in the states of São Paulo and Espírito Santo, as well as through Celesc, in Santa Catarina.

EDP São Paulo and EDP Espírito Santo together serve more than 3.6 million customers in 28 cities in São Paulo in the regions of Alto Tietê, Vale do Paraíba and Litoral Norte. and in 70 cities in Espírito Santo, which represents 90% of the territory of the Espírito Santo state. The volume of energy distributed was 24.42 TWh in the year, a decrease of 4.6% compared to 2019. On page 170, we report the length of the distribution lines.

In view of the financial impact caused by the pandemic, ANEEL imposed the suspension of power cuts to defaulting customers. At the same time, we increased the enrollment of low-income customers in the social tariff, which went from 66,000 to 151,000 in the São Paulo distributor, and from 110,000 to 161,000 customers in the Espírito Santo distributor (learn more about the social tariff on page 105). Besides creating new conditions for debt financing. On page 174, we present the volume of disconnections and reconnections made in 2020.

In June, ANEEL regulated the Conta-COVID (learn more on page 48), through which it reduced the financial impact of the crisis on the distributors, allowing the increases in energy tariffs to be diluted over five years.

Periodic tariff review

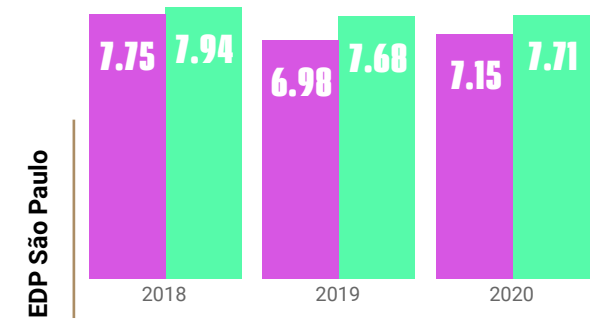
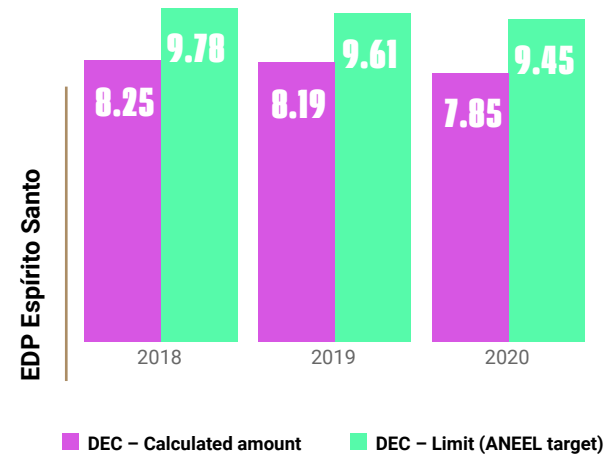
During the year, ANEEL approved the Annual Tariff Adjustment of EDP Espírito Santo and EDP São Paulo. In the former, the average effect perceived by the consumer was an increase of 8.02%, with an adjustment of 2.55% in parcel B. At EDP São Paulo, the average effect perceived by the consumer was an increase of 4.82%, with an adjustment of 21% in Tranche B.

Quality in supply

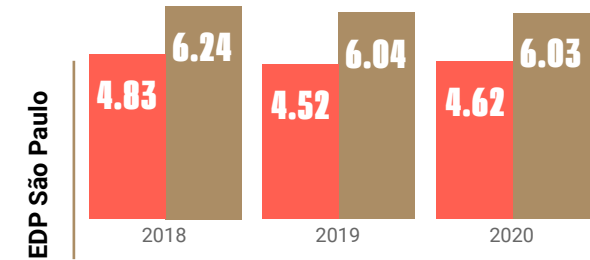
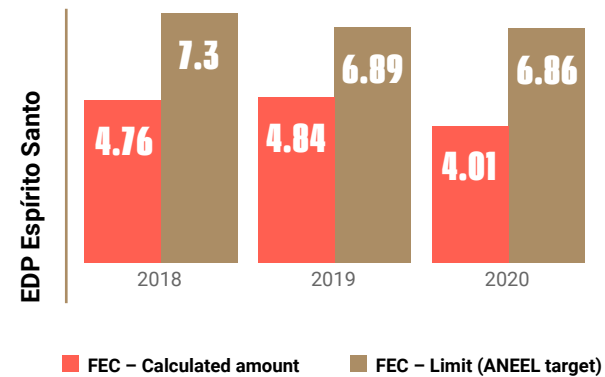
EU28 | EU29

Despite the climate factors impact, EDP Brasil has maintained a good performance in quality indicators, in compliance with the regulatory limits. In 2020, the Power Outage Duration (DEC) indicator showed improvement at EDP Espírito Santo with 7.85, while EDP São Paulo showed a slight increase with 7.15.

Power Outage Duration (hours)



Power Outage Frequency per Customer





EDP Brasil's Distribution Unit

Total Losses

GRI EU12

With the objective of fighting fraud, irregular energy consumption, and reducing losses, EDP Brasil carries out actions such as the installation of shielded networks with anti-theft device, remote consumption measurement by means of telemetering, registration regularizations, updating of public lighting and inspections of measurements.

Distribution losses showed an increase of 0.46 p.p. at EDP São Paulo and 0.94 p.p. at EDP Espírito Santo when compared to the previous year. Transmission losses at EDP São Paulo showed an increase of 0.22 p.p. at EDP São Paulo and reduction of 0.02 p.p. at EDP Espírito Santo. The complete information about losses can be consulted on page 171.

At the end of 2020, we launched the project "Transformation of Distribution", which aims to reach the Top 3 of the Sector. To this end, several initiatives will be implemented to enhance efficiency, reduce losses and defaults, and review the investment strategy.

To carry out the project, different fronts are being addressed, such as field teams, customer service, default, and losses. Each category has a group of managers and employees who will be responsible for the project's objectives. To monitor the project, a Transformation Office was created to support and facilitate the implementation of the different initiatives.

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6.2.4. EDP Smart

Aiming to prepare our business for the probable opening of the free market in the future, we created, in 2019, EDP Smart, a brand that brings together our entire portfolio of services and solutions for corporate and residential customers. Its focus is to offer integrated solutions in the areas of free market trading, retail trading, energy efficiency, solar energy, electric mobility and services for the end consumer.

For the corporate market, we offer solutions for steam cogeneration from biomass burning, energy consumption management, intelligent monitoring, distributed generation and solar self-production, lighting retrofit, refrigeration and air conditioning, among others. In the residential market, we offer insurance, services in general, such as electricians and locksmiths, 24h residential assistance, distributed generation, and electric mobility.

Commercialization

GRI EU3

In 2020, EDP Comercializadora traded 19.97 TWh of energy, an increase of 26% compared to the previous year. We had a commercial relationship with approximately 200 counterparties in the electricity sector, among generators and traders, with a portfolio consisting of 562 customers in the traditional free market and free retail market business fronts.

The growth of the trading company was even more relevant considering the pandemic scenario, which caused a significant reduction in liquidity and a reduction in consumption of bilateral contracts. To support our customers at this time, we approved emergency resources to help them with the negotiation of existing contracts and financing.

In 2020, we continued investing in the modernization of EDP Varejista with the purpose of preparing us to serve all types of customers at the time of the opening of the free market, with emphasis on small and medium-sized industrial and commercial consumers. Currently, EDP Varejista remains as the largest retail trader of the market, with a growth of 65% in clients served and 61% in volume traded, compared to the previous year.

With the purpose of improving customer service, we reviewed all processes and made changes to the management system. Besides new functionalities for the sales force, we also revised the method of customer service, contract drafts and default control, and promoted training sessions with the Commercialization team and workshops with customers.

COMMERCIALIZATION GROWTH			
	2018	2019	2020
Total energy sold (GWh)	19,359	16,078	19,659
Total Commercialization customers	382	392	562

Distributed Solar Generation

Focused on meeting the growing demand for energy consumption in Brazil, we have been engaged in the search for new end customers in the non-regulated market, through large investments in distributed solar generation. With plants focused on selling energy quotas to small companies, the strategy provides cheaper and cleaner energy.

Our solar energy front has two business models:

Large Customers

For customers searching for predictability and guarantee that the source of the energy purchased is renewable, we offer the solution of self-production in large solar parks. In this segment, we have focused on long-term contracts, where we develop the plant for the customer and lease the plant for a pre-established period, with energy cost predictability over time.

We are responsible for managing the plant, supplying the lack of energy when the plant's volume is exceeded, selling the surplus on the market when the plant's production is greater than demand.

Retail

We offer the Location self-consumption solution, which aims to produce solar energy on the customer's own buildings, on roofs and in garages. In this case, the energy is generated and consumed at the same time.

We also offer a remote self-consumption solution, for customers who do not have the physical space for self-production. In this case, we generate energy in areas within our concession area, which is injected into the grid and compensates for their Location consumption.

Despite the difficulties imposed by the pandemic, in 2020 we made important achievements in the B2B segment. The largest delivery was the construction of a photovoltaic plant in Porteirinha (MG) to serve the Banco do Brasil branches in the state. The plant has an installed capacity of 6.54 MWp and should avoid the emission of approximately 14,900 tCO₂ in 25 years of operation.

We also built plants to supply Johnson & Johnson, in São José dos Campos (SP), Brametal, in Linhares (ES), NGK, in Mogi das Cruzes (SP) and Tim and Claro, both in Taubaté (SP).

Altogether, the plants have an installed capacity of 18.39 MWp, with the capacity to avoid, on average, the emission of approximately 1,460 tCO₂ per year.



By 2020, we will make major investments in distributed solar generation.

1,460
tCO₂

is the average annual avoided emissions by the photovoltaic plants built by EDP in 2020.

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Electric Mobility

In 2020, we will advance in our electric mobility projects, launching new electroposts and establishing partnerships for the management of electric vehicle fleets.

The investment in this technology is aligned with our New Business Ethics, since it contributes directly to preventing global warming by reducing greenhouse gas emissions. The model also represents an advantage in relation to the reduction of noise and pollution levels in large cities, also contributing to the improvement of the quality of life of their inhabitants.

Therefore, to lead this transition in the country, we are working on building the necessary infrastructure to meet the demand of this segment and provide new services, as well as following the sectorial and legal discussions about the theme.

EDP Smart has a wide network of public chargers, and also works together with partners to expedite the energy transition in B2B customers through fleet electrification. In this model, we supply all the consulting and engineering support for the installation of charging points in the parking lots of the customers' operation bases or along the vehicles' route.

Currently, we sell electric vehicle chargers through our e-commerce and in customized projects. In 2020, EDP Smart sold over 100 electric vehicle chargers, serving customers such as Porto Seguro, Audi and EZTEC.

In more detail, our work in Electric Mobility is divided into two main areas: Public electroposts for light vehicle recharging and Private Fleet Electrification.



Brazil's First Public Ultra-Fast Charger

Public electroposts for recharging light vehicles:

EDP Brasil aims to be a reference for electric vehicle charging in public spaces, especially along highways with fast charging, with higher power. We invest in and operate chargers installed at strategic points that have a large number of vehicles and allow connection with other chargers in a loop or corridor format. This expands the travel range of an electric vehicle user.

Throughout 2020, we expanded our operations with the implementation of new charging locations and the launch of the EDP EV.Charge Br app, which allows our customers to sign up and use EDP Brasil's public electroposts, improving their experience. We also strengthened the Operation & Maintenance work of the electroposts, focusing on maintaining a high availability rate of chargers and excellent support to users.

EDP Brazil currently has 20 public chargers, the main ones being installed in the Rio-São Paulo corridor along Presidente Dutra Highway, in a partnership with BMW

and Ipiranga, and in seven important cities that internally connect the state of Espírito Santo. We also have chargers in Guarulhos (SP) (in the city and at the Airport) and at the Santander Theater in São Paulo (SP).

For the next years, there is a great expansion planning for EDP Brasil's network of public electroposts, whether within cities or on highways. One of the main projects, in partnership with the automakers Audi, Porsche and Volkswagen, was named Plug&GO and aims to constitute the largest electric corridor with ultra-fast chargers in Latin America, with 30 locations connecting the city of São Paulo with the countryside and also with neighboring states.

This project is part of ANEEL's Research & Development (R&D) program, and the first station has already been inaugurated in Caraguatatuba-SP, at Shopping Serramar. Each station will have 2 chargers, one for ultra-fast charging and the other for semi-fast charging, with total capacity to recharge up to 3 vehicles simultaneously.



This initiative contributes to the goal

9.1 of the SDG

Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

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

[Find out more by clicking here.](#)

Private Fleet Electrification

Light Fleet

In the case of light fleets, we work with customized solutions for the supply of chargers and energy solutions in sale or rental arrangements, as well as working together with partners who sell electric vehicles, as in the case of JAC Motors.

To further enhance our operations in this segment, in October we announced a partnership with the car rental company Unidas to enable the rental of electric vehicles by corporate clients and individuals. In the first phase of the initiative, Unidas made 100 vehicles available for rental and we acted as suppliers of a set of products and services, including customized electric chargers, installation and maintenance of this equipment, solar energy to serve the fleet, and a charging management platform.

Heavy fleet

For heavy fleet, our business model provides for the creation of investment conditions in electric buses and trucks, via Special Purpose Companies (SPEs), commercial partnerships or consortiums with companies in the transportation sector. These formats enable us to invest and offer a number of solutions, including batteries, recharging infrastructure, and “as-a-service” projects.

As-a-service

In “as-a-service” projects, the customer can purchase electric vehicles and all related solutions through a long-term rental contract.

This allows him/her to focus only on his/her core business, by recharging the vehicles in his/her own parking lot.

This modality can also include solar energy for energy supply, either specifically for the fleet’s consumption or even for the company’s entire plant.

To better develop these offerings, in October, we launched the first electric bus for highway use in Brazil, in partnership with VIX Logística, WEG and CERTI. This project was also made possible through the Research & Development (R&D) strategic call, promoted by ANEEL in 2019.

VIX Logística provides bus chartering and transportation services for other companies and will be the operator of the electric bus, working together with EDP Brasil in feasibility analyses and practical tests.

A similar project in pilot format was also started in the state of Rio Grande do Sul in conjunction with the company Turis Silva, which will transport Gerdau employees using EDP Brasil’s turn-key solution with an electric bus.

EDP Brasil intends to continue investing in projects for heavy electric vehicle fleets due to the high impact on the reduction of greenhouse gas emissions and its economic potential. The performance fronts are focused on private projects, aimed at charter modalities, and urban bus operations, transforming mobility within the cities.



ELETRIC MOBILITY on the sky

Testing platform at the 100% electric propulsion airplane research site.

EMBRAER and EDP Brasil join forces in electric airplane research

Apart from the highlights in urban mobility and vehicle fleets, in November EDP Brasil and Embraer signed a partnership for the electric airplane research through EDP Smart, announcing a financial contribution for the acquisition of the energy storage and recharging technology solution of the demonstrator airplane using 100% electric propulsion technology, which uses an EMB-203 Ipanema as a test platform. The prototype that is already under development has its first flight scheduled for 2021.

The investment is part of the cooperation agreement that both companies signed to develop their knowledge on energy storage and battery recharging technologies for aviation – one of the project's main challenges. The partnership will allow investigating the applicability of high-voltage batteries for the electric propulsion system of a small aircraft, as well as evaluating their main operating characteristics, such as weight, efficiency and power quality, control and thermal management, charging cycling, discharging, and operational safety.

For the tests, a small single-engine airplane is being used as a demonstrator platform for primary evaluation of electrification technologies. The ground tests have been taking place at Embraer's unit in Botucatu, São Paulo, in preparation for the first flight that will take place at Embraer's unit in Gavião Peixoto (SP).



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This initiative contributes to the goal

7.3 of the SDG

By 2030, increase the energy efficiency improvement rate of the Brazilian economy.

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

[Find out more by clicking here.](#)

Energy Efficiency Solutions

Focused on the B2B segment, we have developed energy efficiency solutions on three fronts:

- **Input Production:** involves the production of steam, chilled water and energy cogeneration.
- **Energy efficiency:** we offer products and services that help the customer to consume less energy, related to lighting, air conditioning, refrigeration, compressors, driving force, automation, among others.
- **Energy management:** we help the client with data and information to manage energy use. As of 2021 the theme will gain even more prominence with the implementation of the Hourly PLD, when energy prices will vary depending on the time of consumption.

B2B PROJECT RESULTS			
	2018	2019	2020
Energy Saved (MWh)	84,749	18,286	39,229
Avoided Emissions (tCO ₂ eq)	37,751.32	29,888.97	30,103.80

Other products

Our customers can also count on Facilita EDP Smart, a package of emergency services for residences and small and medium companies. Through it, we offer specialized labor such as plumbers, electricians, locksmiths and glass fitters for repairs, installations and maintenance, which may be requested 24 hours a day.

We also offer customers in the concession areas of São Paulo and Espírito Santo the EDP Casa Protegida (Protected Home) Insurance, EDP Bem-Estar EDP Insurance and EDP Conta Protegida (Protected Account) Insurance, with coverage against fire, lightning, 24-hour emergency assistance, loss of income due to unemployment and accidental death, among others.

Get to know EDP Smart’s products and services in the link. [Find out more by clicking here.](#)

6.3. Economic-financial performance

GRI 102-5 | 103-1 | 103-2 | 103-3 | 201-1

At EDP Brasil, we consider that the business financial sustainability is the basis for the creation of value for all stakeholders in a long-term perspective, while ensuring our solvency and financial management. Besides the direct economic value generated and distributed, the theme includes aspects such as long-term growth, direct and indirect impacts and shared value.

With this in mind, we have a series of policies that aim to ensure the business continuity, including the Dividend Policy, Related-Party Relationship Policy, Business Management Policy, Business Risk Policy, Sustainable Procurement Policy, Financial Risk Management Standard, and Internal Control Matrix linked to the Financial Statements.

Among the Purpose Driven Goals (learn more on page 31), several goals include the Financial Sustainability theme, especially those in the Shareholders dimension. The financial indicators are followed up and monitored by several areas, such as Finance, Planning and Control, Internal Audit, among others.

As a publicly traded company, we follow the guidelines of the Brazilian Securities and Exchange Commission (CVM) and publish our financial statements, available a [Find out more by clicking here.](#)

New Dividend Policy

- In August 2020, the Company disclosed its new dividend distribution policy, officializing to the market the distribution of a minimum dividend and the desired leverage level.
- According to the document, the Company will pay the minimum dividend of R\$1.00 per share in each fiscal year and aims to maintain the leverage level within the range of 2.5x to 3.5x Net Debt/EBITDA, and minimum leverage 2.0x Net Debt/EBITDA.

Dividend Policy Main Parameters:

- Minimum Dividend R\$ 1.00 per share after 2020.
- Payout target higher than 50% of the Adjusted Net Income.
- Net Debt/EBITDA Target: 2.5x to 3.0x.
- Minimum Leverage: 2.0x.

OVER

50%

of Adjusted Net Income is the target payout established by the New Policy.



the Purpose-Driven Goals of EDP Brasil consider and internalize in the Company's performance the ESG aspects.

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COVID-19: Result Recovery Plan

In the second quarter of 2020, after we suffered the first impacts of the COVID-19 crisis and implemented our first reaction measures, we started a Results Recovery Plan. The initiative is part of the 3Rs Plan adopted to fight the effects of the pandemic, within the Recovery pillar (learn more about the 3Rs on page 31).

Our Results Recovery Plan was composed of 57 initiatives aimed at recovering and ensuring our economic-financial performance during the year. The initiatives were divided into the following pillars:

- Tax.
- Regulatory.
- Cost cutting.
- Investments Control.
- CAPEX Resumption.

From the results standpoint, the initiatives were critical for the Company to meet its budget as much as possible for the year and to get to the end of 2020 as close as possible to the plan. We maintained the results stability compared to 2019, which we consider positive considering an atypical year characterized by sanitary, operational and economic challenges.

6.3.1. Gross Margin

The Gross Margin reached R\$4,829 million, an increase of 16.1%, reflecting:

Distribution:

A R\$ 19.5 million reduction, resulting from the positive effect of the VNR accounted in 2019, resulting from the distributors' tariff reviews (-R\$ 156.3 million). If we exclude this effect, the gross margin grew 7.0%, due to the tariff adjustments in both distributors (tariff effect), besides the accounting of other additional revenues such as network sharing.

Transmission:

Increase of R\$ 145.7 million, resulting from the effects of updating concession assets, reflecting the standards established by IFRS.

Pecém:

Increase of R\$ 70.5 million, due to the expiration of the adomp balance, greater efficiency in relation to the coal purchasing strategy and the readjustment of the annual fixed revenue, which occurred in November, mitigated by higher ancillary services revenue accounted for in the previous year.

Commercialization:

Increase of R\$ 105.5 million, due to the mark-to-market accounting in the long-term contracts. If we exclude this effect, the margin would present a reduction of 85.0%, due to the use of flexibility in the contracts of the end consumers linked to a low PLD in the months of April to September, caused by the isolation measures resulting from the pandemic.

Hydric:

Increase of R\$ 353.9 million, due to the adhesion to the Resolution ANEEL n° 895/2020 of the renegotiation of the hydrological risk in ACL, which made possible the accounting of R\$ 388.9 million. If we exclude this effect, the gross margin decreased 4.1%, reflecting the reduction of the PLD and the drop in demand throughout 2020, negatively impacting the hedge operations, due to the coronavirus pandemic.

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6.3.2. EBITDA

In the period, the EBITDA (earnings before income tax, financial results, depreciation, and amortization) was R\$3.4 billion, an increase of 16.0% compared to the previous year.

6.3.3. Financial result

The financial result was -R\$451.3 million. Financial revenue reached R\$396.6 million, and financial expenses totaled R\$847.8 million.

6.3.4. Debt

EDP Brasil ended the year with gross debt of R\$ 9.0 billion, an increase of 6.9% over 2019, disregarding the debts of non-consolidated assets, which represented R\$ 1.3 billion. The Company's consolidated leverage reached 2.4, disregarding the non-recurring effects of the last 12 months.

6.3.5. Capital market performance

On December 30, the Company's market value was R\$ 11.9 billion, with the shares (ENBR3) priced at R\$ 19.65, a devaluation of 8.39% in the year, while Ibovespa and IEE accumulated appreciations of 2.92% and 8.12%, respectively. EDP shares were traded in all trading sessions, totaling 774.6 million shares in the year. The daily average reached 3.1 million shares in the year, while the financial volume totaled R\$ 14.3 billion in the year, with an average daily volume of R\$ 57 million.

6.3.6. INCOME STATEMENT (R\$ THOUSAND)

	2019	2020	VARIATION (%)
Net revenue ¹	12,556,836 ²	13,207,684	5.2%
Construction revenue	2,589,847	1,772,682	-31.6%
Transmission construction revenue margin	81,653	3,434	-95.8%
Non-manageable expenditures	8,479,505	8,381,609	-1.2%
Gross Margin	4,158,984	4,829,509	16.1%
Manageable expenditures	4,456,519	3,868,880	-13.2%
Personnel, material, third-party services and other expenses	1,151,381	1,353,798	17.6%
Gains and losses from the deactivation and sale of goods	93,448	93,850	0.4%
EBITDA	2,914,155	3,381,861	16.0%
Depreciation and amortization	621,843	648,550	4.3%
Equity income	68,148	79,960	17.3%
Net financial income	433,180 ²	451,260	4.2%
Net income before minority interests	1,482,455	1,713,920	15.6%
Minority interests	144,599	205,903	42.4%
Net income	1,337,856	1,508,017	12.7%

¹ Disregards Construction Revenue

² The figures have been adjusted.

GRI 201-4

FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT (R\$ THOUSAND)

	2018	2019	2020
Benefits and tax credits	80,509	75,229	91,619
Subsidies	0	0	0
Investments with incentives	0	0	0
Incentives for culture / Rouanet law	5,621	5,489	7,459
Incentives for sport	1,056	1,385	1,806
Childhood and Adolescence Fund	1,120	1,258	1,807
Cultural Action Program	0	0	0
PRONON – National Oncological Care Program	1,245	0	0
Other	1,240	1,728	1,398

6.4. Customer Service

GRI 103-1 | 103-2

Since the company entered the distribution and marketing market, maintaining a close relationship with customers has always been essential to our generation of value.

Our performance with customers is guided by the improvement of their satisfaction through distinctive service and assistance.

To this end, we seek clear and easily understandable communication in the agreements signed and in the invoices, as well as in the provision of information about prices, features, terms, conditions, costs, duration and cancellation periods. Furthermore, we are continuously working on the digital transformation of our customer service channels, in line with the market movements and trends and new technologies.

Due to this initiative, we were better prepared to deal with the need to close the physical branches due to social isolation measures and relate to customers digitally. In this scenario, in which our service channels registered a 40% increase in the volume of registered services, digital solutions were essential to ensure reception, problem resolution, and operational efficiency.

Among the achievements and new features in 2020, we highlight:

URA with Natura Speech:

The IVR (Interactive Voice Response) or electronic answering machine is a call center solution that provides automatic services to customers, with no intervention from an operator. Among the services offered are the registration of services (Power Outage, Second Copy of Bill, Reconnection, and Registration of Bill Delivery by e-mail) and the provision of information (Debt Consultation).

Dial My App:

A solution that intercepts calls before completing the calls to 0800 and offers customers the possibility to proceed with the service on the cell phone screen, through a menu that directs them to our virtual agency. By doing this, the customer gains speed in his/her service and no longer has to hold a place in the call center queue, which brings an operational efficiency gain in the service. If the customer prefers, he/she can continue with the call and talk to one of our representatives.

ChatBot and Whatsapp Business:

Through these apps, customers can report power outages, check the values of their energy bills, request a 2nd copy of the bill or a bar code to make the payment, and request reconnection to their property.

Click to Dial:

This solution is aimed at large customers and public authorities and consists of a technology that allows to automatically return the call to the customer and resume the service in cases where the call is accidentally interrupted.

SMSbot:

Solution designed exclusively for customers to automatically register power outages in their facilities.

Customer care

So that we could maintain customer service while providing safety to the operators, between March and August 85% of our team worked in a home office system. As the operators' homes are vulnerable to power outages, we needed to maintain a minimum contingent of 15% in person to meet the usual volume of calls related to this issue, prioritizing those operators who had a car, so that they would not have to travel by public transportation.

Even before the World Health Organization (WHO) recommended the use of face masks, we provided this input to the operators that remained in the face-to-face service, as well as alcohol gel. Additionally, we performed the distancing between the service positions and intensified the cleaning of the workplace.

Employees who worked in a home office system were offered an upgrade in their internet package. With these precautions, few cases of COVID-19 were confirmed in the service team, with no fatalities recorded.

6.4.1. Customer Satisfaction

GRI 103-3

Customer satisfaction is one of our strategic goals. Therefore, since 2018, we have been working systematically on improving the processes that involve the topic. One of the first steps taken in such direction was the creation of the Ombudsman and Customer Excellence Executive Management, linked to the Network Vice Presidency, to conduct the Customer Satisfaction dimension in the Company.

We also developed the Realize Program, which covers the

entire company and has the following core values: energy, field service, customer service, and commercial demands.

The main indicator that measures Customer Satisfaction is the ISQP – Perceived Quality Satisfaction Index that is obtained through the ABRADÉE Residential Survey, carried out annually. In 2020, EDP Espírito Santo had an expressive result, registering a significant increase in the satisfaction of its customers and EDP São Paulo maintained the index at 2019 levels.

Results of the residential customer satisfaction survey conducted by ABRADÉE (%):

EDP SÃO PAULO			
	2018	2019	2020
Perceived Quality Satisfaction Index (ISQP)	80.6	78.8	77.5
General Satisfaction Index (ISG)	81.9	81.7	76.5

EDP ESPÍRITO SANTO			
	2018	2019	2020
Perceived Quality Satisfaction Index (ISQP)	79.3	73.3	81.1
General Satisfaction Index (ISG)	85.9	77.9	85.3

6.4.2. Shared Branch

Aiming to optimize customer service for distribution customers, we launched a pilot Shared Branch face-to-face service, in operation in the city of Ibirapu (ES). The initiative creates a new concept of face-to-face service, which uses video booths and self-service totems to connect customers with employees from any branch.

6.4.3. Energy Efficiency Program

EDP Brasil invests in compliance with law 13.280/2016, which establishes the application of 0.4% of the net operating revenue of distributors in projects of the Energy Efficiency Program (PEE) and 0.1% in the National Electric Energy Conservation Program (Procel).

In 2020, the Company invested R\$22.15 million in energy efficiency initiatives with Distribution customers, which led

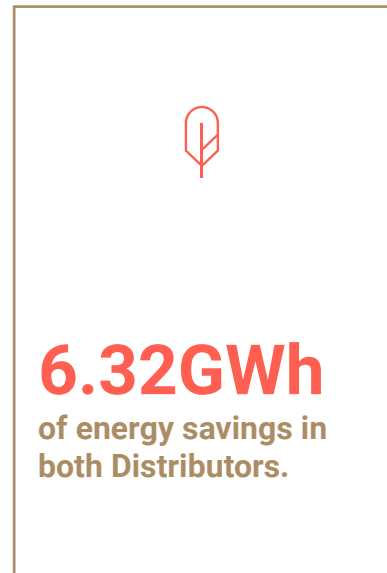
to energy savings of 5.05 GWh/year in São Paulo and 1.27 GWh/year in Espírito Santo, resulting in approximately 362 tCO₂ of avoided emissions.

6.4.4. E-commerce solutions

Besides its regulated clients via distributors, EDP Brasil also values the quality of care and services of its direct clients served by EDP Smart and EDP Facilita.

In 2020, we invested in the development of e-commerce platforms for customer relations at EDP Smart, bringing customers closer to our business. An example was the launch of a solar energy simulator, which, after filling in information by the user, simulates their savings in the energy bill and generates automatic business proposals.

Another launch was a channel for the sale of services such as insurance, 24-hour technical assistance, and EDP Facilita.



07

ENVIRONMENT

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Environment

7.1. Environment

GRI 103-1 | 103-2

In 2020, we adopted the New Business Ethics (learn more on page 16) as the basis of our sustainability strategy, which places the preservation of human life and of the planet at the center. Thus, we work toward sustainable development, which includes commitments related to the continuous improvement of our environmental management and the reduction of our activities' negative impacts.

To manage this issue, we have an Environmental Policy and Environmental Management Systems (EMS), in line with the ISO 14.001 Standard. The EMS activities are carried out by the Location Environmental areas of the business units.

The company's Executive Board is directly involved in defining environmental strategy and accountability in relation to our sustainable performance. Environmental issues are discussed by the Sustainability Committee.

Our environmental management is also supported by the Purpose Driven Goals, which seek to integrate business performance to environmental damage mitigation, fostering an integrated strategy (learn more on page 16). EDP Brasil's leadership has access to the Company's environmental indicators and goals in the monthly Operations Reviews meetings.

Sustainability Channel

We also have the Sustainability Channel, a communication mechanism available to all Business Units, available on: sustainability.edp@edpbr.com.br

[Find out more by clicking here.](#)

INVESTMENTS AND COSTS IN ENVIRONMENTAL MANAGEMENT

THEME	AMOUNT (THOUSAND R\$)
Air emissions treatment	9,612.35
Waste and effluent treatment	2,041.98
Remediation expenses	18,748.62
Eco-efficiency expenses	21.23
Biodiversity Protection	26,974.59
Environmental management expenses, including people, certification and licensing processes	65,831.72
Other environmental actions	464,89

In 2020, we carried out an R&D project to value the impact of our activities on ecosystem services, aiming to develop a qualitative and quantitative methodology to analyze our impacts and our dependence on these services, to assist in decision making.

Among the project's main results, we highlight the initiative of selection, mapping and valuation of the ecosystem services used by the Business Units of EDP Brasil, added to the creation of a customized environmental valuation tool of the ecosystem services used by the Company.

7.1.2. Certifications

In 2020, EDP Brasil continued moving towards achieving the goal of 100% environmental and safety certification in its assets. All our plants, with the exception of HPP São Manoel, have ISO 14.001 and OHSAS 18.001 certification. In Distribution, in São Paulo, all substations in the concession area have the certifications, while in Espírito Santo we have nine substations and one Distribution Service Center (CSD) certified. In total, we reached 87 certified facilities, totaling 4,767 MVA.

Moreover, HPP Peixe Angical has the ISO 9.001 and OHSAS 18.001 certificates and is certified with the Gold level Sustainable Energy Seal for the 2020-2022 cycle, promoted by the Acende Brasil Institute.

TPP Pecém was the first company of the EDP Brasil group to have its Integrated Management System certified under international standard ISO 45001 (Occupational Health and Safety Management System), in addition to receiving certification under standard ISO 9001 (Quality Management System).

We consider that the management of environmental and safety issues should be conducted with excellence, therefore, the commitment for 2020 was reformulated and maintained, with a new time horizon. It is until the end of 2021 for Distribution and 2022 for Generation.

7.1.3 Water and Effluents

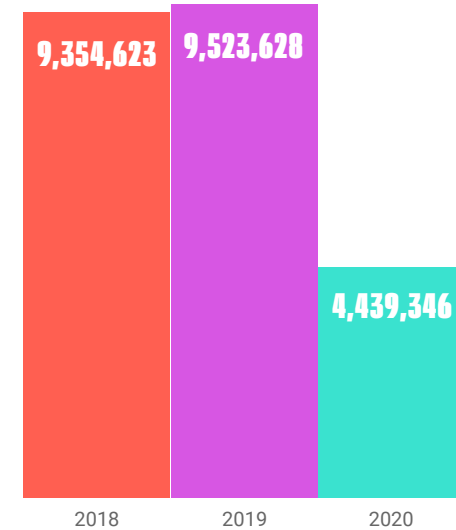
GRI 103-1 | 103-2 | 103-3 | 303-3 | 303-4 | 303-5

In order to promote the preservation and efficient use of water resources, several business units of the Company are equipped with a rainwater collection system installed on the roof, such as TPP Pecém, the Poá Distribution Service Center (CSD), the EDP Brasil headquarters in São Paulo and the units of Mogi das Cruzes and São José dos Campos.

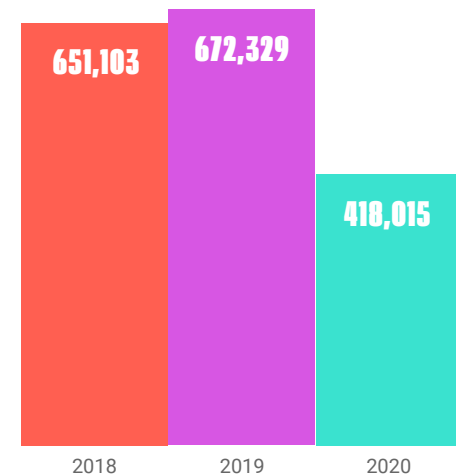
TPP Pecém, located in São Gonçalo do Amarante (CE), is responsible for most of EDP Brasil's raw water consumption, with supply from the municipal network. In 2020, TPP Pecém recorded a decrease in water consumption of over 8,400 m³ per month, thanks to the reuse of effluents generated in the productive process.

During the year, adding all the Company's business units together, water consumption was approximately 4.32 million m³, with a 55% reduction compared to 2019, resulting from the lower dispatch of Pecém TPP.

Total water consumed at EDP Brasil (in m³)



Total volume of water discharge (in m³)



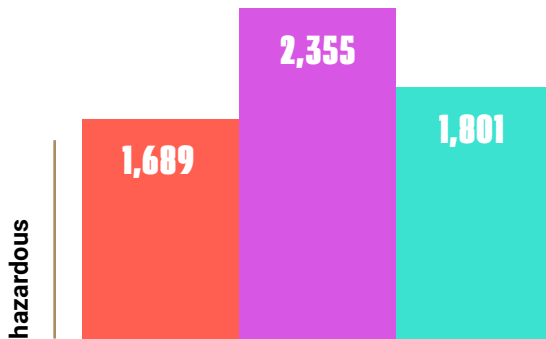
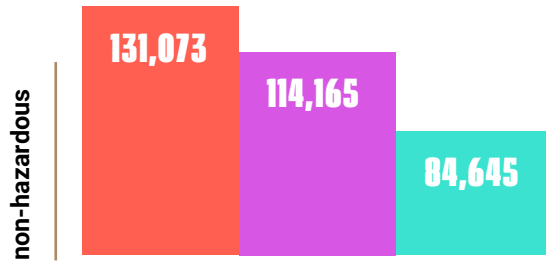
7.1.4. Waste

GRI 301-1 | 301-2 | 306-2 | 306-1 | 306-3

At EDP Brasil, we endeavor to segregate, store, treat and dispose of waste in an environmentally adequate manner. During the year, we generated 1,801.84 metric tons of hazardous waste and 84,645.43 metric tons of non-hazardous waste.

Total Waste (metric tons)

2018 2019 2020



PERCENTAGE OF MATERIALS USED IN THE OPERATIONS RESULTING FROM RECYCLING AND/OR REUSE

	2018	2019	2020
Transformers	49%	32%	45%

TOTAL WEIGHT OF HAZARDOUS WASTE BY DISPOSAL METHOD (METRIC TONS)

	2018	2019	2020
Recycling	963.83	1,091.69	816.97
Co-processing	178.96	676.85	162.23
Decontamination	512.21	533.95	806.65
Refining	26.70	40.50	8.66
Sanitary landfill	5.07	11.38	3.46
Neutralization	0.00	0.00	0.00
Incineration	1.52	1.53	3.88
Composting	0.00	0.00	0.00
Bioremediation	1.49	0.00	0.00
Donation	0.00	0.00	0.00

TOTAL WEIGHT OF NON-HAZARDOUS WASTE BY DISPOSAL METHOD (METRIC TONS)

	2018	2019	2020
Recycling	23,099.22	19,602.43	21,111.19
Co-processing	52,906.17	76,820.24	43,367.74
Decontamination	677.66	170.01	153.51
Refining	0.00	0.00	0.00
Sanitary landfill	54,301.83	17,538.55	19,748.49
Neutralization	0.00	0.00	0.00
Incineration	0.00	0.00	11.34
Composting	48.58	33.97	167.00
Bioremediation	0.00	0.00	0.00
Donation	40.22	0.00	86.16

Circular economy at EDP Brasil

We currently have several initiatives and programs adhering to the Circular Economy concept, among which we highlight:

Vegetable Oil Transformers: since 2019, all new transformers are acquired with vegetable oil. In 2020, the transformers sent to refurbishing companies started to return to the EDP Group distributors' assets park with vegetable oil. In addition to being supplied with a renewable resource, vegetable oil transformers have a useful life estimated by the manufacturers to be 40% longer than mineral oil transformers. In the event of environmental accidents with soil leakage, vegetable oil is less harmful to the environment, for being biodegradable, non-toxic and recyclable.

Pecém TPP Fly ash: The ash from the Pecém Thermoelectric Plant is incorporated into the Location cement industry's process, an initiative that allowed the reuse of more than 43 thousand metric tons of ash in 2020, which represents 70% of the amount generated.

7.1.5. Biodiversity

GRI 103-1 | 103-2 | 103-3

Based on the central importance of preserving life in our sustainability strategy, we position biodiversity as an essential element of our business operations and value creation. In 2020, we have engaged our business to recognize and protect the ecological limits of biodiversity.

Our biodiversity action strategy is based on four axes:

- **Impact Mitigation:** our mitigation hierarchy is defined as a sequence of actions to anticipate and avoid potential impacts, minimize them when they occur, restore the damage, and compensate for them when residual impacts remain.
- **Innovation, research and development:** we strive to develop and encourage studies, research and educational projects, technology and innovation that contribute to the conservation of biodiversity and ecosystem services.
- **Voluntary work:** occurs independently of legal obligations in conservation. As volunteers, employees can work together with EDP Brasil, in several nature conservation actions.
- **Community Engagement:** we are committed to human and social development through actions all over Brazil. In the biodiversity area, we aim to engage the communities in our operating regions in order to strengthen their involvement with conservation.

Among the Company's achievements in 2020, we highlight the adherence to the Brazilian Business Commitment to Biodiversity, which aims to emphasize the importance of biodiversity and ecosystem services for companies in the country. The initiative is composed of nine commitments, whose fundamental principles are the conservation and sustainable use of natural resources based on sustainable consumption and production patterns.

For the initial cycle of the commitment, we have assumed five goals, with specific indicators for the achievement of each of them:

1. Insert the biodiversity theme in the company's business strategy.
2. Apply the hierarchy, prevention, mitigation, recovery and compensation of impacts to biodiversity, throughout the projects' life cycle.
3. Promote and strengthen best practices that favor the rational use of biodiversity resources.
4. Develop and encourage studies, research projects, technology and innovation, which contribute to the conservation of biodiversity and ecosystem services.
5. Disseminate knowledge related to biodiversity and ecosystem services within the scope of its activities and value chain.

Impact on biodiversity

GRI 304-2

The impacts of our projects on biodiversity are mapped individually, before they are installed. The greatest risks and impacts of our activity usually occur in the flooded areas of the power plants, and we currently have no generation units in the construction phase.

Therefore, our greatest risks of impact on biodiversity are restricted to the construction stage of Transmission and Distribution units. These risks are related, for example, to the clearing of line tracks and the opening of access roads.

In the Distribution segment, the risks are associated with the extensive low and medium voltage power grids that traverse various types of land use and occupation in the municipalities, including Conservation Units and Environmental Protection Zones.

Asset location in protected areas

GRI 304-1

Some of our facilities are located in protected environmental areas under Brazilian law or considered by Conservation International as areas of great biological wealth.



Generation

Amazon:

Assets of the Santo Antonio do Jari, Cachoeira Caldeirão and São Manoel HPPs, which occupy 162.9 km² of protected and priority conservation areas.

Cerrado:

All the areas of influence of the HPPs Luís Eduardo Magalhães and Peixe Angical, besides HPP Mascarenhas, inserted in the transition zone between the Cerrado and the Atlantic Forest, adding up to 297.5 km².



Distribution

Atlantic Rainforest:

In São Paulo, we manage 3,737.57 km of transmission lines and eight substations in the Atlantic Forest, in federal, state and municipal conservation units, as well as in protected and recovered areas of the springs of the Upper Tietê Basin. In Espírito Santo, we have concentrated 3,555.68 km of lines and eight substations in conservation units in the same biome.



Transmission

Amazon:

The Rancho Papouco and Morro dos Garapenses Environmental Protection Areas (APA) are partially influenced by 33.2 km of lines within protected areas, totaling 23.59 km² of impacted area.

Atlantic Rainforest:

We have 10.05 km of lines within protected areas, with an affected area of 6.70 km² in the Machado River APA. 0.276 km² in the Paraíba do Sul Basin APA. and 3.07 km² in the Serra da Mantiqueira APA. The lines located in Espírito Santo and Santa Catarina, both Atlantic Forest, do not intersect or are located in the buffer zone of Nature Conservation Units (SNUC).

Monitoring and mitigating impacts

GRI 304-3

The company's Environmental Policy encompasses managing biodiversity, which includes risk analysis at all the business units. The main initiative developed on a continuous basis involves aerial and fluvial monitoring of the plants' reservoirs, monitoring of flora and fauna in the areas of the plants and in the rights of way of the transmission lines and networks in the Distribution and Transmission rural zones.

Our mitigation hierarchy (learn more on page 73) applies to all group activities and seeks to reduce impact until there are no adverse effects on biodiversity. We pursue, as a minimum, a No Net Loss level, where project-related biodiversity losses are balanced by gains from mitigation measures, but always aiming to bring overall gains.

The EDP Group's goal is to apply the No Net Loss (NNL) approach in all new projects with significant residual impacts by 2030. We are currently working on the development of an internal NNL biodiversity guide for the entire EDP Group and a training Program for the Guide's implementation.

In Distribution, to minimize or eliminate the impacts on biodiversity, we conduct detailed analyses during project planning, especially in the case of line implementation, due to the long distances involved. The analyses include geoprocessing verification and field visits, where the presence of conservation units, legal reserves, permanent preservation areas and native vegetation are verified.

The goal is to propose locational alternatives with impacts tending towards zero or solutions that mitigate such impacts, which include the use of structures higher than conventional ones and the use of drones to launch the conductor cables in areas of native vegetation and legal reserves, with no need for vegetation suppression. In 2020, the solutions presented were used in all the developments located in areas with these features.

During the year, we also implemented a new technology to mitigate the impacts of the distribution network on urban forestation: the penetrometer. The equipment analyzes the resistance and internal defects of the trees, determines the quality and health of the wood, and diagnoses the risk of falling.

With the diagnosis offered by the technology, it was possible to evaluate trees at risk of falling and plan which ones were suitable to coexist with the power grid, avoiding power outages, accidents with the population, and constant pruning and suppression.

Furthermore, we renewed for the 4th time the Technical Cooperation Agreement with the Agriculture, Livestock and Forestry Defense Institute (IDAF), the forestry agency of Espírito Santo. The agreement has been in effect for 16 years and its objective is to make possible the maintenance services of right of way strips (lines and networks) in rural areas, as well as tree suppression for the construction of distribution lines, networks and substations.

We also started a pilot project in Espírito Santo called Integrated Vegetation Management, which is applied in the right-of-way of the distribution lines, under which many exotic species are found. The goal is to eliminate unwanted species that conflict with the distribution lines (leucenas, eucalyptus, etc.), and to provide an environment where other types of vegetation can be installed, combining operational gains with Location sustainability.

One of the plants we have as a joint venture, HPP São Manoel, carries out a Forest Recomposition Program, which provides for the planting of a total area of 1,174.85 hectares in Permanent Preservation Areas (APP) in the Teles Pires River basin, an amount that corresponds to the amount provided for forest replacement and the compensation area for interference in APP. Of this total, 536.24 hectares had already been recovered by the end of 2020.

The goal of recomposition of 100 hectares per year needed to be revisited due to the pandemic scenario, because some landowners who had their areas ready for the project gave up. The expectation is that the obligation established by the environmental agency will be concluded by 2026, considering the planting of 100 hectares/year.

Restoration Programs

EDP Brasil, in compliance with the commitments established with environmental agencies for environmental and forest compensations has monitored in 2020 more than 21,591 seedlings of native arboreal individuals in the concession area of EDP São Paulo, which is equivalent to almost 16 times the Maracanã Stadium area. With this action, it is estimated that, during the first 20 years of planting, the trees will capture more than 6.7 million metric tons of CO₂ from the atmosphere.

In 2020, we completed the restoration of one hectare with native Atlantic Forest species in the Barão de Monjardim Municipal Park, located in the municipality of Vitória (ES). The project lasted five years between the stages of implementation, maintenance and monitoring, and the results achieved were submitted in late 2020 to the state forestry agency.

One Tree Counts

With the objective of encouraging customers to sign up for the digital energy bill, on Tree Day we held the “A Tree Counts” campaign. Through it, we proposed to plant a native species seedling in the Pantanal for each customer who opted for the digital bill.

The campaign resulted in an increase of up to 158% in the adhesion to this type of bill, and we reached the goal of 2,500 adhesions in three days of campaigning, and the planting will take place in 2021. The biome that will benefit from the project, the Pantanal, is the largest continental wetland on the planet, important for water supply, climate stabilization, and soil conservation, threatened by fires.

Apart from this benefit, the initiative will also have a positive impact on the environment by reducing the use of paper, the waste generation, and the carbon emissions resulting from the making and transportation of the bills.

Environmental management of new construction sites

GRI 307-1

EDP implemented in 2020 a new methodology to measure the environmental effectiveness of the companies responsible for the construction and expansion of High Voltage (HV) projects in its concession area, in Distribution. A calculator was developed that lists scores for factors commonly required in relevant legal requirements and verified during environmental inspections in the construction sites.

The new methodology now contributes to the Supplier Development Index (IDF) of the companies responsible for the AT works, composing a new dimension in the Environmental Commitment evaluation, equivalent to 20% of the weight of the total IDF score (learn more about the IDF in the Society chapter).

7.1.6. Climate Change

GRI 201-2 | 103-1 | 103-2 | 103-3 | 305-1 | 305-2 | 305-3 | 305-4 | 305-7

In line with the New Business Ethics, we know that climate change represents a major risk to the survival and well-being of humanity. Internally, these changes directly influence the rainfall regime and can impact the water availability of our business, affecting the operation of our assets and the energy price.

In 2020, we structured our Strategic Climate Plan (PEC) for the 2020-2021 cycle, in which we developed the Risk and Opportunity Management process related to Climate Emergencies (GROEC) and defined internal goals for reducing GHG emissions. The Plan established our action pillars on the Climate Change theme, namely mitigation, adaptation and transition to a low carbon economy

During the year, we also conducted a climate vulnerability study aimed at identifying the business units most exposed to climate risks for the 2040 scenario. The main risks include those associated with distribution storms and water

shortages. The risks were presented in detail in the Risks and Opportunities section of CDP 2020. Find out more by clicking here.

The business areas are responsible for collecting and providing monthly data on the activities that generate greenhouse gases, which are used to prepare the Company's emissions inventory on a quarterly basis. Emissions management is done in a cross-cutting manner, relying on multiple responsible parties, with the presentation of data to the Board of Directors along with the Strategic Climate Plan.

The Sustainability area is responsible for managing and building EDP Brasil's Climate Change strategy. The area reports, validates and approves with the Board of Directors themes such as the Climatic Strategic Plan, Greenhouse Gas Emission Compensation Plan and the decarbonization goals.



This initiative contributes to the goal

13.2 of the SDG

Integrate climate change measures into 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.

[Find out more by clicking here.](#)

CO₂ reduction target approved by the Science Based Targets initiative

GRI 305-5

EDP Brasil is the first energy sector company in Latin America and large company in Brazil to have its CO₂ emission reduction target approved by the international initiative Science Based Targets (SBTi), an entity that mobilizes companies to assume commitments to reduce the emission of greenhouse gases based on science.

The Company has publicly committed to reduce the intensity of its emissions in 85% compared to 2017.

EDP's goals underwent a validation process by the Science Based Targets initiative, composed of the international entities Carbon Disclosure Project (CDP), United Nations Global Compact, World Resources Institute (WRI) and World Wildlife Fund (WWF). These commitments were established within scientific parameters, in order to effectively detail how much and at what speed the company should reduce its emissions to contribute to limiting the increase in global temperature, in compliance with the commitment established in the Paris Agreement.

GHG EMISSIONS (tCO₂e)

	2018	2019	2020
Direct emissions – Scope 1	4,008,652.63	4,383,914.95	1,957,991.88
Biogenic emissions – Scope 1	109,273.70	96,914.55	99,931.3
Indirect emissions – Scope 2	229,960.57	241,180.91	188,300.4
Other indirect emissions - Scope 3	2,344,541.13	2,398,567.17	2,120,171.44

The data referring to the Santo Antonio do Jari HPP fleet were not accounted for in the Inventory.

GHG EMISSIONS INTENSITY BY ENERGY (tCO₂e/GWH)

	2018	2019	2020
GHG emissions – Emissions per hydro energy generated	0.05	0.05	0.05
GHG emissions – Emissions per thermal energy generated	1,028.64	1,162.46	1,127.72
GHG emissions – Emissions per energy distributed	9.38	15.27	14.63

In 2020, we took over the coordination of the Climate Action Platform (A4C), of the Global Compact Network Brazil, which develops activities and projects focused on mitigation, adaptation, thematic and sector initiatives related to climate, assuming a leading role in the climate agenda in Brazil.

For the first time, we are part of the Carbon Efficient Index (“ICO₂”) of B3.

The index, created in 2010 with the purpose of being an instrument that induces discussions on climate change in Brazil, brings together 62 shares of 58 companies listed on B3. Our membership reinforces our commitments to reduce greenhouse gas emissions.

Regarding awareness, we conducted training on Climate Change and emissions management for our suppliers, in addition to an internal live event for over 600 employees with our CEO Miguel Setas, who discussed risks related to climate change and EDP Brasil’s strategy in relation to the topic.

Climate change management performance

In 2020, we improved our performance in the main sustainability indexes, in matters related to climate issues:

Carbon Disclosure Project (CDP): We achieved a historic result in the questionnaire, which aims to disclose information about the climate change policies and indicators of companies listed on the world’s main stock exchanges. For the first time, we reached the leadership level, with grade A-. The improvement is also important for EDP Brasil to be more representative in the portfolio of the ICDPR-70 (CDP Brazil Climate Resilience Index), in which we began to participate in 2020.

Corporate Sustainability Stock Index (ISE): We increased our performance in the climate dimension by 17 points in the last two years in the main sustainability index in Brazil, organized by B3 (learn more on page 38). The performance in this dimension was the best ever since the company started reporting to the index.

The performance in both questionnaires make up the company’s Purpose Driven Goals and, in both cases, we exceeded the goals established for the year.



EDP Brasil is the platform coordinator.

Climate Action (A4C) of the UN Global Compact Network Brazil.

17 points

was the increase in EDP Brasil’s performance in the climatic dimension of the ISE B3 in the last 2 years.

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Task Force on Climate-related Financial Disclosures (TCFD)

From the standpoint of the global sustainability targets assumed by the group, EDP Brasil has undertaken to internalize the recommendations of the Task Force on Climate- Related Financial Disclosures (TCFD) by 2022.

These recommendations aim to promote transparency by disclosing information related to Climate Change Management in a language geared primarily to an investor audience. Accordingly, we carried out actions in 2020 that are correlated to the TCFD pillars (Governance, Strategy, Risks and Opportunities, and Metrics and Targets), incorporating nine of the initiative’s 11 recommendations:

In the Climate Strategy Plan 2020-2021 we defined a carbon internal price to evaluate potential transition risks associated with environmental externalities caused by GHG emissions. The price imposed to evaluate this negative externality was 10 U\$/tCO₂e. Considering that the Scope 1, 2 and 3 emissions of EDP Brasil totaled 4.26 million tCO₂e in 2020, the risk associated with an eventual carbon price in Brazil would be R\$ 233 million*. The values of other risks associated with climate change can be found in detail in CDP Climate. [Find out more by clicking here.](#)

TCFD PILLAR

ACTIVITIES ASSOCIATED WITH THE PILLARS

GOVERNANCE

- Publication of Governance and responsibilities on the theme: Climate Change at CDP.
- Presentation of climate risks and climate change management in the Sustainability and Risk Committees.

STRATEGY

- Coordination of the Global Compact’s Climate Action Platform.
- Broadening the sustainability strategy through New Business Ethics.
- Adherence to the Recover Better and Business Ambition for 1.5°C global commitments.
- Conducting the Climate Vulnerability Study with climate scenarios.
- Preparation of the Climate Strategic Plan 2020-2021.

RISKS & OPPORTUNITIES

- Review of EDP Brasil’s potential climate risks.
- Creation of the procedure for Managing Risks and Opportunities Associated with a Climate Emergency (GROEC).
- Internal structuring for CDP filling and monetization of climate risks and opportunities.

METRICS AND GOALS

- Setting targets associated with CDP and ISE performance.
- Preparation of Greenhouse Gas Inventory (Scope 1,2 and 3).
- Developing science-based emission reduction targets to limit global warming to 1.5°C.

* The dollar exchange rate for January 29, 2021 was R\$5.47.

DIVERSITY

FROM DIVERSIFICATION
TO VALUE CREATION

SITY

Changing tomorrow now.



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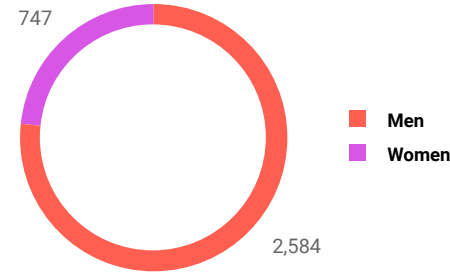
8.1 Profile

GRI 103-1 | 103-2 | 103-3 | 102-7 | 102-8 | 401-1

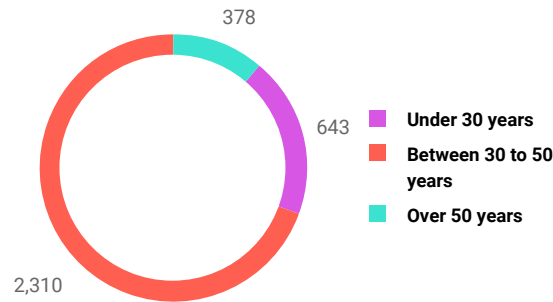
At EDP Brasil, our employees are the vital link for the daily achievement of our purpose. Their different stories make up the history of EDP Brasil and, therefore, we respect each particularity, building a unique and diverse team, valuing more collaborative and available environments for the joint construction of solutions.



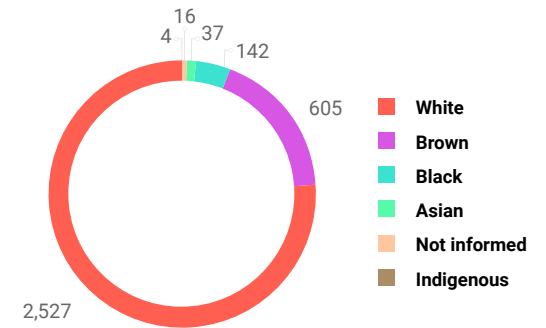
By gender



By age group



By race/ethnicity



Throughout 2020, we had 203 hirings and 239 terminations in the team, with a turnover rate of 11%.

In 2020, we were able to hear the opinion of our employees in an organizational climate survey.

As a result, we maintained an outstanding position in the Global Climate Survey, with 95% employee participation and 86% engagement as a result of EDP Brasil, evidencing the openness and favorable environment for them to share their new perceptions, needs and improvement areas.



8.2. COVID-19: preserving our lives

Our action against the COVID-19 pandemic was defined in our Crisis Committee, which started meeting in February (read more on page 32). All decisions were guided by science and in line with the following protocols and guidelines:

- World Health Organization (WHO) Guidelines.
- Ministry of Health guidelines.
- EDP Portugal Protocols.
- ANEEL Protocols.
- Company's Crisis Management Norms.
- EDP's Standard for Action in Epidemic Situations.
- Operational Response and Business Continuity Protocol (PROCN).
- Procedure for the Use of Protection Face Mask.

Moreover, we hired infectious disease specialists to understand the scenario and the risks of contagion, who participated in our Crisis Committee and helped us follow the disease's evolution.

On March 13, even before the state decrees establishing the quarantine were published, our administrative staff moved into remote work. On top of this, we created strict protocols for travel and prohibited participation in events and face-to-face meetings. We reinforced the need for the use of face masks, distributed to our employees at the drive-thru.

Aware that the generation, transmission, and distribution of electricity are essential services to the population, important even for the maintenance of health services, we were faced with the need to keep our operations running, with reduced staff, excluding employees in risk groups, and respecting specific safety protocols.

For our operations in plants, we instituted a quartering scheme, in which spaces were adapted to accommodate a reduced team, enough to keep the equipment running. These teams remained isolated in hotels, avoiding contact with outsiders and controlling contagion. Every other week, this team rotated on a rotating basis.

Pandemic Response Actions

- Travel and Event Restrictions.
- Preventive Home Office.
- Communication plan.
- Protocols in cases of suspected infection.
- Social distancing and use of protective face masks.
- Multipliers to fight COVID-19.
- Health and well-being measures.
- Communication and guidance.
- Life-Saving Rules COVID-19.
- Preparation of business continuity plans.
- Monitoring of contamination in the business region.
- Criticality classification of service providers.
- Removal of operational employees from risk groups.
- Identification of critical services and activities.
- Temporary suspension of non-critical services.
- Decentralization of monitoring centers.
- Creating shifts and scheduling operational teams.
- Operational teams' testing.
- Operational teams' return plan.



No fatalities have been recorded in EDP Brasil since the beginning of the Covid-19.



The diagnosed employees receive comprehensive follow-up from the health, benefits and HR areas.

8.2.1. Follow up and care

As part of the activities of our Crisis Committee, we have established procedures to monitor and care for employees on a daily basis. Through a series of indicators, we started collecting precise data about the diagnosis of new cases and their evolution. The data were presented and evaluated in daily meetings with a team of physicians and infectologists, and later taken to the Crisis Committee.

At the same time, in addition to the work of EDP Brasil's physicians in the management of actions related to COVID-19, we hired the assistance of two infectologists from the University of São Paulo to provide support in the creation of actions to fight the pandemic and to monitor suspected cases.

For fieldworkers, we created an App with questions related to COVID-19, ranging from recording symptoms to contact with positive people, which were to be answered at the beginning of shifts. The answers were analyzed and our nurses made contact with the critical employees to investigate the cases individually.

All suspects were kept away until the results of the tests were available, thus reducing contagion. In each diagnosed case, we began to fully monitor the employee, involving the areas of health, benefits and HR. Moreover, we are in continuous contact with the employees' families, following up on their health situation and their referral to hospitals, in an attempt to intervene in favor of excellent care.

Since the start of the pandemic, 351 cases of COVID-19 have been reported in the Company, with no fatalities.

Life-Saving Rules COVID-19

To look after the safety of employees and reduce contagion in our team, we have created a version of our Life Saving Rules, with specific rules reinforcing preventive measures:

- Hygienic measures.
- Use of masks.
- Minimum distance.
- Immediate communication.
- Social isolation.

In case of non-compliance, we have established a consequence policy that includes warnings and suspensions.

8.2.2. EDP with you

Aiming to ensure the well-being of employees during the pandemic, we created the EDP with You program. Based on the pillars of physical and mental health, spirituality, culture, social and financial, the program included campaigns in the social networks, videos and reading suggestions that served as support to our team when facing a social isolation situation.

44

THEMES

25
thousand

VIEWS

2,822

INTERACTION
IN THE WORKPLACE

R\$
162.2
thousand

INVESTED IN THE
PROGRAM

Among the program's activities

we highlight the opening live with journalist Mariana Ferrão and the CEO of EDP Brasil, Miguel Setas, who presented the Company's proposals to maintain health and well-being during the quarantine period.

16

LIVES.

7 externally promoted.
5.426 views.
566 interactions via Workplace.

7

CAMPAIGNS.

Social Fund.
Environment.
Blood Drive.
Letters to the Elderly.
National Volunteer Day.
Tell it to Us.
Solidary Christmas.
260 interactions via Workplace.

16

OFFLINE CONTENTS.

Music and productivity.
Yellow September.
Organ donation.
Pink October.
5,938 views.
897 interactions via Workplace.

5

VIDEO SERIES.

Mindfulness.
Healthy eating.
Aromatherapy.
Vehicle tips.
Total of 27 videos in Workplace.
1,097 interactions via Workplace.
11,277 views.

8.3. EDP Culture

The Culture of EDP Brasil is guided by the purpose of “Using our energy to care always better”, through principles and strategies that apply transversally to the Company’s areas. It was decisive so that we could deal with the effects of the pandemic and offer our employees the necessary care to overcome this adverse moment.

In anticipation of our future challenges, we have been working on priority dimensions of culture that support our strategy, such as:

1. Inclusion:

we believe that an environment where there is psychological safety, where people can be who they are, reflects in a greater sense of belonging, expression, interaction and learning, through experience exchange.

2. Collectivity:

To create a collaborative environment, we pursue methodologies that help employees build in a more collective way. To this end, we have explored flexible models that help broaden the cultural sense of collectivity, in which collective intelligence overlaps with individual intelligence.

3. Learning:

We believe that innovation is the consequence of a psychologically safe environment, and we want to use this as raw material to help people identify that learning goes beyond the classroom. To do so, we encourage our employees to learn to analyze and solve problems, to create new solutions, broadening the learning process and creating greater potential to add value.

4. Citizenship:

We value people who want to contribute broadly to create a positive impact on society, who are genuinely interested in others, and have individual and collective responsibility.

8.3.1. EDP Agility

In 2020, we will be completing three years after the implementation of EDP Agility, a hybrid model of organizational design, in which the conventional structure is maintained, including the creation of networks (hubs) to gain speed in decision making. In 2019, the Shift Innovation Studio was created, with a full-time dedicated team to stimulate EDP’s ecosystem to generate solutions that integrate people, technology and society, to propel it into the future. Besides ideas about new solutions, the team is also responsible for the first step of implementation.

In 2020, Shift delivered several projects, one of which of them focused on social innovation, which resulted in the Energizze Project (see more details on page 116). It also helped hire Degreed, an intelligent learning platform that supports us in the assessment and continuous development of the skills we will need in the future, as well as stimulating the self-learning process (see more details on page 116).

Focusing on improving people’s experience, a customized videobot was developed together with a supplier for new employees so that they can start their integration even before they join the company.

8.4. Valuing Diversity

GRI 103-1 | 103-2 | 103-3

In line with the New Business Ethics, we base our actions on a cooperative and fair manner – leaving no one behind. Because of this, the inclusion and diversity agenda has gained increasing relevance in the company, striving for an increasingly pluralistic team.

The Company's performance regarding the topic is based on the EDP Inclusion and Diversity Program, which operates in the implementation of initiatives aimed at raising awareness about the topic and at ensuring employees' psychological safety, through training, lives, conversation rounds and dissemination of materials about the topic.

We also have the Inclusion and Diversity Executive Committee, with participation of the organization's top leadership, the National Diversity and Inclusion Committee, responsible for the direct management of the program, and six affinity groups, each with its sponsors, leaders, and volunteers:

- Gender Equity.
- LGBTI+.
- People with Disabilities.
- Ethnicities.
- Generations.
- Cultures & Spiritualities.

During 2020, many processes were rethought in the company based on the adoption of diversity as a criterion for attracting and selecting employees, both externally and internally. The proposal is to ensure diversity in the selection processes, from the way we advertise job openings to the delivery of the finalists for each position, prioritizing the presentation of candidates who belong to under-represented groups. With the completion of the structural part of these procedural changes, the company expects to reap more positive results in relation to diversity in the years to come.

In 2020, the main initiatives developed by the Inclusion Program were:

Open Minds:

We launched the campaign with the intention of consolidating our positioning on the theme and promoting the debate of ideas, based on narratives that personify and provide representativeness to the Program. The first communication action was **#EnergiaDaDiversidade**, which brought together six people engaged in diversity movements, each representing a group of affinity. With the mediation of a speaker, the participants discussed the themes from their own perspectives, with the aim of enriching the debate and offering a unique perspective.



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Fighting Domestic Violence:

In the midst of a pandemic and social isolation, cases of domestic violence in Brazil have grown by 40%. As a result, we held a lecture given by Conceição de Maria, cofounder and general superintendent of the Maria da Penha Institute, and launched a campaign on the energy bills in August, which carried relevant information about the theme and provided guidance on how to report it to the Call Center for Women in Situations of Violence, at 180.

Anti-racism Education:

In an unprecedented format, the live was open to the external public, with disclosure on the Company's Instagram and LinkedIn, discussing topics such as prejudice, discrimination, privileges and social and historical aspects of racism. We also produced awareness-raising pieces on racist terminology that should be avoided, disseminated on the company's communication channels.

LGBTI+ Pride Week:

In June, the month in which LGBTI+ Pride is celebrated, we held a theme week with several initiatives linked to the theme. Among them, we promoted a solidarity live with the participation of singer and composer Liniker, whose theme was "A chat about gender identity and music" and aimed to mobilize donations for the Mothers for Diversity Association, which works to combat legal insecurity, prejudice and violence against the LGBTQI+ population.

The event destined more than R\$ 40 thousand reais to the Association, counting on the direct donation of EDP Brasil and employees. During the week, we also released awareness pieces about inappropriate LGBTphobic behaviors in our communication channels.

Diversity Week:

In July, we held the Diversity Week, which, among other initiatives, included the EDP Census. Through them, we carried out a survey about our internal diversity and our culture. The census was applied to all our employees and had 74% of the Company's workforce adhering.

Also, the Diversity Week had four thematic lives: Social Inclusion in the Post-Pandemic Context, Generational Diversity in Organizations, Importance of the Psychological Safety Culture in the Present World, and Spiritualities in Companies: Healing Organizations.

Adding up the participation in all the Diversity Week sessions, we reached more than 95,457 content views in EDP Brasil's social networks in September.

The EDP Census included the Psychological Safety Indicator. The indicator revealed that more than 90% of the employees who answered the survey feel comfortable to be what they are at EDP Brasil.

Business Coalition for Racial and Gender Equity:

In 2020, we became part of the Ethos Institute initiative, which works as a space for debate, exchange of experiences, and stimulus to the implementation and improvement of public policies and business practices, in a collective effort to overcome gender and race discrimination in organizations.

The Company believes that the strategy is key to accelerating gender and race equality in the corporate environment, as well as reducing social and economic inequality in Brazil.

Generations and Future of Work Forum:

We participated in the first companies' forum aimed at discussing and forwarding solutions regarding generational issues in the work world, carried out by the Mais Diversidade consultancy. To this end, the forum seeks dialogue about the synergies and opportunities arising from generational coexistence in organizations, as well as being a space for reflection on the future of work.

Learn more about EDP Brasil's diversity initiatives on the [link](#).

Maternity and Paternity Leave

In 2020, 94% of men returned to work after paternity leave ended, while among women the rate was 92%. More information on the topic on page 162.

8.5. Diversity in selection

With the EDP Inclusion and Diversity Program, we signed new ambitious commitments for the theme, increasing its presence in the Target Star for the next cycle. The goals cover the psychological safety of employees belonging to affinity groups, as well as the increase of inclusion and diversity in relation to the attraction, selection and development of employees.

In the period, our Intern Program also introduced a Racial Equity Goal, with 50% of job openings reserved for black students. In addition, we granted English language scholarships to 20 interns belonging to under-represented groups, in partnership with the EF – English First.

The search for inclusion and diversity when it comes to hiring begins with the job openings communication, for which we started to adopt a manifesto phrase in all the opportunities disclosed to the internal and external public:

Valuing diversity and promoting inclusion are commitments that drive sustainable human development, besides generating engagement, creativity, and innovation to the business.

Therefore, EDP Brasil strongly encourages the enrollment of talents that represent the diversity of genders, races, affective-sexual orientations, disabilities, ages, origins, cultures or of any nature. Everyone different, one energy!

We organize the weekly promotion of the opportunities with more than 70 partners such as NGOs and collectives that work with diversity groups, among which are **Casa 1, Transempregos, EternamenteSOU, ONG Nova Mulher, Associação Nacional da Advocacia Negra, Rede de Professores Negros, Programa de Apoio para a Recolocação dos Refugiados (PARR), Estou Refugiado, Camaleão.Co** and **Abraço Cultural**.

To reaffirm the importance of initiatives that seek to create more diverse work environments, in 2020 we sponsored the Diversa Fair, Latin America's largest LGBTQI+ youth employment event. The initiative seeks to establish links between students and professionals who are part of the group, as well as bridging the gap between young people and companies. The event's program included workshops on topics related to personal and professional development, as well as mentoring sessions and talks given by personalities who reinforce the importance of representation.

Furthermore, we participated as sponsors in two more online fairs focused on the employability of diversity groups: IncluirPCD, the first national online fair focused on the employability of people with disabilities, and Afro Presença, a virtual meeting that brought together thinkers, public bodies, companies, and professionals in a series of lectures on structural racism and spaces for hiring black people.

DIVERSITY GOALS 2020 ~ 2022



R\$ 1mi

INVESTED IN
development programs for
diversity groups.

R\$600k

INVESTED IN
invested in training programs.



8.5.1. Inclusive Leadership Training

We conduct training sessions to promote leadership awareness so as to strengthen the inclusive culture and ensure the welcoming of employees belonging to underrepresented groups.

In 2020, we added Racial Literacy training to the training aimed at this public, to address the impacts of structural racism in society and in organizations, promoting awareness and anti-racism education. We have also included specific training on gender, identity and affective-sexual orientation.

The trainings are directed to all the Company's leadership, in addition to multiplying agents of the affinity groups of the EDP Diversity and Inclusion Program.

In 2020, the Inclusive Leadership Training program included 60% of the general leadership and 100% of top leadership, through eight meetings focused on LGBTI+ diversity and nine meetings to promote anti-racism education. Our goal in 2021 is to reach 100% of the leadership.

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8.6. Career Development

At EDP Brasil, we are committed to providing spaces for continuous learning and development, with tools and content that stimulate innovation, collaboration, curiosity and a leading role, so that each employee has autonomy and is responsible for the construction of his/her own history with the Company.

To this end, we seek to develop our employees and engage them in our culture throughout their career at the company, from attraction and selection, through development to new career paths.

8.6.1. Attraction and retention

We count on Artificial Intelligence tools, such as Kenoby, to attract and select the best candidates for our positions. These tools allow a vast mapping of the candidates and testing that helps to find the ideal profile. Based on the results, we perform a ranking according to the requirements fulfilled by each applicant, reducing the screening time and mitigating the unconscious biases that may occur during the selection process.

We also count on an onboarding process that, during the pandemic, had to be done remotely, from the removal of the work equipment, through adaptation activities, culture training, and the Company's institutional presentation.

Another new feature during the social distance period was the videobot, which allows the newcomer to navigate through a series of important contents about EDP Brasil even before his/her first day at the company, so that he/she becomes familiar with its benefits, the organizational culture and the communication channels, among other points critical for his/her effective adaptation to the work environment.

Still during the onboarding process, we begin our employee retention work, reinforcing their sense of belonging.

We also have an Internship Program, which in 2020, had more than 100 participants, training new professionals for the Company's business areas.

8.6.2. Development

GRI 404-1 | 404-3

The employee development theme is incorporated into our culture, with leaders being made aware that the activity is an vital part of their work. Training at the company is conducted in a fully digital environment through the Online Campus, our own learning platform, which offers a wide range of content focused on the business.

Together with this, in 2020 we hired Degreed, an intelligent learning platform that supports us in the assessment and continuous development of the skills we will need in the future. With it, we transformed the learning experience in the company, providing greater autonomy to employees and delivering strategic and in-depth content for the business demands, thinking about long-term development.

Some of the platform's functionalities include the availability of content from more than 30 thousand suppliers, use of artificial intelligence, selection and self-assessment of skills, and a manager's view to track and assess skills by position and team.

In 2020, a platform pilot was conducted with 1,342 employees, involving several business units distributed throughout Brazil, Portugal, Spain, and the United States.

Leadership Development

Within our leadership development process, we seek to understand and develop the skills needed by our leaders. Based on the 2030 Business Goals, which include the 3D strategy (learn more on page 26), we have listed the key skills required, which include humanity, emotional intelligence, innovation, and technology mastery.

We have also identified the need to further act in the development of operational managers, considering that 65% of our employees report to these professionals. To this end, we created the Exponential Leader Program, in partnership with the HR consultancy Crescimentum, to conduct immersions with operational managers to develop key skills for the execution of their activities as EDP leaders.

Mentoring Program

The Program consists of a process in which the most experienced mentor trains and develops the mentoree, making use of his or her experiences acquired in practice. Through the Program, it is possible to establish a personalized relationship, in which the mentor invests his or her time, shares his or her knowledge, and dedicates his or her effort so that the mentoree has new perspectives, enriches his or her way of thinking, and develops his or her professional potential.

As a result, we were able to stimulate a transfer of knowledge and culture, an alignment between the different hierarchical levels and the different business units, and the building of encouraging and supportive relationships.

The program's pilot was aimed at directors, executive managers, and operational managers, who received mentoring training and participated in six meetings among the 12 participating pairs. In 2021 the program will be more comprehensive and more employees will be able to participate.

8.6.3. Evaluation

Annually, we evaluate employee performance based on the Purpose Driven Goals, taking into account team performance and shared goals.

Every two years, we also perform an evaluation of the employees' competencies, with the aid of the Amplify tool. Based on this result and on the competencies considered ideal by EDP Brasil, we draw an Individual Development Plan (PDI) for each employee together with his/her manager and business partner.

The PDI brings strategies that seek improvements in the identified problems for the next two years, at the end of which the employee is evaluated again, in order to check his or her evolution and reevaluate the plan

8.6.4. Retirement

GRI 404-2

We also monitor the retirement phase, with the PIA – Retirement Incentive Program. This program, which is voluntary, aims to welcome professionals who have dedicated long years to the joint construction of EDP's history, providing special termination conditions and guidance for the new post-employment stage.

8.7. Health and Safety

GRI 403-8

Our employees' life and well-being have always been treated as a value at EDP Brasil and hold a central position in the Company's culture, a position that gained even more strength when we adopted the New Ethics in Business. For this reason, we have our own area and programs designed to preserve the health and safety of our teams.

Aiming at reinforcing our safety culture, we have the VIVA – Life always in first place program, which is focused on seeking a cultural transformation with the workforce. VIVA has 12 work fronts led by the senior management of EDP Brasil:

1. Leadership and governance.
2. Safety Committees.
3. Critical Risk Management.
4. Accident Investigation.
5. Contractor Management.
6. Safety Management System.
7. Risk Perception.
8. Behavioral Observation.
9. Life Saving Rules.
10. Model Safety Framework.
11. Training the Security Team.
12. Safe Driving.

The program's implementation allowed the company to establish a limit in relation to the identified deviations and to guide management's actions in relation to safety. Given the maturity of the committees and subcommittees that make up the program, it was possible to reach 100% of the employees who work in the field in relation to the safety procedures required.

VIVA's highlights in 2020 were:

- The review of the action plans for the performance in the Critical Occupational Safety Risks, strengthening the prevention in all EDP Brasil's business units.
- The publication of more than 25 procedures in the Normative System of the Corporate Security area, standardizing important risk prevention and safety management guidelines for all Business Units, thus reinforcing the operational discipline in operations.

In 2020, we restructured the Safety area, which began to focus directly on the business units, making it possible to expand the actions for the division of the VIVA program throughout EDP Brasil. With such restructuring, we now have an Executive Management in the Safety Excellence area and two Operational Managements, one focused on Distribution and the other on Generation, EDP Smart and Transmission.

Accordingly, the Safety Excellence area focuses on strengthening the strategic guidelines for the continuous improvement of the prevention culture, while the two Operational Management areas focus on the deployment of these strategies in the respective Business Units.

One of the goals of the Corporate Safety area in 2020 was to bring technological innovation to the Work Safety processes, in order to improve the performance of the areas, bring data reliability, control strategic information and manage indicators. The project, which involved the Corporate Safety, IT and Safety areas of all EDP Brasil's Business Units, was consolidated in the Safety portal SGS – Safety Management System.

All our employees are active in workplaces covered by the Safety Management System (learn more on page 96).

SGS was designed in a desktop and mobile version, allowing field checks to be made offline and uploaded when a network is identified, enabling greater speed and convenience in the field units. The software enables a quicker and more reliable management of the Safety area.



The Life-Saving Rules aim to increase the perception of risks of EDP's employees and business partners



100%
of field crews receive safety inspection

Life-Saving Rules

In 2019, we carried out a study of all critical risks at EDP Brasil, which led to the creation of our main safety rules. Through a consultation process with employees, we elected the eight Life-Saving Rules at EDP Brasil, which were published, disclosed and implemented in 2020. In addition to the eight rules, we elected other two that are specific to distribution units.

All rules relate to our critical risks, where failures may cause serious or fatal accidents.

1. Electric Safety
2. PPE against shock and arc
3. Working at Height
4. Cargo handling and hoisting
5. Blocking and Grounding
6. Machine safeguarding
7. Safe driving
8. Confined Space
9. Live Line –
10. Safety Distance
11. Live Line - Construction of poles

The rules definition led to the establishment of Working Groups (WGs) for the development of the related activities and the inclusion of roles and responsibilities for employees involved in the investigation and definition of consequences.

Connected in Life Program

To stress the safety culture, we have a program called Ligado na Vida (Connected in Life), which has the objective of reinforcing operational discipline and accident prevention.

The program consists of safety inspections by the leaders, work safety teams, CIPA and Behavioral Approach, in 100% of the field teams.

Employees who show 100% adherence to safety procedures are recognized with gifts given at the end of each inspection.

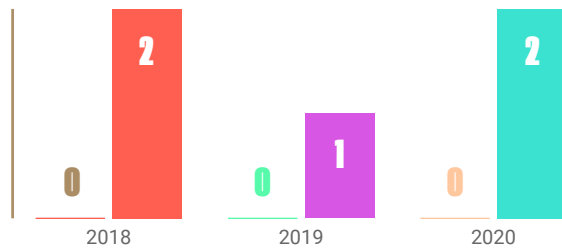
8.7.1. Safety Performance

GRI 403-9

The Company maintained the percentage of lost time incidents and reduced by 58.3% the number of non lost time incidents among its own workforce.

EDP Brasil has also observed an increase in the occurrences of accidents with and without lost time in service providers, in relation to 2019. In this regard, the Company continues working with the “zero accident” objective for both its own Employees and service providers, considering the principle of Life Always in First Place. To this end, we will carry out a plan to apply the actions of the VIVA Program within our service providers, in addition to intensifying field inspections and audits for the improvement of processes and the safety management of our partners.

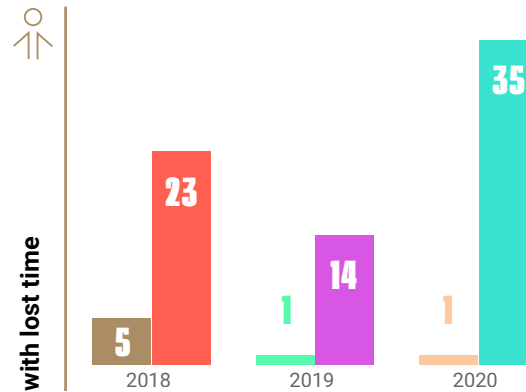
Absolute number of fatalities



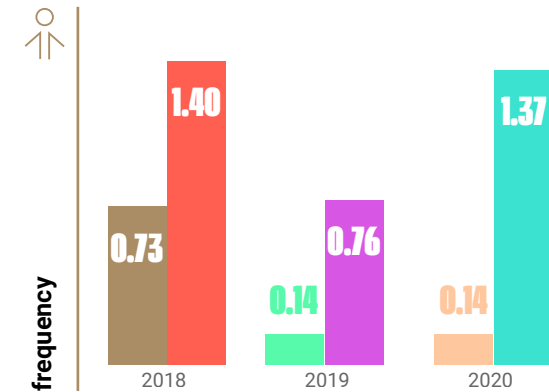
LEGEND:

- Own employees in 2018.
- Third-party employees in 2018.
- Own employees in 2019.
- Third-party employees in 2019.
- Own employees in 2020.
- Third-party employees in 2020.

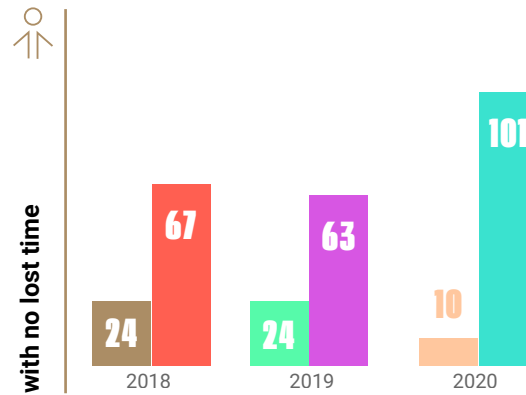
Total accidents



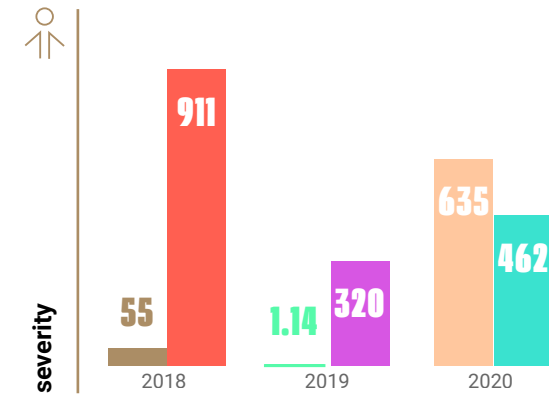
Rates



with no lost time



severity



* The own employee base used for calculating the safety indicators differs from the headcount used for the 405 indicators. The safety data considers in total the data of apprentices and trainees, but disregards employees on leave.



Electricians' Rodeo



The performance of the safety indicators impacts the goal

8.3 of the SDG

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization 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.

[Find out more by clicking here.](#)

Communication

Communication between managers and teams in relation to Occupational Health and Safety issues is favored by the performance of committees and subcommittees, which count on the effective participation of the safety area. On top of this, the Safety Portal presents the main OHS indicators monitored by the company in all its operational units.

Within the safety committees and subcommittees, communication among employees has had positive results and is supported by CIPAS and DDS, with the preparation of documentation for the weekly safety lecture.

We also have employee communication tools in relation to safety. In 2020, we stepped up safety observations and occurrence reports with the help of a digital tool that allows employees to create reports and record unsafe acts or conditions. All employees have access to the system and reports can be recorded anonymously. Since the implementation of the tool, we have seen a significant increase in reports, which has helped us to build preventive action plans.

09

SOCIETY

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09

Society

9.1. Human Rights

GRI 103-1 | 103-2 | 103-3 | 412-1 | 412-2

At EDP Brasil, we recognize Human Rights as fundamental and universal principles, which guide us in conducting business in favor of a fairer and more inclusive society. In this respect, our performance is guided by the national and international legislation and by the international pacts of which we are signatories, such as the United Nations Guiding Principles on Business and Human Rights (learn about other commitments assumed on page 34).

At the global level, the EDP Group has four internal declarations of principles, policies and commitments geared towards respect for Human and Labor Rights: the Stakeholder Relations Policy, Declaration of Respect for Human and Labor Rights, Code of Ethics (more information on page 122) and Supplier Code of Conduct.

In EDP Brasil, the Human Rights theme is present in several of our corporate policies, as it is considered cross-cutting to several different publics, including: the Human Development Policy, the Management Systems & Sustainability Policy, the Business Management and the Relationship with stakeholders.

We therefore incorporate into our strategic and operational activities all applicable measures to ensure that there is no direct or indirect relationship with slave or child labor, with sexual exploitation, restrictions on freedom and human condition, violence, torture, arbitrary detention, moral or sexual harassment, and discrimination in all its forms.

We have a Monitoring Program for compliance with Human and Labor Rights, which seeks to identify the risks and act to avoid, minimize or repair possible negative impacts on the subject.

In 2020, 86% of EDP Brasil's employees received training in policies and procedures related to Human Rights, with a total of 0.45 hours. Also, a total of 2,054 employees were trained in policies and procedures that relate to human rights aspects relevant to the Company's operations.

Reporting the impact on Human Rights

Every year, EDP Group publishes the Evaluation Report of Potential Impacts and Respect for Human and Labour Rights, which brings information to promote internal debate, including operational teams, Sustainability Committee and Executive Board.

Its public disclosure is intended to make available to our stakeholders, an integrated outlook of the risks and challenges related to Human Rights that we face and the way in which they are addressed. The reports include EDP Brasil's performance and are available at the [link](#).

9.2. Stakeholder Engagement

GRI 102-40 | 102-42 | 102-43 | 102-44

To implement our sustainability strategy and expand EDP Brasil's performance with society, we develop engagement and exchange initiatives with the group's internal and external stakeholders, by establishing a collaborative dialogue between the parties. Such practice allows us to understand and monitor which critical issues permeate the relationship, as well as the expectations involved and the potential ways to work on these issues.

We have an Institutional Relations and Stakeholder Management Department, responsible for conducting dialogue with stakeholders through a proactive approach.

Its main objectives are to anticipate risks and problems, to identify new opportunities, and to manage our stakeholders' main demands to ensure their responsible attention and control.

The data are used as inputs for the Stakeholder Management Report, a tool that aids decision-making and is presented annually to the President and the Company's leadership. The stakeholder management work is guided by a methodology that is shared with other countries, aiming to ensure the isonomy of actions through the monitoring of control, verification and performance indicators.

For each identified priority public, specific objectives and criteria were established that behave as strategic drivers, aiming to ensure the satisfaction and good quality of the institutional relationship with the stakeholders, in line with the company's business plan.

The results from the active listening process result in the definition of the main expectations of EDP Brasil's stakeholders, which can be considered throughout the strategic planning:

STAKEHOLDER ENGAGEMENT IN STRATEGIC PLANNING

Stakeholders	Shareholders	Customers	Suppliers	Regulatory Agencies	Society	Employees
Key expectations identified	Asset and Company quality, governance, minority shareholder protection, commitment to renewable energy and sustainability.	Quality energy and reduction in the number of power outages, close contact to anticipate problems, improvement of service channels, investments in renewable energy and energy efficiency, transparency during negotiations and other commercial transactions, compliance with construction deadlines.	Expansion of partnerships to other business fronts, transparency in contractual processes, feedback within the company's existing platforms, minimization of financial impacts due to the pandemic.	Modernization of the electric sector, concern with the customer/ consumer, quality of services, concern with the safety issue, attention to regulatory frameworks and other normative instruments.	Community assistance, concern with educational, social tariff projects, renewable energy agenda.	Attractive remuneration, favorable environment for development and possibility of professional growth.

The active listening process and the identification of stakeholders' needs are also important to define the next cycle of the evaluation of the relationship with these parties.

By analyzing the results, the priority groups that will be worked on in the next cycle are defined in order to meet their needs by improving the processes of each business unit that relates to these parties.

Moreover, the needs and expectations of stakeholders are identified from various consultation sources, such as interviews with shareholders, external surveys (including regulatory bodies and market associations), internal surveys, analysis of the requirements set out in the concession agreements, active listening processes with stakeholders and benchmarking processes with other

companies of a similar size and positioning to ours. These inputs are organized in a matrix by audience and broken down into internal goals.

PRIORITY SEGMENTS						
	BUSINESS UNITS	PUBLIC OFFICERS	SECTOR ASSOCIATIONS	NGOS & COMMUNITIES	CUSTOMERS	SUPPLIERS & PARTNERS
SATISFACTION	Monitor the quality of EDP Brasil's relationship with its stakeholders.	Promote a balanced relationship between the company and public stakeholders.	Monitoring of EDP's performance with the stakeholder to ensure a high satisfaction level.	Monitoring EDP's performance with the stakeholder to ensure a high satisfaction level.	Monitoring EDP's performance with the stakeholder to ensure a high satisfaction level.	Monitoring EDP's performance with the stakeholder to ensure a high satisfaction level.
STRATEGIC INSTITUTIONAL RELATIONSHIP	Ensure that the areas have strategic support and positive feedback.	Act proactively to increase capillarity in the regions and consolidate networking.	Expand EDP's representativeness in associations and entities.	Act strategically in projects linked to the EDP Institute.	Ensure effective institutional interlocution in the conversion of business opportunities.	Contemplate the priority partners with strategic actions in line with the business units.
ASSERTIVE STAKEHOLDER MANAGEMENT	Provide support to the areas in the speedy resolution of demands.	Active listening to effectively meet the prioritized needs presented by the stakeholders.				

9.3. Suppliers and partners

GRI 102-9 | 103-1 | 103-2 | 103-3 | 204-1

EDP Brasil's supply chain is comprised of material suppliers and service providers in all segments of activity. The Company endeavours to prioritize partnerships with Location companies in the surroundings of its operations that share its values and that cultivate sustainable, ethical and responsible practices in their processes. In 2020, out of a total of R\$3.06 billion spent with suppliers, 35.2% went to Location partners (learn more about the proportion of spending with Location suppliers on page 143).

The registration, qualification, and documentary validation of suppliers are carried out through the Go Supply tool, integrated with the company's purchasing system. In Brazil, 6 thousand suppliers comprised the system in 2020.

The year 2020 was challenging in different aspects and, in order to face these challenges, EDP Brasil implemented several plans to mitigate risks and impacts caused by the pandemic in our supply chain. Therefore, we established a closer relationship with our partners and supported them in the prevention of the pandemic by providing face masks and alcohol gel to their teams.

To consult information on payments, standardization, performance evaluation and conduct expected by the Company, the partners have the EDP Supplier Manual, as well as a Supplier Code of Conduct, complementary to the Code of Ethics, available on the supplier portal by visiting this [link](#).

9.3.1. Sustainable Value Chain

GRI 308-2 | 412-3 | 414-2

In order to become an EDP Brasil supplier, companies are submitted to fiscal, documental, reputational compliance analysis and independent due diligence process. After the hiring, they are segmented according to socio-environmental risk criteria and based on the complexity and impact of their operations for the business. In 2020, 85.45% of purchases were made with suppliers in the partners and allies profile.

So that the company can become a reference in the circular economy, we took the initiative to expand the suppliers mapping regarding the carbon and natural resources management until 2021. During the year we also conducted 56 audits of social, environmental and labor aspects of suppliers.

Among other achievements aimed at promoting the improvement of social and environmental aspects in the supply chain in 2020, we highlight:

- Adding the social and environmental evaluation questionnaire to the Go Supply system.
- Study of management guidelines for the Upstream and Downstream value chain.
- Integrated Management System on-line training for contractors.
- 12 courses were made available at the Partner Academy, with the highlight being the ISO 14001 – Environmental Management, 9001 – Quality and 45001 – Safety courses.
- Innovation and Diversity Workshop for Suppliers.
- Online training on anti-racism education.
- Conducting pilot audits at sub-suppliers.

9.3.2. Supplier Evaluation

GRI 308-1 | 408-1 | 409-1

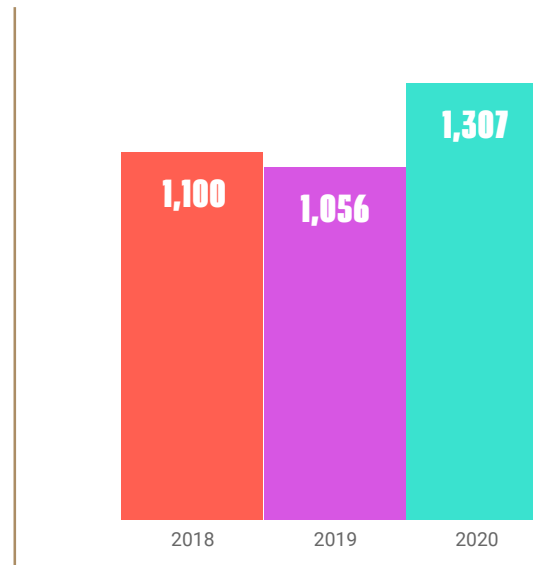
Our main suppliers are evaluated through the Supplier Performance Index (IDF), which analyzes indicators related to the performance, health and safety, innovation, sustainability, and compliance dimensions.

In 2020, we implemented IDF Light, as a pilot project at Pecém TPP, a more simplified monitoring version for medium and low complexity companies, divided into two categories: Services and Materials. In the first one, the evaluation criteria are performance, legal documentation, ethics, environment, and health and safety. In the second one, the criteria are SLA (Service Level Agreement), quality, financial, and sustainability. During the year 46 suppliers of Pecém TPP were monitored. In 2021 we will implement the new monitoring tool for all business units, reaching a larger number of monitored suppliers.

IDF and IDF Light are vital tools for monitoring partners that fall into the critical and highly complex categories for the business in the supply of goods and services. Based on the annual closing of this indicator, we held an event to recognize the partners that stood out the most, through EDPartners, which this year was held in a virtual format and had 180 participants from approximately 60 suppliers.

We have also developed actions with suppliers to raise their scores and improve their service levels and the quality of the materials delivered, as well as conducting workshops with the monitored partners.

Total number of suppliers analyzed under compliance terms



In 2020, 75 of the Company's suppliers were evaluated with regard to environmental impacts, and none of them were identified as causing actual or potential negative environmental impacts. Regarding the 2,251 suppliers evaluated in relation to risks of child labor, forced or compulsory labor, none of the evaluated suppliers presented such risks.

Supplier Training

With the Partner Academy initiative, we look to develop EDP Brasil's critical and non-critical suppliers, as well as their respective sub-suppliers, in sustainability issues, such as environment, ethics and labor relations.

In 2020, to reach a higher number of partners and to maintain training during the COVID-19 crisis period, we started using online technologies for training and development of partners. A total of 12 online courses were held in different models, totaling 140 students registered on the platform.

The courses with the highest demand were in the virtual live class model, for environmental, health safety, quality, and social responsibility management improvement training with more than 200 registrations. In 2020, we managed to increase participation in training by 300% compared to last year.

9.4. Safe Use of Energy

GRI 102-15 | EU25

Aiming at the preservation of the population's health and life, we carry out a series of actions for the prevention of accidents and the safe use of electric energy. Focusing on distribution, a segment that represents the largest direct relationship between our assets and customers, we have a work group that meets monthly and is supported by EDP Institute. The group works in the development of public awareness actions, carried out mainly in schools, considering the occurrence of accidents involving kites and the electric network.

In 2020, there were 16 accidents with fatalities involving the population and 13 without fatalities.

We also carry out activities to prevent accidents involving civil construction, which include meetings with construction associations and neighborhood friends, as well as the distribution of pamphlets in construction materials stores. These initiatives count with the participation of our safety technicians, who go into the open field together with community leaders to carry out inspections in critical neighborhoods.

At the same time, we have prepared communication materials that run on radio and TV stations that are dedicated to spreading the word about safe behavior and accident prevention measures. We also include these communications in the digital bill and in the physical bill sent to customers.

9.5. Relationship with indigenous peoples

HPP São Manoel was built in a region that encompasses an Area of Indirect Influence (AII) with indigenous lands where people of the Kayabi, Munduruku and Apiaká ethnic groups live. Due to the cultural specificities of these peoples – who organize themselves in a unique way, with their own languages, values, policies and legal codes – the so-called Indigenous Component of the Basic Environmental Plan of HPP São Manoel (PBAI) has a component for each ethnic group.

Each of these plans has 17 environmental programs approved by the National Indian Foundation (FUNAI). For the programs implementation, Management Councils were created with representatives from the Company, FUNAI, and each of the indigenous peoples involved.

The Indigenous Social Interaction and Communication Program of the PBAI of the São Manoel HPP acts directly in the dialogue with the indigenous population about the activities related to the project's implementation.

As part of the Indigenous Organizations Strengthening Program, the plant has already granted 33 out of a total of 39 technical and higher education scholarships, which include the payment of registration and tuition fees, commuting support, donation of electronic equipment, psycho-pedagogical follow-up for the student, and living allowance in the amount of 2.5 minimum wages.

Due to the access restrictions to indigenous lands caused by the COVID-19 pandemic, all construction work in progress, planned in the PBAI, was temporarily suspended, among them the basic indigenous health unit in the Papagaio village, the flour house in the Três Maria III village, and the sports court in the Teles Pires village, among others.

Other ongoing actions with the indigenous people focus on income generation through the identification and management of forest products, such as Brazil nuts and copaiba oil. In 2020, the Apiaká people collected 14.11 metric tons of Brazil nuts, generating income for the community. Regarding the Munduruku, 9 metric tons were collected, but their commercialization was impacted by the pandemic.

In 2020, we also supported a number of projects related to preventing and mitigating the effects of COVID-19 in villages, which were particularly impacted by the need for social isolation (learn more on page 105).



This initiative contributes to the goal

7.1 of the SDG

By 2030, ensure universal access to affordable, reliable and modern energy services.

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

[Find out more by clicking here.](#)

9.6. Social Tariff

Looking to promote the universalization of energy services, and in accordance with the Law 10.438/02, we offer to low income residential and rural residential customers the Social Tariff. The program consists in offering cumulative discounts on the electric bill, with deductions that can vary from 10% to 65%, according to each residence’s consumption.

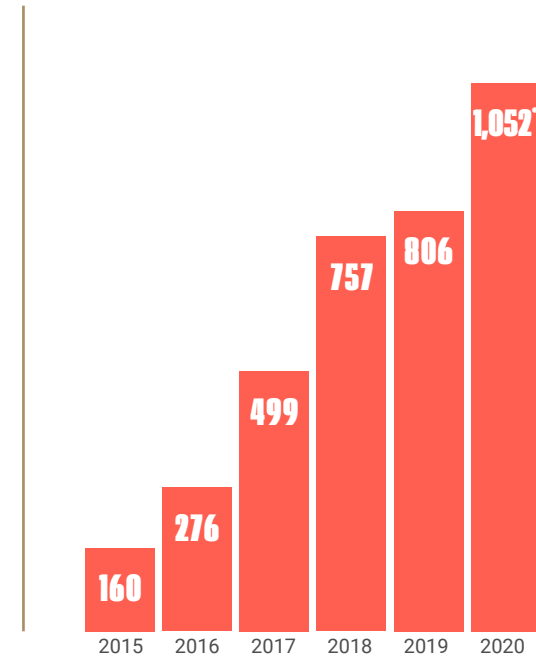
In 2020, as a result of the crisis unleashed by COVID-19, Provisional Measure 950/20 was published, granting clients registered in the Social Tariff for Energy a 100% discount on the supply tariff for consumption of up to 220 kWh, between the months of April and June.

Further increasing the impact of this measure, during the year we expanded the enrollment of low-income customers in the social tariff, which went from 66 thousand to 151 thousand in the São Paulo distributor, and from 110 thousand to 161 thousand customers in the Espírito Santo distributor.

9.7. Volunteering

In 2020, our volunteer campaigns had the theme: “I dare now more than ever. Throughout the year, we had 3,627 participations, of which 1,052 were from single volunteer employees. This number represents a 33.4% increase compared to the number of unique volunteer employees in 2019.

Volunteering at EDP Brasil (employees involved in the initiatives)



*The total number of volunteers considers only the companies controlled and partially controlled by EDP, in order to allow comparison with headcount data.

Due to the impacts caused by COVID-19, it was necessary to revisit the year's planning, so that the actions could take place even at a distance, ensuring the safety protocols to all and meeting the new needs that arose during the pandemic. Throughout the year, we counted on initiatives conducted by EDP Brasil:

Juntos por Iconha

Due to the environmental disaster that occurred in January in Espírito Santo, 34 volunteer employees organized themselves and collected 1,042 personal hygiene products, 8 kg of groceries, 360 liters of water, and 300 pieces of clothing for emergency assistance to the community. Also, we had a group on site, which helped in the cleaning of residences and businesses together with the city hall teams.

Solidarity Public Call

We had the participation of 250 employees who donated R\$498 thousand to Location initiatives and organizations, benefiting 1,508 families. The beneficiaries were:

- **Ação Social Arquidiocesana** Palmas (Palmas/TO).
- **Associação Pecém Eu Te Amo** – Mãos com Vidas (São Gonçalo do Amarante/CE).
- **Estadual Carlos Dorneles** (Porto Alegre/RS).
- **Instituto IBC** (Laranjal do Jari/AP).
- **Instituto Maria Mãe do Divino Amor** (Mogi das Cruzes/SP).
- **Olhar Solidário – Instituto Brasil de Cultura and Arte** (IBCA) (Vitória/ES).

Blood drive

Starting with the Red June campaign, we promoted blood donations in the context of the pandemic, when stocks in blood banks were low.

National Volunteer Day

Since the birth of the program in Brazil, celebrated on August 28, this is the first time we have participated in the celebration. As a result, we counted on the participation of 210 employees and 53 service providers from various locations, benefiting 2,179 people. Among the organized actions, we collected 690 kg of food, 85 hygiene items, 41 books, 26 blood bags and prepared 1,080 sandwiches to be donated to the inhabitants of São Paulo (SP).

Among the initiatives organized by the volunteer employees, we highlight:

- **Letters to the Elderly:**
Aiming to ease the loneliness during the social isolation period, 64 volunteers exchanged messages through poetry, texts, drawings, and photos with elderly people and health professionals from Lar Torres de Melo, in Fortaleza (CE), and from Casa de Repouso Recanto São João de Deus, in São José dos Campos (SP).
- **Charity raffle for the community:**
The employees from Vila Velha (ES) got together and got a microwave oven to be raffled off. With the money raised, 90 basic-needs grocery packages were bought to be donated to the community of Jabaeté (ES), where approximately 500 families live with no access to energy and basic sanitation.

- **Funds to the Associação Guilherme de Jesus and Casa Limiar:**
Through an online fundraising campaign, an employee from São Paulo (SP), raised funds with the aim of helping the institutions, adding up to a total of 30 basic-needs grocery packages.
- **Eternamente SOU – Ligada em Você:**
With the intention of minimizing the impact of the social isolation of 22 LGBT 50+ people assisted by the organization, 21 volunteers maintained weekly contact via phone and/or social media. We had a total of 173 dedicated hours.

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02

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Society

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9.8. EDP Institute

GRI 103-1 | 103-2 | 103-3 | 203-1

EDP Institute (IEDP) is responsible for managing, since 2008, the private social investment of EDP Brasil, being in charge of structuring the Company's investments and external social initiatives.

The community engagement management, under the responsibility of EDP Institute, is guided by the Social Investments Standard and by the Incentivized Social Investments and Direct Grant Donation and Sponsorship Management procedures. Other Company areas also have involvement with the community, such as Energy Efficiency, Safety and Volunteering, and IEDP monitors and integrates all the actions.

The resources allocated to the theme's management come from donations made by the Holding to EDP Institute for its maintenance, and each company of the Group has a resource for social investments.

To evaluate the initiatives developed by the Instituto we conduct internal audits, as well as the biannual follow-up and monitoring of all the supported projects, carried out by means of the Bússola Social platform.

In 2020, we conducted a review of the Institute's strategy, based on the New Business Ethics (learn more on page 14) and on the Company's sustainability pillars (learn more on page 31). The strategy reformulation sought to satisfy the concerns of society and the market, as well as

the Company's desire to expand its capacity to generate value and address the socioeconomic impacts generated by the pandemic.

As a result, we came up with new acting strategic pillars for the Institute:

- **Inclusive education:** Supporting education as a tool for development and social inclusion.
- **Fair Transition:** Accelerating a fair energy transition based on clean and affordable energy.
- **Healthy society:** Contribute to the strengthening of public health policies and to the general well-being of society.
- **Transformative Culture:** considers the valorization of art and music through sponsorships as well as the encouragement and support of artists in vulnerable communities. It intends to preserve, give access to, and encourage art and culture as a vehicle for the transformation of society.

For 2021, we will implement indicators related to each action pillar, in order to monitor in a deeper way the results of the initiatives supported by the Institute.



TOTAL SOCIAL INVESTMENT
OWN + WITH INCENTIVES

R\$ (Thousand)

23,269



TOTAL SOCIAL INVESTMENT
Own

R\$ (Thousand)

9,212

9.8.1. EDP Solidarity Public Call for COVID-19

Apart from the direct donations offered by the company and the donations of employees through volunteer actions, (learn more on page 101), we reinforced our fight against the negative effects of the pandemic through the EDP Solidarity Public Call for COVID-19.

The initiative received entries of projects from all over Brazil, which were intended to help overcome the effects of the crisis caused by COVID-19.

In line with the Company's Social Responsibility Policy, EDP Institute held the EDP Solidarity Public Call for COVID-19, with the objective of selecting actions, initiatives and projects aimed at vulnerable communities in the fight against the coronavirus and solutions to minimize the impacts of the COVID-19 pandemic in Brazil. The focus of the proposals was geared towards three work fronts:


1. Meeting the basic needs of food, hygiene, and cleanliness.
2. Reducing the economic impact generated by the crisis.
3. Supporting the fight, detection and prevention against the pandemic.

From these three work fronts, the evaluation and selection of projects by the committees focused on the topics.




Indigenous People

5 projects	Total invested
1,294 beneficiaries	R\$ 250 thousand



Food

19 projects	Total invested
14,708 beneficiaries	R\$ 1,315 thousand



Health

10 projects	Total invested
25,752 beneficiaries	R\$ 850 thousand



Social Entrepreneurship

2 projects	Total invested
10,667 beneficiaries	R\$ 140 thousand

Apart from the stages of going through qualitative evaluation by the EDP Institute Committee, evaluation by the external committees, strategic analysis by the Board of Directors, and evaluation by the COVID-19 Crisis Committee, the projects went through a compliance analysis and external audit.

36
projects supported
with a total of

R\$
2,554,850*

* EDP Brasil's donations to combat the effects of the pandemic total more than R\$10.1 million, including donations of more than R\$6 million for respirators. This page is intended to detail specific donations via EDP Solidarity Public Call for COVID-19.

More information about all EDP Brasil's actions and donations can be accessed by visiting this [link](#).

EDP Solidarity Public Call for COVID-19

AMAPÁ

Food: 1 project supported with R\$ 99,000.00.

PARÁ

Indigenous communities: 1 project supported with R\$ 50,000.00.

MARANHÃO

Food: 1 project supported with R\$ 99,000.00.

CEARÁ

Food: 1 project supported with R\$ 99,000.00.
Health: 1 project supported with R\$ 80,000.00.

TOCANTINS

Food: 2 projects supported projects totaling R\$ 188,450.00.

Health: 1 project supported with R\$ 90,000.00.

MATO GROSSO

Indigenous communities: 2 supported projects totaling R\$ 100,000.00.

SÃO PAULO

Food: 3 supported projects totaling R\$ 223,400.00.

Health: 5 supported projects totaling R\$ 410,000.00.

Social Entrepreneurship: 1 supported project totaling R\$ 70,000.00.

ESPÍRITO SANTO

Food: 10 supported projects totaling R\$ 550,900.00.

Indigenous communities: 1 supported project totaling R\$ 50,000.00.

Health: 2 supported projects totaling R\$180,000.00.

Social Entrepreneurship: 1 supported project totaling R\$ 70,000.00.

RIO DE JANEIRO

Health: 1 supported project totaling R\$ 90,000.00.

RIO GRANDE DO SUL

Food: 1 project supported with R\$ 55,100.00.

Indigenous communities: 1 supported project totaling R\$ 50,000.00.

EDP Solidarity Public Call for COVID-19 highlights

More information about EDP Brasil's donations to support communities in facing the pandemic can be accessed online.

[Find out more by clicking here.](#)

Food for the Indigenous People of the São Manoel Plant's surroundings

BENEFITED INSTITUTIONS:

DACE (Munduruku) Indigenous Association, Kawaip-Kayabi Indigenous Association and Apiaká Sawara Indigenous Association from North Mato Grosso.

LOCATION: Mato Grosso and Pará.

BENEFICIARIES: 319 families.

The projects aimed at preventing the contamination of indigenous people by COVID-19. Through the distribution of basic-needs grocery package, the initiative avoided the displacement of families to city centers to get food and take the risk of being contaminated.

By ensuring the villagers' access to food during the social isolation period, the project has helped to contain the spread of the virus among the indigenous people, one of the most vulnerable populations in the context of the pandemic.

Lines of hope illuminating the crossing

INSTITUTION: Instituto Supereco.

LOCATION: Caraguatatuba and São Sebastião/SP

BENEFICIARIES: 2,903 people.

The project promoted integrated actions to prevent and fight the contamination from COVID-19, through the strengthening of community eco-entrepreneurs, positive and educational communication, and strategic partnerships in the northern coast of São Paulo.

The community eco-entrepreneurs guaranteed their work and income with the production of more than 2 thousand face masks that were distributed to residents of vulnerable communities in the region.

Also, 200 kits were produced and delivered to front-line workers fighting the new coronavirus, including physicians, nurses, pharmacists, and electricians.

OVER

600

elderly people benefited from the COVID-19 Protection Net.

OVER

14 thousand

beneficiaries in hunger relief actions.

COVID-19 Protection Network in Long-Term Care Institutions for the Elderly (ILPIs)

INSTITUTION: Gero 360.

LOCATION: Espírito Santo, Mato Grosso, Rio Grande do Sul and São Paulo.

BENEFICIARIES: more than 600 people.

The project aimed at minimizing the risk of contamination and the impacts of COVID-19 among the residents of Long-Term Care Institutions for the Elderly (ILPIs) and the professionals working there, by means of a monitoring system for the elderly.

The Project included more than 20 ILPIs located in municipalities where EDP Brasil is present and trained their professionals in the preparation of an action plan to face COVID-19. The project also made available a tablet with an app for pre-diagnosis in the elderly and team (SaaS Gero360).

Food Stamps for vulnerable communities

INSTITUTION: 19 Social Organizations.

LOCATION: Amapá, Ceará, Espírito Santo, Maranhão, Rio Grande do Sul, São Paulo and Tocantins.

BENEFICIARIES: : more than 14 thousand people.

The project narrowed the partnership with Social Organizations to serve vulnerable communities in the states where EDP Brasil is present.

Food Voucher cards with monthly recharges lasting three months were given to registered families, in order to contribute to the purchase of food, hygiene, and cleaning products during the pandemic period.



This initiative contributes to the goal

11.4 of the SDG

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

[Find out more by clicking here.](#)

9.8.2. Valuing the Luso-Brazilian historical and cultural heritage

Within the Transforming Culture pillar, the EDP Institute has sponsored initiatives that reaffirm the Company's focus on being the main investor in the preservation of Luso-Brazilian historical and cultural heritage. The main sponsored projects are:

Museu da Língua Portuguesa (Portuguese Language Museum)

EDP is the master sponsor of the reconstruction works of the Portuguese Language Museum, in São Paulo, destroyed by a fire in 2015. The reinauguration was postponed due to the pandemic and will take place in the second half of 2021, following the prevention protocols indicated by the São Paulo State Government.

Since the beginning of the works, we have invested more than R\$ 20 million in the reconstruction project. The new museum will feature the Portuguese Language Reference Center, which will be sponsored by EDP and will have our active participation. The area will be dedicated to discussion and will foster symposiums, seminars, publications and temporary exhibitions.

Museu do Ipiranga

We are the first entity sponsoring the renovation work of the Ipiranga Museum, which will be delivered in March 2022, in preparation for the reinauguration on September 7th of the same year, when the bicentennial of Brazil's Independence is celebrated.

Since the construction work began, we have invested more than R\$7.7 million in the reconstruction via the Federal Law for Cultural Incentive.

Essential for the understanding of the Brazilian society, the Museu do Ipiranga connects the Portugal and Brazil memory, in line with our DNA. The museum has a collection of more than 450 thousand pieces, among objects, iconographic and textual documents that will be readjusted in the architectural project, making room for temporary exhibitions. Besides the restoration of the monument building, the work will include a new underground access, restoration of the gardens, the park, and the Ipiranga stream.

Exhibition " Heritage of a Deep Brazil

We are sponsors of the exhibition " Heritage of a Deep Brazil", which reopened at the Afro Brazil Museum, at Ibirapuera Park, in São Paulo, in October 2020. The exhibition's collection includes photographs, sculptures, paintings, and installations that go back to the indigenous cultural universes.

With the support of EDP Institute, the exhibition "Heranças de um Brasil Profundo" has more than 500 pieces produced at different periods of time, by several indigenous and non-indigenous perspectives, bringing a historical-ethnographic perspective focused on valuing the contribution of these peoples to Brazilian culture. The exhibition catalog also had the support of EDP Brasil.



The EDP in the Arts Award stimulates the creations of artists not yet inserted in the market.



37

schools from all over Brazil were benefited by the EDP in the Schools program in 2020.

9.8.3. EDP in the Arts Award

Aiming to contribute to the training and appreciation of new artists between 18 and 29 years old from all over Brazil, since 2009 we promote, in partnership with Tomie Ohtake Institute, the EDP in Arts Award. Its purpose is to encourage young artists, as well as to recognize and strengthen experiences of different repertoires, languages and research processes, stimulating the look of creations not yet fully inserted in the market.

The portfolios received were analyzed by an evaluation commission and by the curators, leading to a preliminary selection of 20 artists. After individual interviews, the list of the 10 selected artists was defined, and they received personalized assistance from the jury team to create their works for the exhibition that opened at Tomie Ohtake Institute in October 2020.

9.8.4. EDP in Schools

Since 2002, the EDP in Schools program has contributed to the country's educational development, through initiatives aimed at increasing the quality of student life of public-school students, in partnership with the Municipal Education Departments. In 2020, the program benefited 37 schools throughout Brazil.

During the pandemic, the Institute established a closer relationship with schools and educational projects, seeking to support them with strategies for the social isolation moment and the return to activities.

In 2020, the theme developed with the schools was "Energy to preserve our Biodiversity". To this end, we delivered books to students and teachers to encourage reading and make them aware of the importance of the theme, in order to promote reflections and transform them into art. The actions also included training initiatives in social and emotional skills, active methodologies, and biodiversity to improve the quality of education for students and teachers in the schools.

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EDP in Schools: Actions to fight COVID-19

Apart from the educational actions, in 2020 the Program included initiatives aimed at fighting the pandemic in the assisted schools:


- 3 webinars with content to stimulate debate and share knowledge through free lectures on important and relevant topics for education during the pandemic. The webinar themes were technological inclusion, mental health, and welcome back to school.
- Healthy School Kit: support to schools belonging to the Program with Personal Protection Equipment (PPE), alcohol gel, and infrared thermometers for the safe and protected resumption of classes. In all, 22,410 face masks were donated, 152 dispensers with gallons of alcohol gel, and 76 thermometer.




R\$
1 million
invested in
educational actions



700
teachers
engaged




37
schools
engaged



427
teachers
trained



10,018
books
delivered



7
states
served

9,305
school kits
delivered



90

young people served by the Young Rural Entrepreneur Program in 2020.

OVER

2 thousand

hectares of areas were reforested by the Doces Nascentes Capixabas Project in 20 years.

9.8.5. Young Rural Entrepreneur Program

The Program aims to contribute to the local development of rural and semi-rural communities in Ceará, by supporting young people to become entrepreneurs and social protagonists. Its action is structured in four axes: Knowledge, Oriented Credit, Cooperative Networks, and Technologies.

Held in the municipality of São Gonçalo do Amarante, in 2020 the program served 90 young people aged between 18 and 32 who live in three communities in São Gonçalo do Amarante/CE in socioeconomic vulnerability situations.

9.8.6. Doces Nascentes Capixabas Project – Instituto Terra

The project is carried out in partnership with Instituto Terra, which for 20 years has been carrying out projects in the areas of reforestation and protection of springs, covering more than 2 thousand hectares of reforested areas in the Médio Rio Doce.

Its purpose is to promote the recovery and conservation of water resources through the fencing and forest restoration of springs and the installation of mini-sewage treatment plants in rural properties in Baixo Guandu (ES). Among the project's benefits, the following stand out :

- Improving the quality of life and health of rural producers by promoting basic sanitation through the installation of domestic sewage treatment plants.
- Direct impact for the local community, from the recovery of springs that contribute to the increase of water availability in the region.
- Direct contribution to the environment through the preservation of the ecosystem services associated with the springs and the balance of flora and fauna in the region.

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9.8.7. Reforça Program

Created in 2020, it aims to promote acceleration and transformation for recovery from the economic effects caused by the COVID-19 pandemic, which affected social organizations both from revenues and also from the emerging new needs of beneficiaries.

The program is developed in partnership with Phomenta, an impact ecosystem that integrates companies, foundations, and business institutes to give NGO social entrepreneurs access to innovation and professional management tools.

With it, we put into practice the concept of Venture Philanthropy, which expedites the maturation process and increases the impact of social organizations. During the year, 521 applications were received, 194 of which were considered valid. At the end of the selection process, 20 organizations were selected to participate in the program.

9.8.8. EDP Soma

The EDP Soma Program is based on matchfunding, a collective financing model in which part of the funds raised comes from individuals and the other part comes from the financing institution, which provides resources to leverage the investment obtained from the civil society.

The initiative aims to engage employees in a donation culture, proposing a recurring contribution of a percentage of their salary. To join the initiative, the person must fill out an admission form and define the percentage of their salary that they wish to donate, which will be discounted monthly directly from their payroll. Once this is done, the Company doubles your donation, which will be destined to a project, with periodic accountability.

The first project supported by the Program was the initiative Natal sem Fome (Christmas without hunger), of Ação da Cidadania. Aiming to encourage the employees' adhesion, in the first month of the project EDP proposed to triple all the donations.

9.8.9. Energia do Bem and Energizze Challenge

Focused on solving social problems that directly impact Distribution, the EDP Institute, in partnership with the Revenue Recovery area of EDP Espírito Santo, launched the Energia do Bem Challenge.

The initiative selected three NGOs for a five-day social challenge together with EDP Brasil volunteers, which consisted in the creation of solutions to help communities pay their energy bill.

Through Design Thinking and Agile Methodologies tools, the NGOs created three proposals and, after the immersion in the problem, definition and prototyping stages, the solutions were validated with the community. The evaluation panel selected Instituto Das Pretas to develop the Energizze project.

The initiative focuses on the development of an online platform that offers free courses to strengthen Capixaba entrepreneurs from suburban regions. Launched in October 2020, the platform has courses in Digital Marketing, Internet Sales, MEI First Steps, Photography with a Mobile Phone, Financial Planning, and Emotional Intelligence, which can be taken according to each participant's preference.

Besides promoting local development and income generation for the communities, the Energizze Platform is promoted by community influencers, and creates awareness about issues related to grid safety, social tariffs, and conscious consumption.

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GOVERNANCE

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Governance

10.1. Management Structure

GRI 102-18 | 102-22 | 103-1 | 103-2 | 103-3

Governance structure at EDP Brasil comprises the General Shareholders' Meeting and the Board of Directors, which is supported by five Advisory Committees, an Executive Board and a non-permanent Fiscal Council.

The term of office of the members of the Board of Directors is unified, valid for two years, while that of the members of the Executive Board is three years, reelection being possible.

10.1.1. Board of Directors

The board is responsible for defining strategies, monitoring risks and assessing overall business policies, as well as for appointing executive board members and monitoring their activities.

The EDP Brasil By-Laws establish that the members of the Board of Directors must meet ordinarily four times a year and extraordinary sessions whenever it is deemed necessary. Meetings of the Board of Directors may be called by the Chairman, Vice-Chairman, or any two members jointly, by written notice to be delivered with minimum notice.

Annually, Board of Directors members conduct self-assessments and performance evaluations of the body, which are part of its accountability and a fundamental step to assess its effectiveness, evaluate the competence of its Advisory Committees, and the performance of the Executive Board.

The annual performance results of the evaluations are monitored in a systemic way, allowing to build the actions for the quality maintenance and performance of the agencies.

In 2020, the Company's Board of Directors was comprised eight members, four of whom were independent directors, elected at a General Shareholders' Meeting.

Board Composition

ANTÓNIO LUIS GUERRA NUNES MEXIA

Chairman of the Board and the Remuneration Committee and the Inclusion and Diversity Committee.

MIGUEL NUNO SIMÕES NUNES FERREIRA SETAS

Vice chairman of Board and member of the Sustainability Committee and the Diversity and Inclusion Committee.

MIGUEL STILWELL DE ANDRADE

Board member and member of the Compensation and Audit Committee.

JOÃO MANUEL VERÍSSIMO MARQUES DA CRUZ

Board Member.

PEDRO SAMPAIO MALAN

Independent member and Chairman of the Sustainability Committee and member of the Compensation Committee.

FRANCISCO CARLOS COUTINHO PITELLA

Independent member, Chairman of the Audit Committee and member of the Corporate Governance and Related Parties Committee.

MODESTO SOUZA BARROS CARVALHOSA

Independent member, Chairman of the Corporate Governance and Related Parties Committee and member of the Audit Committee.

JULIANA ROZENBAUM MUNEMORI

Independent member and member of the Corporate Governance and Related Parties Committee, of the Sustainability Committee and the Diversity Committee.

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10.1.2. Advisory Committees

GRI 102-27

Besides the Audit Committee, EDP Brasil has four other support committees in the scope of its Board of Directors, responsible for advising the body in deliberations on the matters presented. The committees are comprised of three members, all members of the Company's Board of Directors, who may request information and suggestions from members of the Executive Board or from the management body of EDP Brasil.

Compensation Committee:

It has an advisory function of collegiate deliberation, of a non-permanent nature, advising the Board of Directors in deliberations related to the Company's and its subsidiaries' compensation policies. The members are chosen among the members of the Board of Directors, two of whom are nominated by the controlling shareholder and one member is considered independent under the terms of the Novo Mercado Listing Regulations.

Sustainability Committee:

Permanent in nature, it is responsible for overseeing the perpetuity of the organization in relation to its long-term vision and ESG aspects. The committee incorporates social and environmental criteria in the definition of the Company's business and operations, with a view to increasing the value of society as a whole and contributing to its sustainability. The committee is chaired by an independent member under the terms of the Novo Mercado Listing Regulations, and is also attended by another independent member and another nominated by the controlling shareholder.

Corporate Governance and Related Parties Committee:


Permanent in nature, the committee is responsible for advising the Board of Directors on the adoption of the best corporate governance practices and the highest ethical principles, with the aim of preserving and optimizing the value of the company, enabling access to capital at lower costs and contributing to its longevity. Chaired by an independent member under the terms of the Novo Mercado Listing Regulations, the committee is also attended by another independent member and another nominated by the controlling shareholder.

Inclusion and Diversity Committee:

It is permanent and responsible for advising the Board of Directors in the performance of activities related to the promotion of diversity, inclusion, and equal opportunities within the scope of the Company's activities. In addition to the chairman, the committee also includes the Company's CEO and an independent member.

Beyond the permanent advisory committees mentioned above, a temporary Crisis Committee was set up in February 2020 to monitor and mitigate the impacts and consequences on the Company's main activities caused by the COVID-19 pandemic (learn more on page 60).

5
Committees
support EDP Brasil's
Board of Directors.



The committees
are comprised of
three members, all
members of the
Company's Board of
Directors.

10.1.3. Executive Board

GRI 102-19 | 102-26

It is up to the Executive Board to manage business in general and to practice all the necessary or convenient acts for this purpose, except those for which the competence is enforced by law, by the Bylaws assigned to the General Assembly or the Board of Directors.

In the performance of their functions, the Executive Officers may carry out all operations and perform all management acts necessary to achieve the objectives of their office, in accordance with the general business guidelines established by the Board of Directors. The Executive Board must meet weekly or whenever called by the Chief Executive Officer or by any two Executive Vice-Presidents together, whenever the corporate business so requires.

Early in 2021, we announced to the market that after the General Shareholders' Meeting of the EDP Group (EDP Portugal), our parent company, in addition to changes in the Board of Directors, the revision of the Company's By-Laws would be taken to the deliberation of the General Shareholders' Meeting of EDP Brasil, so as to increase the number of Statutory Officers upon the creation of the Environmental, Social and Governance Vice-President (ESG).

This modification of the Board of Executive Officers reaffirms the commitment that EDP Brasil has been following in the last 15 years in relation to Sustainability issues and reinforces the integration of ESG issues with the business, while further increasing its representation in the Company's decision-making processes.

Executive Board Composition

MIGUEL NUNO SIMÕES NUNES FERREIRA SETAS

CEO and Investor Relations Officer.

CARLOS EMANUEL BAPTISTA ANDRADE

Vice President, Strategy and Business Development.

LUÍZ OTAVIO ASSIS HENRIQUES

Vice President, Generation, Transmission and Commercialization.

HENRIQUE MANUEL MARQUES FARIA LIMA FREIRE

Vice President, Finance.

JOÃO MANUEL BRITO MARTINS

Vice President, Networks.

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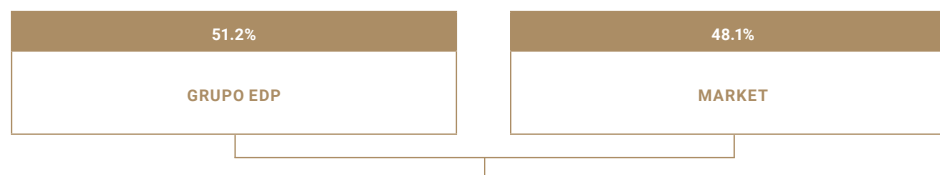
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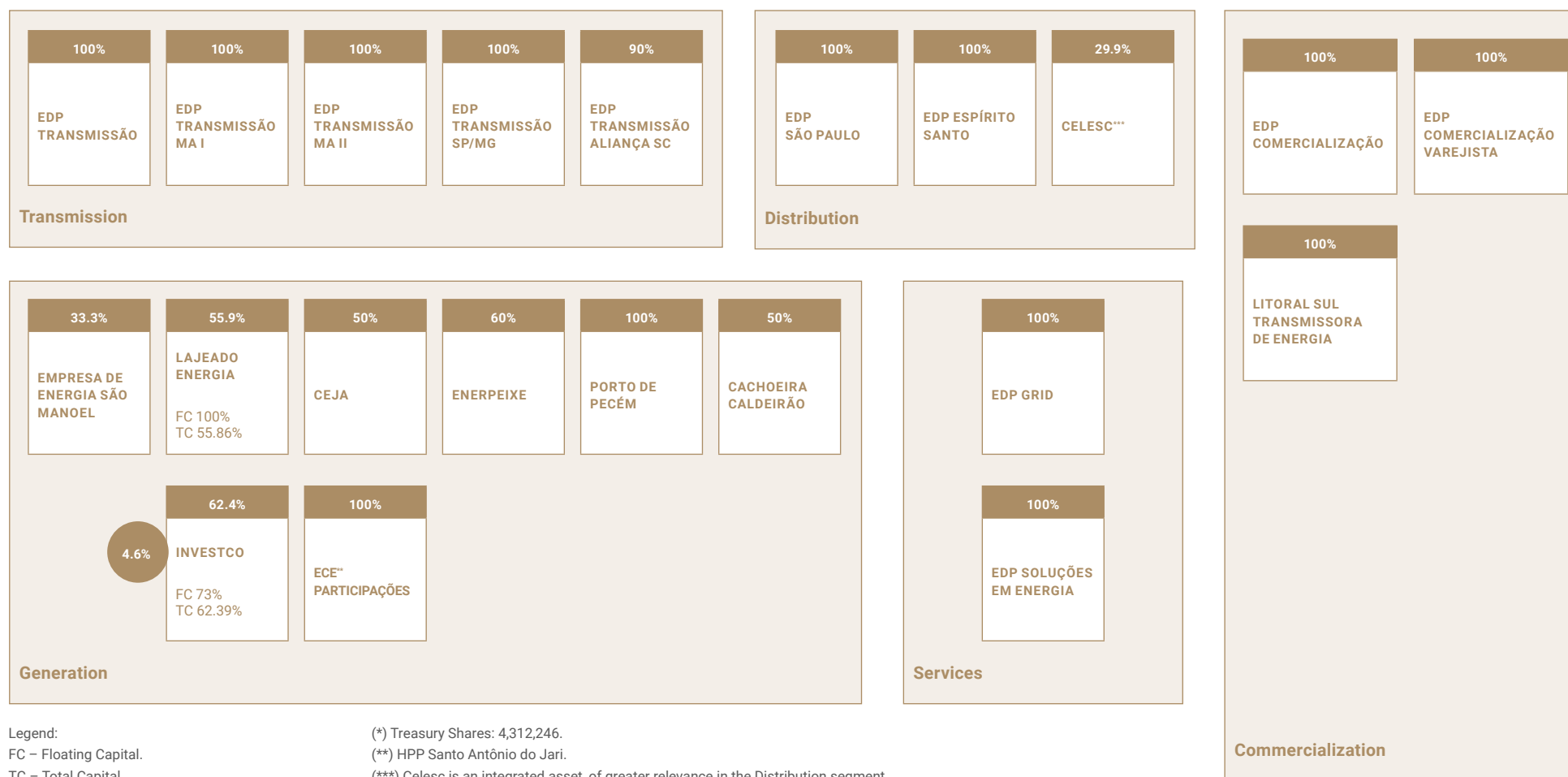
Governance

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10.2 Corporate Structure



EDP Energias do Brasil S.A.



Legend:
 FC – Floating Capital.
 TC – Total Capital.

(*) Treasury Shares: 4,312,246.
 (**) HPP Santo Antônio do Jari.
 (***) Celesc is an integrated asset, of greater relevance in the Distribution segment.

10.3. Ethics and Compliance

GRI 102-16 | 103-1 | 103-2 | 103-3 | 205-2 | 205-3

To ensure a performance guided by ethics and compliance, we count on policies, standards, procedures and practices applied in the conduct of business and in stakeholder relations, aimed at the prevention, detection and remediation of fraud and illicit acts.

With the intention of mitigating corruption, bribery, money laundering, use of privileged information, unfair competition, price fixing, child, forced and slave labor practices, among others, EDP Brasil's Compliance Program was established and since 2015 has had the objective of contributing to the improvement of management processes and compliance with the Code of Ethics and the legislation in force, through six fundamental pillars: Top Management Commitment, Ethics Channel, Regulatory Instruments, Due Diligence, Monitoring and Training and Communication.

In 2020, EDP Brasil once again had its good practices recognized by maintaining the ISO Standard 37.001 – Anti-Bribery Management System certification. The standard aims to support organizations to fight bribery, from an culture of integrity, transparency and compliance with the laws in force, with the aid of requirements, policies, procedures and adequate controls to deal with these respective risks. The result of this management reinforces that the controls adopted are appropriate and adherent to the Anti-Bribery System implemented.

By 2020, 3436* employees and 100% of the Company's governance members received communication and/or training on anti-corruption policies and procedures.

10.3.1. Code of Ethics

GRI 102-16

EDP Brasil's Code of Ethics is approved by the Board of Directors and is applicable to all the Company's employees and suppliers that act on behalf of EDP Brasil or that do not have their own code. The document's guidelines cover all the subsidiaries belonging to the Group, based on the best practices and on the Company's commitments.

With the evolution of global agendas and extended discussions, new themes were added as guiding conducts and EDP's Code of Ethics was updated at the end of 2020 with the purpose of including essential themes of the Company's ethical culture nowadays, such as inclusion and diversity, decarbonization and energy transition, data protection and privacy, and digital inclusion. Acceptance and knowledge of the Code of Ethics is mandatory for all employees and, in accordance with market best practices, an annual acceptance from is required. To ensure that stakeholders are fully aware of the document, training and communication actions are coordinated by Compliance.

Employees who do not comply with the document are subject to disciplinary action, under the terms of the regulations applicable to the infractions committed. Suppliers and service providers to whom the Code is applicable are subject to the measures or sanctions established contractually or arising from the evaluation and qualification procedures in force in the EDP Group.

10.3.2. Ethics Channel

GRI 102-17 | 102-34 | 205-1

Complaints related to violations of the Company's Code of Ethics can be registered in our Ethics Channel, operated by a specialized external entity, aiming to ensure greater transparency and independence.

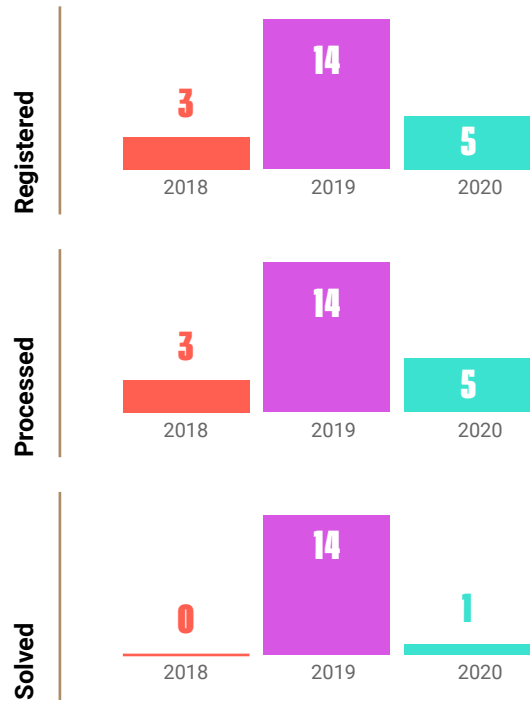
Anonymous or identified records are allowed, with a guarantee of secrecy, confidentiality and non-retaliation principles. The channel is disclosed to all of the company's stakeholders and has several means for making the registrations, such as: internet, e-mail, voice channel and P.O. Box.

The channel is operated by the Internal Audit area of the EDP Group. After the receipt and initial treatment, the area presents all the records to the Ethics Committee, which deliberates about its pertinence and requests further inquiries or investigation if there are sufficient elements. The Ethics Committee is comprised of members of the Executive Board of EDP Brasil and two representatives from EDP Portugal, also having as participants the

* The figure includes apprentices and trainees, so it is higher than the total headcount presented in the People Management chapter.

Directors of Internal Audit, Compliance and Internal Controls, Legal and People Management. In April 2020, with the objective of covering several Inclusion and Diversity aspects, EDP Brasil created a new classification stage of the complaints made in the Ethics Channel. Nine items were included that were used by the internal research team during the analyses, among them: creed/religion, generations, personal image, race/ethnicity/cultural background, sexual orientation/gender identity, disability, social diversity, gender, and diseases.

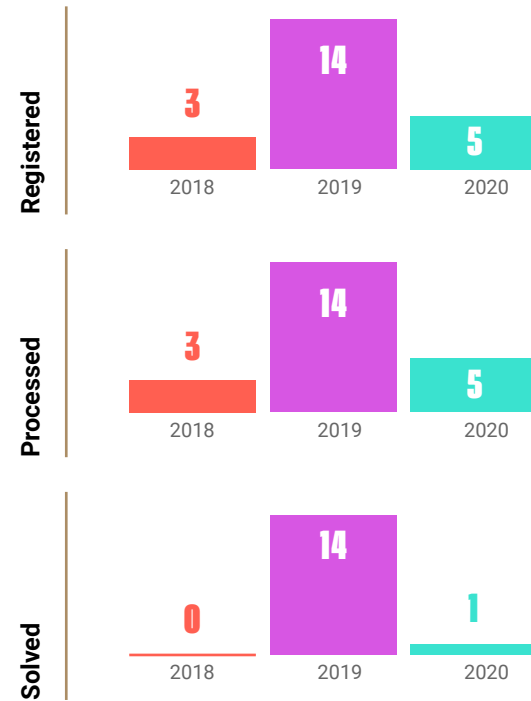
Complaints related to Human Rights impacts*



*Source: Control Sheet of the Ethics Channel + EDP Brasil's Ethics Channel.

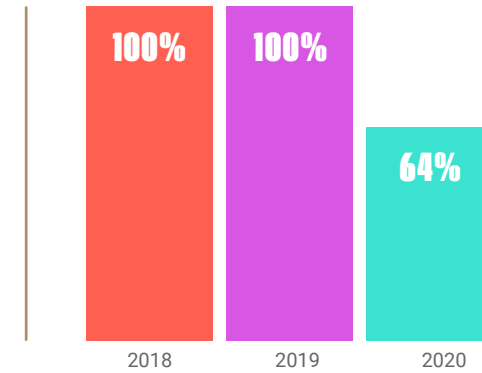
The Ethics Channel indicators on Inclusion and Diversity are presented to the Ethics Committee and National Inclusion and Diversity Committee. In 2020, 139 reports were registered in the Ethics Channel, four of which were assessed as well-founded and addressed with specific action plans. More information on cases and measures taken can be found on pages 14 and 145.

Complaints related to impacts on society**

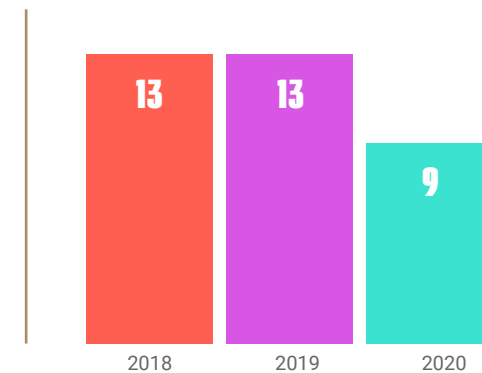


** Incidents concerning "Violation of Environmental Laws", from the Environment and Sustainability category, were considered.

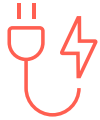
Percentage of business units submitted to corruption-related risk assessments



Total number of operations submitted to corruption-related risk assessments



Between 2019 and 2020, cases were updated from 13 to 14, however in 2020 motivated by the annual renewal of the Unethical Conduct Risk Matrix and the recertification of ISO 37001 Anti-bribery management systems, the Risk and Crisis Management area revisited 09 operations to update events related to Bribery.



Due diligence protects EDP Brasil's relationships with its counterparties.



EDP Brasil is prepared to meet the LGPD requirements.

10.3.3. Due diligence

We adopt due diligence procedures in order to assess potential partners and mitigate potential integrity risks. The process may be applicable, according to rules defined in internal procedure, for contracting suppliers, customers, business and investment partners, donations, sponsorships and social support, new business projects such as acquisition, merger and greenfield, among others. The main objective of the due diligence procedure is to protect the relations of EDP Brasil with its counterparties, maintaining a relationship that is increasingly transparent and less prone to corrupt practices.

10.3.4. General Data Protection Law

In the period from November 2018 to September 2020, EDP Brasil underwent an adaptation project to the General Data Protection Law (LGPD), in force since September 18, 2020. We went through a review of internal processes, in which all activities in which there was treatment of personal data were identified and mapped, as well as the paths taken in relation to the collection, treatment and use of this data, for adequacy to the legal bases defined by the law. Likewise, all the applications and software used were covered and became part of the same mapping of personal data.

As required by the new legislation, an Administrator has been nominated, appointed to act as a communication channel among the controller, the data subjects, and the National Data Protection Authority (ANPD), as well as the availability of a Petition Channel, exclusively to handle requests from titleholders, promoting greater transparency in the relationship with this public.

Accordingly, in October 2020, we launched the Privacy and Data Protection Program based on governance aspects and privacy culture and data protection, response and remediation actions.

EDP Brasil has also established other internal measures to promote the culture of Privacy and Data Protection, such as the training of employees of areas with higher risk in data treatment, issuance of opinions by Compliance for guidance to business areas and disclosure of monthly institutional communications on the topic. As for external measures, our commitment to the public was reinforced by updating our Privacy Policy and Cookie Policy, available on the Group's websites.

10.4. Risk Management

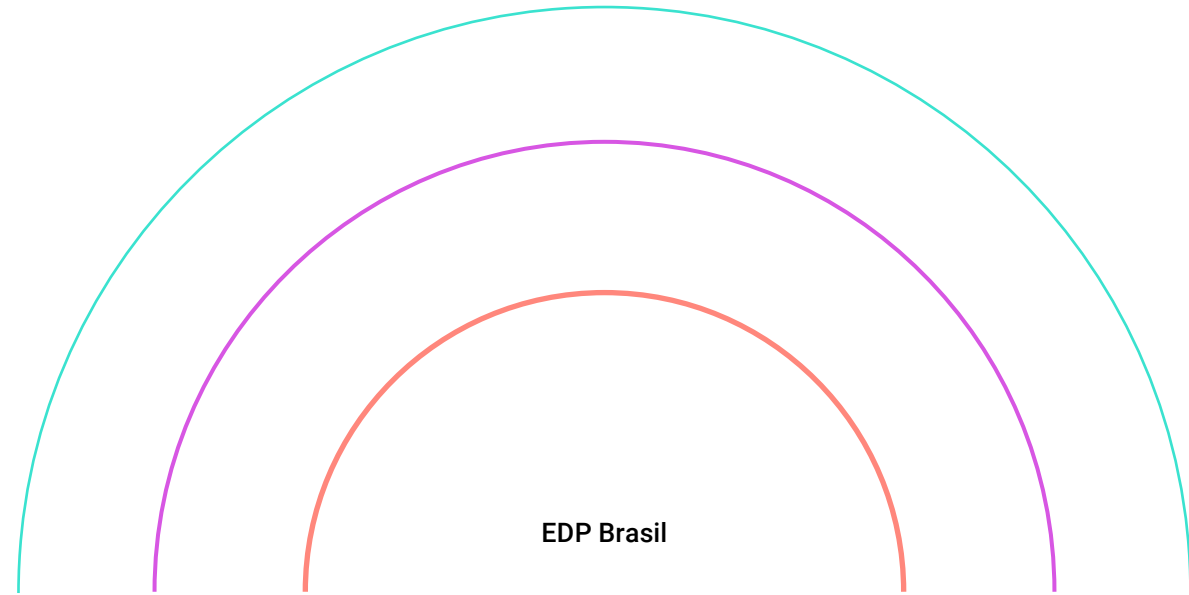
GRI 102-11 | 102-15 | 102-30 | 102-33

EDP Brasil has a Risks and Crisis Department, where it carries out the integrated management of risks and eventual crises, with the objective of ensuring that the various risks inherent to each of the company's areas are managed by those responsible for them and periodically reported to the company's Board of Executive Officers, which takes the necessary measures.

Risk Management is defined through a Business Risk Policy and the guidelines of its methodology are published in the Corporate Risk Standard. In line with the best market practices, this process is based on recognized methodologies, such as COSO ERM (Committee of Sponsoring Organizations of the Treadway Commission) and ISO 31.000.

At EDP Brasil the risks are prioritized following the Company's strategic parameters and defined in a collegiate manner through the Risk and Audit Committee, represented by the Business Unit executive boards, in order to ensure the governance of the process and to act as a link between the top management and the routine operation.

The risk management, compliance and internal audit activities at EDP Brasil follow the concept of the three lines of defense:



<p>1st LINE OF DEFENSE BUSINESS AREAS</p> <p>Its purpose is to identify and analyze risks, as well as define mitigation strategies. It involves the areas of Risk Management, Compliance, and Health and Safety, acting in its development in supporting risk management.</p>	<p>2nd LINE OF DEFENSE Risk (support and monitoring)</p> <p>Its purpose is to audit processes and activities through independent analyses in order to identify improvement opportunities that benefit the Company.</p>	<p>3rd LINE OF DEFENSE Internal audit (independent)</p> <p>Its purpose is to execute and implement controls to mitigate existing risks. It involves all business areas, promoting the approach among each of them to the mitigation actions that ensure the protection of results.</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

The risk matrix of EDP Brasil identified the main risks to which the Company is currently exposed. The risks are classified into four groups: Strategic, Business, Financial and Operational. These groups are reviewed annually, unfolding into 58 risk categories.

The risks related to climate changes were characterized as Strategic from the environmental point of view. At this level, the way these changes affect the businesses of EDP Brasil (or its stakeholders) is evaluated and these factors are periodically discussed by the Executive Board.

Very High Risks

- Social and Public Policy.
- Climate.
- Sector Regulation.
- Supplier And Third-Party.

High Risks

- | | |
|-------------------------------------------|-------------------------------------------------------------|
| 1. Treasury. | 17. Anti-ethical conduct / fraud. |
| 2. Non-technical losses. | 18. Settlement (spot) prices and commodities. |
| 3. Renewable energy source volume (GSF). | 19. Tariff revisions. |
| 4. Information integrity. | 20. Customers. |
| 5. Project management / tracking. | 21. Confidentiality / segregation of access to information. |
| 6. Environment / licenses. | 22. Concessions renewal. |
| 7. Fiscal. | 23. Energy planning. |
| 8. Technical losses. | 24. Product/service development. |
| 9. Management of contractual obligations. | 25. Sector charges and taxes. |
| 10. Retention and succession. | 26. Counterparts. |
| 11. Union relations. | 27. Commercial processes. |
| 12. Health and safety. | 28. Supplies. |
| 13. Availability. | 29. Stakeholder relations. |
| 14. Labor. | 30. Exchange rate. |
| 15. Private pension plan. | 31. Service quality. |
| 16. Energy market /rationing. | 32. Accounting practice. |

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Attachments

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102-1	Name of organization	9	-	-	-
102-2	Activities, brands, products and services	21	-	-	-
102-3	Location of headquarters	21 and 183	-	-	-
102-4	Location of operations	21	-	-	-
102-5	Ownership and legal form	21 and 63	-	-	-
102-6	Markets served	22 and 23	-	-	-



GENERAL CONTENT					
GRI STANDARD	DISCLOSURES	PAGE/DIRECT ANSWER	OMISSIONS	GLOBAL COMPACT	SDG
102-7	Scale of organization	21, 83 and 164	-	-	-
102-8	Information on employees and other workers	83 and 164	-	6	8
102-9	Supply chain	102 and 147	-	-	-
102-10	Significant changes to the organization and its supply chain	No significant changes have occurred in the reporting period.	-	-	-
102-11	Precautionary principle or approach	125	-	-	-
102-12	External initiatives	34	-	-	-
102-13	Membership of associations	142	-	-	-
STRATEGY					
GRI 102: General Disclosures 2016					
102-14	Statement from senior decision-maker	3	-	-	-
102-15	Key impacts, risks, and opportunities	90 and 110	-	-	-
ETHICS AND INTEGRITY					
GRI 102: General Disclosures 2016					
102-16	Values, principles, standards and norms of behavior	24 and 122	-	10	16
102-17	Mechanisms for advice and concerns about ethics	122	-	10	16
GOVERNANCE					
GRI 102: General Disclosures 2016					
102-18	Governance structure	118	-	-	-
STAKEHOLDER ENGAGEMENT					
GRI 102: General Disclosures 2016					
102-40	List of stakeholder groups	10 and 100	-	-	-
102-41	Collective bargaining agreements	99% of EDP Brasil's own employees are covered by collective bargaining agreements. This percentage takes into account employees who receive part of the benefits of the collective agreements at the company's discretion even when not formally covered by the agreements.	-	3	8

GENERAL CONTENT					
GRI STANDARD	DISCLOSURES	PAGE/DIRECT ANSWER	OMISSIONS	GLOBAL COMPACT	SDG
102-42	Identifying and selecting stakeholders	100	-	-	-
102-43	Approach to stakeholder engagement	10 and 100	-	-	-
102-44	Key topics and concerns raised	100 and 143	-	-	-
REPORTING PRACTICES					
GRI 102: General Disclosures 2016					
102-45	Entities included in the consolidated financial statements	9 and 144	-	-	-
102-46	Defining report content and topic boundaries	9	-	-	-
102-47	List of material topics	10	-	-	-
102-48	Restatements of information	The restatements that have occurred are indicated in the tables.	-	-	-
102-49	Changes in reporting	The changes that have occurred are indicated in footnotes on the pages presenting the indicators.	-	-	-
102-50	Reporting period	9	-	-	-
102-51	Date of most recent report	February 2020.	-	-	-
102-52	Reporting cycle	9	-	-	-
102-53	Contact point for questions regarding the report	9	-	-	-
102-54	Claims of reporting in accordance with the GRI Standards	9	-	-	-
102-55	GRI Content Index	128	-	-	-
102-56	External assurance	9 and 183	-	-	-

SPECIFIC CONTENT					
GRI STANDARD	DISCLOSURES	PAGE/DIRECT ANSWER	OMISSIONS	GLOBAL COMPACT	SDG
ECONOMIC DISCLOSURES					
ECONOMIC PERFORMANCE					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	63	-	-	-
103-2	Management approach and its components	63	-	-	1, 5, 8, 16
103-3	Evaluation of management approach	63	-	-	-
GRI 201: Economic Performance 2016					
201-1	Direct economic value generated and distributed	63 and 144	-	-	-
201-2	Financial implications and other risks and opportunities due to climate change	77	-	-	2, 5, 7, 8, 9
201-4	Financial assistance received from government	65	-	-	13
MARKET PRESENCE					
GRI 202: Market Presence 2016					
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	166	-	6	1, 5, 8
INDIRECT ECONOMIC IMPACTS					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	107	-	-	-
103-2	Management approach and its components	107	-	-	-
103-3	Evaluation of management approach	107	-	-	-
GRI 203: Indirect Economic Impacts 2016					
203-1	Infrastructure investments and services supported	107 and 146	-	-	2, 5, 7, 9, 11
PROCUREMENT PRACTICES					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	102	-	-	-
103-2	Management approach and its components	102	-	-	-
103-3	Evaluation of management approach	102	-	-	-



SPECIFIC CONTENT					
GRI STANDARD	DISCLOSURES	PAGE/DIRECT ANSWER	OMISSIONS	GLOBAL COMPACT	SDG
GRI 204: Procurement Practices 2016					
204-1	Proportion of spending on local suppliers	102 and 147	-	-	12
ANTI-CORRUPTION					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	107 and 109	-	-	-
103-2	Management approach and its components	107 and 109	-	-	-
103-3	Evaluation of management approach	107 and 109	-	-	-

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Attachments

SPECIFIC CONTENT					
GRI STANDARD	DISCLOSURES	PAGE/DIRECT ANSWER	OMISSIONS	GLOBAL COMPACT	SDG
GRI 205: Anti-corruption 2016					
205-1	Operations assessed for risks related to corruption	<p>122. Fourteen operations were evaluated, covering 100% of the company's activities. The risks considered high and very high are considered significant. For the topic of corruption, there are no risks considered very high and 12 risks considered high:</p> <ul style="list-style-type: none"> • Hiring suppliers nominated by public agents in exchange for undue advantages. • Advance payments without the proper approvals or proof of accountability. • Hiring of employees nominated by suppliers, clients or public agents. • Offering undue advantages to reach a collective agreement. • Offer of undue advantages by agents (brokers, intermediaries, business partners, middlemen, "advocacy") on behalf of EDP. • Creation, maintenance and handling of bank accounts without approval. • Use of emergency, exclusive and/or decentralized contracts to circumvent the due contracting process of the company. • Debit and credit transactions between customer accounts. • Hiring employees with a flexible ethical profile. • Stock detour (distribution/maintenance). • Fractioning of purchase and sale contracts. • Fraud exercised by electricians. 	-	10	16
205-2	Communication and training about anti-corruption policies and procedures	122 and 148	-	10	16
205-3	Confirmed incidents of corruption and actions taken	122 and 149	-	10	16

SPECIFIC CONTENT					
GRI STANDARD	DISCLOSURES	PAGE/DIRECT ANSWER	OMISSIONS	GLOBAL COMPACT	SDG
ENVIRONMENTAL DISCLOSURES					
MATERIALS					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	70	-	-	-
103-2	Management approach and its components	70	-	-	-
103-3	Evaluation of management approach	70	-	-	-
GRI 301: Materials 2016					
301-1	Materials used by weight or volume	72	-	7,8	8, 12
301-2	Recycled input materials used	72	-	8	8, 12
ENERGY					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	Topic is not material	-	-	-
103-2	Management approach and its components	Topic is not material	-	-	-
103-3	Evaluation of management approach	Topic is not material	-	-	-
GRI 302: Energy 2016					
302-1	Energy consumption within the organization	149	-	7, 8	7, 8, 12, 13
302-3	Energy intensity	150	-	8	7, 8, 12, 13
WATER AND EFFLUENTS					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	71	-	-	-
103-2	Management approach and its components	71	-	-	-
103-3	Evaluation of management approach	71	-	-	-
GRI 303: Water and Effluents 2018					
303-3	Total water withdrawal by withdrawal source, including in areas with water stress	71 and 151	-	8	6
303-4	Breakdown of total water discharge by types of destination, including in areas with water stress	71, 152 and 153	-	8	6
303-5	Total water consumption	71 and 151	-	7,8	6, 7

SPECIFIC CONTENT					
GRI STANDARD	DISCLOSURES	PAGE/DIRECT ANSWER	OMISSIONS	GLOBAL COMPACT	SDG
BIODIVERSITY					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	73	-	-	-
103-2	Management approach and its components	73	-	-	-
103-3	Evaluation of management approach	73	-	-	-
GRI 304: Biodiversity 2016					
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	74	-	8	6, 14, 15
304-2	Significant impacts of activities, products, and services on biodiversity	73	-	8	6, 14, 15
304-3	Habitats protected or restored	75 and 154	-	8	6, 14, 15
EMISSIONS					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	77	-	-	-
103-2	Management approach and its components	77	-	-	-
103-3	Evaluation of management approach	77	-	-	-
GRI 305: Emissions 2016					
305-1	Direct (Scope 1) GHG emissions	77	-	7,8	3, 12, 13, 14, 15
305-2	Energy indirect (Scope 2) GHG emissions	77	-	7,8	3, 12, 13, 14, 15
305-3	Other indirect (Scope 3) GHG emissions	77	-	7,8	3, 12, 13, 14, 15
305-4	GHG emissions intensity	77	-	8	13, 14, 15
305-5	Reduction in GHG emissions	78		8, 9	13, 14, 15
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	77 and 156		7, 8	3, 12, 13, 14, 15

SPECIFIC CONTENT					
GRI STANDARD	DISCLOSURES	PAGE/DIRECT ANSWER	OMISSIONS	GLOBAL COMPACT	SDG
WASTE					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	72	-	-	-
103-2	Management approach and its components	72	-	-	-
103-3	Evaluation of management approach	72	-	-	-
GRI 306: Waste 2020					
306-1	Waste generation and significant waste-related impacts	72	-	8	3, 6, 12
306-2	Management of significant waste-related impacts	72	-	8	3, 6, 12
306-3	Total weight of waste generated in metric tons	72 and 157	-	8	3, 6, 12
ENVIRONMENTAL COMPLIANCE					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	70	-	-	-
103-2	Management approach and its components	70	-	-	-
103-3	Evaluation of management approach	70	-	-	-
GRI 307: Environmental Compliance 2016					
307-1	Non-compliance with environmental laws and regulations	76 and 158	-	8	12, 13, 14, 15, 16
SUPPLIER ENVIRONMENTAL ASSESSMENT					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	102	-	-	-
103-2	Management approach and its components	102	-	-	-
103-3	Evaluation of management approach	102	-	-	-
GRI 308: Supplier Environmental Assessment 2016					
308-1	New suppliers that were screened using environmental criteria	103	-	8	-
308-2	Negative environmental impacts in the supply chain and actions taken	102	-	8	-

SPECIFIC CONTENT					
GRI STANDARD	DISCLOSURES	PAGE/DIRECT ANSWER	OMISSIONS	GLOBAL COMPACT	SDG
SOCIAL DISCLOSURES					
EMPLOYMENT					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	83	-	-	-
103-2	Management approach and its components	83	-	-	-
103-3	Evaluation of management approach	83	-	-	-
GRI 401: Employment 2016					
401-1	New employee hires and employee turnover	83, 159, 160 and 161	-	6	5, 8
401-3	Parental leave	162	-	6	5, 8
OCCUPATIONAL HEALTH AND SAFETY					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	94	-	-	-
103-2	Management approach and its components	94	-	-	-
103-3	Evaluation of management approach	94	-	-	-
GRI 403: Occupational Health and Safety 2018					
403-8	Workers covered by an occupational health and safety management system	94 and 163	-	-	3, 8
403-9	Work-related injuries	96 and 163	-	-	3, 8
TRAINING AND EDUCATION					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	92	-	-	-
103-2	Management approach and its components	92	-	-	-
103-3	Evaluation of management approach	92	-	-	-
GRI 404: Training and Education 2016					
404-1	Average hours of training per year per employee	164	-	6	4, 5, 8
404-2	Programs for upgrading employee skills and transition assistance programs	93	-	-	8

SPECIFIC CONTENT					
GRI STANDARD	DISCLOSURES	PAGE/DIRECT ANSWER	OMISSIONS	GLOBAL COMPACT	SDG
404-3	Percentage of employees receiving regular performance and career development review	92 and 175	–	6	5, 8
DIVERSITY AND EQUAL OPPORTUNITY					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	83 and 88	–	–	–
103-2	Management approach and its components	83 and 88	–	–	–
103-3	Evaluation of management approach	83 and 88	–	–	–
GRI 405: Diversity and Equal Opportunity 2016					
405-1	Diversity of governance bodies and employees	164, 165	–	6	5, 8
405-2	Ratio of basic salary and remuneration of women to men	166	–	6	5, 8, 10
NON-DISCRIMINATION					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	88	–	–	–
103-2	Management approach and its components	88	–	–	–
103-3	Evaluation of management approach	88	–	6	5, 8, 16
GRI 406: Non-discrimination 2016					
406-1	Incidents of discrimination and corrective actions taken	167	–	–	–
CHILD LABOR					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	99, 122 and 124	–	–	–
103-2	Management approach and its components	99, 122 and 124	–	–	–
103-3	Evaluation of management approach	99, 122 and 124	–	–	–
GRI 408: Child Labor 2016					
408-1	Operations and suppliers at significant risk for incidents of child labor	103	–	5	8, 16
FORCED OR COMPULSORY LABOR					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	99, 122 and 124	–	–	–

SPECIFIC CONTENT					
GRI STANDARD	DISCLOSURES	PAGE/DIRECT ANSWER	OMISSIONS	GLOBAL COMPACT	SDG
103-2	Management approach and its components	99, 122 and 124	-	-	-
103-3	Evaluation of management approach	99, 122 and 124	-	-	-
GRI 409: Forced or Compulsory Labor 2016					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	103	-	4	8
RIGHTS OF INDIGENOUS PEOPLES					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	104	-	-	-
103-2	Management approach and its components	104	-	-	-
103-3	Evaluation of management approach	104	-	-	-
GRI 411: Rights of Indigenous Peoples 2016					
411-1	Incidents of violations involving rights of indigenous peoples	167. No cases of violation of indigenous and traditional peoples' rights have been registered. More information about relations with indigenous peoples can be found on page 99.	-	1	2
HUMAN RIGHTS ASSESSMENT					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	99	-	-	-
103-2	Management approach and its components	99	-	-	-
103-3	Evaluation of management approach	99	-	-	-
GRI 412: Human Rights Assessment 2016					
412-1	Operations that have been subject to human rights reviews or impact assessments	99 and 167	-	1	-
412-2	Employee training on human rights policies or procedures	99 and 168	-	1	-
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	99, 102 and 168	-	2	-

SPECIFIC CONTENT					
GRI STANDARD	DISCLOSURES	PAGE/DIRECT ANSWER	OMISSIONS	GLOBAL COMPACT	SDG
LOCAL COMMUNITIES					
GRI 413: Local Communities 2016					
413-1	Operations with local community engagement, impact assessment, and development programs	All EDP Brasil operations have community engagement programs, through the social-environmental activities associated with the environmental licensing process of the assets and the projects of EDP Institute.	-	1	-
SUPPLIER SOCIAL ASSESSMENT					
GRI 414: Supplier Social Assessment 2016					
414-2	Negative social impacts in the supply chain and actions taken	102 and 175	-	2	5, 8, 16
CUSTOMER PRIVACY					
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its boundary	66 and 124	-	-	-
103-2	Management approach and its components	66 and 124	-	-	-
103-3	Evaluation of management approach	66 and 124	-	-	-
GRI 418: Customer Privacy 2016					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	There were no complaints regarding breaches of customer privacy and losses of customer data.	-	-	16
SOCIOECONOMIC COMPLIANCE					
GRI 419: Socioeconomic Compliance 2016					
419-1	Non-compliance with laws and regulations in the social and economic area	168	-	-	16
SECTOR DISCLOSURES – ELECTRIC UTILITIES					
EU1	Installed capacity (MW), broken down by primary energy source and by regulatory regime	49 and 168	-	-	7
EU2	Net energy output broken down by primary energy source and regulatory regime	49 and 173	-	-	7,14
EU3	Number of residential, institutional and commercial customer accounts	56 and 169	-	-	

SPECIFIC CONTENT					
GRI STANDARD	DISCLOSURES	PAGE/DIRECT ANSWER	OMISSIONS	GLOBAL COMPACT	SDG
EU4	Length of above and underground transmission and distribution lines by regulatory regime	53 and 170	-	-	
EU8	Research and development activity and expenditure aimed at providing reliable electricity supply and promoting sustainable development	40 and 171	-	-	7, 9, 17
EU11	Average generation efficiency of thermal by energy source and by regulatory regime	49 and 171	-	-	7, 8, 12, 13, 14
EU12	Transmission and distribution losses as a percentage of total energy	55 and 171	-	-	7, 8, 12, 13, 14
EU15	Percentage of employees eligible to retire in the next 5 and 10 years, broken down by job category and by region	172	-	-	15
EU25	Injuries and fatalities involving company assets	104 and 173	-	-	
EU27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	53 and 174	-	-	1, 7
EU28	Power outage frequency	54	-	-	1, 7
EU29	Average power outage duration	54	-	-	1, 7
EU30	Average plant availability factor by energy source and by regulatory regime	49 and 175	-	-	1, 7

11.2 Complementary Booklet

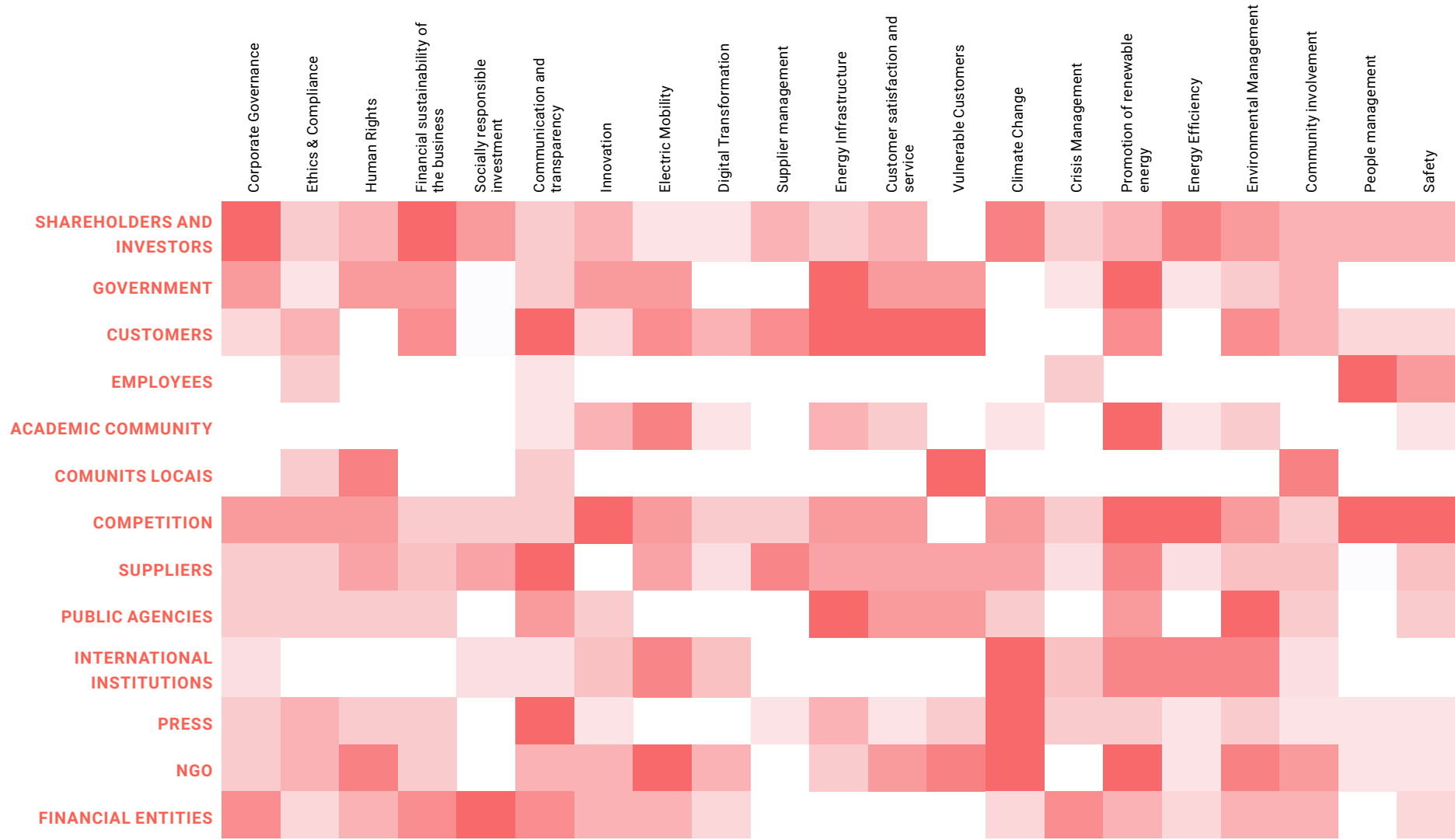
Participation in associations

GRI 102-13

- **AECIPP** – Associação das Empresas do Complexo Industrial e Portuário do Pecém.
- **ABCE** – Associação Brasileira de Companhias de Energia Elétrica.
- **ABDIB** – Associação Brasileira da Infraestrutura e Indústrias de Base.
- **ABESCO** – Associação Brasileira das Empresas de Serviços de Conservação de Energia.
- **ABNT** – Associação Brasileira de Normas Técnicas.
- **ABRACEEL** – Associação Brasileira dos Comercializadores de Energia.
- **ABRACONEE** – Associação Brasileira dos Contadores do Setor de Energia Elétrica.
- **ABRADEE** – Associação Brasileira de Distribuidores de Energia Elétrica.
- **ABRAGET** – Associação Brasileira Geradoras Termelétricas.
- **ABSolar** – Associação Brasileira de Energia Solar Fotovoltaica.
- **ABVCAP** – Associação Brasileira de Private Equity and Venture Capital.
- **ABVE** – Associação Brasileira do Veículo Elétrico.
- **Agrocortex** Madeiras do Acre Agroflorestal Ltda.
- **APINE** – Associação Brasileira dos Produtores Independentes de Energia Elétrica.
- **AMUNES** – Associação de Municípios do Espírito Santo.
- **ANEFAC** – Associação Nacional dos Executivos de Finanças. Administração and Contabilidade.
- **ASUG BRASIL.**
- Câmara Portuguesa Ceará.
- Câmara Portuguesa Rio de Janeiro.
- **CDP** – Carbon Disclosure Project.
- **CEBRI** – Centro Brasileiro de Relações Internacionais.
- **CREA-ES.**
- **CREA-RJ.**
- **CREA-SP – Base Mogi.**
- Embaixada Portuguesa em Brasília.
- Espírito Santo Em Ação.
- Federação das Câmaras Portuguesas.
- **Federaluz** – Federação dos Empregados nas Empresas de Geração. Transmissão and Distribuição de Eletricidade no State de São Paulo.
- **FGV.**
- **Fundação Coge (FUNCUGE).**
- **GIFE** – Grupo de Institutos Fundações and Empresas
- **IBRI** – Instituto Brasileiro de Relações com Investidores.
- **Instituto ABRADEE da Energia.**
- **Instituto Acende Brasil.**
- Instituto dos Auditores Internos do Brasil – IIA Brasil.
- Instituto EKOS Brasil.
- Instituto Ethos – GT de Integridade.
- Instituto IT Midia.
- **PNUD** – Programa das Nações Unidas para o Development.
- Sindicato da Indústria da Energia no State de São Paulo.
- Sindicato dos Trabalhadores Energéticos do State de São Paulo.
- Sindicato dos Trabalhadores nas Indústrias de Energia do State do Espírito Santo (Sinergia/ES).
- Sindicato dos Portuários do Ceará (Settaport/CE).
- Sindicato dos Trabalhadores em Eletricidade no State do Tocantins.
- **SCCE** – Society of Corporate Compliance & Ethics.
- **YPO.**

Relevance of the topics per stakeholder group

GRI 102-44



LEGEND: The darker the topic, the greater the relevance of the topic to the stakeholder group.

Entities included in the consolidated financial statement

GRI 102-45

- EDP Espírito Santo Distribuição de Energia S.A. (EDP Espírito Santo).
- EDP São Paulo Distribuição de Energia S.A. (EDP São Paulo).
- Energest S.A. (Energest).
- Enerpeixe S.A. (Enerpeixe).
- Investco S.A. (Investco).
- Lajeado Energia S.A. (Lajeado).
- Porto do Pecém Geração de Energia S.A. (Porto do Pecém).
- Resende Engenharia and Assessoria Ltda. (Resende).
- Companhia Energética do Jari – (CEJA).
- ECE Participações S.A. (ECE Participações).
- Empresa de Energia Cachoeira Caldeirão S.A. (Cachoeira Caldeirão).
- Empresa de Energia São Manoel S.A. (São Manoel).
- EDP Comercialização and Serviços de Energia Ltda. (EDP Comercializadora).
- EDP Comercialização Varejista Ltda. (EDP Varejista).
- EDP Transmissão Aliança SC S.A. (EDP Transmissão Aliança).
- EDP Transmissão Litoral Sul S.A. (EDP Transmissão Litoral Sul).
- EDP Transmissão MA I S.A. (EDP Transmissão MA I).
- EDP Transmissão MA II S.A. (EDP Transmissão MA II).
- EDP Transmissão S.A. (EDP Transmissão).
- EDP Transmissão SP-MG S.A. (EDP Transmissão SP-MG).
- EDP GRID Management de Redes Inteligentes de Distribuição S.A. (EDP GRID).
- EDP Soluções em Energia S.A. (EDP Soluções).
- Pecém Operação and Manutenção de Units de Geração Elétrica S.A. (Pecém OM).
- Porto do Pecém Transportadora de Minérios S.A. (Pecém TM).
- Centrais Elétricas de Santa Catarina S.A. (Celesc).
- EDP Ventures Brasil S.A. (EDP Ventures).
- Mabe Construções and Administração de Projects Ltda. (Mabe).
- Comercializadora de equipamentos y materiais Mabe Ltda. (Mabe Chile).

Direct economic value generated and distributed

GRI 201-1

VALUE ADDED STATEMENT (R\$ THOUSAND)			
EDP BRASIL	2018	2019	2020
1. REVENUES	20,216,880.00	20,170,717.00	21,148,745
1.1 Sales of merchandise, products and services	18,634,303.00	16,632,141.00	18,090,950
1.2 Other revenues	1,521,326.00	3,486,922.00	2,694,000
1.3 Revenue related to the construction of company assets	146,393.00	164,515.00	509,950
1.4 Provision for doubtful debts – Reversal / (Constitution	-85,142.00	-113,000.00	-146,155
2. INPUTS ACQUIRED FROM THIRD-PARTIES (INCLUDES TAXES – ICMS. IPI. PIS AND COFINS)	-11,907,595.00	-12,872,925.00	-12,400,304
2.1 Cost of products, merchandise and services sold	-9,885,422.00	-9,268,830.00	-9,646,668
2.2 Materials, energy, third-party services and others	-730,746.00	-731,658.00	-695,905
2.3 Loss / Recovery of active amounts	N,D,	0.00	0
2.4 Other (specify)	-1,291,427.00	-2,872,202.00	-2,057,731

VALUE ADDED STATEMENT (R\$ THOUSAND)			
EDP BRASIL	2018	2019	2020
3. GROSS ADDED VALUE (1-2)	8,309,285.00	7,297,792.00	8,748,441
4. DEPRECIATION. AMORTIZATION AND DEPLETION	-624,343.00	-641,911.00	-670,370
5. NET ADDED VALUE PRODUCED (3-4)	7,684,942.00	6,655,881.00	8,078,071
6. ADDED VALUE RECEIVED IN TRANSFER	523,318.00	951,276.00	550,585
6.1 Equity income	2,974.00	68,148.00	79,960
6.2 Financial income	520,344.00	883,128.00	470,625
6.3 Other	N.D.	0	0
7. TOTAL ADDED VALUE TO BE DISTRIBUTED (5+6)	8,208,260.00	7,582,695.00	8,628,656
8. DISTRIBUTION OF ADDED VALUE	8,208,260.00	7,582,695.00	8,628,656
8.1 Personnel	432,566.00	319,360.00	464,631
8.1.1 Direct remuneration	306,166.00	321,082.00	336,159
8.1.2 Benefits	100,850.00	-29,935.00	100,674
8.1.3 F.G.T.S.	25,550.00	28,213.00	27,798
8.2 Taxes, charges and contributions	5,468,424.00	4,422,264.00	5,329,278
8.2.1 Federal	2,827,651.00	1,629,522.00	2,787,882
8.2.2 State	2,631,395.00	2,779,507.00	2,529,398
8.2.3 Municipal	9,378.00	13,235.00	11,998
8.3 Remuneration of third-party capital	892,520.00	1,383,078.00	1,120,827
8.3.1 Interest	864,795.00	1,374,053.00	1,115,830
8.3.2 Rent	27,725.00	9,025.00	4,997
8.3.3 Other	0	0	0
8.4 Remuneration of Own Equity	580,917.00	515,032.00	615,196
8.4.1 Interest on Own Equity	439,000.00	236,000.00	162,366
8.4.2 Dividends	0	117,490.00	220,143
8.4.3 Non-controlling interest in retained earnings (only for consolidation)	141,917.00	161,542.00	232,687
9 – RETAINED EARNINGS / LOSS FOR THE YEAR	833,833.00	967,423	1,098,724

GRI 201-1

DISTRIBUTION OF ADDED VALUE (%)			
EDP BRASIL	2018	2019	2020
Government	67%	58%	62%
Third-parties	11%	18%	13%
Employees	5%	4%	5%
Shareholders	7%	7%	7%
Retained	10%	13%	13%

Investments in infrastructure and support services

GRI 203-1

EXTERNAL SOCIAL INVESTMENT (OWN AND WITH INCENTIVES) – R\$ THOUSAND			
	2018	2019	2020
Education	1,640.52	1,534.24	2,611.14
Culture	6,761.67	7,069.6	8,433.93
Health and sanitation	2,057.09	1,443.55	8,285.02
Sport	2,215.37	2,536.71	2,660.98
Anti-hunger and food security	85,8	524	252.81
Others	878	302.94	1,025.37
Total	13,638.45	13,411.04	23,269.25

EXTERNAL SOCIAL INVESTMENT (OWN) – R\$ THOUSAND			
	2018	2019	2020
Education	1,160.32	1,023.32	904.21
Culture	0.00	0.00	0.00
Health and sanitation	150.00	150.00	7,659.53
Sport	26.97	28.56	144.06
Anti-hunger and food security	85.80	0.00	200.00
Other	312.50	170.00	304.87
Total	1,735.59	1371.88	9,212.97

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BENEFICIARIES OF SOCIAL PROJECTS			
	2018	2019	2020
Total direct beneficiaries	80,212	80,758	44,627
Total indirect beneficiaries	240,636	241,274	134,469
Number of environmental actions undertaken in the IEDP projects	25	47	16
Number of municipalities attended in the concession area	66	56	41

Procurement Practices - Proportion of spending on local suppliers

GRI 102-9 | 204-1

PROPORTION OF SPENDING ON LOCAL SUPPLIERS AT MAJOR OPERATING UNITS			
	2018	2019	2020
Amapá	23.48%	25.41%	16.4%
Ceará	31.11%	58.86%	29.8%
Espírito Santo	42.82%	14.23%	13.8%
Maranhão	0.00%	0.00%	74.0%
Mato Grosso	16.73%	30.70%	15.2%
Pará	8.09%	12.95%	0.0%
Rio Grande do Sul	33.97%	36.23%	28.6%
Santa Catarina	0.00%	6.98%	50.1%
São Paulo	75.15%	63.13%	72.1%
Tocantins	31.82%	15.16%	22.6%

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Communication and training on anti-corruption policies and procedures

GRI 205-2

BUSINESS PARTNERS WHO HAVE RECEIVED COMMUNICATION AND/OR TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES			
	2018	2019	2020
Quantity	3,700	1,821	3,727
Percentage	ND	ND	ND

MEMBERS OF GOVERNANCE WHO HAVE RECEIVED COMMUNICATION AND/OR TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES			
	2018	2019	2020
Quantity	8	7	8
Percentage	100%	88%	100%

TOTAL OF EMPLOYEES WHO HAVE RECEIVED COMMUNICATION AND/OR TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES BY FUNCTIONAL CATEGORY			
	2018	2019	2020
Senior management	5	4	4
Director level	28	26	31
Management	192	198	213
Specialist	978	1,020	1,051
Administrative	314	307	282
Operational	1,668	1,728	1,727
Interns	147	141	102
Apprentices	87	49	26
Total	3,419	3,473	3,436

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GRI 205-3

CONFIRMED CASES OF CORRUPTION AND ACTIONS TAKEN				
	2018	2019	2020	ACTIONS TAKEN
Total cases registered in the ethics channel	110	146	139	–
Total number of confirmed corruption incidents	0	0	4	Removal of the “outsourced employees” from EDP Brasil’s contract.
Total number of confirmed incidents in which employees were terminated or disciplined for corruption	0	0	4	Removal of the “outsourced employees” from EDP Brasil’s contract.
Corruption-related public lawsuits filed against the organization or its employees	–	–	0	–
Total number of contracts with business partners terminated or not renewed due to corruption-related violations	0	0	0	–

Energy consumption inside the organization

GRI 302-1

DIRECT ENERGY CONSUMPTION (GJ)				
	2018	2019	2020	
Renewable sources	1,019,266.88	705,604.59	725,323.80	
Ethanol	6,612.05	7,868.89	7,123.65	
Proportion of ethanol in gasoline	2,189.56	2,479.73	2,276.12	
Proportion of biodiesel in diesel	5,160.98	16,855.54	13,891.64	
Biodiesel	0.00	99.48	0	
Biomass	1,005,304.29	678,300.95	702,032.40	
Non-renewable sources	35,986,967.42	38,368,135.17	16,636,312.70	
Gasoline	8,535.69	9,666.89	8,873.13	
Diesel	49,735.08	156,614.73	129,075.42	
Coal	35,799,059.49	38,195,641.55	16,496,862.70	
LPG	402.73	130.15	42.97	
Natural gas	5,559.89	6,081.84	1,458.47	

The data referring to the Santo Antonio do Jari HPP fleet have not been accounted for.

ENERGY GENERATOR CONSUMPTION ¹				
	UNIT	2018	2019	2020
Pure Diesel	Liters	0	0	0
Commercial diesel	Liters	5,816	8,444.00	108,540.22
Natural gas	m ³	150,920	165,088.00	39,589.33

¹With the exception of Pecém's diesel consumption for the power generation process.

ELECTRICITY CONSUMPTION (MWH)			
	2018	2019	2020
Electricity consumption	435,041.90	455,581.16	248,518.75
Electricity from grid in administrative buildings	5,487.73	5,720.69	5,022.23
Electricity from grid in non-administrative buildings	25,829.95	26,233.12	21,885.15
Own electricity in administrative buildings	63.88	68.34	62.51
Own electricity in non-administrative buildings	386,259.87	408,260.65	209,585.26
Inverted flow	17,400.46	15,298.37	11,963.60

Energy Intensity

GRI 302-3

ENERGY INTENSITY RATE (MWH/R\$ MIL)			
	2018	2019	2020
Energy intensity rate (total consumption MWh/revenue)	0.022	0.030	0.017

ENERGY CONSUMPTION PER ENERGY GENERATED			
	2018	2019	2020
Energy consumption per hydroelectric power generated	0.00	0.07	0.05
Energy consumption per thermal energy generated	0.10	0.12	0.15
Energy consumption per distributed energy	0.00	0.02	0.01
Energy consumption per energy sold	0.00	0.03	0.01

Water withdrawal

GRI 303-3

TOTAL WATER WITHDRAWN BY SOURCE (MEGALITERS)		
	ALL AREAS	WATER-STRESSED AREAS
Surface water (total)	67	0
Fresh water (total dissolved solids ≤1,000 mg/L)	67	0
Other types of water (total dissolved solids >1,000 mg/L)	0	0
Ground water (total)	55	0
Fresh water (total dissolved solids ≤1,000 mg/L)	55	0
Other types of water (total dissolved solids >1,000 mg/L)	0	0
Seawater (total)	0	0
Fresh water (total dissolved solids ≤1,000 mg/L)	0	0
Other types of water (total dissolved solids >1,000 mg/L)	0	0
Produced water (total)	0	0
Fresh water (total dissolved solids ≤1,000 mg/L)	0	0
Other types of water (total dissolved solids >1,000 mg/L)	0	0
Third-Party Water (total)	4,317	4,260
Fresh water (total dissolved solids ≤1,000 mg/L)	4,317	4,260
Other types of water (total dissolved solids >1,000 mg/L)	0	0
Total water withdrawal (Surface water (total) + groundwater (total) + sea water (total) + produced water (total) + water from third parties (total))	4,439	4,260

Tool used to identify the water stress area: Aqueduct Water Risk Atlas from the World Resources Institute (WRI), the only plant currently operating in an area classified as high risk for water stress is the Pecém TPP, which corresponds to 100% of the value reported in the table.

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WATER CONSUMPTION AT EDP BRASIL (M³)

	2018	2019	2020
Surface water, including wetlands, rivers, lakes and oceans – m ³	81,012.06	44,974.94	67,092.64
Ground water – m ³	896.80	0.00	54,543.76
Rainwater harvested directly and stored by the organization – m ³	0.00	0.00	762.40
Other organization's wastewater consumption – m ³	NA	0.00	0.00
Water from municipal or other water utilities – m ³	9,272,723.57	9,478,707.63	4,316,947.50

TOTAL WATER RECYCLED AND REUSED BY ORGANIZATION

	2018	2019	2020
Total volume of water recycled and reused – m ³	2,287.44	254,196.00	101,562.40
Percentage of water recycled and reused from total water withdrawn	0%	3%	2%

GRI 303-4**LIQUID EFFLUENT REPORT (MG/L)**

	2018	2019	2020
Total Residual Chlorine Quantity	0.56	0.00	0
Quality of rejected effluent – CBO5	ND	ND	ND
Chemical Oxygen Demand (DQO)	ND	ND	ND
Discharge of heavy metals in water	ND	ND	ND
Amount of Total Suspended Solids (TSS) in effluents discharged	Virtually absent	Virtually absent	97.63
Amount of nitrogen in the effluents discharged (total ammonia – mg/l)	1.68	1.75	1.31
Amount of total phosphorus in effluents discharged	NA	NA	NA
Amount of nitrates in effluents discharged	NA	NA	NA
Amount of nitrites in effluents discharged	NA	NA	NA
Amount of phosphates in effluents discharged	NA	NA	NA
Amount of iron in effluents discharged	0.10	0.01	0.15
Amount of copper in effluents discharged	0.01	<0.002	0.014

LIQUID EFFLUENT REPORT (MG/L)			
Amount of zinc in effluents discharged	0.11	0.04	0.064
Amount of nickel in effluents discharged	0.01	0.01	< 0.01
Amount of vanadium in effluents discharged	NA	NA	NA
Amount of chromium in effluents discharged	0.01	<0.02	< 0.01
Amount of oils and fats in effluents discharged	12.30	11.31	8.6

AVERAGE PH VALUE OF REJECTED WASTEWATER			
	2018	2019	2020
pH	7.49	7.07	9.05

GRI 303-4

AVERAGE PH VALUE OF REJECTED WASTEWATER			
	2018	2019	2020
Total volume of water discharges – m ³	651,103.31	672,329.73	418,015.29
Effluent treated and discharged into ocean – m ³	65,110.31	67,232.97	41,801.52
Returned cooling water – m ³	585,993.00	605,096.76	376,213.77
Rejected effluents that do not need treatment – m ³	0.00	0.00	0
Domestic effluent sent for municipal treatment – m ³	0.00	0.00	0

Biodiversity

GRI 304-3

PROTECTED OR RESTORED HABITATS								
	EDP SP	EDP ES	EDP SMART	ENERGEST	ENERPEIXE	INVESTCO	PECÉM	HPP SÃO MANOEL
SIZE OF PROTECTED OR RESTORED AREAS (KM ²)	0.01	0.06	0.10	0.00	97.23	0.00	0.00	46.32
GEOGRAPHIC LOCATION (STATE)	SP	ES	MG	-	TO	-	-	MT/PA
MEASURES TAKEN AND METHODOLOGY ADOPTED FOR HABITAT PROTECTION OR RESTORATION	The pertinent Legislations were followed – SMA 32/2014 and SMA 07/2017 which establishes the guidelines, directives and criteria about ecological restoration in the State of São Paulo.	Followed by IN IDAF No. 27/07 and IN IEMA No. 17/06, which establish Terms of Reference for the preparation of Reforestation and Recovery Areas Projects.	We followed the guidelines given by COPAM Normative Deliberation No. 114, from April 10, 2008, carrying out the Flora Reconstitution of the Legal Reserve of the properties. It consists in the execution of a Technical Project of Flora Reconstitution through the planting of native seedlings and its adequate follow-up and conservation.	-	Patrimonial and environmental supervision with its own team and the Environmental Military Police Battalion. Habitat restoration is carried out by planting native seedlings in the reservoir's APP. Recovery and stabilization of the reservoir's marginal slopes through bioengineering.	-	-	Implementation of the Permanent Preservation Area (APP of the Teles Pires River Basin).
RESULTS ACHIEVED	Soil restoration, future contribution to local biodiversity restoration with the planting of native species, generation of increased waterway protection, and CO ₂ sequestration.	Soil recovery and restoration, preservation and recovery of springs and waterways, as well as providing an environment for fauna habitat.	Vegetation cover restoration, creation of habitats for wild animals in the region.	-	Surveillance and seedling planting activities carried out.	-	-	Acquisition of 100% of the area of the future APP.

PROTECTED OR RESTORED HABITATS								
	HPP SANTO ANTONIO DO JARI	HPP CACHOEIRA CALDEIRÃO	EDP TRANSMISSÃO S,A, – LOT 24	EDP TRANSMISSÃO MA I S,A, – LOT 07	EDP TRANSMISSÃO MA II S,A, – LOT 11	EDP TRANSMISSÃO SP/MG S,A, – LOT 18	EDP TRANSMISSÃO ALIANÇA S,A, – LOT 21	EDP TRANSMISSÃO LITORAL SUL
SIZE OF PROTECTED OR RESTORED AREAS (KM ²)	1,718.76	54.88	0.26	0.00	0.00	0.00	0.02	0.00
GEOGRAPHIC LOCATION (STATE)	AP/PA	AP	ES	-	-	-	SC	-
MEASURES TAKEN AND METHODOLOGY ADOPTED FOR HABITAT PROTECTION OR RESTORATION	Protection of local water resources via planting of native seedlings with the spaced grouping technique.	Recovery of degraded areas through native seeding.	Vegetation enrichment with tree and shrub species that are attractive to fauna and resistant to adverse conditions at the planting site. Planting of seedlings in a quincunx system, using 28,466 seedlings, including soil preparation measures, ant control, replanting and monitoring.	-	-	-	Access demobilization, slope conformation, landscape reposition and natural regeneration. Landscape reposition with topsoil spreading. Recomposition through manual sowing of seed mix and natural regeneration. Implementation of drainage devices.	-
RESULTS ACHIEVED	Following up on current PRAD.	Planting completed, currently in monitoring phase.	The project is in the implementation process.	-	-	-	The project is in the implementation process.	-

GRI 304-4

SPECIES INCLUDED IN THE IUCN RED LIST AND IN NATIONAL CONSERVATION LISTS WITH HABITATS IN AREAS AFFECTED BY THE ORGANIZATION'S OPERATIONS (QTY)	
Critically endangered	5
Endangered	19
Vulnerable	82
Near threatened	103
Least Concern	2,030

Air emissions

GRI 305-7

NO _x , SO _x AND OTHER SIGNIFICANT AIR EMISSIONS				
	UNIT	2018	2019	2020
Mercury Emissions	Kg	ND	ND	ND
Coal Dust Emissions	Kg	ND	ND	ND
Precipitator Dust Emissions	Kg	ND	ND	ND
Persistent Organic Pollutants (POP) Emissions	Kg	ND	ND	ND
Volatile Organic Compounds (VOC) Emissions	Kg	ND	ND	ND
Hazardous Air Pollutants (HAP)	Kg	ND	ND	ND
SF ₆ Emissions	Kg	92.50	139.75	217.2
CFC Emissions	Kg	0.00	0,00	0
CO ₂ Emissions	Metric tons	3,970,773.68	4,453,230.98	1,817,371.20
CO Emissions	Metric tons	ND	ND	ND
NO _x Emissions	Metric tons	3,906.24	3,987.04	1,502.85
SO ₂ Emissions	Metric tons	11,445.76	12,884.66	5,953.92
Particulate Matter (PM) Emissions	Metric tons	1,720.80	1,482.18	808.52

GRI 306-3

TOTAL NUMBER AND VOLUME OF SIGNIFICANT SPILLS			
	2018	2019	2020
Number of environmental near misses	16	4	3
Number of low impact environmental accidents	0	0	0
Number of high-impact environmental accidents	0	0	0

CHEMICALS CONSUMED BY WEIGHT (KG)			
	2018	2019	2020
Sodium hydroxide	63,102.00	71,038.00	54,456.00
Hydrochloric acid	26,400.00	56,590.00	52,837.92
Sodium hypochlorite	221,910.00	275,586.00	129,440.00
Aluminum sulfate	NA	NA	NA
Iron chloride	NA	NA	NA
Ammonia	5,660.00	3,140.00	3,780.00
Hydrazine	16,294.00	8,250.00	7,200.00
Limestone	NA	NA	NA
Purchased oils	-	NA	NA
Sulfuric acid	690,028.00	523,354.00	168,004.00
Calcium hydroxide	NA	NA	NA
Poly aluminum chloride (PAC)	127,207.00	142,720.00	65,032.5

MATERIALS USED IN EDP BRASIL'S OPERATIONS				
	UNIT	2018	2019	2020
Chemical products	Kg	1,150,601.00	1,080,678.00	480,750.42
Insulating oils	Kg	ND	ND	ND
Diesel	m ³	3,478.83	3,244.39	2375.70
Coal	Ton	1,500,379.69	1,600,823.20	691,402.46

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Attachments

QUANTITY OF MATERIALS USED IN THE OPERATIONS COMING FROM RECYCLING AND/OR REUSE			
	2018	2019	2020
Cloths	20,095	11,875	11,393

Environmental Compliance

GRI 307-1

NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND STANDARDS			
	2018	2019	2020
Total value of environmental fines in administrative proceedings	0	0	0
Total value of environmental fines in lawsuits	0	0	0

NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS			
	2018	2019	2020
Environmental law suits initiated in the year	85	10	12
Administrative lawsuits in the portfolio at the end of the year (if submitted to dispute resolution mechanisms)	2	0	2
Environmental lawsuits initiated in the year	5	3	6
Legal lawsuits in the portfolio at the end of the year (if submitted to dispute resolution mechanisms)	1	5	1
Number of non-monetary sanctions	80	0	0

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Attachments

New hires and employee turnover

Hires by gender and age group

GRI 401-1

UNDER 30 YEARS			
	2018	2019	2020
Men	129	149	96
Women	53	69	38
Total	182	218	134

FROM 30 TO 50 YEARS			
	2018	2019	2020
Men	145	175	142
Women	47	49	44
Total	192	224	186

OVER 50 YEARS			
	2018	2019	2020
Men	9	9	10
Women	2	1	1
Total	11	10	11

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Attachments

Terminations by gender and age group

GRI 401-1

UNDER 30 YEARS			
	2018	2019	2020
Men	51	43	29
Women	18	22	16
Total	69	65	45

FROM 30 TO 50 YEARS			
	2018	2019	2020
Men	154	145	117
Women	53	43	36
Total	207	188	153

OVER 50 YEARS			
	2018	2019	2020
Men	72	69	70
Women	23	13	14
Total	95	82	84

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Turnover by gender and age group

GRI 401-1

UNDER 30 YEARS			
	2018	2019	2020
Men	24%	19%	13%
Women	24%	24%	14%
Total	24%	21%	13%

FROM 30 TO 50 YEARS			
	2018	2019	2020
Men	8%	9%	7%
Women	10%	10%	8%
Total	9%	9%	8%

OVER 50 YEARS			
	2018	2019	2020
Men	13%	13%	12%
Women	21%	12%	12%
Total	14%	13%	12%

Maternity/Paternity Leave

GRI 401-3

PATERNITY LEAVE			
	2018	2019	2020
Return rate of employees who returned to work after the end of leave	NA	NA	94%
Retention rate of employees who returned to work and remained 12 months after the end of leave	NA	NA	ND
Number of employees entitled to leave	NA	NA	54
Number of employees who took leave	NA	NA	54
Number of employees who returned to work after the end of leave	NA	NA	51
Number of employees who were still in the company 12 months after returning to work	NA	NA	ND

MATERNITY LEAVE			
	2018	2019	2020
Return rate of employees who returned to work after the end of leave	100%	100%	92%
Retention rate of employees who returned to work and remained 12 months after the end of leave	76%	100%	100%
Number of employees entitled to leave	24	47	27
Number of employees who took leave	34	33	30
Number of employees who returned to work after the end of leave	24	47	24
Number of employees who were still in the company 12 months after returning to work	28	22	47

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Attachments

Workers covered by an occupational health and safety management system

GRI 403-8

EMPLOYEES WHOSE WORK AND/OR WORKPLACE IS COVERED BY A SAFETY MANAGEMENT SYSTEM BASED ON LEGAL REQUIREMENTS AND/OR RECOGNIZED STANDARDS/GUIDELINES	
	%
Own Employees	100
Third-party Employees	100

EMPLOYEES WHOSE WORK AND/OR WORKPLACE IS COVERED BY AN AUDITED OR CERTIFIED SAFETY MANAGEMENT SYSTEM	
	%
Own Employees	57.74
Third-party Employees	49.63

Occupational Accidents

GRI 403-9

OCCUPATIONAL DISEASE RATE			
	2018	2019	2020
Own Employees	0	0	0
Third-party Employees	0	0	0
Total	0	0	0

LOST DAY RATE			
	2018	2019	2020
Own Employees	55.29	1.14	0.00
Third-party Employees	70.87	18.06	18.04
Total	66.53	13.63	14.29

ABSENTEEISM RATE			
	2018	2019	2020
Own Employees	ND	ND	2.80
Third-party Employees	ND	ND	ND
Total	ND	ND	ND

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Training and education

GRI 404-1

AVERAGE HOURS OF TRAINING BY WOMEN BY FUNCTIONAL CATEGORY			
	2018	2019	2020
Senior management	N/A	N/A	N/A
Director level	2.0	22.7	1.4
Management	13.0	48.2	11.7
Specialist	1.7	14.0	2.5
Administrative	31.8	33.3	7.7
Operational	112.7	48.7	22.8
Total	16,078.8	17,889.0	4,970.2

AVERAGE HOURS OF TRAINING BY MEN BY FUNCTIONAL CATEGORY			
	2018	2019	2020
Senior management	0.8	6.0	8.9
Director level	22.1	58.7	9.4
Management	33.2	53.8	23
Specialist	4.9	27.5	10.6
Administrative	100.6	48.9	21.1
Operational	57.9	72.1	2.2
Total	112,304.4	150,898.0	56,399.30

Diversity in governance bodies and employees

GRI 102-7 | 102-8 | 405-1

COMPOSITION OF THE THIRD-PARTY EMPLOYEES			
	2018	2019	2020
EDP Brasil	8,907	12,794	14,862

Diversity in governance bodies and employees

GRI 405-1

COMPOSITION OF EMPLOYEES BY GENDER AND FUNCTIONAL CATEGORY						
FUNCTIONAL CATEGORY	2018		2019		2020	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Board of Directors	1	7	1	7	1	7
Senior management	0	5	0	4	0	4
Director level	3	25	3	23	3	27
Management	28	164	24	174	26	189
Specialist	383	595	417	603	442	611
Administrative	201	113	191	116	181	108
Operational	77	1,591	92	1,636	95	1,645
Interns ¹	67	80	63	78	45	57
Apprentices ¹	50	37	24	25	12	14

¹ In the employees by functional category table, the categories "interns" and "apprentices" are included, unlike the others, which disregard these categories in the totalizer.

EMPLOYEES BY RACE/ETHNICITY						
ETHNICITY	2018		2019		2020	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
White	550	1,786	591	1,899	604	1,923
Black	15	117	17	117	22	120
Brown	112	542	105	496	108	497
Asian	13	26	12	25	11	26
Indigenous	1	6	1	4	1	3
Not informed	1	16	1	15	1	15

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DISABLED EMPLOYEES BY GENDER			
	2018	2019	2020
Male	28	29	28
Female	23	25	25

COMPOSITION OF EMPLOYEES BY GENDER AND AGE GROUP						
AGE GROUP	2018		2019		2020	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Under 30 years	175	460	192	484	183	460
From 30 to 50 years	449	1,649	474	1,735	503	1,807
Over 50 years	68	384	61	337	61	317

DIVERSITY IN MANAGEMENT POSITIONS			
	2018	2019	2020
Number of black people	4	6	8
Number of people with disabilities	0	0	0
Number of foreign people	6	7	7

Ratio between the base salary and compensation received by women and those received by men

GRI 405-2

RATIO OF WOMEN'S REMUNERATION TO MEN'S (M/H) – %			
	2018	2019	2020
Senior management	NA	NA	NA
Director level	76%	71%	100%
Management	72%	95%	89%
Specialist	74%	80%	71%
Administrative	99%	112%	81%
Operational	83%	78%	67%

¹ The Operational Supervision and Executive Secretary positions were considered in the specialist category, due to the greater adherence of the salary ranges to this type of category.

² The compensation of some directors was not considered for the calculations, because they have only a small compensation portion in the companies that are being shown in this report.

³ The results of the Senior management and Director level indicators were not presented in this report, as there are not enough Women in the Employees' chart to present them.

RATIO OF WOMEN'S BASE SALARY TO MEN'S (M/H) – %			
	2018	2019	2020
Senior management	NA	NA	NA
Director level	76%	71%	100%
Management	76%	101%	96%
Specialist	79%	84%	76%
Administrative	103%	118%	86%
Operational	82%	82%	68%

Non-discrimination

GRI 406-1

CASES OF DISCRIMINATION AND CORRECTIVE MEASURES TAKEN				
	2018	2019	2020	CORRECTIVE MEASURES TAKEN
Total number of discrimination cases	1	0	1	–
Number of evaluated cases	1	0	1	–
Number of substantiated cases	0	0	1	–
Total number of corrective actions to discrimination cases	0	0	1	Employment contract termination with EDP Brasil.

Cases of violation of indigenous peoples' rights

GRI 411-1

In 2020, no cases of violation of indigenous peoples' rights were recorded in any of EDP Brasil's operations.

Human Rights Assessment

GRI 412-1

OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR IMPACT ASSESSMENTS			
	2018	2019	2020
Percentage of operations or areas submitted to human rights impact analyses or reviews	0	ND	ND
Total number of operations or areas subjected to human rights reviews or impact assessments	0	0	0

GRI 412-2

TRAINING OF EMPLOYEES IN HUMAN RIGHTS POLICIES OR PROCEDURES			
	2018	2019	2020
Percentage of employees who received training in Human Rights policies and procedures	97%	11%	86%
Total number of hours training for employees in Human Rights policies and/or procedures	2.75	2	0.45
Total number of employees trained in policies and procedures that relate to human rights aspects relevant to the company's operations	3,248	474	2,054

GRI 412-3

SIGNIFICANT INVESTMENT AGREEMENTS AND CONTRACTS THAT INCLUDE HUMAN RIGHTS CLAUSES OR HAVE UNDERGONE HUMAN RIGHTS SCREENING			
	2018	2019	2020
Significant investment agreements and contracts with human rights clauses ¹	3,537	3,232	1,065
Significant investment agreements and contracts with human rights clauses	100%	100%	100%

¹Contracts worth more than R\$500 thousand are considered.

GRI 419-1

EDP BRASIL			
OPERATIONAL UNITS	2018	2019	2020
Total monetary value of significant fines	3,295	0	0
Total number of non-monetary sanctions	26	78	53
Cases brought through dispute resolution mechanisms	0	0	4

Installed capacity

GRI EU1

EDP BRASIL			
OPERATIONAL UNITS	2018	2019	2020
Hydroelectric	2,138.56	2,150.51	2,150.51
Coal-fired Thermal	720.27	720.27	720.27
Total	2,858.83	2,870.78	2,870.78

Number of customers

GRI EU3

EDP SÃO PAULO			
	2018	2019	2020
Household	1,722,917	1,770,287	1,810,472
Industrial	13,041	13,161	13,357
Commercial	128,403	132,828	135,669
Rural	7,915	4,912	5,293
Public authorities	8,890	8,937	9,278
Public lighting	3,438	3,823	3,933
Public service	1,395	1,507	1,514
Energy in transit (USD)	518	633	798
Own consumption	174	163	162
Other	0	0	0
Number of customers (consumer units) – TOTAL	1,886,693	1,936,251	1,980,476

EDP ESPÍRITO SANTO			
	2018	2019	2020
Household	1,220,718	1,240,112	1,270,519
Industrial	11,133	10,888	10,284
Commercial	124,835	127,832	129,182
Rural	193,557	194,974	195,846
Public authorities	11,323	11,495	11,495
Public lighting	660	635	611
Public service	1,567	1,662	1,676
Energy in transit (USD)	342	399	498
Own consumption	212	211	222
Other	0	0	0
Number of customers (consumer units) – TOTAL	1,564,347	1,588,208	1,620,333

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Extension of Distribution Lines (Km)

GRI EU4

EDP SÃO PAULO			
	2018	2019	2020
Low voltage (under 1kV) – Aerial	12,489.64	12,527.28	12,680.92
Medium voltage (over 1kV and under 69 kV) – Aerial	14,716.25	14,827.11	14,956.09
High voltage (equal to or over 69 kV) – Aerial	945.95	1,020.03	1,018.73
Total aerial distribution network in rural area	8,568.17	8,606.72	8,369.30
Total aerial distribution network in the urban area	–	18,747.68	19,146.78
Low voltage (under 1kV) – Underground	86.09	86.42	89.37
Medium voltage (over 1kV and under 69 kV) – Underground	120.00	121.04	127.62
High voltage (equal to or over 69 kV) – Underground	6.32	6.32	6.32
Total underground distribution network in rural area	3.87	3.83	3.31
Total underground distribution network in the urban area	–	203.63	213.68
EDP ESPÍRITO SANTO			
	2018	2019	2020
Low voltage (under 1kV) – Aerial	9,570.31	9,687.52	105,94.01
Medium voltage (over 1kV and under 69 kV) – Aerial	51,593.62	52,017.10	52,416.89
High voltage (equal to or over 69 kV) – Aerial	2,844.20	3,075.91	3,086.91
Total aerial distribution network in rural area	46,328.28	46,645.83	46,665.01
Total aerial distribution network in the urban area	–	15,058.78	15,563.32
Low voltage (under 1kV) – Underground	0.14	0.29	1.57
Medium voltage (over 1kV and under 69 kV) – Underground	41.02	41.62	43.04
High voltage (equal to or over 69 kV) – Underground	0.00	0.00	0.00
Total underground distribution network in rural area	0.69	0.69	1.55
Total underground distribution network in the urban area	–	41.22	43.07
TRANSMISSION LINE LENGTH			
	2018	2019	2020
Total transmission network in operation	103	113	316
Total transmission network under construction	0	1,328	1,125

Resources applied in R&D

GRI EU8

INVESTMENTS IN RESEARCH AND DEVELOPMENT RELATED TO ELECTRICITY AND PROMOTION OF SUSTAINABLE DEVELOPMENT	
RESOURCES APPLIED IN R&D	QTY. IN R\$ (MILLION)
Alternative sources of electrical power generation	6,304.98
Thermoelectric Generation	1,545.03
Management of Basins and Reservoirs	0,00
Environment	687.82
Safety	6,380.21
Energy Efficiency	0.00
Electrical Energy Systems Planning	1,175.24
Electrical Energy Systems Operation	8,033.64
Supervision, Control and Protection of Electric Power Systems	6,107.90
Quality and Reliability of Electric Energy Services	6,111.05
Measurement, billing and combating commercial losses	1,079.62
Other	6,703.31
Total	44,128.80

Efficiency of thermoelectric plants

GRI EU11

AVERAGE GENERATION EFFICIENCY OF THERMOELECTRIC PLANTS (TTP PECÉM)			
	2018	2019	2020
Overall efficiency	–	39.49%	35.08%
Mean efficiency of generating unit 1 (UG1)	–	39.98%	35.03%
Mean efficiency of generating unit 2 (UG2)	–	39.06%	35.14%

Transmission and distribution losses

GRI EU12

EDP SÃO PAULO			
	2018	2019	2020
Loss in transmission	1.88	1.92	2.14
Loss in distribution	8.43	8.11	8.57
Technical losses	5.59	5.64	5.54
Non-technical losses (commercial)	2.84	2.47	3.03

EDP ESPÍRITO SANTO			
	2018	2019	2020
Loss in transmission	1.21	1.90	1.49
Loss in distribution	11.94	12.45	13.39
Technical losses	7.53	7.86	8.24
Non-technical losses (commercial)	4.40	4.59	5.15

Percentage of employees eligible to retire by job category

GRI EU15

EMPLOYEES ENTITLED TO RETIREMENT IN THE NEXT 5 YEARS BY FUNCTIONAL CATEGORY	
FUNCTIONAL CATEGORY	PERCENTAGE
Senior management	25.0%
Director level	13.3%
Management	0.5%
Specialist	0.8%
Administrative	1.0%
Operational	0.6%

EMPLOYEES ENTITLED TO RETIREMENT IN THE NEXT 5 YEARS BY STATE	
STATE	PERCENTAGE
São Paulo	1.0%
Espírito Santo	1.4%
Tocantins	5.9%
Amapá	0.0%
Ceará	0.0%
Maranhão	0.0%
Mato Grosso	0.0%
Pará	0.0%
Rio Grande do Sul	0.0%
Santa Catarina	3.3%
Outro	1.7%

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EMPLOYEES ENTITLED TO RETIREMENT IN THE NEXT 10 YEARS BY FUNCTIONAL CATEGORY

FUNCTIONAL CATEGORY	PERCENTAGE
Senior management	50.0%
Director level	23.3%
Management	5.1%
Specialist	6.2%
Administrative	4.2%
Operational	3.6%

EMPLOYEES ENTITLED TO RETIREMENT IN THE NEXT 10 YEARS BY STATE

STATE	PERCENTAGE
São Paulo	4.1%
Espírito Santo	6.3%
Tocantins	11.8%
Amapá	0.0%
Ceará	2.9%
Maranhão	0.0%
Mato Grosso	11.1%
Pará	2.5%
Rio Grande do Sul	0.0%
Santa Catarina	10.0%
Outro	1.7%

Safety in Communities

GRI EU25

LAW SUITS RELATED TO PUBLIC HEALTH AND SAFETY

Number of law suits initiated	17
Number of law suits resolved	25
Number of law suits pending	194

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Number of residential disconnections for non-payment and residential reconnections after payment of unpaid bills

GRI EU27

DISCONNECTIONS AND RECONNECTIONS – EDP SÃO PAULO			
	2018	2019	2020
Disconnections – Less than 48 hours	154,972	100,957	32,692
Disconnections – From 48 hours to a week	37,836	26,904	7,746
Disconnections – From one week to 1 month	33,260	24,975	8,321
Disconnections – From 1 month to 1 year	30,480	26,253	14,377
Disconnections – More than a year	0	0	0
Disconnections – Not classified	0	0	0
Reconnections – Less than 48 hours	261,387	174,720	64,934
Reconnections – From 48 hours to a week	20,416	22,890	9,894
Reconnections – More than a week	2,964	46,11	1,308
Reconnections – Up to 30 days	ND	ND	ND
Reconnections – Not classified	0	0	0

DISCONNECTIONS AND RECONNECTIONS – EDP ESPÍRITO SANTO			
	2018	2019	2020
Disconnections – Less than 48 hours	91,692	97,787	26,889
Disconnections – From 48 hours to a week	130,826	126,807	61,449
Disconnections – From one week to 1 month	79,616	68,753	23,515
Disconnections – From 1 month to 1 year	8,415	21,203	7,478
Disconnections – More than a year	0	0	0
Disconnections – Not classified	0	0	0
Reconnections – Less than 48 hours	229,283	229,624	92,088
Reconnections – From 48 hours to a week	25,212	20,841	11,613
Reconnections – More than a week	56	551	420
Reconnections – Up to 30 days			
Reconnections – Not classified	0	0	0

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Average Plant Availability Factor

GRI EU30

EDP BRASIL	2018			2019			2020		
	PLANNED STOPPAGE	UNPLANNED STOPPAGE	AVERAGE AVAILABILITY	PLANNED STOPPAGE (HOURS)	UNPLANNED STOPPAGE (HOURS)	AVERAGE AVAILABILITY (%)	PLANNED STOPPAGE (HOURS)	UNPLANNED STOPPAGE (HOURS)	AVERAGE AVAILABILITY (%)
HPP Peixe Angical (TO)	402.38	79.90	98	77.22	1.15	100	66.17	0.32	100
HPP Luis Eduardo Magalhães	244.43	25.35	99	775.22	22.40	98	1,715.52	7.82	96
HPP Mascarenhas (ES)	1,481.08	263.28	95	1,116.18	37.15	97	549.33	7,635.63	76
HPP Santo Antônio do Jari (AP)	2,157.88	356.13	94	1,703.08	392.97	95	687.57	4,195.42	86
HPP Cachoeira Caldeirão (AP)	1,654.80	263.98	93	2,029.47	1,679.03	86	3,396.05	250.00	86
HPP São Manoel	1,383.62	2,362.07	87	2,523.33	2,290.68	86	2,014.10	316.27	93
TTP Pecém (CE)	360.04	462.53	91	528.00	252.00	95	1.439	199.70	92

GRI 404-3

PERCENTAGE OF EMPLOYEES WHO RECEIVED PERFORMANCE EVALUATION BY JOB CATEGORY		
	WOMEN	MEN
Senior management	N/A	75%
Director level	100%	75%
Management	83%	82%
Specialist	92%	95%
Administrative	93%	91%
Operational	100%	94%

GRI 414-2

NEGATIVE SOCIAL IMPACTS ON THE SUPPLY CHAIN AND ACTIONS TAKEN			
	2018	2019	2020
Percentage of suppliers identified as causing negative social impacts – actual and potential – with whom improvements were agreed upon as a result of the audit	–	–	N/A
Percentage of suppliers identified as having significant negative social impacts – actual and potential – with whom the organization terminated business relationships as a result of the assessment, and the reasons for this termination	–	–	0%
Number of suppliers evaluated regarding social impacts	–	–	60
Number of suppliers identified as causing actual and potential negative social impacts	–	–	0

11.3 SASB Indicators

TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

TOPIC	CODE	ACCOUNTING METRIC	UNIT OF MEASURE	2020
Greenhouse gas emissions and energy resource planning		(1) Gross global scope 1 emissions ² (mmt CO ₂ e) (2) Percentage covered under emissions-limiting regulations (3) Emissions-reporting regulations	tCO ₂ eq, %	GRI 305-1
	CODE	Greenhouse gas emissions associated with power deliveries	tCO ₂ eq	ND
	IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	Page 73
	IF-EU-110a.4	(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) Percentage fulfillment of RPS target	Qty, %	ND
Air quality	IF-EU-120a.1	Atmospheric emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) Particulate matter (PM ₁₀), (4) Lead (Pb) e (5) Mercury (Hg). percentage of each in or near densely populated areas	t, %	(1) NO _x : 1,502.85 (2) SO ₂ : 5,953.92 (3) MP: 808.52 (4) Pb: ND (5) Hg: ND
Water management	IF-EU-140a.1	(1) Total water withdrawn, (2) Total water consumed, percentage of each in regions with high or extremely high-water stress from baseline	m ³ , %	(1) 4,439,346.30, 95% (2) 4,021,331.01, 95%
	IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Qty	ND
	IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	ND

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TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS				
TOPIC	CODE	ACCOUNTING METRIC	UNIT OF MEASURE	2020
Coal ash management	IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated, percent recycled	t, %	62,220.82, 70%
	IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Qty	0
Energy affordability	IF-EU-240a.1	Average retail electric rate for	R\$/MWh	EDP SP (1) Residential: 533.81 (2) Commercial: 538.22 (3) Industrial: 508.41 (4) Rural: 442.33 (5) Others: 398.72 (6) Average – end customer: 516.83
		(1) residential customers, (2) commercial customers, and (3) industrial customers		EDP ES (1) Residential: 542.56 (2) Commercial: 577.67 (3) Industrial: 553.38 (4) Rural: 425.93 (5) Other: 433.90 (6) Average – end customer: 517.71
	IF-EU-240a.2	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1.000 kWh of electricity delivered per month	R\$	ND
	IF-EU-240a.3	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Qty, %	GRI EU27
IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	N/A	ND	

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TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS				
TOPIC	CODE	ACCOUNTING METRIC	UNIT OF MEASURE	2020
Workforce health and safety	IF-EU-320a.1	(1) Total recordable incident rate (TRIR), (2) Fatality rate, and (3) Near miss frequency rate (NMFR)	Rate	GRI 403-9
End use efficiency & demand	IF-EU-420a.1	Percentage of electric utility revenues from rate structures that are: (2) decoupled (3) contain a lost revenue adjustment mechanism (LRAM)	%	ND
	IF-EU-420a.2	Percentage of electric load served by smart grid technology	%/MWh	ND
	IF-EU-420a.3	Customer electricity savings from efficiency measures, byr market	MWh	Commercial (EDP Smart): 39,229.42 Regulatory (PEE): 6,322.26
Nuclear safety & emergency management	IF-EU-540a.1	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Qty	N/A
	IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	N/A	N/A
Grid Resiliency	IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	Qty	0
	IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI) and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Hours	EDP SP (1): DEC – 7.15 hours (2): FEC – 4.61 hours (3): ND EDP ES: (1): DEC – 7.85 hours (2): FEC – 4.01 hours (3): ND

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TABLE 2. ACTIVITY METRICS			
CODE	ACTIVITY METRIC	UNIT OF MEASURE	2020
IF-EU-000.A	Number of: (1) residential, (2) commercial, and (3) industrial customers served	Qtde	(1) Residential: 3,080,991 (2) Commercial: 23,641 (3) Industrial customers: 6,4851 (4) Other: 231,326 (5) Comercializadora customers: 562
IF-EU-000.B	Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers.	MWh	(1) Residential: 6,318,976.77 (2) Commercial: 2,851,720.66 (3) Industrial: 1,405,438.65 (4) All other retail customers: 2,549,357.40 (5) wholesale customers (Comercializadora): 20,312,000
IF-EU-000.C	Length of transmission and distribution lines	km	Transmission: 315 Distribution: 95,021
IF-EU-000.D	Total electricity generated, percentage by energy source, percentage in regulated markets	MWh, %	Net Generation – Hydroelectrics: 7,521,543.24 Net Generation – Coal: 1,627,749.09
IF-EU-000.E	Total wholesale electricity purchased	MWh	Generation: 4,810,482.33 Distribution: 20,382,978.09

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
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11.4 Capitals Map

 Natural CAPITAL	 Social and Relationship CAPITAL	 Financial CAPITAL
PAGE 21 AND 64	PAGE 21, 60, 93 AND 116	PAGE 21 AND 57

 Intellectual CAPITAL	 Manufactured CAPITAL	 Human CAPITAL
PAGE 21, 34, 112 AND 118	PAGE 17 AND 21	PAGE 21 AND 76

11.5 SDG Map

PRIORITY SDG MAP		
 <p>5 GENDER EQUALITY Achieve gender equality and empower all women and girls.</p>	 <p>7 AFFORDABLE AND CLEAN ENERGY Ensure access to affordable, reliable, sustainable and modern energy for all.</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>
<p>EMPLOYEES, P.81-84.</p>	<p>PERFORMANCE, P. 62. FUTURE VISION, P. 24 AND P.35-39.</p>	<p>EMPLOYEES, P. 76. SOCIETY, P. 94. FUTURE VISION, P. 27.</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p>	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES Make cities and human settlements inclusive, safe, resilient and sustainable.</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns.</p>
<p>INNOVATION, P. 34</p>	<p>2020 HIGHLIGHTS P. 15 FUTURE VISION – P. 35 SOCIETY P. 99</p>	<p>FUTURE VISION, P. 24 AND P.35-39. PERFORMANCE, P.49.</p>
 <p>13 CLIMATE ACTION Take urgent action to combat climate change and its impacts.</p>	 <p>15 LIFE ON LAND Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.</p>	 <p>17 PARTNERSHIPS FOR THE GOALS Strengthen the means of implementation and revitalize the global partnership for sustainable development.</p>
<p>ENVIRONMENT, P. 71-73. GOVERNANCE, P. 120.</p>	<p>ENVIRONMENT, P. 64-65, 67-70.</p>	<p>FUTURE VISION – P. 37-40 PERFORMANCE – P. 54-56 SOCIETY – P. 95-97</p>

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Future Vision

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GRI 102-56

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Limited verification report issued by independent auditors

To the Board of Directors and Shareholders
EDP Energias do Brasil S.A.
São Paulo - SP

Introduction

We have been engaged by EDP Energias do Brasil S.A. ("EDP" ou "Companhia") to apply limited verification procedures on the sustainability information disclosed in EDP's 2020 Annual Report attached in this report, related to the year ended December 31st, 2020.

Responsibilities of EDP's Management

The Management of EDP is responsible for adequately preparing and presenting the sustainability information in the 2020's Annual Report in accordance with the Standards for Sustainability Report of Global Reporting Initiative – GRI (GRI-Standards), as well as the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

Independent auditors' responsibility

Our responsibility is to express a conclusion about the information in the Report based on a limited verification engagement conducted in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI-Standards) and the methodology developed globally by KPMG for verification of social and environmental information disclosed in sustainability reports denominated KPMG Sustainability Assurance Manual - KSAM, applicable to historical non-financial information.

These standards require compliance with ethical requirements, including independence ones, and the engagement is also conducted to provide limited verification that the information disclosed in the EDP's Report, taken as a whole, is free from material misstatement.

A limited verification engagement conducted in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI-Standards) and the KPMG Sustainability Assurance Manual - KSAM consists mainly of questions and interviews with the Management of EDP and other professionals of the Company involved in the preparation of the information disclosed in the Report and use of analytical procedures to obtain evidence that enables us to reach a limited verification conclusion about the sustainability information taken as a whole. A limited verification engagement also requires additional procedures when the independent auditor acknowledges issues which may lead



them to believe that the information disclosed in the Report taken as a whole could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in the Report, on other engagement circumstances and also on our considerations regarding areas and processes associated with material sustainability information disclosed where relevant misstatement could exist. The procedures consisted of:

- (a) engagement planning: considering the material aspects for EDP activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the EDP's Report. This analysis defined the indicators to be checked in details;
- (b) understanding and analysis of disclosed information related to material aspects management;
- (c) analysis of preparation processes of the Report and its structure and content, based on the Principles of Content and Quality of the Standards for Sustainability Report of the Global Reporting Initiative - GRI (GRI-Standards);
- (d) evaluation of non-financial indicators selected:
 - understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;
 - application of analytical procedures regarding data and interviews for qualitative information and their correlation with indicators disclosed in the Report;
 - analysis of evidence supporting the disclosed information;
- (e) analysis of whether the performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analysis of the Company;
- (f) comparison of financial indicators with the financial statements and/or accounting records.

We believe that the information, evidence and results we have obtained are sufficient and appropriate to provide a basis for our limited verification conclusion.

Scope and limitations

The procedures applied to a limited verification engagement are substantially less extensive than those applied to a reasonable verification engagement. Therefore, we cannot assure that we are aware of all the issues that would have been identified in a reasonable verification engagement, which aims to issue an opinion. If we had conducted a reasonable verification engagement, we may have identified other issues and possible misstatements within the information presented in the Report.



Nonfinancial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretation of the data's materiality, relevance and accuracy are subject to individual assumptions and judgments. Additionally, we have not examined data related to prior periods, to evaluate the adequacy of policies, practices and sustainability performance, nor future projections.

Conclusion

Based on the procedures carried out, described earlier in this report, we have not identified any relevant information that leads us to believe that the information in EDP's 2020 Annual Report is not fairly stated in all material aspects in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI-Standards), as well as its source records and files.

São Paulo, February 19th, 2021
KPMG Assessores Ltda.

(A free translation of the original in Portuguese)

Marcio Andrade Barreto
Principal

11.6 Credits

Corporate Information

GRI 102-3

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Credits

General Coordination

People, Digital and Society Board

Collaboration

Marketing and Communication Department

Consulting and Layout

Ricca Sustentabilidade
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Photos

EDP Image Bank

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Attachments

edp