



EDITED BY C/Nicolás Soria 2 1ºA · 33012 Oviedo Grupo Cantábrico Gestión Empresarial

#### CONTACT

You may contact us for any query related to this report and its content at the e-mail address info@pfsgrupo. com

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## **EXECUTIVE SUMMARY**









## EXECUTIVE SUMMARY

#### MATERIALITY REPORT

This Materiality Analysis refers to the 2021 financial year and corresponds to the activities, corporate strategy, and stakeholders of EDP Redes España, electricity distribution company of the EDP Group in Spain.

**2021** España

edp

The stakeholders defined and the analysis methodology used coincide with those used by EDP in its annual Materiality Report.

Financial years 2020 and 201 have involved a change in trend for the Company, with the consolidation of Viesgo's acquisition by EDP España.

Similarly, in 2021 a new Group strategy was approved, 'ESG 2030 Ambition', which, for the first time, places ESG criteria at the forefront of its lines of action, in which EDP Redes España plays an active role. For its implementation, the 'Ambition 2030' strategy focuses on 3 pillars:

- Rapid and sustainable growth, as green, resilient, and robust growth.
- A future-ready, global, agile, innovative, and digitally-driven organisation.
- With ESG excellence at the heart of the strategy, alongside leadership, positioning, and returns.

In turn, these are expanded in 12 strategic objectives, grouped into 4 major blocks or cores:

- Leadership in the energy transition
- Commitment to environmental protection
- Positive impact on society
- A solid governance structure

Externally, ESG-related topics are becoming increasingly important, whether at an institutional, regulatory, or social level.

With regard to environmental issues, we focus on three key points, which are the baseline of our sustainability strategy: getting ahead of the Paris objectives by 20 years, attaining EDP's objective to become carbon neutral by year 2030, achieving a positive impact on biodiversity, in line with the objectives of the COP Biodiversity Conference, and fostering circular economy.

In terms of social aspects, internal organisation, labour aspects, gender equality, etc. should be highlighted. In the external sphere, we focus on supporting human and labour rights in supply chains, and building strong relationships with administrations, local communities, and other stakeholders.

Lastly, on governance-related issues, we pay particular attention to the latest developments and trends in the field. Examples of this include Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, the current status of the future Directive on due diligence, human rights and corporate responsibility.

#### MAIN RESULTS

In 2021, we have identified 21 categories, grouped into 60 topics. The main results, both on an internal and an external level, are presented below.

The results per category and per dimension, on an external level, are:

The most relevant categories on an external level in 2021 have been:

- 1. Human and labour rights (93%)
- 2. Climatic changes (93%)
- 3. Environmental management (89%)
- 4. Crisis management (88%)
- 5. Energy infrastructures (86%)
- 6. Vulnerable customers (86%)
- 7. Engagement with local communities (83%)
- 8. Communication and transparency (82%)
- 9. Digital transformation (82%)
- 10. Sustainable mobility (79%)
- 11. Renewable energy promotion (79%)

- 12. Customer satisfaction and services (75%)
- 13. People management (75%)
- 14. Corporate governance (71%)
- 15. Innovation and research (71%)
- 16. Energy efficiency (71%)
- 17. Safety (70%)

 $\cap$   $\cap$ 

- 18. Business ethics (67%)
- 19. Business sustainability (57%)
- 20. Socially responsible investment (57%)
- 21. Supplier management (57%)

ECONOMIC COMMITMENT

Crisis management (88%)

Business ethics (67%)

management (57%)

Energy infrastructures (86%)

Digital transformation (82%)

Socially responsible investment Supplier

ENVIRONMENTAL COMMITMENT



Climatic changes (93%) Environmental management (89%) Renewable energy promotion (79%) Energy efficiency (71%)



SOCIAL COMMITMENT

Human and labour rights (93%) Vulnerable customers (86%) Engagement with local communities (83%) Communication and transparency (82%) Customer satisfaction and service (75%) People management (75%) Safety (70%)

%: Level of relevance

#### MAIN RESULTS

The results per category and per dimension, on an internal level, are:

The most relevant categories on an internal level have been:

- 1. Climatic changes (98%)
- 2. Sustainable mobility (80%)
- 3. Supplier management (79%)
- 4. Environmental management (71%)
- 5. Digital transformation (69%)
- 6. Safety (68%)
- 7. Engagement with local communities (67%)
- 8. Energy infrastructures (66%)
- 9. Crisis management (64%)
- 10. Innovation and research (63%)
- 11.Business sustainability (55%)

- 12. Energy efficiency (53%) 13. People management (50%) 14. Socially responsible investment (48%) 15. Human and labour rights (48%)
- 16. Communication and transparency (39%)
- 17. Customer satisfaction and services (36%)
- 18. Business ethics (25%)
- 19. Corporate governance (23%)
- 20. Renewable energy promotion (15%)
- 21. Vulnerable customers (15%)

 $\cap$   $\cap$ 

Sustainable mobility (80%) Supplier management (79%) Digital transformation (69%) Energy infrastructures (66%) Crisis management (64%) Innovation and research (63%) Business sustainability (55%) Socially responsible investment (48%) Business ethics (25%) Corporate governance (23%)

%: Level of relevance





Climatic changes (98%) Environmental management (71%) Energy efficiency (53%) Renewable energy promotion (15%) SOCIAL COMMITMENT

Safety (68%)

Engagement with local communities (67%) People management (50%) Human and labour rights (48%) Communication and transparency (39%) Customer satisfaction and service (36%) Vulnerable customers (15%)



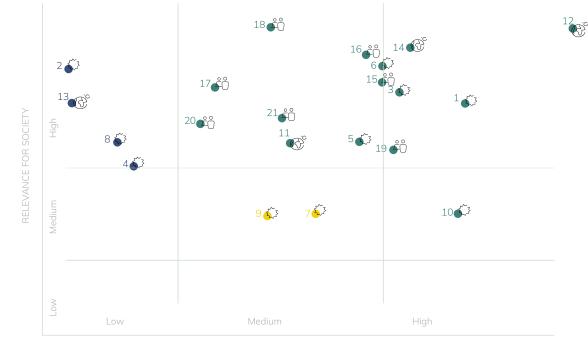
#### **RELEVANT CATEGORIES**

The following matrix is obtained from the analysis of the internal and external relevance. The matrix shown below is divided into 9 sections that represent the materiality level in each category.

The most relevant categories on an external level in 2021 have been:

- 1. Human and labour rights (93%)
- 2. Climatic changes (93%)
- 3. Environmental management (89%)
- 4. Crisis management (88%)
- 5. Energy infrastructures (86%)
- 6. Vulnerable customers (86%)
- 7. Engagement with local communities (83%)
- 8. Communication and transparency (82%)
- 9. Digital transformation (82%)
- 10. Sustainable mobility (79%)
- 11. Renewable energy promotion (79%)
- 12. Customer satisfaction and services (75%)
- 13. People management (75%)
- 14. Corporate governance (71%)
- 15. Innovation and research (71%)
- 16. Energy efficiency (71%)
- 17. Safety (70%)
- 18. Business ethics (67%)

The following matrix is obtained from the analysis of the internal and external relevance. The matrix shown below is divided into 9 sections that represent the materiality level in each category



RELEVANCE FOR THE BUSINESS

The most relevant categories on an external level in 2021 have

#### been:

- 1. Alteraciones climáticas (98%)
- 2. Movilidad sostenible (80%)
- 3. Gestión con proveedores (79%)
- 4. Gestión ambiental (71%)
- 5. Transformación digital (69%)
- 6. Seguridad (68%)
- 7. Participación junto a las Comunidades Locales (67%)

#### CRITICAL RELEVANCE

(Very relevant for the society and the business)

#### SENSITIVE TOPICS FOR THE BUSINESS

(Very relevant for the society and the and not much relevant for the business)

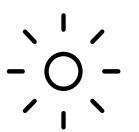
#### **HIGH RELEVANCE**

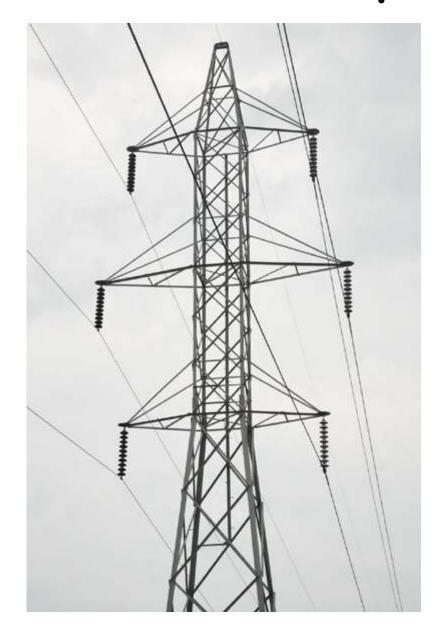
(Medium-high relevance for the business and medium-low relevance for the society)

#### MEDIUM RELEVANCE

(Medium relevance for the society or medium relevance for the business)

LOW RELEVANCE (Low relevance for the society and for the business)





#### **RELEVANT CATEGORIES**

The materiality level is determined by the degree of relevance of each core.

#### CRITICAL RELEVANCE

(Very relevant for the society and the business)

#### SENSITIVE TOPICS FOR THE BUSINESS

(Very relevant for the society and the and not much relevant for the business)

#### **HIGH RELEVANCE**

(Medium-high relevance for the business and medium-low relevance for the society)

MEDIUM RELEVANCE (Medium relevance for the society or medium relevance for the business)

LOW RELEVANCE (Low relevance for the society and for the business)

- 1. Sustainable mobility
- 2. Vulnerable customers
- 3. Digital transformation
- 4. Business ethics
- 5. Innovation and research
- 6. Energy infrastructure
- 7. Economic sustainability of the business
- 8. Corporate Governance
- 9. Socially responsible investment
- 10. Supplier management
- 11. Energy efficiency
- 12. Climatic changes
- 13. Renewable energy promotion
- 14. Environmental management
- 15. Engagement with local communities
- 16. Crisis management
- 17. Communication and transparency
- 18. Human rights
- 19. Safety
- 20. Customer satisfaction and service
- 21. People management



## IDENTIFICATION OF TOPICS







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## **IDENTIFICATION OF TOPICS**

Below, we have gathered the main material ESG topics identified by REDES, grouped into three dimensions (economic, environmental, and social) and categorised according to recognised international standards (DJSI, GRI, SASB...). Each of these topics has been assigned a more exhaustive description, based on which information is searched for obtaining relevant information for the study. Such description by matter and category is developed in Appendix I of this document.

Its subsequent analysis will allow the company to reach optimal management levels in sustainability, while fostering transparency with its stakeholders.

In this sense, the first stage of internal analysis (initial identification) is carried out by REDES taking into account its corporate policies, stakeholder perception analysis, strategic plan and ESG risk map, among others.

#### CORPORATE GOVERNANCE

- Structure and operation of corporate governance
- Assessment and remuneration

#### **USINESS ETHICS**

- © Effective and confidential management of ethical complaints
- © Risk of corruption/bribery/fraud/money laundering
- Promotion of an ethical culture in the organisation
- © Responsible political engagement
- Unfair competition practices
- Information security and privacy

#### **BUSINESS SUSTAINABILITY**

- Creation of long-term value
- Solvency and financial management

#### SOCIALLY RESPONSIBLE INVESTMENT

- Assessment of the company's ESG performance
- Responsible investment and financing

#### INNOVATION AND RESEARCH

- $\circ$  Partnership, financing and research dissemination agreements
- Development of innovative technologies

#### DIGITAL TRANSFORMATION

- Digital transformation
- Digital inclusion

ECONOMIC DIMENSION

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#### SUSTAINABLE MOBILITY

© Electric mobility

#### SUPPLIER MANAGEMENT

- Sustainability in the supply chain
- CO2 in the supply chain

#### ENERGY INFRASTRUCTURES

- Quality of the technical support
- Distributed generation/ Selfconsumption

#### CRISIS MANAGEMENT

- Critical infrastructures
- Information security
- ା Infectious diseases
- Critical suppliers



#### HUMAN AND LABOUR RIGHTS

🖧 Respect for human and labour rights

#### COMMUNICATION AND TRANSPARENCY

- 🖞 Communication and transparency
- 🖧 Fiscal transparency

#### CUSTOMER SATISFACTION AND SERVICE

- 🖧 Customer satisfaction and services
- د المناطقة Claim and complaint management
- 🖧 Energy prices
- new energy services
- 🖧 Product and service safety
- and Sustainable consumption

#### **VULNERABLE CUSTOMERS**

🖧 Energy poverty

#### ENGAGEMENT WITH LOCAL COMMUNITIES

- 🖧 Engagement with local communities
- and Management of impacts on local communities
- 🖧 Respect for the indigenous communities
- 🖧 Just energy transition
- 🖞 Access to energy

#### **PEOPLE MANAGEMENT**

- 🖧 Attracting and retaining talent
- 🖧 Training and development
- 🖧 Employee satisfaction
- ి Work-life balance and social protection measures
- 🖧 Remuneration and benefits
- 🖧 Labour relations
- 🖧 Job stability
- 🖧 Diversity / Equal opportunities



#### SAFETY

- 🖧 Occupational incidents and diseases
- 🖧 Occupational health promotion
- 🖧 Mental health at work

This first stage of internal analysis is carried out by EDP taking into account its corporate policies, stakeholder perception analysis from previous years, strategic plan and ESG risk map, among others.



#### **CLIMATIC CHANGES**

Mitigation of climate changeAdaptation to climate change

#### **RENEWABLE ENERGY PROMOTION**

© Renewable energy promotion

**ENERGY EFFICIENCY** 

③ Energy efficiency

ENVIRONMENTAL DIMENSION

#### ENVIRONMENTAL MANAGEMENT

- © Circular economy
- © Water management
- Biodiversity protection
- Pollution prevention

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After the initial identification of topics, internally carried out by the company, the next step of the methodology is identifying all the relevant sources of information available (standards, analysts' and investors' requirements on ESG matters, studies by relevant entities, media analyses, public peer information, regulations and trends in the sector, among others).

#### SHAREHOLDERS AND INVESTORS

#### A. Analysed sources

The analysed sources for the 2021 Materiality Report are: Dow Jones Sustainability Index, other ESG indices, Investor and Stakeholder Relationship Division of the EDP Group (DRIS), EDP and REDES Sustainability Plan, EDP España Circular Economy Strategy, EDP España 2020 Social Investment Plan, 2020 Sustainability Reports (EDP España/EDP Redes España), Fundación EDP 2020 Report, EDP '2030 Ambition' Strategy, and interviews with the Management.

#### B. Common topics to all the analysed sources

The following material topic has been found relevant, to the extent to which it is observed in the sources analysed:

1. Climate change mitigation

#### C. Statistical weighting

TOPICS	WEIGHT
Climate change mitigation	100%
Biodiversity protection	90%
Information security	90%
Energy efficiency	87%
Engagement with local communities	87%
Labour relations	87%
Assessment of the company's ESG performance	85%
Management of impacts on local communities	84%
Diversity / Equal opportunities	84%
Occupational incidents and diseases	80%
Creation of long-term value	75%
Adaptation to climate change	75%
Employee satisfaction	75%
Circular economy	72%
Physical safety in premises	70%
Just energy transition	69%
Pollution prevention	67%
Development of innovative technologies	65%
Sustainability in the relationship with suppliers	65%
Customer satisfaction and service	65%



#### **D. General analysis**

In general, it is evidenced that the most relevant material topics are those related to environmental matters, among which the aspects concerning climate change mitigation (100%) and biodiversity protection (90%) stand out.

Information security has also gained special importance, as it is a cross-cutting topic that affects all EDP REDES España companies and/or platforms in their relationships with stakeholders.

These topics are aligned with the global topics highlighted by the <u>World Economic Forum, en su informe anual de riesgos</u> <u>ESG (pág.:14)</u>



SOCIAL COMMITMENT

#### E. Analysis per dimension

The analysis per dimension for the 'Shareholders' stakeholder is:



Information security (90%) Assessment of the company's ESG performance (85%) Creation of long-term value (75) Development of innovative technologies (65%) Sustainability in the relationship with suppliers (65%) Critical suppliers (60%) Promotion of an ethical culture in the organisation (60%)



Climate change mitigation (100%) Biodiversity protection (90%) Energy efficiency (87%) Adaptation to climate change (72%) Circular economy (72%) Pollution prevention (67%) Water management (55%) Renewable energy promotion (50%)



Engagement with local communities (87%) Labour relations (87%) Management of impacts on local communities (84%) Diversity/ Equal opportunities (84%)

- Occupational incidents and diseases (80%)
- Employee satisfaction (75%)
- Physical safety in premises (70%)
- Just energy transition (69%)
- Customer satisfaction and service (65%)





#### **UR COMMITMENTS**

Accelerated and sustainable growth Increasing green growth Distinctive and resilient portfolio Solid balance sheet

Leading the energy transition to create higher value

**Future-ready organisation Global,** agile and efficient Talented and empowered people. Innovative and digitally-driven

ESG excellence and appealing returns ESG benchmark Green leadership position

Solid visibility of returns

b. Social Dimension



In the economic field, the study conducted for 2021 shows the main material topics to be information security with (90%), assessment of the company's ESG performance (85%) and the creation of long-term value with (75%).

In this sense, EDP Redes España, as part of the 'Changing Tomorrow Now' strategy of the EDP Group, keeps working on to guide its long-term actions according to sustainability criteria.

The Strategic Update of the 2019-2022 corporate Business Plan provides the main cores that support this strategic position of the Group:



The social dimension analyses both internal aspects, relating to employees, and external aspects, mainly related to local communities where assets exist and/or activities are carried out.

Internally, the main material topics that directly affect EDP Redes España employees are both labour relations aspects (87%) and the occupational health and safety (70%) of the people who work and/or operate at REDES' facilities and their satisfaction (75%). Diversity and equal opportunities (84%) also stands out.

Externally, engagement with local communities (87%) where EDP Redes España has a presence and dealing with their needs and expectations (84%) has gained special importance, being coordinated through the Social Investment Plan of EDP España as a whole, which includes REDES' activities.

Lastly, on environmental matters, climate change mitigation (100%), biodiversity protection (90%), and energy efficiency (87%) stand out in the results of the analysis.

From this analysis, it can thus be inferred that the company's shareholders attribute major significance to the topics related to climate change and environmental protection, as well as the responsible use of resources in order to attain circular economy, which will align the business with the new regulations that are expected to be passed in the national and European market.

These results evidence that the EDP 'ESG Ambition 2030' Strategy is in line with the international trends and the expectations of qualified investors and analysts.



#### COMMITTED TO THE PROTECTION OF THE ENVIRONMENT

#### 5. CIRCULAR ECONOMY

Accelerating the circularity of our assets and business model, paying special attention to water management

#### 6. NATURAL CAPITAL

Assessing and integrating natural capital into our decision-making processes, placing biodiversity protection as our main driver

#### 7. ADAPTATION AND RESILIENCE

Mitigating the climate risks and strengthening EDP's resilience to medium- and long-term climate effects

1. CLEAN GENERATION

Decarbonising generation, attaining carbon neutrality and offsetting residual CO2 emissions

#### 2. SUSTAINABLE CONSUMPTION

Decarbonising consumption and promoting low-carbon and energy-efficient products and services

## 3. INNOVATION AND DIGITAL TRANSFORMATION

Strengthening the company's approach based on four innovation pillars: cleaner energy, smarter grids, storage and flexibility, and customer-oriented solutions, reinforced by a solid digital culture

#### 4. JUST TRANSITION

Promoting a just transition by mobilising investments in renewable energies in the regions in which coal has been phased out, and supporting workers and communities in a sustainable and economically inclusive way Committed to the protection of the environment

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#### ...WITH A POSITIVE IMPACT ON SOCIETY

1. DIVERSITY AND WELL-BEING

2. SUSTAINABLE VALUE CHAIN

3. INCLUSIVE COMMUNITIES

continuous social investment

Ensuring a just and safe workplace in EDP, based on solid principles of diversity and inclusion

Applying decarbonising, gender equality and

reporting criteria in the selection of materials and services and in the selection of suppliers

Contributing to a better society and to the



#### ...AND A SOLID GOVERNANCE STRUCTURE

4. ETHICAL BEHAVIOUR

Continuing to foster a solid ethical culture internalised in all the company's principles and policies

#### 5. ESG GOVERNANCE STRUCTURE development of local communities through

Further linking variable remuneration to the ESG standards and shareholder value. and better practices in the remuneration policy





#### **CITY COUNCILS**

#### A. Analysed sources

The sources analysed for this stakeholder are: the Spanish Federation of Municipalities and Provinces (FEMP), the Cantabria Municipality Federation, the Asturian Federation of Town Councils (FACC), the Active Listening Report, the Investor and Stakeholder Relationship Division of the EDP Group (DRIS) and, as regards city councils, this study has assessed Los Barrios (Algeciras) and Puente Nuevo (Córdoba).

#### B. Common topics to all the analysed sources

None of the topics assessed in the 2021 materiality report is unanimously included in the matters addressed by each of the sources.

#### C. Statistical weighting

TOPICS	WEIGHT
Energy efficiency	95%
Infectious diseases	80%
Management of impacts on local communities	70%
Electric mobility	65%
Digital inclusion	65%
Climate change mitigation	65%
Adaptation to climate change	65%
Pollution prevention	65%
Engagement with local communities	65%
Just energy transition	65%

#### D. General analysis

The most important topic for this stakeholder is energy efficiency with 95% and, as is logical, infectious diseases with (80%), since it has affected the general population and, therefore, the management by municipal entities.

#### E. Analysis per dimension

The analysis per dimension for the 'City Councils' stakeholder is:



Infectious diseases (80%) Electric mobility (65%) Digital inclusion (65%) Quality of the technical service (50%) Information security (45%)



Energy efficiency (95%) Climate change mitigation (65%) Adaptation to climate change (65%) Pollution prevention (65%) Biodiversity protection (50%)



Management of impacts on local communities (70%) Engagement with local communities (65%) Just energy transition (65%) Communication and transparency (55%) Diversity/Equal opportunities (45%) Job stability (30%)





In the analysis of the economic dimension, the sources consulted prioritise topics related to infectious diseases (80%), electric mobility (65%), and digital inclusion (65%).

With regard to infectious diseases, the special significance is due to the impact of COVID-19. City councils had to ensure that essential services continued to function smoothly despite the crisis caused by the disease. In this regard, EDP Redes España has carried out important actions aimed at improving the quality of life of the inhabitants of the municipalities particularly vulnerable to the situation caused by COVID-19.

In terms of digital inclusion, it is necessary to take action to facilitate access to corporate information for all groups, both the elderly and young people. EDP Redes España, electricity distributor of the EDP Group, is in line with these needs and adjusts its digital contents to good accessibility practices, and it provides the information about the contracted products in an easy way.

In the social dimension, management and engagement with local communities (70% and 65%, respectively) stand out.

In the energy sphere, the just energy transition (65%) stands out, which supports our strategy for a change in the business model, in line with the national regulations on energy transition and climate change.



In environmental terms, relative importance is focused on energy efficiency (95%), climate change mitigation (65%) and adaptation (65%) and pollution prevention (65%).

These aspects, which are among the main environmental concerns of society in general, extend to local corporations, which are demanding or undertaking actions aimed at sustainability and the reduction of environmental impacts in the activities/services they provide to their citizens.





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#### A. Analysed sources

The sources used for the analysis of this stakeholder are: the National Council of Consumers and Users (CCU), the Energy Consumer Association (ANAE), the Energy-Intensive Undertaking Association (AEGE), the report on customer and non-customer satisfaction and the Investor and Stakeholder Relationship Division of the EDP Group (DRIS).

#### **B.** Common topics to all the analysed sources

None of the topics assessed in the 2021 materiality analysis is unanimously included in the matters addressed by each of the consulted sources.

#### C. Statistical weighting:

TOPICS	WEIGHT
Quality of the technical support	90%
Critical suppliers	75%
Energy prices	65%
Digital transformation	65%
Communication and transparency	60%
Structure and operation of corporate governance	50%
Critical infrastructures	50%

#### **D.** General analysis

In general, it is observed that the most relevant topic for customers is the quality of the technical support (90%), followed by critical suppliers (75%) and energy prices and digital transformation with 65%.

#### E. Analysis per dimension

The analysis per dimension for the 'Customers' stakeholder is:



Quality of the technical service (90%) Critical suppliers (75%) Digital transformation (65%) Structure and operation of corporate governance (50%) Critical infrastructures (40%) Digital inclusion (45%)

Climate change mitigation (35%) Circular economy (15%)



Energy prices (65%) Communication and transparency (60%) Energy poverty (45%) Diversity/Equal opportunities (35%) Customer satisfaction and service (30%) Claim and complaint management (30%)





In the economic aspects, the quality of the technical support (90%) and critical suppliers (75%) stand out.



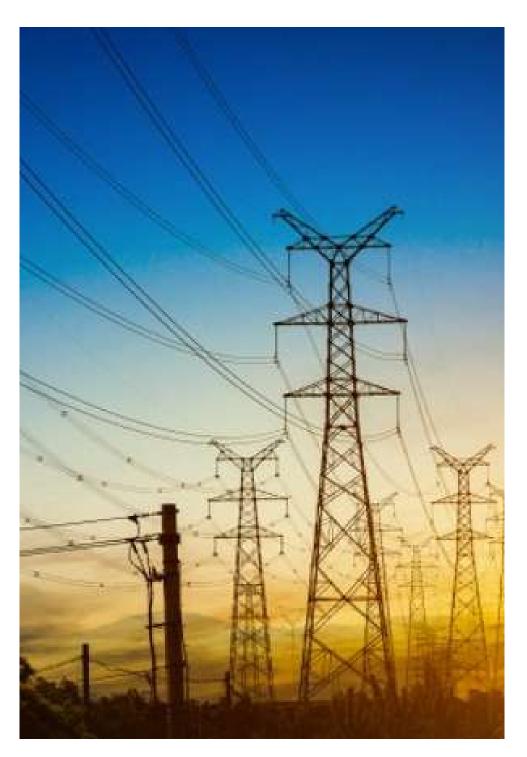
In the social dimension, the topic with the highest relevance is the energy price (65%), followed by communication and transparency (60%).

As regards the energy prices, AEGE has demanded short-term measures to face the electricity costs in 2021 and 2022. In this sense, energy distributors have no influence when it comes to fixing energy prices.



For this stakeholder, no environmental topic obtains a significant relevance. The only topics assessed are circular economy and climate change mitigation.

Customers appreciate the environmental actions carried out by companies, but they are more interested in economic and social matters.



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#### **EMPLOYEES**

#### A. Analysed sources

The sources used to analyse this stakeholder are: the 2018-2022 People Plan and e-mail communications, the main trade unions operating in EDP España Business Unit (CCOO, Cuadros and UGT) and in Viesgo. Likewise, the information relating the employee satisfaction survey has been analysed using the 2020 Spain Climate Survey.

#### B. Common topics to all the analysed sources

For year 2021, the following material topics have been found relevant, to the extent to which they are observed in the analysed sources:

Compensation and benefits
 Labour relations

#### C. Statistical weighting:

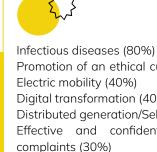
TOPICS	WEIGHT
Compensation and benefits	100%
Labour relations	100%
Infectious diseases	80%
Attracting and retaining talent	80%
Training and development	80%
Work-life balance and social protection measures	80%
Job stability	80%
Diversity / Equal opportunities	80%
Occupational incidents and diseases	60%
Occupational health promotion	60%
Mental health at work	60%
Employee satisfaction	60%

#### D. General analysis

In this year's analysis, greater importance has been attributed to compensation and benefits (100%), as well as to the matter of labour relations (100%), as compared to training and development, which is in the fifth place with a relative score of 80%.

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#### E. Analysis per dimension



Promotion of an ethical culture in the organisation (40%) Electric mobility (40%) Digital transformation (40%) Distributed generation/Self-consumption (40%) Effective and confidential management of ethical

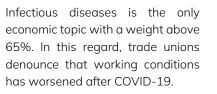
Climate change mitigation (40%) Energy poverty (20%) Biodiversity protection (20%) Pollution prevention (20%) Adaptation to climate change (10%)



Compensation and benefits (100%) Labour relations (100%) Attracting and retaining talent (80%) Training and development (80%) Work-life balance measures (80%) Job stability (80%) Diversity/Equal opportunities (80%) Occupational incidents and diseases (60%) Occupational health promotion (60%) Mental health at work (60%) Employee satisfaction (60%)







c. ENVIRONMENTAL DIMENSION

Although no environmental topic obtains a significant score in the analysis for this stakeholder, it should be noted that the trade unions evaluated stress that companies must be pioneers in the fight against climate change and report that while the COP 26 held in 2021 demonstrated some progress in this regard, countries are still far from tackling the climate emergency with clear targets and measures.

The rest of topics that have obtained a relative score over 65% are of a social nature and, More specifically, they are topics related to people management.

As for the topics common to all sources, it is closely related to the increase in the minimum wage and to the negotiation of collective agreements.

With regard to the compensation and benefits policies of EDP Redes España, it continues to implement various benefits for its employees, such as the restaurant card, transport discounts, childcare vouchers, etc.

As for the rest of analysed matters, diversity and equal opportunities has also obtained a high relevance, mainly focused on equality and gender-based violence plans.

Another significant point is work-life balance and job stability. This is a point of concern for trade unions insofar as it is deemed that decent salaries and job stability are a necessary condition to consolidate the economic recovery.

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## **EXTERNAL** PRIORITISATION

#### C. Statistical weighting:

TOPICS	WEIGHT
Diversity / Equal opportunities	93%
Climate change mitigation	91%
Structure and operation of corporate governance	81%
Attracting and retaining talent	81%
Infectious diseases	77%
Renewable energy promotion	77%
Energy efficiency	76%
Pollution prevention	75%
Training and development	73%
Labour relations	73%
Work-life balance and social protection measures	68%
Employee satisfaction	60%

#### D. General analysis

In general terms, it is observed that in this analysis, the relevant topics for this stakeholder are scattered, and none of them has reached 100% of relative importance.

In terms of their relative importance, diversity and equal opportunities (93%) continues to be the most important topic, followed by climate change mitigation (91%) and structure and operation of corporate governance (81%).



E. Analysis per dimension

Structure and operation of corporate governance (81%) Infectious diseases (77%) Development of innovative technologies (64%) Partnership, financing and research dissemination agreements (62%) Electric mobility (59%) Promotion of an ethical culture in the organisation (51%) Information security (51%)



Climate change mitigation (91%) Renewable energy promotion (77%) Energy efficiency (76%) Pollution prevention (75%) Circular economy (63%) Biodiversity protection (54%) Water management (37%)



Diversity/Equal opportunities (93%) Attracting and retaining talent (81%) Training and development (73%) Labour relations (73%) Work-life balance and social protection measures (68%) Communication and transparency (64%) Engagement with local communities (63%)

#### SCIENTIFIC COMMUNITY AND BUSINESS PARTNERS

#### A. Analysed sources

The sources analysed for the 'Scientific Community and Business Partners' stakeholder are: EECTI 2021-2027 (Spanish Science, Technology and Innovation Strategy), the University of Oviedo, the University of Santiago (Lugo campus), the University of Cantabria, Liberbank/Unicaja, La Caixa, BBVA, MasyMas and the Spanish Women in Energy Association (AEMENER).

#### B. Common topics to all the analysed sources

None of the topics assessed in the 2021 materiality analysis is unanimously included in the matters addressed by each of the consulted sources.



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The most relevant topic in the economic area is structure and operation of corporate governance (81%), followed by infectious diseases with 77%.

COVID-19 remains one of the most widespread concerns and with a major economic repercussion. This is due, surely, to the impact COVID-19 has had on their lines of action and lines of research.



As for the social dimension, the interest in diversity and equal opportunities (93%), especially as regards gender, stands out. This is followed by attracting and retaining talent (81%) and training and development and labour relations, with a 73% weight respectively.

Personnel management and their satisfaction and development are increasingly acquiring more relevance.



Lastly, the results of the 2021 analysis on environmental matters highlight climate change mitigation with 91%. With a lower weight, but also relevant, the renewable energy promotion (77%), energy efficiency (76%) and pollution prevention (75%) topics stand out.

Universities in general, given their education and society-supporting commitment, are in line with the sustainable development goals and, specifically, with those of an environmental nature. The bank institutions incorporated into this analysis, as essential organisations for the society, have also begun to assume commitments to support the transition to a more sustainable economy.

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#### E. Analysis per dimension:

EXTERNAL PRIORITISATION



Structure and operation of corporate governance (45%) Digital transformation (44%) Risk of corruption/bribery/fraud/money laundering (29%) Information security and privacy (29%) CO2 in the supply chain (18%)

#### LOCAL COMMUNITIES

#### A. Analysed sources

**2021** España

edpe

The sources used for the analysis of the 'Local Communities' stakeholder are: the Federation of Neighbour Associations of Gijón, the Cantabrian Federation of Neighbour Associations, the ENTAMA programme, the Youth Council of the Principality of Asturias, the Youth Portal of the Cantabrian Government and the Investor and Stakeholder Relationship Division of the EDP Group (DRIS).

#### B. Common topics to all the analysed sources

For year 2021, the following material topics have been found relevant, to the extent to which are observed in the sources analysed:

- Engagement with local communities.



#### C. Statistical weighting:

TOPICS	WEIGHT
Engagement with local communities	100%
Management of impacts on local communities	88%
Structure and operation of corporate governance	45%
Digital transformation	44%
Diversity / Equal opportunities	42%

#### D. General analysis

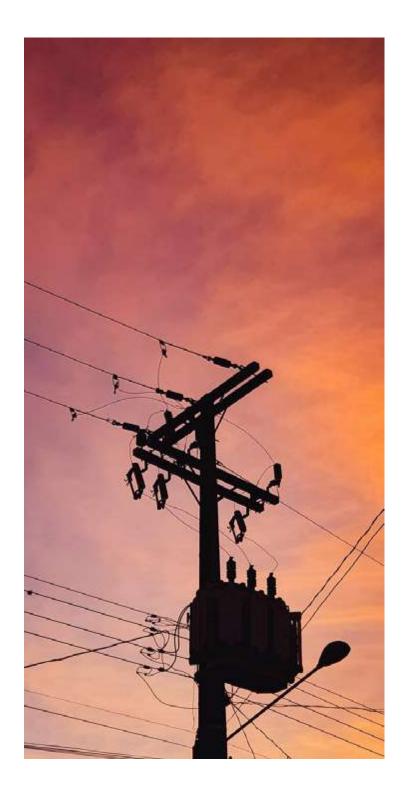
In general, it is observed that the most relevant topics for this stakeholder are the social topics. It is reasonable to think that local communities are interested to know the actions carried out by companies to promote the development in the areas in which they are present.



Pollution prevention (38%) Biodiversity protection (26%) Climate change mitigation (15%) Adaptation to climate change (15%) Circular economy (72%) Water management (15%)



Engagement with local communities (100%) Management of impacts on local communities (88%) Diversity/Equal opportunities (42%) Labour relations (30%) Respect for human and labour rights (29%) Sustainable consumption (29%) Job stability (29%)





Although no economic topic exceeds 65% of relevance, the first positions are held by structure and operation of corporate governance (45%) and digital transformation (44%).



Social topics are the only ones that obtain a relative weight above 65%. Engagement with local communities (100%) and the management thereof (88%) are the most relevant aspect for this stakeholder.

Diversity and equal opportunities (42%) is a matter of concern for this stakeholder. In this sense, the neighbours' associations continue to show their support to the fight against gender-based violence. The new youth-related sources analysed also find this topic especially relevant, due to the growing number of gender-based violence cases among teenagers. In this regard, workshops are taught about, for instance, how to address gender-based violence among young people.



As it happens with the economic matters, no environmental topic is relevant for this stakeholder.

However, the topics that have obtained a higher score have been pollution prevention (38%) and biodiversity protection (26%).

Specifically, this stakeholder has been affected by air pollution and the massive use of plastics having organised various demonstrations in protest.

#### C. Statistical weighting:

TOPICS	WEIGHT
Structure and operation of corporate governance	100%
Digital transformation	100%
Distributed generation/Self-consumption	100%
Climate change mitigation	100%
Infectious diseases	100%
Renewable energy promotion	100%
Biodiversity protection	100%
Engagement with local communities	100%
Just energy transition	100%
Diversity / Equal opportunities	100%
Occupational incidents and diseases	100%
Development of innovative technologies	95%
Training and development	95%
Respect for human and labour rights	88%

TOPICS	WEIGHT
Adaptation to climate change	88%
Work-life balance and social protection measures	82%
Employee satisfaction	78%
Promotion of an ethical culture in the organisation	75%
Sustainability in the relationship with suppliers	75%
Energy efficiency	75%
Partnership, financing and research dissemination agreements	73%
Electric mobility	72%
Occupational health promotion	71%
Circular economy	70%
Attracting and retaining talent	70%
Customer satisfaction and service	65%
Management of impacts on local communities	65%

#### COMPETITORS

#### A. Analysed sources

**2021** España

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The sources analysed for this stakeholder are: EDF, TERNA, ENEL, Red Eléctrica, ENDESA, NATURGY, Iberdrola and ELENIA.

#### **B.** Common topics to all the analysed sources

For year 2021, the following material topics have been found relevant, to the extent to which they are observed in the sources analysed:

- **1. Structure and operation of corporate g**overnance
- 2. Digital transformation
- 3. Distributed generation/Self-consumption
- 4. Climate change mitigation
- 5. Infectious diseases
- 6. Renewable energy promotion
- 7. Biodiversity protection
- 8. Engagement with local communities
- 9. Just energy transition
- 10. Diversity / Equal opportunities
- 11. Occupational incidents and diseases

#### D. General analysis

In general terms, it is observed that one of the leading topics is digital transformation (100%). Due to the pandemic, many organisations had to make an effort in terms of digitisation in order to continue their normal operations.

In terms of environmental importance, climate change mitigation (+16 points), renewable energy promotion and biodiversity protection stand out, obtaining 100% respectively.

In the economic dimensions, self-consumption stands out with 100%, since solar energy and self-consumption have increased significantly this last year, partly caused by increased energy prices.



#### E. Analysis per dimension



Structure and operation of corporate governance (100%) Digital transformation (100%) Distributed generation/Self-consumption (100%) Infectious diseases (100%) Development of innovative technologies (95%) Promotion of an ethical culture in the organisation (75%) Sustainability in the relationship with suppliers (75%) Partnership, financing and research dissemination agreements (73%)

Electric mobility (72%)



Climate change mitigation (100%) Renewable energy promotion (100%) Biodiversity protection (100%) Adaptation to climate change (88%) Energy efficiency (75%) Circular economy (70%)



Engagement with local communities (100%) Just energy transition (100%) Diversity/Equal opportunities (100%) Occupational incidents and diseases (100%) Training and development (95%) Respect for human and labour rights (88%) Work-life balance and social protection measures (82%) Employee satisfaction (78%) Occupational health promotion (71%) Attracting and retaining talent (70%) Customer satisfaction and service (65%)

Management of impacts on local communities (65%)



#### **SUPPLIERS**

The sources analysed for the 'Suppliers' stakeholder are: GOSUPLY, EDP Supplier Code of Conduct, the Procurement Procedure. Sustainability in the supply chain and DRIS.

#### **B.** Common topics to all the analysed sources

For year 2021, the following material topics have been found relevant, to the extent to which they are observed in the sources analysed:

- Promotion of an ethical culture in the organisation

#### C. Statistical weighting:

TOPICS	WEIGHT
Promotion of an ethical culture in the organisation	100%
Sustainability in the supply chain	80%
Risk of corruption/bribery/fraud/money laundering	70%
Climate change mitigation	70%
Communication and transparency	60%
Occupational health promotion	60%
Fair competition practices	60%

The topics that have gained more relevance for the analysis of this stakeholder are the promotion of an ethical culture in the organisation (100%) and sustainability in the supply chain (80%). EDP Redes España considers its suppliers as an essential part of its social, environmental and economic impact. The value chain has acquired a manifest prominence, which is reflected in the definition itself of the material topics to analyse.

#### E. Analysis per dimension



Promotion of an ethical culture in the organisation (100%) Sustainability in the relationship with suppliers (80%) Risk of corruption/bribery/fraud/money laundering (70%) Fair competition practices (60%) Creation of long-term value (40%) Effective and confidential management of ethical complaints (20%)

Information security and privacy (20%)



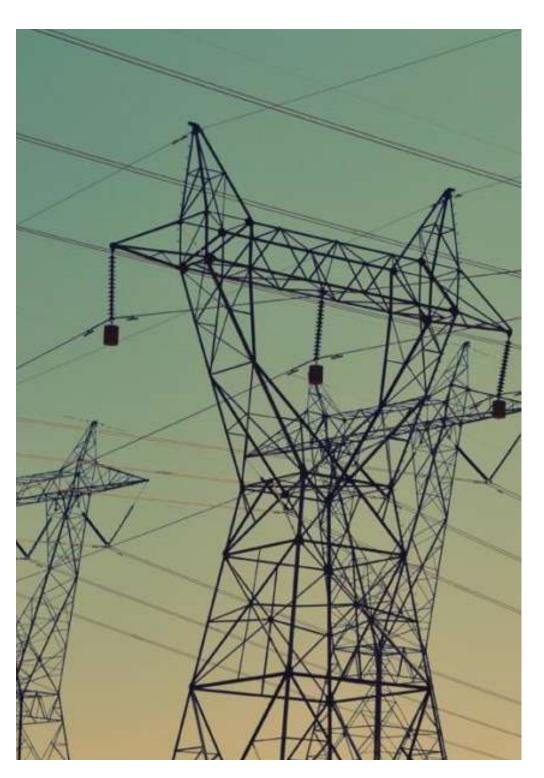
Climate change mitigation (70%) Biodiversity protection (20%) Pollution prevention (20%) Renewable energy promotion (10%)



Occupational health promotion (60%) Respect for human and labour rights (40%) Occupational incidents and diseases (30%) Engagement with local communities (30%) Management of impacts on local communities (30%)

Communication and transparency (60%)





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In the economic dimension, the study conducted for year 2021 reveals that the most relevant matters for this stakeholder lie in topics related to image and reputation. This is important for them, since it favours the creation of a good image, thus getting a better predisposition vis-à-vis certain agents, as well as a better implementation in the development of their strategic lines



As regards social matters, special attention is paid in this case to factors such as communication and transparency, obtaining a 60% relevance, as well as occupational health promotion. Respect for human and labour rights has obtained 40%. This result is in line with the general and economic result, promoting good practices in organisations.



In the environmental area, the only topic with a relative weight over 65% is climate change mitigation, which has obtained 70%.

Despite the obtained result, it should be noted that the energy cluster of the Basque Country continues to instigate initiatives for the promotion of renewable energies, aimed both at minimising the environmental impact and at improving energy efficiency.

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## **EXTERNAL** PRIORITISATION

#### GOVERNMENT, PUBLIC BODIES AND REGULATION

#### A. Analysed sources

For the materiality analysis of this stakeholder, the following sources are analysed: the National Markets and Competition Commission (CNMC), the Ministry of Industry, Trade and Tourism (MINCOTUR), the Ministry for the Ecological Transition (MITECO), the COP 26, the Autonomous Region of Madrid, the Autonomous Region of Cantabria, the Province of Lugo, the Asturian Employers' Federation (FADE), CEPYME Cantabria, the Government of Aragón, the 2023 Agenda of the Principality of Asturias and the DRIS.

#### **B.** Common topics to all the analysed sources

None of the topics assessed in the 2021 materiality report is unanimously included in the matters addressed by each of the consulted sources.

#### C. Statistical weighting:

TOPICS	WEIGHT
Infectious diseases	85%
Diversity / Equal opportunities	85%
Digital transformation	84%
Electric mobility	75%
Biodiversity protection	74%
Structure and operation of corporate governance	71%
Information security and privacy	65%

#### D. General analysis

The topics with the highest relevance for the 'Government, Public Bodies and Regulation' stakeholder were those related to economic impact.

However, biodiversity protection has obtained a 74% score. Special attention was paid to decarbonisation and biodiversity protection at the COP26 held in Glasgow. According to Antonio Guterres, Secretary General of the United Nations, the world 'must wake up. We must stop using nature as a toilet, or it will finish us off. It is time to act'.

#### E. Analysis per dimension

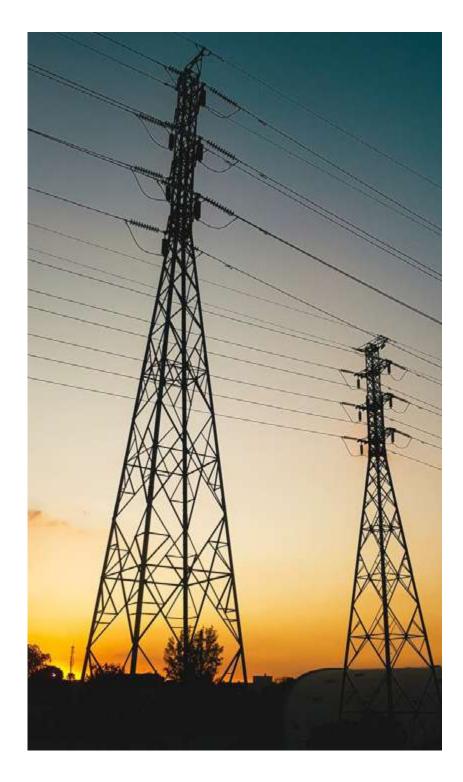
Infectious diseases (85%) Digital transformation (84%) Electric mobility (75%) Structure and operation of corporate governance (71%) Information security and privacy (65%)



Biodiversity protection (74%) Climate change mitigation (60%) Adaptation to climate change (60%) Energy efficiency (57%)



Diversity / Equal opportunities (85%) Just energy transition (50%) Engagement with local communities (47%) Management of impacts on local communities (41%) Energy prices (39%) Communication and transparency (36%)



a. ECONOMIC DIMENSION



cybersecurity, is gaining in importance.

With regard to the social topics, diversity and equal opportunities (85%) stands out. In this sense, gender equality remains a topic of special relevance for organisations. Furthermore, the recent regulation passed regarding equality plans and remuneration recording has made institutions collaborate in disseminating its mandatory nature, as well as in offering training about it.

The economic matters are the topics that obtained a higher relevance for this stakeholder. The topic of infectious diseases (85%) remains one of the most important, which is natural as COVID-19 remained

Meanwhile, the digital transformation topic (84%) also obtained a high score in this analysis. It is reasonable to believe that, with the pandemic, many organisations sought a digital transformation, mainly to improve their relationship with customers/users, strengthen management capabilities and increase sales with the implementation of new channels. This goes completely hand in hand with the topic of information security and privacy (65%), where the concern about cyberattacks and, therefore,

a factor to be taken into account throughout 2021 in all aspects of organisations.



The only environmental topic that has obtained a high score is biodiversity protection, with 74%.

In this sense, the autonomous regions and the provinces analysed stress the importance of protecting protected natural areas, as well as combating nature and sea pollution.



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#### **INTERNATIONAL INSTITUTIONS**

In the 2021 materiality analysis, the sources analysed are: the European Commission, the World Energy Council, Bloomberg – ESG, Annual Energy Outlook, the World Business Council for Sustainable Development, 2021 Sustainability Trends, Global Risk Report, Financing a Sustainable European Economy and the United Nations.

B. Common topics to all the analysed

For year 2021, six topics have impacted on the totality of the consulted sources:

- 1. **Climate change mitigation**
- 2. Adaptation to climate change
- 3. Infectious diseases
- 4. **Critical suppliers**
- 5. **Circular economy**
- 6. Just energy transition

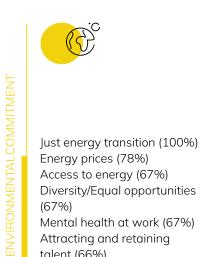
#### C. Statistical weighting:

TOPICS	WEIGHT	TOPICS	WEIGHT
Climate change mitigation	100%	Development of innovative technologies	78%
Adaptation to climate change	100%	Electric mobility	78%
Infectious diseases	100%	Digital transformation	78%
Critical suppliers	100%	Energy prices	78%
Circular economy	100%	Water management	77%
Just energy transition	100%	Access to energy	67%
Renewable energy promotion	89%	Diversity / Equal opportunities	67%
Energy efficiency	89%	Mental health at work	67%
Biodiversity protection	89%	Critical infrastructures	66%
Pollution prevention	89%	Attracting and retaining talent	66%

#### E. Analysis per dimension



Infectious diseases (100%) Critical suppliers (100%) Development of innovative technologies (78%) Electric mobility (78%) Digital transformation (78%) Critical infrastructures (66%)



talent (66%)

## Mental health at work (67%) Attracting and retaining

Climate change mitigation (100%) Adaptation to climate change (100%) Circular economy (100%) Renewable energy promotion (89%) Energy efficiency (89%) Biodiversity protection (89%) Pollution prevention (89%) Water management (77%)

#### **D.** General analysis

In general, the topics that hold the first place are of an environmental nature. with climate change mitigation and adaptation climate change (100%).

This consolidates the change in trend occurred at an international and national level and in society in general, where 2030 Agenda and the recent holding of the COP 26 reveal the commitment to combat climate change and, in general, to the responsible use of resources until attaining circular economy.



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## **EXTERNAL PRIORITISATION**

#### C. Statistical weighting:

TOPICS	WEIGHT
Energy prices	100%
Climate change mitigation	100%
Electric mobility	95%
Energy poverty	95%
Infectious diseases	95%
Just energy transition	95%
Distributed generation/Self-consumption	90%
Circular economy	90%
Biodiversity protection	90%
Pollution prevention	90%
Work-life balance and social protection measures	90%
Diversity / Equal opportunities	90%
Digital transformation	89%
Risk of corruption/bribery/fraud/money laundering	87%
Information security	82%
Adaptation to climate change	78%
Structure and operation of corporate governance	76%
Labour relations	76%
Mental health at work	76%
Digital inclusion	75%
Respect for human rights	74%
Development of innovative technologies	74%
Critical suppliers	70%
Responsible investment and financing	69%

TOPICS	WEIGHT
Assessment of the company's ESG performance	68%
Occupational incidents and diseases	68%

#### D. General analysis

In this analysis, the energy price and climate change mitigation are the most predominant topics with 100%. As regards the former, it is due to the fact that energy price volatility and high prices have been on the news practically throughout the year.

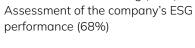
#### E. Analysis per dimension



Climate change mitigation (100%)Circular economy (90%) Biodiversity protection (90%) Pollution prevention (90%) Adaptation to climate change (78%) Water management (61%) Renewable energy promotion (60%)



Electric mobility (95%) Infectious diseases (95%) Distributed generation/Self-consumption (90%) Digital transformation (86%) Risk of corruption/bribery/fraud/money laundering (87%) Information security (82%) Structure and operation corporate governance (75%) Digital inclusion (75%) Development of innovative technologies (74%) Critical suppliers (70%) Responsible investment and financing (69%)





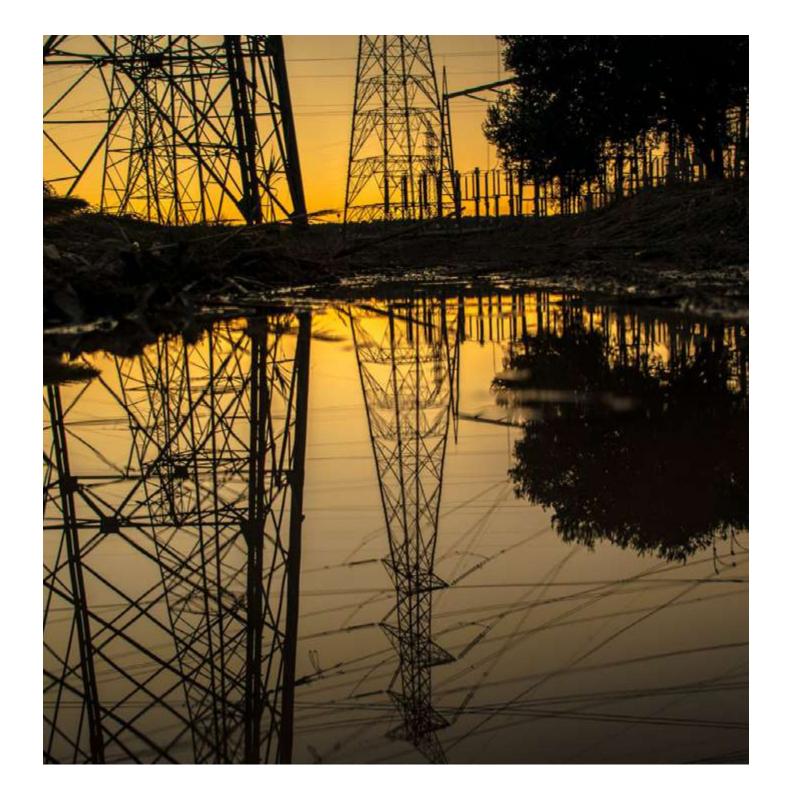
Energy prices (100%) Energy poverty (95%) Just energy transition (95%) Work-life balance and social protection measures (90%) Diversity / Equal opportunities (90%) Labour relations (76%) Mental health at work (76%) Respect for human and labour rights (74%) Occupational incidents and diseases (68%)

#### MEDIA

The sources analysed for this stakeholder are: El País. El Mundo. 20 minutos, La Nueva España (LNE), El Comercio, El Diario Montañes. La Voz de Galicia. El Economista, Expansión, Cinco días, El periódico de la Energía, Energías renovables. Corresponsables. Europapress, social media. RepRisk, DCMC and DRIS.

For year 2021, the following material topics have been found relevant, to the extent to which they are observed in the sources analysed:

1.Energy price. 2.Climate change mitigation





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Regarding economic matters, the media pays special attention to the topics related to electric mobility and infectious diseases (95%, respectively), followed by selfconsumption with 90%. In this aspect, it is highlighted that the grids need to be ready for the mass deployment of renewable energies, self-consumption and electric mobility..

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The energy price variable is the most relevant topic in the social dimension, with 100%, followed by energy poverty and just energy transition with 95%.



The environmental topic that has obtained a relative weight of 100% is climate change mitigation, followed by circular economy, biodiversity protection and pollution prevention with 90%.

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## **EXTERNAL** PRIORITISATION



Electric mobility (20%) Distributed generation/Self-consumption (15%) Responsible investment and financing (10%) Infectious diseases (10%)



E. Analysis per dimension

Biodiversity protection (95%) Climate change mitigation (70%) Adaptation to climate change (70%) Energy efficiency (55%)

#### NGOs

**2021** España

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#### A. Analysed sources

The sources analysed for this stakeholder are: ECODES, WWF, Biodiversity Foundation, GREENPEACE, FAPAS, Cruz Roja, Caritas, SEO Birdlife and DRIS.

#### B. Common topics to all the analysed sources

None of the topics assessed in the 2021 materiality report is unanimously included in the matters addressed by each of the consulted sources.

#### C. Statistical weighting:

TOPICS	WEIGHT
Biodiversity protection	95%
Climate change mitigation	70%
Adaptation to climate change	70%
Pollution prevention	55%

#### D. General analysis

In this analysis, only three topics have obtained a score over 65%; thus, there is a concentration of results. All the relevant topics have an environmental nature.







Despite that no economic topic is relevant in the materiality analysis for 2021, electric mobility is viewed as a significant topic by organisations; specifically, WWF and Greenpeace stress the importance to keep on moving forward in this sense, until attaining sustainable mobility, for which smart grids are necessary.



As it happens with the economic topics, no social topic stands out significantly in this study. However, organisations such as Cruz Roja or Caritas, more involved in the social spectrum, are concerned about diversity and equal opportunities, and job stability.



The environmental topic that has obtained more relevance in the analysis is biodiversity protection (95%). In such regard, WWF demands and proposes an ambitious, comprehensive, measurable and transformative global biodiversity framework to save the planet called 'Kunming plan for nature and people'.

Concerning climate change, Greenpeace proposes to tighten up the climate change law. One of the points criticised by them is the use of fossil fuels throughout the transport industry, thus producing a delay in the spreading of electric cars and the use of alternative fuels.

SEO Birdlife focuses on the preservation of birds and their habitats, which could be potentially affected by the electricity lines, as well as on other aspects such as the need to eradicate invasive species and guarantee the viability of indigenous species.



## **EXTERNAL** PRIORITISATION

#### **POLITICAL PARTIES**

#### A. Analysed sources

The analysed sources have been the following: Partido Popular (PP), Partido Socialista Obrero Español (PSOE), Ciudadanos, Podemos, Vox, Partido Regionalista de Cantabria and Bloque Nacionalista Gallego (BNG).

#### **B.** Common topics to all the analysed sources

None of the topics assessed in the 2021 materiality report is unanimously included in the matters addressed by each of the consulted sources.

#### C. Statistical weighting:

TOPICS	WEIGHT
Climate change mitigation	92%
Adaptation to climate change	92%
Renewable energy promotion	90%
Diversity / Equal opportunities	90%
Infectious diseases	80%
Just energy transition	80%
Biodiversity protection	72%
Labour relations	72%
Pollution prevention	67%

#### D. General analysis

In general, the topics that have obtained more relevance in the analysis are those of an environmental nature, climate change mitigation and adaptation being in the first place with 92%, respectively.

#### E. Analysis per dimension



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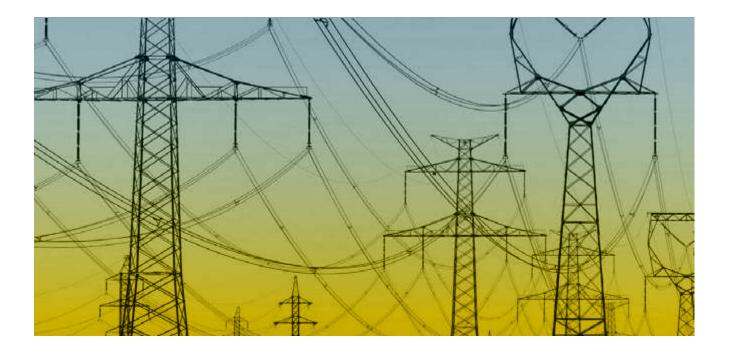
Infectious diseases (80%) Critical infrastructures (49%) Risk of corruption/bribery/fraud/money laundering (41%) Electric mobility (31%) Digital transformation (31%)



Climate change mitigation (92%) Adaptation to climate change (92%) Renewable energy promotion (90%) Biodiversity protection (72%) Pollution prevention (67%)



Diversity/Equal opportunities (90%) Just energy transition (80%) Labour relations (72%) Energy prices (54%) New energy services (46%) Access to energy (46%) Work-life balance and social protection measures (46%)





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In the environmental field, the political parties analysed refer to regulatory changes associated with the just energy transition and how this affects industries and consumers.

The promotion of renewable energies also appears among their publications as a way of mitigating the effect of repeated and gradual increases in the price of electricity.

As for biodiversity protection, several of the parties analysed referred to the protection of the Iberian wolf, which is still considered a hunting species in some areas, while in others it is protected.



The only economic topic that stands out with a score above 65% is infectious diseases with 80%. As we commented in other stakeholders, COVID-19 has not only left its mark on 2020, but also on 2021. Political parties have had to take decisions throughout the pandemic to deal with the situation we are facing in the best possible way.



The only relevant topics in the social sphere are diversity / equal opportunities (90%), just energy transition (80%) and labour relations (72%).

Political parties are focused on improving workers' conditions and job stability, with the minimum wage being of particular importance in 2021.

As for diversity and equal opportunities, genderbased violence and new legislation on equality matters means that political parties have become involved in these topics.

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## **EXTERNAL** PRIORITISATION

#### FINANCIAL INSTITUTIONS

#### A. Analysed sources

The sources analysed for the 'Financial institutions' stakeholder are: EuroNext, Bloomberg, the European Central Bank (ECB), the World Bank, the IFC and UNEP FI.

#### **B.** Common topics to all the analysed sources

For year 2021, the following material topics have been found relevant, to the extent to which they are observed in the sources analysed:

- **1 Responsible investment and financing**
- 2 Energy price
- 3 Climate change mitigation
- 4 Adaptation to climate change
- 5 Infectious diseases
- 6 Critical suppliers
- 7 Renewable energy promotion

#### C. Statistical weighting:

TOPICS	WEIGHT
Responsible investment and financing	100%
Energy prices	100%
Climate change mitigation	100%
Adaptation to climate change	100%
Infectious diseases	100%
Critical suppliers	100%
Renewable energy promotion	100%
Creation of long-term value	83%
Communication and transparency	83%
Partnership, financing and research dissemination agreements	83%
New energy services	83%
Risk of corruption/bribery/fraud/money laundering	83%
Biodiversity protection	83%
Promotion of an ethical culture in the organisation	67%
Respect for human and labour rights	67%
Circular economy	67%
Management of impacts on local communities	67%
Respect for indigenous communities	67%
Structure and operation of corporate governance	66%

#### D. General analysis

Responsible investment and financing is one of the most important topics for financial institutions, obtaining a 100% rating. Energy prices appear to be another significant topic, caused by the unstoppable increase in energy prices throughout the year.

Infectious diseases, as is the case for other stakeholders, remains at the top of the list. This is not only due to the fact that COVID-19 continues to affect the operations of organisations, but also to the fact that financial institutions have been essential throughout the pandemic, not only for their service to consumers/users, but also as an element to channel the resources made available by the State to the bodies most affected.



#### E. Analysis per dimension



Responsible investment and financing (100%) Infectious diseases (100%) Critical suppliers (100%) Creation of long-term value (83%) Partnership, financing and research dissemination Agreements (83%) Risk of corruption/bribery/fraud/money laundering (83%) Promotion of an ethical culture in the organisation (67%) Structure and operation of corporate governance (66%)



Climate change mitigation (100%) Adaptation to climate change (100%) Renewable energy promotion (100%)

Biodiversity protection (83%) Circular economy (67%)



Energy prices (100%) Communication and transparency (83%) New energy services (83%) Respect for human and labour rights (67%) Management of impacts on local communities (67%) Respect for indigenous communities (67%) With respect to economic subjects, and in addition to the aforementioned topics of sustainable financing, financial institutions pay special attention to the creation of long-term value (83%) and to partnership, financing and research dissemination agreements (83%). Another important topic is the risk of corruption/bribery/fraud/money laundering (83%), which is natural since financial institutions are subject to money laundering regulations, making this a risk to be taken into account at these types of institutions.



In addition to energy prices, communication and transparency (83%) is an important topic for these institutions, which shows that transmitting the organisation's affairs to third parties continues to be a challenge to be included in the strategies of institutions, not only due to legal obligation, but because non-financial information can be a differential element in attracting new customers or investors.



There are three topics that have obtained a 100% weight: climate change mitigation, adaptation to climate change and renewable energy promotion. This may have something to do with the European Green Deal and the National Energy Transition Plan and the new European taxonomy, which will lead these institutions to preferably invest in activities with a lower ESG risk profile.



## INTERNAL PRIORITISATION





## INTERNAL PRIORITISATION

#### SOCIETY PRIORITISATION

#### Prioritisation of topics

The relevant topics for the business as a whole that have obtained a rating over 65% are the following:

TOPICS	WEIGHT
Digital transformation	100%
Climate change mitigation	100%
Circular economy	100%
Biodiversity protection	100%
Engagement with local communities	100%
Management of impacts on local communities	100%
Just energy transition	100%
Labour relations	100%
Creation of long-term value	95%
Development of innovative technologies	95%
CO2 in the supply chain	95%
Sustainable consumption	95%
Adaptation to climate change	95%
Information security	95%
Diversity / Equal opportunities	95%
Occupational incidents and diseases	95%
Distributed generation/Self-consumption	85%
Assessment of the company's ESG performance	80%
Electric mobility	80%
Infectious diseases	68%
Pollution prevention	68%

#### **Prioritisation of categories**

The prioritisation of business categories for the 2021 analysis has been the following:

TOPICS	WEIGHT
Climatic changes	98%
Sustainable mobility	80%
Supplier management	79%
Environmental management	71%
Digital transformation	69%
Safety	68%
Engagement with Local Communities	67%
Energy infrastructures	66%



## IDENTIFICATION OF EMERGING TOPICS





# **TERNAL PRIORITISATION**

#### **IDENTIFICATION OF EMERGING TOPICS**

The main emerging topics observed during the preparation of this analysis are specified below.

The represented sample is not organised as per level of relevance, but as per matters more or less related and common to the characteristics of this report; however, this does not intend to follow a thread or establish a relative materiality among them:





ENERGY STORAGE



ROBOTICS/AUTOMATION / REMOTE OPERATIONS



GREEN HYDROGEN

regarding the needs that may exist in the distribution infrastructures



SHARED SELF-CONSUMPTION



INCLUSIVE ORGANISATION ATTENTIVE TO DIFFERENT REALITIES



BIODIVERSITY PROTECTION: COP26



## APPENDIX I DEFINITIONS





## APPENDIX I DEFINITIONS

**CATEGORY BEFORE TOPIC** 

CATEGORIES	ТОРІС	DEFINITION
Corporate Governance	Structure and operation of corporate governance	This refers to the set of rules and principles governing the design/structure, integration, and functioning of the company's governing bodies. It is based on the pillars of independence and separation of powers and diversity of the company's governing bodies.
	Assessment and remuneration	It refers to the set of rules and principles used in the definition of fixed and variable remuneration of corporate bodies, namely, the alignment with their medium/long-term performance. It also includes issues related to the ratio between the CEO's remuneration and the average remuneration of the company's other employees.
Business Ethics	Effective and confidential management of ethical complaints	Effective mechanisms to report unethical or illegal behaviour to different stakeholder groups. Presence of a sense of ethics/conduct.
	Risk of corruption/bribery/fraud/money laundering	Measures in place to avoid and minimise risks associated with unlawful conduct (conflicts of interest, fraud, money laundering, embezzlement, concealment and obstruction of justice, influence peddling) by employees and/or representatives of the Company.
	Promotion of an ethical culture in the organisation	Measures to raise awareness and address business ethics, both internally and together with service providers
	Responsible political engagement	No use of undue influence with parties and public policy, avoiding behaviour such as manipulation, intimidation, and coercion, which can negatively influence the public policy process.
	Fair competition practices	Encouraging innovation and efficiency through fair and widespread competitive practices, enabling the reduction of costs of products and services. Ensuring that all organisations have equal opportunities by encouraging the development of new or improved products or processes that, in the long term, can improve economic growth and living standards. Respecting the rules of fair competition when promoting products/services, based on factors such as price, quality, and service.
	Information security and privacy	Safeguarding the rights of customers to privacy by limiting the types of information collected and the ways in which this information is obtained, used, and kept secure, and by complying with the necessary confidentiality and data protection requirements.
Human and labour rights	Respect for human and labour rights	Mechanisms to ensure that there is no discrimination, exclusion, or bias that results in the deprivation of equal treatment or opportunities. Processes to identify and prevent actual or potential human rights impacts resulting from EDP's activities. It includes: 1) the existence of a human rights policy and its integration throughout the organisation, means of evaluation, means of monitoring performance, and actions to address the negative impact of the company's decisions and activities.
Business Sustainability	Creation of long-term value	The creation of value for shareholders and society with a long-term perspective in mind. Assessment of direct economic value generated and economic value distributed. Includes issues such as long-term growth, direct and indirect impacts, shared value.



CATEGORIES	TOPIC	DEFINITION
Business Sustainability	Solvency and financial management	References to a company's financial situation and the ability to meet long- and short-term financial obligations. It includes aspects related to financial solvency and liquidity, as well as debt management.
Socially responsible investment	Assessment of the company's ESG performance	Differentiation by sustainability performance through measurement approaches, for example based on sustainability indices (such as DJSI, Sustainalitics, Vigeo, Ethicis, CDP, etc.). Other external assessment tools (e.g. reports, interviews, etc.) can also be included.
	Responsible investment and financing	Investments integrating non-financial issues and aiming at generating financial and sustainable value of which green investing, impact investing, ethical funds, green bonds/green loans are examples.
Communication and termination	Communication and transparency	External pressure to communicate the company's performance in different areas of sustainability more and in a better way (more transparently). Openness to society, with greater willingness to share information with all company stakeholders.
Communication and transparency	Fiscal transparency	Greater clarification of the regulatory risks of subsidies obtained by the company and the fees to which the company is subject and/or from which it is exempt. Importance of the impact of regulatory changes on the company's financial/ operational performance.
Innovation and research	Partnership, financing and research dissemination agreements	Measures to encourage research through cooperation agreements and project funding, enabling them to contribute to the development of knowledge, skills, and technology (examples: smart meters, electric mobility, generation efficiency, research into demand-side management and improvements in energy storage, product research and innovation, collective agreements, etc.)
	Development of innovative technologies	Measures to promote research into innovative technologies, including integrated grids, energy production through renewable sources such as offshore wind power, photovoltaics, and wind farms for decentralised production.
Sustainable mobility	Electric mobility	The ability to meet society's needs to move freely in order to communicate commercially and build relationships without sacrificing other human and green values today and in the future. The electrification of transport, including the availability and development of different technologies for electric mobility as well as the charging network and products and services made available.
Divited two of own attac	Digital transformation	Integrating digital technology into all areas of the company, leading to changes both in the way it operates and in the creation of value for customers. It also includes cultural change and process change, capable of managing the challenges and opportunities related to digital technology.
Digital transformation	Digital inclusion	Promotion by the company of the ability of its stakeholders to access, understand, and use digital communication channels and technologies (namely employees, customers, suppliers, etc.) Includes issues such as digital literacy and global digitalisation coverage.
Supplier management	Sustainability in the relationship with suppliers	Ensuring that price, the technical proposal, and commercial conditions are not the only factors taken into account when selecting suppliers. Suppliers' sustainability practices should be assessed when comparing product and service offerings (workplace accidents, environmental management, ethics, and social responsibility). Measures are in place to support suppliers in relation to procurement practices and compliance with contractual conditions in order to ensure a stable relationship. The payment policy, stability of relationships, cooperation, reliability, and competitive ethos define the relationship with suppliers. Health and health/well-being measures necessary to minimise the risks that may affect suppliers or subcontractors during their work activity.
	CO2 in the supply chain	Promote the reduction of CO2 emissions in the supply chain. Supplier training and engagement initiatives, carbon footprint-based eligibility criteria, supplier commitment to reduction targets, selection of products and services according to their footprint
Energy infrastructure	Quality of the technical support	Measures to maintain a reliable and quality electricity supply in accordance with indicators such as EPITI (Equivalent Power Interruption Time Installed).
	Distributed generation/Self-consumption	Initiatives that promote distributed or decentralised energy generation, such as the use of small energy sources that are close to the end consumer, and which can be linked to any low-voltage grid point.



CATEGORIES	TOPIC	DEFINITION
	Customer satisfaction and service	Improved satisfaction through the services offered and service differentiation. Clear and easily understandable communication in customer contracts, clear information on prices, features, terms, conditions, costs, contract duration, and cancellation periods. Disclosure of the energy bill. Communication with customers and the collection of feedback.
	Claim and complaint management	Mechanisms and channels to enable the proper transmission and handling of customer complaints.
Customer satisfaction and	Energy prices	Price fairness perception, clarification of price formation (greater transparency).
services	New energy services	Provision of new energy services that can meet customer needs/expectations.
	Product and service safety	References to health and safety risks related to the use of products and/or services. Includes issues such as customer health and the safe use of products.
	Product and service safety	Customers choose products that use fewer natural resources in their production, that guarantee decent working conditions for those who produce them, and that will be easily reused or recycled. It means buying what is really necessary and extending the life of products as much as possible. Examples are products and services that reduce CO2 emissions (green tariffs, electric mobility) or reduce the consumption of raw materials (as-a-service).
Vulnerable customers	Energy poverty	Mechanisms/measures that facilitate the differential treatment of vulnerable customers, i.e. households that cannot afford the energy costs that allow them a suitable level of comfort, including adequate heating of their homes, or to cover other energy services at an acceptable cost.
	Climate change mitigation	Climate change mitigation initiatives, including the definition of a strategy and actions implemented by the company for the development of renewable energies taking into account indicators such as MW of clean energy forecast or tons of CO2 avoided through the use of renewable energies.
Climatic changes	Adaptation to climate change	Capacity to prevent, address, and repair damage resulting from the effects of climate change, while taking advantage of the opportunities that may arise from it and primarily addressing local and specific physical risks. Creating cities that are resilient to climate disruption. Mitigating the impacts of climate change.
	Critical infrastructures	Ensuring that essential assets and services provided remain functional in a crisis situation. Ensuring emergency response and plans are in place and the conditions for implementing them.
Crisis management	Information security	Ensuring a set of measures necessary to ensure the confidentiality, integrity, and availability of information, both for the company and its customers. Ensuring an adequate response in emergency situations, such as cyberattacks.
	Infectious diseases	Rapid and massive spread of infectious diseases. Bacteria, viruses, parasites, or fungi causing the uncontrolled spread of infectious diseases resulting in widespread death and economic disruption, such as the COVID-19 pandemic.
	Critical suppliers	Securing vital supplies for the maintenance of operations and the provision of services/energy supply to customers. Resilience in the supply chain, ensuring business continuity
Promotion of renewable energies	Renewable energy promotion	Strategy and mechanisms to minimise the company's contribution to climate change, such as risk assessments, energy efficiency measures, avoided emissions, carbon footprint, CO2 capture and storage projects, etc.
Energy efficiency	Energy efficiency	Measures to improve the company's energy efficiency, in particular reducing the energy needs of buildings, transport, production processes, equipment, etc. Development of energy efficiency initiatives with the company's stakeholders, i.e. equipment replacement or education/awareness raising actions.



CATEGORIES	ΤΟΡΙΟ	DEFINITION
Environmental management	Circular economy	Promoting a transition to a resource and material efficient economy, taking into account a full life cycle analysis of products and services associated with its value chain. Consumption of natural resources at or below their natural replacement rate. Includes issues related to material management, i.e. the use, reduction, reuse, and recycling of materials and resources in operations, activities, and products.
	Water management	Identification and assessment of business dependencies and impacts on the availability and quality of water resources. The establishment of actions to prevent or mitigate these dependencies and impacts, and the definition of objectives and targets that ensure the continuous monitoring of the company's performance. This management covers, among other elements, risks associated with the location of assets in water-stressed areas, competing uses, regulatory changes, and water management in the supply chain.
	Biodiversity protection	Acting to protect the environment and restore natural habitats and various services and functions that ecosystems provide (such as food and water, thermoregulation, soil formation, and recreational opportunities). Key aspects include valuing and protecting biological diversity, valuing, protecting and restoring ecosystem services, the sustainable use of natural resources, and environmentally friendly rural and urban development.
	Pollution prevention	Actions to prevent pollution, such as atmospheric emissions (CO2, SOx, NOx, etc.), water management, and waste management. This includes emissions of any substances and/or materials used in operations and/or product gifts that pose a substantial or potential threat to public health or the environment.
Engagement with Local Communities	Engagement with local communities	Responsible performance in offsetting business externalities, impacts generated on society and the environment. It includes measures aimed at managing the relationship and rights of communities, as well as the potential impacts on them due to the company's activity. Valuing community participation in addressing its needs, fostering partnerships with local organisations and stakeholders. Support for local socio-economic development.
	Management of impacts on local communities	Responsible action in the compensation of business externalities, impacts on society and the environment. This includes measures aimed at managing the relationship and rights of communities, as well as the impacts on them arising from the company's activity. Valuing community participation, addressing its needs, fostering partnerships with local organisations and stakeholders. Support for local socio-economic development.
	Respect for indigenous communities	Respect for and inclusion of the rights of indigenous communities in the construction of new projects, particularly when it involves the displacement of these communities or impacts on their territories. Participation of indigenous communities affected by projects, decision making, and the establishment of measures developed by the company.
	Just energy transition	Transition to a sustainable, low-carbon and fair energy system (from coal-fired electricity to renewable energy sources), which ensures that fairness is taken into account, in particular for communities and workers, by engaging in critical reflection and systematic analysis on broader issues and the implications of the interconnections between the global energy transition and fairness in the context of low-carbon development pathways.
	Access to energy	Mechanisms to ensure energy access for all customers, regardless of where they live. Promoting grid expansion to ensure access to energy, but also providing good quality of service conditions without discrimination. Promoting grid expansion to ensure access to energy, but also providing good quality of service conditions without discrimination.
People management	Attracting and retaining talent	Ability to attract new employees and retain current employees with skills that are valuable to the organisation. Recognition of employee competencies and practices for the sake of meritocracy and fair pay. Includes adequate remuneration and recognition and management of human capital.
	Training and development	Employee training to acquire new skills, broaden people's options, and expand their capabilities. Examples include training, career progression/specialisation programmes, scholarships, and mentoring programmes, among others.



CATEGORIES	ТОРІС	DEFINITION
Vvork Comp People management Labou Job st	Employee satisfaction	Mechanisms to ensure high levels of employee satisfaction, as well as the efficient handling of employee grievances.
	Work-life balance and social protection measures	Initiatives to promote a work-life balance, such as flexible working hours, additional measures to paternity/maternity leave, workplace flexibility, continuous working hours, mobility and transport solutions for employees, among others.
	Compensation and benefits	Initiatives to allocate compensation and benefits to employees, including financial and/or non-financial compensation, such as remuneration policies and programmes, pension plans, health care, among others.
	Labour relations	Management of the employee-employer relationship and the legal rights governing this relationship. Examples are: the existence of and a relationship with trade unions, collective agreements, working conditions, labour practices, freedom of association and collective bargaining, teleworking arrangements, among others.
	Job stability	Job stability and measures to minimise the negative impact of possible relocations or restructuring. Reorganisation, turnover rates include outsourcing.
	Diversity / Equal opportunities	Existence of mechanisms to ensure equality and non-discrimination in terms of conditions and opportunities, regardless of gender, age, minority groups, or other diversity indicators.
Safety	Occupational incidents and diseases	Promoting the implementation of measures to eliminate or minimise the occurrence of incidents and occupational diseases with employees, service providers, and third parties that may be affected by the regular performance of EDP's activities. This includes environmental aspects (air quality, noise, lighting, ergonomic aspects) and facility safety (fire protection, emergency response plans).
	Occupational health promotion	Prevention of medical aspects associated with work, including health surveillance and promotion of healthy living conditions for workers (nutrition and stop smoking programmes, cardiovascular examinations, vaccination programmes).
	Physical safety in premises	Concern for public safety issues and communities surrounding company facilities. Along with concerns about local communities, in particular emergency response concerns related to all aspects.
	Mental health at work	Ensuring a healthy professional environment and promoting the well-being of employees, ensuring a set of intervention guidelines for creating a healthier and more satisfying work environment.



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