EDP Green Finance Framework

September 13th, 2023

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1. Introduction

EDP – Energias de Portugal ("EDP") Group's vision is to be a global energy company, leading the energy transition to create superior value. EDP began as a domestic utility in Portugal in 1976. In 2022, EDP is a multinational utility, vertically integrated throughout the whole value chain of electricity and in the gas supply activity as well, with a presence spread across four regional hubs: North America, APAC, Europe, and South America, with a focus on renewable energy generation and more than 13,000 employees. The Group, through its subsidiary EDP Renováveis, S.A. ("EDPR "), is a global leader in the renewable energy sector and the world's fourth- largest wind energy producer[1]. As of December 2022, EDP holds the majority of EDPR, with a 71 percent stake. EDPR develops and operates renewable energy generation across four regional hubs: North America, APAC, Europe, and South America.

According to the IEA, the world is facing unprecedented challenges, with an estimated increase of 2.7°C in temperature this century if emissions continue this trajectory; world population reaching 9.7 billion people by 2050 (+24% vs. today); up to 2.5m sea level rise, threatening >600 cities by 2100 and up to 1 billion environmental migrants by 2050. As a result, the energy paradigm needs to be reconsidered, to turn a fossil fuel powered economy into a cleaner, affordable, and reliable electrified world. The 2021 International Energy Agency (IEA) Net Zero Report[2] was clear that there is a narrow pathway to fulfill the long-term decarbonization targets, and governments need to strengthen and implement their energy and climate policies: IEA's Net Zero scenario foresees that, in 2050, two thirds of the energy needs will come from renewable energy sources, versus 12% in 2020, while fossil fuels share needs to decrease from ~78% to ~23%.

Since 2006, EDP has been pursuing a leading strategy in the energy transition. EDP aims to become coal-free by 2025, all green by 2030 and Net Zero by 2040, while delivering superior value to all stakeholders.

EDP's transparency and efforts towards society in leading the energy transition have been globally recognized by our stakeholders, with multiple indexes awarding us leadership positions. EDP achieved its objective of inclusion in the upper quartile in performance against the ESG ratings established for 2025, in the Dow Jones Sustainability Index, Sustainalytics, FTSE4Good Index Series, and MSCI ESG Indices. Since 2021, EDP has also been a constituent of the S&P Clean Energy Index and is a TOP 10 constituent (as of July 2023) [3].

It should also be noted that the group has responded to questionnaires that grant recognition in the areas of climate change and water management (CDP Climate Change and CDP Water Security), in sustainability (GRESB) and in ethics (Ethisphere Institute).

[1] https://www.edpr.com/en (extracted in November 2021)

[2] https://www.iea.org/reports/net-zero-by-2050 - page 57 (extracted in December 2021)

[3] More details are available on our website: Sustainability performance

2. EDP's Sustainability Strategy

2.1 EDP's sustainability path

Since 2006, the company's board put forward a wide range of changes in the organization on a path towards energy transition, namely on developing a culture of sustainability within the company, extending the company's values defined in 2005 (EDP's Code of Ethics) and translating them into several policies, procedures, and business practices[4]. In that period, EDP's board positioned the company in the journey to anticipate the energy transition. Early on, EDP clearly understood the need to scale up renewables production and become a global player. Since then, "the energy transition", as an external driver, shaped EDP's sustainable business model.

i. EDP's prioritization of investment in renewable generation started in 2006, through the anticipation of major trends in the energy market and the support to the vision of a society capable of reducing CO_2 emissions, by replacing thermal with renewable energy, decentralizing generation, promoting smart grids and energy storage, and encouraging the demand for renewable electricity. We founded EDP Renováveis (EDPR) at the end of 2007. EDPR's main activities involve reaching EDP's prioritization of investment in renewable generation through our presence in several markets and consolidating our commitments into successive strategic plans.
ii. In the business plan for 2006—2008, we announced that we were channeling around half our investment into renewables up to 2010 and reducing intensity CO2 emissions by 20% until 2010 (year base: 2006).
iii. In our 2009-2012 Business Plan, based on an investment strategy aimed at reducing exposure to CO2, we reinforced the commitment for fighting climate change and fixed the 2012 target at 270 kgCO2 /kWh, i.e., 56% lower than the 2005 figure (600 gCO2 /kWh). In addition, as part of the efforts associated with the Climate Change Conference of 2009 in Copenhagen, EDP set up an additional voluntary target of reducing its Scope 1 specific emissions by 70% over the values of 2008, i.e., 120 g/kWh.
iv. In 2015, EDP embraces the goals of the Paris Agreement at the Paris Climate Change Conference (COP 21) in December and assumes the electric sector's key role in the transition to a low-carbon economy.
v. Ramping up the commitment to reduce emissions and to align our business strategy with the aim to limit global temperature rise to 1.5°C, EDP incorporated in its Updated Strategic Plan 2021—2025 the ambitious goals to be coal-free by 2025 and carbon neutral by 2030, supported by a strong investment in acceleration of renewables installed capacity, smart grids, and decarbonized services for our customers.
vi. More recently, under the recent Updated Strategic Plan 2023-2026, EDP reinforced its ambition even further to reach Net Zero by 2040 by including our Scope 3 emissions in our targets. With a new baseline year set for 2020, EDP aims to reach net-zero greenhouse emissions across the value chain by 2040, with ambitious mid-term targets by 2030. These targets have been approved by SBTi under the Net Zero Standard.

[4] EDP's principles are available on [Our Principles]

In March 2023, EDP announced its Business Plan for 2023-2026, a plan aiming to reinforce EDP's leading position in the energy transition to create superior value to stakeholders. The main targets of this plan being presented are the following:

- Increase Renewables deployment to ~4.5 GW per year, totaling ~18 GW gross additions until 2026, aiming to a total Renewables installed capacity of ~33 GW by 2026, with the ambition to reach more than 50 GW by 2030.

- Deploy €25 billion of gross investments between 2023-2026, of which ~€21 billion (85%) in Renewables and ~€4 billion (15%) in Electricity Networks, which represents an average annual gross investment of ~€6.2 billion, 30% higher versus previous Business Plan.

- Maintain diversified portfolio through investment in different renewable technologies: Wind Onshore (40%), Solar PV Utility Scale (40%), Solar Distributed Generation (12%), Wind Offshore (5%) and Storage & Hydrogen (3%).

- Restate the commitment to be coal free by 2025 and to have 100% renewables generation by 2030, with a Net Zero emissions target by 2040 (SBTi approved).

- Filling of a registration request regarding a tender offer for the delisting of its listed subsidiary EDP Brasil, 56.05%1 owned, with the objective of simplifying the corporate structure while aligned with its equity story focused on Renewables and Electricity Networks. The tender will potentially be funded by an intended ~€1 billion capital increase at EDP (detailed in separated market announcements).

- Intention to launch a ~€1.0bn capital increase at EDP Renováveis to support the growth plan (detailed in separated market announcement).

- Maintain a solid balance sheet supported by organic Cash Flow and Asset Rotation, reiterating EDP's BBB credit rating commitment and reaching an FFO/Net Debt of 21% in 2026.

- Reach Recurring EBITDA of ~€5.7 billion by 2026, with a 6% CAGR in 2022-26 and Recurring net income ~€1.4-€1.5 billion by 2026, with 12%-14% CAGR 2022-26.

- Implement a new dividend policy, with target pay-out ratio between 60-70% and an increase in dividend floor to €0.20 per share in 2026.

- Achieve 98% of CAPEX aligned with the EU Taxonomy in 2026

Overall, this plan represents a clear commitment to decarbonize for a climate-positive world with three main drivers: i) empowering our communities for an active role in the transition; ii) protecting our planet and contributing to its regeneration; and iii) engaging our partners for an impactful transformation. This mission will be supported by a strong ESG culture for protecting and empowering human life.

2.2 EDP's sustainability goals

In the table below we present our ESG commitments gathered under five categories:

Ambition	Goal	2022	2026 target	2030 ambition
Decarbonize: for a climate-positive world	SBTi: Scope 1 + Scope 2, gCO_2e/kWh (% vs., 2020)[1]	160 (+2%)	36 (-77%)	8 (-95%)
	SBTi: Scope 3, $MtCO_2$ (% vs., 2020)[1]			~6Mn (-45%)
	Renewables generation, %	74%	93%	100%
Communities: Empowering our Communities for an active role in the transition	Global investment in communities, cumulative[2]	~€54 Mn	~€200 Mn	>€300 Mn
	Social impact investment beneficiaries[3]	~6 m	20 m	>30 m
	New hires, number	2.064	>3.000	>6.500
	Training in upskilling and reskilling program, % training[4]	40%	45%	>45%
Planet: Protecting our planet contributing to its regeneration	Total recovered waste[5], % per year	95%	90%	>90%
	Biodiversity Net Gain in new projects	n.a.	100%	100%
	Projects with Net Gain Biodiversity tracking system	n.a.		100%
Partners: Engaging our Partners for an impactful transformation	Suppliers compliant with ESG Due Diligence[6],%	100%	100%	100%
	Purchases volume aligned with EDP ESG goals, %	>50%	90%	>90%
ESG Culture: A strong ESG culture protecting and empowering human life	Fatal accidents, number	5	0	0
	Women employees, %	27%	31%	35%
	Women employees in leadership, %	28%	31%	35%
	Employees receiving ESG training	60%	70%	90%[5]

[5] 1. 2020 as base year; 2. Accumulated OPEX 2021-2030. Includes voluntary & mandatory investment + management costs; 3. Accumulated 2021-2030. Includes direct and indirect beneficiaries & A2E clients; 4. Excludes transversal training; 5. Includes construction, operational and dismantling phases and considers the change in EDPs technology mix; 6. Purchases > 25k€

2.3 EDP's Net-Zero action plan

For the world to achieve carbon neutrality by 2050, the decarbonization of the electricity sector needs to happen by 2035 in advanced economies and 2040 for emerging markets and developing economies[6].

EDP was one of the first power sector companies worldwide with a strategy aligned with the necessary CO2 emissions' reduction trajectory required by the Paris Agreement. This ambition was supported by the reduction of EDP's thermal generation in recent years and an increasing energy generation from renewable sources.

Downstream, EDP offers its customers low carbon energy solutions and promotes technological innovation to accelerate the climate transition, contributing to the electrification of consumption and energy efficiency improvement and to overcome the main barriers still existent along this challenge path.

The new business plan 2023-2026 provides the level of investment and strategic decisions built upon the path EDP already started and cementing its Net-Zero decarbonization path.

Zero Thermal generation

The cornerstone of EDP's decarbonization path lies in the ambition for clean generation. In 2020, over 50% of EDP's emissions came from thermal generation and the goal is to reduce these emissions to zero by 2030. For that, EDP plans to execute the progressive decommissioning of the Group's coal-fired power plants by 2025. The first step of this plan was carried out during 2020 with the decommissioning of Sines' coal plant, ceasing EDP's coal generation in Portugal. EDP continues committed to phasing out its ownership of Pecém power plant in Brazil. EDP's remaining coal-fired power plants operation occurs in the Spanish market. The decommissioning processes of Soto 3, Los Barrios and Aboño 1 are expected to be concluded until 2025, and Aboño 2 will be converted to a gas-fired power plant, guaranteeing the security of the electric system in the Asturias region.

Increase renewable generation

Today, 79% of EDP's installed capacity is of renewable origin. By 2030, EDP has committed to increase this share to 100%. Clean generation is EDP's greatest contribution to the climate transition, accounting for 85%5 of the Group's total investment in the 2023-2026 period. This investment includes wind, solar, green hydrogen, and energy storage technologies.

With a renewable installed capacity of 22 GW6 by 2022YE, EDP plans to deploy 4.5 GW7 per year until 2026, reaching 33 GW installed capacity, predominantly based on wind and solar.

A dedicated business unit has been set up to promote green hydrogen projects, either at scale, associated with centralized generation, or in smaller units for self-consumption. The development of different pilots has been allowing EDP to strengthen internal knowledge and define lines of investment for the future.

By 2025, the Group expects to have 250 MW of electrolysers, accelerating the business from there to reach 1.5 GW in 2030.

Distribution power losses emission reduction

Electricity networks are at the core of energy transition by enabling stable and secure supply,

[6] Net Zero by 2050, A Roadmap for the Global Energy Sector, IEA, 2021

on-time RES connection, and supporting increasing electrification. However, they are not without climate impact. Distribution power losses represent almost 100% of EDP's scope 2 emissions (typical for integrated utilities), and even if the level of emissions is highly dependent on the energy mix of the geography where those networks operate, EDP has direct action plans to tackle these emissions:

- continuous asset renewal contributing to a reduction of technical losses
- specific technical losses reduction investment
- grid optimization investment through digitalization and innovation (e.g., smart meters, smart grids, automation).

Lower supply chain emissions

EDP's ambitious renewable deployment plan brings challenges on supply chain related emissions. By 2030, it is expected that over 65% of EDP's non-commodity supply chain emissions are associated with solar and wind farms activity (construction, operation, and maintenance). This poses an incredible challenge for EDP: lowering its level of supply chain emissions whilst growing its renewable deployment requires the emissions intensity of the supply chain to decrease significantly. To better track the impact of supply chain decarbonization action, EDP is considering the implementation of an emission intensity target that covers emissions form scope 3 category 1 and 2.

Reduce emissions from gen-retail imbalance

Having a target on all sold electricity implies that EDP will tackle the generation vs. retail imbalance in the geographies with electricity retail activity (Portugal, Spain, and Brazil). Renewable deployment plays an important role, especially due to the thermal phase-out planned by 2030.

Minimize natural gas retail emissions

IEA's Net Zero by 2050 report estimates over 70% decrease in the use of natural gas driven by decarbonization, with most of the reduction taking place post 2030, especially in industry. Within this frame, EDP considers the gas retail business as an opportunity to further contribute to the energy transition. The reduction of use of sold products emissions will derive from the progressive adjustments on the gas client portfolio, on which EDP plans on:

- 30-40% reduction in gas sold to clients by 2026
- pushing for electrification of gas clients, especially on residential clients, through an offer of alternative electric appliances solutions for heating and cooling, cooking, and water heating
- developing and delivering low carbon solutions for clients (e.g., solar DG and energy communities)
- optimizing the B2B gas portfolio (portfolio restructuring and/or electrification solutions for industrial clients).

2.4 EDP's contribution to the UN's Sustainable Development Goals (SDGs)

The SDG's 7, 9, 11, and 13 supports our strategy. On top of those four main SDGs, EDP pursues a strategy that has impact in other SDGs, such as 5, 7, 8, 12, and 17, in accordance with its values expressed in its Code of Ethics[7]. EDP reports its contribution to the SDGs not only at the level of the SDG objectives and targets, but also at the level of the indicators set by the United Nations.

In 2022, voluntary contributions under the B4SI methodology were 31.2 million, supporting the projects of 634 entities, resulting in 3.2 million direct beneficiaries, and were kept in a corporate strategy[8] aligned with the UN Sustainable Development Goals.

As evidence of our social impact and relevance to our priority SDGs, in 2022, of all the voluntary contributions recognized by the B4SI methodology,[9] EDP supported projects that contributed to the SDGs with an investment of € 15 million (48% of total voluntary contributions) supporting projects of 512 entities, resulting in 1.7 million direct beneficiaries. In turn, through mandatory contributions to the SDGs, EDP supported projects that contributed with an investment of € 346 million (87% of total mandatory contributions).

2.5 EDP's alignment with the EU Taxonomy Regulation

EDP has been monitoring closely the new/future legislation pieces related to sustainability, including the EU Taxonomy Regulation and its Delegated Acts. Since 2018, EDP has participated in public consultations and is present in several international forums related to sustainable finance. EDP has been working diligently to adapt to the new obligations arising from regulation and, as such, has disclosed information on activities aligned with EU Taxonomy in its Annual Sustainability Report since 2019[10]. EDP has carried out this assessment, well ahead of the deadline outlined by the European Commission, which demonstrates EDP's strong commitment to a transition to zero-carbon and highlights how important the issue is for EDP.

EDP is committed to achieve 98% of Capital Expenditures aligned with the EU Taxonomy.

[7] https://www.edp.com/sites/default/files/2022-12/EDP_codigodeetica_EN_2022_vf.pdf

[8] https://www.edp.com/en/social-investment-policy

[9] B4SI is the global standard in measuring and managing corporate social impact. The B4SI Framework creates a robust measurement standard that any company can apply to understand the difference their contributions make to their business and society. The Frameworks does this by enabling companies to measure their activities through three pillars: Inputs, Outputs and Impacts.

[10] Report on implementation of Article 8 of the European Taxonomy Regulation

3. Green Finance Framework

3.1 Rationale for Green Financing

EDP established its first green bond framework in 2018 and has, since then, been a frequent issuer of green bonds. By 2025, EDP targets to have 50% of its funding from sustainable sources, further aligning its sustainability and funding strategies, while contributing to involve the financial sector in the global efforts towards energy transition.

Green Financing Instruments are an effective tool to channel investments to projects that have demonstrated climate benefits and thereby contribute to the achievement of the UN SDGs, as well as the environmental objectives of the European Union. By helping to address the increasing demand for more sustainable investments, EDP has been able to support the growth and development of the green finance market, while diversifying its investor base, targeting SRI and green investors, and continuing to foster the relationship with existing investors.

3.2 Basis of the EDP Green Finance Framework

EDP believes that the issuance of Green Financing Instruments is an important tool to encourage the transition to a low-carbon economy, providing financial backing to existing or new projects that contribute to this transition.

The framework defined by EDP is aligned with the International Capital Markets Association (ICMA)'s Green Bond Principles (GBP) 2021, with June 2022 Appendix I [11] and the Loan Market Association (LMA)'s Green Loan Principles (GLP) 2023[12]. These principles are voluntary guidelines that support transparency and credibility in the green bond and loan markets.

The EDP Green Finance Framework is based on the following 4 pillars: (1) Use of proceeds, (2) Process for project evaluation and selection, (3) Management of proceeds, and (4) Reporting. The framework also follows the recommendation of the GBP and GLP with regards to external review.

Moreover, this Green Finance Framework reflects requirements from the EU Taxonomy Regulation and their Delegated Acts and the EU Green Bond Standard.

3.3 Scope

The requirements of this framework will be applied to any Green Financing Instrument issued by EDP, EDP – Servicios Financieros España, S.A.U. and EDP Finance B.V.. EDP has a centralized and coordinated approach to banking and capital markets, i.e., most of the funding for the EDP Group investments and activities is raised by these three entities. Additionally, EDPR´s subsidiaries can engage in external financing at project level, through non-recourse project financing. Therefore, the requirements of this framework will also apply to EDPR´s subsidiaries raising non-recourse project financing. For the avoidance of doubt, companies from the EDP Group, other than EDP, EDP – Servicios Financieros España, S.A.U., EDP Finance B.V., EDPR and those under EDPR, are excluded from this framework.

[11] Green Bond Principles 2021

[12] Green Loan Principles 2023

Green Financing Instruments may include green bonds (in various formats, such as, but not limited to, senior unsecured, subordinated unsecured (or hybrid), or project bond), and green loans, where the net proceeds will be exclusively applied to (re)finance, in part or in full, new and/or existing eligible green assets with clear environmental benefits, as defined below.

This framework may, from time to time, be updated to reflect changes to the Green Bond and Loan Principles, technological changes, and market and/or regulatory developments, at which time a new Second Party Opinion will be provided on the updated framework.

3.4 Use of Proceeds

The net proceeds from the issuance of Green Financing Instruments will be used to finance and/or refinance new and/or existing assets (the 'Eligible Green Asset Portfolio') of EDPR, a fully consolidated subsidiary of EDP.

Eligibility Criteria			
ICMA GBP/LMA GLP	Eligible Green Assets	Contribution to UN SDGs	Contribution to EU Objectives and Economic Activity[13]
Renewable Energy	**Renewable Energy generation facilities**: Wind (onshore and offshore); Solar (PV and CSP)	**Target 7.2:** By 2030, substantially increase the share of renewable energy in the global energy mix **Target 13.1:** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Substantial Contribution to Climate Change Mitigation (Article 10) EU Economic Activities: (4.1.) Electricity generation using solar photovoltaic technology (4.3.) Electricity generation from wind power

The Eligibility Criteria are 100% aligned with the Technical Screening Criteria of the EU Taxonomy Climate Delegated Act.

EDPR's corporate purpose of activity is to develop, construct and operate wind (onshore and offshore) and solar power plants (centralized and decentralized) to generate and deliver clean energy. As such, the Eligible Green Asset Portfolio excludes any projects based on fossil fuel and hydro energy production, transmission, distribution, and supply.

3.5 Process of project evaluation and selection

Assets (new or existing) will be evaluated and selected based on compliance with the Use of Proceeds as described above.

EDP's Finance and Sustainability teams, together with EDPR representatives, and all together as part of the Sustainable Finance Working Group, are responsible for the governance of this Green Finance Framework and assess, at least annually, the process of evaluation and

[13] Regulation (EU) 2020/852 of the European Parliament and of the Council of18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending regulation (EU) 2019/2088.

selection of Eligible Green Assets, proceeds allocation and reporting. The proceeds allocation and reporting, which is included in the Annual Integrated Report, is: (i) approved by EDP's Executive Board of Directors; and (ii) presented on an annual basis to the Corporate Governance and Sustainability Committee of EDP's General and Supervisory Board.

Main responsibilities of the Sustainable Finance Working Group include but are not limited to:

- Evaluating and selecting the Eligible Green Projects in line with the Eligibility Criteria defined withing the framework and excluding projects that no longer comply with the Eligibility Criteria or have been disposed of and replacing them on a best effort basis.
- Reviewing the content of the Framework and updating it to reflect changes in corporate strategy, technology, market, regulatory developments, applicable laws, and regulations on a best effort basis Initiating the update of documents such as Second Party Opinion ("SPO") and related documents from external consultants.
- Overseeing, approving, and publishing the allocation and impact reporting, including external assurance statements. EDP may rely on external consultants and their data sources, in addition to its own assessment.
- Monitoring internal process to identify mitigants to material risk of negative social and/or environmental impacts associated with the Eligible Green Assets Portfolio.
- To the extent feasible, removing or replacing assets and expenditures that no longer comply with the Eligibility Criteria or for which the Sustainable Finance Working Group has otherwise determined should not be funded under this framework.

In addition, EDP ensures the compliance with applicable national, European, and international environmental and social standards and regulations (including, amongst others, the United Nations Principles for Human Rights and the ILO core labour conventions), to ensure a stringent management of potential negative environmental and social impacts associated with the Eligible Green Assets.

Furthermore, the Eligible Green Assets do not significantly harm any of the remaining environmental objectives laid out by the EU (adaptation to climate change; sustainable use and protection of water and marine resources; transition to a circular economy; prevention and control of pollution; protection and restoration of biodiversity).

Moreover, EDP's projects are also subject to Environmental, Social and Governance (ESG) standards that are defined in EDP's Environmental and Social Policies (please refer to Annex 1 for more details). EDP is well positioned to address environmental risks associated with the projects in accordance with its Environmental Policy. Based on this policy, since 2008, EDP has a third-party certification, by Lloyds, of its corporate management system, according to ISO 14001:2015. The Environmental Management System (EMS) has the following scope: "corporate management of the policies, commitments and environmental impacts performance of the EDP Group worldwide". As of 2022, 90% of EDP's activities were covered, as well as 100% of EDPR's[14].

3.6 Management of Proceeds

The net proceeds of Green Financing Instruments issued by EDP will be allocated and

[14] For more details please see EDP Sustainability Report, EDP Website and EDPR website

monitored. EDP expects to allocate proceeds to Eligible Green Asset Portfolio, selected in accordance with the eligibility criteria and the Process for Project Evaluation and Selection presented above, within 24 months of issuance of the Green Finance Instrument. Pending full allocation, unallocated net proceeds from Green Finance Instruments will be managed in accordance with EDP's treasury management policy and may be used for other cash management purposes or any other treasury business. Proceeds will be used for (re)financing the Eligible Green Asset Portfolio, which includes new and existing projects delivering positive environmental impact.

Eligible Green Assets will be included in the portfolio at their current IFRS balance sheet value, which will be updated annually to reflect investment and depreciation under IFRS and will qualify for refinancing without a specific look-back period.

By applying the book value to the Eligible Green Assets, proceeds will not be allocated to portions of assets already depreciated, nor will there be overlap between financing instruments for the same asset.

Additionally, Eligible Green Assets will also include acquisitions of companies and equity participations in entities substantially active in any of the categories described in the table above. Only the pro-rated share (%) of the acquisition / participation that is dedicated to those categories is considered as eligible. These acquisitions and participations[15] will be compliant with the requirements stated in this framework.

EDP reserves the right to use all or a portion of the net proceeds of Green Financing Instruments to refinance other Green Financing Instruments (in line with the Green Bond Principles recommendations on Buy-Back of Green Bonds)[16].

3.7 Reporting

An annual report will be prepared and made available on EDP´s website with the status of EDP's Green Finance proceeds allocation, overview of the Eligible Green Asset Portfolio (re)financed with the proceeds of the Green Finance Instruments and its environmental impact, until the full allocation of the outstanding green finance instruments. In the event of material changes further one-off reports can be made available. EDP's Green Finance Instrument proceeds allocation will also be published in EDP's Annual Sustainability Report. As far as practicable, EDP may consider reporting according to EU regulatory templates.

EDP intends to report on the Eligible Green Asset Portfolio on an aggregated basis, per type of renewable asset (i.e., wind assets, solar assets), subject to confidentiality obligations.

Allocation Reporting

The allocation report may include:

- The total amount of Eligible Assets by category.
- The amount and percentage of new and existing assets (financing and refinancing).
- The balance of unallocated proceeds.

[15] Participations are limited to projects/assets that comply with the criteria set in this framework

[16] See 2.2.4 of the ICMA GBP Guidance Handbook here

- The geographic distribution of the assets, split by country.
- The proportion of the Eligible Asset Portfolio that contributes to the UN SDG and that is EU Taxonomy aligned.

Impact Reporting

EDP intends to align the Green Finance impact reporting with the approach described in "Handbook Harmonized Framework for Impact Reporting June 2023"[17].

The impact report may provide, as far as practical:

ICMA GBP/LMA GLP	Potential impact indicators
Renewable Energy	• Installed capacity (MW) • Annual CO_2 emissions avoided (tCO_2) • Annual production of renewable energy (MWh)

EDP's existing green bonds, issued since 2018 under the previous framework, will be reported according to this Framework, to the extent possible.

[17] ICMA Harmonized Framework for impact reporting

4. External Review

4.1 Pre-issuance verification: Second Party Opinion

EDP has appointed Sustainalytics to provide a Second Party Opinion on its Green Finance Framework. The Second Party Opinion and the Green Finance Framework will be made available on EDP's website at https://www.edp.com/en/investors/fixed-income/green-funding.

4.2 Post-issuance verification: Limited Assurance on the Allocation Reporting

An independent external party, namely EDP's external auditors, will verify the internal tracking method and allocation of funds annually until the full allocation of the outstanding Green Finance Instruments.

Annexes

Annex 1: Evaluation criteria

Eligible green	Sustainability benefits	EDP's analysis	ESG Criteria
Renewable Energy Projects	Avoidance / reduction of GHG emissions	Alignment with EDP's standards[23]	Environmental issue: environmental management of the project, climate change mitigation, protection of biodiversity and natural resources
			Social issue: respect of human and labor rights, health and safety, stakeholders dialogue and community involvement
			Governance issue: including business ethics and responsible procurement
Projects will be excluded if they: • Involve GHG intensive activities; or • Give rise to material litigation relating to ESG issues			

[23] All projects of EDPR. are subject to EDP's social and environmental standards. EDP's Environmental and Social Policies can be found at: Our Principles