

Green Bonds
issued over the period
2018-2020

€4.4 MM

EDP's Green Bond Framework
was structured in
accordance with ICMA's
Green Bond Principles
and verified externally by
Sustainalytics.

4.12. Report on the allocation and impact of Green Bonds

As part of EDP's strategy and in order to promote greater alignment of its financial policy with its sustainability strategy, in October 2018 the group (through EDP Finance BV) made its first issue of green bonds, amounting to 600 million euros (senior debt). In 2019, two issues for a total amount of 1,600 million euros were made: (i) 1,000 million euros of subordinated (hybrid) debt in January 2019; and (ii) 600 million euros of senior debt in September 2019. In 2020, the company issued a further 2.2 billion euros: (i) 750 million euros of subordinated (hybrid) debt in January 2020; (ii) 750 million euros of senior debt in April 2020; and (iii) 850 million USD of senior debt in September 2020. By the end of 2020, EDP has issued around 4.4 billion euros in green bonds.

In accordance with EDP's Green Bond Framework, which supports the issuance of green bonds, the proceeds of these operations were used by the company to finance or refinance investments in a portfolio of projects eligible for green financing, in particular wind and solar, thus promoting the transition to a low-carbon economy. This report is part of the commitment to report annually to investors on how the funding was allocated. The information included in this report is also available at www.edp.com.

The approximately EUR 4.4 billion euros issued in green bonds between 2018 and 2020 were fully allocated by 31 December 2020, with 403 million euros being allocated to new projects and 4,025 million euros being allocated to existing projects. It should be noted that the amount of green

funding allocated to new projects corresponds to wind farms that have begun operating since the date of issuance of the respective green bonds.

The following paragraphs report relevant information for investors on the application of EDP group's green bond funds and on the environmental benefits resulting from them.

01

EDP

02

Strategic
approach

03

Performance

04

Annexes



GREEN BONDS ISSUES' CHARACTERISTICS	PRE-ISSUE		POST-ISSUE		
	REFERENCE PRINCIPLES	SECOND OPINION	MONITORIZATION	GREEN BONDS INDEXES	EXTERNAL VERIFICATION
	GREEN BOND PRINCIPLES (ICMA 2018)	SUSTAINALYTICS	REGISTER ON THE DATABASE OF THE CLIMATE BOND INITIATIVE (CBI)	BLOOMBERG BARCLAYS MSCI GLOBAL GREEN BOND INDEX ICE BofAML GREEN BOND INDEX JPMorgan ESG GREEN BOND INDEX	PWC
USE OF RESOURCES (ELIGIBILITY CRITERIA)	Investments (in new projects or re-financing of existing projects) in renewable energy (wind and solar).				
EVALUATION AND SELECTION OF PROJECTS	Compliance with the objectives of EDP's environmental and social policies, supported by a screening of ESG aspects.				
MANAGEMENT OF THE FUNDS OBTAINED	The net balance of the funds obtained through the emission of green bonds follows a portfolio approach. The resources shall be used to (re-)finance eligible green projects (wind and solar). Until the net balance of the funds obtained from green bonds emissions has been fully assigned, EDP will invest the unassigned funds to the portfolio of eligible projects, in treasury liquidity or in the repayment/purchasing of existing debt, according to its own criteria.				
REPORT ON THE APPLICATION OF THE FUNDS OBTAINED	<p>The report is made based on the following indicators:</p> <ul style="list-style-type: none"> • portfolio value of eligible projects • net balance of unused resources • quantity and percentage of new projects and existing projects. 				
REPORT ON THE IMPACTS OF THE FUNDS OBTAINED	<p>The report is made based on the following indicators:</p> <ul style="list-style-type: none"> • installed capacity (MW) • CO₂ Emissions avoided (tCO₂) • generation of renewable energy (MWh) <p>Note: The CO₂ emissions avoided correspond to the emissions that would have occurred if the electricity generated by renewable sources had been produced by thermal power stations. For each country, this is obtained by multiplying the net renewable generation by the emission factor for thermally-generated electricity in the country.</p>				



Use of proceeds for eligible green projects

Portfolio date: December 2020

ELIGIBLE SUSTAINABILITY PROJECT PORTFOLIO	AMOUNT (€)	ALLOCATION OF GREEN FUNDING (2020)	AMOUNT (€)
EXISTING PROJECTS (~ 2020)		ALLOCATED TO GREEN BONDS	4,428,272,308
Renewable energy			
Wind	€ 7,644,658,933		
Solar	€ 170,202,756		
NEW PROJECTS (2020 ~)			
Renewable energy			
Wind	€ 403,281,147		
Solar	€ -		
		UNALLOCATED AMOUNT OF ELEGIBLE PROJECT PORTFOLIO	3,789,870,528
Total eligible sustainability project portfolio	8,218,142,836	Maximum sustainability funding	8,218,142,836
Percentage of eligible green project portfolio allocated to net proceeds of green funding	53.9%		
Percentage of net proceeds of green bond allocated to eligible green project portfolio	100%		

Portfolio based green bond report according to the harmonized framework for impact reporting

Portfolio date: December 2020

Eligible project category		Share of total portfolio financing	Eligibility for Green Bonds	Allocated Amount	Installed capacity of renewable energy in MW	Annual net production of renewable energy (MWh)	CO ₂ emissions avoided (tCO ₂)
Social Bond Principles (SBP)							
Green Bond Principles (GBP)	Signed amount						
a/	b/	c/	d/		e/		e/
	EUR						
Renewable energy	8,218,142,836	100%	100%	4,428,272,308	9,256	20,560,164	13,343,107
Total	8,218,142,836	100%	100%	4,428,272,308	9,256	20,560,164	13,343,107

a/ Eligible Category

b/ Signed amount represents the amount legally committed by the issuer for the portfolio or portfolio components eligible for Green Bond financing

c/ This is the share of the total portfolio cost that is financed by the issuer

d/ This is the share of the total portfolio cost that is Green Bond eligible

e/ Impact indicators

