



9M22 | ESG Report

BRASIL
Parque Eólico
Aventura II

Leading on ESG matters at EDP

Key Highlights

The conflict in Ukraine, in addition to its humanitarian and economic implications, act as a reminder that now is the time to double down on efforts to drive the energy transition. There remain a myriad of challenges and the energy crisis now sits against the backdrop of a severe drought in Iberia, reaffirming the importance of a diversified portfolio to ensure system sustainability and the accelerated need to invest in renewables.

It is a time of adversity and opportunity. EDP's performance in the first 9 months of the year demonstrates the company's resilience and a clear role as a renewable leader. We've reiterated our commitments to doubling our renewable installed capacity, reinforcing power grids, investing €24bn by 2025 and becoming coal free by 2025 and all green by 2030.

At EDP, we're looking beyond our 12 strategic sustainability objectives set out to 2030. As a member of the UN Global Compact CFO Task Force for the Sustainable Development Goals (SDGs), the group remains committed to 9 of the 17 SDGs. We've submitted this quarter our annual Communication on Progress regarding the four principles which supplement the UN Global Compact's 10 Principles, providing guidance to companies toward sustainable finance to achieve the SDGs.

EDP believes the issuance of Green Financing Instruments is an important tool to encourage the transition to a low-carbon economy, providing financial backing to existing/new projects that contribute to this transition. In this context, EDP has updated its Green Bond Framework during 2022. Moreover, aligned with our efforts on decarbonization and renewables growth, during this quarter we have successfully issued a five-year revolving credit facility ('RCF'), maturing in 2027, with potential extensions up to 2029, in the amount of €3.65 billion, being EDP's 1st Sustainability Linked Loan. This instrument is aligned with the Sustainability-linked Loan Principles from the Loan Market Association and holds two ESG KPIs:

percentage reduction of scope 1&2 GHG emissions and weight of installed capacity from renewable sources within EDP Group.

We have little time to fight climate change – it is code red for humanity, according to the UN. We've listened closely to societal voices and trend analysis enabling the business to act swiftly to meet expectations of ESG rating agencies while staying true to our motto "Changing Tomorrow Now".

Environment

Renewable energy is instrumental to building a greener world. Relevant governmental support packages have been approved, namely RepowerEU and the Inflation Reduction Act in the US, playing a crucial role in incentivizing renewables growth. At EDP, we plan to grasp the emerging opportunities and continue to play an active role in changing the current energy panorama and providing global solutions.

This quarter was also marked by our active involvement in Climate Week NYC 2022. EDP's participation in several forums, like the UN Private Sector Forum and the SDG Investment Forum, Corporate Leaders Group's kick-off the preparatory work for the Group's positioning and participation at COP27.

Social

EDP launched the A2E CSR Fund 4th edition, with an increased amount of €1M/year, reinforcing our commitment to a fairer energy transition by delivering renewable energy to communities disconnected from the electricity grid. 158 projects have applied for this edition (+40% vs. 3rd edition) across 5 countries in the African continent (Nigeria, Rwanda, Mozambique, Malawi and Angola).

We believe we have an important role in promoting

efficiency, inclusion and literacy in the energy transition. We've backed our impact commitment with an investment of €16.5m by in Q3 2022.

EDP continues to lead on innovative work with communities. Under 'Futuro Ativo Sines' (Active Future Sines), a Just Transition project for Sines decommissioned coal plant, we've developed a series of initiatives with the Sines community to contribute to the conversion of the economy and employment in the region. This project was selected by the World Economic Forum as an international case study to promote the transition from coal to renewable energy and named Community Involvement Program of the Year at the Environmental Finance Awards.

Governance

EDP continues to be fully committed to the highest standards and practices of corporate governance and reporting. We have recently achieved our highest score for compliance under the IPCG Corporate Governance Code since it was introduced in 2018. We have also improved our score on WBCSD Reporting Matters, with our Sustainability Report 2021 ranked at #7 among 154 annual reports of all the WBCSD members analyzed, and the 1st among utilities.






Rui Teixeira
Executive Board Member

As regulation evolves, we will continue to be proactive in the adoption of the most recognized reporting standards. The indicators included in this report are selected based on their relevance to investor communities and our business operations. For more sustainability information please see full-year EDP Sustainability report here.

Our annual sustainability report follows other voluntary regulatory reporting frameworks, namely the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB) and the Portuguese Securities Market Commission (CMVM).

ESG performance at a glance

Indicator	Unit	9M22	9M21	Δ %	Target		
					2025	2030	
 Environment	Revenues aligned with EU taxonomy	%	47%	66%	-19p.p.	70%	>80%
	Scope 1 & 2 Emissions Intensity	gCO ₂ /kWh	182	167	9%	~100	0 ●
	Renewables Generation	%	70%	76%	-5p.p.	85%	100% ●
	Coal Installed Capacity	%	10%	8%	+2p.p.	0	0 ●
	Total Waste	kt	295	242	22%	118	30
 Social	Employee Engagement (top tier company) ¹		✗	✓		✓	✓
	Female Overall	%	27.0%	26.4%	+1p.p.	30%	35%
	Accident Frequency Rate ²	Fr	1.72	1.81	-5%	1.55	<1
 Governance	Female on Leadership	%	27.9%	26.0%	+2p.p.	30%	35%
	ESG & equity linked compensation for Top Management ³		✓	✓		✓	✓
	Cybersecurity	bitsight rating	810	810	0%	Keep advanced ⁴	
	Top quartile in ESG rating Performance ⁵		✓	✓		✓	✓

During the 1st nine months of 2022, the current energy crisis in Europe, driven by restrictions on gas sourcing, combined with a severe drought in Iberia, led to a significant increase in thermal production. Thus, **revenues aligned with the EU Taxonomy decreased to 47%**.

Gross investments, increasing more than 2x to €5.5bn in 9M22, of which **96% allocated to renewables and electricity networks activities**.

Renewables represented 70% of electricity generated by EDP in 9M22, which compares with 76% in the same period last year.

Specific CO₂ emissions increased in 9M22, due to the increase in the thermal generation output in Iberia.

Total waste increased by 22% YoY, mainly explained by the increase in the operation of the Iberian thermal power plants.

Employee Engagement is 1% below the High Performing Companies. EDP continuously promotes the definition of action plans throughout the organization to respond to employee feedback, reinforcing employees engagement.

In 9M22, female representation stood at 27% of EDP's workforce, representing 1p.p. increase versus 9M21.

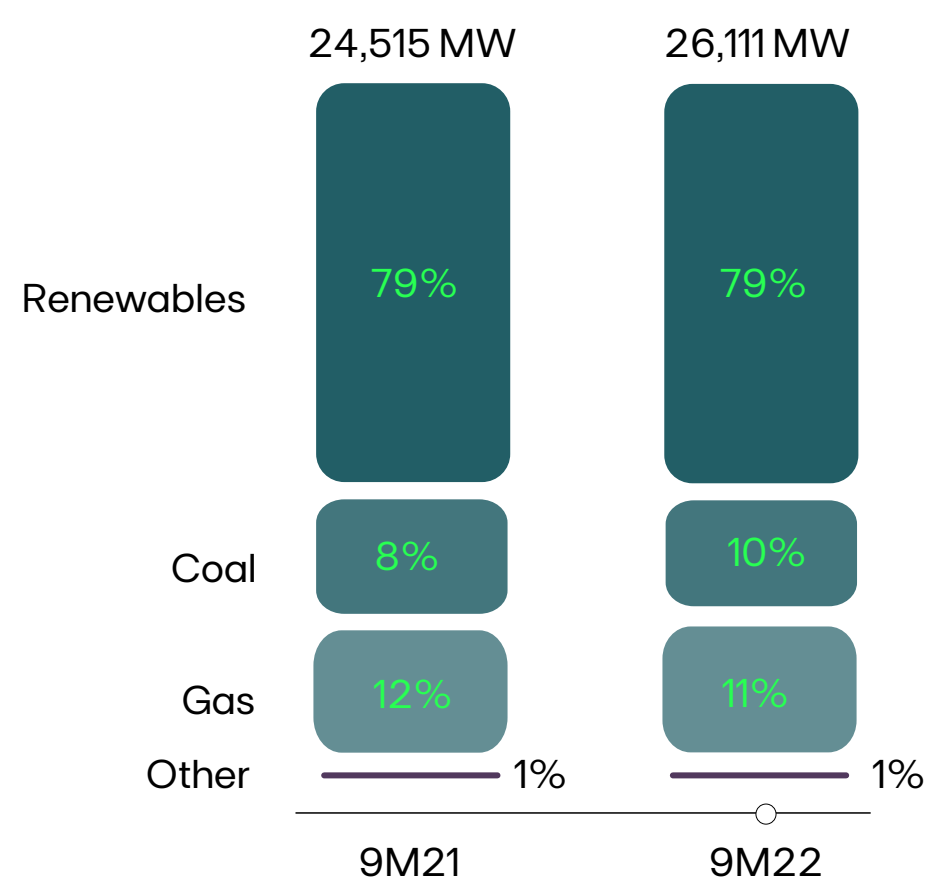
Accident Frequency rate decreased to 1.72 in 9M22 (-5%). EDP continues determined to strengthen the culture of Occupational Health and Safety, having started in 2021 a new program, "Playitsafe", to raise awareness of the importance of building and adopting safe habits at EDP.

● Sustainable Finance Disclosure Regulation (SFDR) Indicator

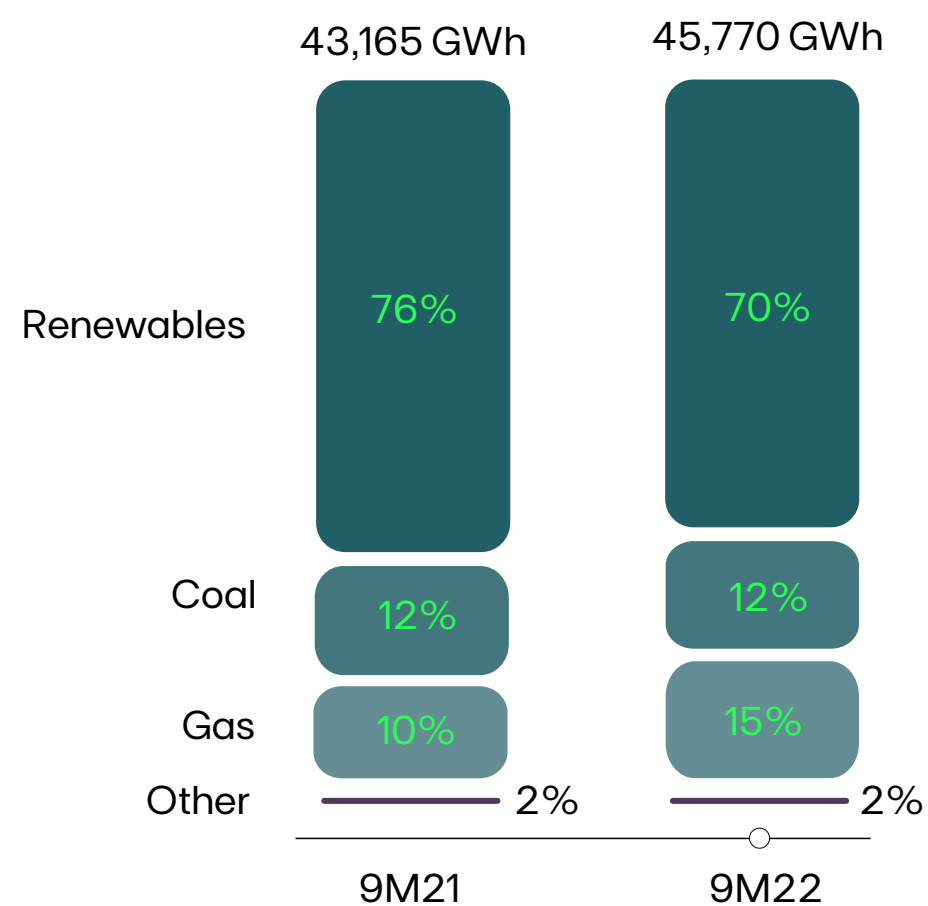
1. Above the high performing norm, including results of surveys done to more than 875,000 employees in 50 high performing organizations and is based on company financial performance and engagement and enablement scores. 2. Number of accidents at work with absence/fatalities, per million hours worked (including employees and contractors); 3. Applicable to Board of Directors and top management; 4. >= 740; 5. Includes DJSI, FTSE4Good, MSCI and Sustainalytics.

Operational highlights committed to a renewables path

Installed Capacity (MW)^{1,2}



Electricity Generation (GWh)



HYDRO COEFFICIENT (%)	9M22	9M21	Δ %
Portugal	37%	113%	-76p.p.
Spain	50%	100%	-50p.p.
Brazil ³	98%	67%	+30p.p.

RENEWABLES INDEX ⁴ (%)	0%	-5%	+5p.p.
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ELECTRICITY DISTRIBUTED (GWh)	9M22	9M21	Δ %
Portugal	34 013	33 197	2%
Spain	10 129	10 603	-4%
Brazil	19 881	19 501	2%

CUSTOMERS CONNECTED (#th)	9M22	9M21	Δ %
Portugal	6 413	6 355	1%
Spain	1 382	1 375	1%
Brazil	3 751	3 651	3%

TOTAL ENERGY CONSUMPTION	9M22	9M21	Δ %
Total Renewable consumption (GWh)	1 002	1 147	-13% ●
Fuel	4	4	1% ●
Electricity	999	1 144	-13% ●
Self-generated non-fuel renewable energy	948	1 097	-14% ●
Total Non-Renewable consumption	30 853	27 154	14% ●
Fuel	29 547	24 263	22% ●
Electricity	1 307	2 890	-55% ●
Energy consumption intensity (MJ/€)	7	9	-17% ●

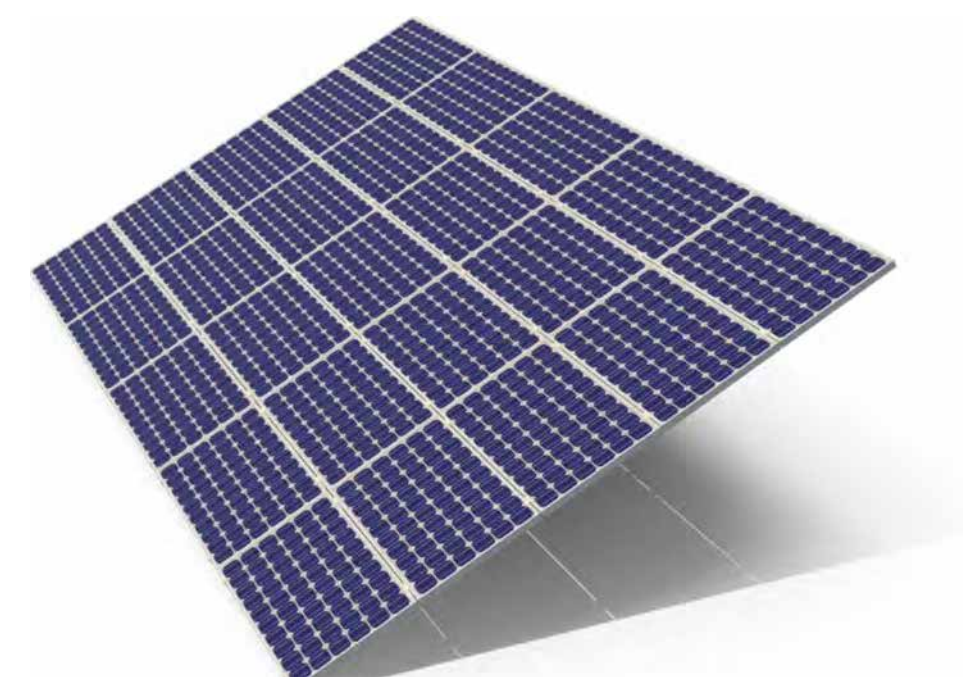
● Sustainable Finance Disclosure Regulation (SFDR) Indicator

¹. EBITDA MW; ². Other includes Nuclear, Cogeneration & Waste; ³. Brazil hydro coefficient refers to ENA index; ⁴. Renewables Index (vs. LT avg. Gross Capacity Factor).

New services highlights committed to drive new client solutions and smarter networks

ENERGY EFFICIENCY	UNIT	9M22	9M21	Δ %
Energy Services Revenues / Turnover ¹	%	7.8%	9.4%	-2p.p.
Energy Efficiency Services Revenues	€ m	643	270	138%
DISTRIBUTED SOLAR				
As a service — Installed Capacity ²	MW	549	176	213%
Portugal	MW	85	51	66%
Spain	MW	9	3	170%
Brazil	MW	55	31	80%
US	MW	104	89	17%
APAC	MW	292		
Other	MW	4	1	310%
Secured Capacity ³	MW	520	107	387%
E-MOBILITY				
Light fleet electrification	%	15%	12%	+3p.p.
Electric charging points ⁴	#	4 272	2 906	47%
Clients with electric mobility solutions	#	60 700	38 747	57%
SMART METERS				
Iberia	# m	5.8	5.2	12%
Brazil	# m	0.4	0.3	37%
ELECTRICITY GRID LOSSES				
Portugal	%	8.9%	8.4%	+0.5p.p.
Spain	%	4.7%	4.4%	+0.2p.p.
Brazil (São Paulo)	%	8.0%	8.5%	-0.6p.p.
Brazil (Espírito Santo)	%	12%	12.5%	-0.6p.p.
CUSTOMERS WITH SUSTAINABLE SERVICES⁵	%	35%	15%	+21p.p.
CO₂ SAVINGS DOWNSTREAM⁶	ktCO ₂	8 950	8 531	

1. Energy service: Services provided under energy supply, installation of more efficient and/or building retrofit, and sustainable mobility, which generate revenues for the company; 2. As a service capacity installed at EOP, including inorganic capacity. 3. Cumulative secured capacity during business plan 21-25 (excludes EDPR). 4. Includes public, private and charging points inside EDP facilities installed; 5. Sustainability Services concept aligned with EU taxonomy. Excludes Health Insurance, Fatura Segura and Gas Certification. Includes only B2C electricity clients; 6. CO₂ avoided by carrying out efficiency improvement measures that lead to a reduction in customer consumption, as well as measures to replace energy sources with other less CO₂-emitting ones, namely replacing fossil fuels with renewable energy sources or sustainable mobility – annual value.



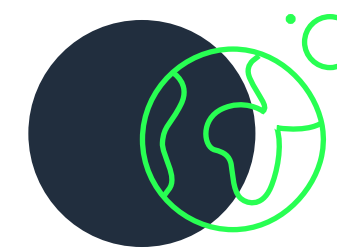
Environmental highlights committed to a carbon-free economy

	9M22	9M21	Δ %
GREENHOUSE GAS EMISSIONS (ktCO₂eq)			
Scope 1 & 2 Emissions Intensity (gCO ₂ /kWh)	182	167	9%
Scope 1 GHG Emissions	7 557	6 651	14%
Scope 2 GHG Emissions ¹	677	494	37%
Scope 3 GHG Emissions ²	10 304	11 572	
Avoided emissions	18 041	17 446	3%
AIR QUALITY (kt)			
NOx emissions	3.92	5.62	-30%
SO ₂ emissions	1.92	8.90	-78%
Particulate matter emissions	0.19	0.92	-79%
WATER MANAGEMENT (10³m³)			
Total freshwater withdrawn	8 780	10 531	-17%
Total freshwater consumed	7 819	9 442	-17%
Total water discharge	235 209	254 553	-8%
COAL & WASTE MANAGEMENT (t)			
Total waste disposal	255 415	200 855	27%
Total coal combustion waste disposal	3 331	18 216	-82%
Average waste recovery rate (%)	96%	89%	+8p.p.
Hazardous waste	3 640	4 909	-26%
ENVIRONMENTAL MATTERS (€ m)			
Environmental CAPEX	71.0	61.7	15%
Environmental Expenses ³	632.1	181.9	248%
Environmental fines and penalties (€ th)	39	19.5	102%
Vegetation management ⁴	9.0	13.9	-35%
ISO 14001 Certification (%)	85%	92%	-7p.p.
LOW CARBON ECONOMY (%)			
EBITDA in Renewables	53%	57%	-4p.p.
CAPEX in Renewables	77%	74%	+4p.p.
Revenues from coal	7%	5%	+1p.p.
Revenues aligned with EU taxonomy	47%	66%	-19p.p.
CO ₂ / Revenues ⁵ (tCO ₂ eq/€m)	0.52	0.71	-27%

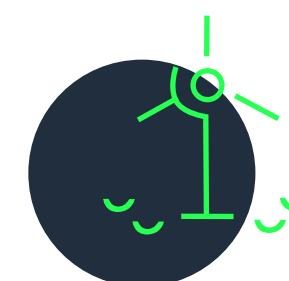
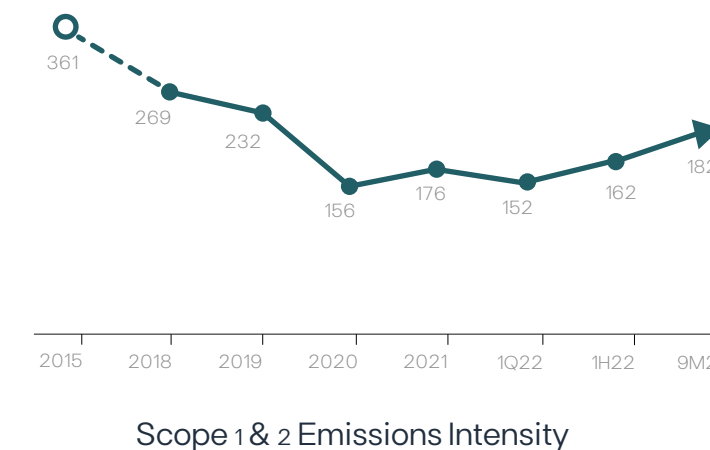
● Sustainable Finance Disclosure Regulation (SFDR) Indicator

1. Scope 2 emissions according with GHG Protocol based location methodology. 2. Annual Indicator; 3. Includes CO₂ allowances.

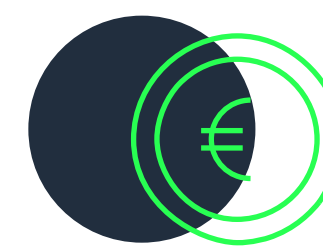
4. Vegetation management includes CAPEX and OPEX. 5. Defined as the company's annual GHG emissions (Scope 1 and Scope 2), expressed as metric tons of carbon dioxide equivalent (tCO₂eq) emissions, divided by revenues for the corresponding year, expressed in millions of euros.




-49% (vs. 2015) Scope 1 & 2 Emissions Intensity



+2.7 GW of Wind and Solar added YoY

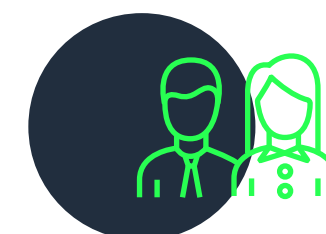


47% Revenues aligned with EU taxonomy in 9M22

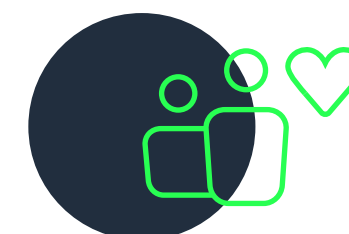
 FOR MORE INFORMATION PLEASE CHECK OUR BIODIVERSITY REPORT

Social highlights committed to provide a fair and safe workplace

	UNIT	9M22	9M21	Δ %
EMPLOYMENT				
Employees	#	12 992	12 232	6%
Female employees	%	27%	26%	+1p.p.
Female/Male fixed salary	x	0.98	1.05	-6% ●
Employee Engagement ¹	%	76%	80%	-4p.p.
Employee Enablement ²	%	71%	74%	-3p.p.
Employee Turnover	%	9.9%	9.8%	+0p.p. ●
Absenteeism	%	3.3%	3.2%	+0p.p.
Disability Hires	#	9		
TRAINING				
Total hours of training	h	191 080	234 471	-19%
Employees with training	%	97%	99%	-3p.p.
Direct training investment	€ th	2 175	2 135	2%
HEALTH AND SAFETY				
Accidents with lost workdays EDP	#	15	15	0%
Accidents with lost workdays contractors ³	#	73	102	-28%
Fatal work-related injuries EDP	#	0	0	
Fatal work-related injuries contractors	#	5	6	-17%
Frequency rate EDP	Fr	0.87	0.89	-2%
Frequency rate contractors	Fr	2.13	2.11	1%
Total recordable injury rate	RFr	2.72	2.54	7% ●
Total recordable injury rate EDP	RFr	1.91	1.24	54% ●
Total recordable injury rate contractors	RFr	3.11	2.97	5% ●
SOCIAL INVESTMENT				
Beneficiary Entities	#	262	296	-11%
EDP volunteers	#	1 907	1 750	9%
EDP time used in volunteering	h	3 849	5 338	-28%
Total investment	€ th	16 499	9 669	71%



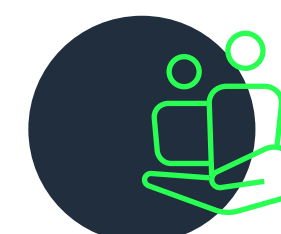
30% female employees by 2025



Top Tier Company in Employee Engagement



Accident Frequency Rate <1



Social Investment €300M by 2030

● Sustainable Finance Disclosure Regulation (SFDR) Indicator

1. Engagement – reflects the involvement and commitment by employees. 2. Enablement – reflects the perception of organizational support by employees. 3. Accidents occurred at the place and working time or on a journey, with 1 or more days of absence and fatal accidents.

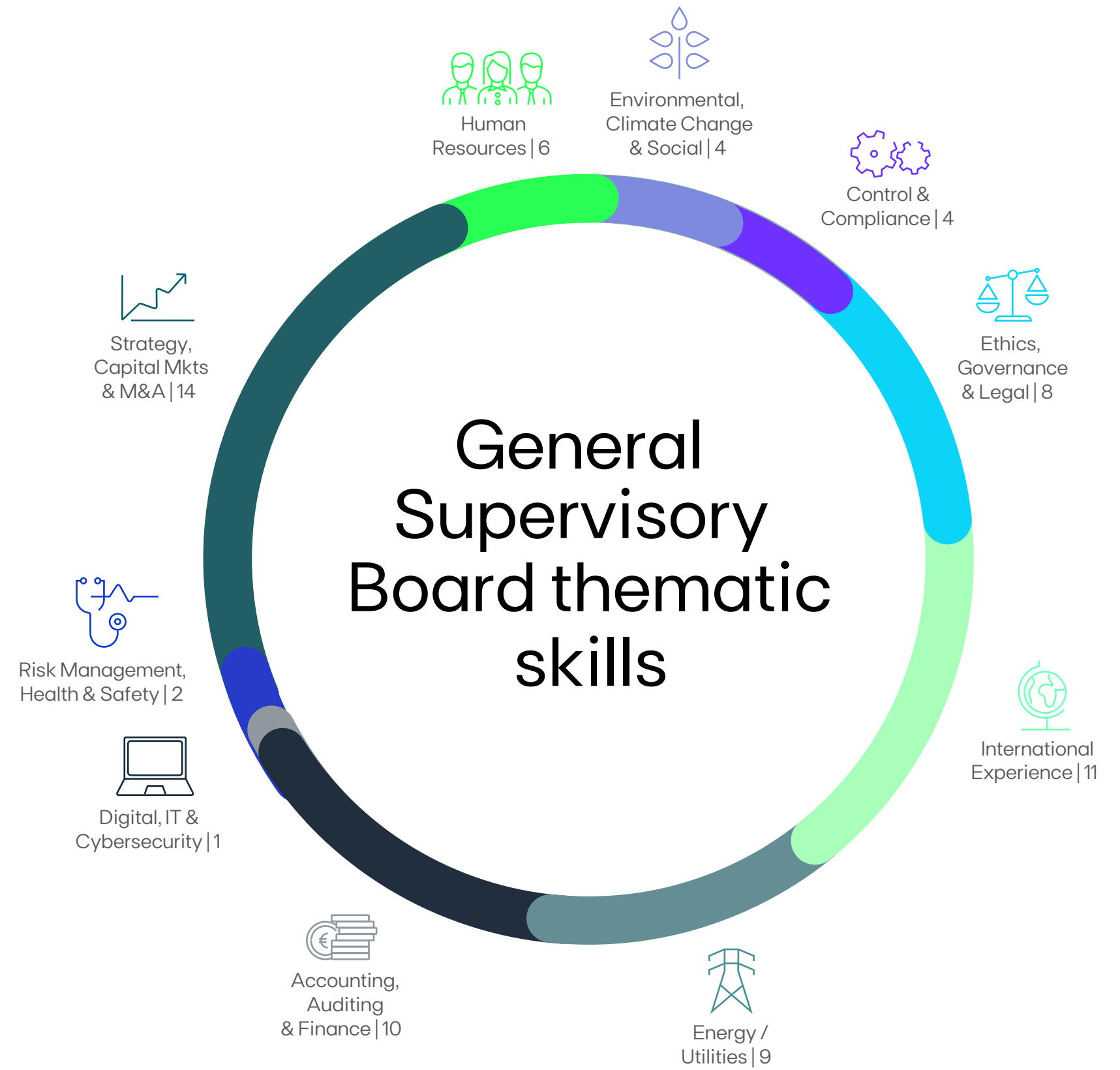
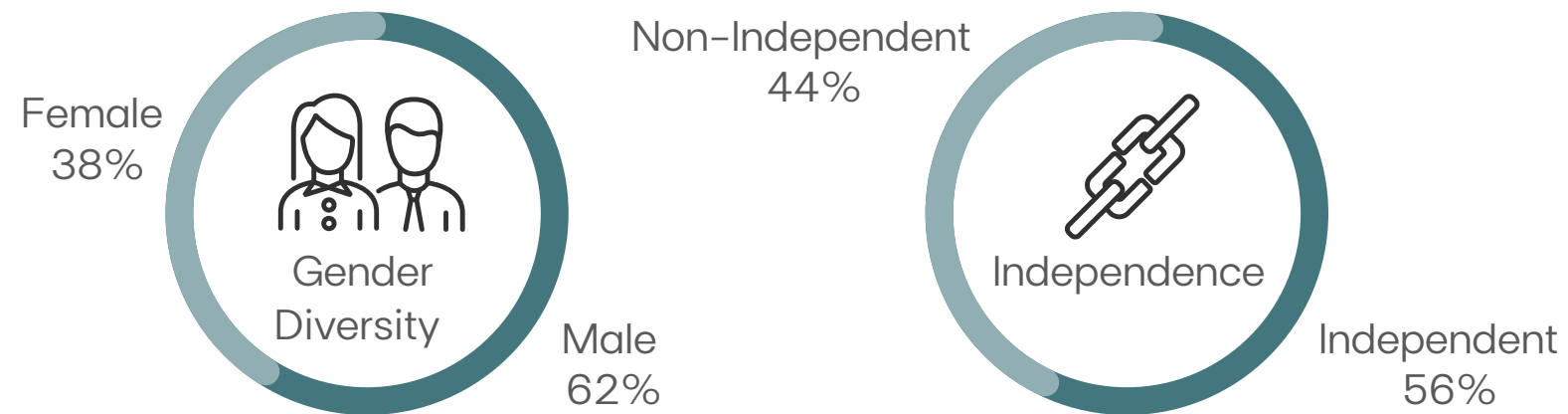
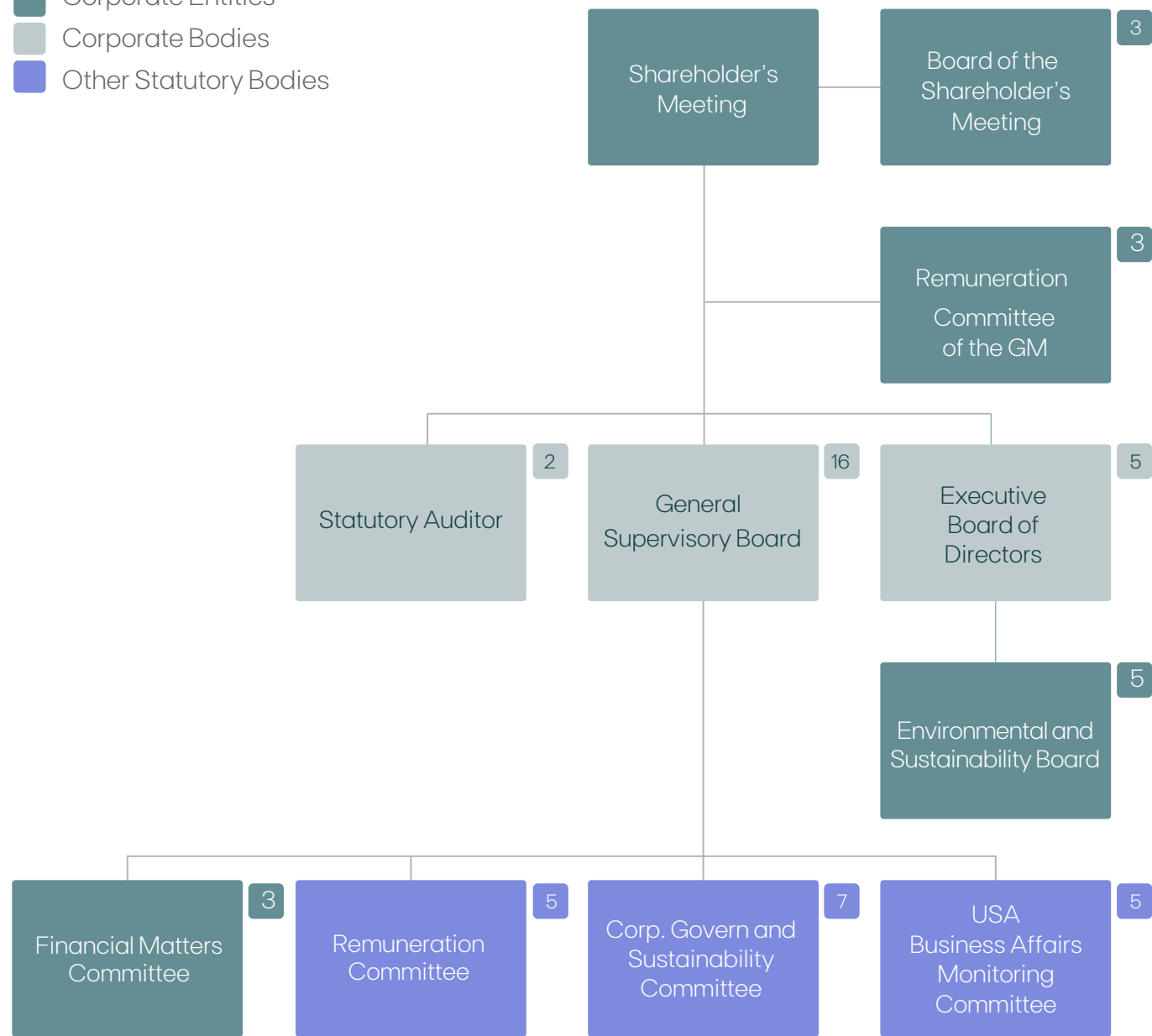
Governance highlights committed to the best practices

General and Supervisory Board

Approved on the General Shareholders' Meeting on the 14th April 2021

Reduced number of members from 21 to 16

- Corporate Entities
- Corporate Bodies
- Other Statutory Bodies



Independent, diverse and experienced General Supervisory Board with a strengthened cohesion. Independent Chairman.

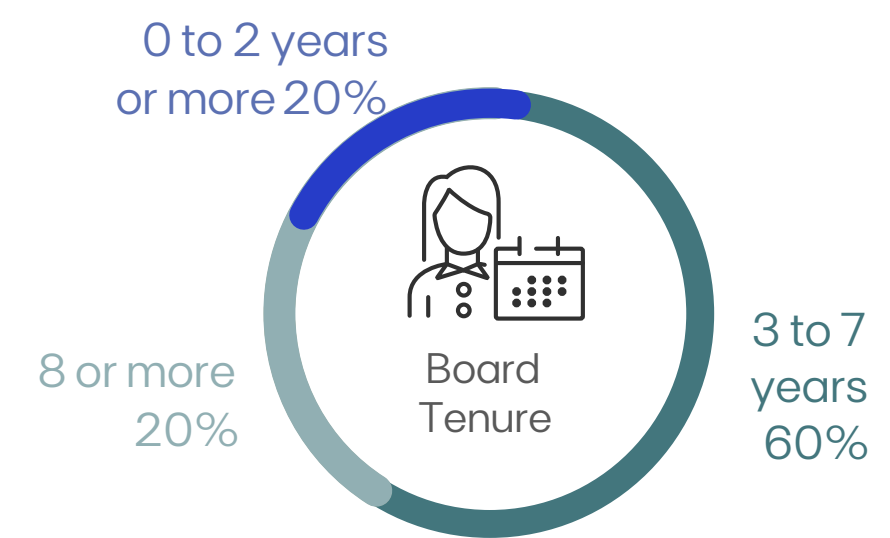
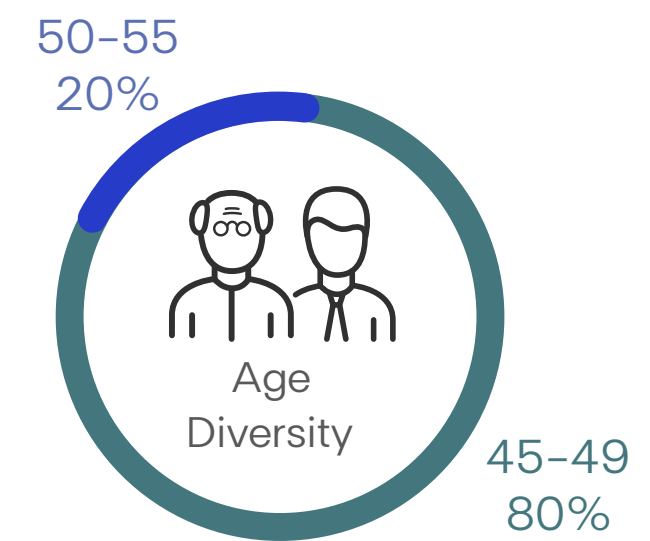
- i ELECTION OF THE MEMBERS OF THE GSB (1/2)
- i ELECTION OF THE MEMBERS OF THE GSB (2/2)
- i ANNUAL REPORT OF THE GSB

Governance highlights committed to the best practices

Executive Board of Directors
 Elected on the Extraordinary General Shareholders' Meeting on the 19th January 2021
 Reduced number of members from 9 to 5



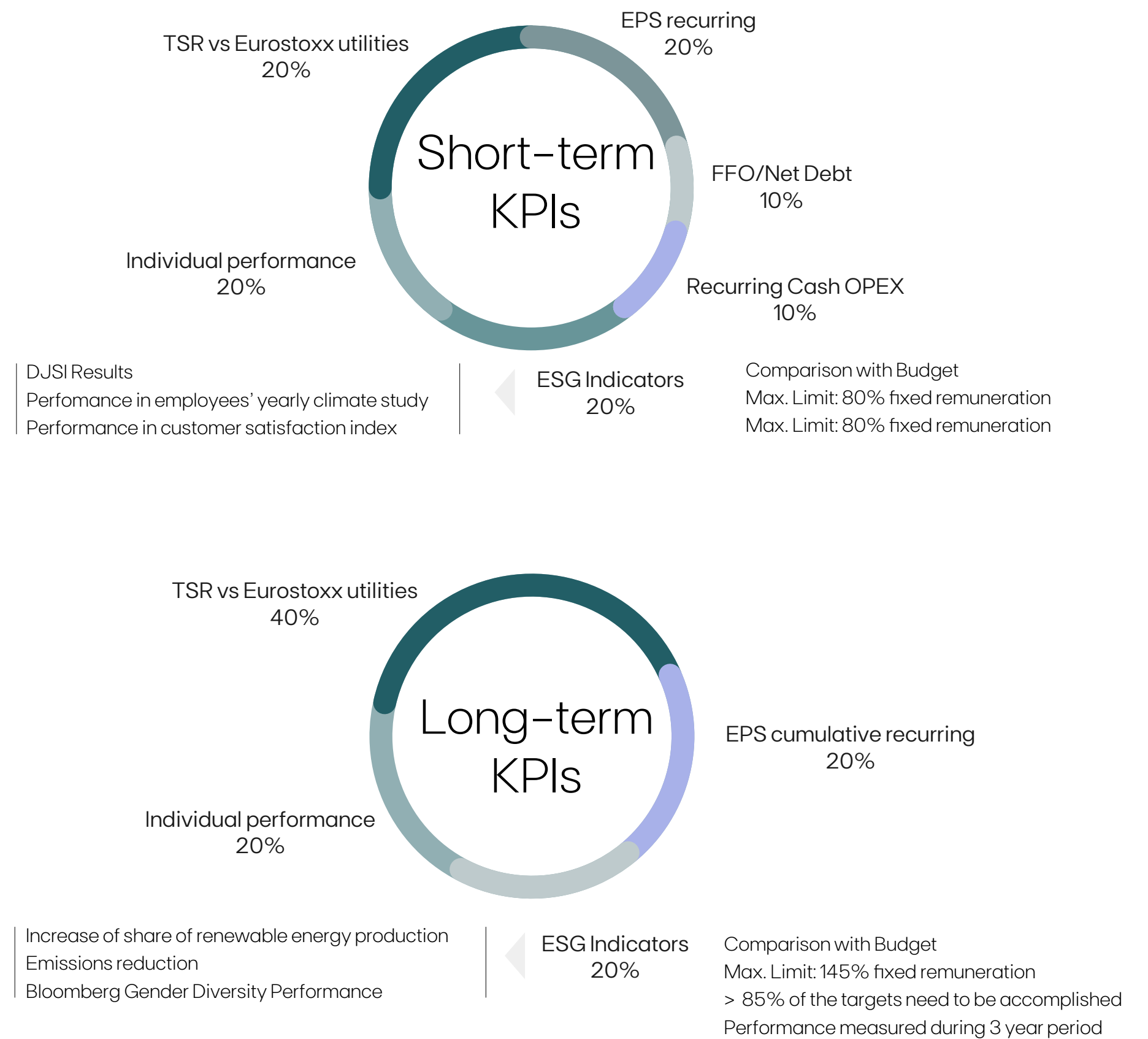
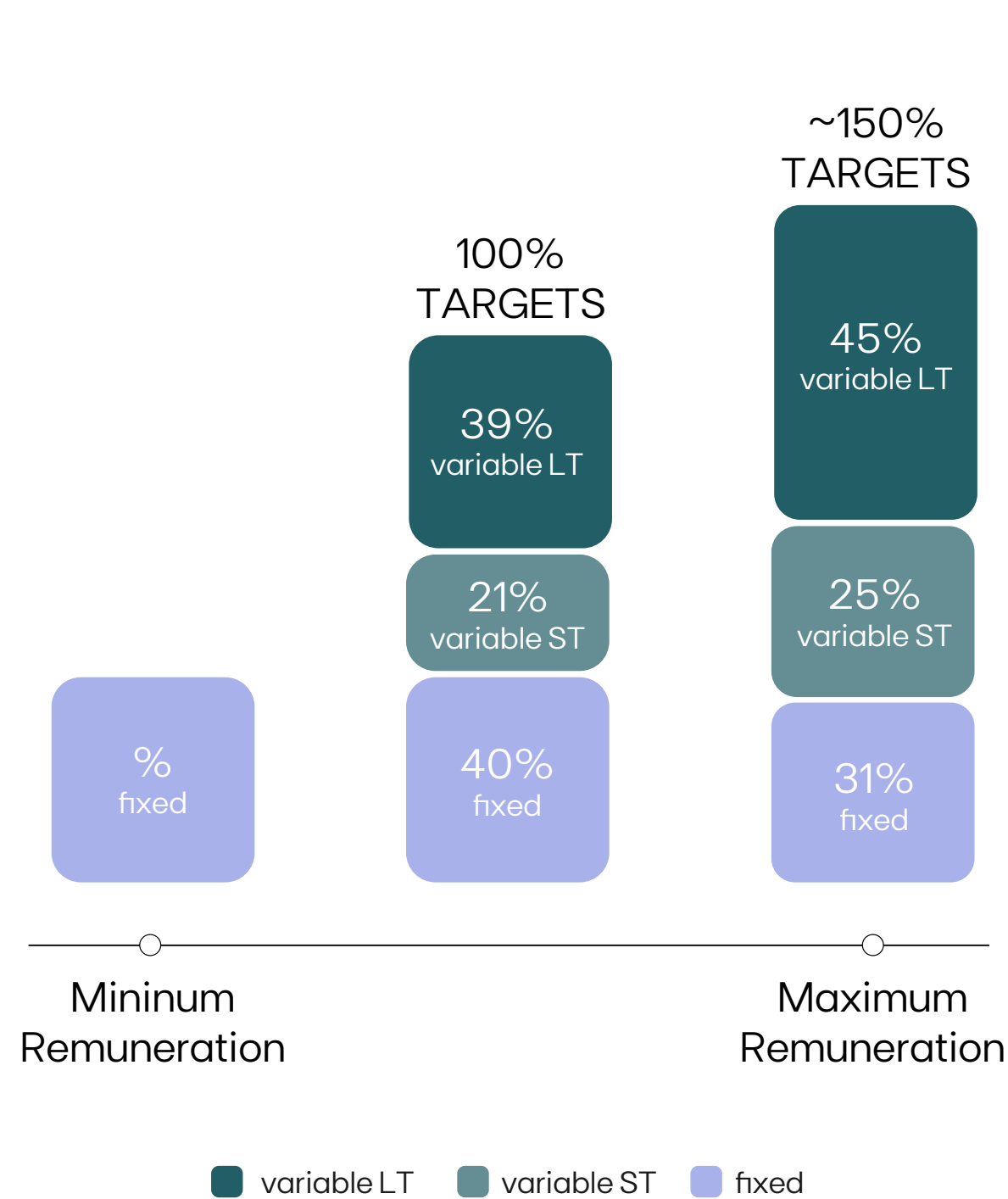
i ELECTION OF THE MEMBERS OF THE EBD 2021-2023



Governance highlights overview of the remuneration policy

New Remuneration Policy aligned with Best Practices

Approved on the General Shareholders Meeting on the 14th April 2021



CODE OF ETHICS

CORPORATE GOVERNANCE

EBD REMUNERATION POLICY 2021 - 2023

Digitalization & innovation highlights committed to drive transformation














DIGITALIZATION			UNIT	9M22	9M21	Δ %
Global	Global	Digital CAPEX ¹	€ m	410	137	
		Cybersecurity	bitsight rating	810	810	0%
Digital Business	Customer	Selfcare Interactions ²	%	75%	71%	+4p.p.
		Electronic Invoices ²	%	42%	38%	+4p.p.
	Assets & Operations	Predictive Maintenance ^{2,3}	%	68%	65%	+3p.p.
	Enterprise	Digitalized Processes ⁴	%	82%		
Digital Enablers	Data & Technology	Systems in the cloud ²	%	62%	50%	+12p.p.
	People & Organization	Employees w/ digital training ²	%	82%	77%	+5p.p.
		Employees in Collaborative Initiatives ²	%	29%	22%	+7p.p.
INNOVATION						
Innovation Team		Total investment (TOTEX)	€ m	77	56	38%
		Employees ⁵	#FTE	481	323	49%
Investment Portfolio		Ongoing investments VC	#	41	37	11%
		VC investment	€ m	6.9	4.5	53%
		VC investment cumulative ⁶	€ m	45	38	19%




EDP is the leader of the R&D project AI4PV. The main goal of AI4PV is to increase the operational performance of PV plants, by combining Digital Twin, AI and Data analytics solutions. The expected result from this project is a set of tools for PV plant O&M and Asset Managers to: i) increase operational reliability and efficiency via early detection of failures and high precision diagnosis; ii) enhance economic performance by reducing downtime and detecting underperformance conditions that can affect the energy production. The suite of tools developed within the project will be able to determine the root cause of reliability and performance problems and recommend actions to optimally manage these issues from a technical and economic perspective. The AI4PV's solutions will be demonstrated and validated in two different real PV farms, which differ for operating conditions and technologies: Monte das Flores plant in Portugal owned and operated by EDP Renewables and the Green Energy Park in Morocco. The diversity between these two pilots, in terms of technology installed, environmental and operating conditions, will allow to demonstrate the versatility, adaptability and replicability of the developed solutions.


1. Cumulative value since 2021; 2. Changes in scope of reporting limits comparability; 3. Generation (PT & SP), EDPR & EDP Brasil; 4. KPI assessed biannually. 5. Only including extended scope of EDP Brasil employees since 1H22. 6. Net of divestments.

ESG ratings committed to excellence

rater	range	score	ranking	last assessment	
 <p>Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA</p>	0-100	91	1 st	 (TOP QUARTILE IN ESG RATING PERFORMANCE)	Nov-21
	0-5	4.5	Top 5%	 (TOP QUARTILE IN ESG RATING PERFORMANCE)	Sep-22
	0-100	72	3 rd	 (TOP QUARTILE IN ESG RATING PERFORMANCE)	Apr-22
	D--A+	B+	n.a.	 (TOP QUARTILE IN ESG RATING PERFORMANCE)	Dec-21
	100-0	19.4	n.a.	 (TOP QUARTILE IN ESG RATING PERFORMANCE)	Dec-21
	CCC-AAA	AAA	Top 9%	 (TOP QUARTILE IN ESG RATING PERFORMANCE)	Feb-22
	Climate	D--A	A-	n.a.	Dec-21
	Water	D--A	A-	n.a.	Dec-21

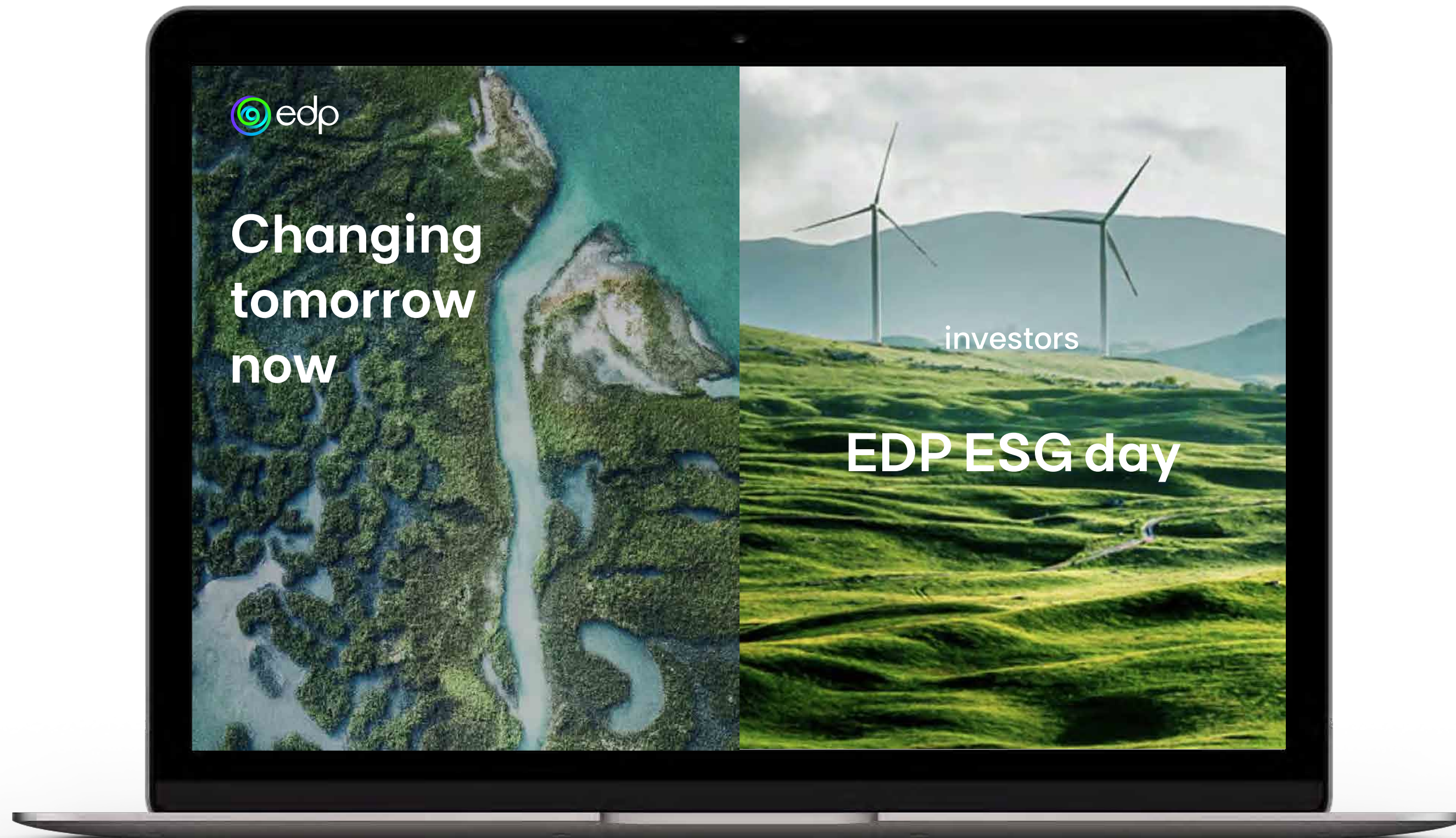


 For more information on EDP's sustainability performance please visit our website



 For more information on indicators please visit our online glossary

1. The comparable peers exclude companies that manage transmission grids, only includes the ones that handle throughout the electricity value chain and electricity/gas supply. 2. The ESG Risk Rating measures a company's exposure to industry-specific material ESG risks and how well a company is managing those risks (opposed to a score). This rating distinguishes five levels ranging from 100 (Severe) to 0 (Negligible). EDP is considered to have a medium level of risk.



For further information please visit our [sustainability report](#) and our ESG DAY page available in our [website](#)