Welcome to your CDP Water Security Questionnaire 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

EDP – Energias de Portugal, S.A. (EDP) is a listed, multinational vertically integrated utility company, whose ordinary shares are publicly traded in the Euronext Lisbon. The company is established and headquartered in Portugal, being organized under Portuguese laws.
Throughout its more than 40 years of history, EDP has been building a relevant presence in the world energy scene, being present in 4 regional hubs (Europe, APAC, South and North America). EDP has around 13.2 thousand employees and is present throughout the whole value chain of electricity and in the activity of gas supply: power generation, distribution and supply of electricity in Portugal, Spain and Brazil, electricity transmission in Brazil and gas supply in Portugal and Spain. Through its subsidiary EDP Renewables, EDP is also one of the largest wind power operators worldwide, with on-shore wind farms in Europe (Iberian Peninsula, France, Belgium, Italy, Poland, Romania, Greece and the UK), North America (United States of America, Canada and Mexico) and South America (Brazil), and developing off-shore wind projects in Portugal, UK, Belgium, France, Poland, USA and South Korea. Additionally, EDP generates power from photovoltaic plants, either distributed or centralised, in Portugal, Spain, Italy, Romania, Poland, USA, Mexico, Brazil, Vietnam, Singapore, China, Taiwan and Thailand.
EDP supplies around 9 million customers. In 2022, the company generated about 61 TWh of electricity worldwide, of which 74% from renewable energy sources and, by year end, had an installed capacity of around 26 GW (79% renewable).
Highlighting its renewable energy portfolio, it is well positioned for the challenges of the energy transition.
EDP's vision is to be a global energy company, leading the energy transition to create superior value. Our values are Innovation, Sustainability and Humanization and our commitments are towards accelerated and sustainable growth, building a future-proof organization and ESG excellence and attractive returns.
The company assumes the power sector's key role in the transition to a low-carbon economy and sets a strategic agenda based on organic growth focused on renewables and low exposure to CO2 and sustainability risks. EDP publishes detailed information on its financial and sustainability performance and governance practices in its Integrated Annual Report, available on www.edp.com.

Key financial figures in 2022:
Turnover: EUR 20,651 million
EBITDA: EUR 4,524 million
Net profit: EUR 679 million
Net investment: EUR 4,706 million
Net debt: EUR 13,223 million
Total assets: EUR 58,816 million
ISIN: PTEDP0AM0009
SEDOL: 4103596

W-EU0.1a

(W-EU0.1a) Which activities in the electric utilities sector does your organization engage in?

Electricity generation
Transmission
Distribution
Other, please specify
Electricity and gas supply

W-EU0.1b

(W-EU0.1b) For your electricity generation activities, provide details of your nameplate capacity and the generation for each technology.

	Nameplate capacity (MW)	% of total nameplate capacity	Gross electricity generation (GWh)
Coal – hard	2 540,2	9,7	7 344,4
Lignite	0	0	0
Oil	0	0	0
Gas	2 885,6	11	9 246,5
Biomass	0	0	0
Waste (non-biomass)	0	0	0
Nuclear	0	0	0
Fossil-fuel plants fitted with carbon capture and storage	0	0	0
Geothermal	0	0	0
Hydropower	6 928,7	26,5	13 951,5
Wind	12 136	46,3	31 861,1
Solar	1 672,9	6,4	1 786,2
Marine	0	0	0
Other renewable	0	0	0

Other non-renewable	22,8	0,1	159,1
Total	26 186,2	100	64 348,8

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	janeiro 1, 2022	dezembro 31, 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

Belgium
Brazil
Canada
Chile
China
France
Greece
Italy
Mexico
Poland
Portugal
Romania
Singapore
Spain
Taiwan, China
Thailand
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which financial control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Smaller office facilities in Spain and Brazil.	These facilities use water supplied by municipal water systems and their consumption is estimated to represent less than 0.001% of the Group's total water withdrawals (therefore considered immaterial). Such percentage does not justify the implementation of dedicated monitoring procedures for quantitative water parameters as withdrawals, discharges and consumption.

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	PTEDP0AM0009

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Neutral	Primary use in direct operations: is linked to process and some cooling water processes in thermal generation, for hydro power plants and general uses. Access to sufficient amounts of good quality freshwater is vital for the operation of these assets, as they accounted for 46% of total electricity generation in 2022. Its importance it's considered vital as a reduction in water quality/quantity could lead to operational and maintenance costs due to additional water pre-

			treatment systems, equipment damage and conflicts with other water users. Future dependency is expected to decrease with growth of wind and solar capacity in generation, according to EDP's new business plan 2023-2026, as these are less water-demanding solutions. In addition, the new business plan foresees the progressive decommissioning of the Group's coal power plants by 2025. With a renewable installed capacity of 22 GW by 2022YE, EDP plans to deploy 4.5 GW per year until 2026, reaching 33 GW installed capacity, predominantly based on wind and solar. Primary use in indirect operations: in the supply chain the largest contribution from raw materials is attributed to coal for tier 1 suppliers. However, access to sufficient amounts of good quality freshwater by suppliers is considered neutral, as in 2022, 90% the purchased coal came from mines located in low and low-medium water stressed areas. Just one mine is located in a high water stress area (WRI Baseline Water Stress between 40% and 80%). Moreover, coal currently accounts for 10% of our total installed capacity, and procurement is made from a vast range of alternative suppliers in different geographies. Future dependency will be further reduced, as coal capacity will decrease gradually until 2025.
Sufficient amounts of recycled, brackish and/or produced water available for use	Vital	Not very important	Primary use in direct operations: brackish water is used as cooling water in the refrigeration circuits of two gas power plants in Portugal, and recycled water in Pecém, a coal power plant in Brazil. Sufficient amount of brackish and recycled water is vital for the operation of these assets, as they accounted for 8% of total electricity generation in 2022. Future dependency is expected to decrease with growth of wind and solar capacity in generation, according to EDP's new business plan 2023-2026, as these are technologies less dependent on water. Primary use in indirect operations: in the supply

			chain the largest contribution from raw materials is attributed to coal for tier 1 suppliers. However, access to sufficient amounts of recycled, brackish and/or produced water available for use is considered not very important. This type of water is considered not material as the purchased coal in 2022 came from just one mine located in a high water stress area (WRI Baseline Water Stress between 40% and 80%). Future dependency on water from indirect uses will be further reduced, as coal capacity will decrease gradually until 2025.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Continuously	1) In thermal power plants (coal and natural gas): data is collected directly mostly from meter readings in each facility. 2) In hydropower plants, data is collected either by direct measurements (meter readings: turbined water flow and all ecological flows) or by calculations of the turbined water flow using capacity and the difference between downstream and upstream water levels.	At a corporate level, the monitoring of total water withdrawals is done through EDP's Corporate Sustainability Information System, and its frequency depends on the operations. Key Water indicators for EDP Group are published in EDP's Annual Integrated Report and subject to independent third-party verification.

Water withdrawals – volumes by source	100%	Continuously	1) In coal and gas power plants: sea, brackish and fresh surface sources, groundwater and third-party sources are collected from meter readings; 2) In wind and solar power plants, and distribution activities: groundwater and third-party sources are collected from meter readings; 3) In office buildings: third-party sources are collected from meter readings; 4) In hydro power plants: fresh surface water sources are collected through meter readings or by calculations of the turbined water flow.	At a corporate level, the monitoring of total water withdrawals is done through EDP's Corporate Sustainability Information System, and its frequency depends on the operations. Key Water indicators for EDP Group are published in EDP's Annual Integrated Report and subject to independent third-party verification.
Water withdrawals quality	100%	Continuously	The quality parameters measured on a continuous basis are measured using analysers, which allow immediate analysis. The parameters measured on a periodic basis are measured by laboratory analyses using standardised methods. For most parameters, laboratories are accredited for the analysis method developed. This only does not apply to a	We monitor water withdrawals quality for 100% of facilities where applicable: thermal and hydro power plants. Distribution activities and office buildings are excluded, as water is withdrawn from municipality companies. The monitoring

			very small number of parameters, only in cases where there is no accredited laboratory on the market for this purpose.	frequency depends on the parameter and type of facility. For hydropower plants, the monitoring of parameters (e.g. oxygen, temperature, pH, conductivity, redox potential and turbidity) depends on the type of reservoir. In small reservoirs, 4 samples/year are done, both at bottom and surface levels and in two different points of the reservoir. In cascade reservoirs, monitoring occurs every year (6 samples/year). In thermal power plants, in addition to the type of parameter and facility, monitoring also depends on the process (refrigeration circuits and demineralized

				water processes) and withdrawal sources. Water parameters such as pH, conductivity, turbidity, chlorides, suspended solids, total organic carbon are monitored continuously, weekly or monthly.
Water discharges – total volumes	100%	Continuously	1) In thermal (coal and natural gas), wind and solar power plants, as well as distribution activities and office buildings, data is collected directly from meter readings in each facility; 2) In hydropower plants, data is collected through calculations using water levels and floodgate opening.	At a corporate level, the monitoring of total water discharges is done through EDP's Corporate Sustainability Information System, and its frequency depends on the operations. Key Water indicators for EDP Group are published in EDP's Annual Integrated Report and subject to independent third-party verification.
Water discharges –	100%	Continuously	1) In thermal: discharges to sea, brackish and fresh	At a corporate level, the monitoring of

volumes by destination			surface sources, and third-party destinations, are collected from meter readings; 2) In wind and solar, distribution activities and office buildings: water sent to third-party destinations is collected from meter readings; 3) In hydro: discharges to fresh surface water destinations are collected either by meter readings or by calculations of the turbined water flow using capacity and the difference between downstream and upstream water levels.	total water discharge volumes by destination is done through EDP's Corporate Sustainability Information System. Its destination and frequency depend on the operations. Key Water indicators for EDP Group are published in EDP's Annual Integrated Report and subject to independent third-party verification.
Water discharges – volumes by treatment method	Not relevant			Since hydro power plants, wind and solar farms represent 79% of EDP's total generation capacity, as recommended in the Question-level Guidance, this water aspect is reported as not relevant. It is expected to remain not relevant due to the addition of

				4.5 GW per year until 2026 of new renewable generation capacity. According to EDP's Business Plan 2023-2026, it is planned to reach 33 GW of renewable generation capacity, predominantly based on wind and solar, which will lead to an increase in the percentage above mentioned. We monitor total water discharge volumes by treatment method in our thermal power plants, where such monitoring is either a legal requirement or an environmental management system requirement.
Water discharge quality – by standard	Not relevant			Since hydro power plants, wind and solar farms

effluent parameters				represent 79% of EDP’s total generation capacity, as recommended in the Question-level Guidance, this water aspect is reported as not relevant. It is expected to remain not relevant due to the addition of 4.5 GW per year until 2026 of new renewable generation capacity. According to EDP's Business Plan 2023-2026, it is planned to reach 33 GW of renewable generation capacity, predominantly based on wind and solar, which will lead to an increase in the percentage above mentioned. We monitor water discharge quality parameters in our thermal power plants,

				where such monitoring is either a legal requirement or an environmental management system requirement. Wastewater quality discharges from thermal power plants are publicly available on EDP's website.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant			Since hydro power plants, wind and solar farms represent 79% of EDP's total generation capacity, as recommended in the Question-level Guidance, this water aspect is reported as not relevant. It is expected to remain not relevant due to the addition of 4.5 GW per year until 2026 of new renewable generation capacity. According to EDP's Business Plan

				2023-2026, it is planned to reach 33 GW of renewable generation capacity, predominantly based on wind and solar, which will lead to an increase in the percentage above mentioned. We monitor water discharge quality parameters in our thermal power plants, where such monitoring is either a legal requirement or an environmental management system requirement. However, the discharges are licensed by the competent national environmental authorities and the parameters considered relevant are monitored, according to the nature of the effluent and the

				characteristics of the receiving medium.
Water discharge quality – temperature	Not relevant			Since hydro power plants, wind and solar farms represent 79% of EDP's total generation capacity, as recommended in the Question-level Guidance, this water aspect is reported as not relevant. It is expected to remain not relevant due to the addition of 4.5 GW per year until 2026 of new renewable generation capacity. According to EDP's Business Plan 2023-2026, it is planned to reach 33 GW of renewable generation capacity, predominantly based on wind and solar, which will lead to an increase in the percentage above

				mentioned. We monitor water discharge temperature in our thermal power plants (wastewater and cooling water), where such monitoring is either a legal requirement or an environmental management system requirement.
Water consumption – total volume	100%	Quarterly	In thermal (coal and natural gas), wind and solar power plants, as well as distribution activities and office buildings, data is collected directly from meter readings in each facility.	At a corporate level, the monitoring of total water consumption is done through EDP's Corporate Sustainability Information System. It is worth noticing that EDP considers water use in hydro power plants a non-consumptive use. Key Water indicators for EDP Group are published in EDP's Annual Integrated Report and

				subject to independent third-party verification.
Water recycled/reused	Not relevant			Since hydro power plants, wind and solar farms represent 79% of EDP's total generation capacity, as recommended in the Question-level Guidance, this water aspect is reported as not relevant. It is expected to remain not relevant due to the addition of 4.5 GW per year until 2026 of new renewable generation capacity. According to EDP's Business Plan 2023-2026, it is planned to reach 33 GW of renewable generation capacity, predominantly based on wind and solar, which will lead to an increase in the percentage

				above mentioned. In Pecém thermal power plant, EDP recycles water in its refrigeration circuits, and reuses treated water from the Effluent Treatment Station, using it as cooling water in the refrigeration circuits, these are monitored on annually basis. In its hydro portfolio, EDP has 2,358 MW of pumping storage, representing 17% of water used for hydro power generation in 2022.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Quarterly	Within the scope of internal health and safety audits carried out at the facilities where our workers carrying out EDP Group activities are assigned, compliance with the legal requirements applicable to the potable water quality for human	The required resources to guarantee a safe and healthy environment for all workers and compliance with the law are verified through internal and

			consumption is verified at local level, through public information provided by the respective regions/municipalities on their websites.	third-party health and safety audits. The health and safety of those contributing to EDP Group's activities - employees, service providers, contractors or subcontractors - are key priorities for the Group. Within its Health and Safety Work Policy, EDP is committed to make available the required resources to guarantee a safe and healthy environment for all its workers, ensuring compliance with the law. The Policy applies to all EDP Group companies, in all geographies, and requires all service providers to adopt practices in line with its underlying principles.

				Occupational health and safety are integral parts of EDP Group's activities and are considered in all decisions: project design, construction, exploitation, HR management, procurement, customer relations, supplier relations and with the general public.

W-EU1.2a

(W-EU1.2a) For your hydropower operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations measured and monitored	Please explain
Fulfilment of downstream environmental flows	100%	EDP analysed and monitored 100% of its hydro power plant flows in Iberia and Brazil. Following this assessment, EDP implemented downstream environmental flows (e-flows) where required. Both in Europe and Brazil, legislation requires the implementation of e-flow regimes as a mitigation environmental measure to improve water body ecological status and to achieve good ecological potential. EDP monitors the effectiveness of these e-flows and readjusts them when necessary to guarantee the ecological quality of the water bodies. This monitoring allows us to avoid operational and maintenance costs due to bad quality water that can lead to equipment damage. Until now, results point out to the increase of the ecological quality downstream.

Sediment loading	100%	The potential accumulation of sediments upstream of the reservoir is regularly monitored as part of the operating standards used for hydroelectric power plants. Its monitoring is carried out mainly by the direct inspection at the water intake, and indirectly by bathymetric studies or underwater inspection in the surroundings of the dam. In addition to these operating standards, EDP regularly implements mitigation measures through an adequate spillway management during flood periods to promote solid flows to go downstream, simulating the natural flow. Extraordinarily, and usually in small power plants, there is the mechanical transport of sediments accumulated upstream, to downstream. In addition to these routine measures, EDP has in place a plan of bathymetric studies to assess the sedimentation potential in the total area of the reservoir. These studies are being planned in Portugal.
Other, please specify		N/A

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/ year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	112 844 839	Lower	Increase/decrease in business activity	Lower	Divestment from water intensive technology/process	In 2022, water withdrawal was 44% lower than in 2021. This result is explained by the 23% decrease of hydropower generation (which represents 99.4% of total water withdrawals) due to the worse hydrological

						conditions in Iberia in 2022. Hydro generation in Iberia decreased 38% year on year, reflecting the most extreme drought in the last 90 years in Iberia, with hydro generation coefficient of 0.63 in Portugal, compared with a coefficient of 0.93 in 2021. In addition, in response to the severe drought experienced in Portugal's mainland for most of 2022, a Hydro Strategic Reserve was set and a temporary suspension of the use of water resources of 15 hydropower plants (13 belonging to EDP) from 1st of October 2022, until the minimum levels of storage of their useful capacity are reached, fixed administratively. Specifically for hydro power plants, data was collected either through direct measurements (meter readings) or by calculations, using for instance the installed capacity and the difference between downstream and upstream water levels. Due to the current's high hydro power contribution in the EDP Group's water performance, water withdrawals will tend to decrease or increase depending on if it is a dry or wet year, respectively. However, future water withdrawals dependency is

						expected to decrease with the growth of wind and solar capacity in generation portfolio, as per EDP's business plan 2023-2026 (sustainability commitments). We use the following thresholds for monitoring trends: +/- 15%: "about the same"; +/- 16-50%: "higher"/"lower"; +/- 51%: "much higher"/"much lower".
Total discharges	112 830 536	Lower	Increase/decrease in business activity	Lower	Divestment from water intensive technology/process	In 2022, water discharge was 44% lower than in 2021. This result is explained by the 23% decrease of hydropower generation (which represents 99.4% of total water withdrawals) due to the worse hydrological conditions in Iberia in 2022. Hydro generation in Iberia decreased 38% year on year, reflecting the most extreme drought in the last 90 years in Iberia, with hydro generation coefficient of 0.63 in Portugal, compared with a coefficient of 0.93 in 2021. In addition, in response to the severe drought experienced in Portugal's mainland for most of 2022, a Hydro Strategic Reserve was set and a temporary suspension of the use of water resources of 15 hydropower plants (13 belonging to EDP) from 1st of October 2022, until the minimum levels of storage of their useful capacity are reached, fixed administratively.

						Specifically for hydro power plants, data was collected either through direct measurements (meter readings) or by calculations, using for instance the installed capacity and the difference between downstream and upstream water levels. Due to the current's high hydro power contribution in the EDP Group's water performance, water discharges will tend to decrease or increase depending on if it is a dry or wet year, respectively. However, future water discharges are expected to decrease with the growth of wind and solar capacity in generation portfolio, according with EDP's business plan 2023-2026 (sustainability commitments). We use the following thresholds for monitoring trends: +/- 15%: "about the same"; +/- 16-50%: "higher"/"lower"; +/- 51%: "much higher"/"much lower".
Total consumption	14 797	About the same	Increase/decrease in business activity	Much lower	Divestment from water intensive technology/process	In 2022, water consumption was 9% lower than in 2021, as a result of the balance between the reduction in the Group's coal electricity generation (-10%) and the increase in natural gas electricity generation (+40%). This is the result of the following facts: 1) In

						Brazil, Pecém power plant was not dispatched due to the improved hydrological scenario. Although, in Spain, the generation from coal power plants increased by 64%, as consequence of drought and higher natural gas prices on international markets (as a result of the war in Ukraine). 2) The increased of net electricity generation from natural gas resulted from the closure of coal power plants in Portugal, together with the severe drought experienced until November. The total water consumption reported by EDP does not match the difference between withdrawals and discharges as the company defines water consumption as withdrawals minus discharges to the same water body within, at least, the quality parameters of the licensing permits. In some of EDP's powerplants, the water is discharged to a different water body than the withdrawal source, explaining the difference obtained. The definition used here is aligned with the information disclosed in EDP's Annual Integrated Report (as per revision in 2019, www.edp.com/sites/default/files/2020-03/Water-related%20indicators_EN_2

						3.12.19.pdf). It should also be noted that EDP considers water use in hydro power plants a non-consumptive use. However, future water use dependency is expected to decrease with the growth of wind and solar capacity in generation portfolio, according with EDP's business plan 2023-2026 (sustainability commitments). We use the following thresholds for monitoring trends: +/- 15%: "about the same"; +/- 16-50%: "higher"/"lower"; +/- 51%: "much higher"/"much lower".

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	Less than 1%	Much lower	Other, please specify In Brazil, Pecém power plant was not dispatched due to the improved	Much lower	Facility closure	WRI Aqueduct	EDP has one thermal power plant located in water stressed areas (Pecém in Brazil), representing

				hydrological scenario.				0.0002% of the total water withdrawals reported in question 1.2b. There was a 96% decrease of this indicator between 2021 and 2022 due to the following facts: 1) total water withdrawals from this power plant decreased 98% (compared to 2021 there was a significant decrease in electricity generation from Pecém power plant (-99.9%), due to the fact that the Pecém Power Plant was not dispatched due to the improved hydrological scenario. Despite not being dispatched,

								Pecém's availability stayed at 97.5%). 2) total company-wide withdrawals decreased 44%. For water stress exposure assessment EDP uses the WRI Aqueduct to conduct a first high-level risk assessment, by mapping all its thermal and hydro generation assets against a widely recognized water availability indicator (Baseline Water Stress (BWS)). Wind generation and distribution assets are excluded given their low dependency on water availability.

								Analysis is conducted at watershed level, using both current state and projections applying the following threshold: BWS higher than 40%, as recommended in the Question-level Guidance. A downscaling analysis at local level is then done, using information gathered from National Governmental Agencies (location specific water availability indicators) and company's operational teams (asset water dependency, constraints from local competitive uses). This is done for all geographies where EDP has

								generation activities (Portugal, Spain and Brazil), and considering the facilities location. It is worth noticing that withdrawal sources are closely located to the facilities and, thus, water-stress classification is valid for this situation. Assessment is updated on a 2 – 3 – year basis or whenever a new project requires it. We use the following thresholds to monitor trends: +/- 15%: “about the same”; +/- 16-50%: “higher”/”lower”; +/- 51%: “much higher”/”much lower”.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	112 178 578	Lower	Increase/decrease in business activity	Fresh surface water is relevant because 99.4% of total water withdrawals comes from this source, which is used to produce hydropower, as well as some thermal energy generation. In 2022, water withdrawal from fresh surface water was 44% lower than in 2021. This result is explained by the 23% decrease of hydropower generation due to the worse hydrological conditions in Iberia in 2022. Due to the high hydro power contribution in the EDP Group's water performance (99.99% of the total fresh surface water withdrawals), water

					withdrawals from this source will tend to decrease or increase depending on if it is a dry or wet year, respectively. However, future water withdrawals dependency is expected to decrease with growth of wind and solar capacity in generation portfolio, as per EDP's Business Plan 2023-2026 (sustainability commitments). We use the following thresholds to monitor trends: +/- 15%: "about the same"; +/- 16-50%: "higher"/"lower"; +/- 51%: "much higher"/"much lower".
Brackish surface water/Seawater	Relevant	664 393	Much higher	Facility expansion	Brackish surface water and seawater are relevant as they are used as cooling water in the refrigeration circuits of some thermal power

					plants. Two gas power plants in Portugal use brackish water (2% of total brackish and seawater withdrawal) and two coastal coal power plants in Spain use seawater (98% of total brackish and seawater withdrawal). In 2022, there was the inclusion of Los Barrios thermal power plant (coal) in the consolidation perimeter (570 MW). So, there was a 93% withdrawal increase, also aligned with the increase of electricity generation from these coal facilities. Future dependency is expected to decrease with the EDP committed to be coal-free by 2025 and increase investment in renewables, as

					per EDP's Business Plan 2023-2026. We use the following thresholds to monitor trends: +/- 15%: "about the same"; +/- 16-50%: "higher"/"lower"; +/- 51%: "much higher"/"much lower".
Groundwater – renewable	Relevant	3	Higher	Increase/decrease in business activity	Withdrawals from wells are relevant as they are used for human consumption along with other general uses such as irrigation. The volume reported in 2022 when compared to the previous year reflects the same human and general water uses. Given the very low volumes involved and the availability of alternative sources, company dependency on this source is low and it is

					expected to remain low in the future. We use the following thresholds to monitor trends: +/- 15%: “about the same”; +/- 16-50%: “higher”/”lower”; +/- 51%: “much higher”/”much lower”.
Groundwater – non-renewable	Relevant	166	Higher	Increase/decrease in business activity	Withdrawals from deep water holes are relevant as they are mainly used in a water-steam water circuit in one of EDP’s gas power plants . Its electricity generation was slightly higher in 2022, when compared to 2021 (+17%), justifying the constant volume withdrawn from this source between 2021 and 2022. Given the very low volumes involved and the availability of alternative sources,

					company dependency on this source is low and it is expected to remain low in the future. We use the following thresholds to monitor trends: +/- 15%: “about the same”; +/- 16-50%: “higher”/”lower”; +/- 51%: “much higher”/”much lower”.
Produced/Entrained water	Not relevant				Not applicable. EDP does not use produced or process water. It is not expected to be used in the future.
Third party sources	Relevant	1 699	Much lower	Increase/decrease in business activity	Withdrawals from third party sources are mainly used in office buildings and in the Pecém coal power plant. The thermal power plants and hydro power plants, in Spain, were the main users of this source (70%), being supplied by the local water supply concessionaires.

					There was a 83% withdrawal decrease due to the significant decrease in electricity generation from Pecém power plant (-99,9% vs. 2021) due to the fact that it was not dispatched due to the improved hydrological scenario. In 2022, Pecém used only 13% of total withdrawals from third party sources. However, water reuse and recycling measures have been implemented in some of its industrial processes to reduce electricity generation. Future dependency is expected to remain constant with the full operationalizatio n of the water efficiency measures.

					We use the following thresholds to monitor trends: +/- 15%: “about the same”; +/- 16-50%: “higher”/”lower”; +/- 51%: “much higher”/”much lower”.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Relevant	112 170 386	Lower	Increase/decrease in business activity	In 2022, fresh surface water (including hydro technology) represents 99,4% of total water discharges. In this year, it decreased 44%, compared to 2021. This result is explained by the 23% decrease of hydropower generation due to the worse hydrological conditions in Iberia in 2022. Due to the high hydro power contribution in

					the EDP Group's water performance (99.99% of the total fresh surface water discharges), water discharges to this source will tend to decrease or increase depending on if it is a dry or wet year, respectively. However, future water discharges are expected to decrease with the EDP committed to be coal-free by 2025 and growth of wind and solar capacity in generation portfolio, as per EDP's Business Plan 2023-2026 (sustainability commitments). We use the following thresholds to monitor trends: +/- 15%: "about the same"; +/- 16-50%: "higher"/"lower"; +/- 51%: "much higher"/"much lower".

Brackish surface water/seawater	Relevant	660 147	Much higher	Increase/decrease in business activity	There was a 93% increase in discharges from 2021 justified by: 1) the balance between the reduction of coal electricity generation (-10%) and the increase in natural gas electricity generation (+40%). 2) Los Barrios thermal power plant was included in the consolidation perimeter. Future dependency is expected to be reduced with the decrease of coal capacity until 2025, as per EDP's Business Plan 2023-26. These discharges are mainly of cooling water used in the refrigeration circuits of some thermal power plants. Even though this represents <1% of total water discharges, it is still considered relevant.

					Two gas power plants in Portugal discharge to brackish surface water (1% of total brackish and seawater discharges), and two coal power plants in Spain and one in Brazil discharge to seawater (99% of total brackish and seawater withdrawal). We use the following thresholds to monitor trends: +/- 15%: “about the same”; +/- 16-50%: “higher”/”lower”; +/- 51%: “much higher”/”much lower”.
Groundwater	Not relevant				Not applicable. EDP does not make discharges to groundwater. It is not expected to make these discharges in the future.
Third-party destinations	Relevant	3	Lower	Increase/decrease in business activity	Third party destinations' effluents are considered relevant because they include 100% domestic wastewater produced in all activities within

					the reporting boundary and sent to municipal treatment. The decrease between 2021 and 2022 (-28%) reflects the lower human consumption and general uses. It is expected that third-party destinations will remain constant over the years. We use the following thresholds to monitor trends: +/- 15%: “about the same”; +/- 16-50%: “higher”/”lower”; +/- 51%: “much higher”/”much lower”.

W1.3

(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	20 650 764 387	112 844 839	183,0014076851	Due to the current’s high hydro power contribution in the EDP Group’s water performance, water withdrawals will tend to decrease or increase depending on if it is a dry or wet year, respectively. However, through EDP's Business Plan 2023-2026 and long-term strategy,

				future water withdrawal efficiency is expected to increase. The Strategy establishes a change in EDP's portfolio, namely the growth of wind and solar capacity, which are very low water intensity technologies.

W-EU1.3

(W-EU1.3) Do you calculate water intensity for your electricity generation activities?

Yes

W-EU1.3a

(W-EU1.3a) Provide the following intensity information associated with your electricity generation activities.

Water intensity value (m3/denominator)	Numerator: water aspect	Denominator	Comparison with previous reporting year	Please explain
1 820	Freshwater withdrawals	MWh	Lower	There was a volume decrease of 45% in 2022 (1,820 m3/MWh in 2022 vs. 3,314 m3/MWh in 2021) explained by the 23% decrease of hydropower generation due to the worse hydrological conditions in Iberia in 2022. Numerator refers to total freshwater withdrawals in EDP's activities, as reported in W1.2h. Denominator refers to total net electricity generation, collected through online systems that monitor each power plant's electricity injection in the grid. Information is collected directly mostly from meter readings for thermal, wind and solar power plants, distribution activities and office buildings. For hydro facilities, data is collected either through direct measurements

				(meter readings) or by calculations, using for instance the installed capacity and the difference between downstream and upstream water levels. Due to the high hydro power contribution in the EDP Group's water performance (99.99% of the total freshwater withdrawals), this water intensity indicator will tend to decrease or increase depending on if it is a dry or wet year, respectively. Water intensity indicator is being used for internal and external analysis on water dependency and efficiency in water use, to drive water performance improvement projects at operational level and to inform our water strategy. Through EDP's Business Plan 2023-2026 and long-term strategy, this water intensity indicator is expected to decrease. The Strategy establishes a change in EDP's portfolio, namely the growth of wind and solar capacity, which are very low water intensity technologies. Nevertheless, future freshwater withdrawals will still vary significantly on an annually basis, due to the hydrological conditions in Iberia. We use the following thresholds for monitoring trends in water intensity indicator: +/- 15%: "about the same"; +/- 16-50%:

				“higher”/”lower”; +/- 51%: “much higher”/”much lower”.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	No	The products and services provided by EDP are: 1) transmission and distribution operations; 2) electricity generation from renewable (hydro, wind and solar) and non renewable (thermal from coal and natural gas) and 3) the sale of low carbon services, such as electric mobility solutions, energy efficiency solutions and decentralized solar solutions. Accordingly, EDP has no products containing substances classified as hazardous by any regulatory authority.

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	Yes		
Other value chain partners (e.g., customers)	No	Important but not an immediate business priority	The value chain has numerous challenges with an impact on EDP's sustainability strategy, mainly related to our suppliers, where we have already developed initiatives. However, addressing the issue of water management with other stakeholders (e.g. costumers) has not yet been a priority, given other issues such as decarbonization or human rights, for example.

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

No, we do not currently assess the impact of our suppliers, but we plan to do so within the next two years

Please explain

In order to assess the supplier's impact on water security, EDP is currently working to adapt the Due Diligence procedures to include specific requirements of the new legislation and rules that will be adopted by the business sectors, which will allow to obtain more information through the supplier registration questionnaire and evaluate ESG performance of the supply chain. Due Diligence requirements will include an assessment on water security. The planned timeframe for the finalisation and implementation of the new procedure is the end of 2024. Since 2020, EDP expanded the sustainable procurement targets to define the obligation of strategic alignment of suppliers with EDP's objectives. In fact, pursuing goals of carbon neutrality, circularity, biodiversity gains, respect and promotion of human rights, EDP needs its supply chain to commit to the same practices and contribute to transparency, traceability, verification of impacts and the reduction of the negative ESG footprint.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

	Suppliers have to meet specific water-related requirements
Row 1	Yes, suppliers have to meet water-related requirements, but they are not included in our supplier contracts

W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Water-related requirement

Complying with going beyond water-related regulatory requirements

Mechanisms for monitoring compliance with this water-related requirement

Certification

Fines and penalties

Response to supplier non-compliance with this water-related requirement

No response

Comment

Through criticality analysis, the EDP group identifies and segments the potential risks associated with each type of specification. The analysis is carried out using the Sustainability Matrix, which combines the relevant risks of the activity, identified by consulting stakeholders and attributable to the sector, with the characteristics of the specifications.

Once the risks of each type of purchase have been identified, non-negotiable clauses

are included in the specifications that establish the minimum qualifications that suppliers must meet, as well as the rules for monitoring execution of the contract. All suppliers must accept and comply, depending on the specific risk of supply, with audits and certifications of systems management (quality, environment, and safety at work) are required. The minimum sustainability requirements are defined in the Code of Conduct, General Conditions for the Procurement of Goods and Services and Contract Terms.

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement

Other

Details of engagement

Other, please specify

Inclusion of water stewardship and risk management in supplier selection mechanism

% of suppliers by number

100%

Rationale for your engagement

Water is always present in the environmental criteria for qualifying suppliers, from the perspective of Compliance.

Tenders for supplies identified with environmental impacts or exposed to risks are classified as Environmental Critical. Thus, tender includes environmental threshold criteria that bidding suppliers must accomplish to be at the negotiation stage. Applicants must demonstrate:
- A valid Environmental Certification;
- Performance in the previous 3 years (fines, consumption, improvements ...);
- Special criteria/technological devices.

Also, as a risk mitigation tool, EDP's Code of Conduct is a contractual obligation for tier 1 suppliers. Water issues are part of the environmental principle, where suppliers commit to comply with e.g. environmental legislation and international standards, and to identify, monitor and mitigate environmental risks and impacts.

Since those are binding conditions, 100% of the suppliers are engaged.

Impact of the engagement and measures of success

The engagement strategy adopted aims to build confidence on suppliers' operations regarding environmental issues, including water management. Engagement evolves as suppliers are required to adopt management procedures to monitor for instance the Code of Conduct's requirements, reporting to EDP either non-compliance or compliance

evidences. For example, by requiring a valid ISO 14001 certification, EDP ensures that water issues have been included in the supplier's management system, as these are key for this certification.

The impact of the engagement is supported by a KPI system, which in 2022 brought beneficial/constructive results such as:

- 100% of Suppliers under Procurement obliged by EDP's Code of Conduct;
- 100% of Suppliers under Procurement engaged on disclosing Environmental Information
- 32% of Suppliers under Procurement exposed to Environmental risks with ISO certification (this low percentage is due to new business in regions where ISO certifications are less practiced and unstable criteria in supply risk classification);
- 100% Environmental Critical Suppliers performance annually appraised;
- 100% Direct coal contracts made in 2022 with Bettercoal clause.

The success of the engagement is evaluated through those KPIs, namely through the comparison of suppliers' performance against EDP's Code of Conduct.

Comment

N/A

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Comment
Row 1	No	N/A

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified
Row 1	Yes, we identify and classify our potential water pollutants	EDP ensures the identification and classification of potential water pollutants through its corporate environmental management system (CEMS), certified by Lloyds according to ISO 14001:2015. The CEMS covers the management of environmental policies, strategic plans, and performance of EDP Group organizations. The process for the identification and classification that EDP employs an internal Environmental Risk Assessment Tool that links environmental aspects to impacts and risks, including water pollution, using an impact scale. Compliance of pollutant emission limits defined in environmental licensing permits, issued by National Environmental Authorities is also part of the company's procedures. Pollutant monitoring is conducted with different frequencies based on the permits. Hydro power plants do not emit pollutants into the water, but water quality parameters are monitored to address potential pollution issues from upstream sources. Some of the indicators used include thermal pollution, physical-chemical indicators (dissolved oxygen, pH, suspended solids, biochemical oxygen demand (BOD), chemical oxygen demand (COD)) and organic pollutants (detergents, oils, hydrocarbons). Regular monitoring of these indicators is essential for effective pollution management. The electricity generation activities are identified as potential sources of detrimental impacts on water, while distribution and supply activities are deemed not relevant.

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category

Oil

Description of water pollutant and potential impacts

Oils from accidental spills and not due to a continuous discharge situation. Oil spills in thermal and hydro power plants, as well as in electricity distribution facilities, if reaching water bodies, may cause water's physical and chemical changes, with the decrease of oxygen in the water, and affecting fauna and flora (by coating, and by reducing the

availability of food, for example). Accidental spill frequency is extremely low (1 situation within EDP Group in the last decade). In a qualitative scale, these impacts are considered as highly significant based on either different standards or the EDP's Environmental Risk Assessment tool.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Industrial and chemical accidents prevention, preparedness, and response
Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
Other, please specify
Environmental Risk Assessment Tool

Please explain

1) Assessment of critical infrastructure and storage condition. To manage potential environmental impacts, EDP facilities (thermal, hydro, electricity distribution) are equipped with retention basins, water/oil separators, drainage networks and spill absorbent materials. Success is measured through periodic water analysis, ensuring compliance with wastewater standards through treatment and reporting.

2) Industrial and chemical accidents prevention, preparedness, and response. EDP implements management plans for industrial and chemical accidents, with specific procedures, training, and drills. Success is measured by tracking environmental accidents and penalties (target is 0).

3) Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements. EDP uses sector-specific processes to treat wastewater, ensuring compliance with regulations. Monitoring and reporting help detect anomalies. Success is determined by periodic wastewater analysis and compliance with regulation and standards.

4) Environmental Risk Assessment Tool. Through the tool, EDP evaluates potential damage from oil spills and other impacts, guiding decision-making. Success is measured by risk identification and improved procedures.

EDP's Environmental Policy ensures successful mitigation of environmental impacts, measured via ISO 14001 certified environmental management systems, aligned with a Corporate Environmental Management System, covering all listed procedures.

Water pollutant category

Inorganic pollutants

Description of water pollutant and potential impacts

Inorganic pollutants, namely coal combustion residuals (fly ashes, bottom ashes and gypsum) from coal power plants rejected into the water by accident, and not due to a continuous discharge situation. These accidental leakages may have high level content of heavy metals, with potential environmental impacts both in fauna and flora, as well as in human health when the food chain is contaminated. Accident frequency is extremely low (1 situation with limited impact within EDP Group in the last decade).

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Industrial and chemical accidents prevention, preparedness, and response
Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
Other, please specify
Environmental Risk Assessment Tool

Please explain

1) Assessment of critical infrastructure, storage condition and resilience. Coal power plants have landfills for ash and gypsum waste, equipped with sedimentation basins to prevent leakage to soil and water bodies. Piezometric networks are in place to monitor groundwater quality. By 2025 EDP will be coal-free, so this is transitional. Success is measured by piezometric analysis compliance with regulations.

2) Industrial and chemical accidents prevention, preparedness, and response. There are management procedures, emergency plans, specific training actions and accident drills in place. EDP had a target to achieve zero environmental accidents and penalties until 2022. Success is measured by tracking environmental accidents and penalties (target is 0).

3) Discharge treatment using sector-specific processes. EDP uses said processes to treat wastewater. Monitoring and reporting help detect anomalies. Success is determined by periodic wastewater analysis and compliance with regulation.

4) Environmental Risk Assessment Tool. Through the tool, EDP models each critical facility, evaluating potential damage from spills and other accidents, guiding decision-making. Success is measured by risk identification and improved procedures.

EDP's Environmental Policy ensures successful mitigation of environmental impacts, measured via ISO 14001 certified environmental management systems, aligned with a Corporate Environmental Management System, covering all listed procedures.

Water pollutant category

Other physical pollutants

Description of water pollutant and potential impacts

The discharge of hot water in EDP's thermal power plants can extraordinarily lead to a raise in temperature of the local water body. This may contribute to the decrease of dissolved oxygen and the change of the local natural environmental with adverse impacts in local fauna and flora living conditions. No significant environmental impacts have been recorded.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Industrial and chemical accidents prevention, preparedness, and response
Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements
Other, please specify
Environmental Risk Assessment Tool

Please explain

1) Assessment of critical infrastructure, storage condition and resilience. Thermal power plants use containment basins to prevent spills, leaks, and leaching. Periodic inspections target high-risk equipment for spills. Success is gauged through water analysis, ensuring compliance with wastewater standards through treatment and reporting.

2) Industrial and chemical accidents prevention, preparedness, and response. There are management procedures, emergency plans, specific training actions and accident drills in place (including testing of scenarios with water damage). EDP had a target to achieve zero environmental accidents and penalties until 2022. Success is measured by tracking environmental accidents and penalties (target is 0).

3) Discharge treatment using sector-specific processes. EDP uses said processes to treat wastewater. Monitoring and reporting help detect anomalies. Success is determined by periodic wastewater analysis and compliance with regulation.

4) Environmental Risk Assessment Tool. Through the tool, EDP models each critical facility, evaluating potential damage from spills and other accidents, guiding decision-making. Success is measured by risk identification and improved procedures.

EDP's Environmental Policy ensures successful mitigation of environmental impacts, measured via ISO 14001 certified environmental management systems, aligned with a Corporate Environmental Management System, covering all listed procedures.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise risk management
International methodologies and standards
Databases

Tools and methods used

WRI Aqueduct
ISO 31000 Risk Management Standard
Environmental Impact Assessment
IPCC Climate Change Projections
FAO/AQUASTAT
Regional government databases
Other, please specify
Internal company methods.

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Impact on human health

Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Regulators
Suppliers
Water utilities at a local level
Other water users at the basin/catchment level

Comment

Internal company methods include, but are not limited to, standard risk identification and quantification methodologies (e.g. Monte Carlo simulations, short and long-term impact estimation on EBITDA), and an environmental corporate risk assessment tool aligned with ISO 31000 and ISO 14001:2015, which includes water-related regulation follow-up procedures at corporate, business unit and asset level, supported by a proprietary Regulation Database information system, managed at corporate level.

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise risk management

Tools and methods used

WRI Aqueduct
ISO 31000 Risk Management Standard

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Impact on human health
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Regulators
Suppliers
Water utilities at a local level
Other water users at the basin/catchment level

Comment

Water risks throughout the supply chain are identified, assessed and managed both in EDP's Water Risk Map, in which supply chain risks are identified as strategic, as they are important to forecast possible future restrictions in direct and indirect water use, and in EDP's assessment of generation assets' exposure to water stress locations, where current and future water stress exposure of coal mines are assessed regularly using the WRI Aqueduct through their specific coordinates.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	Water-related risks are integrated into EDP's risk procedures in a two-layer process - ERM processes and in-depth Water Risk Analysis: 1) ERM processes: EDP performs a climate risk assessment, supported by	When assessing the generation assets' exposure to water stress locations, the high level assessment is followed by a downscaling using National Agencies	Investors: economic impact of water related risks in corporate profitability, supporting strategic decisions Employees: support of strategic	Water-related risks' evaluation is integrated into the company's development strategy and business plan, supporting the decision of geographical and tech diversification, and highlighting the

	a different set of internal and external tools, namely IPCC Climate Change Projections, Regional government databases, Environmental Impact Assessment and Internal company methods. Moreover, EDP performs the Group Risk Map, with standard risk methodologies (e.g., ISO 31000, short/long-term impact on EBITDA), with a LT perspective for climate-related physical risks (e.g. structural reduction in precipitation). EDP's corporate risk taxonomy includes water business risks (e.g. water availability), regulatory risks (e.g. regulatory constraints due to increase in competitive uses) and strategic risks (e.g. climate-change induced structural change in water availability). 2) In-depth Water Risk Analysis: a) Water Risk Map. Includes business, regulatory, strategic and operational water risks, aggregated according to expected frequency and impact, applying Monte Carlo simulations. Financial implications are expressed by the value of maximum loss (95% percentile); b) Assessment of generation assets' exposure to water stress locations. It uses the WRI Aqueduct and	information and regional government databases, through site specific data from local authorities and operational teams' inputs regarding information on assets specific operating conditions. Water risks throughout the supply chain are also identified, assessed and managed both in 2a), in which risks within the supply chain are identified as strategic due to the importance of forecasts of possible future restrictions in direct and indirect water use and in 2b) where current and future water stress exposure of coal mines are assessed regularly using the WRI Aqueduct through the mines' specific coordinates.	decisions impacting employees, adjustment of security measures according with potential risks identified Customer: input to hedging strategies guaranteeing a more efficient risk management approach and stable prices Local communities/ Regulators/ NGOs/ Water utilities at a local level: in-house understanding of water related risks supports the relationship and cooperation with local entities, communities, regulators and NGOs	most relevant risks – guaranteeing strategic resilience in the long term. Additionally, at operational level, Environmental Impact Assessments, like the In-depth Water Risk Analysis (namely water stress asset exposure), help mitigate water risks at local level for new projects. Water-related risks in new investments are analysed through scenario analysis with water availability and regulation effects in energy prices and volumes, as well as hydro resource evaluation integrating long-term effects of climate change and impact on new hydro capacity.

	FAO/AQUASAT (current/forecasts up to 2040) for a high-level assessment, followed by downscaling c) Water regulation follow-up. It is conducted at corporate, business unit and asset level.			

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only within our direct operations

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

A substantive financial impact with materiality for EDP Group, including when identifying or assessing water-related risks, considers risks over 1M€, equivalent to around 1% of the business activity with lower EBITDA. The threshold allows EDP to have a comprehensive approach when analysing risks among all sectors and guarantee that all relevant risks, as of today and prospective, are included.

EDP Group is composed by several business units across the energy markets value chain (generation, transmission, distribution, retail & services). Each business has its own particularities and climate risks. Recognizing the relevance of climate change impacts in its businesses, EDP created an annual procedure for the climate risks and opportunities assessment in order to know more about its climate resilience and adjust strategic plans accordingly. The climate-related risks quantification process considers expected loss (average scenario) and maximum loss (worst case scenario), which allows for the prioritization of risks according to their materiality, across different timeframes and different climate scenarios (based on a bundle of international scenarios, namely IEA, Aurora, Baringa, among others, and IPCC-RCP climate scenarios).

Because all BUs have their own realities and risks, the assessment of climate risks is the result of individual assessments at BU level, which are consolidated at Group level concluding the most relevant climate risks and opportunities.

In terms of quantification, for each BU a substantive financial annual impact considers risks over 1M€.

EDP discloses risks publicly broke down by the level of impact expected in its annual EBIDTA in three categories: <50M€, 50<=100M€ and >100M€.

EDP's most recent assessment concluded the company is quite resilient to climate change with no risks >100M€ (~2% of 2022 EBITDA, in terms of P95%, assuming a 10y impact of RCP 2.6 scenario).
An example of a climate chronic risk with relevant impact is the reduction of precipitation. This risk affects several business units with relevant expression in EDP Group consolidated EBITDA (~0.5%-1% depending on the climate scenario), namely EDP Produção (Portuguese generation unit) and EDP BR, with a reduction of hydro plant profitability of around 10-15% in PT and 10-40% in BR (2050 estimates).
Climate risks assessment is presented in Risk Committee and approved by the EBoD and the conclusions are ultimately publicly reported in EDP's Sustainability Report according to TCFD recommendations.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	41	1-25	The number of facilities exposed to water risks accounts for 12% of EDP Group's facilities: one thermal power plant, Pecém in Brazil, and the remaining are hydro power plants in Portugal. The number of facilities exposed to water risks remained the same when compared to 2021. Pecém coal-fired plant has been identified as a generation asset at risk from water stress location in EDP's Water Stress Exposure Assessment. A high-level assessment revealed a Baseline Water Stress indicator over 40% (threshold recommended in the Question-level Guidance), according to the WRI Aqueduct. Also, water stress situation was confirmed by information from National Information Systems on Water Resources. Water for plant operation is provided by the municipal water and sewage concessionaire. The hydro power plants located in the basins of the Lima, Cávado, Mondego, Tejo and Guadiana rivers are identified in EDP Water Risk Map as being exposed to risks of climate change induced structural decrease in precipitation. Nine facilities located in Douro River Basin are induced structural decrease in precipitation and increase in competitive uses, so it is also identified in EDP Water Risk Map as being exposed to risks of climate change.

			The new Business Plan 2023-2026 foresees the decommissioning of coal by 2025, including the Pecém Power Plant.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Portugal

Lima

Number of facilities exposed to water risk

2

% company-wide facilities this represents

Less than 1%

% company's annual electricity generation that could be affected by these facilities

1-25

% company's total global revenue that could be affected

Less than 1%

Comment

Facilities in Lima River Basin account for 0.6%, 0.7% and 0.3% of EDP Group's facilities, electricity generation and revenues, respectively. Identified in EDP Water Risk Map as being exposed to risks of climate change induced structural decrease in precipitation.

Country/Area & River basin

Portugal

Other, please specify

Cávado

Number of facilities exposed to water risk

5

% company-wide facilities this represents

1-25

% company's annual electricity generation that could be affected by these facilities

1-25

% company's total global revenue that could be affected

Less than 1%

Comment

Facilities in Cávado River Basin account for 1.5%, 2.1% and 0.1% of EDP Group's facilities, electricity generation and revenues, respectively. Identified in EDP Water Risk Map as being exposed to risks of climate change induced structural decrease in precipitation.

Country/Area & River basin

Portugal

Douro

Number of facilities exposed to water risk

9

% company-wide facilities this represents

1-25

% company's annual electricity generation that could be affected by these facilities

1-25

% company's total global revenue that could be affected

Less than 1%

Comment

Facilities in Douro River Basin account for 2.7%, 2.7% and 0.8% of EDP Group's facilities, electricity generation and revenues, respectively.
Identified in EDP Water Risk Map as being exposed to risks of climate change induced structural decrease in precipitation and increase in competitive uses.

Country/Area & River basin

Portugal

Other, please specify

Mondego

Number of facilities exposed to water risk

12

% company-wide facilities this represents

1-25

% company's annual electricity generation that could be affected by these facilities

Less than 1%

% company's total global revenue that could be affected

Less than 1%

Comment

Facilities in Mondego River Basin account for 3.6%, 0.8% and 0.4% of EDP Group's facilities, electricity generation and revenues, respectively. Identified in EDP Water Risk Map as being exposed to risks of climate change induced structural decrease in precipitation.

Country/Area & River basin

Portugal

Tejo

Number of facilities exposed to water risk

10

% company-wide facilities this represents

1-25

% company's annual electricity generation that could be affected by these facilities

1-25

% company's total global revenue that could be affected

Less than 1%

Comment

Facilities in Tejo River Basin account for 3.0%, 1.0% and 0.2% of EDP Group's facilities, electricity generation and revenues, respectively. Identified in EDP Water Risk Map as being exposed to risks of climate change induced structural decrease in precipitation.

Country/Area & River basin

Portugal

Guadiana

Number of facilities exposed to water risk

2

% company-wide facilities this represents

Less than 1%

% company's annual electricity generation that could be affected by these facilities

Less than 1%

% company's total global revenue that could be affected

Less than 1%

Comment

Facilities in Guadiana River Basin account for 0.6%, 0.9% and 0.2% of EDP Group's facilities, electricity generation and revenues, respectively. Identified in EDP Water Risk Map as being exposed to risks of climate change induced structural decrease in precipitation.

Country/Area & River basin

Brazil

Other, please specify

Atlântico Nordeste Oriental (Pecém)

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

% company's annual electricity generation that could be affected by these facilities

1-25

% company's total global revenue that could be affected

1-10

Comment

Pecém Coal power plant account for 0.3%, 0.01% and 0.0% of EDP Group's facilities, electricity generation and revenues, respectively. It is located in a water stress area identified through EDP's water stress exposure assessment: high level mapping using the WRI Aqueduct, followed by a local level assessment (regional government databases) using specific water availability indicators from national agencies and internal knowledge of company's operational teams.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Portugal

Other, please specify

All Portuguese river basins in 4.1c.: Lima, Cávado, Douro, Mondego, Tejo, Guadiana

Type of risk & Primary risk driver

Chronic physical

Changing precipitation patterns and types (rain, hail, snow/ice)

Primary potential impact

Reduced revenues from lower sales/output

Company-specific description

Structural reduction of water availability with impact in hydro generation in Portugal. Impact of physical variables, namely a structural reduction of water availability is assessed within EDP Group, by considering all assets which are impacted by a reduction in average precipitation, namely hydro and some thermal power plants. This risk was evaluated considering the RCP scenarios (2.6, 4.5 and 8.5) and their respective variations regarding the average precipitation for 2025, 2030 and 2050, which were provided by World Group Bank and Copernicus data sources. It is expected a structural reduction of average precipitation of ~10% to 15% in Portugal (depending on the RCP scenario).

The company's exposure to this risk was reduced in Portugal with the sale of the hydro assets in 2020, and EDP manages this risk through a diversified generation portfolio in terms of technologies (with focus on solar and wind) and geographies (e.g., EDP has recently began generation in APAC).

If the average precipitation is lower than expected there is a mismatch between the energy integrated position, i.e., lower hydro generation than contracted, which requires to buy energy from the market with a higher price due to generation mix with more thermal. As a result, financial accounts at the end of the year may have a significant gap vs projections. For example, 2017 was a very dry year in Iberia and recurring EBITDA declined 44% YoY, to €603m, due to a more expensive generation mix (€34/MWh vs. €20/MWh in 2016), stemming from the replacement of lower-cost hydro production (22% weight in generation mix vs. 45% in 2016) by coal and CCGT's. Recently, EDP's financial performance in the 1Q2022 was strongly impacted by the extreme drought in Portugal. In winter 21/22, the driest in the last 90 years, resulted in a record shortfall of EDP's hydro production in the Iberian market of 2.6TWh compared to the historical average. This hydro shortfall resulted in the need to purchase electricity in the Iberian wholesale market, in order to satisfy the consumption of the customer portfolio, in a quarter of historical maximum prices (average electricity price €229/MWh in the 1Q22, a rise of 407% YoY). The strong increase in the cost of electricity sold implied a €0.4bn loss in 1Q22 in terms of EBITDA, which justifies the negative net result of -€76m recorded by EDP in the 1Q22 (a decrease of €256m YoY). The cost of response to this risk is related to the EDP's Group diversification strategy.

Timeframe

More than 6 years

Magnitude of potential impact

Medium-high

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

22 500 000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

In terms of analysis breakdown, the following approach was used to calculate the financial impact figure:
(1) analysis of the potential of precipitation reduction on each geography where the Group detains hydro plants (Portugal reduction of 10-15% for 2050, which means an average of 5-7,5% in Portugal for the 30 year period considered),
(2) overview of average production in terms of TWh and potential reduction due to diminished precipitation volumes (in 2050 of ~0.5-1TWh in Portugal, in period average of 0.25-0.5TWh in Portugal); and
(3) pricing of reduction of production considering expected energy market prices, an average of the period of 60€/MWh in Portugal, which means in the scenario 2.6: 0.25TWh*60€, and in the scenario 8.5 0.5TWh*60€/MWh. The reported values traduced the average financial impact from in approximately (in average) 22,500,000 euros, on a yearly basis.
This impact is evaluated assuming (1) EDP's defined strategy for the different time horizons (closure of thermal power plants, investment in renewables and the end of some hydro concessions); and (2) incremental variation compared to today; and is the accumulative maximum loss at P95% from 2030 to 2050 (impact of changes in physical variables, namely structural reduction of water availability, are more relevant for the mid and long-term), for each year and scenario.

Primary response to risk

Other, please specify

Generation portfolio diversification

Description of response

EDP manages water reduction risk through a business, technological and geographical diversified generation portfolio. Timeframe of the investment in portfolio diversification and increase of low water-dependent technologies is aligned with EDP's Business

Strategy 2023-2026.
In renewable generation, the accumulated gross investment, for 2023-2026, is ~EUR 20bn (~EUR 5.3bn /year). Investments in new generation capacity (additional ~18GW) are technologically diversified: 40% solar, 45% wind on-shore and offshore, 15% solar DG and 2% storage and H2, as well as geographically diversified: 35% in NA, 43% in EU, 15% in Latin America and 7% in the RoW.
Geographical diversification reduces risk, as precipitation reduction not likely to occur in all geographies and with same magnitude, while technological diversification lowers water-related risks through a focus on low water-dependent technologies.
According to EDP's Business Strategy 2023-2026, the accumulated gross expansion investment for that period is ~EUR 25 bn, distributed across diversified markets and businesses (generation, networks and retail & services), distributed as followed 85% in renewable generation and clients solutions and energy management, and 15% in networks. As an example, in 2021 EDP entered in Asia-Pacific market through the acquisition of Sunseap, with the consolidation of 91%, 563MW of operational and under construction solar projects and a sizeable portfolio at different stages of development, namely 10GW of renewable projects.
Moreover, EDP Group has several periodic processes that allows monitoring this risk, namely: (1) Climate risk assessment process: annual exercise to assess and quantify the impact of a structural reduction on average precipitation within all EDP Group's BUs; (2) Business plan, budget and risk map processes: annual, more focused in the short/ medium term, considers hydro productivity projections to define and shape EDP's hedging strategy; (3) Risk report and risk appetite dashboard: fortnightly and quarterly, respectively, overviews hydro volumes, providing information on assets profitability/ precipitation vulnerability.
EDP developed a Water Risk Map and conducts a periodic assessment of generation assets exposure to water stress areas, using a high level mapping tool (WRI Aqueduct) and local level analysis. All new power plant project valuation considers sensitivities to lower inflows scenarios, enabling informed decision making.

Cost of response

6 300 000 000

Explanation of cost of response

According to EDP's Business Strategy 2023-2026, the accumulated gross expansion investment for that period is ~EUR 25 bn, i.e., ~EUR 6.3 bn per year, distributed across diversified markets and businesses (generation, networks and retail & services), distributed, distributed across diversified markets and technologies.

Country/Area & River basin

Brazil
Other, please specify
Atlântico Nordeste Oriental (Pecém)

Type of risk & Primary risk driver

Chronic physical

Changing precipitation patterns and types (rain, hail, snow/ice)

Primary potential impact

Reduced revenues from lower sales/output

Company-specific description

Structural reduction of water availability with impact in hydro generation in Brazil. Impact of physical variables, namely a structural reduction of water availability is assessed within EDP Group, by considering all assets which are impacted by a reduction in average precipitation, namely hydro and some thermal power plants. This risk was evaluated considering the RCP scenarios (2.6, 4.5 and 8.5) and their respective variations regarding the average precipitation for 2025, 2030 and 2050, which were provided by World Group Bank and Copernicus data sources. It is expected a structural reduction of average precipitation of ~10% to 40% in Brazil (depending on the RCP scenario).

The company's exposure to this risk was reduced with the sale of the hydro assets in 2022 in Brazil, and EDP manages this risk through a diversified generation portfolio in terms of technologies (with focus on solar and wind) and geographies (e.g., EDP has recently began generation in APAC).

If the average precipitation is lower than expected there is a mismatch between the energy integrated position, i.e., lower hydro generation than contracted, which requires to buy energy from the market with a higher price due to generation mix with more thermal. As a result, financial accounts at the end of the year may have a significant gap vs projections.

Timeframe

More than 6 years

Magnitude of potential impact

Medium-high

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

20 000 000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

In terms of analysis breakdown, the following approach was used to calculate the financial impact figure: (1) analysis of the potential of precipitation reduction on each

geography where the Group detains hydro plants (Brazil reduction of 10-40% for 2050, which means an average of 5-20% in Brazil for the 30 year period considered, (2) overview of average production in terms of TWh and potential reduction due to diminished precipitation volumes (in 2050 of ~0-2TWh in Brazil, in period average of 0-1TWh in Brazil) and (3) pricing of reduction of production considering expected energy market prices, an average of the period of 40€/MWh in Brazil, which means in the scenario 2.6: ~0 TWh *40€=0M€, and in the scenario 8.5: 1TWh*40€/MWh=40M€. The reported values traduced the average financial impact from in approximately (in average) 20,000,000 euros, on a yearly basis. This impact is evaluated assuming (1) EDP's defined strategy for the different time horizons (closure of thermal power plants, investment in renewables and the end of some hydro concessions); and (2) incremental variation compared to today; and is the accumulative maximum loss at P95% from 2030 to 2050 (impact of changes in physical variables, namely structural reduction of water availability, are more relevant for the mid and long-term), for each year and scenario.

Primary response to risk

Other, please specify

Generation portfolio diversification

Description of response

EDP manages water reduction risk through a business, technological and geographical diversified generation portfolio. Timeframe of the investment in portfolio diversification and increase of low water-dependent technologies is aligned with EDP's Business Strategy 2023-2026.

In renewable generation, the accumulated gross investment, for 2023-2026, is ~EUR 20bn (~EUR 5.3bn /year). Investments in new generation capacity (additional ~18GW) are technologically diversified: 40% solar, 45% wind on-shore and offshore, 15% solar DG and 2% storage and H2, as well as geographically diversified: 35% in NA, 43% in EU, 15% in Latin America and 7% in the RoW.

Geographical diversification reduces risk, as precipitation reduction not likely to occur in all geographies and with same magnitude, while technological diversification lowers water-related risks through a focus on low water-dependent technologies.

According to EDP's Business Strategy 2023-2026, the accumulated gross expansion investment for that period is ~EUR 25 bn, distributed across diversified markets and businesses (generation, networks and retail & services), distributed as followed 85% in renewable generation and clients solutions and energy management, and 15% in networks. As an example, in 2021 EDP entered in Asia-Pacific market through the acquisition of Sunseap, with the consolidation of 91%, 563MW of operational and under construction solar projects and a sizeable portfolio at different stages of development, namely 10GW of renewable projects.

Moreover, EDP Group has several periodic processes that allows monitoring this risk, namely: (1) Climate risk assessment process: annual exercise to assess and quantify the impact of a structural reduction on average precipitation within all EDP Group's BUs; (2) Business plan, budget and risk map processes: annual, more focused in the short/ medium term, considers hydro productivity projections to define and shape EDP's hedging strategy; (3) Risk report and risk appetite dashboard: fortnightly and quarterly, respectively, overviews hydro volumes, providing information on assets profitability/

precipitation vulnerability.
EDP developed a Water Risk Map and conducts a periodic assessment of generation assets exposure to water stress areas, using a high level mapping tool (WRI Aqueduct) and local level analysis. All new power plant project valuation considers sensitivities to lower inflows scenarios, enabling informed decision making.

Cost of response

6 300 000 000

Explanation of cost of response

According to EDP's Business Strategy 2023-2026, the accumulated gross expansion investment for that period is ~EUR 25 bn, i.e., ~EUR 6.3 bn per year, distributed across diversified markets and businesses (generation, networks and retail & services), distributed, distributed across diversified markets and technologies.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Coal extraction represents the largest contribution of water consumption within EDP's tier 1 suppliers of raw materials. This is according to the characterization study of EDP's supply chain through which economic, social and environmental impacts were identified, including water consumption. The study was conducted using procurement data, environmentally extended input-output data and a global water resources model. Restrictions to coal suppliers' operations in water stress areas can potentially impact supply and price in international markets. However, we do not anticipate a substantive impact as 2021, the purchased coal came from mines located in low water stressed areas and in medium to high water stressed areas (representing only one mine with the WRI Baseline Water Stress between 20% and 40%). Coal currently accounts for 8% of EDP's total electricity generation installed capacity, and procurement is made from a vast range of alternative suppliers in different geographies. Future dependency is being further reduced, as coal capacity will decrease until 2025, and will be null after 2025, according to EDP's Strategic Update 2021-2025 and medium/long-term strategy (sustainability commitments).

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Resilience

Primary water-related opportunity

Increased resilience to impacts of climate change

Company-specific description & strategy to realize opportunity

The opportunity of increasing resilience to climate change impacts within EDP Group is mainly linked with reducing the dependency from water-related technologies, increasing exposure to low water dependent ones (such as solar and wind) diversified throughout geographies. This opportunity brings several benefits to EDP Group in the short, medium and longer term, namely: the diversification and adaptation of the technologies, market growth, innovation and research opportunities, risk mitigation and long-term sustainability of the infrastructures, technologies and businesses.

Benefits of the opportunity described will apply company-wide, mainly within the power generation sector and in geographies mostly affected by water scarcity.

Examples of actions taken to realise the opportunities include investments in new generation capacity (total of additional ~18GW) technologically diversified: 40% solar, 45% wind on-shore and offshore, 15% solar DG and 2% storage and H2 (no additional investment in hydro generation planned), as well as geographically diversified: 35% in North America, 43% in EU, 15% in Latin America and 7% in the rest of the world.

The timeframe for the realisation of the actions to realise the opportunity is aligned with the EDP's Strategic Update 2023-2026. This foresees an accumulated gross expansion investment for that period is ~EUR 25 bn, i.e., ~EUR 6.3 bn per year, distributed across diversified markets and businesses (generation, networks and retail & services), distributed as followed 85% in renewable generation and clients solutions and energy management, and 15% in networks. Specifically, in renewable generation the accumulated gross investment is ~EUR 20bn (~EUR 5.3bn per year).

Expected outcome of the opportunity is to reduce the water dependency of energy generation within the Group's portfolio, while still providing renewable energy and realising EDP's targets of no coal by 2025, green energy by 2030 and net-zero carbon by 2050.

As early result, in 2021 EDP entered in Asia-Pacific market through the acquisition of Sunseap (with the consolidation of 91%, 563MW of operational and under construction solar projects and a sizeable portfolio at different stages of development, namely 10GW of renewable projects).

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1 000 000

Potential financial impact figure – maximum (currency)

5 000 000

Explanation of financial impact

The opportunity to increase resilience to climate change impacts is performed for 3 EDP-developed scenarios, which combine transition scenarios (IEA Net Zero and Base Case – resulted from several international sources), as well as physical ones (2.6, 4.5. and 8.5. from IPCC). The time horizon considered was until the end of the decade (2022-2030), however with more visibility for 2025 as there are specific targets to accomplish. The financial impact was calculated given the following: (1) analysis of current EBITDA (EUR 2.157M in 2022) and installed capacity (13.6GW) in EDPR; (2) consideration of strategic commitments regarding renewables growth (gross additional capacity of 18GW up to 2026) and proxy of evolution of EBITDA considering the different scenarios and time horizons, specifically for EDPR a key platform of growth it is assumed a capacity growth of 125MW in a scenario 2.6 (lower emissions) and of 50MW in the 8.5 scenario. Assuming a more conservative and prudent approach, there was a methodological adjustment by start considering the expected gain instead of the maximum gain (considered in the previous exercise); and (3) analysis of extra net revenue obtained from installing additional MWs priced at the energy market price assumed of 35€/MWh, leading to an extra revenue of 125MW*35€/MWh= 4.4M€ which for simplification assumed a ~5M€ opportunity in a NZE scenario and 50MW*35€/MWh= 1.75M€ which for simplification (and prudency as it is a less ambitious scenario) assumed a ~1M€ opportunity in a Base Case scenario for 2025.The estimated financial range impact (from 1,000,000 to 5,000,000) considers the IEA NZ and Base Case scenarios for a 4-year time horizon (2022-2025), assuming EDP's defined strategy for the different time horizons (closure of thermal power plants, investment in renewables and the end of some hydro concessions).The values presented, on a yearly basis, are the expected gain (for different scenarios) and are calculated considering the accumulated estimates for the period of analysis.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number

Facility 1

Facility name (optional)

2 Hydro power plants in Lima river basin.

Country/Area & River basin

Portugal

Lima

Latitude

41,866054

Longitude

-8,241919

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

Hydropower

Total water withdrawals at this facility (megaliters/year)

1 650

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

1 650

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

1 650

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

1 650

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

Coordinates are given at the center of the river basin.

EDP uses the WRI Aqueduct to conduct a high-level water stress assessment, by mapping all its thermal and hydro assets against the Baseline Water Stress (BWS; watershed level), applying the threshold BWS > 40%, as recommended in the Question-level Guidance. A downscaling analysis at local level is then performed for all power plants identified in water-stressed areas, using information from National Governmental Agencies (location specific indicators) and company's operational teams (asset water dependency, local competitive uses).

Withdrawal and discharge volumes (from and to fresh surface water - River) were obtained by direct measurements (meter readings) or by calculations, using e.g. the installed capacity and the difference between downstream and upstream water levels.

The decreases in both withdrawal and discharge volumes (-35%) are explained by the 23% decrease of hydropower generation due to the worse hydrological conditions in Iberia in 2022 (-48% of total Lima river basin electricity generation). Withdrawal and discharge will tend to decrease or increase depending on if it is a dry or wet year,

respectively.

Water use in hydro power plants is considered a non-consumptive use (withdrawal = discharge). The zero volumes mean that there was no withdrawals or discharges from/to those sources.

Thresholds used: +/- 15%: “about the same”; +/- 16-50%: “higher”/”lower”; +/- 51%: “much higher”/”much lower”.

Facility reference number

Facility 2

Facility name (optional)

5 Hydro power plants in Cávado river basin.

Country/Area & River basin

Portugal

Other, please specify

Cávado

Latitude

41,61674

Longitude

-8,36298

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

Hydropower

Total water withdrawals at this facility (megaliters/year)

2 417

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

2 417

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

2 417

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

2 417

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

Coordinates are given at the center of the river basin.

EDP uses the WRI Aqueduct to conduct a high-level water stress assessment, mapping all its thermal and hydro assets against the Baseline Water Stress (BWS; watershed level), applying BWS > 40% (Question-level Guidance). A downscaling analysis is then performed for all assets in water-stressed areas, using information from National Governmental Agencies (site specific indicators) and EDP's teams (asset water dependency, local competitive uses).

Withdrawal and discharge volumes (from and to fresh surface water - River) were obtained by direct measurements (meter readings) or calculations, using e.g. the installed capacity and the difference between downstream and upstream water levels.

The decrease in both withdrawals and discharges (-49%) is explained by: i) decrease of hydro generation due to the worse hydrological conditions in Iberia in 2022 (-38% of total Cávado river basin electricity generation); ii) 4 of the power plants have pumps, making it less dependent on affluents and weather patterns.

Withdrawal and discharge will tend to decrease or increase depending on if it is a dry or wet year, respectively.

Water use in hydro power plants is considered a non-consumptive use (withdrawal equals discharge).

The zero volumes mean that there was no withdrawals or discharges from/to those sources.

Thresholds used: +/- 15%: “about the same”; +/- 16-50%: “higher”/”lower”; +/- 51%: “much higher”/”much lower”.

Facility reference number

Facility 3

Facility name (optional)

9 Hydro power plants in Douro river basin.

Country/Area & River basin

Portugal

Douro

Latitude

41,153052

Longitude

-7,779113

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

Hydropower

Total water withdrawals at this facility (megaliters/year)

25 225

Comparison of total withdrawals with previous reporting year

Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

25 225

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

25 225

Comparison of total discharges with previous reporting year

Much lower

Discharges to fresh surface water

25 225

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

Coordinates are given at the center of the river basin.

EDP uses the WRI Aqueduct to conduct a high-level water stress assessment, by mapping all its thermal and hydro assets against the Baseline Water Stress (BWS; watershed level), applying the threshold BWS > 40%, as recommended in the Question-level Guidance. A downscaling analysis at local level is then performed for all power plants identified in water-stressed areas, using information from National Governmental Agencies (location specific indicators) and company's operational teams (asset water dependency, local competitive uses).

Withdrawal and discharge volumes (from and to fresh surface water - River) were obtained by direct measurements (meter readings) or by calculations, using for instance the installed capacity and the difference between downstream and upstream water

levels.

The decrease in both withdrawals and discharges (-68%) is explained by the decrease of hydropower generation due to the worse hydrological conditions in Iberia in 2022 (-45% of total Douro river basin electricity generation).
Withdrawal and discharge will tend to decrease or increase depending on if it is a dry or wet year, respectively. Water use in hydro power plants is considered a non-consumptive use (withdrawal equals discharge). All the zero volumes mean that there was not any withdrawal or discharge from/to those sources.
Thresholds used: +/- 15%: “about the same”; +/- 16-50%: “higher”/”lower”; +/- 51%: “much higher”/”much lower”.

Facility reference number

Facility 4

Facility name (optional)

12 Hydro power plants in Mondego river basin.

Country/Area & River basin

Portugal

Other, please specify

Mondego

Latitude

40,385266

Longitude

-8,043322

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

Hydropower

Total water withdrawals at this facility (megaliters/year)

4 011

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

4 011

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

4 011

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

4 011

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

Coordinates are given at the center of the river basin.

EDP uses the WRI Aqueduct to conduct a high-level water stress assessment, mapping all thermal and hydro assets against the Baseline Water Stress (BWS; watershed level), applying BWS > 40% (Question-level Guidance). A downscaling analysis is then performed for all assets in stressed areas, using information from National Governmental Agencies (site specific indicators) and EDP's teams (water dependency, local competitive uses).

Withdrawals and discharges (from and to fresh surface water - River) were obtained by direct measurements (meter readings) or calculations, using e.g. the installed capacity and the difference between downstream and upstream water levels.

The decrease in withdrawals and discharges (-14%) is explained by the decrease (-13%) of Mondego river basin electricity generation. 74% of withdrawals and discharges in 2022 were from 2 power plants with pumps, being less dependent on affluents and weather patterns.

Withdrawal and discharge will tend to decrease or increase depending on if it is a dry or wet year, respectively.

Water use in hydro power plants is considered a non-consumptive use (withdrawal equals discharge).
The zero volumes mean there was no withdrawals or discharges from/to those sources.
Thresholds used: +/- 15%: “about the same”; +/- 16-50%: “higher”/”lower”; +/- 51%: “much higher”/”much lower”.

Facility reference number

Facility 5

Facility name (optional)

10 Hydro power plants in Tejo river basin.

Country/Area & River basin

Portugal
Tejo

Latitude

39,480479

Longitude

-7,991989

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

Hydropower

Total water withdrawals at this facility (megaliters/year)

9 921

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

9 921

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

9 921

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

9 921

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

Coordinates are given at the center of the river basin.

EDP uses the WRI Aqueduct to conduct a high-level water stress assessment, by mapping all its thermal and hydro assets against the Baseline Water Stress (BWS; watershed level), applying the threshold BWS > 40%, as recommended in the Question-level Guidance. A downscaling analysis at local level is then performed for all power plants identified in water-stressed areas, using information from National Governmental Agencies (location specific indicators) and company's operational teams (asset water dependency, local competitive uses).

Withdrawal and discharge volumes (from and to fresh surface water - River) were obtained by direct measurements (meter readings) or by calculations, using for instance the installed capacity and the difference between downstream and upstream water

levels.

The decrease in both withdrawals and discharges (-37%) is explained by the decrease of hydropower generation due to the worse hydrological conditions in Iberia in 2022 (-54% of total Tejo river basin electricity generation).

Withdrawal and discharge will tend to decrease or increase depending on if it is a dry or wet year, respectively. Water use in hydro power plants is considered a non-consumptive use (withdrawal equals discharge). All the zero volumes mean that there was not any withdrawal or discharge from/to those sources.
Thresholds used: +/- 15%: “about the same”; +/- 16-50%: “higher”/”lower”; +/- 51%: “much higher”/”much lower”.

Facility reference number

Facility 6

Facility name (optional)

2 Hydro power plants in Guadiana river basin.

Country/Area & River basin

Portugal
Guadiana

Latitude

38,046951

Longitude

-7,650575

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

Hydropower

Total water withdrawals at this facility (megaliters/year)

2 124

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

2 124

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0

Total water discharges at this facility (megaliters/year)

2 124

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

2 124

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

Coordinates are given at the center of the river basin.

EDP uses the WRI Aqueduct to conduct a high-level water stress assessment, mapping all its thermal and hydro assets against the Baseline Water Stress (BWS; watershed level), applying BWS > 40% (Question-level Guidance). A downscaling analysis is then performed for all assets in water-stressed areas, using information from National Governmental Agencies (site specific indicators) and EDP's teams (asset water dependency, local competitive uses).

Withdrawal and discharge volumes (from and to fresh surface water - River) were obtained by direct measurements (meter readings) or calculations, using e.g. the installed capacity and the difference between downstream and upstream water levels.

The decrease in both withdrawals and discharges (-38%) is explained by the decrease of hydropower generation due to the worse hydrological conditions in Iberia in 2022. Withdrawal and discharge will tend to decrease or increase depending on if it is a dry or wet year, respectively, and on the competitive uses.

Water use in hydro power plants is considered a non-consumptive use (withdrawal equals discharge).

All the zero volumes mean that there was not any withdrawal or discharge from/to those sources.

Thresholds used: +/- 15%: “about the same”; +/- 16-50%: “higher”/”lower”; +/- 51%: “much higher”/”much lower”.

Facility reference number

Facility 7

Facility name (optional)

Pecém.

Country/Area & River basin

Brazil

Other, please specify

Atlântico Nordeste Oriental (Pecém)

Latitude

-4

Longitude

-38,87542

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

Coal - hard

Total water withdrawals at this facility (megaliters/year)

213

Comparison of total withdrawals with previous reporting year

Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

213

Total water discharges at this facility (megaliters/year)

176

Comparison of total discharges with previous reporting year

Much lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

176

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

213

Comparison of total consumption with previous reporting year

Much lower

Please explain

Coordinates are given at the center of the power plant.

EDP uses the WRI Aqueduct to conduct a high-level water stress assessment, mapping all its thermal and hydro assets against the Baseline Water Stress (BWS; watershed level), applying BWS > 40% (Question-level Guidance). A downscaling analysis is then performed for all assets in water-stressed areas, using information from National Governmental Agencies (site specific indicators) and EDP's teams (asset water dependency, local competitive uses).
Withdrawals and discharges (3rd party source - municipal company) were collected mostly from meter readings.

Pecém's electricity generation decreased 99,9% (vs. 2021) due to the improved hydrological scenario, explaining the much higher values in comparison with 2021 for withdrawals, discharges and consumption. Water consumption will tend to increase or decrease depending on if it is a dry or wet year, respectively, according to the use of thermal power plants.

Water consumption equals withdrawals minus discharges to the same water body within, at least, the quality parameters of the licensing permits. In Pecém, of all the water consumed, none was returned to the same water body.

It is expected that the values will remain stable. The BP 2023-2026 foresees the decommissioning of coal.

The zero volumes mean there was no withdrawals or discharges from/to those sources. Thresholds used: +/- 15%: "about the same"; +/- 16-50%: "higher"/"lower"; +/- 51%: "much higher"/"much lower".

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified

76-100

Verification standard used

EDP's Integrated Annual Report is externally verified, including GRI water indicators. Assurance is conducted by an independent third party according to ISAE 3000 and AA1000AS.
Water volumes withdrawn are shared and validated by the competent environmental authority.
85% of EDP's facilities identified as exposed to water risks are certified in accordance to ISO 14001, having this water aspect monitored and externally verified.

Water withdrawals – volume by source

% verified

76-100

Verification standard used

EDP's Integrated Annual Report is externally verified, including GRI water indicators. Assurance is conducted by an independent third party according to ISAE 3000 and AA1000AS.
Water volumes withdrawn by source are shared and validated by the competent

environmental authority.
85% of EDP's facilities identified as exposed to water risks are certified in accordance to ISO 14001, having this water aspect monitored and externally verified.

Water withdrawals – quality by standard water quality parameters

% verified

76-100

Verification standard used

EDP's Integrated Annual Report is externally verified, including GRI water indicators. Assurance is conducted by an independent third party according to ISAE 3000 and AA1000AS.
Water quality indicators are shared and validated by the competent environmental authority.
85% of EDP's facilities identified as exposed to water risks are certified in accordance to ISO 14001, having this water aspect monitored and externally verified.

Water discharges – total volumes

% verified

76-100

Verification standard used

EDP's Integrated Annual Report is externally verified, including GRI water indicators. Assurance is conducted by an independent third party according to ISAE 3000 and AA1000AS.
Water discharges are shared and validated by the competent environmental authority.
85% of EDP's facilities identified as exposed to water risks are certified in accordance to ISO 14001, having this water aspect monitored and externally verified.

Water discharges – volume by destination

% verified

76-100

Verification standard used

EDP's Integrated Annual Report is externally verified, including GRI water indicators. Assurance is conducted by an independent third party according to ISAE 3000 and AA1000AS.
Water discharges by destination are shared and validated by the competent environmental authority.
85% of EDP's facilities identified as exposed to water risks are certified in accordance to ISO 14001, having this water aspect monitored and externally verified.

Water discharges – volume by final treatment level

% verified

76-100

Verification standard used

EDP's Integrated Annual Report is externally verified, including GRI water indicators. Assurance is conducted by an independent third party according to ISAE 3000 and AA1000AS.
Water discharges by treatment method are controlled by the competent environmental authority.
85% of EDP's facilities identified as exposed to water risks are certified in accordance to ISO 14001, having this water aspect monitored and externally verified.

Water discharges – quality by standard water quality parameters

% verified

76-100

Verification standard used

EDP's Integrated Annual Report is externally verified, including GRI water indicators. Assurance is conducted by an independent third party according to ISAE 3000 and AA1000AS.
Water discharge quality is controlled by the competent environmental authority, under the environmental permits.
85% of EDP's facilities identified as exposed to water risks are certified in accordance to ISO 14001, having this water aspect monitored and externally verified.

Water consumption – total volume

% verified

76-100

Verification standard used

EDP's Integrated Annual Report is externally verified, including GRI water indicators. Assurance is conducted by an independent third party according to ISAE 3000 and AA1000AS.
Water consumption is shared and validated by the competent environmental authority.
85% of EDP's facilities identified as exposed to water risks are certified in accordance to ISO 14001, having this water aspect monitored and externally verified.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of the scope (including value chain stages) covered by the policy Description of business dependency on water Description of business impact on water Commitment to align with international frameworks, standards, and widely-recognized water initiatives Commitment to prevent, minimize, and control pollution Commitment to reduce water withdrawal and/or consumption volumes in direct operations Commitment to reduce water withdrawal and/or consumption volumes in supply chain Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities	All former Environmental Policies in place within the EDP Group (including a Water Management Policy) were aggregated in a single Environmental Policy. This aims to guarantee a better corporate management approach, assuming all key environmental issues will have to follow the same commitments, when applicable. Water is a key natural resource for EDP. EDP depends on it to operate its facilities, and it is recognized the adverse environmental impacts resulting from EDP's activities. Under EDP's Environmental Policy, it is explicit the commitment to promote the efficient use of natural resources, namely the use and sustainable management of water in all processes, operations and installations. The water commitment is part of the axis of the circular economy: pay special attention to the water resource, promoting its sustainable management, either by minimizing its consumption or by mitigating the impacts on its quality. EDP recognizes the Environment as a strategic management element, aiming to reduce the impacts and dependencies of its activity through a set of commitments, namely: i) Protect the Environment and integrate its components within decision-making processes at the different stages of development, construction, operation, and decommissioning of infrastructure; ii) Properly manage environmental risk, in particular pollution prevention and emergency response; iii) Promote ongoing improvement in

		Commitment to stakeholder education and capacity building on water security Commitment to water stewardship and/or collective action Commitment to the conservation of freshwater ecosystems Commitments beyond regulatory compliance Reference to company water-related targets Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	environmental processes, practices, and performance, stimulating Research and Development and Innovation; iv) Comply with applicable environmental legislation; v) Consider the relevant expectations of the main stakeholders in decision-making processes; vi) Extend the management and improvement of environmental performance to the value chain, particularly by including environmental criteria in the selection of suppliers; vii) Communicate our performance in a regular and transparent manner to all stakeholders, in particular to local communities; viii) Raise awareness regarding the need to improve individual and collective environmental performance, thereby contributing to the public debate; vix) Consider the commitments of this Policy when making decisions during due diligence processes related to mergers and acquisitions. To complement the Environmental Policy, EDP has published in its website a clear understanding of what the water means to the company as well as its management approach, supporting company's performance: Water management approach. 1, 2

[1]EDP water management approach.pdf

[2]EDP Environmental policy.pdf

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Director on board	A Director on EDP Corporate Executive Board has formal responsibility over sustainability issues (CSO), including water. The Director currently in charge is assigned with all the company's cross-cutting critical themes, namely risk management and sustainability .

	This Director is responsible for: approving/submitting to Board's approval the company's water targets, policies and actions; ensuring inclusion of water risks (e.g. exposure of generation assets to water stress locations, new water taxes) in the company's risk profile; integrating water-related issues into electricity generation investment/divestment analysis (e.g. water dependency vs water stress locations, regulatory issues, price volatility-volume fluctuation for hydro generation); reporting on levels of EDP's performance on water issues to EDP's General and Supervisory Board (GSB), the highest-level corporate body below the General Shareholders Meeting, which includes a Corporate Governance and Sustainability Committee, headed by the GSB chairman. Some examples of water-related decisions made by the Director on EDP Corporate Executive Board: 1) To mitigate the risk of hydro, diversification of portfolio was considered and the sale of 6 hydroelectric power stations located in Portugal, in Douro (1.7GW of installed capacity), occurred in 2020, of which 5 facilities are exposed to water risks. The Climate Risk Assessment is updated in an annual basis where water availability is a variable considered. 2) The conversion of a group from Alto Lindoso hydro power plant, in Portugal, to pumped storage. The current Director has over 27 years of experience, 24 years of which in the energy sector. In the last 14 years, he assumed responsibilities in EDP Brasil, first as Vice-President responsible for New Business Development, Commercialization and Renewables, and in 2014 as CEO of EDP Energias do Brasil, with responsibility for its corporate sustainability office.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions, mergers, and divestitures Overseeing major capital expenditures	The governance mechanisms in place to oversight water related issues is integrated in the overall mechanism in place for all sustainability issues. The executive Director in charge of sustainability oversees the Corporate Sustainability and Risk Management Offices and supports the Sustainability Committee, chaired by the President of the executive Board, where the top management of the most relevant business units discusses the Group's sustainability performance and its annual Operational Environment

		Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Setting performance objectives	and Sustainability Plan. On a monthly basis, the executive Board is briefed by the company's Corporate Sustainability Officer (CSO) on sustainability issues, including water issues, such as i) regular updates on the implementation of the company's policies, actions and targets on sustainability issues, including water-related issues (e.g. performance against targets); ii) Water-stress risk assessment revision and acute situations of potential impact on electricity generation; iii) results of in-depth water risk analysis (e.g. Water Risk Map); iv) inputs for analysis of investments/divestments on electricity generation, impacting business plans and annual budgets (e.g. water dependency vs exposure to water stress locations); v) proposal for new water policies, actions and targets. On a regular basis (~monthly), the most relevant water-related issues are taken to the Executive Board meetings (held in a weekly base). Moreover, sustainability performance against targets (including water related issues) as well as other strategic sustainability issues, mostly linked to climate change (water included) are reported to EDP's General and Supervisory Board (at least twice a year). Additionally, the CEO and CSO chair the environment and Sustainability Board, an external advisory Board, dependent on the Executive Board of Directors and comprised by 5 experts (one of which in water issues) elected at the general shareholders' meeting. This corporate body is periodically (2-4 times/year) consulted for advising and supporting corporate sustainability strategy, with water related issues a constant issue for debate.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues
Row 1	Yes	The criteria used to assess the board member's competence in water issues is his proven experience in the field. The current Director has over 27 years of experience, 24 years of which in the energy sector. In the last 14 years, he assumed responsibilities in EDP Brasil, first as

		Vice-President responsible for New Business Development, Commercialization and Renewables, and in 2014 as CEO of EDP Energias do Brasil, with responsibility for its corporate sustainability office. These responsibilities included a close oversight of water resources management, both from an operational point of view (business) and from an environmental point of view (availability and impacts). He also was President of the Board of Directors of EDP Gestão da Produção de Energia, since July 2020, in Portugal.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Sustainability Officer (CSO)

Water-related responsibilities of this position

Assessing water-related risks and opportunities
Managing water-related risks and opportunities
Integrating water-related issues into business strategy

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

Quarterly reports communicated to the board include updates on performance against targets; identification of potential water shortage and associated impact on electricity generation; water-related inputs for analysis of investments/divestments. The highest management-level position or committee responsible for water-related issues is the board member overseeing risk and sustainability. The board member responsible overview has both the risk responsibility and sustainability responsibility could also be the Chief Risk Officer (CRO). The Sustainability Officer and the Risk Officer both answer to the same board member and share these responsibilities. This position is responsible for assessing and managing water-related risks and opportunities, as well as integrating water-related issues into the organization's business strategy.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	N/A

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Board/Executive board Director on board Corporate executive team Chief Executive Officer (CEO) Chief Financial Officer (CFO) Chief Operating Officer (COO) Chief Purchasing Officer (CPO) Chief Risk Officer (CRO) Chief Sustainability Officer (CSO)	Company performance against a sustainability index with water-related factors (e.g., DJSI, CDP Water Security score, etc.)	By integrating incentives into the remuneration structure, EDP aims to drive the engagement and commitment of C-suite employees and board members in effectively managing water-related issues. These incentives encourage the adoption of sustainable practices, the reduction of water consumption, the improvement of water efficiency, and the overall achievement of EDP's water commitments. In addition, EDP's performance against a sustainability index with water-related factors, such as the Dow Jones Sustainability Index (DJSI), plays a significant role in meeting their water commitments. For example, the target for reduction in freshwater consumption, aligned with the criteria set by the DJSI, and the company's commitment to increasing the penetration of renewable energy sources, solar and wind,	Members of EDP Corporate Executive Board of Directors (EBD), have the company's sustainability performance factored into their multiannual variable remuneration. EDP has in place a KPI linked to EBD's variable remuneration, extended to all employees at a corporate level: EDP's performance in the DJSI Index. This index includes the level of EDP's performance on water strategy and risk analysis, and water eco-efficiency, where performance on withdrawals, discharges and consumption are reported and a short-term target for reduction of freshwater consumption is defined (-78%). These indicators included a holistic performance of EDP's sustainability strategy, evaluated by an external stakeholder (DJSI Index

			in its generation portfolio, contribute to reducing water consumption in its direct operations. This can also have a positive impact on the company's reputation, attract investors who prioritize sustainable investments, and enhance stakeholder trust. It also provides a benchmark for EDP to continuously improve its water management practices and achieve industry-leading performance.	KPI). This rational allows an alignment between internal KPIs and external analysis about EDP's performance.
Non-monetary reward	No one is entitled to these incentives			N/A

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, direct engagement with policy makers

Yes, trade associations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

The company's Water Management Teams allow the Corporate Centre and Business Units (BUs) alignment on water-related issues to all geographies and activities, and support the implementation of EDP's Environmental Policy, and its Water Management approach. Following this policy, considering external stakeholder's expectations in decision making processes, EDP has dedicated structures in each geography managing the relation with supervisory bodies and other public policy makers: Corporate Regulation, Competition Department (PT), Regulation and Institutional Relationship Department (ES) and Regulatory Issues Department (BRA), ensuring overall alignment of policy engagement activities with the corporate water strategy and contribute to properly manage environmental risks linked to water management.

EDP participates in drafting River Management Plans with the PT Commission on Reservoirs and the Spanish National Water Council. In Brazil, EDP meets regularly with Ceará State authorities. International water regulation engagement, such as the EU Water Framework Directive, is done through trade associations.
Detected inconsistencies are taken to the Sustainability Committee and decisions implemented by BUs. In 2022, in Pecém, an inconsistency was identified: changes in parameters in water effluents. This was reported to the concessionaire receiving and competent environmental agency. To address the cause, an additional treatment stage was added and parameters returned to normal.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

BP23-26 EDP CMD.pdf

Integrated Annual Report 2022.pdf

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	11-15	Water-related issues are integrated into several of EDP's long-term business objectives, namely: i) Low carbon generation: water availability as hydroelectric generation is an important source of renewable, non-air polluting, CO2 free electricity and is key to achieving Net Zero by 2040, reducing in an absolute term its CO2 emissions by 90% vs. 2020. 79% of EDP's generation portfolio is based on renewable sources, with hydro making up to 26% of total installed capacity. By 2030, EDP has committed to increase this share to 100%. The strategy includes the closure of thermal power stations, investment in renewable energies and

			end of some hydroelectric concessions (2030: -20% hydro installed capacity). This contributes to less water dependency. ii) Low risk profile: at a strategic level, water related risks (e.g. physical risks like exposure to water stress locations or regulatory risks) are subject to periodic assessment processes, contributing to the company's low risk profile. E.g., EDP uses the WRI Aqueduct and the Water Risk Filter tool to conduct a high-level risk assessment, by mapping all its thermal and hydro generation assets against Baseline Water Stress indicator. This analysis projects water stress exposure for 2030-40. A downscaling analysis is then performed for all power plants identified in water-stressed areas, considering national information and internal experience. This assessment is updated on a 2-3-year basis or whenever a new project requires it.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	Strategy to achieve the above mentioned long-term objectives includes: i) Renewable: long-term investment in renewable generation portfolio, mainly in wind and solar, with low water-dependent risk profile. EDP's Business Plan 2023-2026 plans to invest €25 bn, of which 85% in renewable generation capacity, clients and energy management. EDP has set demanding targets for 2026 and for 2030 to increase the % of renewable installed capacity and electricity production, considering 2020 as baseline. These targets support the Group's ambition to abandon coal generation (EDP's most water-intensive activity) by 2025 (major water consumption technology), be carbon neutral by 2030 and net zero by 2040. By 2030, the Group intends to have 100% of renewable installed capacity and 100% of renewable electricity generation. By 2030, installed hydropower capacity is expected to decrease by 20% as against 2022.

			So, for the 10-year time horizon, the strategy defined by EDP includes the closure of thermal power stations (water intensity use), investment in renewable energies (with low water risk profile) and end of some hydroelectric concessions. All this strategy contributes to less water dependency in the future. ii) Low risk profile: geographic diversification of the existing hydro generation capacity is a risk reduction strategy as structural reduction in precipitation, as foreseen in IPCC scenarios, is not likely to occur in all geographies with the same magnitude.
Financial planning	No, water-related issues were reviewed but not considered as strategically relevant/significant	11-15	For new projects, EDP has been integrating water-related issues into its traditional portfolio, particularly in activities where the use of water was material. However, the company is committed to be coal free by 2025, all green by 2030 and net zero by 2040. So, for future financial planning, investments are mainly focused on wind, solar and grids, where water is not a material issue.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

23

Anticipated forward trend for CAPEX (+/- % change)

52

Water-related OPEX (+/- % change)

4

Anticipated forward trend for OPEX (+/- % change)

5

Please explain

Water-related CAPEX includes investments in Hydro and Thermal power plants to maintain equipment's conditions to improve efficiency, ensure safety exploitation of assets, as well as investments in Growth and Optimization projects such as floating solar panels. The 23% increase was due to investment in hybridisation projects (floating solar on reservoirs). In 2022, EDP completed the installation of the largest floating solar plant in Portugal, located in the reservoir of the Alqueva hydro power plant.
The 52% increase in the anticipation of the future CAPEX trend is explained due to investment in expansion projects, namely the hybridisation of existing hydropower plants and optimisation.
Water-related OPEX includes costs related to infrastructure maintenance and repair. The 4% increase was mainly due to inflation. OPEX anticipated trend for the next reporting year is expected to remain constant, aligned with 2022, as no significant changes are expected in the portfolio.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	EDP uses IEA scenarios to assess climate-related transition risks, integrating IEA's 450 Scenario, CPS (Current Policy Scenario) and NPS (New Policy Scenario) into energy planning exercises and to evaluate impacts on the entire business portfolio up to 2030, considering the BP. EDP also used a scenario developed by SBTi adapted from the IPCC scenarios for 1.5ºC for setting its GHG reduction Science Based Target. In 2022, EDP raised the ambition of its decarbonization goals by revising its targets under the new SBTi Net-Zero Standard, approved in early 2023. EDP uses IPCC scenarios to assess climate-related physical risks, considering forecasts for the long-term evolution of precipitation patterns and temperature. The RCP 8.5 Scenario (business as usual), RCP 4.5 and 2.6 Scenarios (aggressive CO2 emission reductions) are used to identify the most relevant chronic and acute risks and evaluate potential impacts on EDP's electricity generation and distribution activities until 2050.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy

	analysis used			
Row 1	Water-related Climate-related	Climate scenarios have a strong influence on the availability and consequent quality of water, therefore they are fundamental for water risk analysis. EDP has developed aggregated scenarios, based on physical and transition scenarios to assess the impact of climate risks and opportunities. Regarding physical scenarios, EDP uses IPCC scenarios (RCP 8.5, RCP 4.5 and RCP 2.6) to assess climate-related physical risks, taking into account forecasts for the long-term evolution of precipitation and temperature. EDP identifies the most relevant chronic and acute risks and evaluate potential impacts on its electricity generation and distribution activities from present time until 2050, as physical risks require a long-term analysis to identify any structural change in their pattern or frequency/severity of occurrence. Physical parameters are updated based on data sources aligned with RCP scenarios (e.g., World Bank Group, Copernicus, and some local data sources) and BUs access and quantify the impact of those changes in their businesses. Results highlighted two key risks (with higher impact for the RCP 8.5):	Under IPCC-RCP projections, average precipitation in Iberia is expected to decrease by up to 10% by 2035, compared with the 1986-2005 period. Up to 2100, EEA and IPCC forecast average decreases of annual precipitation in Iberia ranging from 10-30%. A structural decrease in precipitation can negatively affect EDP's revenues, water availability is also assessed within EDP Group, by considering all assets which are impacted by a reduction in average precipitation, namely hydro (Iberia region hosting 78% of Group's hydro capacity) and some thermal power plants. Within EDP, this risk of reduction in average precipitation was evaluated considering the RCP scenarios (2.6, 4.5 and 8.5) and their respective variations regarding the average precipitation for 2025, 2030 and 2050, which were provided by World Group Bank and Copernicus data sources. It is expected a structural reduction of	Climate-related risks are expected to impact EDP's operations, causing a reduction in electricity output from hydro generation assets. The risks include chronic (reduced precipitation) and acute (extreme weather events) factors, intensifying long-term with a medium-high impact on revenues and operational costs. EDP has identified two opportunities to strategically respond to the identified water-related outcome: 1) Water pumping downsizes MW exposure to water reduced availability at local level, enhancing system flexibility. EDP already has the operational capacity installed to face any challenge coming from this scenario, namely the decrease in hydro generation. The opportunity is already realised. 2) Promote resiliency at asset level by implementing Adaptation Plans in each Business Unit by the end of 2025; these asses extreme events exposure of the

		- structural reduction of water availability in Iberia and Brazil, affecting the productivity of hydroelectric generation assets in Portugal, Spain and Brazil (chronic physical risk); - and increased occurrence and severity of extreme weather events (precipitation extremes, floods, wildfires, landslides and extreme winds), causing damage to our electricity distribution assets (acute physical risk). EDP's business strategy is shaped in order to mitigate chronic risk through a diversified generation portfolio in terms of technologies and geographies. Additionally, EDP considers the Aqueduct tool, which projections are based on a BAU scenario using SSP2 and RCP8.5 for 2030 and 2040. EDP developed a specific Water Risk Map and conducts a periodic assessment of generation assets exposure to water stress areas, using a high-level mapping tool (WRI Aqueduct) and local level analysis (site specific data from local authorities and information on assets specific operating conditions from local company staff). This assessment is updated on a 2-3 year basis or whenever a new project requires it. All new power plant project valuation considers	average precipitation of ~10% to 15% in Portugal (depending on the RCP scenario). Also, with IPPC SRES A2, A1B and B1, EDP assessed the risk from the number, duration and magnitude increase of extreme events, such as extremes temperatures contributing to water scarcity. As an example, winter 21/22, the driest in the last 90 years, resulted in a record shortfall of EDP's hydro production in the Iberian market of 2.6TWh compared to the historical average.	companies' infrastructures and establish action plans, to better adapt those infrastructures to climate changes (examples of actions: investment in climate data downscaling; reinforce emergency response; promote nature-based solutions, through forest plantation to fix slopes and regulate the hydrological cycle) Additionally, as the penetration of other renewables increases in the asset's portfolio (wind and solar), the vulnerability that EDP has towards variations in precipitation volumes diminishes: the company is committed to be coal free by 2025, all green by 2030 and net zero by 2040.

		sensitivities to lower inflows scenarios, thus enabling informed decision making.		

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

Yes

Please explain

EDP uses an internal price on water to measure its exposure to risks or opportunities from water-related issues. A range up to 5€/m3 is used and calculated taking in consideration different approaches, such as:

- Cost of an average MWh not generated by a hydro facility due to competitive uses (e.g. E-flows; increase in domestic consumption in multipurpose reservoirs; etc.) or decrease in precipitation during the fiscal year;
- Cost of water treatment for thermal process, varying with water quality parameters.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Please explain
Row 1	Yes	EDP classifies services and products as having "low-water impact" whether these are not associated with direct water consumption in their activities and maintenance. Examples: 1) transmission and distribution operations; 2) renewable PPA (wind and solar); 3) the sale of low carbon services, such as electric mobility solutions, energy	For transmission and distribution operations the total water consumption was 42,959 m3 and for renewable PPA was 15,452 m3. Water consumption related to the supply of products and services by EDP, classified as having a low water impact, represents almost 0% of the total water used by the Group. These operations are characterized by low water consumption index for operation and maintenance of its activities when compared with conventional operations of electric energy generation (such as hydroelectric and thermoelectric power plants, for example),

		efficiency solutions and decentralized solar solutions.	especially the distribution operations. The Group offers a variety of solutions aimed at the specific needs of various customer segments, through a diverse and competitive set of products and services that avoid emissions in the final consumption of energy. The direct water consumption of this activity is mainly associated with the administrative activity of the operation and is considered non-material.

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	Yes	
Water withdrawals	No, and we do not plan to within the next two years	Through EDP's Business Plan 2023-2026 (sustainability commitments), water withdrawals are expected to decrease. The Strategy establishes a change in EDP's generation portfolio, namely the growth of wind and solar capacity, which are very low water intensity technologies. Nevertheless, withdrawal will tend to decrease or increase depending on an annually basis, due to the hydrological conditions, if it is a dry or wet year, respectively. It should also be noted that EDP considers water use in hydro power plants a non-consumptive use.
Water, Sanitation, and Hygiene (WASH) services	No, and we do not plan to within the next two years	100% of EDP Group facilities are covered by Water, Sanitation and Hygiene (WASH) services. Within its Health and Safety at Work Policy, EDP is committed to provide the necessary resources to guarantee a safe and healthy environment for all its employees, ensuring compliance with the

		law, including compliance with the legal requirements applicable to the quality of drinking water for human consumption in the places where EDP Group activities are carried out by our employees.
Other	Yes	

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number
Target 1

Category of target
Water consumption

Target coverage
Company-wide (direct operations only)

Quantitative metric
Reduction in total water consumption

Year target was set
2021

Base year
2015

Base year figure
40 712

Target year
2025

Target year figure
8 957

Reporting year figure
9 964

% of target achieved relative to base year
96,828845851

Target status in reporting year
Underway

Please explain

EDP Group’s total freshwater consumption has decreased 76% between 2015 and 2022, in line with the planned progress.

In the last 4 years, freshwater consumption has been decreasing due to the following facts:
- 2019: there was a small decrease of freshwater consumption, due to the inversion in order of merit from coal to gas
- 2020: the specific consumption of freshwater decreased 37% compared to 2019, mainly due to the reduction in the EDP Group's coal-fired electricity production (-46% vs. 2019), and to the inversion in order of merit from coal to gas.
- 2021: the specific consumption of freshwater changed in 2021 (+35% compared to 2020), which is justified by the increase in coal-fired electricity generation in EDP group (30% more than 2020).
- 2022: the specific consumption of freshwater decreased 25% compared to 2022, due to the reduction in the EDP Group's coal-fired electricity production (-10% vs. 2021) and to the inversion in order of merit from coal to gas. There was special impact on the decrease in freshwater consumption in water stress area - Pecém, in Brazil (from 56% to 1%, vs. 2021), due to the fact that this power plant was not dispatched due to the improved hydrological scenario (despite not being dispatched, Pecém’s availability stayed at 97.5%).

In addition to risk mitigation, this target was also defined to reduce costs and EDP’s environmental impacts.

Target reference number

Target 2

Category of target

Water pollution

Target coverage

Company-wide (direct operations only)

Quantitative metric

Other, please specify

No environmental accidents or penalties with impacts on water.

Year target was set

2018

Base year

2018

Base year figure

0

Target year

2022

Target year figure

0

Reporting year figure

0

% of target achieved relative to base year

Target status in reporting year

Achieved

Please explain

There were no environmental accidents or penalties with impacts on water.
There were no environmental accidents or penalties in 2022. This target is part of EDP Group's Strategic Goals for 2022.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W0 Introduction	- Electricity generation: nameplate capacity and the generation by power source (W-EU0.1b).	ISAE 3000	Verification of identified data points is within the scope of the independent assurance of EDP's Integrated Annual Report. Assurance is conducted by an independent third party according to ISAE 3000 and AA1000AS, for each annual edition of the report. The report is prepared according to the Global Reporting Initiative GRI Standards - "Comprehensive Option" and the G4 Electric Utilities Sector Disclosures. Information is consolidated at EDP Group level following the financial consolidation rules applied by the company. For 2022 data, all indicators were verified with

			a limited level of assurance, including the identified data points verified within the scope of GRI G4-EU1 and GRI G4-EU2 indicators (Electricity generation installed capacity and output per energy source).
W1 Current state	- Water aspects regularly measured and monitored (W1.2; W-EU1.2a) - Total water withdrawn, discharged and consumed (W1.2b) - Total water withdrawals - by source (W1.2h) - Total water discharges - by destination (W1.2i) - % of total water use recycled or reused	ISAE 3000	Verification of identified data points is within the scope of the independent assurance of EDP's Integrated Annual Report. Assurance is conducted by an independent third party according to ISAE 3000 and AA1000AS, for each annual edition of the report. The report is prepared according to the Global Reporting Initiative GRI Standards - "Comprehensive Option" and the G4 Electric Utilities Sector Disclosures. Information is consolidated at EDP Group level following the financial consolidation rules applied by the company. For 2022 data, all indicators were verified with a limited level of assurance, including the identified data points verified within the scope of: i) GRI 103-2 indicator (Water management approach and its components); ii) GRI 303-1 indicator (Total water withdrawals by source); iii) GRI 306-1 (Total water discharge by destination); iv) GRI 303-3 (% of recycled and reused water) indicators. Verified values exclude use of water in hydroelectric generation.
W2 Business impacts	- Penalties, fines and/or enforcement orders (W2.2, W2.2.a, W2.2.b)	ISAE 3000	Verification of identified data points is within the scope of the independent assurance of EDP's Integrated Annual Report. Assurance is conducted by an independent third party according to ISAE 3000 and AA1000AS, for each annual edition of the report. The report is prepared according to the Global Reporting Initiative GRI Standards - "Comprehensive Option" and the G4 Electric Utilities Sector Disclosures. Information is consolidated at EDP Group level following the financial consolidation rules applied by the company. For 2022 data, all indicators were verified with a limited level of assurance, including the identified data points verified within the scope GRI 307-1 indicators (Non-compliance with

			environmental laws and regulations – fines and penalties).
W3 Procedures	- Potential water pollutants with detrimental impact on water ecosystems or human health (W-EU3.1; W-EU3.1a)	ISAE 3000	Verification of identified data points is within the scope of the independent assurance of EDP's Integrated Annual Report. Assurance is conducted by an independent third party according to ISAE 3000 and AA1000AS, for each annual edition of the report. The report is prepared according to the Global Reporting Initiative GRI Standards - "Comprehensive Option" and the G4 Electric Utilities Sector Disclosures. Information is consolidated at EDP Group level following the financial consolidation rules applied by the company. For 2022 data, all indicators were verified with a limited level of assurance, including the identified data points verified within the scope of GRI 306-5 (Water bodies affected by water discharges) and GRI 303-2 (Water sources significantly affected by water withdrawals) indicators.
W6 Governance	- Water policy (W6.1, W6.1a) - Board level oversight and management responsibilities (W6.2, W6.2a, W6.3)	ISAE 3000	Verification of identified data points is within the scope of the independent assurance of EDP's Integrated Annual Report. Assurance is conducted by an independent third party according to ISAE 3000 and AA1000AS, for each annual edition of the report. The report is prepared according to the Global Reporting Initiative GRI Standards - "Comprehensive Option" and the G4 Electric Utilities Sector Disclosures. Information is consolidated at EDP Group level following the financial consolidation rules applied by the company. For 2022 data, all indicators were verified with a limited level of assurance, including the identified data points verified within the scope of GRI 103-2 indicator (Water management approach and its components).
W8 Targets	- Corporate water targets and goals (W8.1, W8.1a, W8.1b)	ISAE 3000	Verification of identified data points is within the scope of the independent assurance of EDP's Integrated Annual Report. Assurance is conducted by an independent third party according to ISAE 3000 and AA1000AS, for each annual edition of the report. The report is prepared according to the Global Reporting

			Initiative GRI Standards - “Comprehensive Option” and the G4 Electric Utilities Sector Disclosures. Information is consolidated at EDP Group level following the financial consolidation rules applied by the company. For 2022 data, all indicators were verified with a limited level of assurance, including the identified data points verified within the scope of GRI 103-2 indicator (Water management approach and its components).

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations	As part of the implementation of the European Directive for the elimination of single-use plastics (EU 2019/904), the EDP Group mapped all the PUU used in all its operations. For example, at all power plants, the plastic films surrounding waste at the end of its life were eliminated and replaced with straps. Plastic cups have been eliminated in all administrative buildings, among other initiatives.

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	Not applicable. EDP's operations do not produce plastics.

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Please explain
Row 1	No, risks assessed, and	Plastic-related risks across EDP's value chain were assessed and none was considered as having a substantive financial impact on EDP's

	none considered as substantive	business. A substantive financial impact with materiality for EDP Group, including when identifying or assessing plastic-related risks, considers risks over 1M€, equivalent to around 1% of the business activity with lower EBITDA. The threshold allows EDP to have a comprehensive approach when analysing risks among all sectors and guarantee that all relevant risks, as of today and prospective, are included.

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Other	Other, please specify 100% elimination of single-use-plastics in all EDP operations	EDP has set a company-wide target for elimination of 100% of single use plastics from its operations in order to align with the EU Directive 2019/904 and promote the sustainability of its processes. The target was set in 2019 and achieved in 2022. The target was is aligned with EDP's Business strategy and net-zero targets for 2050.

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	N/A
Production of durable plastic components	No	N/A
Production / commercialization of durable plastic goods (including mixed materials)	No	N/A
Production / commercialization of plastic packaging	No	N/A
Production of goods packaged in plastics	No	N/A
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	N/A

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

N/A

BP23-26 EDP CMD_0.pdf

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Member of EDP's Executive Board of Directors with formal responsibility over sustainability, risk and other company's crosscutting critical themes	Director on board

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below

I have read and accept the applicable Terms