ESG Report 1H23

Lisbon, July 27th

Brazil
Lote 1 Acre Transmission

Leading on ESG matters at EDP

Key highlights

EDP aims at leading the energy transition and this year's first half performance wasn't an exception. As an example, it demonstrated its leadership and ambition in Solar DG by having successfully commissioned our largest single site of distributed solar generation in China's Anhui province, a 19 MWp project on the rooftop of a major manufacturing facility with 35,000 solar panels to generate 22 GWh under a 20-year PPA. In parallel with multiple other developments globally, EDP also reached the largest installed capacity of any European company this quarter in this segment. Such that, this May, we held a Solar DG event in Madrid to "let the sunshine in" and provided an opportunity for investors to learn about this emerging business and enabled direct engagement with EDP's senior management and clients. Mobilizing the market and our stakeholders is crucial to sustain continued growth in this segment.

Our reinforced commitment of accelerating sustainable growth in renewables also includes hybridization, i.e., how to maximize interconnection points' usage through different renewable technologies and load profiles. This quarter, EDPR received authorization to commission Spain's first wind-solar hybrid project, efficiently increasing electricity production by utilizing existing infrastructure to 58 GWh, following the successful inauguration of Mina de Orgueirel, Portugal's first solar-wind hybrid project with over 39 GWh. In total, EDPR has 15 wind-solar hybridization projects under construction and development in Spain, which collectively add more than 200MW renewable capacity.

Environment

We were proudly recognized by the European Commission for EDP's floating solar project in Alqueva with an award for sustainable energy. This project contributed to innovation and R&D in local industry, relying on a unique combination of cork composites and recycled plastic to form the base of floats which reduced the weight of the platform by 15% and the carbon footprint of their production by 30%.
On the topic of biodiversity, around 200 employees from APAC volunteered and EDPR partnered with People's Association PAssion Wave to jointly organize a Mangrove Protection Coastal Clean-up event in Singapore. Removed more than 1 tonne of man-made debris such as bottles, straws, and containers, thus protecting marine life and countless species sheltered in these ecosystems that play a vital role in mitigating climate change.

Social

EDP continues its journey towards a fair and inclusive energy transition. Through the Solar Solidarity program, we are installing 300 panels in homes in the Cova da Moura neighborhood, located in the outskirts of Lisbon. The intervention rolled out over the past few months with the support of local associations, already providing support to 130 out of the 150 identified families.
On the other side of the Atlantic, Google and EDPR signed the largest distributed solar energy framework agreement in the USA. Which will enable the development of 650 MWp in renewable energy communities in six North American states and benefit around 25,000 low-income families.

Governance

For the first time on a global level, we are proud to be certified as a Family-Responsible Company by the organization Másfamilia. As we have extended our efforts to help employees balance their personal and professional lives through a well-being strategy.
This quarter, we have also produced our inaugural Circular Economy Report that seeks to detail how we have been strengthening good practices according to a defined strategy and management approach implementation. Our core principles run through all our corporate decisions, and as a responsible company, we aim to prevent pollution, mitigate the impact of our activity and preserve biodiversity across all our projects.

Pedro Vasconcelos
Executive Board Member

ESG performance at a glance

	Indicator	Unit	1H23	1H22	Δ %	Target 2026	Target 2030	
Environment	Renewables Generation	%	87%	76%	+10p.p.	93%	100%	●
	Capex aligned with EU taxonomy	%	97%	95%	+2p.p.	>98%	100%	
	Scope 1 & 2 Emissions Intensity	gCO_2/kWh	84	154	-46%	36	8	●
	Total recovered waste	%	96%	97%	-1p.p.	90%	>90%	●
Social	Female Overall	%	28%	27%	+1p.p.	31%	35%	
	Global investment in communities [1]	€m	11.76	12.00	-2%	~€200	>€300	
	Accident Frequency Rate[2]	Fr	2.40	1.66	44%	1.42	<1	
Governance	Female on Leadership	%	29%	26%	+2p.p.	31%	35%	
	ESG & equity linked compensation for Top Management[3]		✓	✓		✓	✓	
	Cybersecurity	bitsight rating	790	810	-2%	Keep advanced[4]		
	Top quartile in ESG rating Performance[5]		✓	✓		✓	✓	

Renewables represented 87% of electricity generated by EDP in 1H23, which compares with 76% in the same period last year.

Gross investments amounted to €2.9Bn in 1H23, of which 97% allocated to renewables and electricity networks activities. This concurred for the 97% **capex alignement with EU Taxonomy.**

Specific CO_2 emissions decreased in 1H23 due to lower coal and gas generation in Iberia, as well as an increase in hydropower generation, also in Iberia.

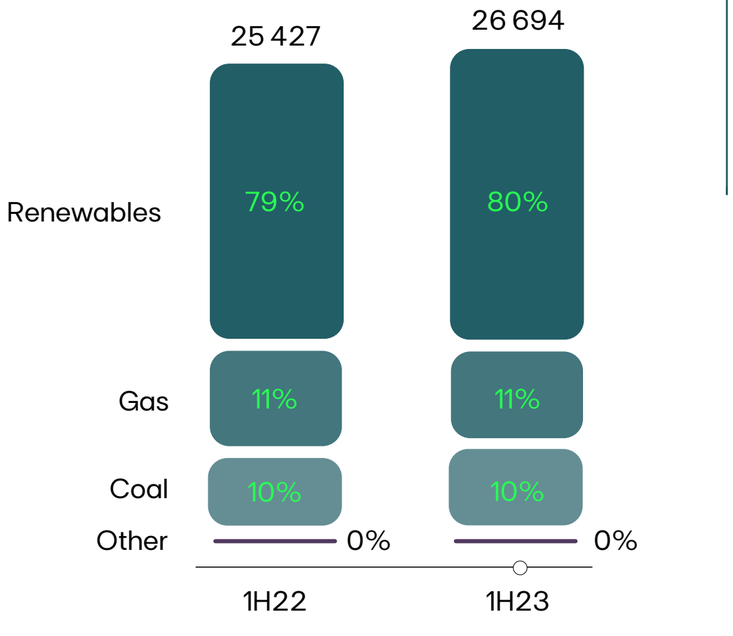
Accident Frequency rate increased to 2.40 in 1H23. EDP continues determined to strengthen the culture of Occupational Health and Safety, having started in 2021 a new program, "Playitsafe", to raise awareness of the importance of building and adopting safe habits at EDP.

● Sustainable Finance Disclosure Regulation (SFDR) Indicator

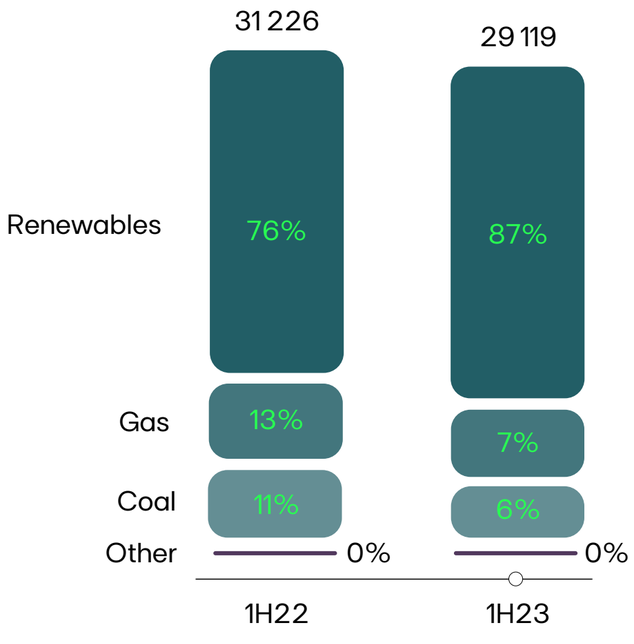
1. For 2026 target, the value corresponds to the accumulated OPEX starting 2021. Includes voluntary & mandatory investment + management costs. 2. Number of accidents at work with absence/fatalities, per million hours worked (including employees and contractors); 3. Applicable to Board of Directors and 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)



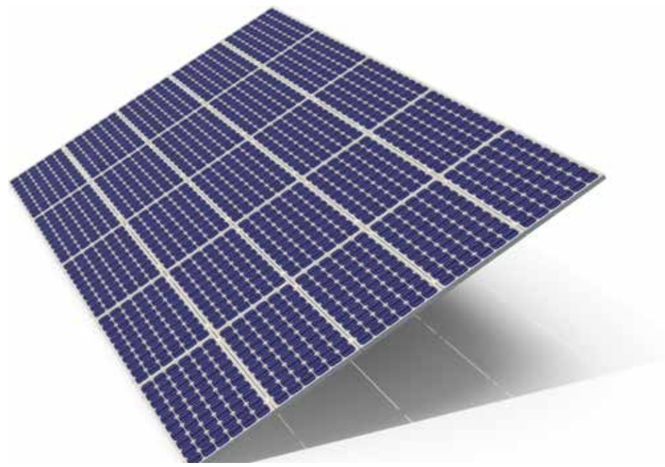
HYDRO COEFFICIENT (%)	1H23	1H22	Δ %
Portugal	79%	34%	+45p.p.
Spain	70%	50%	+20p.p.
Brazil [3]	98%	101%	-3p.p.
RENEWABLES INDEX[4] (%)	-5%	2%	-7p.p.
ELECTRICITY DISTRIBUTED (GWh)	**42 863**	**42 952**	**0%**
Portugal	22 922	22 764	1%
Spain	6 354	6 819	-7%
Brazil	13 586	13 369	2%
CUSTOMERS CONNECTED (#th)	**11 668**	**11 492**	**2%**
Portugal	6 460	6 398	1%
Spain	1 386	1 380	0%
Brazil	3 821	3 715	3%
TOTAL ENERGY CONSUMPTION	**10 398**	**18 919**	**-45%** ●
Total Renewable consumption (GWh)	**633**	**798**	**-21%** ●
Fuel	2	2	2% ●
Electricity	631	796	-21% ●
Self-generated non-fuel renewable energy	629	776	-19% ●
Total Non-Renewable consumption (GWh)	**9 765**	**18 120**	**-46%** ●
Fuel	9 184	17 292	-47% ●
Electricity	581	828	-30% ●
Energy consumption intensity (MJ/€)	**4**	**7**	**-40%** ●

● Sustainable Finance Disclosure Regulation (SFDR) Indicator

1.EBITDA MW; 2. Other includes 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	1H23	1H22	Δ %
Energy Services Revenues / Turnover [1]	%	12.9%	8.9%	+4p.p.
Energy Efficiency Services Revenues	€ m	245	212	15%
DISTRIBUTED SOLAR				
As a service — Installed Capacity [2]	MWac	**902**	**500**	**80%**
Portugal	MWac	131	78	67%
Spain	MWac	17	7	147%
Brazil	MWac	63	51	23%
US	MWac	242	83	191%
APAC	MWac	428	277	54%
Other	MWac	21	3	589%
Additions Ytd [3]	MWac	**290**	**370**	**-22%**
E-MOBILITY				
Light fleet electrification	%	26%	13%	100%
Electric charging points[4]	#	6 440	4 107	57%
Clients with electric mobility solutions	#	88 396	51121	73%
SMART METERS				
Iberia	# m	6.5	5.7	14%
Brazil	# m	0.5	0.4	32%
ELECTRICITY GRID LOSSES				
Portugal	%	7.7%	9.0%	-1.3p.p.
Spain	%	5.0%	5.1%	-0.1p.p.
Brazil (São Paulo)	%	7.8%	8.2%	-0.4p.p.
Brazil (Espírito Santo)	%	11.5%	11.9%	-0.4p.p.
CUSTOMERS WITH SUSTAINABLE SERVICES[5]	%	42.0%	33%	+9p.p.
CO_2 SAVINGS DOWNSTREAM[6]	$ktCO_2$	-	11 901	-

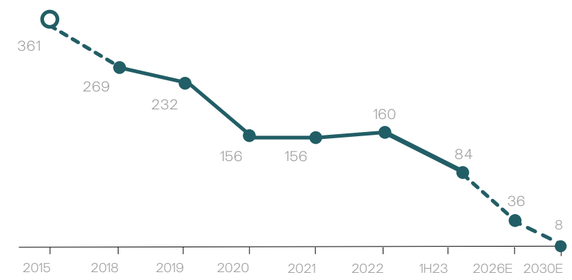


1. Energy service: Services provided under energy supply, installation of more efficient and/or building retrofit, and sustainable mobility, which generate revenues for the company; 2. As a service capacity installed at EDP, including inorganic capacity. 3. Including As-a Service and Transactional Installations. 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. CO_2 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 CO_2-emitting ones, namely replacing fossil fossils with renewable energy sources or sustainable mobility – 2022 annual value.

Environmental highlights committed to a carbon-free economy

	Unit	1H23	1H22	Δ %	
GREENHOUSE GAS EMISSIONS					
Scope 1 & 2 Emissions Intensity	gCO_2/kWh	84	154	-46%	●
Scope 1 & 2 Emissions Intensity (% vs 2020)	%	-47	-2	-	●
Scope 1 GHG Emissions	$ktCO_2eq$	2 223	4 371	-49%	●
Scope 2 GHG Emissions[1]	$ktCO_2eq$	223	450	-50%	●
Scope 3 GHG Emissions[2]	$ktCO_2eq$	-	9 279	-	●
Avoided emissions	$ktCO_2$	12 407	13 428	-8%	
AIR QUALITY					
NOx emissions	kt	1.19	2.32	-49%	●
SO_2 emissions	kt	0.55	1.00	-46%	●
Particulate matter emissions	kt	0.05	0.11	-52%	●
WATER MANAGEMENT					
Total freshwater withdrawn	10^3m^3	2 628	4 726	-44%	
Total freshwater consumed	10^3m^3	1819	4 175	-56%	
Total water discharge	10^3m^3	293 193	308 490	-5%	●
COAL & WASTE MANAGEMENT					
Total waste	t	124 441	197 906	-37%	
Total waste disposal	t	109 693	173 228	-37%	
Total coal combustion waste disposal	t	1736	2 792	-38%	
Total recovered waste	%	96%	97%	-1p.p.	●
Hazourdous waste	t	3 756	2 871	31%	●
ENVIRONMENTAL MATTERS					
Environmental CAPEX	€m	56.1	43.4	29%	
Environmental Expenses[3]	€m	276.3	387.8	-29%	
Environmental fines and penalties	€th	1.1	38.3	-97%	
ISO 14001 Certification	%	95%	85%	+10p.p.	
LOW CARBON ECONOMY					
EBITDA in Renewables	%	31%	53%	-22p.p.	
CAPEX in Renewables	%	79%	76%	+3p.p.	
Revenues from coal	%	4.5%	6.7%	-2p.p.	●
Revenues aligned with EU taxonomy	%	73%	54%	+19p.p.	
CO_2 / Revenues[4]	$tCO_2eq/€m$	0.30	0.47	-37%	●

-95% (vs. 2020) Scope 1 & 2 Emissions Intensity in 2030



Scope 1 & 2 Emissions Intensity

> 90% Total recovered waste in 2030

100% CAPEX aligned with EU taxonomy in 2030

FOR MORE INFORMATION PLEASE CHECK OUR CLIMATE TRANSITION PLAN

● Sustainable Finance Disclosure Regulation (SFDR) Indicator

1. Scope 2 emissions according with GHG Protocol based location methodology; 2. Annual Indicator – 2022 value; 3. Includes CO_2 allowances; 4. Defined as the company's annual GHG emissions (Scope 1 and Scope 2), expressed as metric tons of carbon dioxide equivalent (tCO_2eq) emissions, divided by revenues for the corresponding year, expressed in millions of euros.

Social highlights committed to provide a fair and safe workplace

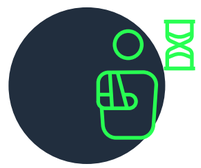
	Unit	1H23	1H22	Δ %
EMPLOYMENT				
Employees	#	13 325	12 909	3%
Female employees	%	28%	27%	+1p.p.
Female/Male fixed salary	x	1.02	0.98	4% ●
Employee Engagement[1]	%	84%	76%	+8p.p.
Employee Empowerment[2]	%	72%	71%	+1p.p.
Employee Turnover	%	5.5%	6.5%	-1p.p. ●
Absenteeism	%	4.3%	3.3%	+1p.p.
New Hires	#	910	1048	-13%
Disability Hires	#	12	8	50%
TRAINING				
Total hours of training	h	131 712	147 727	-11%
Employees with training	%	93%	83%	+10p.p.
Direct training investment	€ th	2 684	1543	74%
HEALTH AND SAFETY				
Accidents with lost workdays EDP	#	22	6	267%
Accidents with lost workdays contractors[3]	#	72	52	38%
Fatal work-related injuries EDP	#	0	0	-
Fatal work-related injuries contractors	#	1	4	-75%
Frequency rate EDP	Fr	1.64	0.50	229%
Frequency rate contractors	Fr	2.78	2.20	26%
Total recordable injury rate	RFr	3.61	2.40	50% ●
Total recordable injury rate EDP	RFr	2.39	1.17	104% ●
Total recordable injury rate contractors	RFr	4.22	2.98	42% ●
SOCIAL INVESTMENT				
Beneficiary Entities	#	N/A	255	-
EDP volunteers	#	1552	1828	-15%
EDP time used in volunteering	h	10 913	3 291	232%
Total investment	€ th	11 764	2 904	305%

● Sustainable Finance Disclosure Regulation (SFDR) Indicator

1. Engagement – reflects the involvement and commitment by employees. 2. Empowerment – reflects the perception of organizational support by employees. Within the scope of the Organizational Climate, the "Empowerment" dimension started to be evaluated in 2022, replacing the "Enablement" dimension previously evaluated, as part of the evolution of the employee consultation model at EDP 3. Accidents occurred at the place and working time or on a journey, with 1 or more days of absence and fatal accidents.

35% female employees by 2030

> 6 500 New Hires by 2030

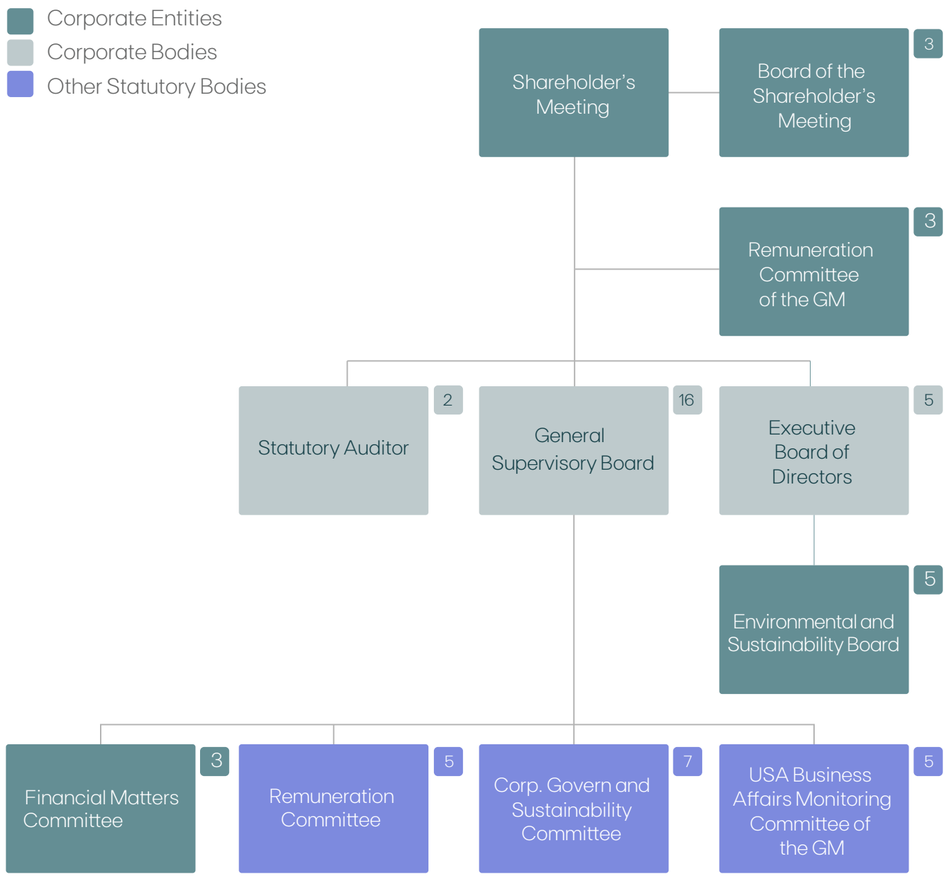


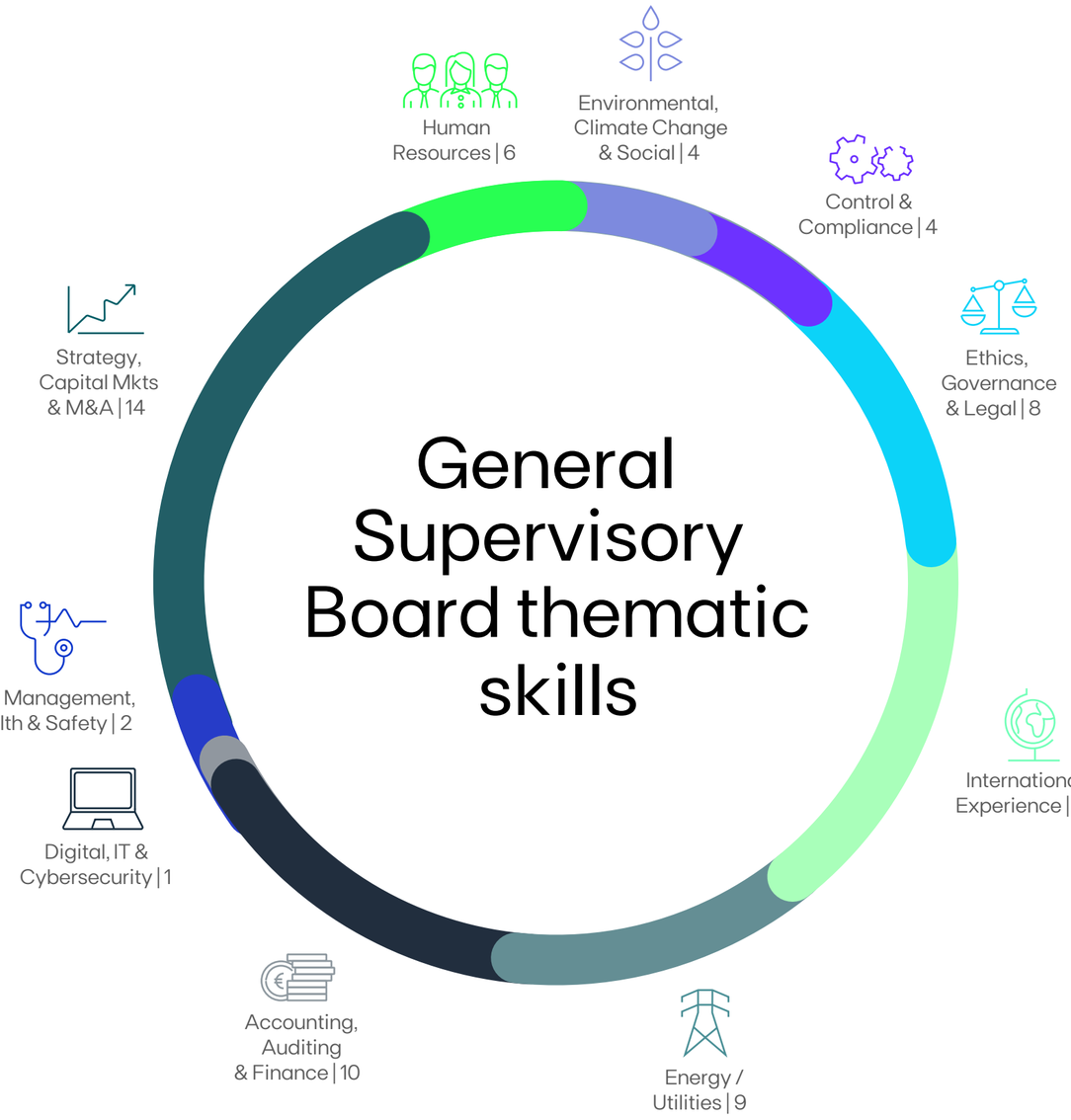
Accident Frequency Rate <1 by 2030

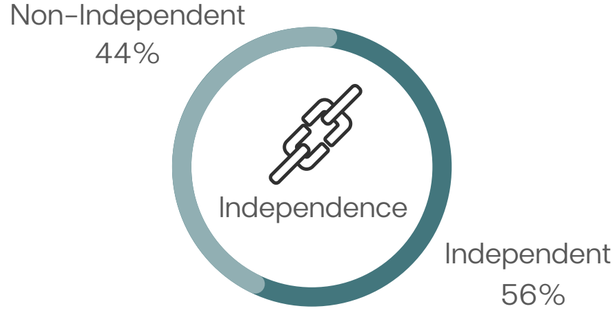
Social Investment >€300M until 2030

Governance highlights committed to the best practices

General and Supervisory Board
Elected on the General Shareholders' Meeting on the 14th April 2021
Reduced number of members from 21 to 16







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

ELECTION OF THE MEMBERS OF THE GSB (1/2)

ELECTION OF THE MEMBERS OF THE GSB (2/2)

ANNUAL REPORT OF THE GSB

Governance highlights committed to the best practices

Executive Board of Directors

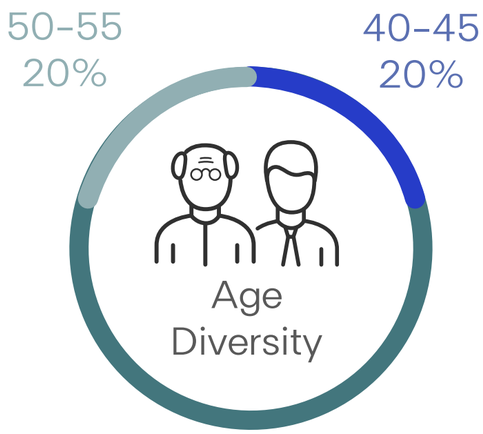
Ana Paula Marques

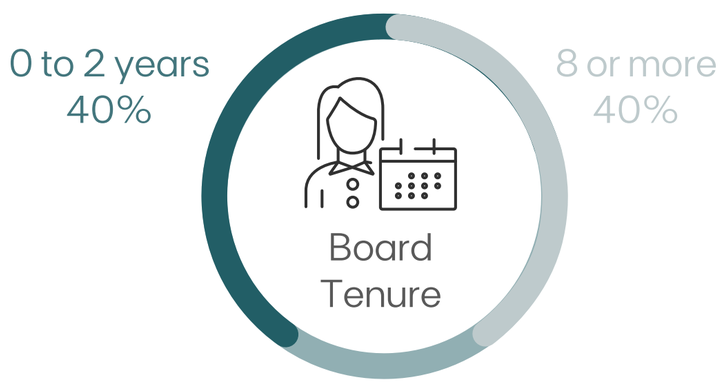
Miguel Stilwell d'Andrade
(CEO)

Rui Teixeira
(CFO)

Pedro Vasconcelos[1]

Vera Pinto Pereira

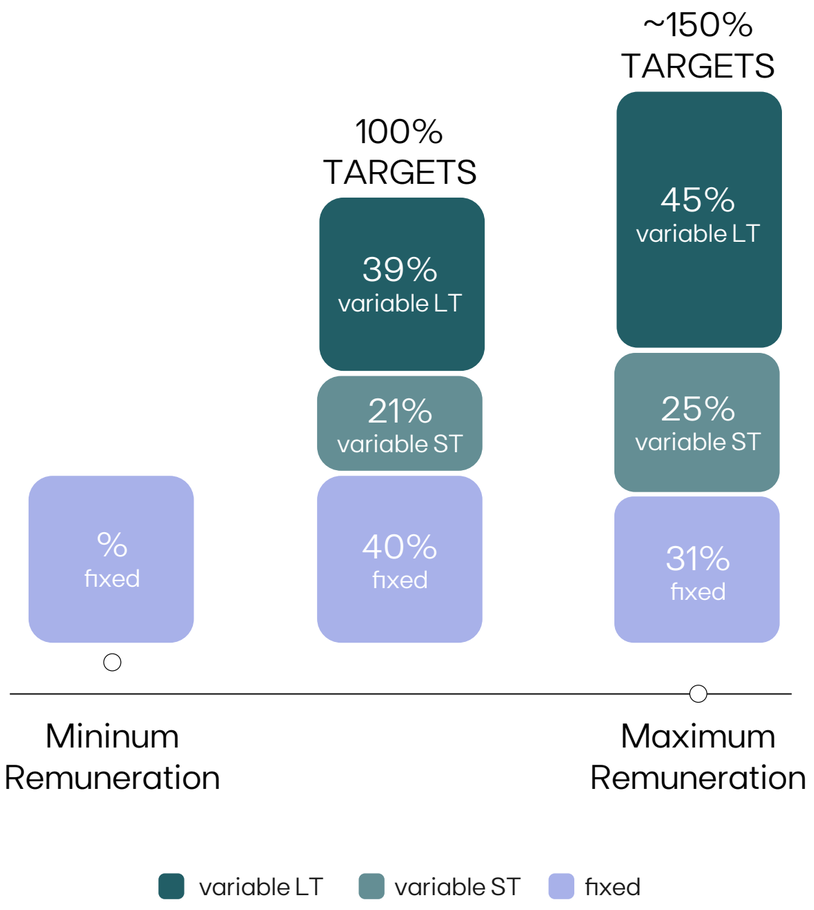


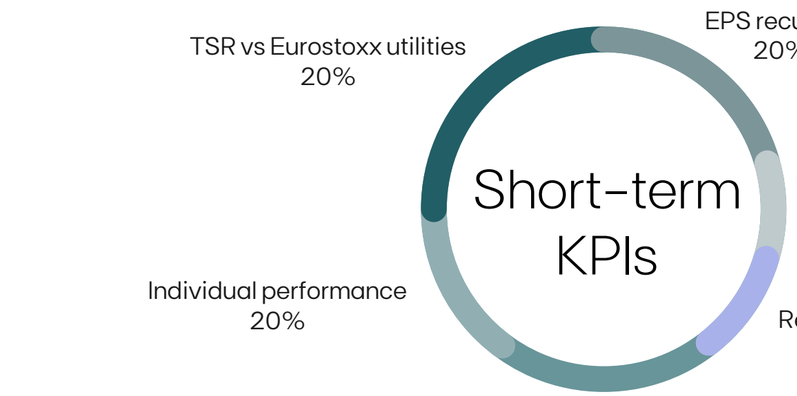


1. Pedro Vasconcelos was elected on 12th April in substitution of Miguel Setas

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

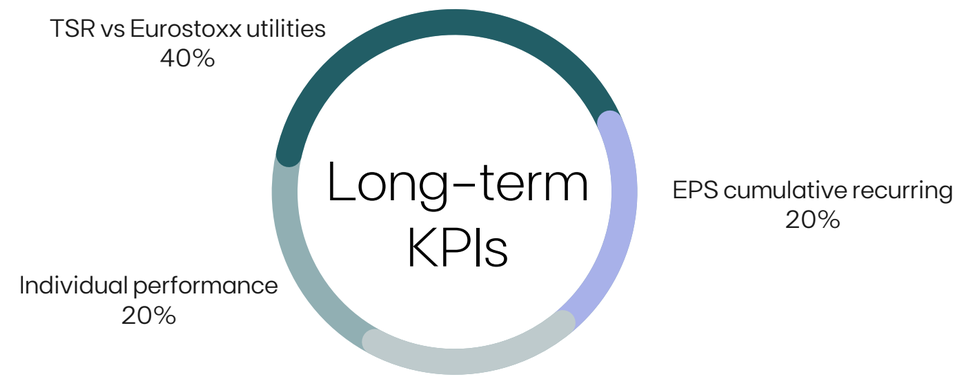




DJSI Results
Perfomance in employees' yearly climate study
Performance in customer satisfaction index

ESG Indicators 20%

Comparison with Budget
Max. Limit: 80% fixed remuneration
Max. Limit: 80% fixed remuneration



Increase of share of renewable energy production
Emissions reduction
Bloomberg Gender Diversity Performance

ESG Indicators 20%

Comparison with Budget
Max. Limit: 145% fixed remuneration
> 85% of the targets need to be accomplished
Performance measured during 3 year period

CODE OF ETHICS

CORPORATE GOVERNANCE

EBD REMUNERATION POLICY 2021 - 2023

Digitalization & innovation highlights committed to drive transformation

DIGITALIZATION			Unit	1H23	1H22	Δ %
Global	Global	Digital CAPEX[1]	€m	650	332	96%
		Cybersecurity	bitsight rating	790	810	-2%
Digital Business	Customer	Selfcare Interactions[2]	%	80%	81%	-1p.p
		Electronic Invoices[2]	%	44%	41%	+4p.p
	Assets & Operations	Predictive Maintenance[2,3]	%	69%	65%	+4p.p
Digital Enablers	Data & Technology	Systems in the cloud[2]	%	65%	62%	+3p.p.
	People & Organization	Employees w/ digital training[2]	%	79%	81%	-2p.p.
		Employees in Collaborative Initiatives[2]	%	40%	25%	+1p.p.
INNOVATION						
Innovation Team		Total investment (TOTEX)	€m	67	52	28%
		Employees[4]	#FTE	469	644	-27%
Investment Portfolio		Ongoing investments VC	#	41	40	2%
		VC investment	€m	7.1	4.3	66%
		VC investment cumulative[5]	€m	40.1	42.5	-6%

EDP is coordinating project TALOS, planned to start in October 2023, aiming to develop advanced robotics solutions for various photovoltaic (PV) energy farms, including land-based, floating, and agriPV. By showcasing the value of robotics, TALOS seeks to achieve several positive outcomes, which include significant reductions in greenhouse gas emissions, minimization of resource wastage, decreased operation and maintenance costs, and advanced collaboration between robots and humans to enhance safety in risky environments. The TALOS robotic solutions will autonomously perform hazardous, monotonous, or dirty tasks like monitoring, inspection, cleaning, and vegetation management. These solutions are expected to improve PV plants' performance ratio, reduce O&M worker exposure to risks, and substantially lessen the burden of crop monitoring. The project will drive innovation in the energy and agriculture sectors, fostering synergies with different stakeholders and selected robotics start-ups which will receive funding to demonstrate their innovations in the different PV scenarios.

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

ESG ratings committed to excellence

rater	range	score	ranking		last assessment
Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA [1]	0-100	90	1st	(TOP QUARTILE IN ESG RATING PERFORMANCE)	Dec-22
FTSE4Good	0/5	4.5	Top 5%	(TOP QUARTILE IN ESG RATING PERFORMANCE)	Sep-22
EURONEXT VE INDICES	0-100	72	3rd	(TOP QUARTILE IN ESG RATING PERFORMANCE)	May-22
Corporate ESG Performance Prime ISS ESG	D--A+	B+	n.a.	(TOP QUARTILE IN ESG RATING PERFORMANCE)	Dec-22
SUSTAINALYTICS a Morningstar company [2]	100-0	19.4	n.a.	(TOP QUARTILE IN ESG RATING PERFORMANCE)	Apr-23
MSCI ESG RATINGS AAA	CCC-AAA	AAA	Top 13%	(TOP QUARTILE IN ESG RATING PERFORMANCE)	Mar-23
CDP A LIST 2020 CLIMATE	D--A	A	n.a.	(TOP QUARTILE IN ESG RATING PERFORMANCE)	Dec-22
CDP A LIST 2020 WATER	D--A	A	n.a.	(TOP QUARTILE IN ESG RATING PERFORMANCE)	Dec-22

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

For more information on 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 low level of risk.

For further information please visit our Integrated Annual Report and our Capital Markets Day page available in our website