

## REPORT ON THE ALLOCATION AND IMPACT OF GREEN BONDS

**€2,200M**

IN GREEN BONDS ISSUED IN  
2018-2019

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) carried out its first Green Bonds issue, to the amount of 600 million Euros (Senior Debt). During the year 2019, two more Green Bond issues were made with a total amount of 1,600 million Euros: i) 1,000 million Euros of Subordinated Debt (Hybrid) in January 2019; and ii) 600 million Euros of Senior Debt in September 2019.

In accordance with EDP's Green Bond Framework, which supports the issuance of Green Bonds, the proceeds from these operations were used by the company to finance or refinance investments in a portfolio of projects eligible for green financing, thereby promoting the transition towards a low-carbon economy. This report is part of the commitment to report annually to investors as to how the financing obtained was allocated. The information included in this report is also available on the EDP website at [www.edp.com](http://www.edp.com).

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

The 2.2 thousand million Euros issued in Green Bonds in 2018 and 2019 had been fully allocated by 31 December 2019, of which 442 million Euros were allocated to new projects and 1,758 million Euros were allocated to existing projects. It should be noted that the amount of green financing allocated to new projects is related to wind farms that started operating from the date of issue of the respective green bonds.

The following points present the reporting of important information to investors on the application of funds from the green issues of the EDP Group's Green Bonds and on the environmental benefits resulting from these.

CHARACTERISTICS FROM GREEN BOND ISSUE	PRE-ISSUE		POST-ISSUE		
	REFERENCE PRINCIPLES	SECOND OPINION	MONITORIZATION	GREEN BONDS INDEXES	EXTERNAL VERIFICATION
CHARACTERISTICS FROM GREEN BOND ISSUE	Green Bond Principles (ICMA 2018)	Sustainalytics	Register on the database of the Climate Bond Initiative (CBI)	Bloomberg Barclays MCSI Global 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	The report is made based on the following indicators: - Portfolio value of eligible projects. - Net balance of unused resources. - Quantity and percentage of new projects and existing projects.				
REPORT ON THE IMPACT OF THE FUNDS APPLIED	The report is made based on the following indicators: - Installed capacity (MW) - CO <sub>2</sub> Emissions avoided (tCO <sub>2</sub> ) - Generation of renewable energy (MWh) Note: The CO <sub>2</sub> 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.				

### Use of proceeds for eligible green projects

Portfolio date: December 2019

ELIGIBLE SUSTAINABILITY PROJECT PORTFOLIO		AMOUNT (EUR)	ALLOCATION OF GREEN FUNDING (2019)	AMOUNT (EUR)
<b>Existing projects (~ 2019)</b>			<b>Allocated to green bonds</b>	<b>2,200,000,000</b>
<b>Renewable Energy</b>				
Wind	€	6,485,798,918		
Solar	€	182,905,952		
<b>New projects (2019 ~ )</b>				
<b>Renewable Energy</b>				
Wind	€	441,664,010		
Solar	€	-		
			<b>Unallocated Amount of Eligible Project Portfolio</b>	<b>4,910,368,880</b>
<b>Total Eligible Sustainability Project Portfolio</b>		<b>7,110,368,880</b>	<b>Maximum Sustainability Funding</b>	<b>7,110,368,880</b>
Percentage of Eligible Green Project Portfolio allocated to net proceeds of green funding:			30.9%	
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 2019

Eligible project category	Signed amount	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)*	GHG emissions avoided in tCO <sub>2</sub> *
Social bond principles (SBP)							
Green Bond Principles (GBP)							
a/	b/	c/	d/		e/	e/	e/
EUR							
Renewable energy	7,110,368,880	100%	100%	2,200,000,000	8,582	22,451,060	14,311,493
<b>Total</b>	<b>7,110,368,880</b>	<b>100%</b>	<b>100%</b>	<b>2,200,000,000</b>	<b>8,582</b>	<b>22,451,060</b>	<b>14,311,493</b>

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 costs that is Green Bond eligible

e/ Impact indicators

- Installed capacity of renewable energy in MW
- Annual net production of renewable energy (MWh)
- CO<sub>2</sub> avoided emissions in tCO<sub>2</sub>

\*2019 indicators

