



# CHANGING TOMORROW NOW

HUMAN AND LABOR RIGHTS  
2021 REPORT





The present document proceeds to the structured publication of the material assessments related to the Respect of Human and Labor Rights. The information is organized to promote the internal debate, including operational teams, the Human Rights working committee, the Sustainability Committee and the Executive Board of Directors. Its public disclosure is intended to provide EDP's stakeholders an integrated view of the risks and challenges that the company faces in this matter, the way they are approached and the distinctive importance they occupy in the company's day-to-day activities.

Companies' subscribers to the United Nations Guiding Principles on Business and Human Rights, known as the Ruggie Framework, as is the case with EDP, internalize the procedures for identifying, preventing and mitigating the risks of negative impacts on human and labor rights at all operational levels and are in need of periodically assess the degree and quality of implementation of their commitments. In this sense, this document reports the progress on the topics considered most relevant and provides the Company's approach for the future.

This report was prepared by the Sustainability Direction, that is the operational guardian of human rights policy, and does not provide substantially new information regarding that published in the Group reports or permanently available and updated on its websites. However, it is now edited to satisfy an integrated analysis of all issues, procedures and events related to Human and Labor Rights. It covers all business units, participated companies and partnerships over which the Group has influence on management, as well, its employees and managers, suppliers, customers and local communities in any country where EDP has operations.

In EDP's policies, a substantial part of their commitments are oriented towards the active promotion of Human and Labor Rights, for the creation of shared value and societal profit, which far exceeds the scope of this Report.

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# #A — 2021 REVIEW AND PERFORMANCE

A.1	2021 EDP's Performance	5
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## A.1 2021 EDP's Performance

Subject	Concern	Status	Detail
Human Rights Fundamentals	Disrespect / violations	No	Throughout 2021, as in previous years, the EDP Group was not subject to accusations or suspicions of violations of human and labor rights. The EDP Group guaranteed respect for Human and Labor Rights in all its activities and countries and before all its stakeholders.
	Complicity with disrespect	No	EDP's counterparties (direct relationships) were submitted to Human Rights assessment. According to independent data, counterparties are not associated with human rights violations. Ongoing suppliers were also directly evaluated against human rights performance.
	Penalties	No	EDP has no ongoing legal proceedings and has not been convicted for any past event related to the international recognized rights.
	Adverse impacts	Yes	Workplace accidents, especially fatalities involving contractors, and third-party accidents due to improper access to electric equipment/facilities are negative impacts associated with operations.
	Complaints	Yes	Related to individual behaviors, occasional occurrences and individual complaints, which were neither structural nor recurrent, were recorded, dealt with and solved within the framework of the ethical process. When justified they gave rise to corrective measures, penalties or reinforcement of procedures.
	Criticism / controversies	Yes	Serra da Borborema Wind Farm (Brazil) - for allegedly conducting private negotiations with families avoiding negotiations with representatives.
	Mitigation plans	Yes	The sale of assets required the planning and protection of workers' rights and contracts with suppliers. The abatement of coal-fired power plants in Sines and Spain commanded action plans to protect own workers and mitigate supplier's unemployment. São Manoel dam is under a long-term mitigation plan. Alpha and Beta wind projects in Colombia are under a mitigation negotiation.
Human Rights scope	Direct relations	Yes	Own operations, employees, customers, local and indigenous communities, contractors and subcontractors, tier 1 suppliers, new infrastructures, infrastructures abatement, new businesses and countries, joint ventures, assets rotation.
	Indirect suppliers	No	Working together with renewable companies for extending traceability to indirect value nodes.
	Dimensions	Yes	Living Wage; Equal Remuneration; Freedom of Association; Collective Bargaining; Overtime hours; Remote work; Forced Labor; Human Trafficking; Minimum Age; Child Labor; Children rights; Harassment; Discrimination; Gender equality; Vulnerable people; Security forces; Health and Safety; Professional up/re-skilling; Social protection; Privacy and personal data protection; Customers rights; Forced displacement; Land grabbing; Impacts on ecosystems, water supplies, pollution; Free, prior, and informed consent; Conflict-affected areas; Violence;
	Energy transition	Yes	Decarbonization targets sBTi; Just Transition roadmap; Energy Poverty action plan; Access to Energy Fund;



## A.1 2021 EDP's Performance

Subject	Concern	Status	Detail
Human Rights Management	United Nations, ILO and national laws	Yes	EDP's Policy specifically addresses all internationally recognized human rights, as defined in United Nations and International Labor Organization conventions and treaties.
	SDGs, Global Compact, OECD Standards	Yes	EDP subscribes, implement and reports the Global Compact standard, the SDGs and the OECD guidance and due diligence procedures.
	Policies	Yes	EDP updated the Human and Labor Rights Policy in 2021. The Code of Ethics, the Stakeholders Relationship policy and the Supplier Code of Conduct integrate the cluster of human and labor rights policy.
	Goals and targets	Yes	EDP pursue and discloses its Human and Labor Rights goals, targets and progress.
	CEO and EBD commitment	Yes	Human and Labor Rights Policy is approved by the EBD. The Chief Sustainability Officer is responsible for the policy. The CEO subscribes and promotes the CEO Guide to Human Rights prepared by the WBCSD.
	Responsibilities	Yes	The Policy assigns a corporate senior director to the strategic and operational management of the Policy implementation, that assumes direct responsibility to the EBD.
	Organization	Yes	The Human Rights Working Committee is chaired by a director of the EBD, managed by the corporate director responsible for Human and Labor Rights, and made up of the corporate directors with assigned responsibilities in the area of the policy, that is, ethics, sustainability, compliance, legal, auditing, management and labor relations, procurement and supplier management, prevention and safety, risk, and stakeholder management.
	Procedures	Yes	Human and Labor Rights strategy, action principles, operational procedures, training, communication are defined in the Policy and incorporated in departments and business units by means of specifications.
	Complaint system / Grievance	Yes	The Ethics Channel is available in three languages and accessible to all individuals, workers and citizens, and communities or organizations, that may be adversely impacted by the company or, irrespective of this, that wish to complain, denounce, clarify or expose any situation, i.e. those related to human and labor rights. Local projects make available specific speak up channels.
	Risk mapping	Yes	EDP identifies, prevent and monitor the risks related to human and labor rights that are salient in its sector of activity, developing and keeping a Human and Labor Rights Risk Map up to date. The Risk Map covers activities/countries as well stakeholder groups.
	Training and Communication	Yes	The Policy is communicated through an annual report and published on the corporate website and intranet, as well on the institutional websites of the business units. BUs reporting also disclose human and labor rights performance. It is integrated within the training plans on Ethics, with special attention given to decision-makers and managers and the salient issues of human and labor rights.
	Due Diligence	Yes	Due Diligence report is mandatory and informs the decision processes
	Extension to counterparties	Yes	The policy commitments are included in contracts with counterparties
	Disclosure	Yes	The performance of international benchmarking has a very positive effect on the perception that employees and external stakeholders have about the company. Not so much for the pride that comes from it, but especially for the level of demand with which everyone is available to maintain leadership in an issue as sensitive as that of labor and human rights. This dimension is a valuable complement to the bureaucratic and formal processes that characterize due diligences and have the virtue of being transversal to all work fronts and groups of stakeholders.
	External engagement	Yes	Business Coalition for Racial and Gender Equality; Ethisphere assessment; Global Alliance for Sustainable Energy - Human Rights working group; Solar Power Europe -Human Rights working group; World Benchmarking Alliance assessment; Business Human Rights Assessment; Bettercoal;

## A.2 2021 EDP's Challenges

### Positioning

The EDP Group pursues a policy of full respect for human and labor rights and, at the same time, of the active promotion of universal human values. The commitments are set out in the Human and Labor Rights Policy, which was updated in 2021. This policy is coordinated to form a policy cluster with the Code of Ethics, the Stakeholder Relations Policy and the Supplier Code of Conduct.

The Policy has a prescriptive nature, it identifies the international standards and conventions to which it is subject, establishes the strategic principles, specifies the principles of action, assigns responsibilities, and defines obligations and management bodies. The Policy details the operational commitments, work methods, complaint channels and reporting and training obligations. In particular, the Policy sets out the Due Diligence procedures, implementing the Ruggie methodology. (see details in next chapters).

### Risk identification and management

Depending on the geographical area in which it operates, and the type of activity carried out, the EDP Group faces different risks that expose the company to the possibility of violating or colluding with violations of human and labor rights. In general, in the OECD countries, the legal protection of local communities and individuals, the effectiveness of the rule of law, local

standards and the level of economic, social and cultural development of the populations ensure that operations take place in a context favorable to respecting human and labor rights.

However, particular attention should always be paid to the possibility of impacts, even within the OECD context. In addition, beyond this economic space, added challenges arise that make the processes of identifying risks, drawing up action plans, selecting business partners and monitoring activities more demanding.

Due to the diverse nature of operational situations, risks related to respect for human and labor rights are analyzed through the assessment of country risk, local risk and risk specific to each activity according to the nature of the project. Depending on whether new investments, the creation or modification of infrastructures, contracting suppliers and other counterparties, or operations with customers and employee management are under consideration, specific control and risk mitigation measures are implemented.

In the area of new investments and infrastructure, the main risks are related to guaranteeing the rights of local communities. Firstly, property rights, which are typically rights of use that are not embodied in full ownership, as is the case of indigenous territories, fishing or hunting areas, and landscape rights. In these cases, the

construction right authorized by the public authorities can be substantially challenged by the communities. Similarly, the installation or modification of infrastructure can have effects on local social dynamics or on ecosystems. For these reasons, the EDP Group conducts social and environmental impact studies and opens communication channels to ensure the proper management of projects, including full consultation with stakeholders, as set out in its policies.

Also, in the case of new investments and infrastructures there are risks related to operations and construction work, especially when they involve the travel of company workers or service providers, regarding general working conditions and the risk of accidents. When contracting suppliers, the EDP Group always ensures full prior verification of compliance with the fundamental conventions of the International Labor Organization, as well as requiring proof of meeting labor standards and remuneration conditions, and monitors compliance with the Supplier Code of Conduct throughout the contract.

Respect for human and labor rights is guaranteed not only by the management procedures associated with decision-making, policies, consultation and complaint channels, but also by the organizational and monitoring model which includes a Human and Labor Rights Committee and the ethical, compliance and audit structures.



## A.2 2021 EDP's Challenges

### Just Transition

The destruction of direct and indirect jobs, as a result of the early closure of coal-fired power plants, is a negative consequence of the strategy to decarbonize economies. The closure of power plants depresses the level of employment in local communities in their vicinity, or which are related to the logistical activity of transportation and mining. Just Transition is the strategic objective of ensuring decarbonization, whilst at the same time mitigating unemployment and avoiding economic depression in communities that depend on the coal value chain.

Recognizing the importance of Just Transition, the European Union decided to create a financing mechanism for investment in the affected regions, aimed at new businesses that can generate local employment and aimed at the development of professional skills. Likewise, in adopting its commitment to be Coal Free by 2025, EDP has also undertaken the responsibility of working together with governments and local authorities in promoting a Just Transition in the regions affected by the closure of its plants. As part of this, EDP carried out studies on the socio-economic assessment of coal-fired power plants, detailing the direct, indirect and induced

contribution to GDP and on the contribution to public revenues. It is important to recognize that the employment created by EDP's coal plants is equivalent effects on job creation, at the local economic level, on the to 7% of the population in the municipality of Carreno and 20% of the population of Ribera de Arriba, in Asturias, as well as 2% of the population of Sines, in the Alentejo.

### Closure of the Sines Power Plant

In Portugal, the closure of the Sines Power Plant, which took place in January 2021, was prepared for throughout year 2020 and this included the drawing up of a plan to minimize the negative repercussions on local employment. To this end, EDP has identified stakeholders, including local authorities, trade unions, employment and professional qualification institutions, and service providers. EDP presented its direct employees with proposals for early retirement and transfer to other company activities, always assuring their social protection. To support indirect workers, it mapped out and listened to interested parties and established partnerships with the Municipality of Sines and other public and local entities. A local support office was created to clarify and help the population in finding

investments for green hydrogen production in Sines, as employment alternatives. The office has physical premises and direct contact lines to provide clarification, rechanneled interested parties and to handle complaints. In terms of new local businesses, EDP is studying part of a multi-stakeholder partnership. If feasible, this project will create new skilled jobs in the region and contribute to offsetting the effect of the closure of the coal plant, in addition to contributing to accelerating the decarbonization of the Portuguese economy.

### Preparing Asturias coal abatement

In Spain, in Asturias, EDP will shut down coal over the next few years. However, it is already developing the ENTAMA program which is promoting local entrepreneurship ([espana.edp.com](http://espana.edp.com)). The program finances business initiatives that create activity and employment in local municipalities, based on sustainability criteria. The projects selected by jury will benefit from funding of 85 thousand euros. The program is recognized by the local and government authorities in Asturias. The projects already concluded were evaluated using SROI methodology, and on average have generated € 3.5 for each euro invested by EDP. EDP is also studying opportunities for reconversion and reinvestment in the region, with a view to maintaining its local operations and safeguarding investment and employment.

### The acquisition of Viesgo power plants

As a result of the acquisition of Viesgo in late 2020, EDP incorporated and managed coal-fired power plants in the decommissioning phase that formed part of the portfolio. In this context, the respective plans for closure and protection of workers were contracted with national and local stakeholders, including their integration in the later life stages of these production centers. [1]

<sup>[1]</sup> This JT strategy and commitments are informed by international methodologies set by UNDP/WRI, WBA, JTC, SDGs and implement EDP's Human and Labor Rights Policy, Social Investment Policy, Stakeholders Policy and the Code of Ethics

### JUST TRANSITION COMMITMENTS

Plan the closure of coal plants in order to mitigate negative social impacts on their affected stakeholders

Promote gender balance and the inclusion of vulnerable people in employment opportunities generated by renewable investment

Invest in new job-creating renewable projects for affected stakeholders

Defend public policies for social protection and retraining of the direct and indirect workers affected

Support social sector projects in the energy conversion of buildings

Support programs for accessing renewable energy to communities that are not connected to the electricity grid

Defend public policies for financing energy efficiency and decarbonization of buildings for vulnerable people

Ensuring social protection for unemployed direct and indirect workers

35% of employees are women

Promote the redeployment of affected workers to new employment opportunities, ensuring their retraining and mitigating their relocation

Promote social dialogue and joint action with stakeholder groups impacted by the closure of coal plants



## A.2 2021 EDP's Challenges

### Long-term mitigation plan in Amazonas

The construction, between 2014 and 2018, of the São Manoel Hydroelectric Power Station, with 700 MW of installed power, located on the Teles Pires River, on the border of the Brazilian States of Mato Grosso and Pará, exposed EDP to impacts arising from interference in the territories historically used by the Kayabi, Munduruku and Apiaká ethnic groups, made up of around 1,400 people living in 19 villages on the banks of the Teles Pires River.

In order to mitigate the negative impacts, but also to enhance the positive effects of the São Manoel hydropower dam, EDP developed long-term programs (30 years) for the territorial and socio-economic enhancement of these communities, in full compliance with the obligations arising from the socio-environmental licensing, acting with full respect for the legislation and indigenous rights protection standards, and implementing all of the programs, projects and assumed commitments with the assumed proactiveness, dialogue and commitments.

In January 2021, after the suspension of activities that depended on technical guidance or execution by non-indigenous labor, due to the Covid-19 pandemic, FUNAI authorized the resumption of priority actions, which involved communication systems maintenance services, the delivery of equipment for the operation of the Health Units and food security actions. The following programs were in place:

- Program for the Identification and Management of New Forests for Non-Timber Forest Products
- Program to Strengthen Indigenous Organizations in direct interface with the Program to Support Traditional Farms and Productive Activities
- Indigenous Environmental Education Program, especially the Environmental Management and Conservation Project for the Yellow-Spotted River

Turtle and the Monitoring Program for Turtles and their Reproductive Habitats.

Scholarships for higher and technical studies, as part of the Program to Strengthen Indigenous Organizations. Out of a total of 39 scholarships to be offered by the Program, 36 have already been granted. The scholarships cover the payment of tuition and registration fees, support for travel from the village to the municipality where the educational institution is based, the donation of electronic equipment necessary for studies and psycho-educational monitoring, as well as a financial transfer to each student, amounting to 2.5 minimum wages for other expenses.

### Tackling safety accidents

EDP Group's Safety policy recognizes and establishes the principle that the ongoing investigation and analysis of incidents – accidents and near-misses or hazardous situations – systematically conducted are essential conditions for ongoing improvement in the prevention of occupational accidents and occupational diseases. Any incident reveals failures or imperfections in the organization of work. The investigation of the incident consists of identifying them and establishing the facts to eliminate or neutralize them. To this end, EDP Group adopted the following process, which consists of three stages:

1. Investigation of the facts and reconstruction of the incident;
2. Identification of the causes of the incident and the drawing-up of an incident diagram;
3. Apply preventive and corrective measures.

The first two stages are research and analysis of the aspects of the job which led to the identification of the causes of the incident, and a summary of the problems identified, the solutions for which will be determined in the next stage, with an indication of the recommended

preventive and corrective measures. Incidents are therefore part of a set of events which affect or have the potential to adversely affect the safety of workers (internal and service providers), the company's facilities or assets.

### Engaging the supply chain with ESG goals

Ensuring the alignment of suppliers, direct and indirect, with sustainability objectives is a challenge that EDP took on and for which it established a roadmap. Until recently, supplier management objectives were oriented towards direct suppliers, including subcontractors, and aimed at ensuring legal compliance, namely respect for human and labor rights and the use of management processes in line with good practices. Now, while maintaining the ESG compliance objectives, the EDP Group intends to go further and commit its business partners to the sustainability strategy, especially with the objectives of decarbonization, circular economy, creation of value for nature and communities, effective development of diversity and social transformation of working models.

A decisive aspect of this new strategic ambition is the extension of ESG management of the supply chain beyond direct suppliers, in particular suppliers of raw materials, equipment and other goods. This challenge implies extra-contractual involvement with direct suppliers in order to obtain their commitment to establishing sustainability goals and targets for their respective suppliers, promoting a multiplier effect along the supply chains.

However, this is an impossible challenge to meet if the institutional and legal conditions under which global trade operates are not changed. The success of this initiative depends on the legislative intervention of the governments of the OECD countries and the sectoral commitment of the companies that operate in each value chain.

## A.3 2021 Human Rights Trends

### Human Rights rise in the international agenda

Human and Labor Rights have risen to the top of the international agenda again during 2021. Several dimensions of the Social pillar of Sustainability have become more frequently referred to within the concept of Human and Labor Rights, introducing a deeper sense of purpose and responsibility, but new dimensions have also become part of the theme such as the recognition of Climate as a human right and the consolidation of the Just Transition concept.

The epidemic crisis, with an acknowledged impact on work and employment, the increase in temporary work linked to the digital economy and globalization, the disruption in logistics chains and the price crisis in the energy sector, as well economy decarbonization strategies, have contributed decisively to this evolution. Similarly, geopolitical tensions have emphasized the need to increase corporate scrutiny and accountability on human and labor rights practices in supply chains.

On the other hand, at the United Nations level it is of the utmost significance that on 8 October, the main UN human rights body approved the recognition of the right to a safe, clean, healthy and sustainable environment as a human right. Less than a month later, Portugal approved Climate as a Common Heritage of Humanity.

Human rights have also risen in importance in terms of sustainability and investor benchmarks, and scrutiny of business practices has become more frequent. Undoubtedly, the work of NGOs has gained greater visibility and impact, through benchmarking exercises and the setting of expectations and benchmarks for human and labor rights, such as the World Benchmarking Alliance and Business Human Rights.

In general, in the 2020-2021 period, major companies in the European electricity sector have revised and updated their policies on respect for human rights, increasing

management requirements, becoming more prescriptive and less generic, detailing information on their procedures and organization and publishing key indicators. In this area, not all companies have followed the same approach to the topic.

However, companies that are internationally active and operate more vertically in the value chain have chosen to clearly distinguish between the dimension of respecting internationally recognized fundamental human and labor rights and the dimension of voluntarily promoting them more oriented towards access to energy and fighting energy poverty.

### Turmoil in supply chains

Directly explained by the contraction of the economy and world trade during the initial phase of the pandemic, the disruption of logistics chains combined additional unforeseen factors whose effects, including structural impacts, are ongoing. There was an acceleration of business on digital platforms, with an increase in demand for support technologies, an expansion in health-related business and distancing with changes in consumption preferences, a reduction in services and industries linked to other sectors, an accumulation of orders in international markets with the consequent inability of industries, logistics and transport to respond. Essentially, an efficiently functioning global logistics network was broken into several key nodes and the delay in delivering specific materials and equipment caused delays in the assembly of final products and in the satisfaction of essential services.

At the same time, the huge push towards digitization uncovered weaknesses in communications networks, requiring the development of remote communication applications, systems integration, enhanced bandwidth and, in particular, it exposed companies to cybersecurity risks, increasing the need to work with suppliers in an increased demand plan.

The asynchronous response of government policies to managing the pandemic and the overlapping of internal priorities with external commitments added complexity to the disruption, increasing uncertainty and management difficulties for companies. Inevitably, global markets reacted with stress, which first manifested itself in the increase in prices in logistics and then spread to product prices, due to insufficient supply in relation to demand deadlines. The energy markets also reacted, in a second phase, first to replenishment of stocks of fuels needed for the winter, that had dwindled to critical levels during the first pandemic cycle.

Against this backdrop, the fight against climate change gained momentum, first due to the European Green Deal strategy, which came to light at the same time as the pandemic, and then with the American presidential elections that put decarbonisation at the core of USA domestic and foreign policy. The consolidation of the neutrality agenda, which has a huge impact on financial markets and on the allocation of capital to infrastructure and innovation, gave a powerful stimulus to increased international demand and contributed to an additional structural modification of supply chains. However, at the same time, fuel prices continued to rise on the international market, as a result of strategic factors.

Altogether, these trends defined a new framework of geostrategic positioning with increased political tensions between blocs, with the exploitation of internal discontent through growing external tension and the development of policies to reduce external dependencies, for the development of industries within the boundaries of blocs and a profound reconfiguration of supply chains.

The war in Ukraine (Feb 2022) has extraordinarily accentuated the trends of 2021.

## A.3 2021 Human Rights Trends

### The obligation of value chain Due Diligence

2021 was also marked by a turning point in the accountability of companies for the performance of direct and indirect suppliers in their supply chain. Although this responsibility is one of corporate sustainability's founding principles and is explicit in the standards of the United Nations, the OECD and the International Labor Organization, states had never previously committed to a systematic and integrated endorsement of this principle, in their domestic legislation. However, through a separate legislative process, strategic action plans, or through pressure from non-governmental organizations, or business organizations, everything pointed to this new legislative approach. Since the 2008 financial crisis and the development of sustainable investment policies by asset managers, in conjunction with the work initiated in the European Parliament with the non-financial reporting directive, a major legislative breakthrough had been expected. In fact, the rules for listed companies, also implemented by market regulators, already adopt this principle.

The turning point in the legislative process came with the European obligation of counterparty Integrity Due Diligence and, in 2021, with the European Parliament's approval of the resolution of 10 March 2021 mandating the European Commission to establish the Due Diligence Directive for companies throughout the value chain (suppliers, in-house operations, customers). This directive follows the French legal regulations (27 March 2017) but goes further in its definition of value chain. As of 16 July 2021, the German parliament, without waiting for the publication of the directive, enacted a special law for assuring respect for human rights in supply chains, including indirect suppliers, which will apply in full at the beginning of 2023. The European Commission is expected to publish the directive during February 2022. This legislative initiative is taking place at the same time as the disruption of supply chains and in a context of

geopolitical tensions, which somehow make it especially timely. It is important to emphasize that companies lack a proper legislative framework, which is essential for successful pursuit of the implementation of their sustainability strategies. Especially insofar as the supply chains for materials and equipment are particularly complex and involves several layers of actors.

### The challenge of tracing the origin of materials and equipment

At the European Union level, on 10 March 2021 the Parliament and the Council adopted the resolution on "Corporate due diligence and corporate accountability", which the Commission will transform into a directive forcing member countries and large companies to demonstrate the application of the conventions and standards approved by the United Nations, the ILO and the OECD. While the scope is the whole corporate value chain and issues of integrity, good governance and the environment, the directive is particularly focused on supply chains and human and labor rights. In this exact sense, the German parliament and council, anticipating the European directive, approved the Supply Chain Due Diligence Act on 11 July 2021. This legislative dynamic, which includes several other countries and regulatory bodies, shows the new level of accountability attributed to companies. Norway, USA, Japan, Brazil are countries taking steps on assuring legal obligation to assure human and labor rights along supply chains, upstream to the origin of the raw materials.

Identifying the route and the players in the supply chains for materials and equipment is a major challenge for companies and states. The year 2021 has made it clear that achieving this goal is of fundamental importance from multiple perspectives. On the one hand, it is indispensable for the scope 3 objectives of reducing CO2 emissions, reducing the material footprint, protecting biodiversity and ensuring the circular economy. On the other hand, for combating corruption and bribery and

ensuring respect for internationally recognized human and labor rights. However, to achieve these objectives, particularly those related to human rights, it is indispensable that companies operate within a legal framework that puts the obligation on all companies to be transparent and demonstrate compliance. Supply chains are increasingly longer, with more players, and are radial.

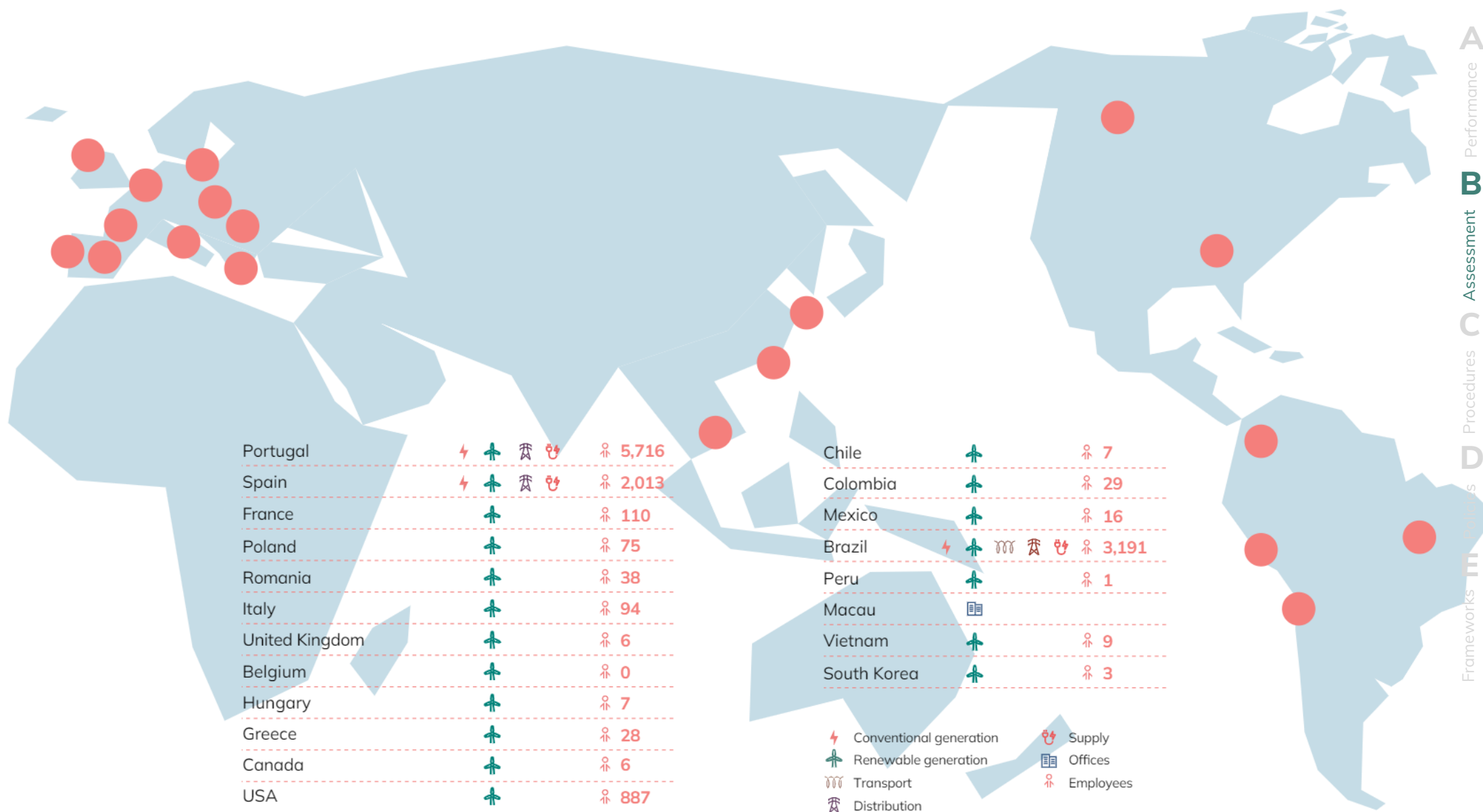


#B

# — EDP RISK AND IMPACT ASSESSMENT


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## B.1 EDP's business by country and activity





## B.1 EDP's business by country and activity



		Workforce	Electricity Capacity				Electrical Grid		Retail	
			Solar/wind	Large hydro	Small hydro	Coal Power	Gas Power	Transmission	Distribution	Electricity Gas
Asia	Macau	-	•					•		
Asia	South Korea	3	•							
Asia	Vietnam	9	•							
Europe	Belgium	-	•							
Europe	France	110	•						•	
Europe	Greece	28	•							
Europe	Hungary	7	•							
Europe	Italy	94	•							
Europe	Poland	75	•							
Europe	Portugal	5 716	•	•	•		•		•	•
Europe	Romania	38	•							
Europe	Spain	2 012	•		•	•	•		•	•
Europe	UK	6	•							
North America	Canada	6	•							
North America	Mexico	16	•							
North America	USA	887	•							
South America	Brazil	3 191	•	•		•		•	•	•
South America	Chile	7	•							
South America	Colombia	29	•							
South America	Peru	1								

## B.1 EDP's business by country and activity

### PORTUGAL



Generation from renewable sources <sup>1</sup>	75%
Employees	5.716
Electricity customers	4.951.970
Gas customers	682.316
Installed capacity	8.267 MW
Net generation	16.043 GWh
Overhead grid extension	180.951 km
Underground grid extension	49.725 km
Electricity distributed	44.752 GWh
Capacity secured onshore	142 MW
Capacity secured offshore	11 MW 10 MW net for EDP

### SPAIN



Generation from renewable sources <sup>1</sup>	42%
Employees	2.012
Electricity customers	22.049
Gas customers	4.393
Installed capacity	4.910 MW
Net generation	13.695 GW
Overhead grid extension	39.553 km
Underground grid extension	12.940 km
Electricity distributed	14.117 GW
Capacity secured onshore	518 MW

### BRAZIL



Generation from renewable sources <sup>1</sup>	68%
Employees	3.191
Electricity customers	3.679.513
Installed capacity	3.114 MW
Net generation	10.782 GWh
Transport grid extension	486 km
Overhead grid extension	94.708 km
Underground grid extension	277 km
Electricity distributed	26.016 GWh
Transport grid under construction	1.013 km
Capacity secured onshore	846 MW

### FRANCE



Generation from renewable sources <sup>1</sup>	100%
Employees	110
Installed capacity	181 MW
Net generation	314 GWh
Capacity secured onshore	43 MW
Capacity secured offshore	1.022 MW 312 MW net for EDP

### BELGIUM



Generation from renewable sources <sup>1</sup>	100%
Employees	0
Installed capacity	11 MW
Net generation	22 GWh
Capacity secured offshore	487 MW 43 MW net for EDP

### USA



Generation from renewable sources <sup>1</sup>	100%
Employees	887
Installed capacity	5.908 MW
Net generation	15.814 GWh
Capacity secured onshore	1.577 MW
Capacity secured offshore	804 MW 201 MW net for EDP

### ROMANIA



Generation from renewable sources <sup>1</sup>	100%
Employees	38
Installed capacity	521 MW
Net generation	1.116 GWh

1 - Includes hydro, wind and solar.

## B.1 EDP's business by country and activity

### ITALY



Generation from renewable sources <sup>1</sup>	100%
Employees	94
Installed capacity	384 MW
Net generation	689 GWh
Capacity secured onshore	159 MW

### POLAND



Generation from renewable sources <sup>1</sup>	100%
Employees	75
Installed capacity	747 MW
Net generation	1.176 GWh
Capacity secured onshore	299 MW
Capacity secured offshore	399 MW

200 MW net for EDP

### CANADA



Generation from renewable sources <sup>1</sup>	100%
Employees	6
Installed capacity	130 MW
Net generation	255 GWh
Capacity secured onshore	297 MW

### MEXICO



Generation from renewable sources <sup>1</sup>	100%
Employees	16
Installed capacity	400 MW
Net generation	987 GWh
Capacity secured onshore	96 MW

### UNITED KINGDOM



Employees	6
Capacity secured offshore	950 MW
Installed capacity	5 MW
Net generation	4 GWh

### GREECE



Employees	28
Capacity secured onshore	109 MW
Installed capacity	45 MW
Net generation	9 GWh

### COLOMBIA



Employees	29
Capacity secured onshore	504 MW

### MACAU

Offices

Capacity secured onshore	27 MW
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### PERU

Employees	1
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### HUNGARY

Employees	7
Capacity secured onshore	75 MW

### CHILE

Employees	7
Capacity secured onshore	197 MW

### VIETNAM

Employees	9
Installed capacity	28 MW
Net generation	23 GWh
Capacity secured onshore	177 MW

### SOUTH KOREA

Employees	3
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1 - Includes hydro, wind and solar.

## B.2 Country/sector Risk Mapping (ILO & NGOs)

### ILO conventions perspective

The level of adherence of countries to the conventions of the International Labor Organization is a fundamental indication for the characterization of country risk. Although adherence to an international standard does not mean the absence of risks, non-subscription necessarily means increased risk and exposure of companies to contexts not protected by the legal system.

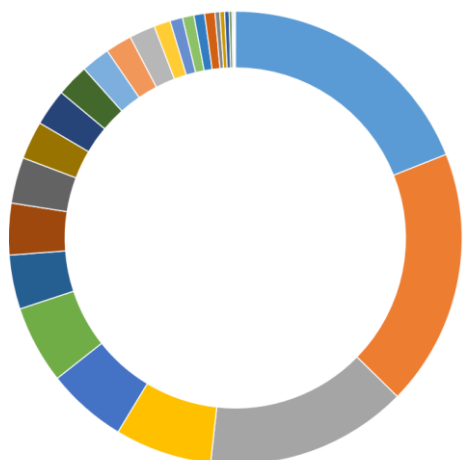
ILO Conventions not subscribed by EDP country	Convention	Belgium	Brazil	Canada	Chile	Colombia	France	Greece	Hungary	Italy	Mexico	Peru	Poland	Portugal	Romania	South Korea	Spain	UK	USA	Viet Nam
The effective abolition of child labor	138																		No	
	182																			
The elimination of discrimination in relation to employment and occupation	100																		No	
	111																		No	
Respect Labor Standards on Working time	1	No							No		No		No					No	No	No
Protection of Occupational Health and Safety	155		No	No	No	No	No			No		No	No		No			No	No	
	187	No			No				No	No	No		No		No				No	
The guarantee of payment of a minimum wage	131	No		No		No		No	No	No		No	No			No		No	No	No
Freedom of Association and Protection of the Right to Organize Convention	87		No																No	No
The Right to Organize and Collective Bargaining Convention	98																		No	
The elimination of all forms of forced or compulsory labor	29																		No	
	105																			
Understanding the Indigenous and Tribal Peoples Convention, 1989	169	No		No			No	No	No	No			No	No	No	No		No	No	No

## B.2 Country/sector Risk Mapping (ILO & NGOs)

### Reprisk perspective

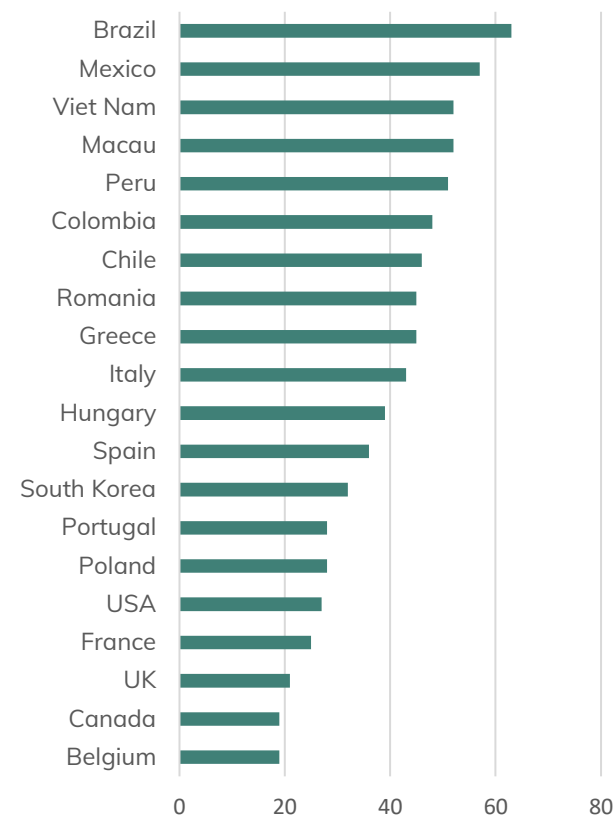
Reprisk monitors, analyzes and classifies negative news, regardless of its degree of veracity, that impact the reputation of companies according to sustainability taxonomies. Through the analysis by critical themes, it is possible to obtain a rich and substantiated image of the frequency and type of incidence of the issues, not only at the level of each company but also at the level of each sector of activity and region. In spite of everything, the data must be relativized as the news often depends on the level of democracy in each country and the visibility of each company for the news context.

Criticism about  
Alternative Energy companies (2010-2021)



- Impacts on landscapes, ecosystems and biodiversity
- Violation of national legislation
- Local pollution
- Fraud
- Local participation issues
- Corruption, bribery, extortion and money laundering
- Human rights abuses and corporate complicity
- Controversial products and services
- Climate change, GHG emissions, and global pollution
- Occupational health and safety issues
- Waste issues
- Poor employment conditions
- Misleading communication
- Supply chain issues
- Anti-competitive practices
- Violation of international standards
- Tax evasion
- Overuse and wasting of resources
- Forced labor
- Products (health and environmental issues)
- Social discrimination
- Freedom of association and collective bargaining
- Discrimination in employment
- Executive compensation issues
- Child labor
- Animal mistreatment
- Tax optimization

Alternative Energy Risk Level by  
Country (2021) (max = 100)





## B.3 Stakeholder Risk Maps (ILO & NGOs)

### BSR perspective

BSR™ is a global nonprofit organization that works with its network of more than 250 member companies and other partners to build a just and sustainable world. From its offices in Asia, Europe, and North America, BSR™ develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration.

#### TOP 10 HUMAN RIGHTS RISKS FOR THE POWER AND UTILITIES SECTOR

Top 10 Human Rights Risks for the Power and Utilities Sector is a study published in 2017 that identifies the 10 most relevant, urgent, and probable human rights impacts for businesses operating in the power and utilities sector.

The information here is gathered from BSR's direct engagement with power and utilities companies, as well as our 25 years of experience helping companies in all sectors manage their human rights risks.

The power and utilities sector comprises a wide range of businesses and activities, from electricity and heat, gas, waste, and water utilities to different actors in the energy markets, like power producers and energy developers. While each of these sub-sectors will have its own human rights profile and challenges, this brief highlights universal risks to the sector as a whole.

#### 1. Emergency Response and Community Safety

From natural disasters to hazardous waste spills, power and utilities companies have the potential to profoundly affect communities near their operations. The private sector is not only responsible for preventing and mitigating accidents and emergencies related to its operations, but for also participating in remedy mechanisms should they occur to ensure that their negative impacts are rectified.

##### Rights at Risk

Right to life, liberty, and security of person (UDHR Article 3; ICCPR Articles 6, 9). Right to adequate standard of living for self and family (UDHR Article 25; ICESCR Article 9)

#### 2. Bribery and Corruption

All power and utility companies—and especially those operating in countries with poor rule of law—are exposed to corruption risks. Corruption and bribery profoundly impact vulnerable communities, either by misdirecting funds that could be spent on healthcare, education, or other public goods or by preventing participation in the democratic process.

##### Rights at Risk

Right to equality before the law and to take part in government (UDHR Articles 7, 21)

#### 3. Health and Safety

Acute health and safety risks are common in the power and utilities sector, including hazards such as electrocution for grid operators, exposure to toxic substances for waste pickers, and inadequate protective equipment for indirectly hired employees. Long hours and shift work are also common, amplifying the possibility of human error. Contracted workforces are most vulnerable to such risks and for companies of the sector, contractor and supplier due diligence is an essential component of labor and human rights risks management.

##### Rights at Risk

Right to equality before the law and to take part in government  
Right to life, liberty, and security of person (UDHR Article 3; ICCPR Articles 6, 9; ILO C155)  
Right to adequate living standard for self and family (UDHR Article 25; ICESCR Article 9)  
Right to health (ICESCR Article 12)

#### 4. Employee Discrimination

This sector has historically been a male-dominated industry, sometimes resulting in unfair hiring practices, pay disparities, workplace harassment, and favorable treatment for majority groups in promotion and professional development. For companies operating in global markets, respecting employees' rights means securing equal opportunities for every member of their diverse workforce.

##### Rights at Risk

Right to equality and non-discrimination (UDHR Article 1, 2; ICESCR Article 2; ICCPR Articles 2, 26; ILO C100, C111)  
Right to equality between men and women (ICESCR Article 3; ICCPR Article 3, ILO C156)

#### 5. Collective Bargaining

Outsourcing practices and greater independence of contractors may lead to a decline in collective bargaining and the effectiveness of workers' councils or representatives. This could reduce worker protection and exacerbate discrimination for vulnerable workers, as they often lack negotiating and bargaining power.

##### Rights at Risk

Right to peaceful assembly and freedom of association (UDHR Article 20, 23; ICESCR Article 8; ICCPR Articles 21, 22; ILO C87) Right to collective bargaining terms and conditions of employment and to take industrial action (ICESCR Article 8; ICCPR Article 22; ILO C98) Right to equality and non-discrimination (UDHR Article 1, 2; ICESCR Article 2; ICCPR Articles 2, 26; ILO C100, C111) Right to adequate living standard for self and family (UDHR Article 25; ICESCR Article 9)

## B.3 Stakeholder Risk Maps (ILO & NGOs)

### 6. Land Acquisition and Resettlement

Power and utilities infrastructure projects may require land acquisition. This carries the risk that local communities may not be adequately consulted or compensated, especially in autocratic countries or where resettlement is forced. Indigenous communities are particularly vulnerable to these impacts, and companies are expected to adhere to the principle of “free, prior, and informed consent” when carrying out projects on indigenous lands.

#### Rights at Risk

Right to participate in cultural life, benefit from scientific progress, and protect intellectual property rights (UDHR Article 27; ICESCR Article 15; ILO C169)  
Right to own property (UDHR Article 17)

### 7. Local Community Livelihoods

Developing countries often invite companies to invest in large infrastructure projects (e.g. through power plants and hydro dams, power grids, gas pipelines, and wind farms) to enhance energy security and provide for rising energy demand. The communities living near these projects, however, are sometimes overlooked, and they may be at risk of losing their livelihoods due to migration, disruption, or industrial pollution. These impacts may be felt far beyond the project boundaries and may not be immediately evident, as in the case of loss of cultural heritage or natural resources.

#### Rights at Risk

Right to life, liberty, and security of person (UDHR Article 3; ICCPR Articles 6, 9) Right to adequate standard of living for self and family (UDHR Article 25; ICESCR Article 9)

### 8. Security Forces

If not properly managed, large-scale projects may lead to protests over the use of land and increase the risk of violence. While security forces are often necessary to protect staff and assets in conflict-affected or weak-

governance countries, use of such forces without adequate training, or with weapons in excess of their mandate, can give rise to serious violations.

#### Rights at Risk

Right to life, liberty, and security of person (UDHR Article 3; ICCPR Articles 6, 9)

### 9. Vulnerable Consumers

Utilities provide essential services for life and development. This does not mean that companies have to give away their products for free, but they should be cognizant of the broader impacts of their pricing and access policies. A regulated price structure should guarantee fair access to water, electricity, gas, and heat. When rising costs make these commodities unaffordable for lower income communities, this could create discriminatory access or black markets—it could also drive individuals to electricity theft with dangerous safety consequences.

#### Rights at Risk

Right to adequate living standard for self and family (UDHR Article 25; ICESCR Article 9)

### 10. Grievance Mechanism and Right to Remedy

Infrastructure development projects can put communities at risk—loss of housing, property, livelihoods, cultural practices, and security. Effective grievance mechanisms are essential to prevent adverse consequences and offer remedy when negative impacts cannot be avoided.

#### Rights at Risk

Right to an effective remedy (UDHR Article 8; ICCPR Articles 2)

## B.3 Stakeholder Risk Maps (ILO & NGOs)

### BHR perspective

Business & Human Rights Resource Center is an NGO focused on human rights information, covering events in all countries. The realization of sectoral benchmarks is one of the axes of action of this organization. BHR has developed a methodology for scrutinizing risks and practices for the renewable energy sector that is an unavoidable international benchmark.

A.1.1	The Company has a publicly available statement of policy committing it to respect human rights
	OR the ten principles of the UN Global Compact (as principles 1 and 2 include a commitment to respect human rights)
A.1.2	OR the rights under the Universal Declaration of Human Rights (UDHR)
	OR the International Bill of Human Rights
A.1.2	The Company's publicly available statement of policy also commits it to: the UN Guiding Principles on Business and Human Rights
	OR the OECD Guidelines for Multinational Enterprises.
A.1.2	The Company has a publicly available statement of policy committing it to respecting the human rights that the ILO has declared to be fundamental rights at work (ILO Core Labour Standards)
	OR the Company has a publicly available statement of policy committing it to respecting the ten principles of the UN Global Compact (principles 3 to 6 are based on the ILO Declaration on Fundamental Principles and Rights at Work).
A.1.2	AND, in addition to one of the above, the Company's policy commitment(s) also states that it expects its suppliers to commit to respecting each of the ILO core labour standards and explicitly lists them in that commitment
	The Company's policy statement on the ILO Core Labour Standards includes explicit commitments to respect: freedom of association and the right to collective bargaining and the rights not to be subject to forced labour, child labour or discrimination in respect of employment and occupation
A.1.2	AND the Company's publicly available statement of policy also commits it to respecting the ILO conventions on labour standards on working hours and the health and safety of its workers
	AND the Company's policy commitment(s) also states that it expects its suppliers to commit to respecting the ILO conventions on labour standards on working hours and the health and safety of their workers
A.1.4	The Company has a publicly available statement of policy committing it to engage with its potentially and actually affected stakeholders, including in local communities where relevant
	OR there is evidence that the Company regularly engages with potentially and actually affected stakeholders and/or their legitimate representatives
A.1.4	The Company's publicly available statement of policy also commits it to engaging with affected stakeholders and/or their legitimate representatives in the development or monitoring of its human rights approach
	OR there is evidence that the Company regularly engages with potentially and actually affected stakeholders and/or their legitimate representatives in the development or monitoring of its human rights approach."
A.1.5	The Company has a publicly available statement of policy committing it to remedy the adverse impacts on individuals, workers and communities that it has caused or contributed to
	The policy commitment also includes a commitment to the following: Working with its suppliers to remedy adverse impacts which are directly linked to its operations, products or services through the suppliers' own mechanisms or through collaborating with its suppliers on the development of third party non-judicial remedies
A.1.5	AND the Company's policy commitment recognises its approach to remedy should not obstruct access to other remedies, or it includes commitments to collaborating in initiatives that provide access to remedy
B.1.1	The Company indicates the senior manager role(s) responsible for relevant human rights issues within the Company (i.e. responsibility for human rights is assigned to a senior manager(s))
	The Company also describes how day-to-day responsibility is allocated across the range of relevant functions of the company.
B.1.1	AND The Company describes how day-to-day responsibility for managing human rights issues within its supply chain is allocated
B.2.1	The Company describes the process(es) to identify its human rights risks and impacts: in specific locations or activities, covering its own operations (i.e. impacts that it may cause or contribute to)
	AND Through relevant business relationships, including its supply chain."
B.2.1	"The Company describes the global systems it has in place to identify its human rights risks and impacts on a regular basis across its activities, in consultation with affected or potentially affected stakeholders and internal or independent external human rights experts. This includes how the systems are triggered by new country operations, new business relationships or changes in the human rights context in particular locations.
	AND The Company's description includes an explanation of when human rights impact assessments (HRIAs) or environmental and social impact assessments (ESIAs) covering human rights are/will be carried out."

## B.3 Stakeholder Risk Maps (ILO & NGOs)

B.2.2	The Company describes its process(es) for assessing its human rights risks and impacts and what it considers to be its salient human rights issues including how relevant factors are taken into account, such as geographical, economic, social and other factors
	OR The Company publicly discloses the results of the assessments, which may be aggregated across its operations and locations."
B.2.3	The Company meets both of the requirements under Score 1.
	The Company describes its global system to take action to prevent, mitigate or remediate its salient human rights issues, AND this includes a description of how its global system applies to its supply chain
	OR The Company provides an example of the specific conclusions reached and actions taken or to be taken on at least one of its salient human rights issues as a result of assessment processes in at least one of its activities/operations."
B.2.4	The Company meets both of the requirements under Score 1.
	"The Company describes the system(s) for tracking the actions taken in response to human rights risks and impacts assessed and for evaluating whether the actions have been effective or have missed key issues or not produced the desired results
	OR It provides an example of the lessons learned while tracking the effectiveness of its actions on at least one of its salient human rights issues as a result of the due diligence process."
B.2.5	The Company meets both of the requirements under Score 1.
	"The Company describes or demonstrates how it communicates externally about its human rights impacts and how effective it has been in addressing those impacts (i.e. through the steps described in B.2.1 to B.2.4)
	AND The description includes communications covering human rights impacts involving the Company's supply chain."
	"The Company also describes how it has responded to specific human rights concerns raised by, or on behalf of, affected stakeholders
C.1	AND The Company also describes how it ensures that the affected or potentially affected stakeholders and their legitimate representatives are able to access these communications."
	The Company indicates that it has one or more channel(s)/mechanism(s), or participates in a shared mechanism, accessible to all workers to raise complaints or concerns related to the Company.
	The Company also discloses data about the practical operation of the channel(s)/mechanism(s), including the number of grievances about human rights issues filed, addressed or resolved.
	AND The company indicates that the channel(s)/mechanism(s) is available in all appropriate languages.
C.2	AND The workers in its supply chain have access to either: the Company's own channel(s)/ mechanism(s) to raise complaints or concerns about human rights issues at the Company's suppliers or the Company expects its suppliers to establish a channel/mechanism for their workers to raise such complaints or concerns and to convey the same expectation on access to grievance channel(s) / mechanism(s) to their own suppliers."
	The Company indicates that it has one or more channel(s)/mechanism(s), or participates in a shared mechanism, accessible to all external individuals and communities who may be adversely impacted by the Company (or individuals or organisations acting on their behalf or who are otherwise in a position to be aware of adverse impacts) to raise complaints or concerns, including about human rights issues related to the Company, particularly in high risk locations.
	The Company also describes how it ensures the channel(s)/mechanism(s) is accessible to all potentially affected external stakeholders at all its own operations, including in local languages.
C.7	AND The Company describes how it ensures external individuals and communities have access to the Company's own channel(s)/ mechanism(s) to raise complaints or concerns about human rights issues at the Company's suppliers or the Company expects its suppliers to establish a channel/mechanism for them to raise such complaints or concerns, and to convey the same expectation on access to grievance channel(s) / mechanism(s) to their suppliers. "
	"For adverse human rights impacts which it has caused or to which it has contributed, the Company describes the approach it took to provide or enable a timely remedy for victims
	OR if no adverse impacts have been identified then the Company describes the approach it would take to provide or enable timely remedy for victims. "
	"For adverse human rights impacts which it has caused or to which it has contributed, the Company also describes changes to systems and procedures to prevent similar adverse impacts in the future
	OR if no adverse impacts have been identified then the Company describes the approach it would take to review and change systems and procedures to prevent similar adverse impacts in the future
	AND The Company provides an evaluation of the effectiveness of the grievance channel(s)/mechanism(s)."

## B.3 Stakeholder Risk Maps (ILO & NGOs)

D.1	"The Company has a public policy committing to respect indigenous peoples' rights in line with international law and standards, through its own operations and through supply chains and business relationships. The policy explicitly references and commits to respecting the rights outlined in the UN Declaration on the Rights of Indigenous Peoples
	OR the policy explicitly references and commits to all of the following: right to customary, ancestral, and collective lands, territories, and resources; right to practice cultural traditions; right to self-determination; right to livelihood; and right to free, prior and informed consent (including the right to reject to projects or major project updates). "
	The Company meets EITHER criteria in SCORE 1
	AND describes its process, in adherence with international standards, for understanding who is an indigenous person and what constitutes customary, ancestral, or collective land, territories, and resources.
D.2	"The Company has a public policy committing to respect the rights of all communities affected by its projects and operations (including right to livelihoods, right to land, right to health, right to a healthy environment, consultations, etc.)
	AND the Company regularly (at least annually) publishes information on the implementation of this policy that includes a description of how affected communities were identified, how consultations took place, if and how traditionally marginalized groups were included (for example, women, indigenous peoples, afro-descendants, religious minorities, people with disabilities, LGBTQA+, children), evidence of if, how, and when free, prior and informed consent for projects was achieved, and what happened when it was not.
	OR if the Company has not engaged in any projects affecting specific communities in the annual reporting period, it states that and describes its approach in relation to all elements above. "
	"The Company's policy extends this expectation to all relevant suppliers, contractors, subcontractors, and other business relationships, AND its policy and implementation reports are published in all relevant local languages. "
D.3	The Company has a public policy to identify potential benefit and ownership sharing options that serve affected communities. This policy recognises that affected communities have a right to decide their own priorities in terms of how they may benefit from projects.
	The Company discloses statistics for each of its projects and/or operations describing the demographics of its benefits and ownership sharing processes, including any final agreements, and if and how members of affected communities participated in the decision-making.
E.1	The Company has a public policy committing to respecting land rights of legitimate tenure rights holders as set out in the UN Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests, including where land titles are not formally recorded.
E.2	The Company's policy extends this expectation to all relevant suppliers, contractors, subcontractors, and other business relationships.
	When acquiring, leasing or making other arrangements to use (or restrict the use of) land in its own operations, the Company has a policy in place to identify legitimate tenure rights holders, with particular attention to vulnerable tenure rights holders.
E.3	The Company's policy extends this expectation to all relevant suppliers, contractors, subcontractors, and other business relationships.
	The Company has a public policy that commits it to follow the substance of IFC Performance Standard 5 when relocation for a project is determined to be necessary
	AND the Company commits to not relocate or displace affected communities without obtaining free, prior, and informed consent (FPIC) and providing just and fair compensation, as agreed during the FPIC and resettlement process with relevant stakeholders.
	OR if the Company does not develop project sites directly, it states that and commits not to engage in projects where developers do not have these commitments in place. "
	"The Company meets the criteria in SCORE 1 and also publishes statistics regarding the number of people relocated by current and planned projects it is involved in,
F.1	AND publishes regular (at least annually, throughout the life of the project) reviews of living conditions of relocated communities in scenarios where housing or other related compensation agreements were made.
	OR if the Company has not engaged in any projects involving relocations, it describes its approach in relation to all elements above.
	The Company explicitly commits to address the heightened human rights risks associated with operations in conflict-affected and/or high-risk areas
	AND The Company outlines the steps it takes to assess and mitigate these risks (or references where this information can be found in the Company's human rights due diligence policy).
	The Company meets the criteria in SCORE 1
	and regularly (at least annually) reports on security incidents identified and measures taken to address them both in its own operations and those of relevant suppliers, contractors, subcontractors, and other business relationships.
	OR If no security incidents were identified in the annual reporting period, the Company reports that.



## B.3 Stakeholder Risk Maps (ILO & NGOs)

F.2	The Company regularly (at least annually) conducts and publicly reports on the outcomes of its risk assessment process with regards to the use of security forces, referencing how its process aligns with human rights.
	The Company commits to adhere to the Voluntary Principles on Security and Human Rights
	AND if the Company uses private security forces, it discloses that and commits to only contract companies that are signatories to the International Code of Conduct for Private Security Providers. If the Company directly employs its security forces, it commits to abiding by the International Code of Conduct itself.
F3	The Company publicly describes its processes for implementing the OECD Guidance on Responsible Mineral Sourcing or equivalent international standards, including Step 5 which mandates an annual public report on risk identification and mitigation.
	If the Company does not produce renewable energy technology using minerals, it requires any relevant technology providers, including battery storage providers, to do the above.
	"The Company meets the criteria in SCORE 1
	AND the Company's Step 5 report describes in detail at least one risk that was identified in its minerals supply chains and how that risk was mitigated (or what future plans for mitigating it are).
	OR If the Company identified no risks in the annual reporting period the Step 5 report notes that. If the Company does not produce renewable energy technology using minerals, it requires all relevant technology providers, including battery storage providers, to do the above."
G.1	The Company publicly commits to not retaliate against human rights or environmental defenders exercising their fundamental rights to freedom of expression, association, peaceful assembly, or protest, whether directly against the Company and its operations or not, and regardless of whether they are workers or community members affected by the Company's operations, including journalists and local NGO members.
	AND The Company extends this expectation to all relevant suppliers, contractors, subcontractors, and other business relationships.
	The Company describes how this commitment is applied in practice (e.g. including in its due diligence process, doing analysis of civil society space in countries of operation, or continuous monitoring of risks to and attacks on defenders)
	and how it uses its leverage to mitigate these risks.
H.1	The Company discloses quantitative information on health and safety for its employees related to injury rates or lost days (or near miss frequency rate) and fatalities.
	AND The Company extends this expectation to all relevant suppliers, contractors, subcontractors, and other business relationships. "
	The Company explains any significant incidents or adverse trends from the disclosures in SCORE 1
	AND the Company has a procedure to review suppliers' safety statistics during pre-qualification, including disqualifying suppliers if they do not meet pre-established standards.
H.2	The Company has a policy committing it to pay all its employees a living wage and discloses how it calculates this wage, including if and how it engages relevant trade unions or equivalent worker bodies in the setting of the wage rate.
	The Company's policy extends this expectation to all relevant suppliers, contractors, subcontractors, and other business relationships.
H.3	The Company demonstrates that it has already closed the gender wage gap
	OR that it has a timebound commitment for closing the gender wage gap
	AND The Company reports gender wage gap information at the company level across multiple pay bands.
	The Company extends this expectation to all relevant suppliers, contractors, subcontractors, and other business relationships.

## B.3 Stakeholder Risk Maps (ILO & NGOs)

I.1	The Company undertakes public environmental impact assessments for all its renewable energy projects
	OR commits to only participating in projects where a public environmental impact assessment is undertaken. The assessments comply with the principles settled by the Espoo Convention and/or the EU Environmental Impact Assessment Directive and include all of the following: a) timely consultations with affected communities, b) activities in protected areas c) environmental impacts affecting communities (such as access to clean water, impacts on soil), d) impacts on biodiversity, flora and forestry, or natural habitats (in compliance with the Convention on Biological Diversity and other relevant instruments), e) impacts on climate change, and f) plans for restoring the impacted environment, including through compensation measures, during and upon closure of the project
	The Company meets the criteria in SCORE 1 AND the Company reports on its compliance with government-mandated remediation fund requirements  OR where it is not mandated by government, the Company reports on how it ensures there is an entity (either the Company itself, a bank, or an insurance company) to guarantee the payment for environmental restoration or compensations to people who may suffer from Company operations.
I.2	The Company undertakes or requires its technology suppliers to undertake regular public life cycle assessments of its primary technologies such as solar panels or wind turbines as per ISO 14040. The life cycle assessment extends to risks related to raw material sourcing and waste generation, including minerals and metals.
	The Company meets the criteria in SCORE 1 AND has action plans in place to address potential adverse impacts identified during life cycle assessments AND the Company demonstrates and continually reports (at least annually) on progress made on the action plan
	I.3 The Company has a timebound plan in place for a just energy transition out of non-renewable energy production, if not reached already AND the Company regularly (at least annually) reports on progress against this plan The Company's energy production portfolio is 100% renewable energy.
J.1	The Company commits to the principles outlined in the OECD Convention on Combatting Bribery of Foreign Public Officials in International Business Transactions including, at a minimum, prohibiting bribes to foreign public officials. AND The Company extends this expectation to all relevant suppliers, contractors, subcontractors, and other business relationships The Company reports information regarding any corruption or bribery complaints or concerns received via its grievance mechanism/channels for external individuals and communities (see C.2). OR If no corruption reports were made on this platform the Company notes that
	J.2 The Company discloses any payments made to governments for purchase or rent of land or natural resources related to its renewable energy projects AND discloses the terms under which those payments were made.  OR If the Company is not involved in direct purchase or rent of land or natural resources, it expects its relevant suppliers, contractors, subcontractors, and other business relationships to disclose this information
	The Company meets the criteria in SCORE 1 and the Company includes this disclosure as a precondition requirement for conducting business with all relevant suppliers, contractors, subcontractors, and other business relationships involved in renewable energy operations.
K.1	The Company provides mandatory and regular (at least annual) in person, virtual, and/or written training, as per ILO Convention 190, to its staff on all types of contracts on equality, equity, diversity, anti-discrimination (including gender-based violence), and the Company's policies and mechanisms for addressing it. The Company meets the criteria in SCORE 1 and the Company incentivizes its suppliers to do the same by providing materials and access to relevant resources for those who will be conducting trainings.
	K.2 The Company commits to and has a public, timebound action plan to create gender balance at all company levels, AND demonstrates progress against it through regular (at least annual) reporting." The Company meets the criteria in SCORE 1 and discloses information that shows no single gender makes up more than 60% of the Company's board of directors, executives, or executive board.

## B.3 Stakeholder Risk Maps (ILO & NGOs)

### WBA perspective

The World Benchmarking Alliance is an NGO dedicated to analyzing companies' performance against ESG practices. While not specializing in human rights, the WBA has developed a standard on Just Transition that is the primary guiding reference available to companies.

Pillar I	1	Commitment to respect human rights
	2	Commitment to respect the human rights of workers
	3	Identifying human rights risk and impacts
	4	Assessing human rights risks and impacts
	5	Integrating and acting on human rights risk and impact assessments
	6	Engaging with affected and potentially affected stakeholders
	7	Grievance mechanisms for workers
	8	Grievance mechanisms for external individuals and communities
Pillar II	9	Health and safety fundamentals
	10	Living wage fundamentals
	11	Working hours fundamentals
	12	Collective bargaining fundamentals
	13	Workforce diversity disclosure fundamentals
	14	Gender equality and women's empowerment fundamentals
Pillar III	15	Personal data protection fundamentals
	16	Responsible tax fundamentals
	17	Anti-bribery and anti- corruption fundamentals
	18	Responsible lobbying and political engagement fundamentals
Just Transition	1	Fundamentals of social dialogue and stakeholder engagement in a just transition
	2	Fundamentals of just transition planning
	3	Fundamentals of creating and providing or supporting access to green and decent jobs for an inclusive and balanced workforce
	4	Fundamentals of retaining and re- and/or up-skilling workers for an inclusive, balanced workforce
	5	Fundamentals of social protection and social impact management for a just transition
	6	Fundamentals of advocacy for policies and regulation on green and decent job creation; employee retention, education and reskilling, and social protection supporting a just transition.

## B.3.1 Stakeholder Risk Maps and Impacts - Local / Indigenous communities

The construction of wind and photovoltaic parks, as well hydro energy, always has an impact on local populations. Wind farms have a very significant visual, sound and flying impact that can be mitigated but is not nullable. Although less visible, and not being a noise generator or a threat to flying species, photovoltaic parks “urbanize” wide territorial areas and generate a mirror effect. Dams transform vast areas of the territory, in an almost irreversible way.

Likewise, the transmission network continuously interferes with the landscape. This is the general cause that can affect the rights of people facing the construction of a renewable energy site, which includes the impact of construction work. Local authorities, landowners or users, neighbors, environmental organizations, all shall express their opinion and make a point in relation to the new construction. In regions where communities, and not just indigenous peoples, use collective territory, it is necessary to address additional aspects that can have a negative impact.

Likewise, the closure of coal-fired power plants generates local unemployment, which deserves appropriate local plans for the creation of new jobs and job retraining.

POTENTIAL ISSUES	WIND OFFSHORE	WIND FARMS	SOLAR FARMS	LARGE HYDRO	SMALL HYDRO	COAL PLANTS	GAS PLANTS	TRANSMISSION	DISTRIBUTION
Visual	●●	●●●	●	●●●		●●	●●	●●●	●●
Noise/vibration		●●●		●	●	●	●	●	
Fishing/farming	●	●●	●	●●●	●	●	●	●	
Historical Heritage				●●●					
Natural Heritage		●●●		●●●		●	●	●●●	
Land ownership		●●		●●●				●●	●
Safety risks		●						●	●●
Pollution						●●●	●		
Resettlements				●●●					
Unemployment						●●●			
Unshared Value	●	●●		●●●▲		●●	●●	●	
Accesses		●		●●●		●	●●		
Construction works		●		●●●		●	●	●	
Migrant workers influx				●●●		●	●		
O&M works		●				●●●	●●	●	●

Potential Risk	Issue presence	Incidents occurrence	Ongoing mitigation plans
● ●● ●●●	● ●● ●●●	● ●● ●●●	▲

## B.3.2 Stakeholder Risk Maps and Impacts - Suppliers

As of 2019, the performance of all critical EDP suppliers began to be assessed in relation to Human and Labor Rights. These suppliers represent ~90% of the purchase volume.

Thus, in addition to risk assessment and control in the selection of suppliers, performance was also monitored. This process, which was already applied to contractors, was extended to Tier1 suppliers.

The most frequent problems are related to excessive working hours, non-compliance with rest periods and insufficient compliance with safety rules. Issues that continue to require great monitoring.

The most severe problems are related to fatal accidents, fundamentally coming out from noncompliance with safety rules by contractors.

Also, peace instability, as it is the case for Colombia, affects supply chain respect for human and labor rights

### Suppliers Tier 1

POTENTIAL ISSUES	CONTRACTORS	SERVICES	EQUIPMENT	FUEL
Salary arrears / non-payment	●			
Excessive overtime hours	●●●▲			
Excessive continuous work hours	●●			
Violation of the right to weekly rest/vacation	●			
Wages below the legal/contractual minimum	●	●	●	●●
Inhibition of Collective Bargaining/association rights	●	●	●	●●
Child labor	●	●	●	●
Youth work in hazardous activities	●	●	●	●●
Lack of training and protection/safety equipment	●▲			
Violation of the right to medical leave	●			
Violation of the right to care for one's family	●			
Forced labor situation	●	●	●	●
Use of illegal workers	●	●	●	●
Use of non-contract workers	●			
Inadequate conditions for posted workers	●			
Health & Safety risks	●●●▲			●●
Breach of personal data	●			
Gender discrimination in careers	●	●	●	●●
Gender discrimination in salaries and duties	●	●	●	●●
Racial/ethnic discrimination	●	●	●	●●
Sexual harassment	●			
Verbal harassment	●			
Physical violence	●			●●

Potential Risk	Issue presence	Incidents occurrence	Ongoing mitigation plans
● ●● ●●●	● ●● ●●●	● ●● ●●●	▲

### B.3.3 Stakeholder Risk Maps and Impacts - Employees

The ethical process is the main system that captures disrespect for people's individual rights. The detailed information is published in the EDP Group's Sustainability Report as well as in the reports of the Spain, Brazil and Renewable business units. The expansion of the ethical channel, carried out in 2019, increased the number of contacts received compared to previous years.

POTENTIAL ISSUES	EUROPE	SPAIN NORTH AMERICAN	SOUTH AMERICA
Salary arrears / non-payment			
Excessive overtime hours	●	●	●
Excessive continuous work hours	●	●	● ▲
Violation of the right to weekly rest/vacation	●	●	●
Wages below the legal/contractual minimum			
Inhibition of Collective Bargaining/association rights			
Child labor			
Youth work in hazardous activities			
Lack of training and protection/safety equipment	●	●	●
Violation of the right to medical leave			
Violation of the right to care for one's family			
Forced labor situation			
Use of illegal workers			
Use of non-contract workers			
Inadequate conditions for posted workers			
Health & Safety risks	●	●	●
Breach of personal data	●	●	●
Gender discrimination in careers/salaries/duties	●	●	●
Racial/ethnic discrimination	●	●	●
Sexual harassment	●	●	●
Verbal harassment	●	●	●
Physical violence			

Potential Risk	Issue presence	Incidents occurrence	Ongoing mitigation plans
● ● ● ●	● ● ● ●	● ● ● ●	▲



### B.3.4 Stakeholder Risk Maps and Impacts - Customers

Undue power cuts and the technical violation of private property keep going the relevant risks on costumer rights.

















Undue power cuts mainly result from communications prior to the interruption not reaching the customer.


The technical violation of private property is essentially a situation in which the measuring equipment, owned by the Distribution Network Operator, is installed outside but without access from the public road, thus demanding access from a gate or wall.

Cutting trees for protecting bands, due to the owners' lack of knowledge or lack of contacts, is also a risk situation.

The risk of personal data breach, agent fraud, and exposure of employees to physical intimidation by customers also deserves attention.

#### Distribution and Commercialization of energy

POTENTIAL ISSUES	PORTUGAL	SPAIN	BRAZIL
Unjustified power cuts 			
Unjustified power cuts: patients			
Violation of personal data/privacy			
Physical violence			
Violation of private property			
Commercial Harassment			
Commercial Misinformation/swindle			

Potential Risk	Issue presence	Incidents occurrence	Ongoing mitigation plans
   	    	    	

# — EDP's HUMAN AND LABOR RIGHTS PROCEDURES

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## C.1 EDP's Human and Labor Rights Model

EDP has four policies to cover human and labor rights. One to specify the commitment to respect Human and Labor Rights and establish the framework methodology. Another to define the relationship approach with its stakeholders. Another to define the expectations for EDP itself and its employees and representatives, and another to define the expectations for suppliers. In addition, EDP has developed specific policies that focus on promoting rights.

### In short, Human and Labor Rights Policy:

Is approved by the Executive Board of Directors, informed by international benchmark and establishes its operationalization through the UN Guiding Principles on Business and Human Rights. It is directed by a senior manager and assigned to the CSO.

Covers all stakeholder groups and stipulates the enterprise's human rights expectations of personnel and partnerships through the Code of Ethics and expectations of suppliers through the Supplier Code of Conduct.

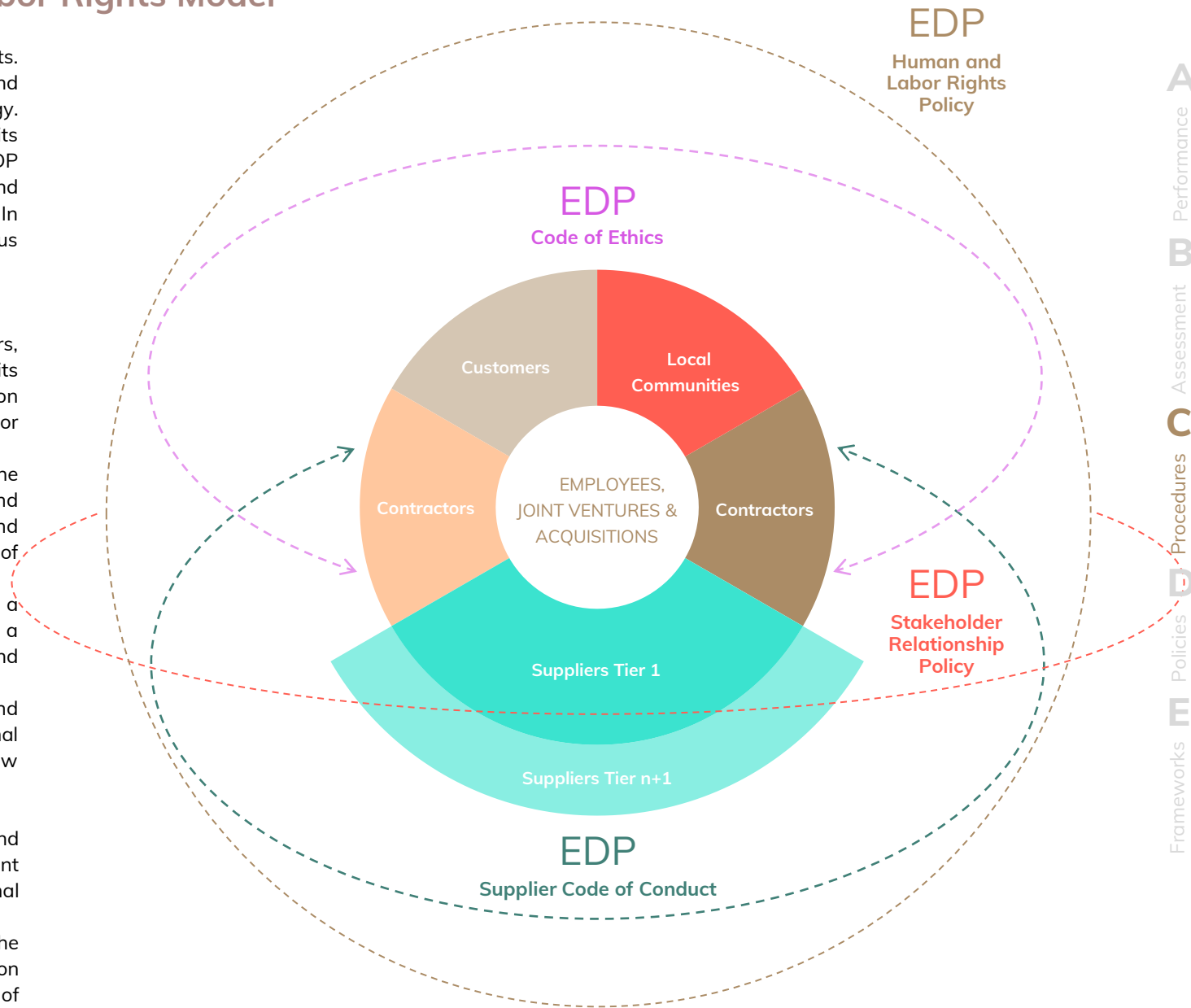
Is a binding document in employment contracts and a contractual clause for contractors and suppliers. Is a reference document in setting up joint ventures and acquisitions.

Is published in Portuguese, English and Spanish and available online. Is extended through versions for regional or sectorial purposes (geographies, customers, new infrastructures, coal suppliers).

Is taught and discussed in workshops and e-learning.

Is incorporated into risk analysis, qualification and performing evaluation of counterparties, assessment systems, stakeholder management, operational procedures, audits and KPIs.

All policies of the EDP Group are approved by the executive board of directors, after technical preparation by a working group that includes the performance of international benchmarking and the engagement of the business units, as well as validation by the various regulatory bodies of the company.



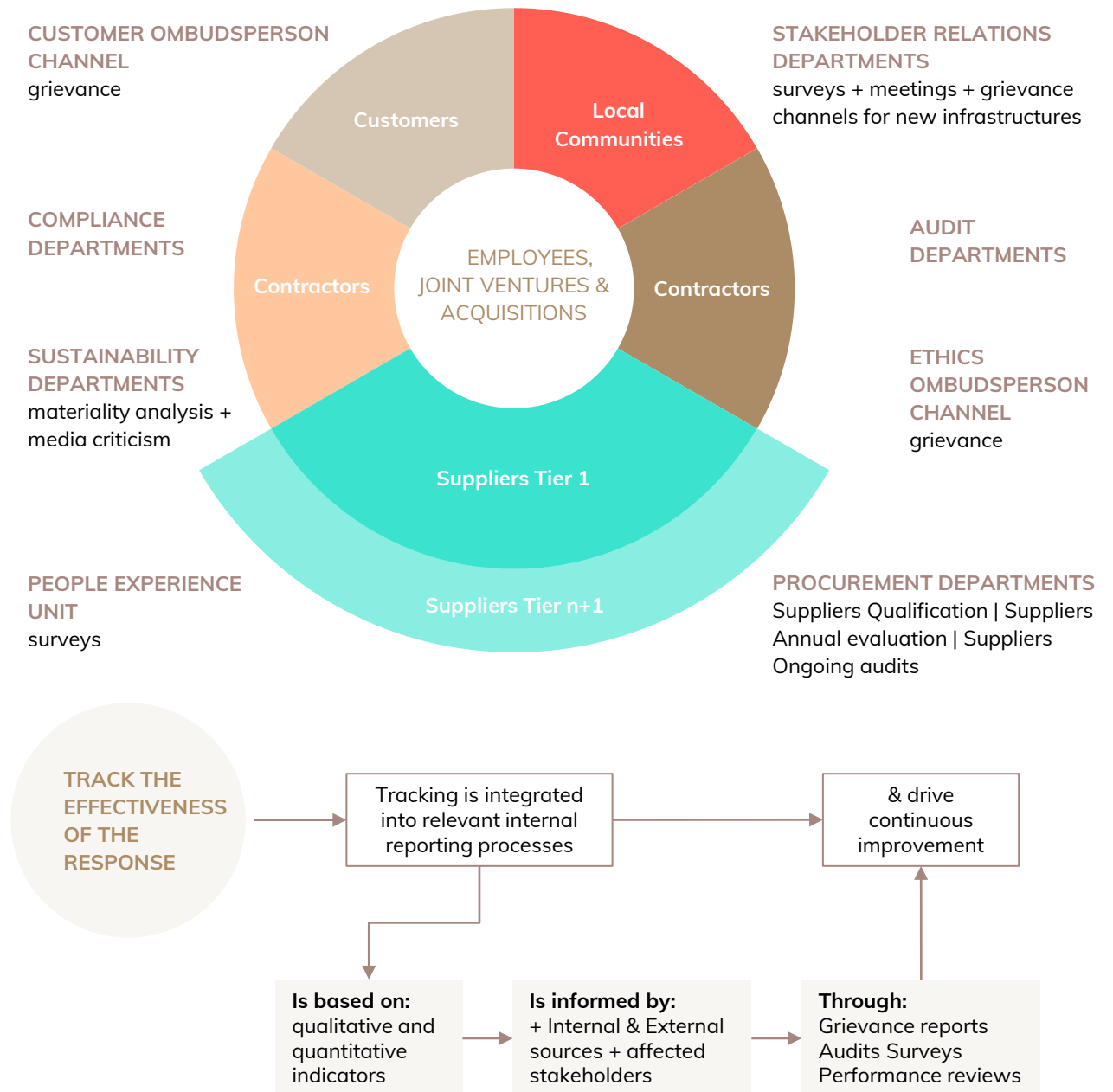
## C.2 Working Committee Annual Assessment of Procedures

The Human and Labor Rights Working Committee is an operational committee composed by the directors of the corporate departments that have action related to human and labor rights. The Working Committee is chaired by the CSO and directed by the corporate Human and Labor Rights director.

Once a year, the Committee has a special meeting to assess the performance of the year, identify and analyze the changes that must be made to the procedures and standards and approve the action plan for the following year.

On top of the due diligence measures in all its Business Units – including new projects and acquisitions, suppliers, contractors, joint ventures, agents, customers and employees – annually, the Group develops a transversal monitoring process aimed at verifying effective practices, assessing the degree of compliance with the principles and commitments assumed, particularly of the risks identified as most relevant, identifying new potential risks, developing the necessary corrective actions and taking new management decisions to change any procedures in need.

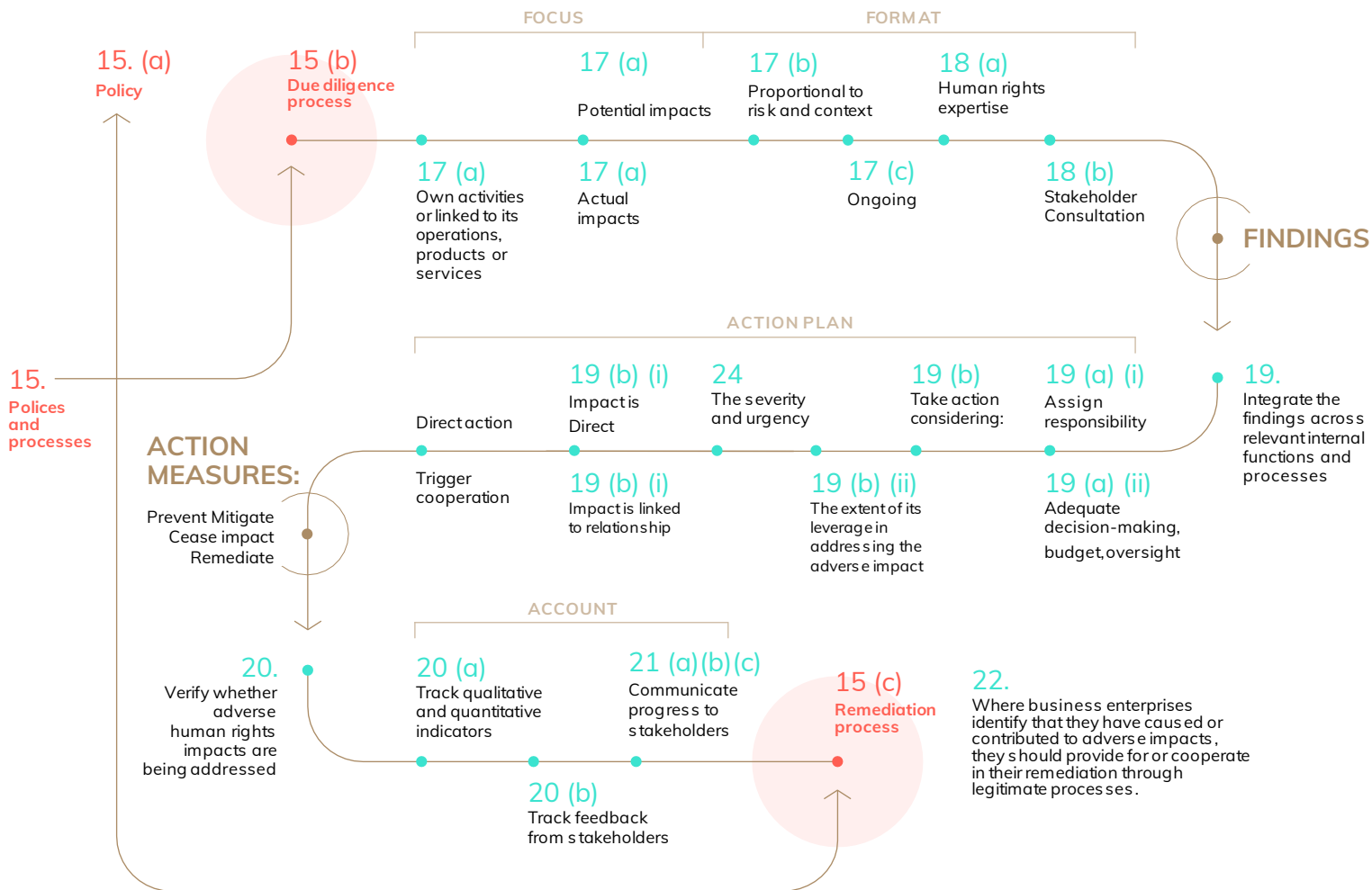
This procedures assessment or monitoring process takes evidences from the ensemble of due diligences processes.



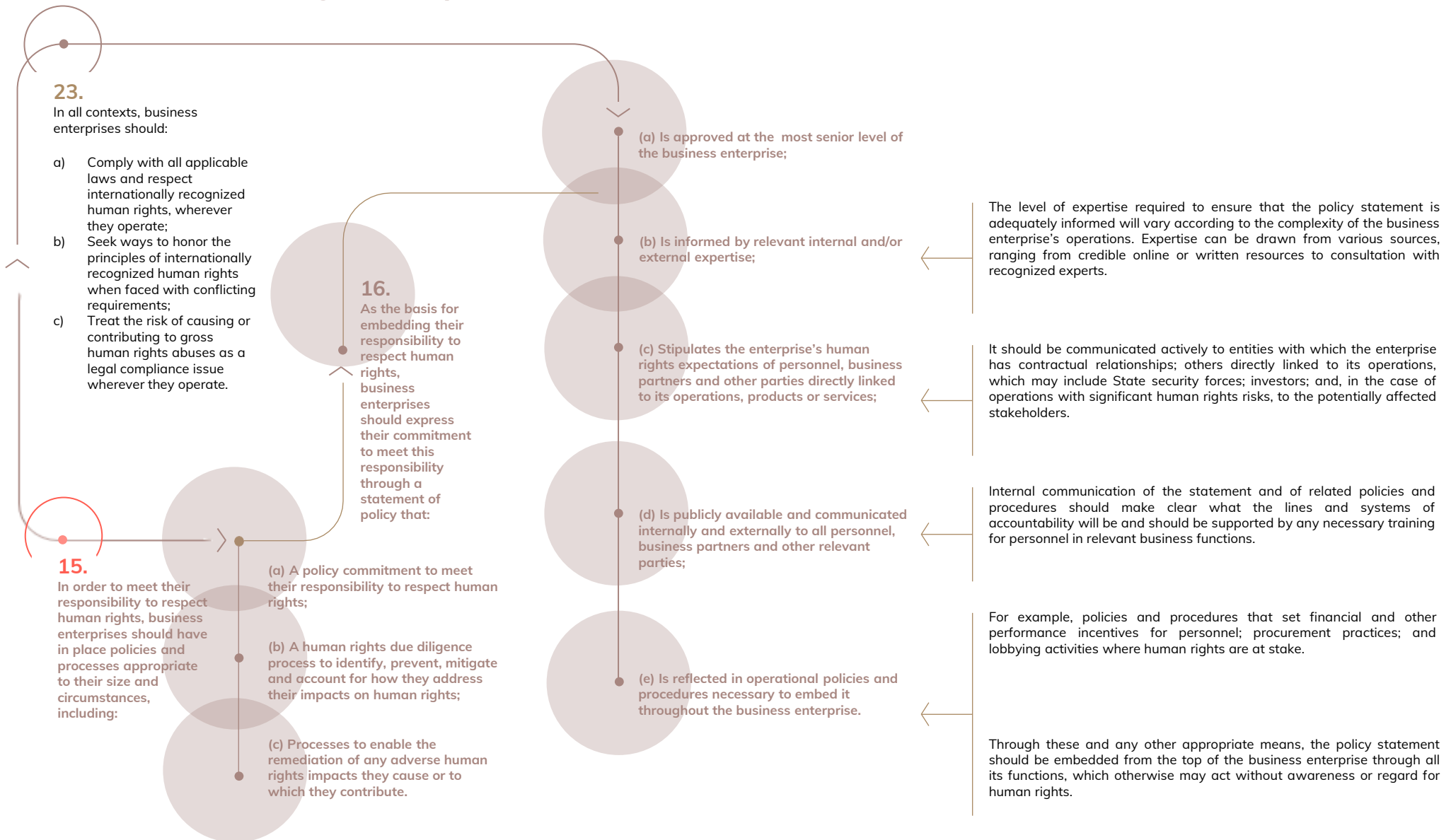
## C.3 UN Due Diligence Implementation

The full due diligence process is described in the flowchart on this page. The Ruggie methodology, which guides it, does not deviate from the general methodology of quality processes. What is particular about the human rights framework is the link between problem and action. EDP's due diligence model transposes the Ruggie model literally.

This diagram does not dispense with reading the original framework, especially the comments without which it is not possible to get the picture. There are numerous variants of the Ruggie model, starting with the OECD guidelines, but none denies the solidity of the original.



## C.3 UN Due Diligence Implementation





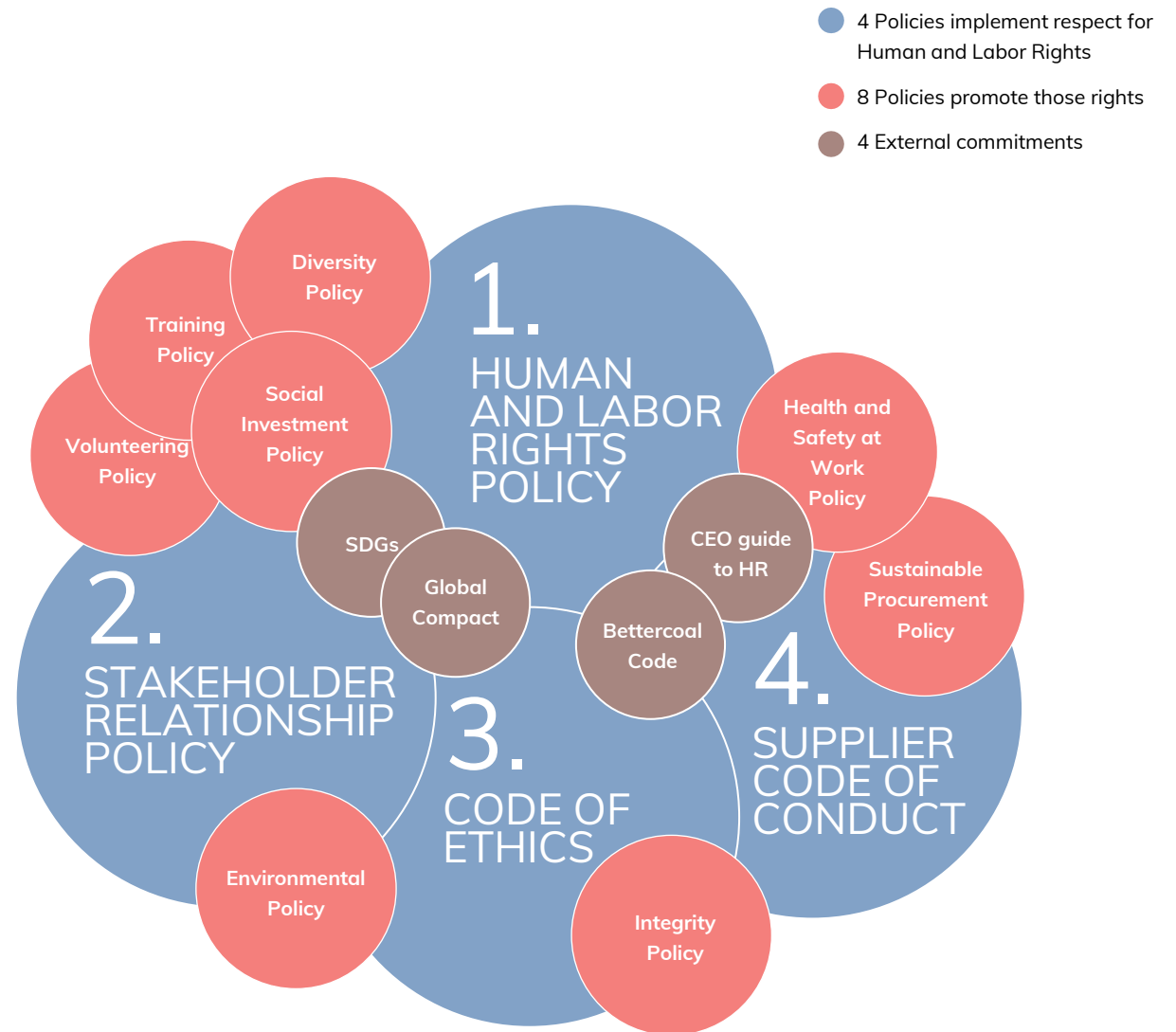
# #D — EDP's POLICIES

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## D.1 Policy framework

EDP's policy architecture includes three different dimensions. One of a structuring, normative and operational nature, as is the case of the Human Rights Policy, and which incorporates the commitments present in the remaining dimensions; another of a declarative nature, which establishes principles and objectives for specific themes, with a more limited scope; and another, also declarative, which subscribes to principles common to several companies.

The four structuring and interrelated policies on Human and Labor Rights are reproduced on the following pages.



## D.2 Human and Labor Rights Policy

### 1. SUBSTANTIATION

In 2003 the EDP Group subscribed to the United Nations Global Compact, the following year approved its Sustainable Development Principles and, in 2005, published the first edition of the Code of Ethics. In 2006, the EDP Group established a new business strategy setting the priority to renewable energy investment.

In 2021, the EDP Group reinforced its growth and internationalization strategy, assuming the “All Green by 2030” ambition and enlarged international recognition, for its ethical excellence and deep respecting of human and labor rights in all dimensions of its activity.

Since the founding years of the internationalization and decarbonization strategy, the Code of Ethics has been updated and revised enabling the organization to face new challenges and risks, tackling the contemporary social transformation, and, in the same way, several policies were published, orienting specific themes, developing the principles established in the Code of Ethics. In this sense, in 2017, the Declaration of Respect for Human and Labor Rights was approved, committing to the United Nations Guiding Principles on Business and Human Rights, including the development of risk maps, deeper reporting on human and labor rights management, enhanced internal procedures, particularly in supply chain management.

Now, taking the strengthening of the internationalization strategy through investment in renewable energy and the revision of the EDP Group’s Code of Ethics, carried out in September 2020, it became necessary to update related policies and procedures, namely the specific policy of respect for Human and Labor Rights.

Accordingly, and informed by international references, listening to stakeholders, the complaints system and the media, the Executive Board of Directors (EBD) approved the EDP Human and Labor Rights Policy, hereinafter also

referred to as “Policy”, with the consequent revocation of the Declaration of Respect for the EDP Group’s Human and Labor Rights Policy.

### 2. OBJECTIVE

The Human and Labor Rights Policy aims to ensure respect for Human and Labor Rights in the EDP Group’s sphere of activity, implementing the commitments defined in its policies, specifying the international reference treaties and standards and establishing the procedures that ensure compliance with them.

### 3. SCOPE

The Policy applies to all EDP Group companies and employees, business relationship and activities, in all its geographic locations, regardless of the local practices or level of social and economic development. In implementing the Policy, the EDP Group respects national legislation and international treaties and standards according to the stringent standards. The Policy is in force even though national law may not transpose the international treaties and standards.

### 4. EDP’s REFERENCES

The Policy develops and implements the principles of respect for human and labor rights established in the following EDP fundamental policies:

- a) Code of Ethics
- b) Stakeholder Relationship Policy
- c) Supplier Code of Conduct

### 5. INTERNACIONAL STANDARDS AND DIRECTIVES

The Policy transposes to EDP’s sphere of activity the human and labor rights commitments and procedures defined by international standards and directives, namely:

- a) United Nations Global Compact
- b) United Nations Guiding Principles on Business and

Human Rights

- c) OECD Due Diligence Guidance for Responsible Business Conduct
- d) Directive of the European Parliament and of the Council on Corporate Due Diligence and Corporate Accountability

### 6. INTERNACIONAL TREATIES AND CONVENTIONS

The Policy sets out for the EDP Group’s sphere of activity its commitment to respect all internationally recognized human and labor rights, namely:

- a) Within the scope of the United Nations Organization:
  - i. “International Bill of Human Rights”, including:
    - i. Universal Declaration of Human Rights, 1948
    - ii. International Covenant on Civil and Political Rights, 1966
    - iii. International Covenant on Economic, Social and Cultural Rights, 1966
  - ii. Instruments to protect vulnerable people and groups, including:
    - i. International Convention on the Elimination of All Forms of Racial Discrimination (1965)
    - ii. Convention on the Elimination of All Forms of Discrimination against Women, 1979
    - iii. Convention on the Rights of the Child, 1989
    - iv. International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, 1990
    - v. Convention on the Rights of Persons with Disabilities, 2006
    - vi. Declaration on the Rights of Indigenous Peoples, 2007
- b) Within the scope of the International Labor Organization (ILO):
  - i. The eight Fundamental Principles and Rights at Work and related conventions, including:
    - i. Freedom of Association and Protection of the Right

## D.2 Human and Labor Rights Policy

to Organize Convention, (No.87), and the Right to Organize and Collective Bargaining Convention, (No.98)

- ii. The elimination of all forms of forced or compulsory labor (Conventions 29 and 105)
- iii. The effective abolition of child labor (Conventions 138 and 182)
- iv. The elimination of discrimination in relation to employment and occupation (Conventions 100 and 111)
- v. Respect Labor Standards on Working time (Conventions 1, 14 and 106)
- vi. Protection of Occupational Health and Safety (Conventions 155 and 187, Protocol 2002)
- vii. The guarantee of payment of a minimum wage (2008 ILO Declaration on Social Justice for a Fair Globalization).
- viii. Understanding the Indigenous and Tribal Peoples Convention, 1989 (No. 169)
- ii. The Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy regarding the principles and conventions not included in the eight Fundamental Principles and Rights at Work where applicable.

### 7. STRATEGIC COMMITMENTS

The EDP Group is committed to respecting and enforcing all internationally recognized human and labor rights, identified in article 6. This commitment means:

- a) Support the International Bill of Human Rights, subscribe to and implement the Principles of the Global Compact and the instruments to protect vulnerable people and groups.
- b) Apply the ILO Declaration on Fundamental Principles and Rights at Work and related conventions and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.
- c) Operate a human and labor rights management

system that is active and present in all its activities, implementing the United Nations Guiding Principles on Business and Human Rights, the OECD Due Diligence Guidance for Responsible Business Conduct and the Directive of the European Parliament and of the Council on Corporate Due Diligence and Corporate Accountability.

### 8. ACTION PRINCIPLES

The EDP Group implements its strategic commitments to respect all internationally recognized human and labor rights, identified in article 6, through the application of the following action principles:

- a) Identify, prevent and monitor the risks related to human and labor rights that are salient in its sector of activity, developing and keeping a Human and Labor Rights Risk Map up to date.
- b) Guarantee it will not be complicit in human and labor rights abuses or disrespect.
- c) Recognize as stakeholders: workers and their families, local communities, and any other person or group of people whose lives and environment may be influenced by EDP's activities, including their legitimate representatives, labor unions, social or environmental organizations.
- d) Engage constructively with its stakeholders, especially those affected or likely to be affected by its activities, incorporating their views and concerns within business decisions and the development of its approach to human and labor rights.
- e) Avoid adverse impacts that may arise from business operations or relationships, ensuring remediation in the event of their occurrence and undertaking not to retaliate against accusations, and cooperating in initiatives that promote access to remediation through legitimate judicial or non-judicial mechanisms.
- f) Ensure the proper functioning of a system to report occurrences and make complaints, with a guarantee

of confidentiality and non-retaliation.

g) Communicate and report with transparency its approach to human and labor rights, identifying risks and impacts, mitigation, compensation and remediation measures taken and the results of such actions.

h) Extend the same commitments to its business partnerships and suppliers, working towards to extend these same commitments to their supply chains and their partnerships.

i) Work with its partners and suppliers to mitigate adverse impacts that are directly linked to its operations, products or services through its own mechanisms or through cooperation in the development of third-party non-judicial solutions.

### 9. ASSIGNMENTS

To ensure effective management of respect for Human and Labor Rights established in this Policy, the EDP Group:

- a) Establishes the Human Rights Working Committee, chaired by a director of the EBD, managed by the corporate director responsible for Human and Labor Rights, and made up of the corporate directors with assigned responsibilities in the area of this policy, that is, ethics, sustainability, compliance, legal, auditing, management and labor relations, procurement and supplier management, prevention and safety, risk, and stakeholder management.
- b) Assigns a corporate senior director to the strategic and operational management of the Policy implementation, that assumes direct responsibility to the EBD.

### 10. HUMAN RIGHTS WORKING COMMITTEE

The Human Rights Working Committee works closely together with the Policy director, giving statements on

## D.2 Human and Labor Rights Policy

issues to be submitted to the EBD and ensuring consistency of the procedures across all departments and business units. The duties of the Human Rights Working Committee are:

- a) Assess the Annual Report and the Improvement Plan, prepared by the Human and Labor Rights corporate director, submitting it to the EBD.
- b) Analyze impact assessment and due diligence procedures.
- c) Consider and contribute to the salient Human and Labor Rights Risk Map.
- d) Advice on the development of performance indicators and provide an opinion on external assessments related to Human and Labor Rights.
- e) Analyze negative occurrences relating to Human and Labor Rights and the measures taken.
- f) Consider matters submitted to it by the corporate director of Human and Labor Rights.

### 11. OPERATIONAL PROCEDURES

The Policy implementation in field activities is ensured through the adoption of operational procedures that include, in particular:

- a) Adopting a risk mapping methodology involving the ongoing updating and quality control of the risk map and salient impacts on human rights related to the EDP Group's activities, informed by international references, by proactive listening to stakeholders, by the complaints system and by the media.
- b) Carrying out and publishing human rights impact assessments (HRIA) or environmental and social impact assessments (ESIA) covering human and labor rights, prepared by independent third parties, whenever substantial infrastructure projects or closures are undertaken, or when entering new businesses or geographies.
- c) Communicating human and labor rights to its target audiences in an accessible and appropriate manner,

especially to affected stakeholders who raise issues, providing quality information to assess the appropriateness of the response(s), in a way that does not pose risks to stakeholders or affected personnel.

- d) Applying human and labor rights criteria when establishing investment partnerships, implementing a Due Diligence system ensuring the United Nations Guiding Principles on Business and Human Rights, as well as the OECD Guidelines for Multinational Enterprises.
- e) Applying requirements for assessment, contracting, training, auditing, and exclusion of suppliers regarding human and labor rights practices. Specially for supply chains that are internationally recognized as being at risk, suppliers shall be bound to the following obligations:
  - i. The obligation to provide complaint channels or mechanisms (proprietary, third-party, or shared).
  - ii. The obligation to apply conflict minerals regulations and ensure import minerals and metals come from responsible sources.
  - iii. The obligation to certify contractors that provides infrastructure security.
  - iv. The application of a Human and Labor Rights Policy and a Due Diligence system implementing the United Nations Guiding Principles on Business and Human Rights, as well as the OECD Guidelines for Multinational Enterprises.

### 12. ETHICS CHANNEL

The Ethics Channel is accessible to all individuals, workers and citizens, and communities or organizations, that may be adversely impacted by the company or, irrespective of this, that wish to complain, denounce, clarify or expose any situation, i.e. those related to human and labor rights, available at the following addresses:

- EDP – Energias de Portugal, S.A.  
<https://www.edp.com/en/contact-ethics-ombudsperson>
- EDP Renováveis, S.A. -  
<https://www.edpr.com/en/make-a-complaint>

- EDP Energias do Brasil, S.A.

<https://www.canaldeetica.com.br/edpbrasil/>

### 13. COMMUNICATION

The communication of the Policy is carried out on a permanent basis, as follows:

- a) Published on the corporate website and intranet, as well on the institutional websites of the business units.
- b) Communicated, explained, and explicitly made known to and acknowledged by the employees.
- c) Integrated within the training plans on Ethics, with special attention given to decision-makers and managers and the salient issues of human and labor rights.
- d) Included in the EDP Group's business relationships with other companies, namely suppliers, equity stakes and joint ventures.
- e) Published in the body of the annual report on Human and Labor Rights and disclosed together with the other policies of the EDP Group.

### 14. ENTRY INTO FORCE

- a) The Policy replaces the Declaration of Respect for Human and Labor Rights approved in May 2017.
- b) The Policy is effective from the date of its approval and for an indefinite period, and may be updated or revised, by deliberation of the EBD.
- c) The EDP Group companies are responsible, within the scope of their action, to implement the necessary procedures and actions for the correct implementation of the HLRP.
- d) The internal standards and procedures impacted by the Policy should be updated to incorporate and ensure their full implementation and periodic updating.

Executive Board of Directors, July 2021

## D.3 Stakeholder Relationship Policy

EDP's objectives are to build and strengthen relationships of trust, to share knowledge and relevant information, to anticipate challenges and identify new opportunities for cooperation with our Stakeholders.

### General principles

When creating a Stakeholder Relations Policy, the EDP Group is also adopting a value creation approach for the various Stakeholders of the geographical areas in which it operates. We seek to achieve this through four major Guiding Commitments: Understand, Communicate, Trust and Collaborate. These commitments embody a Policy that seeks to go beyond mere compliance with the formal requirements of the law in order to contribute to effective and genuine involvement of the Group's different Stakeholders. In order to support the implementation of this Relationship Policy, the Department of Institutional and Stakeholder Relations was established in April 2012, to act jointly and in coordination with the various Business Units in Portugal and in the other geographical areas, and with the various Corporate Centre departments, to enhance the effectiveness of the strategic relationship with the Company's Stakeholders. The EDP Group's Stakeholder Relationship Policy is based on four Priorities or Guiding Commitments: Understand, Communicate, Trust and Collaborate.

### 1. Understand:

We dynamically and routinely identify the Stakeholders that influence and are influenced by the Company and analysis and seek to understand their expectations and interests in the decisions that affect them directly.

#### Understand: Include, Identify, Prioritize

- a) Be accountable to those who are impacted by the organization and those that have an impact on the organization, ensuring that minorities have the same capacity for involvement as other Stakeholders;
- b) Dynamically and routinely identify Stakeholders that influence and are directly and indirectly influenced by the company and its activities, as well as the issues identified as relevant by the Stakeholders;

- c) Prioritize, fairly, Stakeholders and the issues raised by them as relevant.

### 2. Communicate:

We are committed to Promoting two-way dialogue with Stakeholders, through information and consultation. We listen, inform and respond to Stakeholders in a consistent, clear, rigorous and transparent manner in order to build close, strong and durable relationships.

#### Communicate: Inform, Listen, Respond

- a) Guarantee access to information by establishing direct and efficient two-way communication channels, actively providing clear, understandable and accurate information to different Stakeholders;
- b) Consult and listen, proactively and continuously, to the concerns, interests and expectations of Stakeholders, prepare consultation plans and engagement strategies tailored to the characteristics of different Stakeholders;
- c) Respond to the relevant issues identified by Stakeholders within a reasonable time, given the characteristics of the Stakeholders involved.

### 3. Trust:

We believe that the promotion of a climate of trust with our Stakeholders is crucial for establishing stable long-term relationships. Our relationship with Stakeholders is based on values such as transparency, integrity and mutual respect.

#### Trust: Transparency, Integrity, Respect, Ethics

- a) Establish a transparent relationship with Stakeholders, to ensure that they know and understand the Company's objectives;
- b) Inform Stakeholders about the economic, environmental and social impacts of the organization or of a particular project, that might have a significantly impact on them;
- c) Respect the opinions and rights of Stakeholders, treating them fairly, without discrimination, with respect

for diversity and their legal rights;

- d) Guarantee that engagement actions are based on the values, policies and ethical principles of the EDP Group.

### 4. Collaborate:

It is our ambition to collaborate with Stakeholders in building strategic partnerships that bring together and share knowledge, skills and tools, to promote the creation of shared value leading to competitive advantage.

#### Collaborate: Integrate, Share, Cooperate, Report

- a) Integrate the relevant contributions identified by Stakeholders in the company strategy;
- b) Share knowledge and skills with Stakeholders;
- c) Work in partnership to build solutions, establishing strategic partnerships that produce positive results for both parties;
- d) Share the company's performance results as well as the results of the different Stakeholder engagement processes, providing - when appropriate - verified performance information.

### Stakeholder categorization model

EDP's Stakeholders are those entities or individuals that influence or are influenced by the activities, products and services of EDP. The EDP Group's Stakeholders are organized into four categories: Democracy, Value Chain, Market and Social and Territorial Context

- 1. Value Chain:** Employees, Unions, Suppliers, Scientific Community, Customers, Consumer Associations and Business Associations.
- 2. Market:** Competition, Financial Entities, Shareholders and Investors.
- 3. Democracy:** Government, Public Bodies, Regulation, Parliament, Political Parties, International Institutions.
- 4. Social and Territorial Context:** NGOs, Local Communities, Local Authorities, Media and Opinion Formers.

Executive Board of Directors, November 2013.



## D.4 Code of Ethics (excerpts)

### 1.2 Health and Safety

Occupational health and safety for all employees and suppliers is a priority for EDP, the objective being “zero accidents” and, at the same time, the ongoing concern to put people’s well-being before any operational need. No situation or urgency of service can justify endangering someone’s life, physical integrity or safety.

EDP wants its workers to have working conditions favorable to their good health, and therefore encourages them to have healthy practices. EDP provides its workers with complementary medical protection and assistance. Based on the reinforcement of a vertically based culture of prevention and safety, EDP promotes the training and the briefing of all employees on the risks inherent to its activities and protects the facilities and equipment by adopting the best techniques, combined with the monitoring and updating of work procedures. The importance EDP attaches to these issues extends to the supply chain and goes beyond compliance with legal requirements, in all companies and in all regions in which it operates. The excellence required in this area can only be achieved with the involvement and accountability of all levels of management and the support and contribution of all employees, service providers and other stakeholders.

#### **We must**

**1.2.1** Ensure that everyone, including suppliers and in particular those who act on our behalf, comply with the safety rules and practices and the labor legislation in force

**1.2.2** Ensure, both internally and externally, the continuous strengthening of a safe and healthy working environment, namely through awareness raising, training and the sharing of good practices.

**1.2.3** Monitor and assess risks and occurrences.

**1.2.4** Report any non-conformities detected, as well as the observation of incidents, whether accidents or near misses.

**1.2.5** Take permanent precautions to avoid putting ourselves or others at risk, whatever the circumstances

**1.2.6** Get to know the procedures applicable in the event of an emergency.

**1.2.7** Exercise the right of refusal in the event of unsafe conditions for carrying out the activity.

#### **We must not**

**1.2.8** Fail to apply the same principles, policies and safety procedures in all activities and with all players

**1.2.9** Disregard the strict fulfilment of health and safety objectives.

### 1.4 Diversity and Inclusion

Today EDP has a global presence, integrating diverse people all over the world. We value and promote this diversity as a factor creating value and innovation.

We recognize that multiplying differences is to go further, to bring together points of view and ways of seeing the world, to integrate all aspects, to be consciously inclusive, particularly by means of profiles, paths and experiences that bring value and enable us to do what we have to do best. We actively seek not to be influenced by any bias, conscious or unconscious, and we take steps to enhance an inclusive culture that makes everyone feel welcome. We foster diversity and inclusion by ensuring equal opportunities as an employer, which we also encourage in our suppliers.

#### **We must**

**1.4.1** Promote mutual respect and equal opportunities in the face of diversity by providing an inclusive working environment free from prejudice and discrimination.

**1.4.2** Ensure an environment where all people feel respected and safe in being who they are.

**1.4.3** Encourage the inclusion of all expressions of human diversity

**1.4.4** Ensure that suppliers who act on behalf of EDP are aware of our commitments in this area.

#### **We must not**

**1.4.5** Determine nor constrain any type of decision based

on discriminatory factors, namely, ancestry, age, gender, sexual orientation, gender identity, marital status, family situation, economic situation, education, origin or social condition, genetic heritage, reduced work capacity, disability, chronic illness, nationality, ethnic origin or race, place of origin, language, religion, political or ideological beliefs, trade union membership, or on the basis of job, activity or professional category.

**1.4.6** Discriminate, neither in the recruitment process or at any other time in the relationship between employees and the company, such as training, professional development, recognition and mobility within and between companies, among others.

### 1.5 Harassment

EDP promotes a culture free from any sort of harassment, understanding this to be systematically undesired behavior of a moral or sexual nature, in a verbal, non-verbal or physical form, which has the goal or effect of disturbing or embarrassing another person, or affecting their dignity or creating an intimidating, hostile, degrading, humiliating or destabilizing environment.

Moral or sexual harassment can occur in any strata of society, context or place of work, affecting the person regardless of their ancestry, age, sex, sexual orientation, gender identity, marital status, family status, economic or cultural situation, education, social origin or condition, genetics, reduced working capacity, disability, chronic illness, nationality, ethnic origin or race, territory of origin, language, religion, political or ideological convictions, trade union membership or, in addition, job, activity or category. Harassing forms of behavior in a business context violate the victims’ labor rights, and may affect their value as people and workers, causing harm that can have an impact on their self-esteem, physical and mental health, life project and family relationships. In addition to the legal obligations to which EDP is subject to, it is the duty of all workers to prevent, confront and report any and all behavior that

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may preclude a situation of harassment

The duties and/ or principles laid down in specific legislation and in internal regulations shall apply to proxy holders, representatives and suppliers.

### We must

**1.5.1** Refrain from engaging in any form of behavior which may constitute harassment at work.

**1.5.2** Prevent and combat harassment at work

**1.5.3** Report harassment at work of which we are a victim or witness, through existing communication channels.

**1.5.4** Promote awareness actions on the subject.

### We must not

**1.5.5** Tolerate any form of behavior involving moral harassment, such as: systematically devaluing the work of co-workers or employees; promoting the social isolation of co-workers or employees; constantly ridiculing, directly or indirectly, a physical or psychological characteristic of coworkers or employees; establishing goals and objectives that are impossible to achieve or deadlines that are not feasible; assigning inappropriate functions to the professional category of employees; unjustifiably not assigning certain functions to employees; taking ownership of ideas, proposals, projects or work from co-workers or employees; sending persistent invitations to participate in social or recreational activities, when the target person has made it clear that the invitation is unwanted.

**1.5.6** Tolerate any form of behavior involving sexual harassment, such as: repeating suggestive remarks or comments about co-workers' sexual appearance or orientation; systematically making phone calls and sending unwanted messages of a sexual nature; repeatedly sending sexual gifs, drawings, photographs or images; intentionally promoting unnecessary and unsolicited physical contact or approach; conditioning the hiring, professional progression or any other

employment benefit, through unwanted activity of a sexual nature.

**1.5.7** Retaliate against plaintiffs or witnesses of harassing behavior

### 1.6 Human Rights

EDP respects and undertakes to promote Human Rights internally, in its suppliers, customers and the communities where it operates, namely in indigenous communities, by guiding its actions according to the Universal Declaration of Human Rights and international conventions, treaties or initiatives, such as the Conventions of the International Labor Organization, the United Nations Global Compact and the Human Rights Council's Guiding Principles for Companies. In particular, EDP is against arbitrary detention, torture or execution and the sexual exploitation of children and adolescents; in favor of freedom of conscience, religion, organization, association, namely trade union, opinion and expression; it respects the principles relating to the safeguarding of human life, physical and mental integrity, health and safety at work, equality and non-discrimination, fair wages and the prohibition of child, youth and forced labor; it also recognizes the right to collective bargaining. The principle of applying Human Rights in all decisions, including investment decisions, is visible in the commitment to full respect for Human Rights reaffirmed by EDP's Executive Board of Directors in 2019, the year in which it subscribed to the "CEO's Guide concerning Human Rights" of the World Business Council for Sustainable Development. The action points in this guide, in particular, involve knowing the most relevant Human Rights for EDP, leading from the top, engaging with stakeholders in a transparent manner and collaborating beyond its comfort zone.

### We must

**1.6.1** Respect and comply with the legal and regulatory rules on Human Rights in force in the jurisdictions applicable to the EDP Group, with reference to the principle of the highest requirement.

**1.6.2** Ensure the commitments freely undertaken in all areas of EDP's intervention, regardless of the level of requirement of national and local legislation.

**1.6.3** Ensure compliance with the commitments assumed in EDP's "Declaration of respect for Human and Labor Rights", maintaining a Human and Labor Rights Monitoring Program to identify risks and to act in order to avoid, minimize or repair any negative impacts arising from the Company's business and activities.

### We must not

**1.6.4** Participate in or consent, actively or passively, by action or omission, to practices that may constitute any violation of Human Rights, reporting it whenever this happens.

**1.6.5** Accept any forms, no matter how subtle, of Human Rights violations by third parties who supply us with products or provide us services.

**1.6.6** Employ child, youth or forced labor, or engage in such practices by third parties who provide us with products or services.

### 2.1 Relationship with Shareholders

EDP is committed to creating value for its shareholders. The "shareholder value" is supported by strategic decisions that influence the sustainability of the various businesses of the company, the excellence of execution and the delivery of solid results according to plan. Shareholder confidence, decisive for investment in the development of the Company, is thus a counterpart to the crucial choices made, such as the anticipated investment in the massive production and use of renewable energies, together with a robust sustainability policy, materialized in particular through the active contribution of various international commitments in terms of human rights, labor, the environment and the fight against corruption. The focus on "leading an electric future" is currently a new challenge that the Company once again embraces in anticipation, and which will

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enable it to continue to ensure sustainable and distinctive business in the energy sector. In complex and demanding contexts where factors such as regulation, government policies, the evolution of markets and economies, among others, strongly condition the Company's performance, EDP honors its commitments to this important stakeholder through firm actions in which integrity and transparency are also essential.

### We must

**2.1.1** Inform the market, in a transparent manner, about the Company's performance, taking into account the legal obligations and the needs of the stakeholders, providing, in the information supplied, qualitative and quantitative elements identifying economic, financial, social, environmental and reputational risks, in a complete and clear manner and ensuring the quality of the information provided.

**2.1.2** Provide the market with due knowledge of the existence of any event regarding the company, the disclosure of which is likely to interfere with the respective economic, environmental or social situation.

**2.1.3** Establish policies and procedures that ensure the separation of EDP's interests from those of its shareholders

**2.1.4** Respect the principle of equal treatment for shareholders, and for all other stakeholders, providing necessary information in a timely, appropriate, truthful, transparent and accurate manner.

**2.1.5** Include the risk of bad ethical practices in the general management of corporate risk, identifying the respective warning signs.

**2.1.6** Systematically be aware of the expected economic performance of our areas of activity, actively seeking to contribute to achieving the goals set.

### We must not

**2.1.7** Undertake, under any circumstances, acts that jeopardize EDP's reputation, namely acts related to financial matters, corruption and bribery, conflicts of interest, or use of information and assets.

**2.1.8** Stop challenging the adopted practices, always in a constructive context and given that it is of crucial importance to promote efficiency.

## 2.2 Relationship with Customers

EDP is a customer-focused company, which understands its specific and changing expectations and acts in a constant search to create solutions that guarantee their satisfaction, particularly through close relationships and a strong ability to listen. Customer satisfaction translates into greater loyalty and a better relationship with the Company, which contribute to the growth of turnover and results. This logic of management based on "customer-value" presupposes the undertaking of commitments by the Company in terms of establishing fair prices, clear and reliable communication of information concerning the characteristics and advantages of the solutions being sold, and the provision of a high-quality service based on robust operations, among others. In addition, taking into account the demanding regulatory context of the sector, EDP has, whenever necessary, implemented mechanisms that ensure the scrupulous fulfilment of the duties to which it is obliged, that is, a universal public service, for economically vulnerable customers, of information transparency, of separation of "regulated" and "free" activities, among others.

### We must

**2.2.1** Produce and present honest, transparent commercial proposals adapted to the needs of current and potential customers.

**2.2.2** Ensure that the advertising messages we transmit do not include discriminatory elements of any kind.

**2.2.3** Provide relevant, truthful and accurate information, in plain language and adapted to their needs, through responding to requests, doubts and complaints.

**2.2.4** Act with correctness, courtesy and professional pride in relations with customers, respecting their rights, sensibilities and diversity.

**2.2.5** Promote ongoing improvement in our performance, as well as the quality of the products and services we provide.

**2.2.6** Promote the adoption of responsible behavior by customers, and consumers in general, which has a positive impact on the environment and society

**2.2.7** Set up and maintain simple and effective contact channels.

### We must not

**2.2.8** Under any circumstances disregard the protection of our customers' personal data, namely through not collecting information for marketing purposes without their express consent to do so.

**2.2.9** Exploit our customers' lack of knowledge or vulnerabilities to promote new products and services.

**2.2.10** Include derogatory messages in formal and informal communication regarding our competitors and their products and services.

**2.2.11** Use stereotypes which diminish human dignity in advertising and marketing campaigns.

## 2.3 Relationship with Suppliers

EDP, as an "extended" company, currently incorporates a set of partners, with whom it works and shares responsibilities, who act and speak on our behalf with customers, citizens and other stakeholders. Maintaining relations of trust with these companies is fundamental to EDP's success. The success of the partnerships we build depends on how we choose them and the commitment we all show in strengthening such relationships. Our relationships with suppliers are based on criteria of impartiality, fairness and loyalty and we respect their independence and identity. Under no circumstances does EDP use its possible dominant position in the market to gain advantages in its relationship with its suppliers.

### We must

**2.3.1** Select suppliers based on EDP policies and proce-

## D.4 Code of Ethics (excerpts)

dures which include ethical, technical and economic selection criteria – which are clear, impartial and pre-determined.

**2.3.2** Ensure that suppliers comply with health and safety standards and practices, environmental rules, labor law and Human Rights.

**2.3.3** Respect each partner's own identity, but require them to fulfil, when entitled to act on EDP's behalf, the duties set forth in this Code

**2.3.4** Ensure the confidentiality of information from suppliers and respect their intellectual property

**2.3.5** Ensure that suppliers do not become economically dependent on EDP by taking the necessary preventive measures.

### We must not

**2.3.6** Agree to participate in decision-making processes selecting suppliers, which may generate situations of a potential conflict of interests

**2.3.7** Impose unfair conditions on suppliers or fail to comply with agreed conditions, particularly in regard to payments.

**2.3.8** Maintain partnerships with suppliers which do not respect the commitments they made to EDP.

### 2.4 Relationship with Communities

EDP creates a positive impact on society by valuing not only its employees and partners, but also the communities in which it operates, through respecting their sensitivities and cultures. The promotion of sustainable development in the regions where we are present and with the communities with whom we interact is one of the pillars on which our business strategy and our reputation are based. We have developed a culture of corporate citizenship and involvement with society through cultural initiatives, such as promoting access to culture and art and protecting cultural heritage, but also socially, such as promoting social inclusion and the adoption of sustainable lifestyles, valuing energy inclusion and

access to energy.

We also promote environmental initiatives, such as the protection of natural heritage and biodiversity, but also, and above all, we promote energy efficiency, renewable energy and decarbonization.

Understanding, communicating, trusting and cooperating are the guiding commitments for the active and transparent involvement that EDP continually promotes with local communities.

### We must

**2.4.1** Maintain an active relationship of proximity with local communities in the regions where we operate, engaging in regular, open and frank dialogue, seeking to learn about their needs, respecting their cultural integrity, seeking to contribute to improving the living conditions of local populations.

**2.4.2** Maintain appropriate communication channels to inform citizens about the environmental impacts of our infrastructures as well as the risks and dangers of energy, whether these result from its normal use or from its misuse, or from the exploitation of facilities and equipment under its responsibility.

**2.4.3** Promote access to energy for communities isolated from the electricity grids, efficient energy use and the adoption of more sustainable lifestyles.

**2.4.4** Recognize the rights of ethnic minorities and indigenous peoples where appropriate.

### We must not

**2.4.5** Involve ourselves, on behalf of EDP, in social actions that do not reflect our commitments and strategies of involvement with the community.

**2.4.6** Start any intervention without listening to stakeholders to assess possible social impacts and specify any necessary mitigation measures.

### 3.1 Environment

We look at the Environment as an asset and its preservation as a duty. A strong culture of environmental

risk management is essential to reduce our ecological footprint. We are therefore committed to implementing the best solutions to avoid or mitigate the environmental impacts of our activity and to continuously improve our performance. We effectively address risks and opportunities by integrating environmental management into business processes, strategy and decision-making, aligning them with other business priorities and incorporating environmental governance into its global management system. The success of our environmental policy depends on everyone's commitment, the way we think, act and influence.

### We must

**3.1.1** Act in accordance with the precautionary principle, when our activities may result in serious and irreversible damage to human health or the environment, even if uncertain but scientifically plausible. In these situations, we should take measures to avoid or mitigate these effects

**3.1.2** Align our activities with national and international environmental protection strategies.

**3.1.3** Promote environmental awareness by acting as mobilizing agents in the defense and protection of the environment.

**3.1.4** Deepen our knowledge of the environmental risks and impacts of our activity, to improve decision making.

**3.1.5** Actively promote the development of more environmentally sustainable technologies.

**3.1.6** Cooperate with environmental authorities and listen to other stakeholders in the quest for ongoing improvement in our environmental performance

**3.1.7** Promote our environmental policy internally and with our partners and other stakeholders

**3.1.8** Promote and collaborate to achieve the United Nations' Sustainable Development Goals.

### We must not

**3.1.9** Use or authorize materials/products, technical solutions and/or internal or subcontracted operational

## D.4 Code of Ethics (excerpts)

processes that endanger or degrade the Environment, when alternatives which are less harmful to the environment and economically competitive with the former are known.

**3.1.10** Ignore or neglect situations which jeopardize the environment, the company's legal compliance or defraud the expectations and needs of stakeholders.

**3.1.11** Make it difficult to analyze accidents or near-accidents of an environmental nature by refusing to participate or omitting relevant information.

### 3.2 Energy Transition

The world is undergoing a profound process of transformation in search of sustainable development in where one of the major challenges is to slow down ongoing climate change while ensuring a fair energy transition. The escalation of climate change confronts mankind with the urgent need to reduce CO<sub>2</sub> emissions. If global warming is not limited to a maximum of 1.5°C, extreme events, natural imbalances and rising oceans will have devastating effects on infrastructure and cities, jobs, health and social well-being. The consequences for the environment and biodiversity will also be incalculable and dramatic. Climate urgency requires all companies to take on the ethical duty to substantially reduce and eliminate, where possible, carbon dioxide emissions. We are committed to meeting ambitious CO<sub>2</sub> reduction targets within the next decade and achieving carbon neutrality by 2050, cooperating with more than a hundred countries to limit global warming to 1.5oC. In EDP's view, it is not only electricity that should be decarbonized. Through continuous innovation, renewable electricity production should increase to replace fossil fuel consumption in industry and transport. Through renewable electricity it will be possible to produce green hydrogen and ensure the decarbonization of the planet.

#### We must

**3.2.1** Contribute to ensuring affordable, reliable and sustainable energy, promoting the adoption of more

flexible, clean and efficient production technologies.

**3.2.2** Adapt infrastructures to ensure their efficient operation in conditions where extreme events resulting from climate change will be increasingly frequent and more intense.

**3.2.3** Promote the digitalization of the energy sector, guaranteeing the collection and handling of information, supporting greater inclusion of the various stakeholders, thereby ensuring digital inclusion for all.

**3.2.4** Develop technological solutions and products and low carbon and high efficiency services which facilitate and support the needs already identified in the market in areas such as mobility, storage, flexibility management and energy efficiency management in the community.

**3.2.5** Contribute to the increase of "energy literacy", both internally and externally, by helping to place us, as well as the population in general, with greater and better capacity to intervene in a fair and equitable energy transition

**3.2.6** Promote the development of public measures to address energy poverty and the protection of vulnerable consumers.

**3.2.7** Stimulate the development of energy efficiency measures and services with customers.

**3.2.8** Contribute to the increased use of renewable energy in transport and industries.

**3.2.9** Contribute to the awareness on climate change and energy transition

#### We must not

**3.2.10** Implement solutions or make investments without prior analysis of climate, environmental and social impact and without ensuring compliance with the EDP Code of Ethics and Policies.

**3.2.11** Acquire products or services without assessing the production and supply chain and without ensuring the sustainability principles advocated by EDP.

**3.2.12** Move away, individually and collectively, from the fight for decarbonization and for a fair and inclusive energy transition for all.

### 4.1 Personal Data Protection and Privacy

Privacy is a fundamental right. With regard to the processing of personal data, its subjects are entitled to a series of precautions that will effectively preserve their privacy and protection. EDP collects, processes and retains personal data to the extent strictly necessary for the fulfilment of its purposes. EDP has policies and procedures in place that ensure the privacy, security and protection of the personal data of all its employees, suppliers and other subcontractors, customers and stakeholders in general. Suppliers who are entitled to act on behalf of EDP must also provide guarantees of compliance with privacy of personal data protection requirements.

#### We must

**4.1.1** Tailor the processing of personal data to duly legitimate purposes and ensure that access to data is made on a "need- to-know" basis

**4.1.2** Respect the rights of data subjects and ensure that requests received are answered promptly.

**4.1.3** Provide the data subjects with all relevant information on the data processing carried out, in particular about the purposes for which the data will be used.

**4.1.4** Ensure that data processing and conservation are carried out securely, applying appropriate technical and organizational measures.

**4.1.5** Respond promptly and appropriately in the event of a breach of privacy and data protection.

**4.1.6** Ensure that suppliers who carry out the processing of personal data on behalf of EDP comply with the rules on security and protection of personal data.

#### We must not

**4.1.7** Use personal data without any grounds for legitimacy.

**4.1.8** Share personal data with third parties without the explicit consent of the data subject or any other Ensure that data ground of legitimacy.

## D.4 Code of Ethics (excerpts)

**4.1.9** Transfer personal data outside the country of origin without first obtaining advice from the Compliance department

**4.1.10** Collect and process sensitive personal data such as health status, sexual orientation, political opinions, religion, racial origin, among others, outside the situations foreseen by law or without the explicit, free, informed and unequivocal consent of the data subject.

**4.1.11** Keep personal data from its subjects for longer than is strictly necessary.

### 4.4 Corruption and Bribery

Illicit acts such as corruption, influence peddling, money laundering or terrorist financing jeopardizes the peace, security and well-being of citizens, as well as the stability of markets. These practices also undermine democracy and the Rule of Law, diverting resources necessary for the growth and development of society, and promoting instability, insecurity and mistrust among citizens. Therefore, in a framework of zero tolerance, the prevention and fight against corruption and bribery has been widely and increasingly adopted at a global level, namely in the proliferation of legislation and promotion of cooperation between private entities and public authorities. EDP prohibits the practice of corruption and bribery, in active or passive forms, either through acts or omissions, or through the creation and/or maintenance of situations of favoritism through facilitation payments or other irregularities. EDP has measures to prevent, detect, correct and control all forms of corruption, conflict of interest, money laundering, terrorist financing and other illegal acts.

#### We must

**4.4.1** Anticipate and clarify situations which may constitute or be perceived as corruption or bribery

**4.4.2** Respect, in the relationship with employees and those responsible for public entities, the duty of exemption to which they are subject, avoiding any action which, directly or indirectly, has a fraudulent,

coercive, manipulative or deceptive influence, and refrain from giving them or promising any kind of benefit which is not due to them.

**4.4.3** Make known, comply with and enforce internal rules on facilitation payments, political contributions, donations and sponsorships

**4.4.4** Report any signs of alarm or actions which may be associated with a potential act of corruption, bribery and/ or other unlawful acts on the appropriate channels.

**4.4.5** Comply with internal rules regarding due diligence in the integrity identification and analysis (Integrity Due Diligence) of third parties before establishing business relationships, ensuring the adoption of planned and applicable risk mitigation mechanisms.

#### We must not

**4.4.6** Accept or offer gifts, presents, loans, hotel stays, personal services or other gratuities, even if in the form of preferential treatment of customers, suppliers, a governmental authority or any other person or entity related to the Company's business, which may result in obtaining some kind of personal advantage, for the Company or for undue third parties.

**4.4.7** Accept or offer any equity advantage or its promise in return for any act or omission contrary to the functions performed and/or when such advantages are not due.

**4.4.8** Make monetary or other contributions to political parties on behalf of the company.

**4.4.9** Make recommendations to customers, even if requested by them, of suppliers, or of companies which may even be indirectly related to the Company's business.

### 4.5 Money laundering and Countering the Financing of Terrorism

EDP's work is guided by high ethical standards, business integrity and strict respect for and compliance with current legislation and regulations regarding the prevention of money laundering and the financing of

terrorism. As such, EDP adopts all the necessary procedures to know the identity of the relevant counterparties of the businesses it intends to undertake and only finalizes these businesses after ensuring the legal origin of the funds handled by the counterparty. EDP has a set of policies and procedures – namely contained in the Program for the Prevention of Money Laundering and Countering the Financing of Terrorism – which encompass a set of measures aimed at responding to the legal duties and requirements associated with these matters, such as procedures for Due Diligence (DD) and Know Your Customer (KYC). Such policies and procedures establish concrete measures that must be adopted to comply with all the legal and regulatory obligations of EDP, taking into account the different characteristics of the different business areas and the potential risk of money laundering and financing of terrorism faced. In order to ensure the effective application of the procedures laid down in this area, a governance model was systematized along with the specification of different functions and responsibilities in fulfilling the legal duties to which EDP is bound. EDP employees ensure the strictest compliance with both the legislation applicable to the different activities and jurisdictions in which we operate, as well as internal procedures which have been specified concerning this matter, and undergo training to enable them to perform their essential functions in this area in the best way.

#### We must

**4.5.1** Report all suspicious and/ or doubtful situations as soon as possible, through the channels internally provided for this and maintain strict confidentiality about them.

**4.5.2** Identify/get to know our counterparties, including their respective actual owners, before entering into any business or transaction, in order to ensure that we are working with legitimate counterparties and that their funds do not originate from criminal activities.

**4.5.3** Review the counterparty's identification elements



## D.4 Code of Ethics (excerpts)

at appropriate intervals and make sure that the funds involved continue to have a lawful origin.

**4.5.4** Only receive and make payments to and from entities previously subject to internal procedures of Due Diligence (DD) and Know Your Customer (KYC) and with which we have duly authorized contracts under the terms of the respective internal procedures.

### **We must not**

**4.5.5** Initiate a business relationship or carry out any transaction if the counterparty is suspected of being involved in money laundering or terrorist financing practices.

**4.5.6** Accept cash payments. However, when there is no other possibility, we will always have to respect the legally authorized maximum amount and we should first seek the necessary internal authorizations to undertake this.

**4.5.7** Make payments without the respective clearances and without prior knowledge of the counterparty and associated transactions.

Executive Board of Directors  
September 2020  
3rd edition

## D.5 Supplier Code of Conduct

1. The EDP Supplier Code of Conduct applies to entities that supply or intend to supply goods and services to any of the EDP Group companies (hereafter “Supplier” or “Suppliers”), which is deemed to be the group of companies in a control or group relationship with EDP, regardless of whether their headquarters are in Portugal or another country.

2. Approval and compliance with the Code of Conduct is a contractual obligation. It is a binding annex of the bidding documents for EDP Group procurement as well as in contracts for the supply of services or sale of goods, to be signed by the supplier and any EDP Group company. The contracts to be signed by the EDP Group and Suppliers shall envisage that in case of serious or systematic breach of this code, the EDP Group may terminate the contractual relationship.

3. This Code of Conduct does not establish commitments contrary to existing law, regulations or current contractual provisions, nor does it add or derogate from new rights. Its provisions and standards are supplementary in nature.

4. Suppliers should promote the adoption of sustainability policies in procurement and make the best efforts to ensure that levels of demand equivalent to those of this Code are also respected in their own supply chains.

**Suppliers of the EDP Group agree to the following commitments, taking as reference the principle of highest demand:**

### Compliance commitments

a) Comply with national and international legislation in force that is applicable within the scope of the existing contractual relationship with the EDP Group, namely the laws, regulations, the operational, technical and sectoral rules and regulations, on matters such as: processing and protection of personal data, combating corruption,

separation of activities in the sector, anti-trust, environment, health and safety, intellectual property rights, as well as the contractual arrangements established with the EDP Group companies.

b) Not to pursue, permit, consent to or collude with any activity, practice or conduct likely to constitute or appear to be an act of bribery and/or corruption, criminally punishable under applicable law. Also, to institute procedures and implement necessary and appropriate measures aimed at preventing their occurrence.

c) Respect internationally accepted corporate principles, values and best practices in matters concerning human rights, labor rights, workplace safety and health, prevention and combating corruption, and having measures in place to prohibit the practice of anti-trust acts or acts seeking to restrict competition in the market.

### Ethical commitments

a) Promote and respect the highest ethical, moral and human integrity standards, in particular the principles enshrined in the EDP Group Code of Ethics.

b) Respect the principles and commitments with customers and communities, whenever acting on behalf of the EDP Group, working in their facilities or using their information.

c) Inform, through the Ethics Ombudsman or other EDP Group Ethics channels, of the existence of potential conflicts of interests in relations with the EDP Group, whether of a business or personal nature.

d) Refrain from offering gifts, goods or free services, or coerce or restrict EDP Group employees in any way to influence their business dealings with the EDP Group.

e) Truthfully and accurately convey information concerning management practices.

### Environmental commitments

a) Comply with national legislation and international standards for environmental protection, and obtain the environmental certifications required for their business activities.

b) Identify, monitor and mitigate the environmental risks and impacts of their activities, products, materials and means of transport, promoting continuous improvement and conserving the environment.

c) Promote the continuous streamlining of the consumption of energy and natural resources and the reduction of emissions and waste generated by the business activity.

d) Comply with the EDP Group’s environmental requirements when acting on EDP Group premises or facilities or acting on behalf of the EDP Group.

### Labor commitments

a) Respect freedom of association and the collective bargaining of their workers, establishing mechanisms of dialogue free from any reprisals or discrimination.

b) Ensure and promote the respect for free labor, based on fair and transparent contracts for workers, refusing to use and be complicit with forced labor, unjustified restrictions on free movement, misappropriation of documents and remuneration and human trafficking.

c) Respect diversity, promoting equality and non-discrimination based on race, age, gender and sexual or marital orientation, ethnic or national origin, name, disability, pregnancy, religion, politics, cultural or trade union orientation. Respecting also any other conditions that may be defined by contract or protected by applicable law.

d) Ensure adequate remuneration to workers, in accordance

## D.5 Supplier Code of Conduct

accordance with current legislation and collective labor agreements, when applicable, which shall be paid on time, respecting the minimum wages established in each country, paying overtime and other compensation, social security contributions and taxes that are due.

e) Ensure compliance with current labor legislation and collective labor agreements, when applicable, regarding the maximum normal and supplementary working hours, as well as the rest periods and rest days.

f) Prevent any form of child labor, under national regulations and ILO 138 of the International Labor Organization.

g) Establish disciplinary measures and procedures in accordance with the laws and international conventions, publicizing the standards and ensuring the hearing and defense by those accused of disciplinary breaches, and preventing in all cases any intimidation, verbal or physical abuse or aggression, or any other type of moral or physical harassment.

### Workplace Safety and Health commitments

a) Comply with national legislation and international standards in force on workplace safety and health, as well as the EDP Safety Policy and the specific certifications required, observing the precautionary principle in all activities, promoting responsibility and the awareness of everyone involved.

b) Identify, monitor and record all risks associated with their activity and specific work tasks, establishing prevention, reduction and continuous improvement measures.

c) Train the workers and equip them with the means and equipment for their personal protection, ensuring they have adequate working conditions.

d) Define accident management and emergency preparation measures appropriate to the type of activity, location and circumstances.

e) Comply with the EDP Group's Safety and Health requirements when acting on EDP Group premises or facilities or acting on behalf of the EDP Group.

### Community and Human Rights commitments

a) Promote the consultation, respect and protection of human rights, the dignity of people and privacy of each individual, of the communities on which the business activities impact in their area of influence.

b) Ensure that all business activities are conducted without recourse to violence or abuse and reject and refuse any complicity with human rights violations.

### Management commitments

a) Adopt management procedures that permit compliance with this Code to be monitored. There is an obligation to report any serious breaches to EDP and to provide evidence of compliance when requested by EDP.

b) Ensure that all persons employed, regardless of the nature of the legal relationship, comply with the provisions of this Code of Conduct and are informed, qualified and competent to perform their duties in accordance with its terms.

Executive Board of Directors

May 2017

# — INTERNATIONAL DECLARATIONS AND FRAMEWORKS

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## E.1 The Universal Declaration of Human Rights

### Article 1

All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.

### Article 2

Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, color, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. Furthermore, no distinction shall be made on the basis of the political, jurisdictional or international status of the country or territory to which a person belongs, whether it be independent, trust, non-self-governing or under any other limitation of sovereignty.

### Article 3

Everyone has the right to life, liberty and security of person.

### Article 4

No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms.

### Article 5

No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.

### Article 6

Everyone has the right to recognition everywhere as a person before the law.

### Article 7

All are equal before the law and are entitled without any discrimination to equal protection of the law. All are entitled to equal protection against any discrimination in violation of this Declaration and against any incitement to such discrimination.

### Article 8

Everyone has the right to an effective remedy by the

competent national tribunals for acts violating the fundamental rights granted him by the constitution or by law.

### Article 9

No one shall be subjected to arbitrary arrest, detention or exile.

### Article 10

Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations and of any criminal charge against him.

### Article 11

- (1) Everyone charged with a penal offence has the right to be presumed innocent until proved guilty according to law in a public trial at which he has had all the guarantees necessary for his defense.
- (2) No one shall be held guilty of any penal offence on account of any act or omission which did not constitute a penal offence, under national or international law, at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time the penal offence was committed.

### Article 12

No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honor and reputation. Everyone has the right to the protection of the law against such interference or attacks.

### Article 13

- (1) Everyone has the right to freedom of movement and residence within the borders of each state.
- (2) Everyone has the right to leave any country, including his own, and to return to his country.

### Article 14

- (1) Everyone has the right to seek and to enjoy in other countries asylum from persecution.

- (2) This right may not be invoked in the case of prosecutions genuinely arising from non-political crimes or from acts contrary to the purposes and principles of the United Nations.

### Article 15

- (1) Everyone has the right to a nationality.
- (2) No one shall be arbitrarily deprived of his nationality nor denied the right to change his nationality.

### Article 16

- (1) Men and women of full age, without any limitation due to race, nationality or religion, have the right to marry and to found a family. They are entitled to equal rights as to marriage, during marriage and at its dissolution.
- (2) Marriage shall be entered into only with the free and full consent of the intending spouses.
- (3) The family is the natural and fundamental group unit of society and is entitled to protection by society and the State.

### Article 17

- (1) Everyone has the right to own property alone as well as in association with others.
- (2) No one shall be arbitrarily deprived of his property.

### Article 18

Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance.

### Article 19

Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

## E.1 The Universal Declaration of Human Rights

### Article 20

- (1) Everyone has the right to freedom of peaceful assembly and association.
- (2) No one may be compelled to belong to an association.

### Article 21

- (1) Everyone has the right to take part in the government of his country, directly or through freely chosen representatives.
- (2) Everyone has the right of equal access to public service in his country.
- (3) The will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote or by equivalent free voting procedures.

### Article 22

Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.

### Article 23

- (1) Everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment.
- (2) Everyone, without any discrimination, has the right to equal pay for equal work.
- (3) Everyone who works has the right to just and favorable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.
- (4) Everyone has the right to form and to join trade unions for the protection of his interests.

### Article 24

Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.

### Article 25

- (1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.
- (2) Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.

### Article 25

- (1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.
- (2) Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.

### Article 26

- (1) Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit.
- (2) Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms. It shall promote understanding, tolerance and friendship

among all nations, racial or religious groups, and shall further the activities of the United Nations for the maintenance of peace.

- (3) Parents have a prior right to choose the kind of education that shall be given to their children.

### Article 27

- (1) Everyone has the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits.
- (2) Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author.

### Article 28

Everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized.

### Article 29

- (1) Everyone has duties to the community in which alone the free and full development of his personality is possible.
- (2) In the exercise of his rights and freedoms, everyone shall be subject only to such limitations as are determined by law solely for the purpose of securing due recognition and respect for the rights and freedoms of others and of meeting the just requirements of morality, public order and the general welfare in a democratic society.
- (3) These rights and freedoms may in no case be exercised contrary to the purposes and principles of the United Nations.

### Article 30

Nothing in this Declaration may be interpreted as implying for any State, group or person any right to engage in any activity or to perform any act aimed at the destruction of any of the rights and freedoms set forth herein.

## E.2 ILO Declaration on Fundamental Principles and Rights at Work

### Fundamental Conventions

The International Labor Organization Governing Body has identified eight “fundamental” Conventions, covering subjects that are considered to be fundamental principles and rights at work: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labor; the effective abolition of child labor; and the elimination of discrimination in respect of employment and occupation. These principles are also covered by the ILO Declaration on Fundamental Principles and Rights at Work (1998).

1.  
Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87)

2.  
Right to Organize and Collective Bargaining Convention, 1949 (No. 98)

3.  
Forced Labor Convention, 1930 (No. 29) (and its 2014 Protocol)

4.  
Abolition of Forced Labor Convention, 1957 (No. 105)

5.  
Minimum Age Convention, 1973 (No. 138)

6.  
Worst Forms of Child Labor Convention, 1999 (No. 182)

7.  
Equal Remuneration Convention, 1951 (No. 100)

8.  
Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

THE INTERNATIONAL LABOUR CONFERENCE  
(excerpt)

Recalls:  
that in freely joining the ILO, all Members have endorsed the principles and rights set out in its Constitution and in the Declaration of Philadelphia, and have undertaken to work towards attaining the overall objectives of the Organization to the best of their resources and fully in line with their specific circumstances;  
that these principles and rights have been expressed and developed in the form of specific rights and obligations in Conventions recognized as fundamental both inside and outside the Organization.

Declares that all Members, even if they have not ratified the Conventions in question, have an obligation arising from the very fact of membership in the Organization to respect, to promote and to realize, in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those Conventions, namely:

- freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced or compulsory labor;
- the effective abolition of child labor; and
- the elimination of discrimination in respect of employment and occupation.



## E.3 UN Guiding Principles on Business and Human Rights

The United Nations Guiding Principles on Business and Human Rights (UNGPs) is an instrument consisting of 31 principles implementing the United Nations' (UN) "Protect, Respect and Remedy" framework on the issue of human rights and transnational corporations and other business enterprises. Developed by the Special Representative of the Secretary-General (SRSG) John Ruggie, these Guiding Principles provided the first global standard for preventing and addressing the risk of adverse impacts on human rights linked to business activity, and continue to provide the internationally accepted framework for enhancing standards and practice regarding business and human rights. On June 16, 2011, the United Nations Human Rights Council unanimously endorsed the Guiding Principles for Business and Human Rights, making the framework the first corporate human rights responsibility initiative to be endorsed by the UN.

The UNGPs encompass three pillars outlining how states and businesses should implement the framework:

- The state duty to protect human rights
- The corporate responsibility to respect human rights
- Access to remedy for victims of business-related abuses

The UNGPs have received wide support from states, civil society organizations, and even the private sector, this has further solidified their status as the key global foundation for business and human rights.[2] The UNGP are informally known as the "Ruggie Principles" or the "Ruggie Framework" due to their authorship by Ruggie, who conceived them and led the process for their consultation and implementation.

### THE CORPORATE RESPONSIBILITY TO RESPECT HUMAN RIGHTS

A - FOUNDATIONAL PRINCIPLES		
11. Business enterprises should respect human rights. This means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.		
12. The responsibility of business enterprises to respect human rights refers to internationally recognized human rights – understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.		
13. The responsibility to respect human rights requires that business enterprises:		
(a) Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur;	b) Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.	
14. The responsibility of business enterprises to respect human rights applies to all enterprises regardless of their size, sector, operational context, ownership and structure. Nevertheless, the scale and complexity of the means through which enterprises meet that responsibility may vary according to these factors and with the severity of the enterprise's adverse human rights impacts.		
15. In order to meet their responsibility to respect human rights, business enterprises should have in place policies and processes appropriate to their size and circumstances, including:		
(a) A policy commitment to meet their responsibility to respect human rights;	(b) A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights;	c) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.

B - OPERATIONAL PRINCIPLES				
POLICY COMMITMENT				
16. As the basis for embedding their responsibility to respect human rights, business enterprises should express their commitment to meet this responsibility through a statement of policy that:				
(a) Is approved at the most senior level of the business enterprise;	(b) Is informed by relevant internal and/or external expertise;	(c) Stipulates the enterprise's human rights expectations of personnel, business partners and other parties directly linked to its operations, products or services;	(d) Is publicly available and communicated internally and externally to all personnel, business partners and other relevant parties;	(e) Is reflected in operational policies and procedures necessary to embed it throughout the business enterprise.

## E.3 UN Guiding Principles on Business and Human Rights

HUMAN RIGHTS DUE DILIGENCE			
17. In order to identify, prevent, mitigate and account for how they address their adverse human rights impacts, business enterprises should carry out human rights due diligence. The process should include assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed. Human rights due diligence:			
(a) Should cover adverse human rights impacts that the business enterprise may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services by its business relationships;		(b) Will vary in complexity with the size of the business enterprise, the risk of severe human rights impacts, and the nature and context of its operations;	
(c) Should be ongoing, recognizing that the human rights risks may change over time as the business enterprise's operations and operating context evolve.			
18. In order to gauge human rights risks, business enterprises should identify and assess any actual or potential adverse human rights impacts with which they may be involved either through their own activities or as a result of their business relationships. This process should:			
(a) Draw on internal and/or independent external human rights expertise;		(b) Involve meaningful consultation with potentially affected groups and other relevant stakeholders, as appropriate to the size of the business enterprise and the nature and context of the operation.	
19. In order to prevent and mitigate adverse human rights impacts, business enterprises should integrate the findings from their impact assessments across relevant internal functions and processes, and take appropriate action.			
(a) Effective integration requires that:		(b) Appropriate action will vary according to:	
(i) Responsibility for addressing such impacts is assigned to the appropriate level and function within the business enterprise;	(ii) Internal decision-making, budget allocations and oversight processes enable effective responses to such impacts.	(i) Whether the business enterprise causes or contributes to an adverse impact, or whether it is involved solely because the impact is directly linked to its operations, products or services by a business relationship;	(ii) The extent of its leverage in addressing the adverse impact.
20. In order to verify whether adverse human rights impacts are being addressed, business enterprises should track the effectiveness of their response. Tracking should:			
(a) Be based on appropriate qualitative and quantitative indicators;		(b) Draw on feedback from both internal and external sources, including affected stakeholders.	
21. In order to account for how they address their human rights impacts, business enterprises should be prepared to communicate this externally, particularly when concerns are raised by or on behalf of affected stakeholders. Business enterprises whose operations or operating contexts pose risks of severe human rights impacts should report formally on how they address them. In all instances, communications should:			
(a) Be of a form and frequency that reflect an enterprise's human rights impacts and that are accessible to its intended audiences;	(b) Provide information that is sufficient to evaluate the adequacy of an enterprise's response to the particular human rights impact involved;	(c) In turn not pose risks to affected stakeholders, personnel or to legitimate requirements of commercial confidentiality.	
REMEDIATION			
22. Where business enterprises identify that they have caused or contributed to adverse impacts, they should provide for or cooperate in their remediation through legitimate processes.			
ISSUES OF CONTEXT			
23. In all contexts, business enterprises should:			
(a) Comply with all applicable laws and respect internationally recognized human rights, wherever they operate;	(b) Seek ways to honour the principles of internationally recognized human rights when faced with conflicting requirements;	(c) Treat the risk of causing or contributing to gross human rights abuses as a legal compliance issue wherever they operate.	
24. Where it is necessary to prioritize actions to address actual and potential adverse human rights impacts, business enterprises should first seek to prevent and mitigate those that are most severe or where delayed response would make them irremediable.			

## E.4 OECD Guidelines for Multinational Enterprises

The OECD Guidelines for Multinational Enterprises are recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards. The Guidelines are the only multilaterally agreed and comprehensive code of responsible business conduct that governments have committed to promoting.



### Due Diligence Guidance

The OECD Due Diligence Guidance for Responsible Business Conduct provides practical support to enterprises on the implementation of the OECD Guidelines for Multinational Enterprises by providing plain language explanations of its due diligence recommendations and associated provisions. Implementing these recommendations can help enterprises avoid and address adverse impacts related to workers, human rights, the environment, bribery, consumers and corporate governance that may be associated with their operations, supply chains and other business relationships. The Guidance includes additional explanations, tips and illustrative examples of due diligence. This Guidance also seeks to promote a common understanding among governments and stakeholders on due diligence for responsible business conduct. The UN Guiding Principles on Business and Human Rights as well as the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy also contain due diligence recommendations, and this Guidance can help enterprises implement them.

**The Guidance was adopted on 31 May 2018 during the annual OECD Ministerial Meeting at Council level**



### OECD Guidelines for Multinational Enterprises

#### IV. Human Rights

States have the duty to protect human rights. Enterprises should, within the framework of internationally recognized human rights, the international human rights obligations of the countries in which they operate as well as relevant domestic laws and regulations:

1. Respect human rights, which means they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.
2. Within the context of their own activities, avoid causing or contributing to adverse human rights impacts and address such impacts when they occur.
3. Seek ways to prevent or mitigate adverse human rights impacts that are directly linked to their business operations, products or services by a business relationship, even if they do not contribute to those impacts.
4. Have a policy commitment to respect human rights.
5. Carry out human rights due diligence as appropriate to their size, the nature and context of operations and

## E.4 OECD Guidelines for Multinational Enterprises

the severity of the risks of adverse human rights impacts.

6. Provide for or co-operate through legitimate processes in the remediation of adverse human rights impacts where they identify that they have caused or contributed to these impacts.

### V. Employment and Industrial Relations

Enterprises should, within the framework of applicable law, regulations and prevailing labor relations and employment practices and applicable international labor standards:

l. a) Respect the right of workers employed by the multinational enterprise to establish or join trade unions and representative organizations of their own choosing.

b) Respect the right of workers employed by the multinational enterprise to have trade unions and representative organizations of their own choosing recognized for the purpose of collective bargaining, and engage in constructive negotiations, either individually or through employers' associations, with such representatives with a view to reaching agreements on terms and conditions of employment.

c) Contribute to the effective abolition of child labor, and take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labor as a matter of urgency.

d) Contribute to the elimination of all forms of forced or compulsory labor and take adequate steps to ensure that forced or compulsory labor does not exist in their operations.

e) Be guided throughout their operations by the principle of equality of opportunity and treatment in employment and not discriminate against their workers with respect to employment or occupation on such grounds as race, color, sex, religion, political opinion, national extraction or

social origin, or other status, unless selectivity concerning worker characteristics furthers established governmental policies which specifically promote greater equality of employment opportunity or relates to the inherent requirements of a job.

2. a) Provide such facilities to workers' representatives as may be necessary to assist in the development of effective collective agreements.

b) Provide information to workers' representatives which is needed for meaningful negotiations on conditions of employment.

c) Provide information to workers and their representatives which enables them to obtain a true and fair view of the performance of the entity or, where appropriate, the enterprise as a whole.

3. Promote consultation and co-operation between employers and workers and their representatives on matters of mutual concern.

4. a) Observe standards of employment and industrial relations not less favorable than those observed by comparable employers in the host country.

b) When multinational enterprises operate in developing countries, where comparable employers may not exist, provide the best possible wages, benefits and conditions of work, within the framework of government policies. These should be related to the economic position of the enterprise, but should be at least adequate to satisfy the basic needs of the workers and their families.

c) Take adequate steps to ensure occupational health and safety in their operations.

5. In their operations, to the greatest extent practicable, employ local workers and provide training with a view to

improving skill levels, in co-operation with worker representatives and, where appropriate, relevant governmental authorities.

6. In considering changes in their operations which would have major employment effects, in particular in the case of the closure of an entity involving collective lay-offs or dismissals, provide reasonable notice of such changes to representatives of the workers in their employment and their organizations, and, where appropriate, to the relevant governmental authorities, and co-operate with the worker representatives and appropriate governmental authorities so as to mitigate to the maximum extent practicable adverse effects. In light of the specific circumstances of each case, it would be appropriate if management were able to give such notice prior to the final decision being taken. Other means may also be employed to provide meaningful co-operation to mitigate the effects of such decisions.

7. In the context of bona fide negotiations with workers' representatives on conditions of employment, or while workers are exercising a right to organize, not threaten to transfer the whole or part of an operating unit from the country concerned nor transfer workers from the enterprises' component entities in other countries in order to influence unfairly those negotiations or to hinder the exercise of a right to organize.

8. Enable authorized representatives of the workers in their employment to negotiate on collective bargaining or labor-management relations issues and allow the parties to consult on matters of mutual concern with representatives of management who are authorized to take decisions on these matters.

(excerpt)



EDP's reports related to Human and Labor Rights including data not published in this report

Ethics Ombudsperson Report  
Occupational Health and Safety Report  
Internal Audit Report  
EDP Group – Sustainability Report  
EDP Spain – Sustainability Report  
EDP Renewables – Sustainability Report  
EDP Brazil – Sustainability Report

<https://www.edp.com/en/sustainability/transparency-and-reporting#reports>

