

EDP BRASIL

2019
ANNUAL
REPORT



ENERGY. ENERGIA. ENERGÍA.

We are energy. An energy that is international and speaks many languages.

We are a force driven by innovation toward a greener, more electric, and more sustainable future.

It's no longer a secret that we think of the wind, water, and sun as our greatest allies in our search for ever cleaner energy that reaches everyone in a fairer and more inclusive way.

We set out our ambitious goals, always with a commitment to create a network of energy, talent, technology, with more global and efficient solutions.

Decarbonize, digitalize, and decentralize are the action verbs on this path to change.

We are spearheading the energy transition and assuming the responsibility to challenge the world to join us.

Energy begins with us. And the future is today.

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PRESENTATION OF REPORT

EDP Energias do Brasil S.A. proudly presents its Annual Report, now in its 15th edition. This is the second edition based on the Core option of the Standards version of the Global Reporting Initiative (GRI) guidelines, as well as the principles of the International Integrated Reporting Council (IIRC) and the Sustainable Development Goals (SDGs).

The document presents the company's financial, social and environmental performance, as well as advances in governance and relations with internal and external stakeholder groups – people, partners, customers, government, shareholders, financial institutions, communities and civil society. [GRI 102-1, 102-46, 102-50, 102-54](#)

Published annually, the report covers the period from January 1 to December 31 2019, comprehending all the EDP Brasil units and assets in joint ventures with other companies, except for activities associated with minority shareholdings, such as Celesc. The information presented was assured by KPMG, an independent external company, and validated by EDP Brasil senior management and the Board of Directors. [GRI 102-50, 102-52, 102-56, 102-45](#)

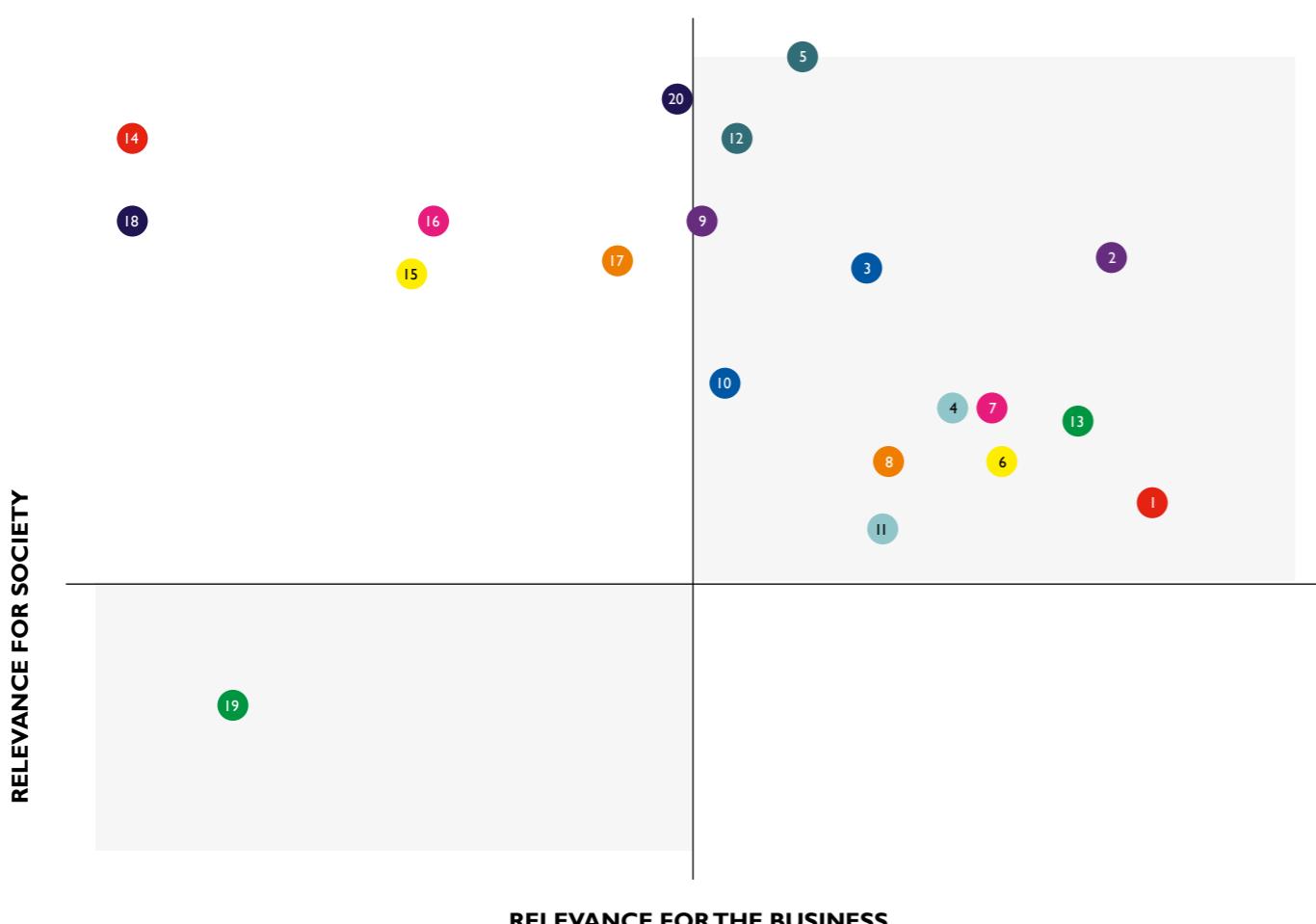
Any doubts, suggestions and requests for further information may be addressed to sustentabilidade.edp@edpbr.com.br. [GRI 102-33, 102-53](#)

MATERIALITY MATRIX GRI 102-46, 103-1

To define the content in accordance with the most relevant topics for its stakeholders, EDP Brasil prepares a materiality matrix aligned with the principles of the Global Reporting Initiative (GRI) and the AccountAbility AA1000 standard.

The process of elaborating the matrix comprises updating the list of topics using an internal tool, analysis of relationship channels and sector studies, as well as interviews with stakeholders to identify the most relevant topics for the company. The process also takes into account internal documents, such as strategic goals, targets and the corporate risk matrix, as well as the vision of senior management.

In the review conducted in 2019, 13 topics of greater impact and influence both for the business and for society were identified and are presented ahead. In comparison with 2018, the topic Energy Infrastructure was not included in the 2019 matrix, while two new topics were introduced: People Management and Innovation and Research.



Topics that were not identified as material in 2019

- 14 Energy Efficiency
- 15 Community Involvement and Development
- 16 Vulnerable Customers
- 17 Digital Transformation
- 18 Sustainable Mobility
- 19 Socially Responsible Investment
- 20 Energy Infrastructure

BOUNDARY OF THE IMPACTS OF MATERIAL TOPICS GRI 102-47, 102-48, 103-1, 103-2, 103-3

MATERIAL TOPIC	INSIDE EDP BRASIL (BUSINESS UNITS)	OUTSIDE EDP BRASIL (STAKEHOLDER GROUPS)	RELATED GRI INDICATORS	RELATED ANEEL INDICATORS
1 Business Sustainability	All	All	102-7, 201-1	
2 Environmental Management	All	Community and society	301-1, 303-1, 304-1, 304-3, 306-2	
3 Customer Satisfaction and Service	Distribution, Commercialization and Services	Customers	EU3, EU27, EU28, EU29	Results of customer satisfaction survey and customer service indicators
4 Business Ethics	All	All	102-16, 102-17, 205-1, 205-2	
5 Promoting Renewable Energy	Generation	Shareholders, Customers, Community and society, Partners	EU1, 302-3, 302-5	
6 Supplier Management	All	Customers, Community and society, Partners	102-9, 414-1, 414-2	Supplier satisfaction rate
7 Safety	All	All	403-2, EU25	
8 Corporate Governance	All	Shareholders, Community and society, Partners	102-14, 102-18	
9 Communication and Transparency	All	All	102-15, 102-21, 102-43, 205-2	
10 Human Rights	All	All	406-1, 408-1, 409-1, 412-1, 412-2, 412-3	
11 People Management	All	-	401-1, 404-1, 405-1, 405-2	
12 Innovation and Research	All	All	EU8	
13 Climate Change	All	All	201-2, 305-1, 305-2, 305-3, 305-4, 305-7	

A message from the administration

gri 102-14

The year 2019 marked the culmination of a trajectory of consolidation of EDP's results in all segments of the business. Over the past decade, EDP Brasil has been transformed into a truly integrated company, with its performance a bellwether in all segments of the electricity sector value chain. At a time in which the EDP Group's vision is focused on "leading the energy transition to create superior value", during the year, we underscored our strategic position in all the key elements necessary for this transition. The results this year are the corollary of this successful strategy. EBITDA of R\$ 2.914 billion and Net Income of R\$ 1.338 billion, were records in a history of more than 20 years of EDP in Brazil.

This performance is built especially on: (1) the operational improvements of the Distribution segment, particularly notable being both tariff revisions; (2) the boosting of the strategy of investments in Transmission, with excellence in execution; (3) the efficacious mitigation of the energy risk, through the integrated management of the generators with the commercialization company; (4) the expansion of a presence in the energy services area, notably in the distributed energy field; (5) the leadership and commitment in innovation and sustainability.

IMPROVEMENT IN THE PERFORMANCE OF DISTRIBUTION, PARTICULARLY IN THE RESULTS FOR BOTH TARIFF REVISIONS

In the Distribution segment, the year was marked by tariff revisions at both Distributors – EDP SP and EDP ES. Thanks to investments made during the tariff cycle of approximately twice the reintegration quota, the average increase in the Distributors' Net Remuneration Base has been lifted by an average of 36% with non-recognized investments of less than 0.5% (the reference amount for the sector) and a regulatory EBITDA superior to 31%. This investment made in both concession areas translated into a consistent reduction of non-technical losses to levels aligned with regulatory losses, as well as an across the board improvement in technical and service indicators.

REINFORCED STRATEGY OF INVESTMENT IN TRANSMISSION, WITH EXCELLENCE IN EXECUTION

In Transmission, we reinforced our strategy for the segment with the acquisition of Lot Q, located along Santa Catarina/Rio Grande do Sul state divide, indicative of the Company's performance in operating this new segment with a scale and returns above the market average. Overall, there are 6 lots with 1,441 km of power line, of which 187 km are in operation 20 months ahead of schedule, namely lot 24 located in the state of Espírito Santo together with the partial operation of lot 11 in the state of Maranhão. The remaining lots also have work in progress ahead of schedule. CAPEX in 2019 in this segment has grown to R\$ 1.9 billion, representing on an accumulated basis more than 50% of the installation cost for the 6 projects under construction.

EFFICACIOUS MITIGATION OF THE ENERGY RISK THROUGH THE MANAGEMENT INTEGRATION OF THE GENERATION AND COMMERCIALIZATION SEGMENTS

The hydrological scenario persisted below the historical average, having a direct impact on the plants and exposing them to a Generation Scaling Factor (GSF) I of 80.9%. This low percentage has led the Company to position itself in such a manner as to protect its energy portfolio. The Group's generation companies, together with the Commercialization Company, have kept around 20% of their energy decontracted for hedging purposes, fully mitigating the energy risk in the year. In addition, the Commercialization has once again posted exceptional results recording R\$ 97 million in EBITDA and reinforcing its commitment to recurring results in this segment.

AN INCREASED PRESENCE IN THE ENERGY SERVICES AREA, PARTICULARLY IN DISTRIBUTED SOLAR ENERGY

In line with the EDP Group's global vision, EDP Brasil continues to make significant strides in the direction of the Brazilian electricity sec-

PRESENTATION

FOR THE NEW DECADE, EDP HAS UPDATED ITS GLOBAL STRATEGIC VISION TO "LEADERSHIP IN THE ENERGY TRANSITION TO CREATE SUPERIOR VALUE"

tor's energy transition and is among the leaders in the vanguard of this movement. It is in this context that this year we launched EDP Smart combining an entire portfolio of services offered to business and residential customers, providing integrated solutions in the areas of the Free Market, Retail Trading, Energy Efficiency, Solar Power, Electric Mobility, and End-Consumer Services. Our operations in the dynamic distributed solar energy and self-generation market have taken on a particularly important role. EDP ended the year with 24 MWp installed and a portfolio of a further 22 MWp under contract.

LEADERSHIP AND COMMITMENT IN INNOVATION AND SUSTAINABILITY

For us, innovation and sustainability which we like to call "innovability", are fundamental pillars of our strategy. With our full awareness of the current energy transition process, we place much emphasis on the investments we make in innovation. And this whether investing in the innovation ecosystem through our accelerator – EDP Starter – or our corporate venture capital – EDP Ventures -, or whether investing in the digitization and robotization of processes program or in research and development projects. In this environment, we would highlight the result of ANEEL's Public Call for Electric Mobility projects in which EDP was successful in approving its three projects at an investment of R\$ 50 million, which represents more than 10% of the total approved for the entire sector.

With respect to sustainability, we can report with satisfaction that for the 14th consecutive year, we are a component in B3's Corporate Sustainability Stock Index (ISE) also being elected the "Best Company in Brazil for Transparency and Combating Corruption".



António Mexia - Chairman of the Board of Directors

by the Guia EXAME de Sustentabilidade. These are just a few of our countless achievements on the sustainability front, reinforcing our lead in this area and our responsibility under the Global Compact Principles.

In the latest sector cycle, we renewed our commitment to sustainability by proposing new global targets for the 2019-2022 period, in line with the United Nations Organization's Sustainable Development Goals (SDG). We also embraced the UN commitment to reducing emissions to maintain global warming at no more than 1.5 C, by subscribing the Business Ambition for 1.5 °C – Our Only Future.

We ended 2019 on a high note. We delivered growth to which we had committed, improving the quality of our operations, managing the risks rigorously and investing with leadership in elements which will be key in the future. All that we have realized this year has only been possible for three fundamental motives of which we are proud, and which lend soundness, competitiveness and ambition to the business: (1) a strong culture; (2) a healthy balance sheet and (3) relationships of trust.



Miguel Setas - Chief Executive Officer

STRONG CULTURE

The last few years have been intense in the work of strengthening our culture and reflected in growing levels of employee engagement. We have done this through the EDP Culture project, involving more than 3,000 EDP employees and our business partners. We have done this because we feel the need to experience a common trunk of values and principles in our entire organization, located nation wide. As a symbol of the EDP Culture, first and foremost comes our first guiding principle – safety which we invoke with the adage “life always in first place”. In 2019, we consolidated our activities in this sphere, working with the zero-accident objective, both with direct employees and service providers. We can record with satisfaction that we suffered no fatal accidents involving EDP's employees. However, it is with much regret that we have to report one fatality with a business partner in Distribution. The fatality reaffirms the need to maintain the focus on EDP Culture's first principle and to continue investing in the improvement of the accident prevention programs.

HEALTHY BALANCE SHEET

During 2019, more than R\$ 2.3 billion was raised, notably in the structuring of finance for the transmission lots. For lot 18, we launched an issue in the market of R\$ 800 million with a duration of 20 years and a cost of IPCA+4.45%, and for the Maranhão lots. we concluded finance from BNB (Banco do Nordeste do Brasil). Our innovative strategy of financing the transmission segment in the capital markets was recognized in 2019, with the International Latin Finance award, Local Currency Financing category, recognizing the lot 21 issue at the end of 2018. We ended the year with a ratio of debt to operating result less than 2 times, which clearly signals our financial health. In the light of this financial soundness, we shall be in a position to distribute a dividend of R\$ 1.00 per share, representing a year-on-year increase of 27% with a Dividend Yield of 4.5% and a payout ratio of 67%.

RELATIONS OF TRUST

The relationship of trust with all our stakeholders continues an invaluable asset at EDP Brasil. To our more than 3 thousand employees, we owe their tireless dedication and energy, round the clock, 7 days a week, 365 days a year. They make EDP happen with excellence and quality. Our business partners also accompany us in this respect. With professionalism and with total delivery. To our clients, we owe loyalty and a long-lasting relationship. To our shareholders that have continued to place their trust in us, we owe the time and resources invested in EDP. To all these and to the other stakeholders, we register here our sincere and profound thanks.

CONFIDENCE IN THE FUTURE

2019 was an important year for the consolidation of the results reported and the strategic advances that we achieved in various areas of our activity. We ended the year stronger, more competitive, more innovative and sustainable. We again end the year with confidence in the future.

In 2020, we begin a new era for EDP in Brazil, with new challenges and with new ambitions. We will continue “to use our energy to always care better” and to continue to merit your trust.

ANTÓNIO MEXIA AND MIGUEL SETAS

01

01 EDP BRASIL

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01

EDP BRASIL

GRI 102-2, 103-1, 103-2, 103-3

I.I BUSINESSES

Present nationwide, EDP Brasil is an integrated electrical energy generation, distribution, transmission and commercialization utility.
GRI 102-2, 102-4

SEGMENTS OF ACTIVITY GRI 102-4, 102-7, 102-10

- **Generation:** the company has six hydroelectric power plants and one thermoelectric power plant located in six Brazilian states (Mato Grosso, Tocantins, Ceará, Pará, Amapá and Espírito Santo), totaling 2.9 GW of installed capacity.
- **Distribution:** it operates through two distributors in the states of São Paulo and Espírito Santo and has a 25.35% stake in Celesc, in Santa Catarina.
- **Transmission:** the company has six projects with a total extension of 1,441 km and six sub-stations – 187 km of which in operation and 1,254 km under construction. In 2019, the company acquired lot Q¹, comprising two sub-stations and a 142 km extension of transmission lines in two stretches between the states of Rio Grande do Sul and Santa Catarina, which belonged to CEE Power and Brafer.
- **Commercialization:** EDP negotiates energy purchase and sale contracts throughout Brazil, in the free market and the retail market.
- **Services:** the company offers services to business and residential customers, with integrated solutions in the areas of energy efficiency, solar energy, electric mobility and services for the end consumer.

¹ Auctioned in the 1st stage of the 13/2015 transmission auction in April 2016.

EDP worldwide¹

GRI 102-6

PORtugal								5,851
SPAIN								1,722
CANADA								5
COLOMBIA								3
USA								649
MEXICO								9
BRAZIL ²								3,158
PERU								1
CHINA								2
POLAND								36
ROMANIA								33
ITALY								36
UNITED KINGDOM								66
BELGIUM								2
FRANCE								85
GREECE								2
IRELAND								
MOZAMBIQUE								
NIGERIA								

- CONVENTIONAL GENERATION
- RENEWABLE GENERATION
- TRANSPORTATION
- DISTRIBUTION
- COMMERCIALIZATION
- OFFICES
- EMPLOYEES

1 The data refer to the activities of the entire EDP Group; however, taking into account only the fully-owned companies.

2 The number refers to the total number of employees in the companies EDP Brasil and EDP Renováveis, both in operation in Brazil.



EDP in Brasil

GRI 102-2, 102-4, 102-6, 102-7, 103-1

AMAPÁ	HPP CACHOEIRA CALDEIRÃO	109.50 MW ¹ OF INSTALLED CAPACITY
AMAPÁ/PARÁ	HPP SANTO ANTONIO DO JARI	196.47 MW ¹ OF INSTALLED CAPACITY
PARÁ/MATO GROSSO	HPP SÃO MANOEL	245.28 MW ¹ OF INSTALLED CAPACITY
TOCANTINS	HPP LUIS EDUARDO MAGALHÃES; HPP PEIXE ANGICAL	1,401.25 MW OF INSTALLED CAPACITY
CEARÁ	TPP PECÉM	720.27 MW OF INSTALLED CAPACITY
MARANHÃO	LOT 7	123 KM OF TRANSMISSION LINES
	LOT 11	203 KM OF TRANSMISSION LINES
ESPÍRITO SANTO	EDP ESPÍRITO SANTO	10,162.08 GWH DISTRIBUTED TO 1.59 MILLION CUSTOMERS
	LOT 24	113 KM OF TRANSMISSION LINES
	HPP MASCARENHAS	198 MW OF INSTALLED CAPACITY
SÃO PAULO	EDP SÃO PAULO	15,429.41 GWH DISTRIBUTED TO 1.94 MILLION CUSTOMERS
SÃO PAULO/ MINAS GERAIS	LOT 18	375 KM OF TRANSMISSION LINES
SANTA CATARINA	LOT 21	485 KM OF TRANSMISSION LINES
	25.35% STAKE IN CELESC	
SANTA CATARINA/ RIO GRANDE DO SUL	LOT Q	142 KM OF TRANSMISSION LINES
ALL	EDP SMART	18.28 GWH OF ENERGY ECONOMIZED BY MEANS OF ENERGY EFFICIENCY SOLUTIONS, AND 24 MW ¹ OF SOLAR ENERGY INSTALLED 16,078 GWH OF ENERGY COMMERCIALIZED TO 392 CUSTOMERS

GENERATION RENEWABLE TRANSMISSION DISTRIBUTION COMMERCIALIZATION SERVICES

I - Installed capacity refers to EDP's percentage share in the plants.



A GLOBAL ENERGY COMPANY,
LEADING THE ENERGY
TRANSITION TO CREATE
SUPERIOR VALUE.

1.2 THE EDP WAY OF BEING

VALUES GRI 102-16

OCCUPATIONAL SAFETY

FOR ALL OUR EMPLOYEES
AND BUSINESS PARTNERS.

TRUST

OF SHAREHOLDERS,
CUSTOMERS, SUPPLIERS
AND OTHER STAKEHOLDERS.

INITIATIVE

MANIFEST IN THE BEHAVIORS
AND MINDSET OF OUR PEOPLE.

EXCELLENCE

IN EXECUTION.

INNOVATION

TO CREATE SUPERIOR VALUE
IN THE DIVERSE AREAS IN WHICH
WE OPERATE.

SUSTAINABILITY

AIMED AT IMPROVING QUALITY
OF LIFE FOR CURRENT
AND FUTURE GENERATIONS.

EDP CULTURE GRI 102-16, 103-2, 103-3

PURPOSE

USE OUR ENERGY TO TAKE EVER
BETTER CARE.

PRINCIPLES

LIFE ALWAYS IN
FIRST PLACE

UNCONDITIONAL RESPECT

ETHICS AND PURSUIT
OF THE BEST FOR EVERYONE

RESPONSIBILITY FOR THE WHOLE

COHERENCE IN SPEECH
AND IN ACTION

JUSTICE IN EQUALITY
AND IN DIFFERENCE

FOCUS ON SOLUTIONS
AND ON THE HIGHER PURPOSE

PURSUIT OF EXCELLENCE
FOR MANKIND

TEAM SPIRIT
AND COMPANIONSHIP

SHARED KNOWLEDGE

CONSTANT INNOVATION

CUSTOMER: OUR REASON
FOR BEING



1.3

EDP in Brasil in the last decade

GRI 203-2

2019 marked the end of a decade. With a further 10 years of activities in Brazil, during the course of this period the company saw not only improvements in its results and performance, but also investments that drove economic impact and value generation for the country.



RECOGNITIONS
MORE THAN
150 awards received



LOW INCOME SERVICES
1,775,095 FAMILIES

**EBITDA**

2010 2019
R\$ 1.6 billion **R\$ 2.9 billion**

**NET INCOME**

2010 2019
R\$ 0.6 billion **R\$ 1.3 billion**

**INVESTMENT IN R&D**

MORE THAN
R\$ 208 million

**JOB GENERATION**

MORE THAN
30,000 jobs
CREATED IN THE COUNTRY

**INVESTMENTS IN BRAZIL****R\$ 12 billion****TAXES PAID****R\$ 40 billion****DIVIDENDS DISTRIBUTED****R\$ 3.4 billion****SHARE PERFORMANCE**APPRECIATION OF
243.6%**SOCIAL INVESTMENT**

R\$ 100 million
INVESTED

R\$ 3 million
PEOPLE BENEFITED
DIRECTLY AND INDIRECTLY

R\$ 32 million
FOR THE RECUPERATION
OF TWO MUSEUMS

Awards and recognition

GRI 203-2

GUIA VOCÊ S/A

For the fourth consecutive year, EDP Brasil was recognized as one of the 150 Best Companies to Work for by VOCÊ S/A.

DOW JONES SUSTAINABILITY INDEX

The EDP Group achieved its best score ever, standing out as leader of the utilities sector, with the best sustainability practices among global companies. EDP has been in the ranking for 12 years running.

TRANSPARENCY TROPHY

From among 2,000 companies, EDP Brasil was recognized for the quality of its financial statements for the sixth time. The award, granted by the finance, administration and accounting executive association ANEFA (Associação Nacional dos Executivos de Finanças, Administração e Contabilidade), recognizes organizations with the best accounting practices.

ABRADEE

EDP São Paulo was recognized as the third best in the country by industrial and large commercial customers in the Satisfaction with Perceived Quality Index (ISQP), conducted by the industry association ABRA-DEE (Associação Brasileira das Distribuidoras de Energia Elétrica). EDP Espírito Santo was recognized as one of the five best in the country by its large consumers.

VALUED EXECUTIVE

In 2019, the CEO of EDP Brasil, Miguel Setas, was elected executive of the year in the energy sector by the newspaper Valor Econômico, for his performance in managing the company in 2018 and his reputation in the market.

GUIA EXAME DE SUSTENTABILIDADE

Honorable mention in Ethics and Transparency in Guia EXAME de Sustentabilidade 2019.

VALOR INOVAÇÃO BRASIL 2019

EDP Brasil was placed second in the award's energy ranking.

LATIN TRADE INDEXAMERICAS SUSTAINABILITY AWARD

EDP Brasil was recognized as the best company in Social Responsibility in Latin America.

ETHISPHHERE

For the eighth year running the EDP Group was included in the Ethisphere Institute ranking of the most ethical companies in the world.

EDP BRASIL

ABERJE 2019 AWARD

EDP Brasil was the São Paulo regional winner of the Aberje Award 2019 in the Organizational Sustainability category for the project "Luso-Brazilian Culture as a Cause", in the Diversity and Inclusion category, for the Electrician School for Women project.

BEST SUSTAINABLE ENERGY COMPANY - LATAM 2019

EDP Brasil was recognized by International Investor as the most sustainable energy company. The award is aimed at recommending financial institutions and highlights listed companies in line with investor interests.

INSTITUTIONAL INVESTOR

First place in the utilities sector in three categories of the Investor Relations ranking organized by the magazine Institutional Investor.

2019 ANNUAL REPORT

PROJECT & INFRASTRUCTURE FINANCE AWARDS 2019

EDP Brasil received international recognition from Latin Finance for a R\$ 1.2 billion debenture issue for the construction of a transmission line in Santa Catarina.

ANEEL OVERALL PLANT RANKING

The HPP Luís Eduardo Magalhães was elected the best in Brazil for gaining the top score of 100 points in Safety, Environment, Operational Management and Maintenance Management, and 99.56 points in Operation and Maintenance.

ÉPOCA NEGÓCIOS 360°

Fifth place in the overall ranking of the best companies in the country.

ORDER OF IPIRANGA

Miguel Setas, CEO of EDP Brasil, received the Ordem do Ipiranga (Order of Ipiranga). This is a tribute to persons who have rendered exceptionally important services to the state of São Paulo and its residents.

TOP 50 OPEN CORPS

The company came in ninth place in the ranking which recognizes companies that are most engaged and committed to the Brazilian innovation ecosystem.

CONSUMIDOR MODERNO

The EDP Brasil distributors in São Paulo and Espírito Santo were elected the "Company that most respects the consumer", in the Electrical Energy category for the second year running.

BRAND FINANCE

The consultancy recognized EDP Brasil as one of the 15 most valuable utility brands in the world, with the EDP brand valued at the equivalent of US\$ 2.7 billion.



02

02 GOVERNANCE

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02

GOVERNANCE

GRI 102-18, 102-24, 102-25, 102-27, 102-29, 103-2

With conduct based on the principles of transparency, fairness, accountability and corporate responsibility, EDP Brasil adopts high standards of corporate governance.

A public corporation, the company's shares are traded on the B3 Novo Mercado under the ticker symbol ENBR3. Since 2005, EDP Brasil has been part of the B3 Corporate Sustainability Index (ISE), comprising companies with a reputation for commitment to sustainable development. **GRI 102-5**

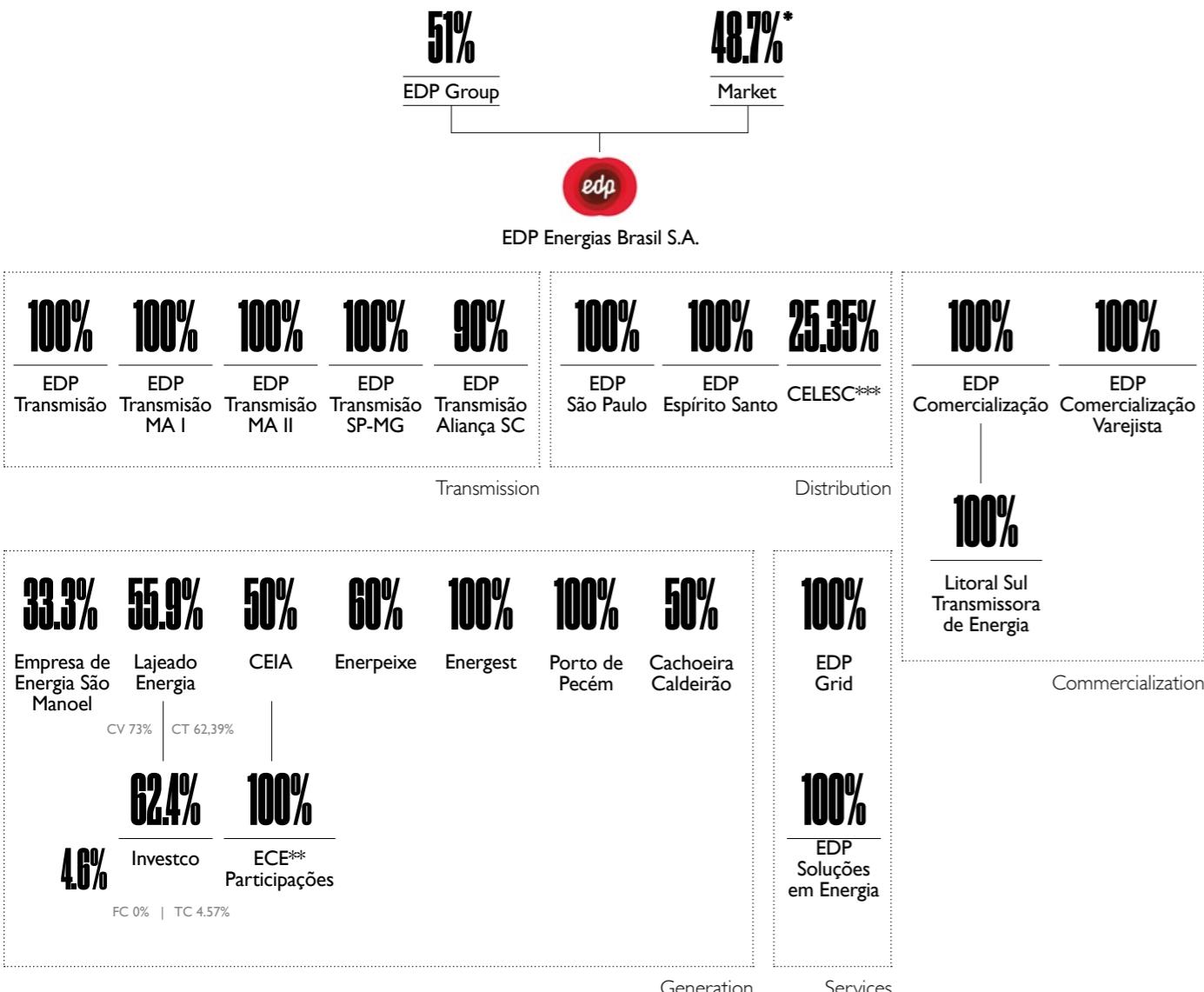
In 2019, the EDP Group distinguished itself among global companies with the best sustainability practices, scoring 90 points on the Dow Jones Sustainability World Index (DJSI World) at a global level and in Europe. This was the company's 13th consecutive year in the index.

Furthermore, EDP Brasil's financial statements are in accordance with SCIRF (Sistema de Controle Interno do Relatório Financeiro) guidelines, based on the Sarbanes-Oxley (SOX) act.

2.1 GOVERNANCE 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.

Fixed compensation (salary and benefits) for executives is proposed by the Remuneration Committee and approved by shareholders. In April 2019, the Ordinary General Meeting approved the amount of R\$1.68 million for the overall compensation of members of the Board of Directors and the Advisory Committees and up to R\$7.69 million in overall compensation for the Executive Committee from the period from April 2019 to March 2020. GRI 102-35, 102-36, 102-37



FC - Floating Capital
TC - Total Capital

(*) Treasury Shares: 2,044,344

(**) HPP Santo Antônio do Jari

(***) Celesc is an integrated asset, of greater relevance in the Distribution segment

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. In 2019 it comprised eight members, four of whom independent, elected in the General Shareholders' Meeting. The Chairman of the Board is also the CEO of EDP Energias de Portugal, and his Vice Chairman is the CEO of EDP Brasil. GRI 102-22, 102-23, 102-24, 102-26

Board members participate in ordinary meetings four times a year and extraordinary sessions whenever it is deemed necessary. Board members undergo self-assessment and assessment annually by means of confidential individual questionnaires that include financial and socioenvironmental aspects. GRI 102-19, 102-20, 102-28, 102-31

Further information is available at <https://enbr.infoinvest.com.br/ptb/diretoria-e-conselho>.

COMPOSITION OF THE BOARD GRI 102-22, 405-1

MEMBER	POSITION
António Luís 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, CEO of EDP Brasil and member of the Sustainability Committee and the Diversity and Inclusion Committee
Miguel Stilwell de Andrade	Board member and member of the Remuneration and Audit Committee
João Manuel Veríssimo Marques da Cruz	Board Member
Pedro Sampaio Malan	Independent member and Chairman of the Sustainability 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 and Remuneration Committees
Juliana Rozenbaum Munemori	Independent member and member of the Corporate Governance and Related Parties Committee, of the Sustainability Committee and the Diversity Committee



ADVISORY COMMITTEES GRI 102-22

- Audit Committee:** this is responsible for tracking and assessing internal and external audit activities, monitoring business risks, monitoring accounting practices and information transparency, among other attributions. This permanent committee comprises three members, two of whom are independent and one who is indicated by the controlling shareholder. Five meetings were held in 2019.
- Sustainability Committee:** the purpose of this body is to oversee the company's future prospects and sustainability, adopting a long-term vision that takes social and environmental criteria into account in the definition of business and operations, among other functions. Also permanent in nature, it is chaired by an independent member in accordance with Novo Mercado listing requirements; it has another independent member and one indicated by the controlling shareholder. **GRI 102-19, 102-20**
- Remuneration Committee:** a non-permanent collegiate committee that advises the Board on decisions related to the company's and subsidiaries' remuneration policies. It consists of three members chosen from among the members of the Board of Directors, two of whom are indicated by the controlling shareholder and one who is an independent member.
- Corporate Governance and Related Parties Committee:** a permanent committee whose attributions include advising the board on the adoption of best corporate governance practices and the highest ethical principles. It comprises three independent members elected by the Board of Directors.
- Inclusion and Diversity Committee:** its attributions are to advise the Board of Directors on the adoption of measures to promote diversity, inclusion and equality of opportunity. This is a permanent committee with three members chosen from among the members of the Board of Directors, two of whom are indicated by the controlling shareholder and one who is an independent member. **GRI 103-1, 103-2**

Information about the Advisory Committees and their members is available at <https://enbr.infoinvest.com.br/ptb/comites>.

EXECUTIVE BOARD

The executive board is responsible for running the business in line with the guidance provided by the Board of Directors and the decisions taken at the Shareholders' Meetings, as well as evaluating the company's economic, environmental and social performance and approving the content of this annual report. It comprises at most five members who may accumulate functions. The board meets on a weekly basis. **GRI 102-19, 102-26, 102-32, 103-2**

For further information, access enbr.infoinvest.com.br.

COMPOSITION OF EXECUTIVE BOARD GRI 405-1

MEMBER	POSITION	ANTI-CORRUPTION	RECOGNITION
Miguel Nuno Simões Nunes Ferreira Setas	CEO and Investor Relations	Worthy of note during the year was the preparation for ISO 37.001 standard certification, which contains requirements for the establishment, maintenance, critical analysis and improvement of an Anti-Corruption Management System. As a result, rules were updated and created to ensure compliance with the standards in the areas of Gifts, Presents and Events; Combating Illicit Events; Compliance; Interaction with Public Authorities; Donations, Sponsorship and Support and Assessment of Consequences.	DURING THE YEAR, EDP BRASIL'S GOOD PRACTICES WERE RECOGNIZED WITH THE RECEIPT OF THE ISO 37.001 STANDARD LETTER OF RECOMMENDATION, WHICH REINFORCES THE COMPANY'S CULTURE OF INTEGRITY AND TRANSPARENCY.
Carlos Emanuel Baptista Andrade	Vice President, Strategy and Business Development	In December, EDP Brasil's good practices were recognized with the granting of an ISO 37001 standard Recommendation Letter. The recognition, which has a certification validity of 3 years with annual maintenance, reinforces the company's culture of integrity and transparency.	
Luiz Otavio Assis Henriques	Vice President, Generation, Transmission and Commercialization	The company also organized an Anti-Corruption Week, the highlight of which was <i>Innovethics</i> , an event for senior management addressing the ethical challenges involved in innovation.	
Michel Nunes Itkes	Vice President, Networks	In 2019, EDP Brasil included anti-corruption policy and procedures in its communication plan, reaching all company employees and 1,821 business partners. GRI 205-1, 205-2	
Henrique Manuel Marques Faria Lima Freire	Vice President, Finance	CODE OF ETHICS GRI 102-16, 103 406 The ethical principles guiding the company's activities are set forth in the EDP Brasil Code of Ethics, available to everyone via the link http://www.edp.com.br/codigo-de-etica-edp . The document addresses questions related to legal compliance, integrity, respect for human and labor rights, among others.	
		In 2019, after an internal campaign to drive adhesion to the Code of Ethics, 96% of the employees signed the document.	
		Moreover, employees take part in regular compliance training programs. During the year a series of videos and communications were disseminated via diverse internal channels aimed at consolidating the behavioral dimension of ethics and compliance. By the end of 2019, 90.5% of the company's employees had completed training on ethics and compliance.	



ETHICS CHANNEL GRI 102-17, 102-33, 103-I, 103-2, 103-3

EDP Brasil has an Ethics Channel administered by an external consultancy to receive reports related to ethical questions and conduct. This is accessible via email, website, post office box or voice mail.

All reports are investigated by an internal team and then assessed by the Ethics Committee, comprising the CEO, the four Vice Presidents and two EDP Portugal representatives, with the participation of the directors of the Internal Audit and Compliance, Legal and People Management areas. A total of 145 reports were received in 2019, an increase of 32% over 2018. GRI 102-17, 205-3

The increase in the number of reports reflects greater familiarity and confidence in the channel, as well as the company's efforts to disseminate it. As a means of promoting even greater transparency in this area, in 2019, the company started to divulge metrics on the Ethics Channel's activities to all employees in the workplace (the internal social network).

2.3 RISK MANAGEMENT GRI 102-15, 102-30, 103-2

At EDP Brasil, risk management is undertaken in an integrated manner in order to ensure that the diverse risks inherent to each of the company's areas are managed by those responsible and reported to the Board. The management process is based on methodologies such as COSO ERM – Committee of Sponsoring Organizations of the Treadway Commission and ISO 31.000.

EDP Brasil risk management, compliance and internal audit activities are aligned with the three-line defense concept:

LINES OF DEFENSE			
	1 ST LINE OF DEFENSE	2 ND LINE OF DEFENSE	3 RD LINE OF DEFENSE
Purpose	Business areas	Risk (support and monitoring)	Internal audit (independent)
	To implement and execute controls to mitigate existing risks.	To identify and analyze risks, as well as to define mitigation strategies.	To audit processes and activities in order to identify opportunities for improvement.
Areas involved	All business areas.	Risk management, Compliance and Health and Safety.	Internal Audit.
Benefits	Promoting proximity between business areas and the mitigation actions to ensure company results are protected.	Development of specialized areas to support risk management.	Independent analyses that guide the pursuit of improvements.

RISK MATRIX
IN 2019, THE EDP BRASIL RISK MATRIX WAS REVIEWED, WITH THREE RISKS BEING IDENTIFIED AS MORE CRITICAL AS INDICATED IN THE FOLLOWING LIST.

The company has a specific Business Risk policy, which sets forth principles for action, management approaches and types of risk: financial, compliance, image and communication, credit, energy, information security, asset management and regulatory risks. Access at: <https://enbr.infoinvest.com.br/ptb/politicas-corporativas>. The following were identified as the main risks in the 2019 EDP Brasil risk matrix review:

VERY HIGH RISKS

- SOCIAL AND PUBLIC POLICY
- CLIMATE
- SECTOR REGULATION
- SUPPLIER AND THIRD-PARTY MANAGEMENT

HIGH RISKS

- TREASURY
- NON-TECHNICAL LOSSES
- RENEWABLE ENERGY SOURCE VOLUME (GSF)
- INFORMATION INTEGRITY
- PROJECT MANAGEMENT / TRACKING
- ENVIRONMENT / LICENSES
- FISCAL
- TECHNICAL LOSSES
- MANAGEMENT OF CONTRACTUAL OBLIGATIONS
- RETENTION AND SUCCESSION
- UNION RELATIONS
- HEALTH AND SAFETY
- AVAILABILITY
- LABOR
- PRIVATE PENSION PLAN
- ENERGY MARKET / RATIONING
- ANTI-ETHICAL CONDUCT / FRAUD
- SETTLEMENT (SPOT) PRICES AND COMMODITIES
- TARIFF REVISIONS
- CUSTOMERS
- CONFIDENTIALITY / SEGREGATION OF ACCESS TO INFORMATION
- RENEWAL OF CONCESSIONS
- ENERGY PLANNING
- PRODUCT/SERVICE DEVELOPMENT
- SECTOR CHARGES AND TAXES
- COUNTERPARTS
- COMMERCIAL PROCESSES
- SUPPLIES
- STAKEHOLDER RELATIONS
- EXCHANGE RATE
- SERVICE QUALITY
- ACCOUNTING PRACTICES



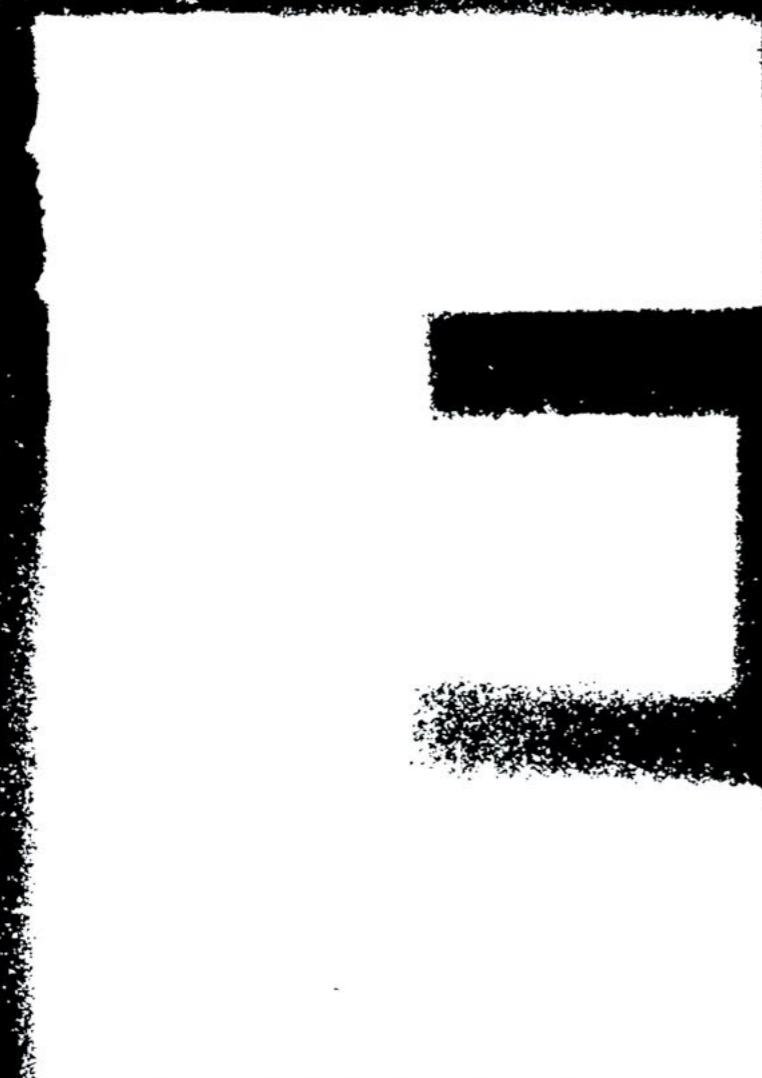
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03

03 STRATEGIC MANAGEMENT

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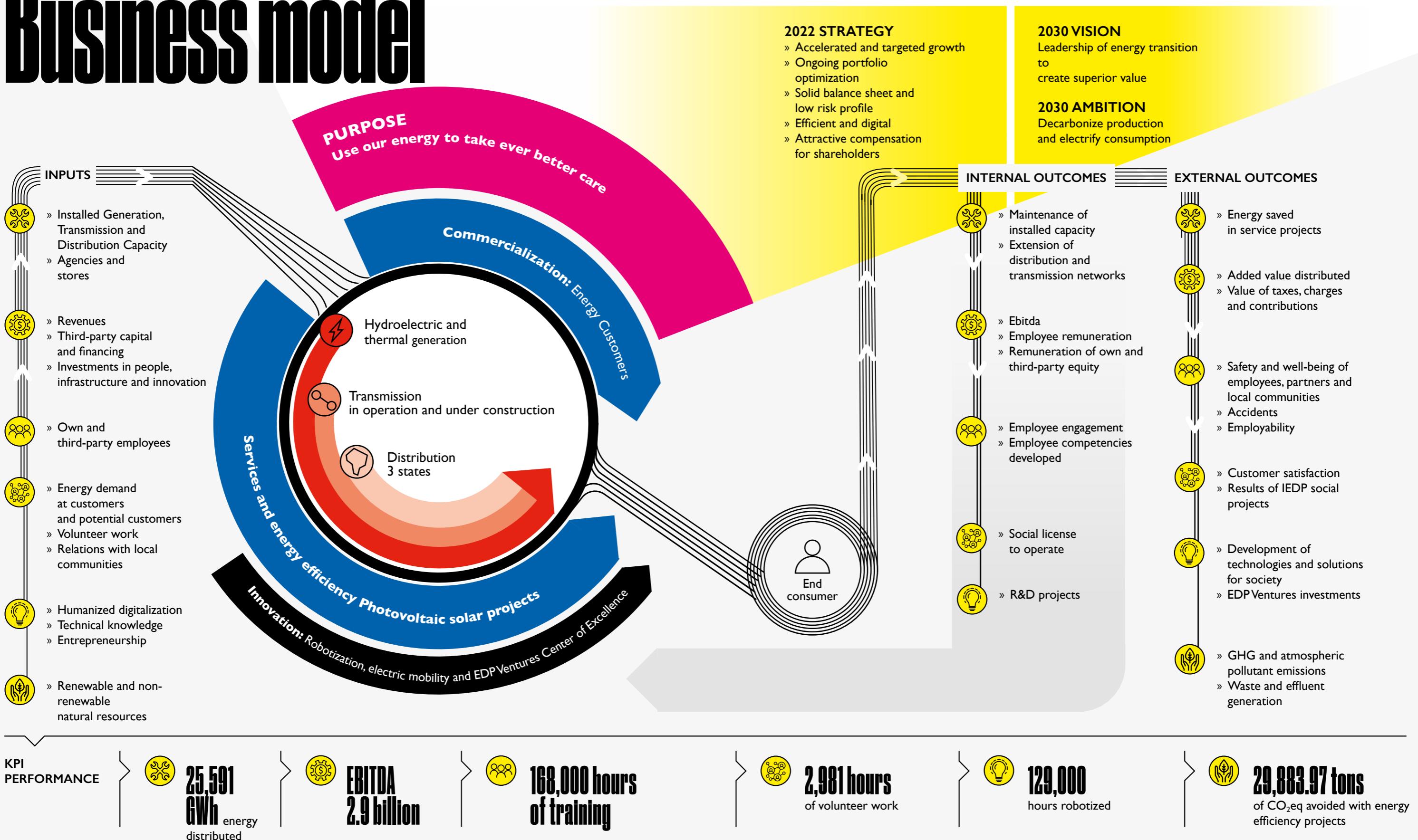
STRATEGIC MANAGEMENT

At EDP Brasil, strategic management of operations is based on a business model aimed at ensuring the company's future prosperity as well as generating value for its stakeholder groups.

The model is supported by the company's activity fronts, its values and its future vision, set forth in its 2022 Strategy and 2030 Vision, as presented ahead.

3.1

Business model



3.2 STRATEGIC PLANNING

EDP Brasil strategy is based on robust governance in conjunction with sustainability and innovation. Engaged in the entire electric utility sector chain, the company seeks to manage a balanced portfolio of assets with sustained growth, superior efficiency and controlled risk.

In March 2019, EDP Brasil updated its global strategic vision from "An integrated company, leader in value creation, sustainability and innovation" to "Leadership of the energy transition for the creation of superior value".

EDP Brasil believes that the energy transition is sustained by **three platforms**, known as the 3D transition.

Decentralization

preparation for the opening up of the market, with the expansion of the free energy market, by means of investment in distributed generation, growth in sources of renewable energies, reduction in the costs of solar panels and batteries, incentives in regulation for distributed energy, blockchain, among other factors.

Digitalization

cross cutting all business fronts, this includes new technologies, robotization projects, partnerships and the internet of things (IoT), smart grids, data use (big data and analytics), connected homes, prosumer (energy producing consumer) logic, new products and services, personalization, among other fronts.

Decarbonization

this consists of the transition of the energy matrix to clean energies, storage with batteries, energy efficiency, electric mobility, environmental commitments, among other initiatives.

And, to support the new vision and the 3D transition, EDP Brasil strategy is underpinned by **five pillars**:

(1) DOUBLE-DIGIT GROWTH

(2) DISTINCTIVE EXECUTION

(3) DE-RISKING

(4) DISCIPLINE

(5) DIGITALLY DRIVEN

GLOBAL VISION
IN 2019, EDP BRASIL'S GLOBAL
VISION WAS UPDATED TO
"LEADERSHIP OF THE ENERGY
TRANSITION FOR THE CREATION
OF SUPERIOR VALUE".

In addition to availability and efficiency in generation, the company has focused on new services by means of the launch of the EDP Smart brand, investment in distribution networks and the consolidation of the transmission business.

The objective is to guarantee portfolio diversification aimed at mitigating risks – water, price, macroeconomic, for example –, the stability of the company's results in the long term, as well as preparation for the coming transformation in the electrical power sector, which includes the opening up of the market.

In this respect, EDP Brasil's investment priorities in the coming years will be innovation, networks, new services and human capital, an essential asset for business development. Further information on each business is presented in **Operating Performance**.

MANAGEMENT TOOLS

The company's activities are supported by the Balanced Scorecard (BSC) methodology and by the ISO 14.001, ISO 9.001 and OHSAS 18.001/ISO 45.001 certification standards. The company also employs Lean and Kaizen methodologies to optimize processes and reduce wastage. Company performance is tracked in monthly meetings involving the entire company leadership' (Operations Review).

ENERGY PLANNING GRI 102-11, EU6

The energy planning area uses forecasts to guide management of the Generation, Distribution and Commercialization segments. With this focus, a new computational model was developed to monitor energy prices – previously monitored weekly – on an hourly basis. Regarding hydrological risk, EDP Brasil participated in discussions on the enhancement of the sector's thermoelectric park for low-cost thermal generation in accordance with need. The objective is to help drive greater efficiency, reduced costs and the mitigation of impacts from greenhouse gas (GHG) emissions.

Also worthy of note was the announcement of EDP Ventures' investment in Fractal, a Santa Catarina company that develops solutions related to managing hydrological risks and intelligent systems for dam management, helping to drive process improvement and the application of best practices in generation assets. Further information in **Innovation**.

During the course of the year, the Commercialization area was engaged in the management of the company's energy portfolio, working jointly with the generators in energy purchase and sale transactions. The energy allocation strategy takes into account annual seasonal variation factors, both in relation to sales contracts and physical guarantees.



3.3 INNOVATION

As an essential focus for running the business and ensuring continuity, innovation is deeply engrained in EDP Brasil's vision, values and culture. The company's efforts are focused on five innovation pillars that reflect macrotrends in the transformation of the electricity sector – energy storage, clean energy, digital innovation, intelligent grids and customer-focused solutions –, as well as access to energy and innovation in internal processes.

OPEN INNOVATION

- **Starter Acceleration Program:** start-up engagement program, the main objective here is to generate businesses involving the company and the enterprise ecosystem by means of the development of new technologies and the joint development of projects that enable the creation of superior value throughout the EDP Brasil value chain. In 2019, the program entered its third edition and was conducted on a global scale, with submissions open to all countries. Projects were selected for acceleration modules in three regions: Latin America (module in Brazil), North America (module in the United States) and Europe (module in Spain).

During the year more than 500 start-ups made submissions, of which 129 in Brazil. From this total, 30 start-ups were selected to participate in the program, 9 of which in Brazil. The Australian start-up, LexX Technologies, was selected as the overall winner of the first global edition, receiving a prize of 50,000 euros during the grand finale of the program at the WebSummit in Lisbon. Based on concepts driving industry 4.0, the start-up developed a solution that combines artificial intelligence and machine learning to optimize assessment of the maintenance and efficiency of energy assets.

- **EDP Ventures Brasil:** the first corporate venture capital initiative in the electricity sector in Brazil, EDP Ventures undertook co-investments totalling some R\$ 4.7 million in 2019. Worthy of note are Dom Rock, a start-up that develops solutions that support companies in handling large volumes of data – which have already been replicated in the regulatory and digital areas at EDP Brasil, as well as in managing employee benefits –; Fractal Engenharia e Sistemas, a Santa Catarina-based company that develops solutions for forecasting hydrological events and smart systems to assist in dam management; and Delfos, which is focused on developing artificial intelligence applied to the predictive maintenance of energy generation assets.
- **Free Electrons:** a consortium formed by EDP Brasil in partnership with another nine utilities created Free Electrons, an acceleration program focused on generating business with start-ups and scale-ups- mature companies scaling up to operate internationally. The initiative provides the start-ups with access to global partners who may help them to boost their traction in new markets, as well as enabling access to venture capital funds from participating power companies. In 2020, the program will have a module in Brazil for the first time ever. The program comprises three week-long modules: the first will take place in Sydney, Australia; the second, for the first time, in São Paulo; and third will be in Dubai, in the United Arab Emirates, where the overall winner, which will receive the prize of US\$ 200,000, will be announced.

INTERNAL INNOVATION CULTURE

- **IMentors:** a training program for employees in innovation techniques focused on the development of new solutions applicable to the challenges faced by the businesses, ranging from the idealization phase with the application of design thinking, to prototyping using agile methodology. The initiative is open to employees from all the EDP Brasil business units. Currently 30 employees have been selected and trained to act as multipliers of the innovation culture throughout the company. In 2019, 226 employees enrolled, resulting in five groups with project proposals that are currently under development in the business areas.
- **Go Innovation & InnovEthics:** this is an initiative promoted by the Innovation area aimed at generating innovative solutions, classifying and recognizing the employees responsible for the implementation of the best projects to drive the company's innovation culture, based on merit and enterprise. The initiative receives voluntary project submissions from employees at all the EDP Brasil business units. These are evaluated by technical boards comprising company executives in events held at the respective units. In 2019, there was a record submission of 187 projects. Employees presented their pitches to the technical boards, with the five best qualifying for the final. The award presentation ceremony took place during Innovethics, an event that debated the ethics of innovation in the light of new technologies. In addition to EDP Brasil employees, the event was attended by the chairman of the Ethics Committee, journalists, lecturers and CEOs from other companies engaged in the innovation debate.
- **Immersion in Innovation hubs:** the EDP Group promotes executive immersion programs for leaders in international benchmark innovation hubs, aimed at expanding their knowledge and training them by means of talks and visits to leading technology and energy companies. The program was initiated in 2017, with three groups a year undergoing immersions in Silicon Valley, in the United States. Up until 2019, 29 EDP Brasil executives had participated in the program. Last year a new hub was opened, with the first group undertaking an immersion in China, one of the most impressive innovation ecosystems focused on hardware and artificial intelligence in the world.
- **360 Innovation Forum:** in times of constant change in consumer behaviour and patterns, the company created its 360 Innovation Forum, an event open to the company's internal audience with the participation of external guests. Two editions of the forum were held in 2019. These involved the diverse areas related to innovation, as well as the company's main executives. The purpose was to create an environment in which to discuss the use of innovation to leverage business sustainability.

INNOVATION LOUNGE

One highlight in 2019 was the creation of a collaborative work space involving diverse company areas engaged in the development of strategic digital transformation projects, new products and services. The teams working in the space include Innovation, Ventures, EDP Smart – B2C services, Analytics, Digital – and CER - Center of Excellence in Robotization. They work in an integrated fashion, applying agile methodology in employee squads dedicated to specific projects. This area is also available as a co-working space to engage start-ups and business partners in co-creation and joint development projects with EDP Brasil.

RESEARCH AND DEVELOPMENT (R&D) GRI EU8

EDP Brasil participates in the ANEEL Research & Development Program, contributing 0.4% of the net operating revenue from the generators and 0.2% from the distributors to research and development (R&D) projects. This involved a total investment of R\$ 47.9 million in R&D in 2019, with R\$ 19.7 million coming from Generation and R\$ 28.2 million from Distribution.

One of the main highlights in 2019 was the approval of three EDP Brasil electric mobility projects in an ANEEL strategic tender. These represent an R&D investment of R\$ 50 million, with funding from the regulatory agency's research and development fund, as well as funds from the company and partners.

The main project involves an investment of R\$ 32.9 million. In partnership with the Volkswagen Group and other technology suppliers, EDP Brasil will build the first state network with 30 ultra-fast electric vehicle charging stations. The venture will involve a total of 64 charging points connecting São Paulo, Rio de Janeiro, Vitória, Curitiba and Florianópolis, forming a power supply corridor for electric vehicles over 2,500 km in length.

The second project involves the creation of an e-Lounge with various charging points for electric vehicles close to an airport. This project will be focused on providing charging services, ensuring convenience for taxi-drivers and app drivers while they wait for passengers. The third project involves the replacement of diesel buses with electric models in the state of Espírito Santo.

In Distribution, the main highlight was an intelligent network laboratory for tests and simulations involving distributed generation. Conducted in partnership with the University of São Paulo (USP), the project was submitted to proof of concept in Espírito Santo with 73,000 customers, involving the use of smart metering, automatic switches and 3G, with decision making supported by artificial intelligence. The trial will be concluded in 2020 and then expanded.

The project also uses Unmanned Aerial Vehicles (UAVs), that is two drones with high definition cameras and intelligent image recognition capabilities to ensure operational efficiency in network maintenance.

INTERNAL ACCELERATION

EDP Brasil, in partnership with Accenture, has formed the Smart Energy Lab, an initiative that involves the integration of staff from both companies to create new solutions based on technologies in the areas of distributed solar generation, intelligent energy management, electric mobility, financial solutions and energy storage, among others.

The first Smart Energy Lab project was focused on the development of a distributed solar energy solution based on blockchain technology to be offered to EDP Brasil customers.

The initiative is based in Porto Digital, an innovation and technology development hub located in the city of Recife. In parallel, market tests are being conducted in the headquarters of the companies in São Paulo.

ROBOTIZATION

Three years after the implementation of the use of robots in its activities, in 2019 EDP Brasil saw advances not only in the volume of automated processes, but also the incorporation of greater intelligence into robotization. This was demonstrated by the size of the robot park during the year, which grew to 171 units, as well as the technological evolution of these machines from first generation to generation 3+, with the employment of machine learning techniques. The cumulative number of robotized hours during the period exceeded 129,000.

The robot shared services system Robô I Serviços Partilhados or RISP, which marked the beginning of the robotization program, was reviewed in 2019 in line with best development practices and extended to more than 76 municipalities. Moreover, projects worthy of note in the period include:

- The implementation of 3+ generation robots for proactive communication with customers: using artificial intelligence, the robot identifies customers in areas facing potential power blackouts proactively, informing them about the power outage and the projected duration before the call center is involved;
- RPA (Robotic Process Automation): this consists of the enhancement of governance using a platform specifically developed to control the life cycle of each robotized activity, ensuring transparency, agility and reliability for the areas responsible for the robots developed and administered by the Center of Excellence in Robotization (CER). It should be noted that EDP Brasil has been considered a benchmark in this area, both in Brazil and in the international market, having been contacted by more than 60 companies interested in learning more about the company's governance practices. Due to the large number of benchmarking requests, every six months the company holds an event called Conversation Round in which it shares its experience in this area, the lessons it has learned, as well as promoting networking among the participants.

For the coming years, the plan is to further expand the robot park, with a focus on gains in efficiency and productivity, as well as the development of future generations of robots, boosting the use of artificial intelligence technologies.

DIGITAL TRANSFORMATION AND DECENTRALIZATION

EDP Brasil believes that the digital transformation movement is a strategic agenda, associated not only with the employment of leading edge technology, but also efficient processes and a change in mindset. In this respect, in line with company strategy and future vision, EDP Brasil restructured the People Management area as a means of furthering the company's digital transformation. The EDP Agility area has now incorporated the Center of Excellence in Robotization (CER) into its structure, as well as the Analytics and Digital teams, which were previously in the Information Technology (IT) area.

Particularly noteworthy among the diverse digital initiatives developed at EDP Brasil is the OBZ Digital project, which was initiated in 2019 and will come to fruition in 2020. Aimed at driving efficiency in the corporate center, this involves diverse projects revolving around processes, technology and people. Another major focus is initiatives that drive improvements in customer relations.

With a focus on decentralization – due to the definition of well-established internal governance processes and the increased demand for new robotization opportunities from diverse company areas and the need to streamline decision making processes in operational areas –, in 2019 the activities of the CER and the Analytics team were further decentralized, in line with company strategy.

In conjunction with the EDP University, new groups were formed for employees interested or indicated for training in the CER platform and tool and to prepare data scientists as a means of expanding knowledge and decentralizing it.



3.4 SUSTAINABILITY

In order to contribute to sustainable development, since 2015 the EDP Group has been committed to the United Nations Organization (UNO) Sustainable Development Goals (SDGs). In line with company strategy, 9 of the 17 SDGs have been prioritized. EDP Brasil has established a series of targets, listed ahead, for 2020. Projects contributing to the achievement of these targets are presented throughout the report.

COMMITMENTS GRI 103-3		
SDG	EDP Brasil 2020 Targets	Status 2019
Generate economic value:   	<ul style="list-style-type: none"> Limit the share of coal in the energy generation portfolio to 25% and promote CO₂ emission reduction projects. Provide energy efficiency products and services to reduce customer energy consumption by 100 GWh compared with 2014. By 2020, invest R\$ 100 million in the expansion of telemetering for low voltage customers. Invest R\$ 100 million in innovative projects by 2020. 	 24.9% share of coal in the energy generation portfolio.  More than 200 GWh of energy economized.  More than R\$ 240 million invested in telemetering.  Around R\$ 140 million invested in Research and Development.
Manage environmental and climate related questions:  	<ul style="list-style-type: none"> Achieve 100% environmental certification and ensure 100% of environmentally critical suppliers have management systems. Internalize the circular economy concept and promote energy efficiency in the EDP Brasil buildings. Valuation of EDP Brasil environmental externalities related to priority ecosystem services. 	 90.7% of generation units certified. At the distributors, certification increased with 100% of the EDP São Paulo sub-stations certified and an increase from three to nine EDP Espírito Santo sub-stations certified.  Employment of a major part of the ashes from the Pecém TPP operations in cement production.  Continuation of the R&D project in partnership with the Instituto Acende Brasil for the development of an integrated environmental valuation methodology, and service impact and ecosystem dependency analysis for the electric power sector.
People development:  	<ul style="list-style-type: none"> Maintain employee engagement levels above 75%. Achieve 100% certification in health and safety and ensure 100% of critical suppliers have management systems. Promote diversity, ensuring equality of access in hiring processes. 	 In the last round of organizational climate assessments in 2019, the engagement level was 84%.  90.7% of the generation units certified. At the distributors, certification increased with 100% of the EDP São Paulo sub-stations certified and an increase from three to nine of EDP Espírito Santo sub-stations certified.  Launch of the Inclusion & Diversity Program (Information in Valuing Diversity).

GENERAL DISCLOSURES		
SDG	EDP Brasil 2020 Targets	Status 2019
Improve trust: 	<ul style="list-style-type: none"> Ensure EDP Brasil remains one of the most ethical companies in the country. Achieve over 80% customer satisfaction. 	 Recommendation of ISO 37.001 standard certification to implement the Anti-corruption Management System  In 2018, in the ABRADEE Perceived Quality Satisfaction Index (ISQP), EDP SP reached 78.80 points, while EDP ES scored 73.3 points. In the free market, the Commercialization satisfaction index reached 83.3 points.  In 2019, R\$ 13.41 million (own funds and tax incentives) invested in social businesses, resulting in a cumulative total investment of R\$ 56.9 million since the target was established.  Expansion of periodic stakeholder consultation mechanisms, with 114 face to face meetings and 260 online meetings in 2019.

During the year training sessions entitled Pills of Sustainability aimed at disseminating information related to sustainability to the operational bases were conducted, addressing subjects such as management systems, waste management and community safety. Suppliers also received training in the ISO 9.001 Quality Management and ISO 45.001 Health and Safety standards.

Moreover, the company subscribes to Brazilian and international initiatives aligned with its culture, worthy of note being the UN Global Compact; the Brazilian GHG Protocol program, a business initiative to measure greenhouse gas emissions; and the Carbon Disclosure Project (CDP), related to climate change. In 2019, on a global level the company assumed the United Nations commitment to reduce emissions to ensure global temperature rise does not exceed 1.5 °C, by adhering to the Business Ambition for 1.5 °C – Our Only Future. Regarding ethical and responsible conduct, EDP Brasil is aligned with the following Brazilian initiatives organized by the Instituto Ethos: Movimento Empresarial pela Integridade e Transparéncia (Business Movement for Integrity and Transparency), Pacto Nacional pela Erradicação do Trabalho Escravo no Brasil (National Pact for the Eradication of Slave Labor) and Pacto Empresarial pela Integridade e Contra a Corrupção (Business Anti-corruption and Integrity Pact). [GRI 103-1, 103-2, 102-12, 102-13](#)

In 2019, the company joined EV 100, a global initiative involving large companies that are investing in the transition to electric mobility and have the ambition of making electric transportation a new reality by 2030.



FUTURE VISION

To drive continuity in the company's Sustainability strategy, given that the 2020 commitments are coming to an end, the organisation's 2022 strategy and 2030 ambition were formulated on a global level: to grow contributing to the decarbonization of the economy and the electrification of consumption. The targets established under EDP Group strategy are as follows:

2022 TARGETS

Targets	2022
Increase installed renewable power capacity	78%
Increase installed solar power capacity (centralized and decentralized)	> 1 GW
Reduce specific CO _{2eq} emissions ⁽¹⁾	65%
Diversify offering, increasing the number of customers receiving value added services ⁽²⁾	30%
Accelerate the installation of intelligent meters in the Iberian peninsula	75%
Increase the number of customers with electric mobility solutions	100,000
Promote the acquisition of an EDP electric light vehicle fleet	30%
Increase customers' energy efficiency	5TWh
Achieve carbon neutrality in the EDP administrative buildings	100%
Maintain the average waste valuation rate ⁽³⁾	75%
Eliminate fatal accidents among employees and service providers	0
Maintain level of investment in communities ⁽⁴⁾	200 M€
Increase the proportion of female employees	30%
Internalize the TCFD (Taskforce for Climate Financial Disclosure) recommendations	100%
Eliminate single-use plastics ⁽⁵⁾	100%
Eliminate environmental accidents and sanctions (#)	0
Implement Climate Change Adaptation plans ⁽⁶⁾	100%
Improve the customer satisfaction rate	> 75%
Ensure high participation in volunteer work actions (%/h)	20%/20000

(1) Compared with 2005;

(2) Free market

(3) In the period from 2019-2022, compared with 2015-2018;

(4) Cumulative value in 2015

(5) % of the total uses identified in the group;

(6) % of companies with identified risks

EDP GROUP 2030 TARGETS



85%

INCREASE INSTALLED
RENEWABLE POWER CAPACITY



4GW

INCREASE INSTALLED
SOLAR POWER CAPACITY
(CENTRALIZED AND
DECENTRALIZED)



90%

REDUCE SPECIFIC CO_{2eq}
EMISSIONS¹



50%

DIVERSIFY OFFERING,
INCREASING THE NUMBER
OF CUSTOMERS WITH ADDED
VALUE SERVICES²



100%

ACCELERATE THE
INSTALLATION OF
INTELLIGENT METERS IN THE
IBERIAN PENINSULA



100,000

INCREASE THE NUMBER OF
CUSTOMERS WITH ELECTRIC
MOBILITY SOLUTIONS



04

04 BUSINESS PERFORMANCE

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04

BUSINESS PERFORMANCE

4.1 MACROECONOMIC AND SECTOR CONJUNCTURE

Within the context of the stabilization of the macroeconomic situation in Brazil, the country's Gross Domestic Product (GDP) increased by 1.0%¹ in the first nine months of the year. Worthy of note on the supply side were the agriculture and livestock (+1.4%) and service (+1.1%) sectors, while in demand Gross Fixed Capital Formation and Household Consumption Expenditure grew by 3.1% and 1.8% respectively.

Between January and November, industrial production decreased by 1.1%², influenced by the economic crisis in Argentina and the tragedy occurred in Brumadinho (MG) at the beginning of the year, which had a major impact on mining activities. The extraction industry (-9.5%) exercised the largest negative influence on the indicator, accompanied by the categories pulp, paper and paper products (-3.9%), maintenance, repair and installation of machinery and equipment (-9.1%), as well as steel (-2.2%).

In contrast, retail activity recovered, with sales volume in the retail sector growing by 3.8%³ in the year up to November. This growth was driven by: i) reduction in interest rates⁴, which reached their lowest historical level (4.5% p.a.); ii) low inflation⁵ (4.31%, close to the annual target of 4.25%); and iii) expansion of credit terms⁶. In November, consumer credit demand showed its largest 12-month variation since 2011, increasing by 11.5%.

This environment also influenced the labor market, with the balance of formal job vacancies increasing by 2.47%⁷ (+948,300) in the first 11 months of the year. The service sector was responsible for the major positive contribution, with the creation of 495,577 formal job vacancies.

¹ Instituto Brasileiro de Geografia e Estatística - IBGE. Quarterly National Accounts. July/September 2019.

² IBGE. Monthly Survey of Industry - Physical Production – Brazil. November/2019.

³ IBGE. Monthly Survey of Commerce – PMC. November/2019.

⁴ Brazilian Central Bank. Selic target on 31/12/2019.

⁵ Brazilian Central Bank. Selic target on 31/12/2019.

⁶ Serasa Experian. Serasa Experian Consumer Credit Demand Indicator. November/2019.

⁷ Caged/MTE (General Employed/Unemployed Register/Ministry of Labor). November/2019.

HYDROLOGICAL STATUS

The year was also characterized by challenges in the hydrological situation, with rainfall below expected levels at the beginning of the wet season in the Southeast sub-market (SE/MW). The slow resumption of streamflow levels compromised the recuperation of reservoirs, ending the month of April – end of the wet season – with 45% energy stored, 1% above the level in same period of the previous year.

In spite of intervals with improved rainfall, the Southeast ended the year with 80% of the long-term average Affluent Natural Energy (ANE) accumulated and 19.9% of Stored Energy (EARM). In the Northeast, the ANE remained below average, ending the year with a long-term average of 41% and 37.7% stored energy. This situation influenced the average Difference Settlement or Spot price for the year, at R\$ 225.65/MWh for the Southeast/Midwest and R\$ 166.78/MWh for the Northeast. The average Generation Scaling Factor (GSF) was 80.9%, reaching a minimum of 48.8% in August.

In the electric utility sector, according to the National Energy Balance (BEN) 2019 – base year 2018, published by Empresa de Pesquisa Energética (EPE) –, domestic energy supply reached 636.4 TWh, an increase of 1.7% compared with 2017.

REGULATORY SITUATION

The main questions in regulatory debates during the course of the year were:

- Solution for the GSF:** in pursuit of a conclusion to unlock the short-term market through a solution for GSF liabilities, in 2019 the plenary of the Chamber of Deputies approved bill of law 10.985, which establishes new conditions for reformulating hydrological risk for hydroelectric power generators. The solution for hydrological risk incorporates permission to renegotiate over R\$ 7 billion in debts accumulated by generators in the short-term market, which should be compensated with the extension of the terms for the part of the amount not recognized as risk for the plants. The bill was sent to the Senate to be voted, where it is still in process.
- Hourly Difference Settlement (Spot) rate (PLD):** The PLD is a reference for energy purchase and sale contracts in the short-term market and is currently calculated on a weekly basis by the Electrical Energy Commercialization Chamber (CCEE). The change in the calculation of the Difference Settlement Price (PLD), which involves a new computational model to program generation plant dispatch by the National System Operator (ONS), was postponed until 2021. For 2020, it was decided that the system would operate with semi-hourly dispatch, without effectively using the process for price formation.
- Regulatory WACC:** in 2019, ANEEL approved a public hearing to discuss the weighted average cost of capital (WACC). The discussion about the change in calculation methodology and the updating of the distributors' WACC was initiated between October and December, after ANEEL announced preliminary figures for the three segments (rate of 6.81% for generation and transmission and 7.17% for distribution). Among other alterations, the proposal should prioritize national parameters, as well as greater simplification. The resolution is expected to be approved by March 2020.
- Incentives for distributed generation:** during the year, ANEEL initiated a public hearing to gather information for analysis of the regulatory impact of the rules for micro and mini generation. The discussions progressed, leading to a public consultation in October, with proposals for a gradual end to subsidies. However no conclusion was reached, and discussion of the question will continue throughout 2020.
- Opening of market:** in continuation of the process of opening up the market for consumers of more than 2,000 kW initiated in 2018, a schedule was established for the progressive expansion for agents consuming up to 500 kW. The schedule is as follows: 1,500 kW from 2021, 1,000 kW from 2022 and 500 kW from 2023. New studies to assess the opening of the market to consumers of less than 500 kW from 2024 should be presented by January 31, 2022.
- Tariff bands:** during the year ANEEL approved the resolution that establishes the activation limits for the bands and the tariffs in force in 2019. A methodological advance was incorporated for the activation rule that updates the hydrological risk profile (GSF), reducing the seasonality of the physical assurance in the composition of the revenue for the band ("flat seasonality"). As a result the yellow band was fixed at R\$ 1.50 for each 100 kWh. The cost of the red band at level I was fixed at R\$ 4.00 for each 100 kWh, and at level 2, R\$ 6.00 for each 100 kWh.

Additionally, during the year an Electric Utility Modernization Working Group was created aimed at reforming the regulatory framework for the sector. This will evaluate topics such as price formation, supply criteria, separation between ballast and energy, distribution sustainability, the auction system, contracting process, Energy Reallocation Mechanism (MRE) and the integration of gas-electric energy. A Modernization Implementation Committee was established with an implementation schedule of two years, which may be extended for another year, to introduce the modifications proposed.

Within this context, two bills of law on the reform of the electric sector are in process: PLS 232/2016, under discussion in the Senate; and PL 1.917/15, in the Chamber of Deputies. Both bills address the electric sector commercial model, the portability of electricity bills and electricity generation concessions in alignment with the Electric Utility Modernization Working Group.

4.2 OPERATIONAL PERFORMANCE

GENERATION

EDP Brasil ended 2019 with a portfolio comprising six hydroelectric and one thermoelectric plant, with a total installed capacity of 2.9 GW and an average assured capacity of 1.9 GW.

Worthy of note during the year was the 92.5% availability at TPP Pecém, higher than the 83.75% reference. The accumulated availability (60 months) of hydroelectric plants was 93.7%, a significant advance against the internal target of achieving 95% accumulated availability by 2022, principally by means of reducing forced outages – achieved by improvements in root cause analysis methodologies and a reduction in recurring failures – and the optimization of programmed stoppage strategies.

At HPP Luís Eduardo Magalhães, work on modernization of the supervision, command and control system was concluded. During the year the plant achieved its highest level of accumulated availability (60 months), reaching 97.6%.

Meanwhile, in the HPP Peixe Angical, work on modernizing the voltage regulation system was also concluded. During the year the plant achieved its highest level of accumulated availability (60 months), reaching 96.2%. The generation operation energy volume grew 64.8% in the period, resulting in an increase in the number of bilateral contracts with the commercialization operation, as well as the seasonality, hedging and cash management strategy adopted by the company.

TRANSMISSION

One of the company's main investment focuses during the year, the Transmission segment ended 2019 with six projects that have a total extension of 1,441 km, 113 km of which in operation in Espírito Santo and 1,328 km under construction in another five Brazilian states – Santa Catarina, Rio Grande do Sul, São Paulo, Minas Gerais and Maranhão. **GRI EU4**

In line with EDP Brasil business expansion strategy, worthy of note during the year was the acquisition of Lot Q (auctioned in the 1st stage of the 13/2015 transmission auction on 13/4/2016), by means of a purchase and sale contract with CEE Power and Brafer. Comprising two sub-stations and 142 km of transmission lines divided into two sections, it is located between Santa Catarina and Rio Grande do Sul, reinforcing the company's position in the South of the country.

Another positive factor was the progress in work on all the projects, which are ahead of schedule. Particularly noteworthy was lot 11, with an extension of 203 km, with the delivery of the Chapadinha-Miranda (Maranhão) section in 2019. A total of R\$ 2.2 billion, representing 57% of the amount contracted, has already been disbursed. The company also ensured the installation licenses for all the lines, bringing forward the licenses for lots 18 and 21.

For lot 18, consisting of two transmission lines of approximately 375 km in extension each covering municipalities in the states of São Paulo and Minas Gerais, EDP Brasil concluded the public offer of 800,000 debentures amounting to R\$ 800 million, maturing in 2039.

Lot 7 in Maranhão; lot 18 in São Paulo-Minas Gerais; and lot 21 in Santa Catarina are scheduled to be delivered in 2020, with a focus on the continued expansion of this segment in the company's portfolio.

BEST PLANT IN BRAZIL ACCORDING TO ANEEL

In 2019, the HPP Luís Eduardo Magalhães was selected by ANEEL as the best in Brazil from over 100 plants evaluated by the regulatory agency during an inspection campaign conducted in 2018. The EDP Brasil plant received a score of 99.55 in the overall plant ranking, gaining the top score of 100 points in Safety, Environment, Operational Management and Maintenance Management, and 99.56 points in Operation and Maintenance.

Two other plants controlled by EDP Brasil – HPP Peixe Angical, also located in Tocantins, and HPP Marendas, in Espírito Santo – came among the top 15 in the ranking, which evaluated 144 plants in the country.



DISTRIBUTION

EDP Brasil operates in Distribution through concessionaires in the states of São Paulo and Espírito Santo, as well as through Celesc, in Santa Catarina. In 2019, the company increased its share in this state through the acquisition of additional preferred stock in Celesc. With an investment of R\$28.5 million, EDP Brasil increased its stake to 4.6 million preferred shares in Celesc, as well as its 5.14 million ordinary shares, representing an increase from a 23.56% to a 25.35% shareholding in the company's stock.

EDP São Paulo and EDP Espírito Santo serve over 3.5 million customers in 28 cities in the Upper Tietê, Vale do Paraíba and North Coast regions of São Paulo; and in 70 cities covering 90% of the state of Espírito Santo.

The volume of energy distributed during the year was 25.6 TWh, an increase of 2.34% over 2018. During the cycle, the company invested R\$ 1.8 billion in the distribution business, approximately twice the Regulatory Reintegration Quota, and higher than the previous year's investment. GRI EU3

Supply quality GRI 103 | EU28, EU29

In spite of the impact of climate-related factors, EDP Brasil has been improving its quality indicators in compliance with regulatory limits. In 2019, Power Outage Duration (DEC) indicators were the best ever, with 6.98 for EDP São Paulo and 8.19 for EDP Espírito Santo.

The main quality indicator improvement initiatives involved the elaboration of the DEC Down project, which included the implementation of initiatives to reduce outages, ensure rapid restoration of power supply and limit network impacts.

PERIODIC TARIFF REVIEW

One of the major highlights in Distribution in 2019 was the conclusion of the EDP Espírito Santo and EDP São Paulo Periodic Tariff Review. In the former, the process resulted in a 4.84% reduction in the average tariff for the consumer and an increase of 28.1% in the Net Remuneration Base and 15.7% in Portion B. In the EDP São Paulo review, concluded in October 2019, there was a 5.33% reduction in the average tariff for the consumer and a 45.3% increase in the Net Remuneration Base and 24.8% in Portion B.

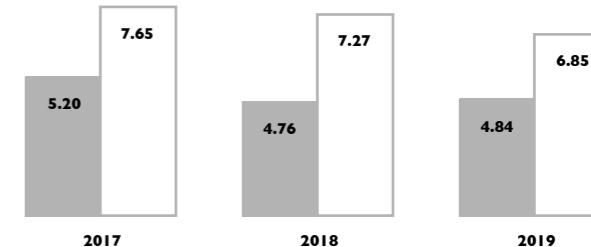
The result reinforces the company's commitment to generating gains for the end consumer by means of tariff reductions while ensuring the remuneration of the concessionaires for the investments undertaken in service quality, operational efficiency and reductions in energy losses, and retentions (energy acquired to cover electrical losses above the regulatory limits), which were close to zero for both distributors.

Power Outage Frequency per Customer (FEC)

EDP SÃO PAULO



EDP ESPÍRITO SANTO



● FEC - VALUE OF TIMES ○ FEC - LIMIT OF TIMES (ANEEL TARGET)

Total losses GRI EU12

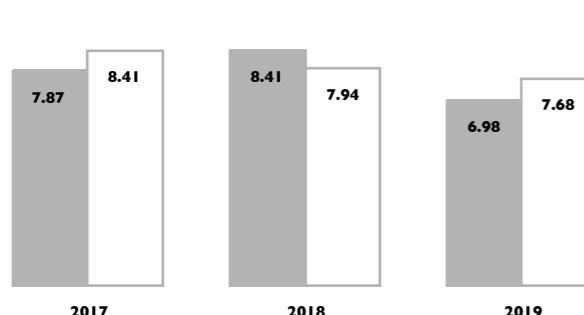
With respect to losses, EDP Brasil combats fraud and irregular power consumption through initiatives such as anti-theft devices for networks, remote telemeasurement of consumption, registration regularization, modernization of public lighting and measurement inspections.

There was a 0.33% reduction in total losses for EDP São Paulo and a 0.52 p.p. increase for EDP Espírito Santo compared with the previous year. The increase in EDP Espírito Santo was due mainly to the exit of another electrical power distribution concessionaire from the state system. Additionally, the less favorable water generation situation combined with market growth contributed to the increase in energy losses.

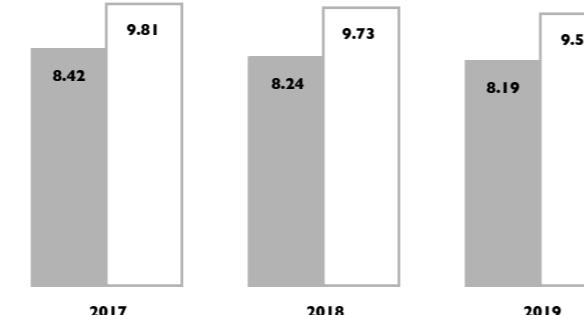
Investments in measures to tackle losses totaled R\$ 101 million in 2019 and comprehended principally the replacement of obsolete meters and the development of technological solutions such as telemeasurement and concentrated measurement systems – BTzero and BTI. A total of 145,000 measurement inspections were performed during the year.

Power Outage Duration (DEC)

EDP SÃO PAULO



EDP ESPÍRITO SANTO



● AMOUNT CALCULATED ○ ANEEL TARGET

EDP SMART

EDP Brasil believes that the opening of the free market will be a reality in the medium term. Accordingly, in line with its strategy and future vision, in 2019 the company created EDP Smart, a brand comprising a full portfolio of products and services for business and residential free market customers. The focus is on offering integrated solutions in the areas of free market commercialization, retail commercialization, energy efficiency, solar energy, electric mobility and end consumer services.

For the business market, EDP Smart offers solutions such as biomass-based steam co-generation, energy consumption management, smart monitoring, distributed generation and auto-generated solar production, lighting, refrigeration and air conditioning retrofits, among others. The company also introduced the offer of a series of services for the residential market in 2019, including insurance and general services, such as electricians, locksmiths, 24-hour residential assistance, distributed generation and electric mobility.



Commercialization

In 2019, EDP Brasil commercialized 16,078 GWh of energy with a ballast of 12,994 GWh, a reduction of 16.9% over the last year. The lower volume is explained initially by a reduction in market liquidity as a whole in response to events that occurred in the first quarter. In the second half of the year, the reduced volume was the result of an unfavorable hydrological situation which impacted the GSF and the Difference Settlement Price (PLD).

In the retail segment, responsible for managing the energy contracting and operating process in the free market, EDP Brasil gained new customers in 2019. Public Consultation nº 76 (CP nº 76/2019) was conducted to simplify access for new consumers in the free energy contracting environment (ACL).

Within this context, the Commercialization area initiated the development of a digital system for retail consumers which should be launched in 2020.

Moreover, all company processes were reviewed and the management system was modified to promote improvements in customer service. The changes included new functions for the sales team, reviews of service procedures, contract minutes and delinquency control mechanisms, as well as training courses for the Commercialization team and a workshop for customers.

Solar energy

In the distributed solar and auto-generation segment, EDP Brasil made important progress:

- Inauguration of the largest decentralized solar energy complex ever implemented by EDP Brasil in the state of Minas Gerais, with a capacity of 8.33 MWp. The system will generate 16.6 GWh per year, enough to supply around 8,600 residences. In line with company low carbon strategy, the complex will avoid CO₂eq emissions of 31,107 tons over 25 years of operation, equivalent to planting over 190,000 trees; it will drive savings of R\$ 55 million in the course of 10 years.
- Construction of an auto-generation solar plant for the new recording studio of a large television company in Curicica, Rio de Janeiro. The plant will have an installed capacity of 760 kWp and will be able to generate 1,055 MWh/year, enough to supply around 350 residences with an average monthly consumption of 250 kWh. During the 25-year working life of the plant, approximately 2,000 tons of CO₂eq emissions will be avoided, the equivalent of planting around 12,000 trees.
- Solar B2C: launch of a photovoltaic solar solution for residential and small business consumers. Initially EDP Smart strategy focused on the EDP Brasil concession areas in São Paulo and Espírito Santo, increasing the offer to other regions in accordance with company expansion strategy. Moreover, EDP Smart has a simulator for the acquisition of photovoltaic panels that indicates the estimated monthly savings with a solar system, the number of modules necessary to meet the customer's consumption requirements, as well as the cost and the return on investment and the possibility of arranging finance.

Electric mobility

In step with global decarbonization, decentralization and digitalization trends, one of the EDP Group's strategic thrusts worldwide and in Brazil has been electric mobility. Accordingly, in 2019 a new area was created with a focus on the development of products and services for the electric vehicle, residential and business markets.

EDP Brasil already had some key initiatives in this area, such as the Rio-São Paulo electric corridor which connects the two largest state capitals along the Via Dutra highway with six fast charging stations. With the creation of the new area, the company portfolio was expanded with the offer of a range of small to large scale electric chargers for private use.

The company has also expanded the offer of charging points in public spaces, using its network's utility poles with activation via a card that may be requested directly from the EDP Smart website (<https://www.edpsmart.com.br/residencias/mobilidade-eletrica>). Moreover, a number of customized solutions have been developed for business customers (B2B and B2B2C), promoting the replacement of fleets with electric vehicles and developing energy supply infrastructure. Some of the main initiatives in the period were:

- Approval of three major R&D projects by ANEEL totaling R\$ 50 million (further information in **Innovation**), involving the plan for the first and largest ultra fast charging network for electric vehicles in Latin America; the integrated supply solution project (e-Lounge) and a development project for electric buses in Espírito Santo.
- The installation of eight public charging stations in the state of Espírito Santo, in conjunction with Findes, the state federation of industries, enabling electric vehicle users to travel anywhere in the state.

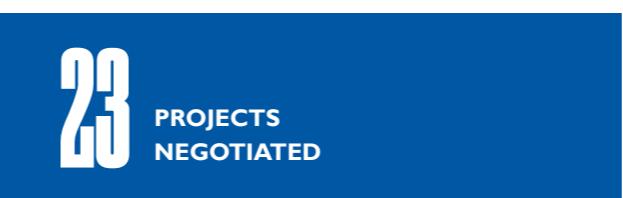
- Start up of sales of electric vehicle chargers for residences and businesses. EDP Brasil also expanded its commercial offering by means of a partnership with an automobile manufacturer, becoming the recommended supplier of charging stations for customers acquiring 100% electric vehicles from the automaker. The partnership also includes the installation of 30 charging stations in the automaker's dealerships nationwide.

Energy Efficiency Services

- Launch of Facilita EDP, 24-hour residential assistance with locksmith, electrician, plumber and domestic appliance repair services. Based on a monthly subscription model, the service is available for customers nationwide.
- A basket of insurance services, Seguro EDP Casa Protegida (Protected Home), Seguro Bem-Estar EDP (Well-Being) and Seguro EDP Conta Protegida (Protected Account), with coverage ranging from fires, lightning, loss of income from involuntary unemployment and accidental death, with 24-hour emergency assistance for customers within the concession areas in São Paulo and Espírito Santo.
- Implantation of two projects that will enable a brewery company to use the steam produced for energy generation in plants located in Igrejinha (RS) and Benevides (PA), with a monthly biomass and biogas-based steam production of approximately 6,600 tons. This will permit the avoidance of around 13,000 tCO₂eq emissions per year**.

These and other initiatives resulted in:

SOLAR ENERGY



ENERGY EFFICIENCY



*13.25 MWp of which has been concluded, and is at the commissioning and test phase.

**The data for the steam plants under implantation were estimated based on the plans and may present variations when the real data are measured during the next cycle.



4.3 ECONOMIC-FINANCIAL PERFORMANCE GRI 103 | 201

Gross Margin

Gross Margin reached R\$ 4,159 million, an increase of 8.8%, reflecting:

Distribution: increase of 22.9% due to the recognition of the new replacement value resulting from the asset evaluation reports for the distributors' tariff revisions, the tariff effect of the revisions, as well as the increase in energy volume during the period;

Transmission: an increase of R\$ 208.5 million, due to the progress in works in the period and the entry into operation of Lot 24;

Pecém: a 14.6% reduction due to the inclusion of the FID recalculation in 2018 from 90.14% to 83.75%;

Commercialization: a 37.5% reduction due to the lower volume of energy commercialized; and

Hydro: a 10.4% reduction due to the sale of EDP PCH, Santa Fé and Costa Rica em 2018. Not taking the gross margin of these companies in 2018 into account, this figure would grow by 2.9% in function of the increase in energy sold due to the greater seasonality in the sale contracts and the physical assurance for the 2nd half of the year.

Expenditure control

Since 2015, the company has had a Zero-Based Budgeting (ZBB) program, which ensures efficient expenditure control and management. This has already driven gains in excess of R\$ 300 million from contract negotiations, process execution optimization, the consolidation of the Shared Service Center, and the budget structuring process.

As a result, excluding the main recurring effects, the manageable expenses (PMSO or spending on personnel, material, third-party services and other expenses) were R\$ 1,104.3 million, an increase of 2.3%, which was below the inflation for the period (IPCA: 4.31%).

EBITDA

During the year, EBITDA (earnings before interest, taxes, depreciation and amortization) was R\$ 2.9 billion, 5.3% up on the previous year.

Financial income

The financial result was -R\$433.2 million, -R\$ 66.9 million less than in 2018. Financial revenue reached R\$ 758.4 million, with financial expenditures totaling R\$ 1,191.6 million.

Indebtedness

EDP Brasil ended the year with gross indebtedness standing at R\$ 8.5 billion, 13.5% up on 2018, not taking into account debts from non-consolidated assets, which represented R\$ 1.3 billion. The company's consolidated leverage ratio reached 2.5x, not considering the non-recurring effects of the last 12 months.

Capital market performance

On December 31, the company's market capitalization was R\$ 13.4 billion, with its shares (ENBR3) quoted at R\$ 22.10. This represented an appreciation of 58.1%, while Ibovespa and IEE appreciated by 31.6% and 55.5% respectively. EDP stock was traded in all sessions, totaling 687.4 million shares. The daily average was 2.8 million shares, while the financial volume totaled R\$ 12.7 billion, with an average daily volume of R\$ 51.2 million.

During the year, EDP Brasil finalized its share repurchase program, undertaken to permit a share grant for the company's share-based long-term incentive plan. By means of this program, the company repurchased 1.5 million ordinary shares, equivalent to 0.2% of outstanding shares. Further information about the company's financial results is available in the 2019 Management Report available at: <http://enbr.infoinvest.com.br/>.

INCOME STATEMENT (R\$ MIL)			
	2018	2019	Variation
Net revenue	12,846,854	12,556,836	-2.3%
Construction revenue	970,630	2,589,847	166.8%
Transmission construction revenue margin	16,736	81,653	387.9%
Non-manageable expenditures	(9,042,096)	(8,479,505)	-6.2%
Gross Margin	3,821,494	4,158,984	8.8%
Manageable expenditures	(3,006,475)	(4,456,519)	48.2%
Personnel, material, third-party services and other expenses	(1,333,942)	(1,151,381)	-13.7%
Gains and losses from the deactivation and sale of goods	(94,193)	(93,448)	-0.8%
EBITDA	2,768,014	2,914,155	5.3%
Depreciation and amortization	(607,710)	(621,843)	2.3%
Equity income	2,974	68,148	2191.5%
Net financial income	(366,325)	(433,180)	18.3%
Net income before minority interests	1,414,750	1,482,455	4.8%
Minority interests	(141,917)	(144,599)	1.9%
Net income	1,272,833	1,337,856	5.1%

Stakeholder's Performance

Focused on generating value beyond financial return, the company has its Stakeholder's Performance, which align the company's goals with its purpose and with each stakeholder group. The targets are divided into six dimensions: Shareholder, Environment & Communities, Customers, People, Partners and Assets & Operation. Further information is available in the chapters **Stakeholder Engagement and Employees**.

In 2019, the calculation of these targets resulted in a performance higher than 100%, demonstrating positive evolution compared with previous years.





05

05 VALUED RELATIONSHIPS

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05

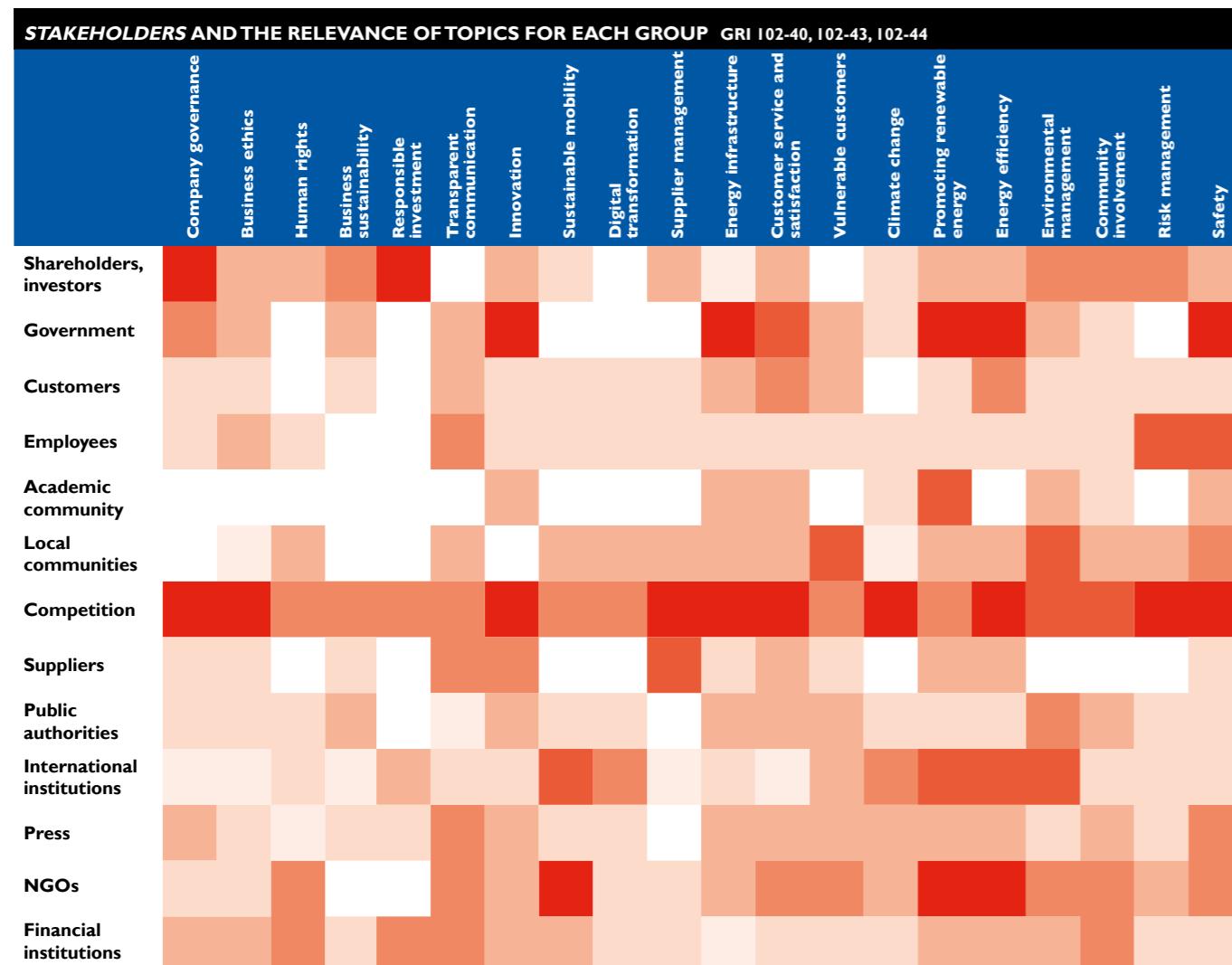
VALUED RELATIONSHIPS

5.1 STAKEHOLDER ENGAGEMENT GRI 102-21, 103-2

For EDP Brasil dialogue with its stakeholders is essential for the sustainable development of its businesses and for generating value. Reducing institutional risk by building new interactions is fundamental for the company's future prosperity.

In accordance with the group's Global Stakeholder Management standards and Accountability AA1000 guidelines, its stakeholder groups are mapped and divided into four major groups and 13 sub-groups, with whom the company conducts relationship, assessment and engagement measures in accordance with its strategic planning.

The process of consulting the diverse stakeholder groups includes prioritizing the categories of topics indicated as most relevant. The topics were evaluated and selected in accordance with their importance for each group. The engagement actions and communication channels are set forth in the **Attachments**. GRI 102-42



5.2 EMPLOYEES GRI 103 | 401, 103 | 404

EDP Brasil realizes that its employees are a fundamental link in running its businesses. In 2019, the company had 3,283 employees, 95 of which in its joint ventures, as well as 192 trainees, interns and apprentices in which it invests constantly to promote development and recognition as well as ensuring health, safety and well-being, among other initiatives. GRI 102-8

The period was marked by the consolidation of the EDP Culture, a cultural transformation project based on the company's principles. After the junction of the Human Resources and Organizational Transformation areas, EDP Brasil consolidated a new structure that also incorporated the Sustainability, Environment and Digital areas.

This was also the second year of the implementation of EDP Agility, a hybrid organizational design model which maintains its conventional structure, with the inclusion of hubs to streamline decision making. 2019 also saw the creation of Shift, with a team dedicated full-time to the creation of new solutions. This multidisciplinary team ensures the application and tracking of agile methodology to the challenges proposed by the organization, particularly in relation to culture and people management. In addition to generating ideas for new solutions, the team is also responsible for initiating implementation.

EDP AGILITY HIGHLIGHTS IN 2019

AS A RESULT OF THIS CONSOLIDATION ONE OF THE PROJECTS CREATED DURING THE YEAR WAS THE EDP STAR AWARD, AIMED AT RECOGNIZING OUTSTANDING PROJECTS ALIGNED WITH THE SIX DIMENSIONS OF STAKEHOLDER'S PERFORMANCE THAT GO BEYOND FINANCIAL RESULTS.

THE WINNING INITIATIVES INCLUDED THE ELECTRICIAN SCHOOL FOR WOMEN, A PARTNERSHIP BETWEEN EDP AND SENAI (NATIONAL INDUSTRIAL LEARNING SERVICE), FOCUSED ON TRAINING WOMEN TO WORK AS ELECTRICIANS IN THE DISTRIBUTION NETWORKS. WITH A COURSE LOAD OF 556 HOURS AND DURATION OF AROUND FOUR MONTHS, THE PROJECT PROVIDES PARTICIPANTS WITH A STUDY GRANT DURING THE COURSE AND A CERTIFICATE GRANTED BY SENAI. ADDITIONALLY, PARTICIPANTS ARE INCLUDED IN THE COMPANY'S TALENT BANK. IN 2019, 24 WOMEN GRADUATED FROM THE ELECTRICIAN SCHOOL, BASED ON ONE MIXED AND ONE EXCLUSIVE GROUP. GRI EU14

ANOTHER PROJECT DEVELOPED BY THE TEAM WAS THE EDP WAY, WHICH COMPRISSES AN AGENDA OF COMPETENCIES FOR FUTURE LEADERS TO BE DEVELOPED BY COMPANY LEADERS IN ALIGNMENT WITH THE POSITIONING SET FORTH BY THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD).

For the coming years, the company has a roadmap of trends to be explored geared to changes that will occur in the labor market and the employee profile. These include new, more dynamic and flexible ways of hiring people, as well as different forms of assessing performance and providing recognition.



VALUATION OF DIVERSITY GRI 103 | 405

Valuing diversity and promoting inclusion are ethical imperatives that reaffirm the human dimension of the company and represent the EDP culture in practice. In this respect, one of the main highlights during the year was the official launch of the Inclusion & Diversity Program, with the creation of a governance structure comprising an Executive Committee, a National Committee and six Affinity Groups: Gender Equality, Disabled People, Race, Generations, LGBTI+ and Cultures & Spiritualities.

During the course of 2019, these groups, formed by employee volunteers, prepared action plans to address some of the main diversity and inclusion challenges in the company. This led to the approval of a roadmap that will guide the groups' actions over the coming years.

The company's first Diversity Week was also held during the year, with speakers and professionals who debated different aspects of diversity. In October, employees had the opportunity to participate in a program with diverse actions that took place simultaneously in eight locations in the states of Ceará, Espírito Santo, Rio Grande do Sul, São Paulo and Tocantins. The talks and debates were broadcast live, ensuring the content was accessible to employees all over the country.

One highlight of the event was the panel "Diversity as a competitive differential for the business", with the participation of CEOs from major multinational companies. Also worthy of note was the performance by the ECA/USP Chamber Orchestra (Ocam), together with the Mundana Refugi Orchestra, formed by refugee musicians from diverse countries.

The end of Diversity Week was marked by the announcement of EDP Brasil's adhesion to Brazil's Citizen Company Program (law n° 11.770/2008), which extends maternity leave from 120 to 180 days and paternity leave from 5 to 30 days – 10 days more than stipulated by law. This move reaffirmed the company's commitment to the Women's Empowerment Principles established by UN Women. GRI 401-3

EDP Brasil also formalized its target of having 30% women in its labor force by 2022, in accordance with the official positioning of the EDP Group. This target supports the company's commitment to Sustainable Development Goal (SDG) 5: Gender Equality, one of the nine SDGs incorporated into the EDP 2022 strategic agenda.

It also underscores the value the company attributes to inclusive leadership. In 2019, EDP Brasil invested in training to develop competencies related to diversity and inclusion, addressing subjects such as unconscious bias, decision making systems, empathy and vulnerabilities. Senior managers and the directors of EDP Agility took part in this training.

For 2020, the expectation is to extend this training to the remaining leaders and to multipliers as a means of consolidating the actions of the affinity groups and reinforcing diversity in the recruitment and selection agenda.

GATEWAY TO TRANSITION AND CAREER ENDING GRI 103 | 404, 404-2

The EDP Brasil People Management area tracks employees from the attraction phase right through to retirement and career ending.

IN 2019 THE INCLUSION & DIVERSITY PROGRAM WAS OFFICIALLY LAUNCHED, WITH THE CREATION OF A GOVERNANCE STRUCTURE COMPRISING AN EXECUTIVE COMMITTEE, A NATIONAL COMMITTEE AND SIX AFFINITY GROUPS.

In 2019, in addition to providing incentives for internal mobility, EDP Brasil conducted its Recruit E pilot project, to enhance efficiency in the resume sorting process. Using artificial intelligence, the purpose is to ensure a positive experience both for candidates and for managers, as well as to drive effective triage. This project will be subject to further tests with partner companies in 2020 until it is launched officially.

The gateway to the company for students on undergraduate courses is the Intern Program, which received more than 8,664 applications in 2019, of which 37 were accepted.

With respect to retirement and career ending, there is the Plan your Retirement Program, which focuses on three fronts: finance, physical and psychological well-being, and time management. Moreover, the EDP Brasil companies sponsor complementary private pension plans which are administered by the group's Enerprev Previdência Complementar. For further information, see www.enerprev.com.br.

PEOPLE DEVELOPMENT GRI 103 | 404, 404-1 | 404-2

The EDP Corporate University promotes training and development initiatives aligned with company strategy and growth.

In 2019, EDP Brasil invested in developing internal multipliers to train people to gain more in-depth knowledge with special emphasis on future requirements in the company and in the industry. One example is the IMentors Program, which involves training in Design Thinking and agile methodologies, to prepare employees to act as multipliers. Additionally groups were formed in the EDP University for training in robotization and process automation in conjunction with the Digital Projects area. Further information in Innovation.

Training in the form of classroom and online courses, workshops and talks takes place throughout the year. Participation in these courses may be by selection or is open to all applicants. During the year EDP Brazil invested R\$ 5.34 million in developing employees in all the wholly owned and uncontrolled companies. The total number of hours training was 168,787, an average of 51 hours per employee.

PERFORMANCE REVIEW AND RECOGNITION GRI 404-3

On an annual basis, employees are appraised in accordance with their performance in the Stakeholder's Performance, with a focus on team performance and shared targets. Additionally strategic competencies for the different job levels are evaluated, taking into account feedback meetings and the elaboration of individual development plans.

In addition to the EDP Star Award (information in **EDP Agility Highlights in 2019**), launched this year, the company has a Best Leaders Award, aimed at recognizing outstanding managers during the year. Since 2016, employees at director level have had a long-term variable compensation incentive program based on company stock awards.

5.3 HEALTH AND SAFETY GRI 103 | 403, EU16**HEALTH AND WELL-BEING**

Aware of the importance of health and well-being for all employees and for society in general, in 2019 EDP Brasil created a specific area for Occupational Health and Assistance. Linked with the EDP Agility area, this is aimed at consolidating all EDP Brasil initiatives.

The Health Connection program, launched in 2018, involves a series of actions that integrate physical and mental health and well-being in the work place, monitoring and caring for the health of employees and their dependents. This encompasses healthcare campaigns, vaccinations, monitoring the performance of healthcare and dental care operators, and check-ups for executives.

With the purpose of valuing the family doctor model, there is also the EDP Dr Health program, focused on preventing diseases as opposed to just treating them. This involves a consultation by prior appointment with specialized doctors and is available for all employees and family members.

Another focus revolves around actions to promote greater balance between employees' personal and professional lives, consolidated in the Reconcile program, which encourages the adoption of healthy habits, with incentives for sports, leisure, culture and quality of life. This initiative also includes the Social Assistance Program, which involved 10,400 consultations in 2019, an increase of 25% compared with the previous year. These included psychological treatment and advice on pensions, finances and legal questions, both for employees and dependents and former employees who are retired, an indication of the success of the campaigns to drive engagement in the program.

OCCUPATIONAL SAFETY

2019 saw the restructuring of the occupational safety process. In partnership with a specialized consultancy, the company consolidated its VIVA program – Life always in first place!

Schematized as the points of a compass, the program is based on four components that orientate safety management: rules and procedures; consequences; values, beliefs and attitudes; perception of the environment. As part of these components, 12 initiatives were established to improve and reinforce the safety culture, lead by EDP senior management.



VIVA PROGRAM – LIFE ALWAYS IN FIRST PLACE!

- Leadership in governance
- Safety committees
- Critical risk management
- Accident investigation
- Contractor management
- Safety management system
- Risk perception
- Behavioral observation
- Rules that save lives
- Safety model
- Training of safety team
- Road safety

MAIN HIGHLIGHTS OF THE PROGRAM IN 2019:

- **Safety Committees:** these establish the governance process for occupational safety at all hierarchical levels of the company. Stemming from the Executive Safety Committee, led by the CEO with the participation of the vice presidents, safety committees for each area were created. Based on these committees, periodic governance meetings were established for the management areas of all the EDP Brasil companies. Leaders at all levels discuss safety-related questions and the progress of strategic projects, as well as assessing trends in strategic indicators to take decisions focused on ensuring zero accidents.
- **Critical Risk Management:** in 2019, the critical risk management process was concluded in all the EDP Brasil companies, by means of the identification of hazards and assessment of occupational risks in order to apply control measures. The methodology established is aligned with best market practices and with the ISO 31.000 – Risk Management – standard. The process is monitored by all the leaders on the Safety Committees.
- **Accident investigation and analysis:** to reinforce a culture of learning from mistakes, in 2019 the entire incident analysis and investigation process was reviewed by the corporate Occupational Safety area. This led to the definition of a single root cause identification methodology for the entire company; roles and responsibilities were also reviewed and senior management participation was incorporated into the process.
- **Risk perception:** the purpose of “The Risk Factor” program is to increase risk perception among EDP Brasil employees and business partners. Training was provided on the perception of risk in daily routine actions, which are frequently unconscious but can help promote safe attitudes and behavior. Selected employees became multipliers with the objective of disseminating safe practices to colleagues and business partners.
- **Rules that Save Lives:** in 2019, an employee consultation process was undertaken to select Rules that Save Lives for critical procedures in which faults may cause serious and/or fatal accidents. A total of eight rules were implanted; in the Distribution area a further two Rules that Save Lives were defined and will come into force in 2020.

2019 HIGHLIGHTS
2019 SAW THE LAUNCH OF
THE VIVA PROGRAM, WHICH
ENCOMPASSED DIVERSE INITIATIVES
IN SAFETY GOVERNANCE, WITH
SPECIFIC COMMITTEES, ACCIDENT
MITIGATION MEASURES AND
MEASURES TO FOSTER A RISK
PERCEPTION CULTURE.

SAFETY PERFORMANCE GRI 403-2

In 2019, there was a 46% reduction in time-off accidents in the work force (employees and business partners) compared with 2018, and there were no fatal accidents with the company's own employees. Unfortunately, however, there was one fatality with a business partner in the Distribution area.

EDP Brasil continues to pursue the target of zero accidents among both employees and service providers. In addition to the VIVA program, other safety initiatives were undertaken during the year, such as training in legal requirements to mitigate accidents; the review of norms and the intensification of inspections to improve field processes; emergency training and simulations; training courses promoted in partnership with the EDP university; ongoing risk analyses; and interactions with the diverse teams in accordance with the activities exercised in each location.

5.4 CUSTOMERS**INNOVATION IN SERVICE**

In pursuit of excellence, EDP Brasil promoted a series of improvements in services for customers of the Distributors in 2019, with the employment of technologies and robotization. These include:

DIGITAL TRANSFORMATION IN THE CONTACT CENTER

RENEWAL OF INFRASTRUCTURE WITH NEW TECHNOLOGIES TO IMPROVE MANAGEMENT, SUCH AS RECORDING OF THE SERVICE SCREEN TO IMPROVE QUALITY OF MONITORING.

LUMUS

NEW SYSTEM USING INTELLIGENCE TO SUPPORT THE ATTENDANT RESPONSIBLE. THE AUTOMATED ACTIVITIES INCLUDE THE ISSUE OF THE CUSTOMERS SERVICE SLIP, PREVIOUSLY DONE MANUALLY.

QUALITY ASSESSMENT

SPEECH ANALYTICS IS A ROBOT THAT ANALYZES IVR (INTERACTIVE VOICE RESPONSE) QUALITY AND ATTENDANTS AUTOMATICALLY, SERVING AS AN INPUT FOR TRAINING.

CHAT BOT

AUTOMATIC SERVICE VIA CHAT, IN WHICH THE ROBOT INTERPRETS THE CUSTOMER'S NEEDS AND PERFORMS CERTAIN ACTIONS SUCH AS ISSUING COPIES OF BILLS, SENDING BAR CODES AND ISSUING NOTIFICATIONS OF ENERGY OUTAGES.



CUSTOMER SATISFACTION

EDP Brasil measures customer satisfaction by means of indicators presented in the annual and six-monthly surveys conducted by associations and authorities in the industry, such as ABRADEE and ANEEL. In 2019, the company was one of the finalists in the ABRADEE Perceived Quality Satisfaction Index (ISQP). EDP Brasil also received recognition in the Atento and Smart Customer awards, among others (information in **Awards and Recognitions**).

RESULTS OF THE CUSTOMER SATISFACTION SURVEY GRI 102-43, 102-44

	São Paulo			Espírito Santo		
	2017	2018	2019	2017	2018	2019
ANEEL Customer Satisfaction Index (IASC)	65.56	64.59	71.20	68.36	67.02	72.70
Perceived Quality Satisfaction Index (ISQP) – ABRADEE	68.01	80.60	78.80	80.68	79.30	73.30
Customer Approval Index (IAC) – ABRADEE	73.12	82.90	83.80	81.92	82.60	74.20
General Satisfaction Index (ISG) – ABRADEE	60.45	81.90	81.70	85.44	85.90	77.90
Major Customer Satisfaction Index	78.50	81.50	76.40	75.80	80.60	72.80

BUSINESS TO CONSUMER (B2C) MARKET

In 2019, EDP Brasil created a Business to Consumer (B2C) area, to provide solutions focused on the residential and small business sector. This involved the implementation of service channels such as CRM for the commercial team, a call center and a customer support number, as well as an active telemarketing operation and door-to-door sales operations. A new e-commerce site is scheduled to come into operation at the beginning of 2020, with a restricted area for customers focused on the sale of electric chargers and fleet sales of electric vehicles, among others. The initiatives related to electric mobility are described in *Operating Performance*.



ENERGY EFFICIENCY PROGRAM (PEE)

GRI EU7, EU23, EU24, 302-5

EDP Brasil undertakes investments in accordance with law 13.280/2016, which establishes the investment of 0.4% of the distributors' net operating revenue in projects under the Energy Efficiency Program (PEE) and 0.1% under the National Electric Energy Conservation Program (Procel).

In 2019, the company invested R\$ 25.8 million in energy efficiency initiatives which led to energy savings of 15.3 GWh/year in São Paulo and 10.25 GWh/year in Espírito Santo and cost avoidance from energy savings of R\$ 5.87 million in São Paulo and R\$ 3.25 million in Espírito Santo.

Initiatives worthy of note during year include:

- An energy efficiency project at the institution Fazenda da Esperança (São Paulo), involving the replacement of 5,117 less economical lamps with LED models and 400 conventional shower heads with more efficient and economical power control systems. The project achieved savings of approximately 40%.
- In the Blitz Se Liga no Consumo (Pay Attention to Consumption Blitz), in five municipalities in the EDP São Paulo concession area, during the whole day monitors provided information sheets and gifts to residents. Some cities were attended by the Good Energy truck, a mobile laboratory showing experiments and providing information about conscious consumption and safety measures for the power grid. Further information at <https://www.edp.com.br/seliganonconsumo>



- The fourth edition of the Efficiency Support Project in four municipalities in São Paulo, involving the replacement of 60,000 low efficiency lamps, benefiting more than 12,000 consumers.
- Project in the GACC Hospital for children with cancer, which involved the replacement of the lighting system and the installation of a photovoltaic plant with an installed capacity of 151 kWp, sufficient to supply more than 900 residences with an average consumption of 250 kWh/month.
- The third edition of the EDP São Paulo No Waste Gymkhana, with more than 21,000 student participants, 122,000 views and 35,000 likes on the YouTube channel. Students from the participating schools undertook determined tasks which were then filmed. The tasks were based on the rational and safe use of electricity, the environmental and sustainability.
- Guidance on conscious electricity consumption in four municipalities in Espírito Santo based on a mobile itinerary. There were additional savings for more than 5,000 customers with the replacement of 30,000 inefficient lamps with LED models under the Efficiency Support project.

2019 HIGHLIGHTS
IN 2019, THE VIVA PROGRAM WAS LAUNCHED WITH A SERIES OF SAFETY GOVERNANCE INITIATIVES, WITH SPECIFIC COMMITTEES, ACCIDENT MITIGATION MEASURES AND MEASURES TO PROMOTE A RISK PERCEPTION CULTURE.

SAFE ENERGY USE

GRI 103 | 416, 416-1

EDP Brasil seeks to constantly reduce accidents with electricity in communities. The company invested in 1,409 educational campaigns on the safe use of electrical energy. A further 15,500 people received instruction in this through volunteer work measures. During the period, a diagnosis of accidents in the community was undertaken. This involved the creation of a special working group to map the main causes of accidents and to develop action plans.

Worthy of note among the initiatives was the Playing with Kites project in partnership with the Instituto EDP, aimed at raising the awareness of children and young people about the risks involved in flying kites close to power transmission lines. During the year, the project was extended to five schools in the municipality of Guarulhos, reaching some 6,000 children and youths. The result was a decrease in the number of power outages in the surrounding communities and higher awareness of the dangers among young people.

Other regular initiatives include the Summer Operation with measures employing an automated tool to schedule services, repositioning of team support bases and partnerships with municipal authorities, Civil Defense, Fire Brigade and the Police.

Additionally, in 2019 EDP São Paulo announced an investment of around R\$ 80 million to regularize all of the areas mapped as having clandestine power connections in the concession region, ensuring safe, efficient and high quality electricity network services for some 50,000 families in low-income communities. Work began in April 2019 and is scheduled to be completed in 24 months.

ACCIDENTS WITH DISTRIBUTION ASSETS AFFECTING THE PUBLIC

	São Paulo			Espírito Santo		
	2017	2018	2019	2017	2018	2019
Number of accidents without public fatalities	13	10	3	5	2	6
Number of accidents involving public fatalities	5	3	3	4	4	3



5.5 SUPPLIERS AND PARTNERS GRI 103 | 308, 103 | 414, 103 | 204

The EDP Brasil supply chain comprises materials suppliers and service providers from all areas of activity. The company seeks to prioritize local suppliers in the areas around its operations. In 2019, from a total of R\$ 2.87 billion spent on suppliers, 29% went to local partners. GRI 102-9

The registration and verification of supplier documentation is conducted through the SRM – Supplier Register system, a global tool incorporated into the company's procurement system. In 2019, a total of 6,016 suppliers were registered in the system in Brazil. To provide partners with information on payments, standards, performance assessments and the conduct expected by the company, there is an EDP Supplier Manual, as well as the Supplier Code of Conduct, which complements the Code of Ethics, available at <https://www.edp.com/pt-pt/codigo-de-conduta-do-fornecedor>.

Suppliers whose contracts are in excess of R\$ 500,000 are submitted to a compliance reputational analysis and an independent due diligence process before they are contracted. Upon being hired, suppliers are segmented in accordance with socioenvironmental risk criteria and the complexity and impact of their operations for the business. They are then classified as qualified, specialized, partners or allies. In 2019, 22% of the company's purchases involved partner and ally suppliers.

EDP Brasil has some 1,200 active contracts with suppliers. Because of this, it is fundamental for the company to ensure safety management among service providers. Therefore, the working group in this area focused on the hiring process, establishing general occupational health and safety requirements for suppliers. This work was complemented by a workshop for contract managers and the requirements established for new contracts as a means of improving safety management at business partners.

PERFORMANCE EVALUATION GRI 308-2, 408-1, 409-1, 412-1, 414-1

The principal EDP suppliers are evaluated in accordance with the company's Supplier Performance Index (IDF), which comprises indicators for performance, health and safety, compliance, innovation and sustainability. During the year the IDF index scores reached 89%. There is an annual award divided into categories for the suppliers who perform best in this index.



Furthermore, contracts contain clauses on human rights and set forth measures to combat corruption, slave and child labor. Acknowledgment of the company's Code of Ethics is also a requirement. Third-party management also includes audits of the work sheets of outsourced workers and checks on compliance with payments, taxes, labor obligations, overtime and rest periods between work shifts.

5.6 SOCIETY

MANAGING SOCIAL IMPACTS GRI 103 | 413

In addition to monitoring possible impacts on its operations, particularly during the construction of assets, EDP Brasil engages in constant dialogue with governments, social organizations and community leaders to identify their needs and opportunities for the development of the areas in which the company operates.

During the implantation of the HPP Santo Antônio do Jari, the plant initiated the construction of a complementary hybrid system to supply electricity to four communities in the area surrounding the plant. In 2019, the rural distribution networks were built and finalized, ending an implementation process that took three years and resulted in improved quality of life for the communities. By the same token, the HPP Cachoeira Caldeirão invested in building the Porto Grande Hospital and Shelter and a museum in Laranjal, in conjunction with the Fundação Jari.

In Espírito Santo, EDP Brasil collaborated with the revitalization of the first sustainable square in the municipality of Atílio Vivácqua, aimed at disseminating the concept of sustainability in a clean, tree-lined recreational area.

RELATIONS WITH INDIGENOUS PEOPLES

With respect to indigenous peoples, in 2019 the HPP São Manoel concluded the construction of two schools, three indigenous health centers, a community meeting space with kitchen area and flour preparation installations in seven villages of the Kayabi, Munduruku and Apiaká tribes. Under the Indigenous Organization Reinforcement Program, the company has granted 39 technical and higher education study grants for indigenous students. The grants cover the payment of school and university fees, the donation of a notebook and a backpack for each student, return fares to their homes during vacations, a living allowance of 2.5 minimum salaries and psychological and educational support for adaptation to university life.

The improvements and the programs in course benefit the Kayabi, Munduruku and Apiaká peoples, located in the area of influence of the plant. These measures are part of the Basic Indigenous Environmental Plan (PBAI), approved by the indigenous communities themselves, Funai (Brazilian National Indian Foundation) and the HPP São Manoel. The programs benefit 1,200 Indians from 19 villages.

Furthermore, the HPP São Manoel Basic Indigenous Environmental Plan encompasses social communication and environmental education for the communities, organizational reinforcement, preservation and valuing their cultures, monitoring of health, territory management and ethnic zoning, among other activities.

SOCIAL TARIFF

In line with the commitment to promote universal access to electrical energy, in accordance with law nº 10.438/02, EDP Brasil provides what is known as the Social Tariff. The program consists of the offer of cumulative discounts on the electricity bills of low-income residential customers compliant with the criteria established in law nº 12.212/10, such as registration in the federal government's social program register (CadÚnico). In 2019, the two EDP distributors had a total of 148,986 customers registered for the social tariff.

INSTITUTO EDP GRI 203-1

The Instituto EDP (IEDP) represents the company's commitment to human and social development. This social investment arm operates as a relationship platform aimed at contributing to social inclusion, quality of life and well-being in the communities in which EDP Brasil operates.

With the purpose of acting as an agent of social transformation in Brazilian society, it functions on five fronts: EDP culture, Focus on social impact, Link with the business, Inspiring causes and Resource optimization.

Against the backdrop of the Sustainable Development Goals (SDGs), including goal 10 (Reducing Inequalities) and 4 (Quality Education), which go beyond the priority goals established by the EDP Group, in 2019 more than R\$ 13 million was invested in cultural and socioenvironmental actions in the states of Amapá, Bahia, Ceará, Espírito Santo, Rio Grande do Norte, Rio Grande do Sul, São Paulo, Santa Catarina and Tocantins. These initiatives benefited more than 80,000 people directly and around 241,000 indirectly. The satisfaction rate of the beneficiaries of the social projects in 2019 was 95%.





This action contributes towards the target:

11.4 - Reinforce efforts to protect and save the world's cultural and natural heritage.

COMMITMENT TO BRAZIL'S HISTORICAL HERITAGE

EDP Brasil supports culture and art in Portuguese speaking countries as a means of demonstrating the wealth and diversity of the language. This banner involved sponsorship of the rebuilding of the Museu da Língua Portuguesa (Portuguese Language Museum), in São Paulo: a R\$ 20 million investment that was finalized in 2019. The museum should be reinaugurated in June 2020.

To take the museum experience to the rest of the country, EDP Brasil created the itinerant exhibition "The Energy of the Portuguese Language". Installed on a truck, the exhibition carried culture and information about the language to more than 23,000 spectators in the states of São Paulo, Rio de Janeiro, Espírito Santo, Paraná, Santa Catarina, Rio Grande do Sul, Bahia and Ceará, over the last 3 years.

The company was also co-sponsor of the Paraty International Literary Festival (FLIP), as well as the Taubaté Children's Literature Fair (FLIT) and the Parque Vicentina Aranha Literature and Music Fest, in São José dos Campos (FLIM), both with musical performances, arts workshops and literary events that engaged more than 70,000 people. It also sponsored the Vitória Cinema Festival, reinforcing cultural production in Espírito Santo. At FLIP, worthy of note was the participation of debaters and the curator Fernanda Diamant in initiatives on the EDP Brasil premises, providing EDP employees with access to special contents.

The company also supported the Fado Festival, which promotes Portuguese language and culture and fosters creativity and cultural and artistic manifestations involving Portugal and Brazil. It included an exhibition of the Portuguese artist Leonor Antunes at MASP, the season of the University of São Paulo Communication and Arts Faculty Chamber Orchestra (OCAM-ECA/USP), and the show *Voos de Villa*, created by the conductor Gil Jardim, based on the work of Heitor Villa-Lobos, as well as sessions of the theater play *A Golondrina*, produced by Odilon Wagner and presented in cities such as Guarulhos and Vitória. The play promotes debate on inclusion and diversity.

In 2019, EDP Brasil was the first company to announce sponsorship of the Museu do Ipiranga modernization and restoration project, with an investment of R\$ 12 million over 4 years, by means of the federal culture incentive law. The reinauguration of the museum is scheduled for 2022, the 200th anniversary of the independence of Brazil.

Focused on generating positive social impact and promoting improvements in people's lives, projects worthy of note in 2019 include:

- **EDP in Schools:** through support for volunteer employees, local government, social organizations and partnering companies, the project contributes to improved quality of life for students in public elementary schools. In 2019, the focus was on disseminating the SDGs to more than 9,000 students at 47 schools in nine Brazilian states, with an investment of R\$ 916,000. Moreover, school kits were handed out to the students and training courses were organized to reinforce the social and emotional competencies of teachers; a contest called Art with Energy was also organized. The program will be reviewed in 2020 to introduce innovations in the current model.
- **Community Banks:** this involves the use of grass roots community organizations to promote local development in low income areas and support financial services aimed at generating work and income in local economies. The program impacted 12 communities in Espírito Santo;
- **Sports Caravan:** this is aimed at promoting reflection on the importance of the physical fitness associated with games and sports as a tool for education, inclusion and social transformation. Held in eight cities, the program benefited more than 39,000 children and teenagers in 2019, conducted in conjunction with the Arts Caravan in the municipalities of Baixo Guandu (Espírito Santo), São Gonçalo do Amarante (Ceará) and Laranjal do Jari (Amapá);
- **The Big Hit:** support for the Espírito Santo Volleyball Federation (Fesv) to promote beach volleyball among socially vulnerable children and adolescents in Espírito Santo with instruction provided by professionals and Physical Education students. 260 children participated in the program, which also benefited 400 people indirectly in 2019;
- **Bem Maior Community Fund:** focused on community leaders and entrepreneurs, the project provides incentives for the development of community initiatives that drive local development. 5 projects were selected in Espírito Santo, involving 30 leaders and benefiting 500 people;
- **Psychoactive:** aimed at promoting quality of life and health for children and adolescents with individual psychological treatment and family integration activities in the municipality of Cachoeiro de Itapemirim (Espírito Santo). In partnership with Rochativa, the project provided psychological treatment for 51 beneficiaries. It also involved the organization of 200 talks on subjects such as depression and impacted 1,650 people with activities related to the safe use of electricity;
- **Learning to Grow:** organized in the municipalities of Lajeado, Miracema, Peixe, Palmas and Paraná (Tocantins), this contributed towards improved quality of life and more open access to education and cultural, sports and humanistic activities for children and teenagers. The program impacted 500 young people directly, with a further 100 students taking part in workshops on robotics and computing;
- **Education for Enterprise:** held in São Paulo and Espírito Santo, the projects seeks to enhance public policy in two areas essential for economic and human development – education and income generation –, by means of the Dream-shaper platform, which fosters entrepreneurship among young people. Around 50 teachers were trained and more than 2,500 students benefited.
- **Citizenship in Action:** aimed at the elderly by means of social intervention with group experiences, artistic experimentation, cultural, sports and leisure activities. This benefited 186 people in 8 workshops in Espírito Santo, impacting 221 elderly people.
- **Orquestra Contemporânea Brasileira:** this promotes an exchange of experience between the musicians and 160 socially vulnerable children and adolescents with the provision of musical training and the creation of an orchestra for children and adolescents. A total of 120 students were enrolled in the program and more than one thousand people attended the concerts.



This measure contributes towards the target:

12.8 - ENSURE THAT BY 2030 PEOPLE EVERYWHERE HAVE ACCESS TO IMPORTANT INFORMATION AND AWARENESS OF THE NEED FOR SUSTAINABLE DEVELOPMENT AND LIFESTYLES IN HARMONY WITH NATURE.

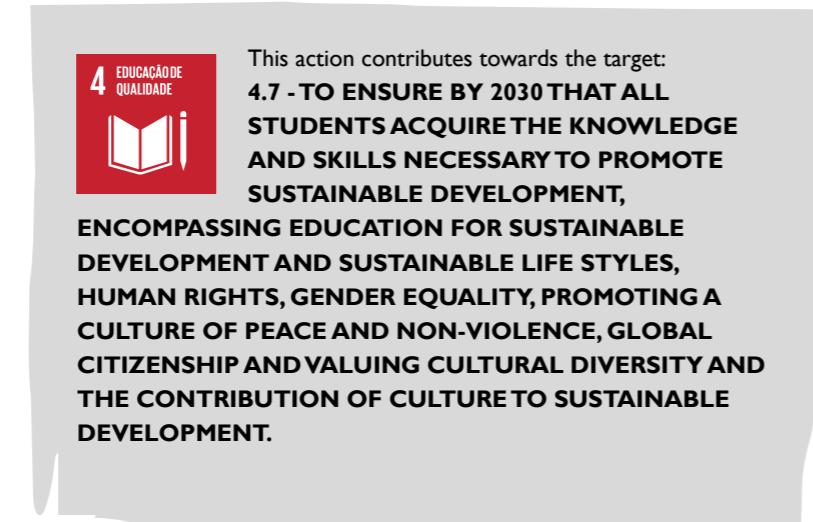


This measure contributes towards the target:

8.6 - BY 2020, TO SUBSTANTIALLY REDUCE THE NUMBER OF YOUNG PEOPLE WITHOUT EMPLOYMENT OR EDUCATION.



- **Beyond the Street – Arts and Connections Festival:** held in Ceará, this effectively promotes dialogue between the visual arts, drama and instrumental music in an urban context, focused on occupying the streets by means of an interchange between groups and Brazilian and international performers;
- **Football in the Street for Education:** promoted inclusion via sport for socially vulnerable children and adolescents with a focus on developing values and promoting citizenship. The project took place in Guarulhos (São Paulo) and involved 56 workshops that benefited 152 people directly;
- **Liter of Light:** the initiative installed 60 solar powered lamp posts in areas without lighting in Jabaeté, a community in the Vila Velha region (Espírito Santo). The installation involved the voluntary participation of EDP Brasil employees with local residents.



In 2019, IEDP launched a new volunteer work campaign: I dare to Change the World. A total of 806 volunteers were engaged, corresponding to 25% of the work force. They dedicated more than 2,900 hours to actions promoting social well-being, public safety, the environment and diversity, among others.

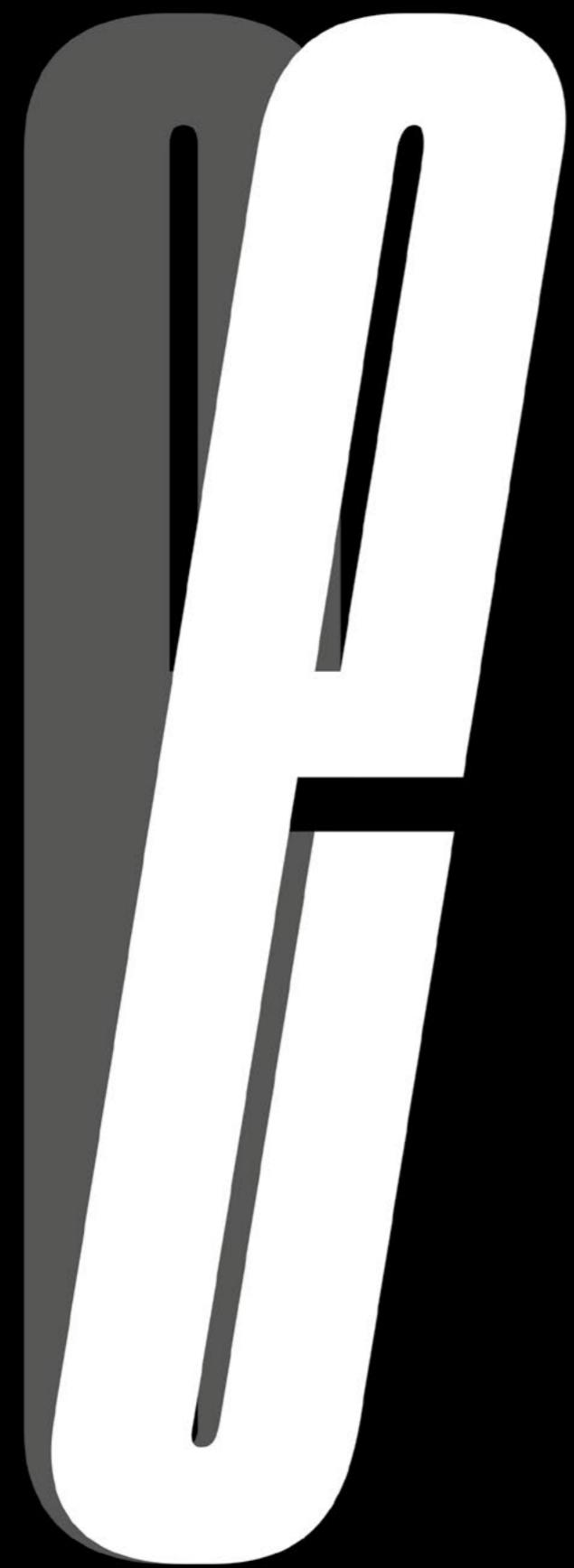


06

06 MANAGING ENVIRONMENT IMPACTS

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06

MANAGING ENVIRONMENT IMPACTS

For EDP Brasil, mitigating negative impacts and increasing positive ones through the efficient use of natural resources and good practices, is essential to its operations. Aligned with the Sustainable Development Goals (SDGs), the company has a direct commitment to goal 13, which addresses climate change, and goal 15, protecting life on Earth. This entails an environmental management policy in line with the ISO 14.001 standard, which encompasses an environmental management system, overseen by the local environmental areas of the business units. In 2019, the company invested R\$ 165 million in environmental actions and dedicated R\$ 28 million to enhancing its practices, a significant increase compared with 2018, principally due to the works in progress and the licensing of transmission lots.

Worthy of note during the period is the biodiversity R&D project "Environmental Valuation and Analysis of Impact and Dependence on Ecosystem Services for the Electrical Utility Sector", the main objective of which is the development of an integrated methodology to measure and valuate the impacts of EDP Brasil's activities and their dependence on ecosystem services. Visits were undertaken to diverse distribution and generation units to identify the main stakeholders in each and the dynamics of use of ecosystem services at these units.



CERTIFICATIONS

During the period EDP got closer to its target of reaching 100% environmental certification for its assets by 2020 by ensuring ISO 14.001 certification for all the sub-stations in the São Paulo concession area. In Espírito Santo, certification was extended from three sub-stations in 2018 to a total of nine and a Distribution Service Center certified in the environmental and health and safety standards in 2019. The company now has 87 installations with ISO 14.001 certification, totaling 4,475 MVA.

Additionally, the HPP Peixe Angical was submitted to an Integrated Management System external audit that resulted in the maintenance of its ISO 9.001, ISO 14.001 and OHSAS 18.001 certifications. The unit also participated in the process to renew its Energia Sustentável certification promoted by the Instituto Acende Brasil. The unit received Gold level certification in the sustainable energy seal for the period 2020-2022.

In parallel, the TPP Pecém was the first EDP Brasil group company whose integrated management system received international ISO 45.001 certification (Occupational Health and Safety Management System), in addition to ISO 9.001 and ISO 14.001. The environmental certification process entails educational and environmental awareness programs for employees. In 2019, a total of 21,602 hours of environmental training was undertaken at all the EDP Brasil units.

ENVIRONMENTAL MANAGEMENT IN NEW CONSTRUCTION WORKS GRI 103 | 307

In EDP São Paulo, due to the environmental impacts provoked by works related to investment in the system, 2,087 native tree seedlings were planted to offset losses and equalize the ecosystem and local biodiversity. In 2019, EDP São Paulo monitored 20,840 individual native tree seedlings that occupy an area equivalent to 14 soccer pitches.

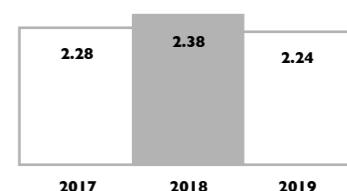
In the municipality of Mogi das Cruzes alone, 14,719 seedlings were planted under four Environmental Recovery Terms of Commitment (TCRAs) established by the São Paulo environmental authority Cetesb (Companhia Ambiental do Estado de São Paulo). The initiative ensures the enrichment of the Upper Tietê water basin ecosystem, responsible for draining the main rivers in the São Paulo Metropolitan Region and supplying diverse cities in the Upper Tietê region, including São Paulo.

**6.1 WATER AND EFFLUENTS** GRI 103 | 303, I03 | 306

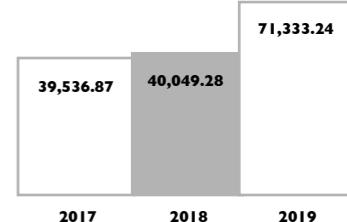
Focused on the preservation and efficient use of water resources, EDP Brasil has rainwater harvesting systems installed on the roofs of the TPP Pecém administrative building, the Poá Distribution Services Center, the EDP Brasil headquarters in São Paulo and its units in Mogi das Cruzes and São José dos Campos.

The company's gross water consumption is more relevant in thermal generation. In line with EDP Brasil's commitment to best environmental practices, the Pecém TPP reused 31.5% of the effluent generated in the production process, resulting in a decrease in water consumption of more than 21,000 m³ per month. During the cycle, EDP Brasil consumed approximately 9.52 million m³ of water at all its business units, corresponding to a 2% increase over 2018, but a 21% reduction compared with 2017. Considering water consumption by energy generated at Pecém, in 2019 performance improved over the previous year. GRI 303-3

Water consumption per energy generated (TPP Pecém) M³/MWh



Fly ash used in concrete manufacture



32% OF THE EDP BRASIL TRANSFORMERS REFURBISHED AND REUSED IN 2019.

6.3 BIODIVERSITY GRI 103 | 304, EU13

EDP Brasil is fully aware of the sensitivity of natural ecosystems and the pressures they are subject to, as well as the intrinsic value of initiatives aimed at protecting biodiversity. For this reason, its environmental policy establishes commitments related to biodiversity, ecosystem services and management of the impacts caused by its activities throughout the value chain.

ENVIRONMENTAL IMPACT ON BIODIVERSITY GRI 304-2

Taking into account the fact that EDP Brasil does not currently have generation units under construction, the company understands that the main risks for biodiversity are related to the construction of Transmission and Distribution units, which involves, for example, cleaning and opening access to transmission line corridors.

Transmission Lot 7 in Maranhão is located close to areas demarcated by the land reform authority Incra (Instituto Nacional de Colonização e Reforma Agrária) and certified by the Fundação Palmares. Similarly, the extension of Lot 21, under construction in Santa Catarina, involves Full Protection Conservation Units (Unidades de Conservação de Proteção Integral), small rural properties and is close to some quilombola communities.

In the Distribution area requests for power connections and the extensive low and medium voltage power networks involve diverse types of land use and occupation in the respective municipalities, including conservation units and environmental protection zones.



MONITORING AND MITIGATING IMPACTS

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.

Particularly noteworthy in 2019 was the concession of installation licenses for all the transmission lines by the environmental agency Ibama (Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis) and the respective state environmental authorities ahead of schedule.

To reduce biodiversity impacts in the Distribution area, the company performs analyses during the project planning phase, particularly for the implantation of lines in sensitive areas. These analyses include the verification of the existence of conservation units, legal reserves, permanent preservation areas and native vegetation, with the objective of proposing local alternatives in which impacts are reduced or technical and technological solutions that mitigate any such impacts are employed. Such solutions include higher structures than conventional ones and the use of unmanned aerial vehicles (UAV) to launch transmission cables in native vegetation and legal reserve areas, avoiding the need to suppress vegetation in the implantation and operation of the installation.

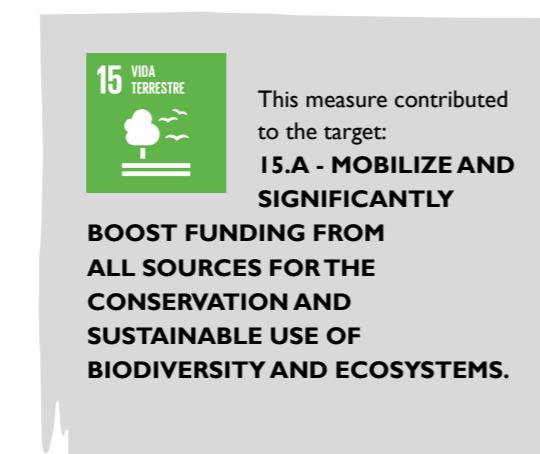
GENERATION OF SHARED VALUE GRI 304-3

In Generation, the HPP São Manoel has a Forestry Reconstitution Program involving an area of 1,174.85 hectares in permanent preservation areas (APP) in the Teles Pires river basin. A total of 467.12 hectares had been reconstituted by 2019. The plant also donated 727.45 m³ of treated timber from the suppression of vegetation for the formation of the HPP São Manoel reservoir in the municipality of Paranaíta (Mato Grosso). This timber will be used by the local government in the construction of public housing and the refurbishment of wooden bridges on access roads.

In Espírito Santo, a technical cooperation agreement has been in force for 15 years with Idaf (Instituto de Defesa Agropecuária e Florestal), to enable maintenance services in the transmission line and right of way corridors in rural areas, as well as to suppress vegetation for the construction of distribution lines and sub-stations.

The following initiatives are also worthy of note:

- BOT Project – Activities in restricted areas: a pilot project was established to provide support for field teams and prevent the execution of unwarranted services in restricted areas (environmental preservation areas, irregular areas, rights of way, etc.). Based on an interface between a messaging application and the EDP Brasil Technical Information System, the system provides online guidance informing when an activity is occurring in and/or close to a restricted area and giving instructions on the measures to be taken for the work to continue.
- Plantio Brasil: in 2019 the company worked in partnership with the Espírito Santo state government supporting the national tree planting project Mutirão Nacional de Plantio de Árvores, in which more than 75% of the municipalities in the state participated. In addition to the distribution of native Atlantic Rainforest tree seedlings to the public, trees that will contribute to the reclamation of ciliary vegetation and the recuperation of springs were planted.



- Community action: a new project was implemented in São Paulo with the community surrounding the right of way corridor of a distribution line in the municipality of Santa Branca (São Paulo) to provide gardening services and contain local erosion. The initiative helps preserve the environment in these areas, preventing the deposit of waste and fostering local trade.
- Environmental education: in 2019, EDP Brasil organized talks to raise awareness through local community participation in Eco-Friday, an event held in Guararema (São Paulo) for the local community, including residents, students, teachers and civil servants. The company presented its main environmental programs and measures; the execution of the Água Azul - Airport line social communication plan, which involved the distribution of information sheets to the local population about the construction work to be undertaken and the planting of trees in the Jambeiro (São Paulo) urban region.

LOCATION OF ASSETS IN PROTECTED AREAS GRI 304-1

Some EDP Brasil installations are located in areas protected by Brazilian law or considered to be of great biological importance by Conservation International.



Generation

- The Amazon: assets of the Santo Antonio do Jari, Cachoeira Caldeirão and São Manoel HPPs, which occupy 1,759.72 km² of protected areas and are prioritized for conservation.
- Cerrado: all the areas of influence of the HPPs Luis Eduardo Magalhães, Peixe Angical and Mascarenhas, located in the transition zone between the Cerrado and Atlantic Rainforest regions, totaling 297.52 km².



Distribution

- Atlantic Rainforest: In São Paulo, the company administers 3,861 km of transmission lines and eight sub-stations in the Atlantic Rainforest biome in federal, state and municipal conservation units, as well as protection areas and Upper Tietê basin water source reclamation areas. In Espírito Santo, there are 3,610 km of lines and eight sub-stations in conservation units in the same biome.



Transmission

- Amazon: The Rancho Papouco and Morro dos Garapenses Environmental Protection Areas (APA) are partially influenced by 3.6 km of lines, totaling 23.59 km² of area impacted.
- Atlantic Rainforest: a total of 83.8 km of lines within protected areas, with an area of 6.708 km² affected in the Rio Machado; 0.276 km² in the Paraíba do Sul basin; and 3.07 km² in the Serra da Mantiqueira environmental protection areas. The lines located in Espírito Santo and Santa Catarina, both in the Atlantic Rainforest biome, are not in and do not intercept the buffer zone of the SNUC conservation units.

6.4 MANAGING EMISSIONS GRI 103 | 305, 201-2, 302-1

Due to impact on water availability, climate change is factored into company risk management and the establishment of EDP Brasil targets. The company is engaged in discussions around this topic and participates in external initiatives such as EPC (Empresas pelo Clima or Companies for the Climate), run by the Fundação Getulio Vargas (FGV), and the Global Compact's Energy and Climate Working Group.

EDP Brasil has a strategic plan focused on this issue involving the assessment of risks and opportunities and the possibility of carbon pricing, taking into account potential effects on its operations. Moreover, the company has a target of imposing a 25% limit on the share of coal in the energy generation portfolio by 2020, as well as developing projects to reduce CO₂ emissions as a means of combating climate change. Among the initiatives, on a global level the EDP Group is committed to electrifying its light vehicle fleet of over 3,000 vehicles by 2030,



reducing fleet CO₂ emissions by around 70%. The company also invests in energy efficiency and the generation of photovoltaic solar energy, as well as seeking to reduce greenhouse gas (GHG) emissions through operational efficiency measures and the reduction of energy distribution losses.

Externally, energy efficiency projects implemented at customers totaled energy savings of 18,285.69 MWh and, in conjunction with steam co-generation projects, avoided emissions of 29,883.97 tCO₂eq. Solar energy projects have resulted in the generation of 469.17 GWh with the avoidance of 35,215.27 tCO₂e in emissions during the course of their working life. [GRI 302-5](#)

Internally, company direct and indirect emissions totaled 4.62 million tons of CO₂eq (scope 1 and scope 2), an increase of 9% compared with 2018. This was due mainly to the higher generation at the Pecém TPP, driving the scope 1 increase, and higher losses in Espírito Santo, which affected scope 2 emissions. Scope 3 emissions remained practically stable, increasing only 2% over 2018.

In 2019, the company emitted 474 tons of CO₂eq /GWh generated through its assets, an increase of 23% over 2018. However in comparison with 2017, there was a 20% decrease. It should be noted that EDP Brasil has developed an internal tool to calculate GHG emissions on a monthly basis, optimizing control and management. [GRI 305-5, 305-7](#)

GHG EMISSIONS (tCO₂e)¹ GRI 305-1, 305-2, 305-3			
EDP Brasil	2017	2018	2019
Direct emissions - Scope 1	5,432,068.68	4,008,652.63	4,383,914.75
Biogenic emissions - Scope 1	N.A.	109,273.70	96,914.54
Indirect emissions - Scope 2	298,094.43	229,960.57	241,186.04
Other indirect emissions - Scope 3	2,882,229.09	2,344,541.13	2,398,567.17

¹ The emissions are subject to changes in accordance with the updating of the Brazilian GHG Protocol Program tool and the audit validation process. The amounts take the operational control approach and company shareholding into account.

GHG EMISSIONS INTENSITY - SCOPES 1 AND 2 (tCO₂e) GRI 305-4			
EDP Brasil	2017	2018	2019
GHG emissions intensity rate - Emissions per hydro energy generated	0.49	0.05	0.05
GHG emissions intensity rate - Emissions per thermal energy generated	1,049.63	1,028.64	1,162.46
GHG emissions intensity rate - Emissions per energy distributed	12.20	9.38	15.28
GHG emissions intensity rate - Emissions per net revenue	0.46	0.31	0.30

MANAGING CLIMATE CHANGE

To mitigate impacts related to GHG emissions, the company joined the Brazilian Climate Commitment Program (Programa Compromisso com o Clima). The carbon credit projects available on the platform were analyzed from the perspective of socioenvironmental impacts, adherence with the company's priority SDGs, the region where the project is in place and whether it is a REDD+ (reducing emissions from deforestation and forest degradation) project. In line with this strategy, the company is committed to offsetting a total of 21,428 tCO₂eq, with REDD+ credits over the next three years.

Moreover, during the year EDP Brasil remained abreast of climate change issues in the major conferences in the area, such as COP 25 and the Latin America and Caribbean Climate Week 2019. Focused on the transition to a low carbon economy, a core topic in the conferences, EDP Brasil tracked the main developments of the PMR (Partnership Market Readiness) initiative and conducted internal studies to understand the possible impacts of carbon pricing in the Brazilian market. In addition to the transition risk, the company initiated a climate vulnerability study with a view to reviewing and enhancing its risk matrix, making the future physical impacts for the operations tangible.





07

07 ATTACHMENTS

- 7.1 GENERAL DISCLOSURES
- 7.2 GRI CONTENT SUMMARY

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07 ATTACHMENTS

7.1 GENERAL DISCLOSURES

ASPECT: PROFILE

PARTICIPATION IN ASSOCIATIONS GRI 102-13

EDP Brasil seeks to contribute to the development of the energy sector and the company by means of discussion and active participation in the following organizations:

- Brazilian Association of Energy Distribution Companies (Abradee) and respective institute;
- Brazilian Association of Energy Commercialization Companies (Abraceel);
- Brazilian Association of Independent Electric Power Producers (Apine);
- Brazilian Association of Thermolectric Generation Companies (Abraget);
- Brazilian Association of Electric Power Companies (ABCE);
- Brazilian Basic Infrastructure Association (ABDIB);
- Brazilian Association of Energy Conservation Service Companies (Abesco);
- Brazilian Association of Start-ups (ABStartups);
- Instituto Acende Brasil;
- Energy Industry Association of the State of São Paulo (SindiEnergia);
- Brazilian Solar Energy Association (ABSolar);
- Brazilian Energy Co-generation Association (Cogen);

**LIST OF STAKEHOLDERS; BASIS FOR IDENTIFICATION AND SELECTION OF STAKEHOLDERS
FOR ENGAGEMENT; AND APPROACH TO STAKEHOLDER ENGAGEMENT** GRI 102-40, 102-42, 102-43, 102-44

STAKEHOLDER'S PERFORMANCE DIMENSION	RELATIONSHIP CHANNELS	ENGAGEMENT ACTIONS GRI 103-2
Shareholders	Shareholders: General Meetings; contact with Investor Relations, Corporate Advisory and Institutional Relations and Stakeholder Management areas; press releases and quarterly results presentations; EDP website, EDP Infoinvest, social networks and Contact IR; Annual Report and Financial Statements;	Disclosure of information and results in quarterly conferences; sustainability information published in the EDP Group quarterly results release; exclusive meetings with Brazilian and international institutions for the presentation of strategy, governance and socioenvironmental practices; continuous improvement in transparency and accountability to market. GRI 102-34
	Financial institutions: regular meetings with representatives of financial institutions; quarterly results reports; internet; press releases; annual report; ethics channel; sustainability channel; institutional relations and stakeholder management area.	Exclusive meetings with institutions to present strategies and governance and socioenvironmental practices; external meetings with stakeholder management team to monitor perception of relations, critical topics and potential improvements to be developed with the regional business units.
Customers	Customers: electricity bill; call center; stores; ombudsman; digital notice boards in stores; Consumer Council meeting; EDP website and social networks; media campaigns; information folders and posters; annual report; ethics channel and sustainability channel; institutional relations and stakeholder management area; periodic meetings with managers at major customers.	Satisfaction survey; development of social and relationship projects with customers in the communities; meetings with representatives of consumers and corporate customers; measures to simplify energy bills; establishment of contract clauses with socioenvironmental criteria.
Community and society	Communities: meetings with community organizations, NGOs, teaching and research institutions; participation in sector association working groups; press releases and interviews with media; EDP Brasil website and social networks; Annual Report; ethics channel; Instituto EDP; sustainability channel; institutional relations and stakeholder management area.	Social, cultural and environmental programs aimed at communities in the company's areas of activity, ongoing environmental management focused on minimizing the socioenvironmental impact of company activities; public consultations about undertakings; proactive and ethical relations with local, regional or national communication media and press; partnerships in R&D projects with educational institutions; external meetings with stakeholder management team to gather perceptions of relations, critical subjects and potential improvements to be developed with regional business units.
Partners	Partners: annual meeting with suppliers; EDP website and social networks; targeted satisfaction survey; ethics channel and sustainability channel.	Periodic research, Supplier Code of Ethics. Incorporation of supplier development index with feedback and training for supplier partners.
People	People: climate survey, EDP ON (intranet, TV, magazine), digital notice board; sustainability channel; ethics channel; Boca Livre; Speak to the CEO; intranet, Workplace, EDP website and social networks; annual report and results presentation roadshows by the directors.	Awareness and sensitization measures related to social responsibility, citizenship and the environment; EDP culture mobilization initiatives and climate improvement measures; incentives for cooperation and ethics in union relations.

07 ATTACHMENTS

2019 ANNUAL REPORT

ASPECT: GOVERNANCE

PROPORTION OF EMPLOYEE REMUNERATION GRI 102-38, 102-39

EDP Brasil	2017	2018	2019
Highest remuneration paid (R\$)	R\$ 780,000	R\$ 806,000	R\$ 845,000
Lowest remuneration paid (R\$)	R\$ 17,892	R\$ 18,958	R\$ 19,906
Division of highest remuneration by the lowest remuneration paid	4,359.48	4,251.41	4,244.87
Proportion of total annual remuneration to the best paid individual and the average annual remuneration of all the employees (excluding the best paid employee) (%)	979.00	1,071.87	1,088.31
Percentage increase in the remuneration of the best paid individuals from the previous year to the year of the report (%)	4.55	3.33	4.84
Percentage increase in the total average annual remuneration of all the employees (%)	1.43	0.46	2.46
Relation of percentage increase in the total remuneration of the best paid individual to the percentage increase in the total annual average remuneration of all the employees	3.04	7.23	1.96

MATERIAL TOPICS**ASPECT: ECONOMIC PERFORMANCE**

VALUE ADDED STATEMENT (R\$ THOUSAND) GRI 201-1

EDP Brasil	2017	2018	2019
I - Revenues	17,648,375.00	20,216,880.00	20,170,717.00
I.1) Sales of merchandise, products and services	16,937,616.00	18,634,303.00	16,632,280.00
I.2) Other revenues	627,499.00	1,521,326.00	3,486,922.00
I.3) Revenue related to the construction of company assets	165,555.00	146,393.00	164,515.00
I.4) Provision for doubtful debts – Reversal / (Constitution)	- 82,295.00	- 85,142.00	- 113,000.00
2- Inputs acquired from third-parties (includes taxes – ICMS, IPI, PIS and Cofins)	- 10,597,587.00	- 11,907,595.00	- 12,872,925.00
2.1) Cost of products, merchandise and services sold	- 8,992,438.00	- 9,885,422.00	- 9,268,830.00
2.2) Materials, energy, third-party services and others	- 703,472.00	- 730,746.00	- 731,893.00
2.3) Loss / Recovery of active amounts	N.A.	N.A.	0.00
2.4) Others (specify)	- 703,472.00	- 1,291,427.00	- 2,872,202.00
3- Gross added value (I-2)	7,050,788.00	8,309,285.00	7,297,792.00
4- Depreciation, amortization and depletion	- 592,979.00	- 624,343.00	- 641,911.00
5 - Net added value produced (3-4)	6,457,809.00	7,684,942.00	6,655,881.00
6 - Added value received in transfer	407,837.00	523,318.00	951,276.00
6.1) Equity income	- 42,648.00	2,974.00	68,148.00
6.2) Financial income	450,485.00	520,344.00	883,128.00
6.3) Others	N.A.	N.A.	0.00
7 - Total added value to be distributed (5+6)	6,865,646.00	8,208,260.00	7,607,157.00
8 and 9 - Distribution of added value	6,865,646.00	8,208,260.00	7,607,157.00
8.1) Personnel	411,598.00	432,566.00	319,360.00
8.1.1 – Direct remuneration	293,473.00	306,166.00	321,082.00
8.1.2 – Benefits	91,790.00	100,850.00	- 29,935.00
8.1.3 – F.G.T.S	26,335.00	25,550.00	28,213.00
8.2) Taxes, charges and contributions	4,743,870.00	5,468,424.00	4,422,264.00
8.2.1 – Federal	2,506,007.00	2,827,651.00	1,629,522.00
8.2.2 – State	2,225,574.00	2,631,395.00	2,779,507.00
8.2.3 – Municipal	12,289.00	9,378.00	13,235.00

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EDP Brasil	2017	2018	2019
8.3) Remuneration of third-party capital	964,629.00	892,520.00	1,383,078.00
8.3.1 – Interest	937,131.00	864,795.00	1,374,053.00
8.3.2 – Rents	27,498.00	27,725.00	9,025.00
8.3.3 – Others	0	0	0.00
8.4) Remuneration of Own Equity	297,167.00	580,917.00	515,032.00
8.4.1 – Interest on Own Equity	72,709.00	439,000.00	236,000.00
8.4.2 – Dividends	85,513.00	0	117,490.00
8.4.3 – Non-controlling interest in retained earnings (only for consolidation)	140,945.00	141,917.00	161,542.00
9 – Retained earnings / Loss for the year	448,382.00	833,833.00	967,423.00

DISTRIBUTION OF ADDED VALUE (%) GRI 201-1

EDP Brasil	2017	2018	2019
Government	69%	67%	58%
Third-parties	14%	11%	18%
Employees	6%	5%	4%
Shareholders	4%	7%	7%
Retained	7%	10%	13%

FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT (R\$ THOUSAND) GRI 201-4

EDP Brasil	2017	2018	2019
Benefits and tax credits	44,112	80,509	75,229.00
Subsidies	0	0	-
Investments with incentives	0	0	-
- Incentives for culture / Rouanet law	3,814	5,621	5,489.00
- Incentives for sport	690	1,056	1,385.00
- Childhood and Adolescence Fund	905	1,120	1,258.00
- Cultural Action Program	0	0	-
- Pronon – National Oncological Care Program	832	1,245	-
Others	0	1,240	1,728.00

INVESTMENTS IN CONCESSION AREA (R\$ THOUSAND)

SUBDIVISION	EDP São Paulo			EDP Espírito Santo		
	2017	2018	2019	2017	2018	2019
Expansion of distribution/ transmission (reinforcement expansion)	168,127	159,648	111,748	149,842	186,472	149,294
Renovation of distribution/transmission	98,728	119,177	145,669	115,410	133,765	125,124
Telecommunications, Information Technology and Others	36,975	52,553	91,330	50,239	46,564	73,029
Investments in concession area	303,829	331,378	348,747	315,491	366,801	347,447
Special obligations	34,087	12,695	19,775	16,830	30,955	29,486
Excess revenue	-	-	-	-	-	-
Investments in concession area (Net Capex)	269,742	318,683	328,973	298,661	335,846	317,961

ASPECT: MARKET PRESENCE

VARIATION IN RATIO OF LOWEST SALARY TO MINIMUM SALARY GRI 202-1

EDP Brasil	2017		2018		2019	
	Men	Women	Men	Women	Men	Women
National minimum salary (R\$)	937.00	937.00	954.00	954.00	998.00	998.00
Variation between lowest salary and minimum salary (%)	143.49	143.47	140.93	144.72	155.85	155.85
Proportional variation between highest and lowest salary (%)	4,462.66	2,231.58	4,611.41	2,390.20	4,179.15	2,253.05

ASPECT: INDIRECT ECONOMIC IMPACTS

OWN EXTERNAL SOCIAL INVESTMENT AND INVESTMENT WITH INCENTIVES (R\$ THOUSAND) GRI 203-1

EDP Brasil	2017			2018			2019		
	Own	Incentive	Total	Own	Incentive	Total	Own	Incentive	Total
Education	2,228.90	332.50	2,561.40	1,160.32	480.20	1,640.52	1,023.32	510.92	1,534.24
Culture	321.80	6,176.40	6,498.20	-	6,761.67	6,761.67	-	7,069.60	7,069.60
Health and sanitation	208.30	1,185.60	1,393.90	150.00	1,907.09	2,057.09	150.00	1,293.55	1,443.55
Sport	-	1,135.00	1,135.00	26.97	2,188.40	2,215.37	28.56	2,508.15	2,536.71
Anti-hunger and food security	-	-	-	85.80	-	85.80	-	524.00	524.00
Others	235.90	58.30	294.20	312.50	565.50	878.00	170.00	132.94	302.94
Total	2,994.90	8,887.80	11,882.70	1,735.59	11,902.86	13,638.45	1,371.88	12,039.16	13,411.04

ASPECT: PROCUREMENT PRACTICES

PERCENTAGE OF PURCHASE VOLUME SPENT ON LOCAL SUPPLIERS GRI 204-1

EDP Brasil	2017			2018			2019			
	São Paulo	Espírito Santo	Tocantins	Amapá	Ceará	Maranhão	Mato Grosso	Pará	Rio Grande do Sul	Santa Catarina
São Paulo	58.65	75.15	63.13	-	-	-	-	-	-	-
Espírito Santo	29.19	42.82	14.23	-	-	-	-	-	-	-
Tocantins	9.69	31.82	15.16	-	-	-	-	-	-	-
Amapá	4.33	23.48	25.41	-	-	-	-	-	-	-
Ceará	27.44	31.11	58.86	-	-	-	-	-	-	-
Maranhão	N.A.	0	0.00	-	-	-	-	-	-	-
Mato Grosso	2.31	16.73	30.70	-	-	-	-	-	-	-
Pará	15.93	8.09	12.95	-	-	-	-	-	-	-
Rio Grande do Sul	17.72	33.97	36.23	-	-	-	-	-	-	-
Santa Catarina	N.A.	N.A.	6.98	-	-	-	-	-	-	-



ASPECT:ANTI-CORRUPTION

NUMBER OF EMPLOYEES WHO RECEIVED COMMUNICATION OR TRAINING IN ANTI-CORRUPTION POLICY AND PROCEDURES
GRI 205-2

EDP Brasil	2017	2018	2019
Senior management	6	5	4
Director level	18	28	26
Management	36	192	198
Specialist	32	978	1,020
Administrative	3	314	307
Operational	30	1,668	1,728
Interns	N.A.	147	141
Apprentices	N.A.	87	49

ELECTRICITY CONSUMPTION (GJ) GRI 302-1

EDP Brasil	2017	2018	2019
Non-renewable sources	21,739.84	1,300,974.60	28,449.10
Petroleum derivatives	2,851.13	4,386.23	3,236.72
Coal and derivatives	4,989.47	1,273,779.97	6,303.09
Natural gas	10,810.52	18,422.17	14,650.43
Nuclear energy	3,088.72	4,386.23	4,258.85
Renewable sources	174,658.24	265,117.33	264,696.05
Hydroelectric	158,489.97	238,571.86	236,349.16
Solar	11.88	228.08	919.91
Wind	6,415.03	11,930.55	12,946.89
Originating in biomass	9,741.35	14,386.84	14,480.08
Total	196,398.07	1,566,091.92	293,145.14

ASPECT: MATERIALS

MATERIALS USED IN THE OPERATIONS GRI 301-1

TPP Pecém	2017	2018	2019
GENERATION			
Coal (ton)	2,041,641.61	1,500,379.69	1,600,823.20
Diesel (m³)	2,739.53	3,478.83	3,244.39
Chemical products (kg)	1,458,182.00	1,150,601.00	1,080,678.00

ELECTRICITY CONSUMPTION (MWh) GRI 302-1

SUBDIVISION	2017	2018	2019
Electricity consumption	504,054.80	435,041.90	455,581.16
Electricity from grid in administrative buildings	5,996.14	5,487.73	5,720.69
Electricity from grid in non-administrative buildings	19,783.86	25,829.95	26,233.12
Own electricity in administrative buildings	63.37	63.88	68.34
Own electricity in non-administrative buildings	470,992.28	386,259.87	408,260.65
Inverted flow	7,219.15	17,400.46	15,298.37

ASPECT: ENERGY

ENERGY CONSUMPTION INSIDE THE ORGANIZATION (GJ) GRI 302-1

EDP Brasil	2017	2018	2019
Renewable sources	753,571.07	1,019,266.88	705,604.58
Ethanol	7,163.10	6,612.05	7,868.89
Proportion of ethanol in gasoline	2,227.33	2,189.56	2,479.73
Proportion of biodiesel in diesel + biodiesel	7,144.57	5,160.98	16,955.02
Biomass	737,036.07	1,005,304.29	678,300.95
Non-renewable sources	48,909,264.47	35,986,967.42	38,368,135.17
Gasoline	8,684.94	8,535.69	9,666.89
Diesel	185,213.72	173,409.62	156,614.73
Coal	48,713,568.70	35,799,059.49	38,195,641.55
LPG	341.34	402.73	130.15
Natural gas	1,455.77	5,559.89	6,081.84
Total	49,662,835.54	37,006,234.31	39,073,640.27



ENERGY INTENSITY GRI 302-3

EDP Brasil	2017	2018	2019
SUBDIVISION			
Energy intensity rate (total consumption MWh/revenue R\$ thousand)	0.0286	0.0215	0.0299
Energy consumption per hydro energy generated (MWh)	0.0034	0.0032	0.0710
Energy consumption per thermal energy generated (MWh)	0.09	0.10	0.1229
Energy consumption per energy distributed (MWh)	0.0006	0.0006	0.0178
Energy consumption per energy commercialized (MWh)	0.00005	0.00004	0.0283

ASPECT:WATER

TOTAL WATER WITHDRAWN BY SOURCE (M³) GRI 303-1

EDP Brasil	2017	2018	2019
Surface water, including wetlands, rivers, lakes and oceans	205,647.75	81,242.56	44,974.94
Ground water	8,528.00	896.80	0
Rainwater harvested directly and stored by the organization	7.24	0	0
Water from municipal or other water utilities **	11,821,112.18	9,272,723.57	9,478,707.63
Total	12,035,007.98	9,354,632.43	9,523,682.57

**TPP Pecém accounts for 99% of EDP Brasil consumption, from the water consumption required in the energy generation process.

TOTAL WATER RECYCLED AND REUSED BY ORGANIZATION (M³) GRI 303-3

EDP Brasil	2017	2018	2019
Total volume of water recycled and reused	2,550.48	193,374.441	607,292.76
Percentage of water recycled and reused from total water withdrawn	0.02%	2.07%	6.3%

ASPECT:BIODIVERSITY

SUSTAINABLE USE OF BIODIVERSITY AND RESTORATION OF NATURAL HABITATS GRI 304-2

SUBDIVISION	Unit	EDP São Paulo			EDP Espírito Santo		
		2017	2018	2019	2017	2018	2019
Total extension of negatively impacted areas	km ²	0.01	0.01	0.04	0.47	0.18	0.02
Total extension of positively impacted areas	km ²	0.04	0.00	0.00	0	0.00	0.00
Suppression of vegetation (construction of lines, deforestation for plant construction)	ha	0.58	0.24	0.16	0.00	3.96	0.02
Pruning	qty.	472,676	346,500	315,546	41,152	12,556	23,160

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ASPECT: EMISSIONS

GHG EMISSIONS (tCO₂e)¹ GRI 103-3, 305-1, 305-2, 305-3

EDP Holding/ Commercialization	2017	2018	2019
Direct emissions - Scope 1	188.72	118.55	99.04
Biogenic emissions	N.A.	40.58	42.05
Indirect emissions - Scope 2	73.90	57.97	427.81
Other indirect emissions - Scope 3	647.40	2,022.07	1,100.01

¹ The emissions are subject to changes in accordance with the updating of the Brazilian GHG Protocol Program tool and the audit validation process.

EDP São Paulo	2017	2018	2019
Direct emissions - Scope 1	2,706.28	2,169.55	2,195.33
Biogenic emissions	N.A.	614.32	731.66
Indirect emissions - Scope 2	149,237.76	117,126.36	116,175.40
Other indirect emissions - Scope 3	1,378,745.14	1,125,528.45	1,160,267.96

EDP Espírito Santo	2017	2018	2019
Direct emissions - Scope 1	2,322.32	5,088.08	5,019.16
Biogenic emissions	N.A.	228.95	253.45
Indirect emissions - Scope 2	147,059.57	110,231.90	122,113.94
Other indirect emissions - Scope 3	914,159.87	727,424.69	763,509.31

HPP Mascarenhas	2017	2018	2019
Direct emissions - Scope 1	93.96	46.92	37.35
Biogenic emissions	N.A.	8.26	7.20
Indirect emissions - Scope 2	113.00	52.74	92.65
Other indirect emissions - Scope 3	99.32	118.53	103.25

HPP Luis Eduardo Magalhães	2017	2018	2019
Direct emissions - Scope 1	100.98	80.01	72.20
Biogenic emissions	N.A.	13.26	11.93
Indirect emissions - Scope 2	18.33	12.54	10.30
Other indirect emissions - Scope 3	136.48	117.12	227.25

HPP Peixe Angical	2017	2018	2019
Direct emissions - Scope 1	213.99	164.62	67.90
Biogenic emissions	N.A.	7.32	7.20
Indirect emissions - Scope 2	11.24	3.90	1.75
Other indirect emissions - Scope 3	24.31	70.79	83.36



HPP Santo Antônio do Jari	2017	2018	2019
Direct emissions - Scope 1	14.30	28.30	18.32
Biogenic emissions	N.A.	2.60	1.97
Indirect emissions - Scope 2	2.31	2.86	1.11
Other indirect emissions - Scope 3	69.51	24.92	21.82

HPP Cachoeira Caldeirão	2017	2018	2019
Direct emissions - Scope 1	22.38	26.05	35.75
Biogenic emissions	N.A.	3.25	4.86
Indirect emissions - Scope 2	0	3.01	0.50
Other indirect emissions - Scope 3	44.94	43.88	58.70

HPP São Manoel	2017	2018	2019
Direct emissions - Scope 1	2,857.59	18.39	66.46
Biogenic emissions	N.A.	1.89	7.51
Indirect emissions - Scope 2	1.46	1.36	0.91
Other indirect emissions - Scope 3	508.89	271.49	86.78

TPP Pecém	2017	2018	2019
Direct emissions - Scope 1	5,421,981.34	3,996,799.10	4,309,334.16
Biogenic emissions	N.A.	16.04	837.87
Indirect emissions - Scope 2	1,468.77	2,390.90	2,351.13
Other indirect emissions - Scope 3	587,587.71	488,506.21	472,579.97

EDP Smart	2017	2018	2019
Direct emissions - Scope 2	1,576.46	2,106.64	1,859.60
Biogenic emissions	N.A.	108,333.56	94,969.76
Indirect emissions - Scope 2	4.39	3.56	3.50
Other indirect emissions - Scope 3	118.82	210.54	124.49

EDP Transmission	2017	2018	2019
Direct emissions - Scope 2	N.A.	2,106.64	65,111.07
Biogenic emissions	N.A.	108,333.56	39.06
Indirect emissions - Scope 2	N.A.	3.56	1.908
Other indirect emissions - Scope 3	N.A.	210.54	404.25

NO_x, SO_x AND OTHER SIGNIFICANT ATMOSPHERIC EMISSIONS (t) GRI 305-7

TPP Pecém	2017	2018	2019
NO _x	4,935.09	3,906.24	3,987.04
SO ₂	17,232.05	11,445.76	12,884.66
Particulate material (PM) ¹	894.02	1,720.79	1,482.18

GHG EMISSIONS INTENSITY RATE (tCO₂e/GWh) GRI 305-4

EDP Brasil	2017	2018	2019
GHG emissions per hydro energy generated	0.49	0.05	0.09
GHG emissions per thermal energy generated	1,049.63	1,028.64	1,208.47
GHG emissions per energy distributed	12.20	9.38	15.28

GHG EMISSIONS INTENSITY RATE (tCO₂e/R\$ THOUSAND) GRI 305-4

EDP Brasil	2017	2018	2019
GHG emissions per net revenue	0.46	0.31	0.31

CO₂, NO_x, SO₂ AND PM EMISSIONS INTENSITY RATE (kg/MWh) GRI 305-4

EDP Brasil	2017	2018	2019
CO ₂ emissions per energy generated	1,043.47	1,021.33	1,201.27
NO _x emissions per thermal energy generated	0.96	1.00	1.10
SO ₂ emissions per thermal energy generated	3.34	2.94	3.45
PM emissions per thermal energy generated	0.17	0.44	0.41

ASPECT: EFFLUENTS AND WASTE

TOTAL WATER DISCHARGE (M³) GRI 306-1

EDP Brasil ¹	2017	2018	2019
Total volume of water discharges	867,765	651,103.31	672,329.73
Effluent treated and discharged in ocean	86,776.45	65,110.31	67,232.97
Cooling water recycled	780,988.08	585,993.00	605,096.76
Domestic effluent for municipal treatment	0	0	0

¹The effluent data are valid only for the TPP Pecém unit, therefore the indicator only covers this unit.

LIQUID EFFLUENT REPORT (M³) GRI 306-1

TPP Pecém	2017	2018	2019
Mean pH value of waste water rejected (pH)	8.19	7.49	7.07
Total amount of residual chlorine (mg/L)	0.60	0.56	0.00
Quality of rejected effluent - CBO5 (mg/L)	N.A.	N.A.	NA
Chemical Oxygen Demand (COD) (mg/L)	N.A.	N.A.	NA
Discharge of heavy metals in water (mg/L)	N.A.	N.A.	NA
Amount of Total Suspended Solids (TSS) in effluents discharged (mg/L)	Virtually absent	Virtually absent	Virtually absent
Amount of nitrogen in the effluents discharged (total ammonia - mg/l)	0.62	1.68	1.75
Amount of total phosphorus in effluents discharged (mg/L)	N.A.	N.A.	NA
Amount of nitrates in effluents discharged (mg/L)	N.A.	N.A.	NA
Amount of nitrites in effluents discharged (mg/L)	N.A.	N.A.	NA
Amount of phosphates in effluents discharged (mg/L)	N.A.	N.A.	NA
Amount of iron in effluents discharged (mg/L)	<0.02	0.10	0.01
Amount of copper in effluents discharged (mg/L)	0	0.01	<0.002
Amount of zinc in effluents discharged (mg/L)	0.16	0.11	0.04
Amount of nickel in effluents discharged (mg/L)	0	0.01	0.01
Amount of vanadium in effluents discharged (mg/L)	N.A.	N.A.	NA
Amount of chromium in effluents discharged (mg/L)	0	0.01	<0.02
Amount of oils and fats in effluents discharged (mg/L)	<10.0	12.30	11.31
Amount of benzene in effluents discharged (mg/L)	<0.00028	<0.00035	<0.00035
Amount of styrene in effluents discharged (mg/L)	<0.0011	<0.0001	NA
Amount of ethylbenzene in effluents discharged (mg/L)	<0.00028	<0.00014	<0.00014
Amount of xylene in effluents discharged (mg/L)	<0.00028	0.00	<0.00027
Amount of toluene in effluents discharged (mg/L)	<0.00028	0.00	<0.00019
Increase in temperature in the receiving medium at 30m from the point of rejection (Celsius)	0	N.A.	NA

ASPECT: ENVIRONMENTAL COMPLIANCE

NON-COMPLIANCE WITH ENVIRONMENTAL LEGISLATION AND STANDARDS GRI 307-1

EDP Brasil	2017	2018	2019			
	Adm.	Judicial	Adm.	Judicial	Adm.	Judicial
Environmental law suits initiated in the year	5	3	85	5	10	3
Law suits in course at the end of the year	10	4	2	1	0	5
Total amount of environmental fines	0	0	0	0	0	0
Number of non-monetary sanctions	4		80		0	

ASPECTS: ENVIRONMENTAL AND SOCIAL SCREENING OF SUPPLIERS/ CHILD LABOR

SCREENING OF SUPPLIERS FOR ENVIRONMENTAL, LABOR, HUMAN RIGHTS AND SOCIAL ASPECTS (%) GRI 308-1, 308-2, 408-1, 414-1, 414-2

EDP Brasil	2017	2018	2019
Percentage of supplier contracts having environmental, labor, human rights and social clauses	100	100	100
Percentage of suppliers screened using environmental, labor, human rights and social criteria	0	0	0
Percentage of new suppliers contracted who were screened for labor practices	N.A.	100	100
Number of suppliers subject to environmental, labor, human rights and social impact assessment (critical supplier risk matrix)	71	70	64
Number of suppliers having potential negative environmental, labor, human rights and social impacts (total suppliers deemed significant in some dimension of the matrix)	71	70	64
Percentage of suppliers identified as having potential negative environmental, labor, human rights and social impacts that were submitted to audits	100	100	100
Percentage of suppliers identified as having potential negative environmental, labor, human rights and social impacts in which improvements were agreed upon as a result of audit	100	100	100
Percentage of suppliers identified as having potential negative environmental, labor, human rights and social impacts with whom relations were terminated as a result of audit	0	0	0

TOTAL WEIGHT OF WASTE BY TYPE OF DESTINATION (t) GRI 306-2

EDP São Paulo	2017	2018	2019			
	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous
Recycling	866.80	33,067.84	963.83	23,099.22	1,091.69	19,602.43
Co-processing	92.14	47,686.62	178.96	52,906.17	676.85	76,820.24
Decontamination	1,253.21	877.00	512.21	677.66	533.95	170.01
Refining	29.67	0.00	26.70	0.00	40.50	0.00
Sanitary landfill*	153.55	278,905.00	5.07	54,301.83	11.38	17,538.55
Incineration	9.72	0.00	1.52	0.00	1.53	0.00
Composting	0.00	232.27	0.00	48.58	0.00	33.97
Bioremediation	8.71	10.80	1.49	0.00	0.00	0.00
Donation	0.00	0.00	0.00	40.22	0.00	0.00
Total	2,413.80	360,779.52	1,689.78	131,073.67	2,355.91	114,165.20

* Reduction due to use of ashes to add value to co-processing

ASPECT: EMPLOYMENT

TURNOVER GRI 401-1

EDP Brasil	Under 30 years			From 30 to 50 years			Over 50 years			
	2017	Men	Women	Total	Men	Women	Total	Men	Women	Total
Admitted		106	61	167	175	40	215	12	0	12
Terminated		40	28	68	181	50	231	77	14	91
Turnover (%) ¹		15	24	18	10	10	10	15	11	14
EDP Brasil	Under 30 years			From 30 to 50 years			Over 50 years			
	2018	Men	Women	Total	Men	Women	Total	Men	Women	Total
Admitted		129	53	182	145	47	192	9	2	11
Terminated		51	18	69	154	53	207	72	23	95
Turnover (%)		24	24	23.9	8	10	8.9	13	21	13.9
EDP Brasil	Under 30 years			From 30 to 50 years			Over 50 years			
	2019	Men	Women	Total	Men	Women	Total	Men	Women	Total
Admitted		149	69	218	175	49	224	9	1	10
Terminated		43	22	65	145	43	188	69	13	82
Turnover (%)		19.3	23.7	20.5	9.1	9.8	9.2	12.9	12.0	12.7

¹ Revised data.

MATERNITY LEAVE¹ GRI 401-3

EDP Brasil	2017	2018	2019
Number of employees entitled to leave	30	43	48
Number of employees who took leave	30	31	34
Number of employees who returned to work after the end of leave	29	31	48
Number of employees who were still in the company 12 months after returning to work	25	25	19
Return rate of employees who returned to work after the end of leave (%)	100	100	100
Retention rate of employees who returned to work and remained 12 months after the end of leave (%)	100	73	40

¹ The paternity leave return rate is not reported because the indicator is not material. In Brazil, it is not common for parents to leave their job or be dismissed after the birth of children. In 2019, EDP Brasil joined the Empresa Cidadã program (law n° 11.770/2008), involving the extension of maternity leave from 120 to 180 days and paternity leave from 5 to 30 days

PERCENTAGE OF EMPLOYEES ENTITLED TO RETIREMENT BY FUNCTIONAL CATEGORY AND REGION |GRI EU15|

EDP Brasil	2017		2018		2019	
	FUNCTIONAL CATEGORY	In 5 years	In 10 years	In 5 years	In 10 years	In 5 years
Senior management	0	50.00	20.00	60.00	25	50
Director level	3.57	14.29	10.71	21.43	8	19
Management	2.67	8.00	1.56	5.21	1	5
Specialist	3.01	8.94	2.56	8.49	2	6
Administrative	2.99	8.66	3.18	6.05	3	6
Operational	1.12	4.72	0.72	4.62	1	4
REGION	In 5 years	In 10 years	In 5 years	In 10 years	In 5 years	In 10 years
São Paulo	1.4	4.4	1.57	4.64	0.97	3.59
Espírito Santo	3.2	12.4	2.50	10.32	2.12	7.86
Mato Grosso do Sul	0	0	0	0	0	0
Tocantins	2.1	7.5	2.25	7.87	3.45	9.20
Amapá	0	2.5	0	2.22	0	2.56
Ceará	1.1	2.8	0.29	2.91	0	1.86
Pará	0	0	0	0	0	5.13
Others	2.1	3.6	1.11	4.44	33.33	33.33

GRIEVANCES AND COMPLAINTS RELATED TO LABOR PRACTICES (%) GRI 103-2

EDP Brasil	2017	2018	2019
Registered	570	329	282
Processed	1,840	1,753	1,522
Solved	406	447	414
Amount provisioned in the period (R\$ thousand)	102,785.42	130,523.41	2,413,481

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ASPECT: OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY OWN EMPLOYEES GRI 403-2

EDP Brasil	2017	2018	2019
Number of lost-time accidents	4	5	1
Number of non-lost time accidents	18	24	24
Absolute number of fatalities	0	0	0
Injury rate (frequency rate)	0.59	0.73	0.14
Seriousness rate	986.07	55.29	1.14
Occupational disease rate	0	0	0
Lost days rate	101.98	55.29	1.14

OCCUPATIONAL HEALTH AND SAFETY THIRD-PARTIES GRI 403-2

EDP Brasil	2017	2018	2019
Number of lost-time accidents	31	23	14
Number of non-lost time accidents	60	67	63
Absolute number of fatalities	4	2	1
Injury rate (frequency rate)	1.64	1.40	0.76
Seriousness rate	1,216.00	911.18	320.75
Occupational disease rate	0	0	0.00
Lost days rate	80.00	70.87	18.06

OCCUPATIONAL HEALTH AND SAFETY OWN AND THIRD-PARTY EMPLOYEES GRI 403-2

EDP Brasil	2017	2018	2019
Number of lost-time accidents	35	28	15
Number of non-lost time accidents	78	91	87
Absolute number of fatalities	4	2	1
Injury rate (frequency rate)	1.38	1.21	0.60
Seriousness rate	1,160.93	673.24	237.14
Occupational disease rate	0	0	0.00
Lost days rate	85.14	66.53	14.00

ASPECT: TRAINING AND EDUCATION

AVERAGE HOURS TRAINING DONE BY EMPLOYEES GRI 404-1

EDP Brasil	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Senior management	12	-	16	1	-	1	6	-	6
Director level	87	110	90	22	2	20	59	23	55
Management	103	47	94	33	13	30	54	48	53
Specialist	6	3	5	5	2	4	27	14	22
Administrative ¹	88	41	61	101	32	57	49	33	39
Operational	81	90	81	58	113	60	72	49	71
Total number of hours training	160,646	19,139	179,784	112,304	16,079	128,383	150,898	17,889	168,787

¹ Includes interns and apprentices.



ASPECT: DIVERSITY AND EQUALITY OF OPPORTUNITY

COMPOSITION OF LABOR FORCE GRI 102-8, 405-1

EDP Brasil		2017		2018		2019	
TYPE OF CONTRACT	Men	Women	Men	Women	Men	Women	
Employees	2,479	696	2,493	692	2,556	727	
Third-parties	10,801		8,907		12,794		
EDP Brasil		2017		2018		2019	
FUNCTIONAL CATEGORY	Men	Women	Men	Women	Men	Women	
Senior management	4	0	5	0	4	0	
Director level	25	3	25	3	23	3	
Management	126	24	164	28	174	24	
Specialist	585	377	595	383	603	417	
Administrative	138	197	113	201	116	191	
Operational	1,601	95	1,591	77	1,636	92	
Trainees	0	0	0	0	1	1	
Interns	77	74	80	67	78	63	
Apprentices	24	45	37	50	25	24	
EDP Brasil		2017		2018		2019	
AGE GROUP	Men	Women	Men	Women	Men	Women	
Under 30 years	471	182	460	175	484	192	
Between 30 and 50 years	1,708	450	1,649	449	1,735	474	
Over 50 years	300	64	384	68	337	61	

EDP Brasil		2017		2018		2019	
RACE	Men	Women	Men	Women	Men	Women	
White	1,738	537	1,786	550	1,899	591	
Black	115	14	117	15	117	17	
Mixed race	572	125	542	112	496	105	
Oriental	28	15	26	13	25	12	
Indigenous	8	2	6	1	4	1	
Not informed	18	3	16	1	15	1	

EDP Brasil		2017		2018		2019	
MINORITY GROUPS	Men	Women	Men	Women	Men	Women	
Disabled people	30	25	23	28	29	25	
EDP Brasil		2017		2018		2019	
DIVERSITY IN MANAGEMENT POSITIONS	Men	Women	Men	Women	Men	Women	
Black	4	0	4	0	5	1	
Disabled people	0	0	0	0	0	0	
Foreigners	7	1	5	1	6	1	
EDP Brasil		2017		2018		2019	
SCHOOLING	Men	Women	Men	Women	Men	Women	
Illiterate employees	0	0	0	0	0	0	
Incomplete elementary education	8	0	7	0	5	0	
Complete elementary education	69	4	71	4	63	2	
Incomplete secondary education	38	2	32	1	29	1	
Complete secondary education	1,103	93	1,063	84	1,048	89	
Incomplete higher education	1,020	469	232	80	209	70	
Complete higher education	-	-	860	396	992	450	
Postgraduate education (specialization, master's, doctorate)	241	128	228	127	210	115	

ASPECT: EQUAL REMUNERATION FOR WOMEN AND MENREMUNERATION PROFILE (AVERAGE SALARY – R\$)¹ GRI 405-2

EDP Brasil		2017	2018	2019
Senior management		40,250.00	40,140.00	43,500.00
Director level		25,606.05	23,697.35	23,848.56
Management		15,548.66	13,692.25	15,099.16
Specialist		7,284.66	7,395.96	8,123.43
Administrative		2,791.94	2,958.74	3,118.78
Operational		3,017.80	2,896.07	3,761.56

¹ For directors with multiple links to EDP Group companies, only the most representative link was considered.

RATIO OF WOMEN'S REMUNERATION TO MEN'S (%) GRI 405-2

EDP Brasil		2017	2018	2019
Senior management		0	0	0
Director level		89.20	76.19	71.39
Management		90.40	71.56	94.88
Specialist		80.03	73.97	80.47
Administrative		116.05	99.15	111.79
Operational		88.08	82.94	78.27



RATIO OF WOMEN'S BASE SALARY TO MEN'S (%) GRI 405-2

EDP Brasil	2017	2018	2019
Senior management	0	0	0
Director level	89.05	76.25	71.47
Management	86.56	75.59	101.47
Specialist	73.87	78.76	84.18
Administrative	107.36	103.07	118.22
Operational	74.75	82.00	82.24

ASPECT: ASSESSMENT OF HUMAN RIGHTS

TRAINING IN ASPECTS OF HUMAN RIGHTS GRI 412-2

EDP Brasil	2017	2018	2019*
Total number of hours training for employees in Human Rights policies and/or procedures	10.5	2.75	2.00
Percentage of employees who received training in Human Rights policies and procedures	0	97	11

* In 2019, employees who joined EDP during the year were considered. The training cycles occur biannually.

AGREEMENTS AND INVESTMENT CONTRACTS WITH HUMAN RIGHTS CLAUSES GRI 412-3

EDP Brasil	2017	2018	2019
Total number of significant agreements and contracts	3,170	3,537	3,232
Percentage of significant investment agreements and contracts that include human rights clauses or were subject to human rights screening (%)	100%	100%	100%

GRIEVANCES AND COMPLAINTS RELATED TO HUMAN RIGHTS (NUMBER) 103-2, 205-3

EDP Brasil	2017	2018	2019
Registered	3	3	14
Processed	0	3	14
Solved	3	0	12

ASPECT: LOCAL COMMUNITIES

OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENT AND LOCAL DEVELOPMENT PROGRAMS IMPLEMENTED GRI 413-1 AND 413-2

EDP Brasil	2017	2018	2019
Percentage of operations with local community engagement, impact assessment and development programs*	100	100	100
Number of operations or areas with potential negative impact on local communities	12	5	7
Number of families affected by the operations	120.00	385.00	2,719.00
Number of families indemnified	120.00	365.00	2,693.00
Total area affected	0.47	84.93	184.24
Number of families relocated	7	1	1

* 100% of the operations have local community engagement, impact assessment and development programs. The hydroelectric and thermal plants were considered to the operations or areas having a potential negative impact on communities. More than 93% of the families affected by the operations and receiving indemnities are related to EDP Transmission. The total area affected refers to 80.5 ha around the São Manoel HPP and 103 hectares related to EDP Transmission.

07 ATTACHMENTS

2019 ANNUAL REPORT

BENEFICIARIES OF SOCIAL PROJECTS

EDP Brasil	2018	2019
Total direct beneficiaries	80,212	75,893
- Education	27,189	15,391
- Culture	2,464	9,741
- Health and sanitation	-	743
- Sport	49,919	44,663
- Anti-hunger and food security	260	-
- Others	380	5,355
Number of indirect beneficiaries	240,636	241,274
Number of environmental actions undertaken in the IEDP projects	25	47
Number of municipalities attended in the concession area*	66	56

*The reduction in the number of municipalities took into account the company's investment strategy.

GRIEVANCES AND COMPLAINTS RELATED TO IMPACTS ON SOCIETY (%) GRI 103-2, 205-3

EDP Brasil	2017	2018	2019
Registered*	11	2	1
Processed	1	2	1
Solved	10	2	1

*This item will take into account "Violation of Environmental Law" incidents – in the "Environment and Sustainability" category

ASPECT: CONSUMER HEALTH AND SAFETY

ACCIDENTS WITH PUBLIC INVOLVING EDP BRASIL ASSETS GRI EU25

EDP Brasil	2017	2018	2019
Number of accidents without public fatalities	18	12	9
Number of accidents involving public fatalities	9	7	6

LAW SUITS RELATED TO PUBLIC HEALTH AND SAFETY GRI EU25

EDP Brasil	2017	2018	2019
Number of law suits initiated	35	32	30
Number of law suits resolved	30	35	27
Number of law suits pending	201	198	200

ASPECT: SOCIO-ECONOMIC COMPLIANCE

EDP Brasil	Unit	2017	2018	2019
Monetary value of significant fines	R\$	0	3,295	0
Total number of non-monetary sanctions	qty	24	26	78
Number of processes subjected to arbitration mechanisms	qty.	1	0	0



SECTOR DIMENSION

ASPECT: ORGANIZATIONAL PROFILE

INSTALLED CAPACITY (MW) GRI EUI

EDP Brasil		2017	2018	2019
OPERATIONAL UNITS				
Hydroelectric		2,110.08	2,138.56	2,150.51
HPP Peixe Angical (Tocantins)		498.75	498.75	498.75
HPP Luis Eduardo Magalhães (Tocantins)		902.50	902.5	902.50
HPP Mascarenhas (Espírito Santo)		198.00	198.00	198.00
HPP Santo Antônio do Jari (Amapá)		196.47	196.48	196.48
HPP Cachoeira Caldeirão (Amapá)		109.50	109.50	109.50
HPP São Manoel		58.33	233.33	245.28
Thermal		720.27	720.27	720.27
Porto de Pecém (Ceará)		720.27	720.27	720.27
Total		2,830.36	2,858.83	2,870.78

NUMBER OF CUSTOMERS GRI EU3

EDP São Paulo		2017	2018	2019
Household		1,676,680	1,722,917	1,770,287
Industrial		13,022	13,041	13,161
Commercial		126,737	128,403	132,828
Rural		7,904	7,915	4,912
Public authorities		8,968	8,890	8,937
Public lighting		3,611	3,438	3,823
Public service		1,423	1,395	1,507
Energy in transit (USD)		455	518	633
Own consumption		165	174	163
Total		1,838,967	1,886,693	1,936,251

ASSURED ENERGY (AVERAGE MW) GRI EUI

EDP Brasil		2017	2018	2019
OPERATIONAL UNITS				
Hydroelectric		730.6	1,631.8	1,702.50
HPP Peixe Angical (Tocantins)		280.50	280.50	280.50
HPP Luis Eduardo Magalhães (Tocantins)		505.10	505.10	505.10
HPP Mascarenhas (Espírito Santo)		134.80	134.80	134.80
HPP Santo Antônio do Jari (Amapá)		108.90	222.00	222.00
HPP Cachoeira Caldeirão (Amapá)		64.90	64.85	129.70
HPP São Manoel		141.50	424.50	430.40
Thermal		645.30	645.30	645.30
Porto de Pecém (Ceará)		645.30	645.30	645.30
Total		1,375.9	2,277.1	2,347.80

NUMBER OF CUSTOMERS GRI EU3

EDP Espírito Santo		2017	2018	2019
Household		1,201,006	1,220,718	1,240,112
Industrial		11,163	11,133	10,888
Commercial		124,253	124,835	127,832
Rural		187,394	193,557	194,974
Public authorities		11,389	11,323	11,495
Public lighting		616	660	635
Public service		1,535	1,567	1,662
Energy in transit (USD)		276	342	399
Own consumption		222	212	211
Total		1,537,854	1,564,347	1,588,208

NET ENERGY OUTPUT (GWH) GRI EU2

EDP Brasil		2017	2018	2019
Hydroelectric		5,093.93	7,544.83	6,412.96
Thermal		4,597.50	3,455.37	3,707.09
Total		9,691.43	11,000.20	10,120.05

NUMBER OF CUSTOMERS GRI EU3

EDP Commercialization		2017	2018	2019
Total free customers		337	382	392



EXTENSION OF DISTRIBUTION LINES (KM) GRI EU4

EDP Brasil	2017		2018		2019	
	Aerial	Underground	Aerial	Underground	Aerial	Underground
Low voltage (under 1kV)	12,391.46	82.13	12,489.64	86.09	12,527.28	86.42
Medium voltage (over 1kV and under 69 kV)	14,574.78	116.39	14,716.25	120.00	14,827.11	121.04
High voltage (equal to or over 69 kV)	946.43	6.32	945.95	6.32	1,020.03	6.32

EDP Espírito Santo	2017		2018		2019	
	Aerial	Underground	Aerial	Underground	Aerial	Underground
Low voltage (under 1kV)	9,538.93	0.38	9,570.31	0.14	9,687.52	0.29
Medium voltage (over 1kV and under 69 kV)	51,109.64	39.37	51,593.62	41.02	52,017.10	41.62
High voltage (equal to or over 69 kV)	2,732.26	0	2,844.20	0	3,075.91	0

EDP Transmission	2017			2018		2019
				2017	2018	2019
Total transmission network in operation (km)				N.A.	103	176.90
Total transmission network under construction (km)				N.A.	0	1,062.27

ASPECT: ECONOMIC

FUNDS INVESTED IN TECHNOLOGICAL AND SCIENTIFIC RESEARCH AND DEVELOPMENT (R\$ THOUSAND) GRI EU8

EDP São Paulo	OPERATIONAL UNITS			2017	2018	2019							
	AS - Alternative sources of electrical power generation	TG - Thermoelectric Generation	MB - Management of Basins and Reservoirs	E - Environment	S - Safety	EE - Energy Efficiency	PL - Electrical Energy Systems Planning	OP - Electrical Energy Systems Operation	SC - Supervision, Control and Protection of Electric Power Systems	QC - Quality and Reliability of Electric Energy Services	MF - Measurement, billing and combating commercial losses	OU - Others	Total
AS - Alternative sources of electrical power generation	342.09												
TG - Thermoelectric Generation	0	0											
MB - Management of Basins and Reservoirs	0		0										
E - Environment	0		42.71			77.34							
S - Safety	2,044.24		2,088.53			2,360.30							
EE - Energy Efficiency	228.93		0			0							
PL - Electrical Energy Systems Planning	604.86		649.72			87.13							
OP - Electrical Energy Systems Operation	273.06		59.95			335.90							
SC - Supervision, Control and Protection of Electric Power Systems	552.81		1,857.22			1,527.41							
QC - Quality and Reliability of Electric Energy Services	672.31		2,939.83			3,285.39							
MF - Measurement, billing and combating commercial losses	279.40		952.41			420.20							
OU - Others	1,930.32		2,763.34			1,686.86							
Total	6,928.02		11,649.55			12,641.42							

EDP Espírito Santo	OPERATIONAL UNITS			2017	2018	2019							
	AS - Alternative sources of electrical power generation	TG - Thermoelectric Generation	MB - Management of Basins and Reservoirs	E - Environment	S - Safety	EE - Energy Efficiency	PL - Electrical Energy Systems Planning	OP - Electrical Energy Systems Operation	SC - Supervision, Control and Protection of Electric Power Systems	QC - Quality and Reliability of Electric Energy Services	MF - Measurement, billing and combating commercial losses	OU - Others	Total
AS - Alternative sources of electrical power generation	302.26		312.09			2,278.45							
TG - Thermoelectric Generation	0	0	0			0							
MB - Management of Basins and Reservoirs	0		0			0							
E - Environment	0		42.71			76.63							
S - Safety	2,080.55		2,133.88			3,173.16							
EE - Energy Efficiency	0		0			0							
PL - Electrical Energy Systems Planning	617.64		643.69			116.32							
OP - Electrical Energy Systems Operation	268.58		59.00			2,289.71							
SC - Supervision, Control and Protection of Electric Power Systems	578.23		1,548.25			1,637.41							
QC - Quality and Reliability of Electric Energy Services	595.19		2,091.51			2,825.66							
MF - Measurement, billing and combating commercial losses	1,572.27		1,996.43			623.92							
OU - Others	3,144.01		3,003.18			2,544.96							
Total	9,158.72		11,830.76			15,566.20							

HPP Mascarenhas	OPERATIONAL UNITS			2017	2018	2019							
	AS - Alternative sources of electrical power generation	TG - Thermoelectric Generation	MB - Management of Basins and Reservoirs	E - Environment	S - Safety	EE - Energy Efficiency	PL - Electrical Energy Systems Planning	OP - Electrical Energy Systems Operation	SC - Supervision, Control and Protection of Electric Power Systems	QC - Quality and Reliability of Electric Energy Services	MF - Measurement, billing and combating commercial losses	OU - Others	Total
AS - Alternative sources of electrical power generation	0												
TG - Thermoelectric Generation	0	0											
MB - Management of Basins and Reservoirs	123.17												
E - Environment	0			0									
S - Safety	0			0									
EE - Energy Efficiency	0			0									
PL - Electrical Energy Systems Planning	0			0									
OP - Electrical Energy Systems Operation	0			0									
SC - Supervision, Control and Protection of Electric Power Systems	1,116.39			871.25									
QC - Quality and Reliability of Electric Energy Services	0			0									
MF - Measurement, billing and combating commercial losses	0			0									
OU - Others	0			0									
Total	1,239.56			1,297.40									3,203.42

HPP Eduardo Magalhães	OPERATIONAL UNITS			2017	2018	2019			
AS - Alternative sources of electrical power generation	TG - Thermoelectric Generation	MB - Management of Basins and Reservoirs	E - Environment	S - Safety	EE - Energy Efficiency	PL - Electrical Energy Systems Planning	OP - Electrical Energy Systems Operation	SC - Supervision, Control and Protection of Electric Power Systems	QC - Quality and Rel

HPP Santo Antônio do Jari

OPERATIONAL UNITS	2017	2018	2019
AS - Alternative sources of electrical power generation	0	0	0
TG - Thermolectric Generation	0	0	0
MB - Management of Basins and Reservoirs	0	19.81	0
E - Environment	0	0	0
SE - Safety	0	0	0
EE - Energy Efficiency	0	0	0
PL - Electrical Energy Systems Planning	0	0	0
OP - Electrical Energy Systems Operation	0	0	0
SC - Supervision, Control and Protection of Electric Power Systems	0	304.67	0
QC - Quality and Reliability of Electric Energy Services	0	0	0
MF - Measurement, billing and combating commercial losses	0	0	0
OU- Others	0	0	0
Total	0	324.48	0

TPP Pecém

OPERATIONAL UNITS	2017	2018	2019
AS - Alternative sources of electrical power generation	0	0	0
TG - Thermolectric Generation	2,308.51	3,546.28	4,083.76
MB - Management of Basins and Reservoirs	0	0	0
E - Environment	1,948.63	289.20	838.13
SE - Safety	0	0	0
EE - Energy Efficiency	883.85	600.20	5.16
PL - Electrical Energy Systems Planning	0	312.42	992.84
OP - Electrical Energy Systems Operation	0	1,632.86	5,149.56
SC - Supervision, Control and Protection of Electric Power Systems	0	280.00	1.90
QC - Quality and Reliability of Electric Energy Services	0	0	0
MF - Measurement, billing and combating commercial losses	0	0	0
OU - Others	0	314.23	606.80
Total	5,140.99	6,975.18	11,678.15

HPP Cachoeira Caldeirão

OPERATIONAL UNITS	2017	2018	2019
AS - Alternative sources of electrical power generation	0	0	0
TG - Thermolectric Generation	0	0	0
MB - Management of Basins and Reservoirs	0	0	0
E - Environment	0	0	0
SE - Safety	0	0	0
EE - Energy Efficiency	0	0	0
PL - Electrical Energy Systems Planning	0	0	0
OP - Electrical Energy Systems Operation	0	0	0
SC - Supervision, Control and Protection of Electric Power Systems	0	364.22	652.51
QC - Quality and Reliability of Electric Energy Services	0	0	0
MF - Measurement, billing and combating commercial losses	0	0	0
OU- Others	0	0	0
Total	0	364.22	652.51

AVERAGE GENERATION EFFICIENCY OF THERMOELECTRIC PLANTS (%) GRI EU11

TPP Pecém	2017	2018	2019
Overall efficiency	35.31	NA	39.49
Mean efficiency of generating unit 1 (UG1)	36.19	NA	39.98
Mean efficiency of generating unit 2 (UG2)	34.42	NA	39.06

PERCENTAGE OF LOSSES IN TRANSMISSION AND DISTRIBUTION IN RELATION TO TOTAL ENERGY GRI EU12

	EDP São Paulo			EDP Espírito Santo		
	2017	2018	2019	2017	2018	2019
Loss in transmission	1.93	1.88	1.92	1.44	1.21	1.90
Loss in distribution	8.73	8.43	8.11	12.97	11.94	12.45
Technical losses	5.50	5.59	5.64	8.30	7.53	7.86
Non-technical losses (commercial)	3.23	2.84	2.47	4.67	4.40	4.59

HPP São Manoel

OPERATIONAL UNITS	2017	2018	2019
AS - Alternative sources of electrical power generation	0	0	0
TG - Thermolectric Generation	0	0	0
MB - Management of Basins and Reservoirs	0	0	0
E - Environment	0	0	0
S - Safety	0	0	0
EE - Energy Efficiency	0	0	0
PL - Electrical Energy Systems Planning	0	0	0
OP - Electrical Energy Systems Operation	0	0	0
SC - Supervision, Control and Protection of Electric Power Systems	0	0	0
QC - Quality and Reliability of Electric Energy Services	0	0	0
MF - Measurement, billing and combating commercial losses	0	0	0
OU - Others	0	0	466.53
Total	0	0	466.53

NUMBER OF RESIDENTIAL DISCONNECTIONS FOR NON-PAYMENT GRI EU27

	EDP São Paulo			EDP Espírito Santo		
	2017	2018	2019	2017	2018	2019
Less than 48 hours	147,316	154,972	100,957	36,219	91,692	97,787
From 48 hours to a week	46,938	37,836	26,904	153,020	130,826	126,807
From one week to 1 month	44,222	33,260	24,975	99,333	79,616	68,753
From 1 month to 1 year	38,630	30,480	26,253	4,080	8,415	21,203
More than a year	0	0	0	0	0	0
Not classified	0	0	0	0	0	0



NUMBER OF RESIDENTIAL RECONNECTIONS AFTER PAYMENT OF UNPAID BILLS GRI EU27

	EDP São Paulo			EDP Espírito Santo		
	2017	2018	2019	2017	2018	2019
Less than 24 hours	278,662	261,387	174,720	193,185	229,283	229,624
From 24 hours to a week	21,910	20,416	22,890	53,521	25,212	20,841
More than a week	3,110	2,964	4,611	1,487	561	551
Not classified	0	0	0	0	01	0

AVERAGE PLANT AVAILABILITY FACTOR GRI EU30

EDP Brasil	2017			2018			2019		
	Planned stoppage (hours)	Unplanned stoppage (hours)	Average availability (%)	Planned stoppage (hours)	Unplanned stoppage (hours)	Average availability (%)	Planned stoppage (hours)	Unplanned stoppage (hours)	Average availability (%)
HPP Peixe Angical (Tocantins)	1,178.77	18.43	95	402.38	79.90	98	77.22	1.15	100
HPP Luis Eduardo Magalhães	422.98	31.37	99	244.43	25.35	99	775.22	22.40	98
HPP Mascarenhas (Espírito Santo)	1,416.83	209.23	95	1,481.08	263.28	95	1,116.18	37.15	97
HPP Santo Antônio do Jari (Amapá)	3,995.94	903.15	84	2,157.88	356.13	94	1,703.08	392.97	95
HPP Cachoeira Caldeirão (Amapá)	850.68	190.48	96	1,654.80	263.98	93	2,029.47	1,679.03	86
HPP São Manoel	N.A.	N.A.	N.A.	1,383.62	2,362.07	87	2,523.33	2,290.68	86
TPP Pecém (Ceará)	697.62	320.10	92	360.04	462.53	90.61	528.00	252.00	95

CUSTOMER SERVICE

EDP São Paulo	2017	2018	2019
Total calls answered in call center	1,662,585.00	1,772,442.00	1,738,040.00
Average number of attendants	156.00	158.00	166.00
Service Level Index (%)	93.24	85.98	95.35
Abandon Rate (%)	0.96	0.60	0.72
Busy-hour Call Attempts (%)	0	0.01	0
Average Handle Time (seconds)	272.69	274.00	309.78

EDP Espírito Santo	2017	2018	2019
Total calls answered in call center	1,367,758.00	1,534,305.00	1,447,361.00
Average number of attendants	108.00	120.00	115.00
Service Level Index (%)	91.92	95.55	96.46
Abandon Rate (%)	1.05	0.61	0.48
Busy-hour Call Attempts (%)	0.00	0	0.00
Average Handle Time (seconds)	266.49	261.00	268.43

EDP São Paulo	2017	2018	2019
Total number of requests for indemnities for electrical damage	10,984.00	9,834.00	11,332.00
Number of valid requests	2,614.00	1,973.00	2,439.00
EDP Espírito Santo	2017	2018	2019
Total number of requests for indemnities for electrical damage	4,006.00	5,016.00	4,093.00
Number of valid requests	553.00	453.00	294.00

CUSTOMER COMPLAINTS MADE

EDP São Paulo	2017	2018	2019
Company	28,501.00	35,859.00	34,573.00
ANEEL	991.00	979.00	1,448.00
Procon	2,083.00	1,963.00	2,506.00
Justice	-	2,297.00	3,035.00

EDP Espírito Santo	2017	2018	2019
Company	47,595.00	22,310.00	23,173.00
ANEEL	412.00	565.00	633.00
Procon	3,622.00	2,874.00	3,749
Justice	4,355.00	4,148.00	5,276.00

CUSTOMER COMPLAINTS ADDRESSED (%)

EDP São Paulo	2017	2018	2019
Company	99	99	99.9
ANEEL	98	100	98.8
Procon	98	100	99.7
Justice	-	44	62

EDP Espírito Santo	2017	2018	2019
Company	99	99	99
ANEEL	98	98	99
Procon	100	100	100
Justice	28	37	31

VIOLATION OF COMMERCIAL SERVICE TERMS

EDP São Paulo	2017	2018	2019
Attendances performed	663,743	663,462.00	635,673.00
Late attendances	13,037	8,126.00	13,399.00
Attendance Efficiency (%)	98	99	98

EDP Espírito Santo	2017	2018	2019
Attendances performed	579,461	639,220	585,281
Late attendances	22,432	12,889	12,155
Attendance efficiency (%)	97	98	98

CONSUMER COMPLAINTS

EDP São Paulo	2017	2018	2019
Valid Complaints	15,976	18,084.00	16,980
DER (outage hours)	5	4.34	4.33
FER (outage times)	9	9.61	8.77

EDP Espírito Santo	2017	2018	2019
Valid Complaints	24,571	11,806	12,180.00
DER (outage hours)	4.34	4.01	3.94
FER (outage times)	15.99	7.52	7.67

COMPENSATION PAID FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS (R\$ THOUSAND)

EDP São Paulo	2017	2018	2019
DIC	2,613.67	2,474.12	3,648.31
FIC	786.25	863.27	1,119.96
DMIC	2,448.45	2,613.63	3,922.16
DICRI	N.A.	N.A.	N.A.
Other compensation paid	57.28	65.31	131.85
Total	5,905.66	6,016.33	8,822.28
Commercial quality (violation of service time limit)	N.A.	N.A.	N.A.

EDP Espírito Santo	2017	2018	2019
DIC	2,238.68	2,150.77	3,176.88
FIC	277.52	383.65	433.42
DMIC	2,293.00	2,210.03	3,139.68
DICRI	N.A.	N.A.	NA
Other compensation paid	26.94	36.06	36.27
Total	4,836.14	4,780.51	6,786.25
Commercial quality (violation of service time limit)	N.A.	N.A.	N.A.

LOW INCOME

EDP São Paulo	2017	2018	2019
Number of "low-income" households served	69,084.00	63,135.00	58,805.00
Revenue from "low-income" household customers (R\$ thousand)	37,206.16	46,389.87	42,827.45
Total "low-income" revenue compared with total household revenue	2.50	2.51	2.05
Subsidy received (Eletrobrás) relative to "low-income" consumers (R\$ thousand)	15,977.89	21,896.23	17,999.28

EDP Espírito Santo	2017	2018	2019
Number of "low-income" households served	84,666.00	73,192.00	90,181.00
Revenue from "low-income" household customers (R\$ thousand)	36,726.12	39,702.39	49,499.88
Total "low-income" revenue compared with total household revenue	3.55	3.45	3.69
Subsidy received (Eletrobrás) relative to "low-income" consumers (R\$ thousand)	24,979.67	23,500.81	25,178.09

ANNUAL SOCIAL BALANCE SHEET - IBASE FORM

EDP Brasil	2019 (R\$ thousand)	2018 (R\$ thousand)
I - CALCULATION BASE		
Net revenue (RL)	15,228,336.00	13,821,546.00
Operating income (RO)	2,335,998.00	2,151,084.00
Gross payroll (FPB) ¹	970,541.12	781,403.28
2 - INTERNAL SOCIAL INDICATORS		
Food and meals	49,430.93	5.09%
Mandatory social charges	100,751.96	10.38%
Private pension plan	14,730.64	1.52%
Health	-89,780.79	-9.25%
Occupational health and safety	1,978.51	0.20%
Education	627.94	0.06%
Culture	-	0.00%
Transportation	6,660.37	0.69%
Professional training and development	4,705.78	0.48%
Nurseries or nursery allowance	2,328.13	0.24%
Profit share plan	48,710.76	5.02%
Voluntary termination program - PDV	-	0.00%
Others	1,535.77	0.16%
Total - Internal social indicators	141,679.99	14.60%
% of gross payroll	0.93%	259,969.31
% of net revenue	1.88%	33.27%
3 - EXTERNAL SOCIAL INDICATORS		
Education	1,534.24	0.07%
Culture	7,069.60	0.30%
Health and sanitation	1,443.55	0.06%
Sport	2,536.71	0.11%
Anti-hunger and food security	524.00	0.02%
Others	302.94	0.01%
Total contributions to society	13,411.04	0.57%
% of operating income	0.09%	13,638.45
% of net revenue	0.63%	0.10%
Taxes (excluding social charges)		
Total - External social indicators	13,411.04	0.57%
% of operating income	0.09%	13,638.45
% of net revenue	0.63%	0.10%

>> CONT'D



>> CONT'D

EDP Brasil									
	2019 (R\$ thousand)			2018 (R\$ thousand)					
4 - ENVIRONMENTAL INDICATORS	R\$ thousand	% of operating income	% of net revenue	R\$ thousand	% of operating income	% of net revenue			
Investments in company production / operation	193,826	8.30%	1.27%	113,172	5.26%	0.82%			
Investments in external programs and/or projects	-	0.00%	0.00%	-	0.00%	0.00%			
Total investments in the environment²	193,826.17	8.30%	1.27%	113,172	5.26%	0.82%			
With respect to annual targets to minimize waste, general consumption in production / operation and increase efficiency in the use of natural resources, the company									
	<input checked="" type="checkbox"/> does not have targets			<input checked="" type="checkbox"/> does not have targets					
	<input type="checkbox"/> fulfills from 0 to 50%			<input type="checkbox"/> fulfills from 0 to 50%					
	<input type="checkbox"/> fulfills from 51 to 75%			<input type="checkbox"/> fulfills from 51 to 75%					
	<input type="checkbox"/> fulfills from 76 to 100%			<input type="checkbox"/> fulfills from 76 to 100%					
5 - WORK FORCE INDICATORS									
No. of employees at end of period		3,283.00			3,185.00				
No. of admissions in period		452.00			385.00				
No. of third party employees		12,794.00			8,907.00				
No. of interns		141.00			147.00				
No. of employees aged over 45 years		NA			NA				
No. of women working in the company		727.00			692.00				
% of women in supervisory positions		12%			14%				
No. of black people working in the company		134.00			132.00				
% of supervisory positions occupied by black people		3%			2%				
No. of people with disabilities or special needs		54.00			51.00				
6 - INFORMATION ON CORPORATE CITIZENSHIP									
Ratio of highest to lowest remuneration in the company		42.45			42.51				
Total number of work-related accidents		25			29				
The company's social and environmental projects were defined by:	() board	(x) board and management	() all employees	() board	(x) board and management	() all employees			
Workplace safety and hygiene standards were defined by:	(x) board and management	() all employees	() all + acc. prev. comm.	(x) board and management	() all employees	() all + acc. prev. comm.			
With respect to freedom to join unions, right to collective bargaining and internal worker representation, the company:	() is not involved	(x) follows ILO standards	() encourages and follows ILO	() is not involved	(x) follows ILO standards	() encourages and follows ILO			
The private pension plan covers:	() board	() board and management	(x) all employees	() board	() board and management	(x) all employees			
The profit share plan covers:	() board	() board and management	(x) all employees	() board	() board and management	(x) all employees			
In the selection of suppliers, the same standards of ethics and socioenvironmental standards adopted by the company:	() are not considered	() are suggested	(x) are required	() are not considered	() are suggested	(x) are required			
With respect to employee participation in volunteer work, the company:	() is not involved	() supports it	(x) organizes and encourages it	() is not involved	() supports it	(x) organizes and encourages it			
Total number of consumer complaints and criticisms: (to company, to Procon, in court)	to company:	to Procon:	in court:	to company:	to Procon:	in court:			
	57,746	6,255	8,316	58,169	4,837	6,445			
% of complaints and criticisms addressed or resolved:	"in company:"	"at Procon:"	"in court:"	"in company:"	"at Procon:"	"in court:"			
	99.45%	99.86%	46.64%	99.00%	100.00%	40.45%			
Total added value to be distributed (in R\$ thousands):	7,607,157.00			8,208,260.00					
Distribution of Added Value:	'government: 58% shareholders: 7% employees: 4% retained: 13% third-parties: 18%"			'government: 67% shareholders: 7% employees: 5% retained: 10% third-parties: 11%"					
7 - OTHER INFORMATION									
N/A - Not Applicable.									

1 The amount for 2018 was adjusted to ensure greater accuracy of the information reported

2 Note: Accounting of investment in external programs and/or projects is integrated with operational/production investment



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Limited assurance report issued by independent auditors

To the Board of Directors, Shareholders and Stakeholders
EDP Energias do Brasil S.A.
São Paulo - SP

Introduction

We have been engaged by EDP Energias do Brasil S.A. (EDP or "Company") to apply limited assurance procedures on the sustainability information disclosed in EDP's 2019 Annual Report, related to the year ended December 31st, 2019.

Responsibilities of EDP's Management

The Management of EDP is responsible for adequately preparing and presenting the sustainability information disclosed in 2019 Annual Report, using the Global Reporting Initiative's GRI Sustainability Reporting Standards (GRI) and the "Electric Utilities Sector Supplement" as a reference, with the internal controls it has determined necessary to enable the preparation of this information free of material misstatement, whether caused by fraud or error.

Independent auditors' responsibility

Our responsibility is to express a conclusion about the information disclosed in the EDP's 2019 Annual Report based on a limited assurance engagement conducted in accordance with the methodology developed globally by KPMG for assurance of social and environmental information disclosed in sustainability reports - *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 assurance that the information disclosed in EDP's 2019 Annual Report, taken as a whole, is free from material misstatement.

KPMG Financial Risk & Actuarial Services Ltda., uma sociedade simples brasileira, de responsabilidade limitada, e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ("KPMG International"), uma entidade suíça.

KPMG Financial Risk & Actuarial Services Ltda., a Brazilian limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.





A limited assurance engagement conducted in accordance with 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 2019 Annual Report and use of analytical procedures to obtain evidence that enables us to reach a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges issues which may lead them to believe that the information disclosed in the 2019 Annual 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 2019 Annual 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's 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 EDP's 2019 Annual 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 2019 Annual Report and its structure and content;
- (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 2019 Annual Report;
 - Analysis of evidence supporting the disclosed information;
 - Visits to EDP's corporate office and operations for application of these procedures, and items (b) and (c);

We believe that the information, evidence and results we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.



Scope and limitations

The procedures applied to a limited assurance engagement are substantially less extensive than those applied to a reasonable assurance engagement. Therefore, we cannot provide reasonable assurance that we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the 2019 Annual 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 2019 Annual Report is not fairly stated in all material aspects in accordance with its source records and files.

São Paulo, February 18th, 2020

KPMG Financial Risk & Actuarial Services Ltda.


Ricardo Algis Zibas
Principal

KPMG Financial Risk & Actuarial Services Ltda., uma sociedade simples brasileira, de responsabilidade limitada, e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ("KPMG International"), uma entidade suíça.

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7.2 GRI CONTENT SUMMARY GRI 102-55

OPTION: CORE GRI 102-54

STANDARD DISCLOSURES					
ORGANIZATIONAL PROFILE					
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals
GRI 102: Standard disclosures 2016	102-1 Name of organization	5			
	102-2 Activities, brands, products and services	15, 18			
	102-3 Location of headquarters	EDP headquarters in São Paulo: R. Gomes de Carvalho, 1996 - Vila Olímpia, São Paulo - SP, 04547-006.			
	102-4 Location of operations	15, 18			
	102-5 Ownership and legal form	29			
	102-6 Markets served	16, 18			
	102-7 Scale of organization	15, 18			
	102-8 Information on employees and other workers	68, 110-111	8		
	102-9 Supply chain	76			
	102-10 Significant changes to the organization and its supply chain	15	7		
	102-11 Precautionary principle or approach	43			
	102-12 External initiatives	49			
	102-13 Membership of associations	49, 95			



STANDARD DISCLOSURES					
ORGANIZATIONAL PROFILE					
GRI Standard	Disclosure	Page/Response	Omissions	Global Compact	Sustainable Development Goals
Electric Utility Sector Supplement – Organizational profile	EUI Installed capacity (MW), broken down by primary energy source and by regulatory regime	114		7	
	EU2 Net energy output broken down by primary energy source and regulatory regime	114		7, 14	
	EU3 Number of residential, institutional and commercial customer accounts	58, 115			
	EU4 Length of above and underground transmission and distribution lines by regulatory regime	57, 116			
	EU5 Allocation of CO ₂ emissions allowance by carbon trading framework	In Brazil there is no legislation on CO ₂ emissions allowances. EDP Brasil has CDM projects that generate carbon credits for sale. However none of these projects were generated/ monitored in 2019. Thus no new credits were released during the year.	13, 14, 15		
STRATEGY					
GRI 102: Standard disclosures 2016	102-14 Statement from senior decision-maker	8, 10			
	102-15 Key impacts, risks, and opportunities	34, 35			
ETHICS AND INTEGRITY					
GRI 102: Standard disclosures 2016	102-16 Values, principles, standards and norms of behavior	21, 33		16	
	102-17 Mechanisms for advice and concerns about ethics	34		16	
GOVERNANCE					
GRI 102: Standard disclosures 2016	102-18 Governance structure	29, 30			
	102-19 Delegating authority	31, 32			
	102-20 Executive-level responsibility for economic, environmental and social topics	31, 32			
	102-21 Consulting stakeholders on economic, environmental and social topics	67, 68		16	
	102-22 Composition of the highest governance body and its committees	30, 32		5, 16	
	102-23 Chair of the highest governance body	31		16	
	102-24 Nominating and selecting the highest governance body and its committees	29, 31		5, 16	
	102-25 Conflicts of interest	29		16	

STANDARD DISCLOSURES					
GOVERNANCE					
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals
GRI 102: Standard disclosures 2016	GRI 102: Standard disclosures 2016	102-26 Role of highest governance body in setting purpose, values and strategy	31, 32		
		102-27 Collective knowledge of the highest governance body	29		4
		102-28 Evaluating the highest governance body's performance	31		
		102-29 Identifying and managing economic, environmental, and social impacts	29		16
		102-30 Effectiveness of risk management processes	34-35		
		102-31 Review of economic, environmental and social topics	31		
		102-32 Highest governance body's role in sustainability reporting	32		
		102-33 Communicating critical concerns	5, 34		
		102-34 Nature and total number of critical concerns	96		
		102-35 Remuneration policies	30		
STAKEHOLDER ENGAGEMENT					
GRI 102: Standard disclosures 2016	GRI 102: Standard disclosures 2016	102-36 Processes for determining remuneration	30		
		102-37 Stakeholders' involvement in remuneration	30		16
		102-38 Annual total compensation ratio	97		
		102-39 Percentage increase in annual total compensation ratio	97		
		102-40 List of stakeholder groups	70, 96		
		102-41 Collective bargaining agreements	99% of EDP'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.		
		102-42 Identifying and selecting stakeholders	67-68, 96		
		102-43 Approach to stakeholder engagement	68, 74, 96		
		102-44 Key topics and concerns raised	68, 74, 96		



STANDARD DISCLOSURES					
REPORTING PRACTICE					
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals
GRI 102: Standard disclosures 2016	102 -45 Entities included in the consolidated financial statements	5			
	102 -46 Defining report content and topic boundaries	5-6			
	102-47 List of material topics	7			
	102-48 Restatements of information				
	102-49 Changes in reporting	Changes are indicated in the footnotes			
	102-50 Reporting period	5			
	102 -51 Date of most recent report	February 2019			
	102-52 Reporting cycle	5			
	102 -53 Contact point for questions regarding the report	5			
	102 -54 Claims of reporting in accordance with the GRI Standards	5, 127			
	102-55 GRI Content Index	127			
	102-56 External assurance	In accordance with best market practice and in pursuit of transparent communication, EDP Brasil submits its Annual Report for external assurance by an independent organization. (page 125)			

MATERIAL TOPICS					
ECONOMIC PERFORMANCE					
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary	6-7; 62-63			
	103 -2 Management approach and its components	62-63			1, 5, 8, 16
	103 -3 Evaluation of management approach	62-63			
GRI 201: Economic performance 2016	201 -1 Direct economic value generated and distributed	97-98			2, 5, 7, 8, 9
	201 -2 Financial implications and other risks and opportunities due to climate change	In 2019, EDP Brasil initiated a vulnerability study to evaluate the impacts of the main physical risk factors associated with global warming on the business unit operations in a pessimistic scenario. This study will be finalized during the course of 2020. Initially it will not cover the monetization of such impacts. It will however provide support for the creation of an EDP Brasil climate adaptation plan and the enhancement of the company's risk matrix. The climate adaptation plan and the monetization of risks should be completed by 2022. (page 89-90)			13
	201-4 Financial assistance received from government	98			
MARKET PRESENCE					
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary		Since this is not a material topic for the organization, detailed information is not provided.		
	103 -2 Management approach and its components				
	103 -3 Evaluation of management approach				
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	99			1, 5, 8
INDIRECT ECONOMIC IMPACTS					
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary	6-7, 77-80			
	103 -2 Management approach and its components	77-80			
	103 -3 Evaluation of management approach	77-80			
GRI 203: Indirect economic impacts 2016	203 -1 Infrastructure investments and services supported	77-80, 98			2, 5, 7, 9, 11
	203 -2 Significant indirect economic impacts	22-25			1, 2, 3, 8, 10, 17



MATERIAL TOPICS						
PROCUREMENT PRACTICES						
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals	
GRI 103: Management approach 2016	103 - I Explanation of the material topic and its boundary 103 - 2 Management approach and its components 103 - 3 Evaluation of management approach	Since this is not a material topic for the organization, detailed information is not provided.				
GRI 204: Procurement practices 2016	204 - I Proportion of spending on local suppliers	99	12			
ANTI-CORRUPTION						
GRI 103: Management approach 2016	103 - I Explanation of the material topic and its boundary 103 - 2 Management approach and its components 103 - 3 Evaluation of management approach	6-7, 33-34				
GRI 205: Anti-corruption 2016	205 - I Operations assessed for risks related to corruption 205 - 2 Communication and training about anti-corruption policies and procedures 205 - 3 Confirmed incidents of corruption and actions taken	100% of the business units/ areas were assessed for risks related to corruption (page 33). 100% of the employees were communicated and/ or received training in anti-corruption policies and procedures (from senior management to apprentices) page 33, 100. There were no confirmed cases of corruption involving EDP Brasil in 2019 (page 33, 112-113).	16 16 16			
MATERIALS						
GRI 103: Management approach 2016	103 - I Explanation of the material topic and its boundary 103 - 2 Management approach and its components 103 - 3 Evaluation of management approach	6-7	There are no targets related to the use of materials.			
GRI 301: Materials 2016	301 - I Materials used by weight or volume 301 - 2 Recycled input materials used	Chemical products: 48% sulfuric acid, 26% sodium hypochlorite, 13% aluminum polychloride, 13% others (page 100). - Transformers - 32% from recycling and /or reuse at EDP SP and EDP ES - Cloths - 1,000 units in Energest; 8,000 units of returnable industrial towels, totaling 374 kg in Enerpeixe; 3,875 units in Energia Pecém.	8, 12 8, 12			

MATERIAL TOPICS						
ENERGY						
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals	
GRI 103: Management approach 2016	103 - I Explanation of the material topic and its boundary 103 - 2 Management approach and its components 103 - 3 Evaluation of management approach	6-7 6-7, 74, 90 6-7, 74, 90				
GRI 302: Energy 2016	302 - I Energy consumption within the organization 302-3 Energy intensity 302-5 Reduction in energy requirements of products and services	89, 100-101 102 74, 90				7, 8, 12, 13
WATER						
GRI 103: Management approach 2016	103 - I Explanation of the material topic and its boundary 103 - 2 Management approach and its components 103 - 3 Evaluation of management approach	6-7, 87 No water consumption targets have been established. 87				
GRI 303: Water 2016	303 - I Total water withdrawal by source 303-2 Water sources significantly affected by water withdrawal	102 The TPP Pecém uses water supplied by a public utility that is withdrawn from the Castanhão reservoir in Ceará to generate energy. The reservoir covers an area of 45,450 km² and supplies 55 cities in the state of Ceará. More information is available about the the value for biodiversity and the species present in the region in the Environmental Inventory prepared by COGERH and available on the website of the Ceará state Water Resources Department.				6
	303 - 3 Percentage and total volume of water recycled and reused	87, 102				6, 8, 12
BIODIVERSITY						
GRI 103: Management approach 2016	103 - I Explanation of the material topic and its boundary 103 - 2 Management approach and its components 103 - 3 Evaluation of management approach	6-7, 87 87 Biodiversity is managed in accordance with ISO 14.001 certified environmental management systems.				



MATERIAL TOPICS						
BIODIVERSITY						
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals	
GRI 304: Biodiversity 2016	304 - I Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	89			6, 14, 15	
	304 - 2 Significant impacts of activities, products, and services on biodiversity	Fish rescued from turbines Energest - 1,200 kg Enerpeixe - 447 kg São Manoel - 2243 kg Investco - 15 kg Dead fish HPP Santo Antonio do Jari -28 tons Restoration of ciliary vegetation Enerpeixe - 500 seedlings São Manoel - 100 hectares Suppression of vegetation EDP Transmission -2.25 ha (page 87, 102)		6, 14, 15		
	304-3 Habitats protected or restored	Protected or restored area in 2019: - 97.23 km ² Enerpeixe - 41.96 km ² HPP São Manoel - 0.26 km ² EDP Transmission in Espírito Santo - 0.056 km ² EDP Espírito Santo - 0.02 km ² EDP São Paulo (page 88)		6, 14, 15		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	There are 535 species on the International Union for the Conservation of Nature (IUCN) list inhabiting the areas affected by EDP Brasil operations. In terms of the subdivisions of the list, 34 species are vulnerable, 9 are endangered, 4 are critically endangered, 30 species are near threatened and 458 species are considered of least concern.		6, 14, 15		
Energy Sector - Biodiversity	EUI3 Biodiversity of offset habitats compared to the biodiversity of the affected areas	87		6, 14, 15		
EMISSIONS						
GRI 103: Management approach 2016	103 - I Explanation of the material topic and its boundary	6-7, 89-90				
	103 - 2 Management approach and its components	89-90				
	103 - 3 Evaluation of management approach	89-90				

MATERIAL TOPICS						
EMISSIONS						
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals	
GRI 305: Emissions 2016	305 - I Direct (Scope 1) GHG emissions	90, 103			3, 12, 13, 14, 15	
	305 - 2 Energy indirect (Scope 2) GHG emissions	90, 103			3, 12, 13, 14, 15	
	305 - 3 Other indirect (Scope 3) GHG emissions	90, 103			3, 12, 13, 14, 15	
	305 - 4 GHG emissions intensity	90, 105			13, 14, 15	
	305 - 5 Reduction in GHG emissions	90			13, 14, 15	
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Considering the materiality of the emissions, continuous monitoring of NO _x , SO ₂ and PM occurs only at the TPP Pecém. (page 90, 105)			3, 12, 13, 14, 15	
EFFLUENTS AND WASTE						
GRI 103: Management approach 2016	103 - I Explanation of the material topic and its boundary	6-7, 87				
	103 - 2 Management approach and its components	87				
	103 - 3 Evaluation of management approach	87				
GRI 306: Effluents and waste 2016	306 - I Water discharge by quality and destination	105, 106			3, 6, 12, 14	
	306 - 2 Waste by type and disposal method	87, 106			3, 6, 12	
	306-3 Significant spills	The environmental incident procedure and the engagement of the operational areas are currently under review. In 2019, there were 5 environmental near misses, 3 at TPP Pecém and 2 in EDP Espírito Santo			3, 6, 12, 14, 15	
	306-5 Water bodies affected by water discharges and/or runoff	There are no water bodies or habitats significantly affected by water discharges and effluent runoff. EDP Brasil is compliant with legislation and is intent on reducing the liquid effluent volumes generated.			6, 15	
ENVIRONMENTAL COMPLIANCE						
GRI 103: Management approach 2016	103 - I Explanation of the material topic and its boundary	6-7, 86				
	103 - 2 Management approach and its components	86				
	103 - 3 Evaluation of management approach	86				
GRI 307: 2016	307-1 Non-compliance with environmental laws and regulations	107			12, 13, 14, 15, 16	



MATERIAL TOPICS					
SUPPLIER ENVIRONMENTAL ASSESSMENT					
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary	6-7, 76			
	103 -2 Management approach and its components	76			
	103 -3 Evaluation of management approach	76			
GRI 308: Supplier environmental assessment 2016	308 -1 New suppliers that were screened using environmental criteria	107			
	308 -2 Negative environmental impacts in the supply chain and actions taken	Suppliers are evaluated in relation to the implantation of an environmental management system for controlling significant environmental impacts caused by their main activities. (page 78, 107)			
EMPLOYMENT					
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary	6-7, 68-69			
	103 -2 Management approach and its components	68-69			
	103 -3 Evaluation of management approach	68-69			
GRI 401: Employment 2016	401 -1 New employee hires and employee turnover	107	5, 8		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	The retirement fund is the only benefit provided for full-time employees that is not offered to temporary employees.	8		
	401-3 Parental leave	70, 108	5, 8		
Electric Utilities Sector Supplement - Employment	EU14 Programs and processes to ensure the availability of a skilled work force	69	4, 8		
	EU15 Percentage of employees eligible to retire in the next 5 and 10 years, broken down by job category and by region	108	15		
	EU16 Policies and requirements related to the health and safety of employees, third-party workers and sub-contractors	71-73	8		
	EU18 Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	100% of the third-party and subcontractor employees involved in construction, operation and maintenance activities have undergone health and safety training	8		
LABOR RELATIONS					
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary	Since this is not a material topic for the organization, in-depth information is not provided.			
	103 -2 Management approach and its components				
	103 -3 Evaluation of management approach				

MATERIAL TOPICS					
LABOR RELATIONS					
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals
GRI 402: Labor relations 2016	402-1 Minimum notice period regarding operational changes	The union agreements do not contain specific clauses on this question. EDP Brasil informs all leaders about each stage of negotiations and ensures a reasonable notice period for employees to clarify any doubts. Based on the open relations maintained with unions, representatives are informed about any extraordinary situations provoking a significant impact on employees in a timely manner.	8		
OCCUPATIONAL HEALTH AND SAFETY					
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary	6-7, 71-73			
	103 -2 Management approach and its components	71-73			
	103 -3 Evaluation of management approach	71-73			
GRI 403: Occupational health and safety 2016	403-1 Worker representation in formal joint management worker health and safety committees	100% of EDP Brasil employees are represented on the internal accident prevention committees (Cipa), regardless of hierarchical level.	8		
	403 -2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	73, 109	3, 8		
	403-3 Workers with high incidence or high risk of diseases related to their occupation	71-73	3, 8		
	403-4 Health and safety topics covered in formal union agreements	Health and Safety are not covered in formal union agreements. However, EDP Brasil is compliant with all legislation in this area.	8		
TRAINING AND EDUCATION					
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary	6-7, 68-71			
	103 -2 Management approach and its components	68-71			
	103 -3 Evaluation of management approach	68-71			
GRI 404: Training and education 2016	404 -1 Average hours of training per year per employee	71, 109	4, 5, 8		
	404 -2 Programs for upgrading employee skills and transition assistance programs	70-71	8		
	404 -3 Percentage of employees receiving regular performance and career development reviews	71	5, 8		

MATERIAL TOPICS					
DIVERSITY AND EQUAL OPPORTUNITY					
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals
GRI 103: Management approach 2016	103 - I Explanation of the material topic and its boundary	6-7, 70			
	103 - 2 Management approach and its components	EDP Brasil is committed to ensuring its labor policies and procedures value diversity and prevent unjustified discrimination or treatment in function of ethnic or social origin, gender, sexual orientation, age, creed, marital status, disability, political orientation, opinion, origin or union membership.			
	103 - 3 Evaluation of management approach	70			
GRI 405: Diversity and equal opportunity 2016	405 - I Diversity of governance bodies and employees	31-32, 110	5, 8		
	405-2 Ratio of basic salary and remuneration of women to men	111-112	5, 8, 10		
NON-DISCRIMINATION					
GRI 103: Management approach 2016	103 - I Explanation of the material topic and its boundary	6-7, 33-34			
	103 - 2 Management approach and its components	EDP Brasil is committed to ensuring its labor policies and procedures value diversity and prevent unjustified discrimination or treatment in function of ethnic or social origin, gender, sexual orientation, age, creed, marital status, disability, political orientation, opinion, origin or union membership.			
	103 - 3 Evaluation of management approach	33-34			
GRI 406: Non-discrimination 2016	406 - I Incidents of discrimination and corrective actions taken	No cases of discrimination were identified at EDP Brasil in 2019.	5, 8, 16		
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
GRI 103: Management approach 2016	103 - I Explanation of the material topic and its boundary	Since this is not a material topic for the organization, in-depth information is not provided.			
	103 - 2 Management approach and its components				
	103 - 3 Evaluation of management approach				
GRI 407: Freedom of association and collective bargaining 2016	407 - I Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No incidents were identified in 2019.	8		

MATERIAL TOPICS					
CHILD LABOR					
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals
GRI 103: Management approach 2016	103 - I Explanation of the material topic and its boundary	6-7, 76			
	103 - 2 Management approach and its components	In its Code of Ethics, EDP Brasil commits to not employing child or forced labor nor permitting such practices in third-parties supplying products or services.			
	103 - 3 Evaluation of management approach	76			
GRI 408: Child labor 2016	408 - I Operations and suppliers at significant risk for incidents of child labor	No suppliers using child labor were identified in 2019. As a preventive measure, EDP Brasil conducts external audits to identify this practice among its suppliers. (page 76, 107)	8, 16		
FORCED OR COMPULSORY LABOR					
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals
GRI 103: Management approach 2016	103 - I Explanation of the material topic and its boundary	6-7, 76			
	103 - 2 Management approach and its components	In its Code of Ethics, EDP Brasil commits to not employing child or forced labor nor permitting such practices in third-parties supplying products or services.			
	103 - 3 Evaluation of management approach	76			
GRI 409: Forced or compulsory labor 2016	409 - I Operations and suppliers at significant risk for incidents of forced or compulsory labor	No suppliers using forced or compulsory labor were identified in 2019. As a preventive measure, EDP Brasil conducts external audits to identify this practice among its suppliers.	8		
SAFETY PRACTICES					
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals
GRI 103: Management approach 2016	103 - I Explanation of the material topic and its boundary	6-7, 79			
	103 - 2 Management approach and its components				
	103 - 3 Evaluation of management approach				
GRI 410: Safety practices 2016	410 - I Security personnel trained in human rights policies or procedures	In 2019, 100% of the company's security and reception personnel received training in dealing with customers. Among other areas, this addressed ethical conduct, human rights and non-discrimination in the work environment.			



MATERIAL TOPICS					
RIGHTS OF INDIGENOUS PEOPLES					
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary 103 -2 Management approach and its components 103 -3 Evaluation of management approach	6-7, 77 77 77			
GRI 411: Rights of indigenous peoples 2016	411 -1 Incidents of violations involving rights of indigenous peoples	No law suits involving the violation of indigenous peoples' rights were brought in 2019.	2		
HUMAN RIGHTS ASSESSMENT					
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary 103 -2 Management approach and its components 103 -3 Evaluation of management approach	6-7, 77 76 76			
GRI 412: Human rights assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments 412-2 Employee training on human rights policies or procedures 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Suppliers are submitted to human rights compliance assessments. Assessments in the company's own operations are conducted by the Occupational Health and Safety area. 112 112			
LOCAL COMMUNITIES					
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary 103 -2 Management approach and its components 103 -3 Evaluation of management approach	6-7, 77 77 77			
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessment, and development programs 413-2 Operations with significant actual or potential negative impacts on local communities	112 112	1,2		

MATERIAL TOPICS					
SUPPLIER SOCIAL ASSESSMENT					
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary 103 -2 Management approach and its components 103 -3 Evaluation of management approach	6-7, 76 76 76			
GRI 414: Supplier social assessment 2016	414 -1 New suppliers that were screened using social criteria 414 -2 Negative social impacts in the supply chain and actions taken	76, 107 107			5, 8, 16
PUBLIC POLICY					
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary 103 -2 Management approach and its components 103 -3 Evaluation of management approach	Not Applicable Not Applicable Not Applicable			
GRI 415: Public policy 2016	415-1 Political contributions	The company does not make contributions to political parties, politicians or related institutions.	16		
CONSUMER HEALTH AND SAFETY					
GRI 103: Management approach 2016	103 -1 Explanation of the material topic and its boundary 103 -2 Management approach and its components 103 -3 Evaluation of management approach	6-7, 75 EDP Brasil does not establish targets for accidents affecting the community. 75			
GRI 416: Customer health and safety 2016	416 -1 Assessment of the health and safety impacts of product and service categories 416 -2 Incidents of non-compliance concerning the health and safety impacts of products and services	75 The company does not subscribe to voluntary regulations or codes relative to health and safety impacts during the life cycle of products and services. However, there are units that have OHSAS 18001 certification to reduce the risk of such impacts.	16		
Electric Utility Sector Supplement - Consumer health and safety	EU25 Injuries and fatalities involving company assets	75, 113			



MATERIAL TOPICS					
MARKETING AND LABELING					
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals
GRI 103: Management approach 2016	103 - I Explanation of the material topic and its boundary	Not Applicable			
	103 - 2 Management approach and its components	Not Applicable			
	103 - 3 Evaluation of management approach	Not Applicable			
GRI 417: Marketing and labeling 2016	417-1 Requirements for product and service information and labeling	Electricity distributors are obliged to include information determined by ANEEL Resolution 414/2010 on the electricity bill. This includes the date of the previous and current meter reading, the date scheduled for the next reading, the amount of tax levied on the bill, total amount payable and due date of bill, supply quality indicators (duration and frequency of interruptions), reference to the tariff bands (red, yellow and green) in order to inform the extra cost incurred by the consumer for the use of thermal energy, call center telephone number and the Aneel complaint telephone number. For low-income customers, the tariff for each consumption block must be discriminated.	12, 16		
	417-2 Incidents of non-compliance concerning product and service information and labeling	The company does not subscribe to voluntary regulations or codes relative to the provision of information about the services rendered.	16		

MATERIAL TOPICS					
MARKETING AND LABELING					
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals
		417-3 Incidents of non-compliance concerning marketing communications			The EDP Brasil distributors do not engage in commercial advertising to sell electrical energy; however, to ensure transparent communication between the company and its internal and external audiences, corporate communication policy provides guidance in this area. When construction work is initiated on assets such as substation distribution transformers, transmission lines and hydroelectric power plants, some environmental and social impacts are generated in the neighboring region. In these cases, the Communication Executive Management area works in partnership with the IEDP and the business units to hear community opinions and expectations and to clarify doubts at public hearings.
CUSTOMER PRIVACY					
GRI 103: Management approach 2016	103 - I Explanation of the material topic and its boundary	6-7, 33			
	103 - 2 Management approach and its components	6-7, 33			
	103 - 3 Evaluation of management approach	33			
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data.	In 2019 there were no complaints concerning breaches of customer privacy and losses of customer data.	16		
SOCIOECONOMIC COMPLIANCE					
GRI 103: Management approach 2016	103 - I Explanation of the material topic and its boundary	6-7, 33			
	103 - 2 Management approach and its components	33			
	103 - 3 Evaluation of management approach	33			
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	113	16		



MATERIAL TOPICS						
AVAILABILITY AND RELIABILITY						
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals	
Electric Utility Sector Supplement – Availability and reliability	EU6 Management approach to ensure short and long-term electricity availability and reliability	43		7		
DEMAND MANAGEMENT						
Electric Utility Sector Supplement – Demand management	EU7 Demand-side management programs including residential, commercial, institutional and industrial programs	74-75		7, 8, 12, 13		
RESEARCH AND DEVELOPMENT						
Electric Utility Sector Supplement – Research and development	EU8 Research and development activity and expenditure aimed at providing reliable electricity supply and promoting sustainable development	46,116		7, 9, 17		
SYSTEM EFFICIENCY						
Electric Utility Sector Supplement – System efficiency	EU11 Average generation efficiency of thermal plants by energy source and by regulatory regime	119		7, 8, 12, 13, 14		
	EU12 Transmission and distribution losses as a percentage of total energy	59,119		7, 8, 12, 13, 14		

MATERIAL TOPICS						
ACCESS						
GRI Standard	Disclosure	Page/ Response	Omissions	Global Compact	Sustainable Development Goals	
GRI 103: Management approach 2016	I03 - I Explanation of the material topic and its boundary I03 - 2 Management approach and its components I03 - 3 Evaluation of management approach	6-7, 57-58 Access-related questions are regulated by ANEEL. 57-58				
Electric Utility Sector Supplement – Access	EU23 Programs, including those in partnership with government, to improve or maintain access to electricity and customer support services EU26 Percentage of population unserved in licensed distribution or service areas EU27 Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime EU28 Power outage frequency EU29 Average power outage duration EU30 Average plant availability factor by energy source and by regulatory regime	74 Both rural and urban populations are fully served. 119-120 58 58 120				1,7
Electric Utility Sector Supplement – Provision of information	EU24 Practices to address language, cultural, low literacy and disability related barriers to access and safely use electricity and customer support services	74				1,7



CORPORATE INFORMATION

GRI 102-3|

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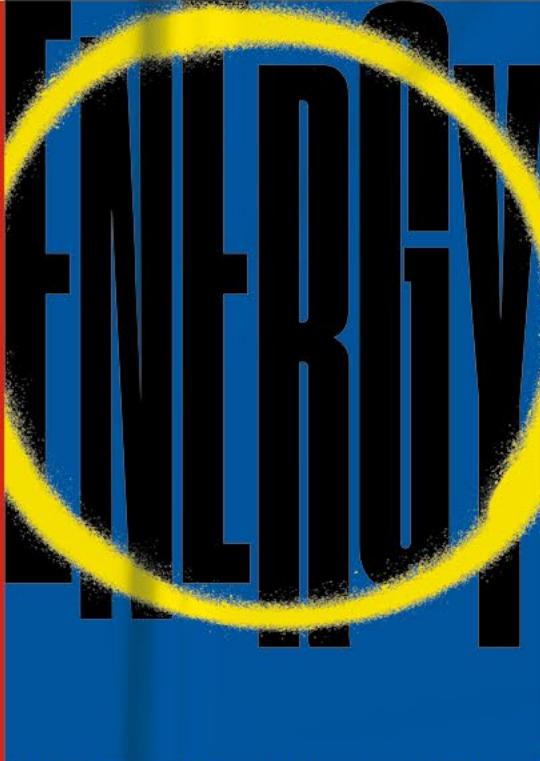
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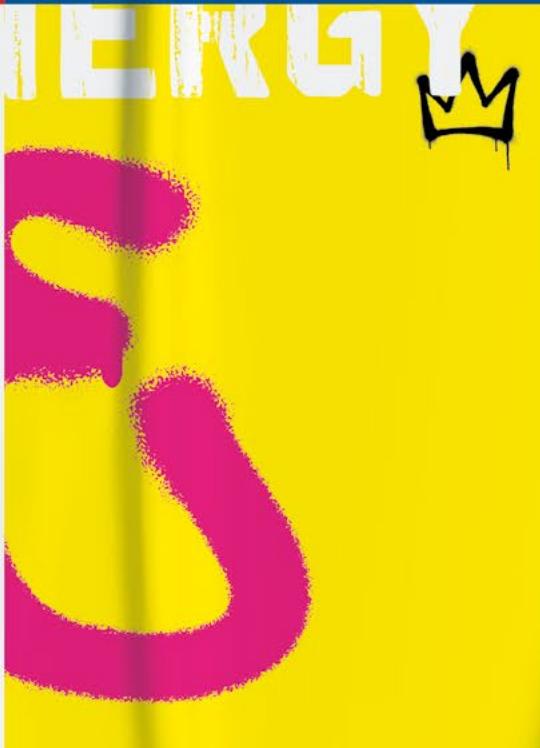
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