

Green Bonds

Issued over the period
2018-2021

€6.4B

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). Since then, and until the end of 2021, EDP has issued around €6.4 billion in green bonds: four senior debt issues, one of which in US dollars, and five subordinated debt issues (hybrid)).

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 details about the several issues and the information included in this report is also available at [EDP's website](#).

The approximately EUR6.4 billion euros issued in green bonds between 2018 and 2021 were fully allocated by 31 December 2021, with 1,602 million euros being allocated to new projects wind and solar that came into operation between 2018 and 2021 and 4,847 million euros being allocated to existing projects. It should be noted

that the amount of green funding allocated to new projects corresponds to wind and solar farms that have begun operating at the year of the date of issuance of the respective green bonds.

It should also be noted that just over two-thirds of the projects financed with green proceeds are located in the United States (42%) and Spain (23%). A minority of projects is located in Romania (7%), Portugal (6%), Poland (6%), Italy (5%), Brazil (4%), France (4%) and Mexico (2%). With negligible weight are projects in the geographies of Greece, Belgium, Canada, and the United Kingdom.

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.

GREEN BONDS ISSUES' CHARACTERISTICS	PRE-ISSUE		POST-ISSUE		
	REFERENCE PRINCIPLES	SECOND OPINION	MONITORIZATION	GREEN BONDS FUNDS	EXTERNAL VERIFICATION
	GREEN BOND PRINCIPLES (ICMA 2018)	SUSTAINALYTICS	REGISTER ON THE DATABASE OF THE CLIMATE BOND INITIATIVE (CBI)	#24	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 2021

ELIGIBLE SUSTAINABILITY PROJECT PORTFOLIO	AMOUNT (€)	ALLOCATION OF GREEN FUNDING (2021)	AMOUNT (€)
EXISTING PROJECTS ALLOCATED (~ 2021)		ALLOCATED TO GREEN BONDS	6,449,679,954
Renewable energy			
Wind	€ 4,717,790,452		
Solar	€ 129,448,876		
NEW PROJECTS ALLOCATED (2018-2021)			
Renewable energy			
Wind	€ 1,480,091,447		
Solar	€ 122,349,179		
PROJECTS TO ALLOCATE	€ 2,160,972,019		
		UNALLOCATED AMOUNT OF ELEGIBLE PROJECT PORTFOLIO	2,160,972,019
Total eligible sustainability project portfolio	8,610,651,973	Maximum sustainability funding	8,610,651,973
Percentage of eligible green project portfolio allocated to net proceeds of green funding	74.9%		
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 2021

ELIGIBLE PROJECT CATEGORY SOCIAL BOND PRINCIPLES (SBP) GREEN BOND PRINCIPLES (GBP)	SIGNED AMOUNT	SHARE OF TO- TAL PORTFOLIO FINANCING	ELIGIBILITY FOR GREEN BOND	ALLOCATED AMOUNT	INSTALLED CAPACITY OF RENEWABLE ENERGY IN MW	ANNUAL NET PRO- DUCTION OF RENEWABLE EN- ERGY (MWH)	CO ₂ EMISSIONS AVOIDED (TCO ₂)
a/ b/ c/ d/ e/							e/
	EUR						
Renewable energy	8,610,651,973	100%	100%	6,449,679,954	10,102	23,093,933	13,735,309
Total	8,610,651,973	100%	100%	6,449,679,954	10,102	23,093,933	13,735,309

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