

Part I Management Report





This report

EDP – Energias de Portugal, S.A. (“EDP”), has its head office in Lisbon, Avenida 24 de Julho 12 and its shares listed on the Euronext Lisbon stock exchange. The group’s businesses are currently focused on the generation, transmission, distribution and supply of electricity and supply of natural gas. Although complementary, the group also operates in related areas such as engineering, laboratory tests, professional training, energy services and property management.

EDP operates essentially in the European, American and APAC energy sectors.

In 2022, EDP publishes, for the first time, an Integrated Annual Report, which includes, in the same document: its strategy, operational and sustainability performance, financial statements, corporate governance and remunerations report.

The Integrated Annual Report is prepared in accordance with the provisions set out on Portuguese Companies Code and Securities Code and in compliance with the provisions set out on CMVM’s Regulations no. 4/2013 and no. 4/2023, concerning Corporate Governance and Disclosure Requirements of the publicly traded companies and under the terms of the Corporate Governance Code of the Portuguese Corporate Governance Institute, revised in 2023.

Its sustainability performance is prepared in accordance with the standards of the Global Reporting Initiative (GRI Standards) and with the Directive 2014/95/EU of the European Parliament and of the Council of 22nd October 2014, that is, disclosure under article 66-B and approval by the general meeting under article 65, both of the Commercial Companies Code. Additionally, 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).

The financial statements presented in the report are prepared in accordance with the International Financial Reporting Standards (IFRS), adopted in the European Union. Thus, under the combined terms of articles 29.ºG and 29.ºL of the Portuguese Securities Code, the documents included in this Report were prepared in the ESEF Format and in accordance with the specifications provided for by the Commission Delegated Regulation (EU) 2019/815 of 17th December 2018, and in accordance with the subsequent amendments, also taking into account the guidance provided by the European Securities and Markets Authority (ESMA) through the updated version of the ESEF Reporting Manual.

This report covers the calendar year 2023 and has been structured in five major blocks:

- Part I – Management Report
Includes EDP’s strategy, operational and sustainability performance. The sustainability performance is organized around the strategic axes and the year’s material issues
- Part II – Financial Statements
- Part III – Corporate Governance
- Part IV – Remunerations Report
- Part V – Annexes.

Additionally, EDP publishes a set of reports available at www.edp.com:

- [Annual Report of the General and Supervisory Board](#)
- [Climate Transition Plan: Progress Report 2023](#)
- Annual sectoral reports, in particular: [Safety and Business Continuity Report](#), [Internal Audit Report](#), [Ethics Ombudsperson’s Report](#), [Social Investment Report](#), and [People Report](#)
- Bi-annual sectoral reports: [Human and Labour Rights Report](#), [Biodiversity Report](#), [Circular Economy Report](#)
- [EU Taxonomy Regulation and KPIs under article 8 of EU Taxonomy](#)
- Annual and sustainability reports of the companies [EDP Espanã](#), [EDP – Energias do Brasil](#) and [EDP Renováveis](#)
- [Management Report on Sustainability](#) which endorses the issues set by GRI methodology and explains the relation between organizational processes and material issues for the society.

This Report is a free translation of the Integrated Annual Report originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.

This document incorporates the Integrated Annual Report of the EDP Group and is part of an unofficial and unaudited version of the EDP Group’s official accountability document, submitted at the CMVM website on March 11th, 2024. Notwithstanding, it corresponds to a faithful [interactive] copy of the aforementioned financial and non-financial information, which can also be found at EDP Group’s website under name "Integrated Annual Report 2023 – Unofficial Version – Unaudited". In case of discrepancy, the official financial and non-financial information submitted to CMVM on March 11th, 2024 prevails.



We Choose Earth

Our choice is part of who we are. The Earth is the heart of our company, and we are ready to forge a future where humanity and the planet thrive harmoniously to become coal free by 2025, all green by 2030 and net-zero by 2040.

We embrace this transition and the responsibility to tirelessly protect and sustain our precious home. We embody boundless energy, shaped by the forces of nature, focused on renewables.

Through sustainable innovation, we want to become part of a never-ending natural cycle. That's our choice, give power to every leaf, every drop, every wind blow, and every sunrise.

We Choose Earth.



Our energy

Speaks of our stamina, our track record and what drives us to continuously deliver green energy

and heart

Highlights our people and their key role in delivering our commitment to our clients, partners and communities

drive a better

Reflects our ambition and leadership in making change happen

tomorrow

The reason why we work every day



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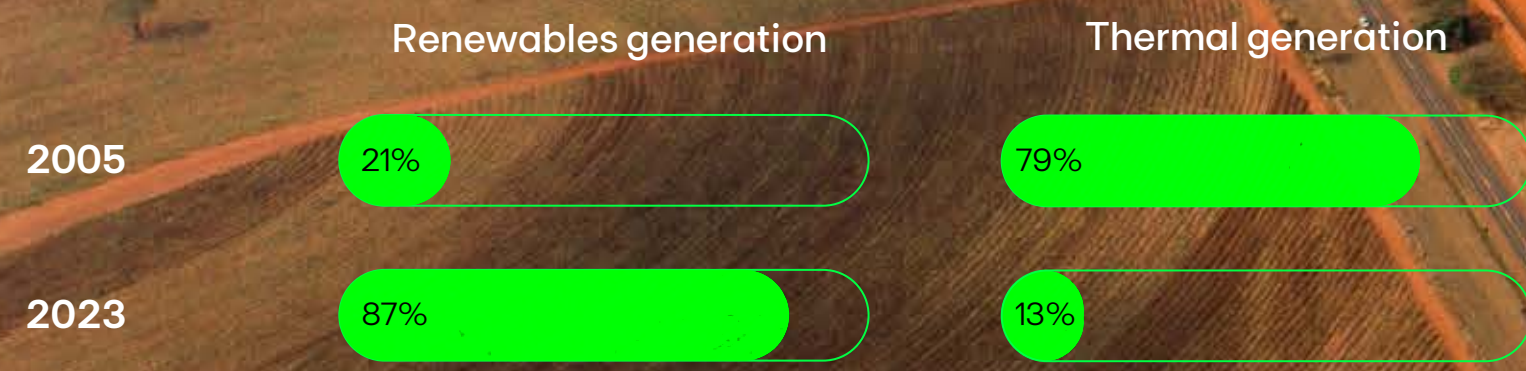
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We are leading the energy transition to create superior value



Pereira Barreto Solar Park, Brazil

Because We Choose Earth

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Message from the CEO



Miguel Stilwell d'Andrade
CEO of EDP and EDP Renewables

Dear Shareholders and Stakeholders,

In 2023, the global energy landscape continued its transformative journey.

Governments and businesses prioritized investments in clean energy and energy efficiency to address climate change and energy security concerns. At COP28, nations made a historic pledge to transition energy systems away from fossil fuels, highlighted by the advocacy, supported by EDP, for tripling global renewable energy capacity by 2030.

Yet, carbon emissions continued to increase and 2023 will likely be the hottest year on record. Inflationary pressures, supply chain restrictions, and geopolitical tensions distressed energy markets and affected investment decisions, highlighting the importance of resilience and diversification. Permitting and lack of grid connections hindered the development of renewable projects.

At EDP, we remained focused in transitioning to a clean energy era, continuously finding ways to navigate the uncertain context and address the various challenges. That is why in our 2023–2026 Business Plan, announced in March 2023, we have committed a further 25 billion euros of global investment to boost renewables generation, reinforcing our electricity networks, and supporting our clients towards decarbonization, across our regional hubs.

We are proud to be one of the greenest utilities in the world, with more than 85% of our capacity generated from renewable energy. We want to take it further by going carbon free by 2025, all-green by 2030, and net-zero by 2040.

Last year alone we took significant steps in that direction: EDP was ranked as the most sustainable electric utility in the world by S&P Global CSA for the third time in a decade. And the company was acknowledged as a leader in climate action during the United Nations Climate Ambition Summit in New York due to the credibility of its decarbonization and sustainability strategies, particularly its Climate Transition Plan.

We are reimagining the energy sector and driving a massive acceleration of renewables to meet the urgent need for cleaner, more reliable, and more affordable energy for all.

Renewables Generation

We have added 2.5 GW of renewables installed capacity in 2023, ending the year with a total of 24.4 GW and 4.4 GW under construction.

In Europe, we have commissioned the first hybrid projects in Portugal and Spain, combining wind and solar power generation in one single grid connection. We launched Europe's largest solar project, located in Poland. We secured our first stand-alone battery storage project, in the United Kingdom. We continued to grow in North America, having commissioned 1.2 GWs of utility scale projects in 2023, and expanded our Distributed Generation footprint in the region to a total capacity of 246 MW. And we have launched our largest wind on-shore complex globally in Brazil, with 138 wind turbines. In the Asia-Pacific region, we already reached an installed solar capacity of more than 1 GWp.

Ocean Winds, our 50/50 joint venture with ENGIE focused on offshore wind energy, holds now a secured portfolio of projects in 7 countries representing 16.6 GW of gross capacity, of which 1.5 GW is in operation, 1.9 GW under construction and 13.2 GW under advanced development.

We are on track to hit our target of being coal free by 2025, following the sale of the Pecém coal power plant in Brazil, and the steps taken towards the conversion of the Aboño II thermal plant in Spain from coal into gas, as well as the authorization for the closure of EDP's last remaining coal plants in the country (Soto de Ribera and Los Barrios). We remain fully committed to our Just Transition plans to turn our former thermal sites into green hubs, with ambitious projects being developed along four business streams: green hydrogen, renewables, storage, and flexibility.

We have also kept a focused investment strategy in our hydro power plants in Portugal, Spain and Brazil, fostering hybridization and pumping solutions, aiming at operational excellence while managing volatility.

Electric Networks

Networks are the backbone of the energy transition, and we are proud to take good care of the ones that we manage. In 2023 we operated a Remunerated Asset Based of 7.6 billion euros, spread across 387 thousand km of distribution and transmission grids, distributing 86 TWh of energy in Brazil, Portugal, and Spain. And our quality of service has been widely recognized in the sector.

We have invested more than 975 million euros in expanding and modernizing our networks, making our portfolio more reliable, resilient and digital. We have already installed 7.6 million smart meters (+1.1 million year-on-year) which allowed us to have 82% of our distributed energy remotely metered.

Client Solutions

Distributed solar generation has become one of EDP's fastest growing business segments – it should account for around 50% of all new solar additions globally over the next few years.

We have now distributed solar generation across 16 markets worldwide, with around 1.7 GWp of cumulative capacity installed for residential customers and businesses. Up to date, our teams have implemented 140,000 installations in residential homes in Europe, in addition to small businesses and large companies in other key markets.

With regards to electric mobility, EDP in Iberia continues its consolidation in this field with 4,700 new public chargers as of year-end. By 2026, the goal is to reach 7,000 public charging points.

Energy Management

Important steps were taken in implementing a Global Energy Management platform at EDP, bringing closer together the integrated value from asset development to customer supply to maximize the value of our integrated portfolio and margin.

Energy management has increasingly been an instrument of competitiveness for our growth plan, enabling investments by bridging intermittent renewable energy sources with sophisticated clients that demand clean, affordable, and reliable energy.

Our People, Organization and Social Footprint around the world

As we push forward with our ambitious goals, we are continuously refining our operating model to reflect our global presence and operational excellence in a volatile business landscape, starring our in-house talent. We are more than 13,000 people – more than 60 nationalities across the world – embracing a purpose-driven career, where empowerment, transparency, respect, and meaningful work are key goals. This is reinforced by our recognition as a Top Employer in many of the regions EDP operates. And for the third year running, EDP was also included in the Bloomberg Gender Equality Index, which reflects our commitment to creating a more diverse and inclusive workplace.



We continue betting on digital transformation, democratizing access to data and artificial intelligence, designing a global strategy with GenAI at the core. And we have been taking research and development investment seriously, accelerating delivery in 7 innovation domains – renewables, grids, distributed generation, storage & flexibility, hydrogen, mobility, and decarbonization of end uses – through internal incubation, open innovation & partnerships, and corporate venture capital.

Our goal is also to lead a just energy transition fostered by our social impact strategy. Through our Foundations in Portugal, Spain, and Brazil, we have strengthened projects reaching out communities in need. EDP *Energia Solidária* is a good example – a 2 million euros commitment to back social projects in these regions focused on promoting electric mobility, solar energy, and energy efficiency initiatives. In 2023 we have also launched the 5th edition of the Access to Energy Fund that, over its last four editions, dedicated a total investment of 2.5 million euros to support projects in Africa, benefiting more than 1.5 million people, and impacting key areas such as health, agriculture, education, and access to drinking water.

We continued to carry out our daily operations with strict compliance with the laws and regulations governing the regions in which we operate and ensuring the highest standards of ethics and integrity. This strong ethical foundation – that stands today as a cornerstone of our organization's reputation – enabled us to be recognized by the Ethisphere Institute for the 12th consecutive year as one of the world's most ethical companies.

Our Financial Performance

The 2023–2026 Business Plan restated the company profile of strong value creation with a sound balance sheet and low risk profile, supported by our diversified shareholder base and high-quality long-term investors. When announcing the new Business Plan last March, we have successfully executed a 1 billion euros capital increase at EDP Renewables level to partially finance the company's growth plan, and a 1 billion euros capital increase at EDP level to fund the takeover offer of our subsidiary in Brazil. The transaction was successfully concluded, simplifying the group's structure and giving greater flexibility to manage our presence in the Brazilian market.

In 2023, EDP has delivered outstanding results, with a recurring EBITDA of 5,023 million euros, representing an 11% increase year-on-year, benefiting from a strong performance of Iberian integrated electricity margin, a strong execution of the asset rotation program and a stability of the networks business. Recurring Net Profit reached a record of 1,290 million euros, driven by EBITDA growth and the buyback of minorities in our Brazilian business, despite lower wind resource and load factors.

We have successfully issued 7.3 billion euros in green bonds in the 2021–2023 period, while achieving BBB rating across 3 top agencies.

And EDP has revised its dividend policy to a more sustainable payout ratio in line with peers, ensuring a solid and sustainable dividend policy, raising the floor to €0.20 by 2026.

Looking Back with Appreciation

EDP has a world class team and everyone has played a part in making 2023 another successful year.

I want to thank my colleagues on the Executive Board of Directors for their tireless work and dedication over the 2021–2023 mandate and knowing I could always count on them. I also want to thank and recognize João Talone, the Chairman of EDP's General and Supervisory Board, for his strong convictions, continued support and wisdom over this very successful term. I have learnt a lot from João Talone over this period. Finally, a word of appreciation to all the members of the General and Supervisory Board for their valuable contributions and insights.

I also have heartfelt gratitude to our stakeholders who continued to support EDP – our shareholders, customers, suppliers, regulators, partners, and local communities. And a special word goes out to EDP's 13,000 colleagues around the globe who make our business, our impact, and everything we achieved this year possible.

As I look to 2024, I believe EDP is well placed to continue leading the energy transition, driving positive change on a global scale and creating value for all stakeholders.

Miguel Stilwell d'Andrade



2023 Main achievements

January

- 17** EDP distinguished as one of the best companies to work for by Top Employer in 9 countries, including Greece and Colombia for the first time.
- 31** EDP is once again included in the Bloomberg Gender Equality Index (GEI), improving its overall score compared to last year.

February

- 14** EDP signs its first PPA secured in Greece to sell the green energy produced by a 78 MW wind portfolio.

March

- 02** EDP presents its Business Plan for 2023–26, with a €25 Bn investment plan until 2026 to boost renewable additions, reinforce our networks and support our clients.
- 03** EDP successfully completes a €1Bn capital increase at EDPR to partially finance the company's growth plan, and also a €1Bn capital increase at EDP to fund the takeover offer to invest in EDP Brasil.

April

- 12** EDP holds its Annual General Shareholders' Meeting and approves the distribution of dividends relating to 2022 financial year.
- 24** Google and EDPR agree to develop 650MWp of solar energy, the largest US corporate sponsorship of distributed PV, while promoting an initiative that provides benefits to nearly 25,000 low-to-moderate income families.

May

- 03** EDP secures a 15-year PPA to sell the green energy produced by a 150 MWac solar project in Texas, US.

June

- 14** Google chooses Kronos Solar EDPR for long-term energy contract of 40 MWac in The Netherlands, EDP's first PPA in the country.
- 20** European Commission awards EDP's floating solar project in Alqueva for innovation.

July

- 13** Two of EDP's main green hydrogen initiatives, a key vector for the energy transition, have been selected by the European Commission to receive funding from the European Union Innovation Funds.
- 25** EDP closes Asset Rotation deal for a 257 MW wind portfolio in Spain.

August

- 30** EDP successfully completes the takeover bid for the minority shareholders of EDP Brasil, representing an important step in the implementation of EDP's strategy.

September

- 20** EDP recognised among climate action leaders at UN Climate Ambition Summit in New York, being the only company invited to speak at a debate on credibility of Net Zero targets.

October

- 12** EDP completes Asset Rotation deal of 142 MW from 3 operating wind farms and up to 159 MW of hybrid solar projects under development in Poland.
- 27** EDP establishes a new partnership for the conversion of the Aboño thermal plant to gas and request the closure of remaining 2 coal plants in Spain.

November

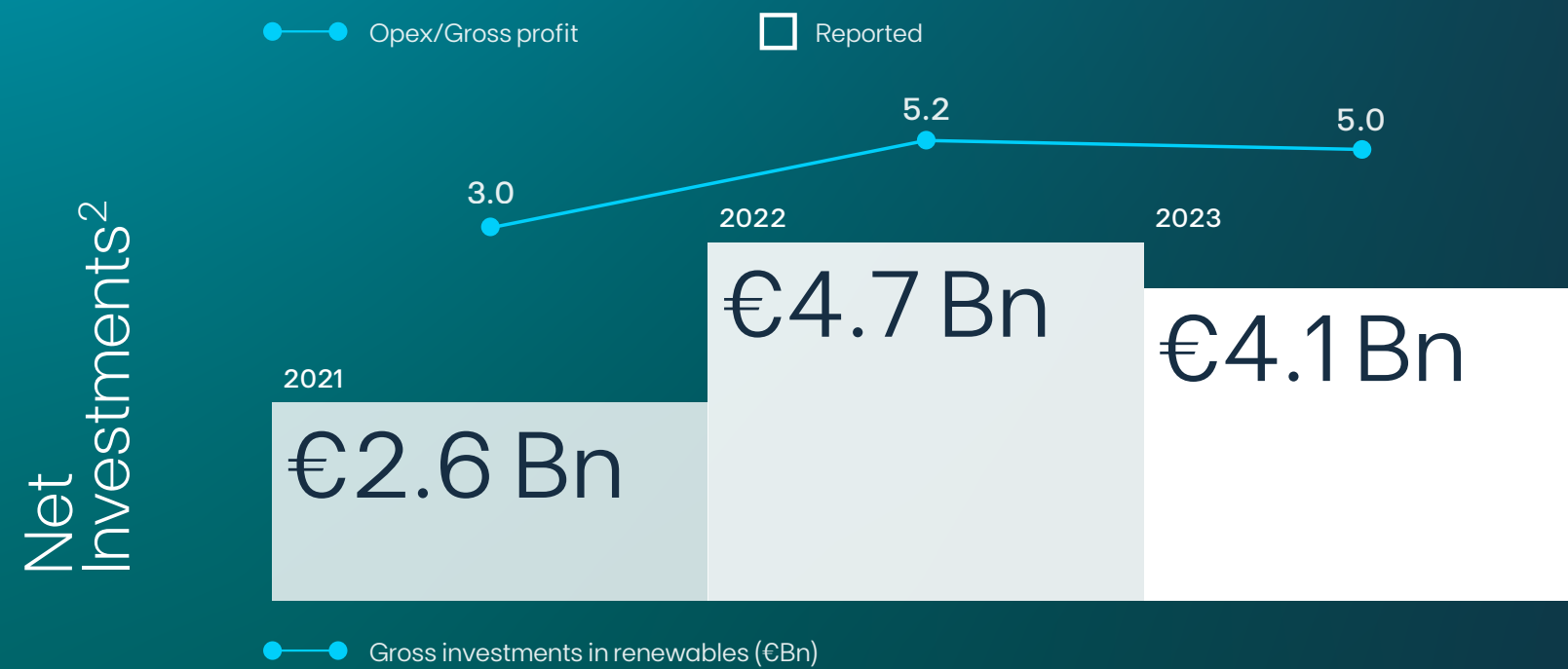
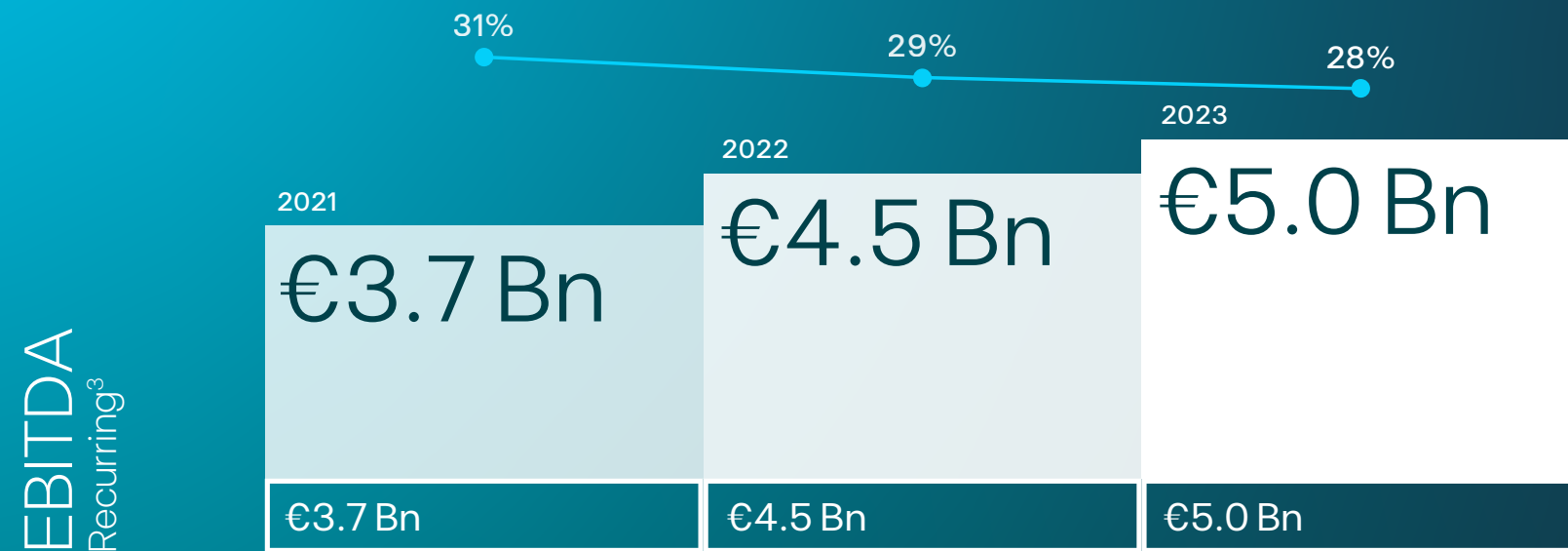
- 01** EDP signs asset rotation deal of two transmission lines in Brazil.
- 27** EDP is recognized as the most sustainable electric utility in the world by S&P Global CSA.

December

- 05** EDP participates in COP28, joining the GRA pledge to triple renewables capacity by 2030, supporting the "Fossil to Clean" campaign from We Mean Business Coalition, and launching the Utilities for Net Zero Alliance with 24 other major global utilities.
- 18, 21** EDP agrees to sell Portuguese tariff deficit for €2 billion.
- 22** EDP concludes sale of 80% of the Pecém coal-fired power plant in Brazil, in line with our strategy to be coal-free by the end of 2025.
- 29** EDP buys back 49% stake in 1 GW wind portfolio in Portugal, Poland and Italy for €0.57 Bn.
- 30** EDP completes Asset Rotation deal of a 260 MW wind portfolio in Brazil.

Key metrics

Financial data



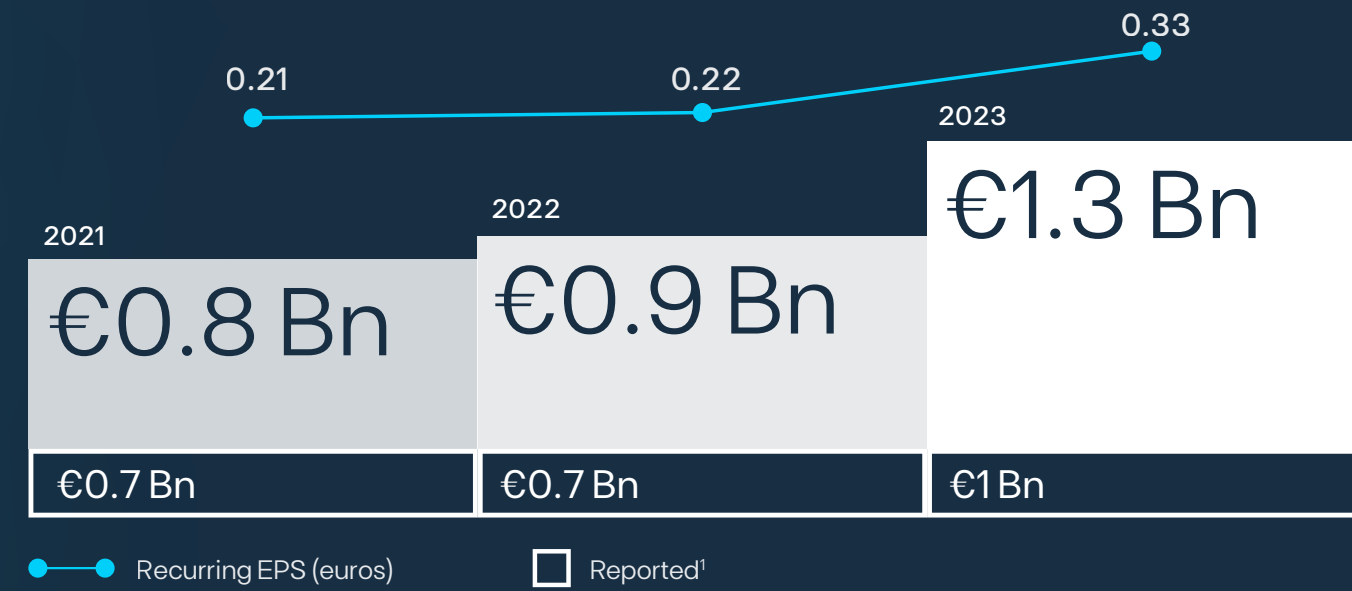
1 – Net profit attributable to EDP equity shareholders.

2 – Considers capex of EDP group, organic financial investment €288M (31 Dec 2022: €2,115M) and asset rotation -€2,020M (31 Dec 2022: -€1,967M).

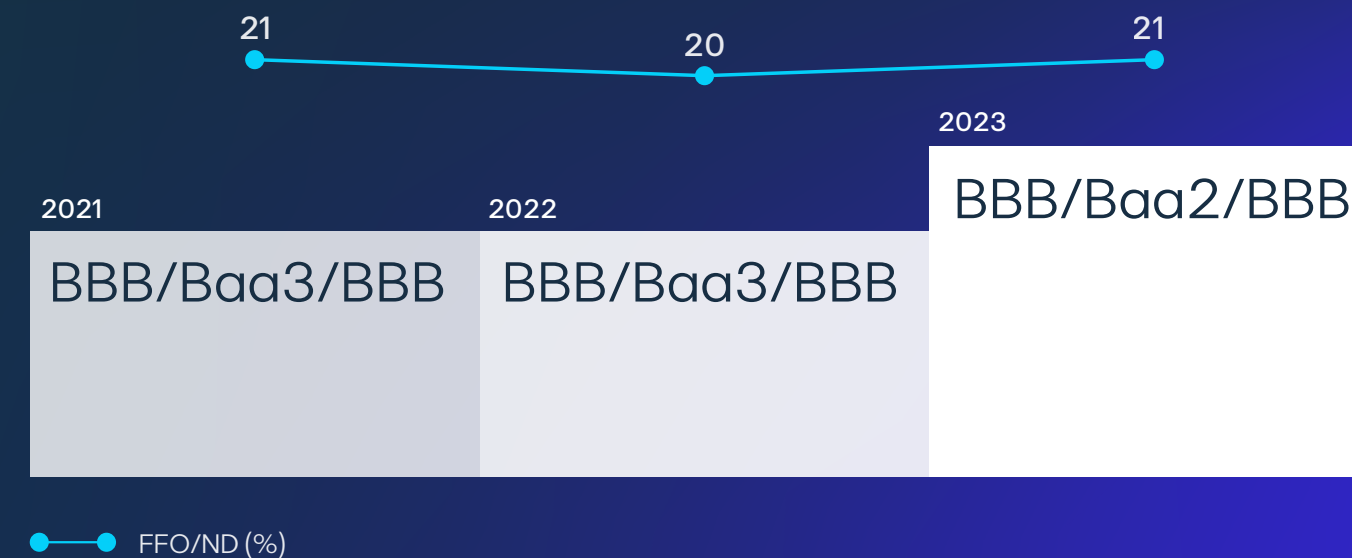
3 – Non-recurring adjustments in 2023: -€3m including at Hydro+Clients & EM Brazil the one-off related to loss on Pecém disposal (-€84m); including at Hydro+Clients & EM Iberia a gain at Aboño disposal (+€104m); at Wind & Solar the cancellation of Southcoast PPA, at Ocean Winds (-€10m) and others (-€13m). In 2022: +€1m, including net gain related with portfolio optimization in LatAm (+€4m) and HR restructuring costs (-€3m)

4 – Adjustments and non-recurring items impact at net profit level: In 2023 -€337m, including: i) Iberian conventional generation impairments and gains (-€32m), ii) EDPR impairments (-€130m), iii) Pecém impairment and loss (-€132m) and other impairments (-€24m); iv) other one-offs at EDPR (-€16m) and other at financial results level (-€4m). In 2022 -€192m, including: (i) impairments in thermal assets and other (-€154m), impairments in EDPR (-€41m); and others.

Net Profit Recurring⁴



Rating EDP (S&P/Moodys/Fitch)



Key metrics

Operational

24 GW

Renewable Installed capacity Equity + EBITDA
+8% vs 2022

9,171

Electricity and gas customers
-2% vs 2022

387

Distribution and transmission operating network ('000 km)
+1% vs 2022

56 TWh

Generation output
+25% vs 2022

86.4 TWh

Distributed energy
+1% vs 2022

ESG

81 gCO₂/kWh

SBTi: CO₂e emissions intensity (scope 1 and 2)
-50% vs 2022

96%

Total recovered waste
+2p.p. vs 2022

29%

Women employees
+1p.p. vs 2022

€26.2M

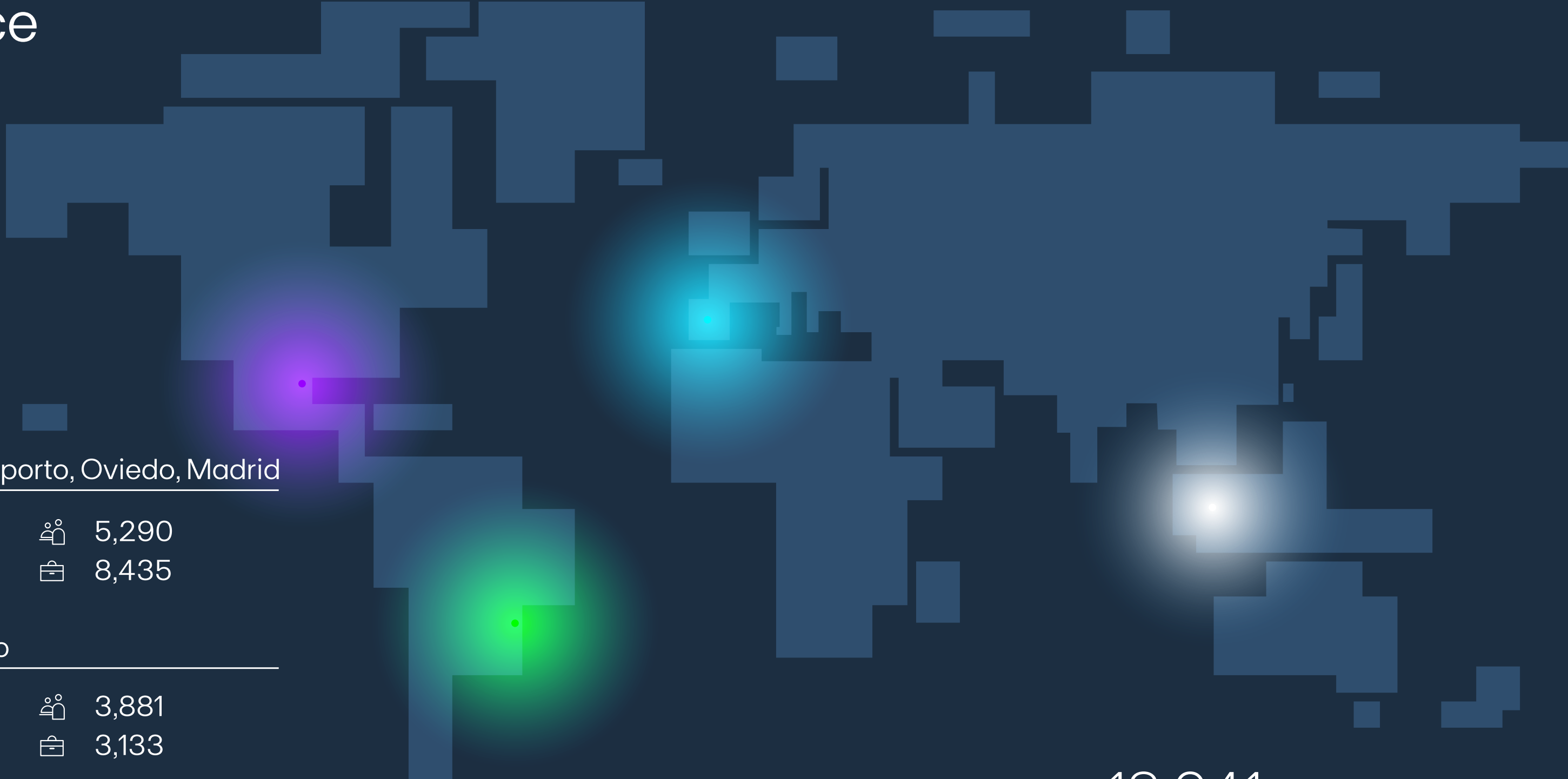
Global investment in communities
+32% vs 2022

62%

Suppliers compliant with ESG Due Dilligence

Global presence

Our Presence is structured around 4 regional hubs



Europe ● Lisbon, Oporto, Oviedo, Madrid

	11,522		5,290
	288		8,435

South America ● São Paulo

	3,200		3,881
	99		3,133

North America ● Houston

	8,405		1,073
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APAC ● Singapore

	950		400
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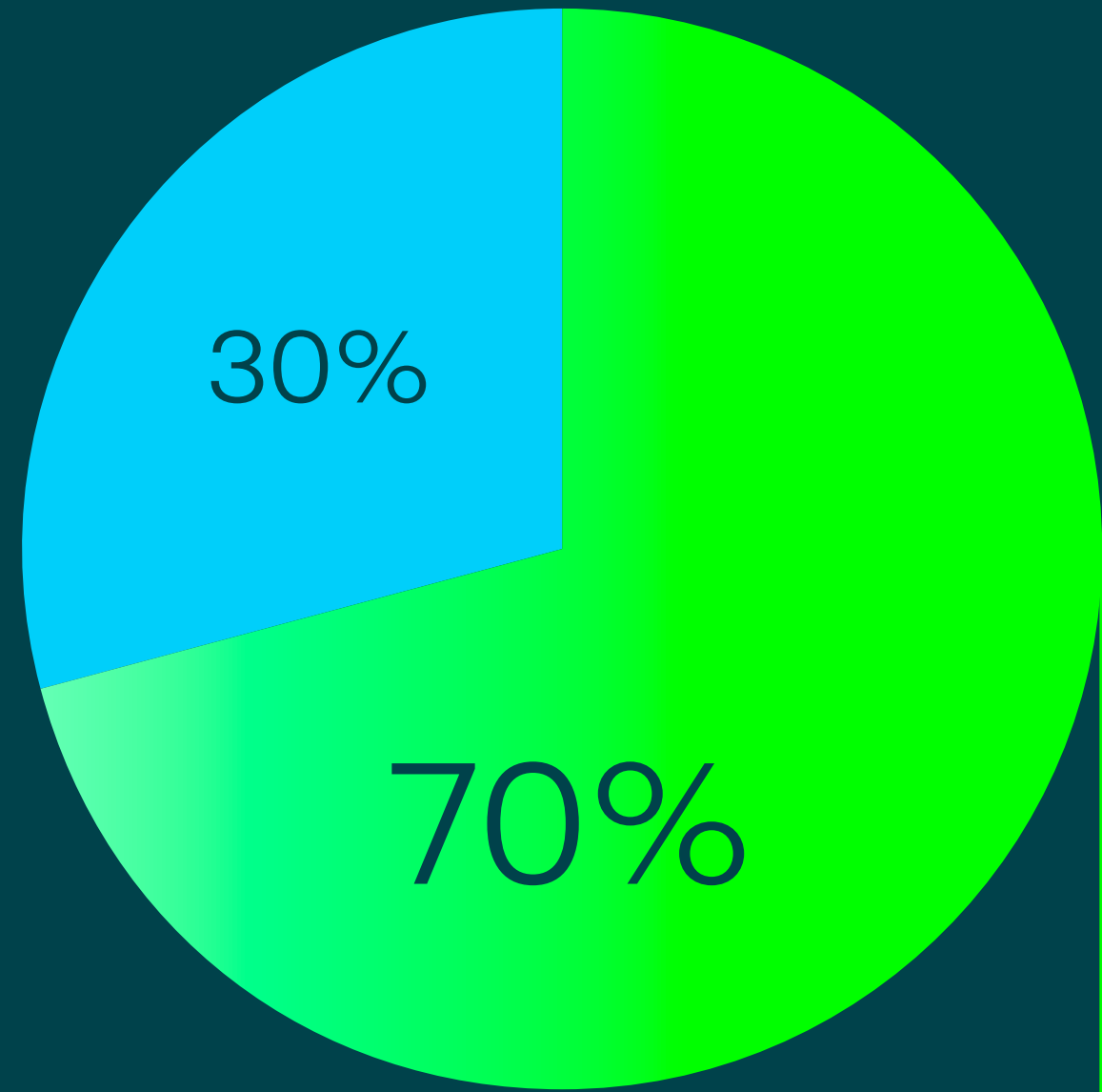
Solar Capacity (MW) Hydro Capacity (MW)
 Wind Capacity (MW) Networks ('000 km)
 Clients ('000 #) Employees (#) ●●●● Main offices

13,041 employees

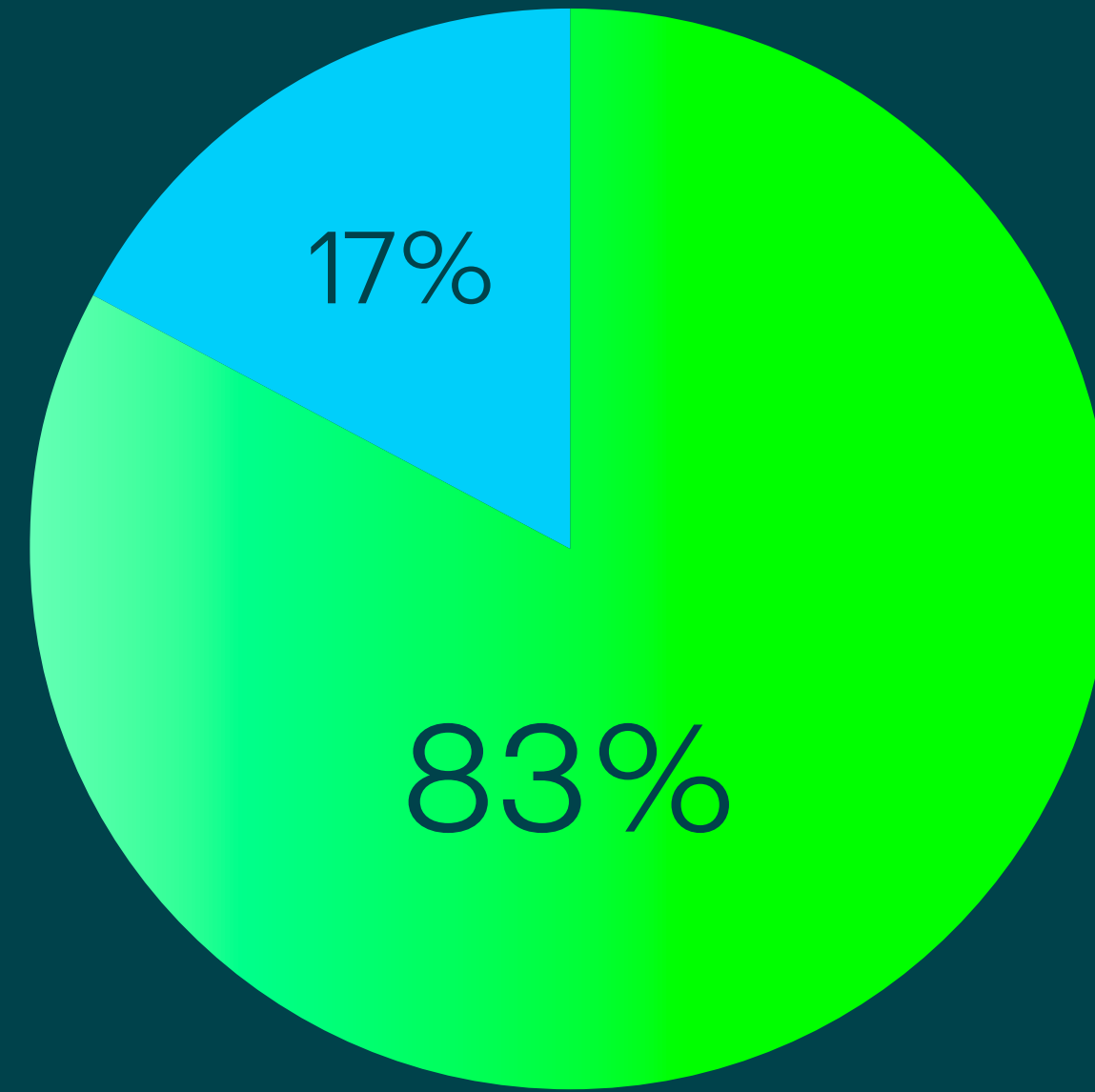
56 TWh

29 GW capacity installed

Business areas



EBITDA



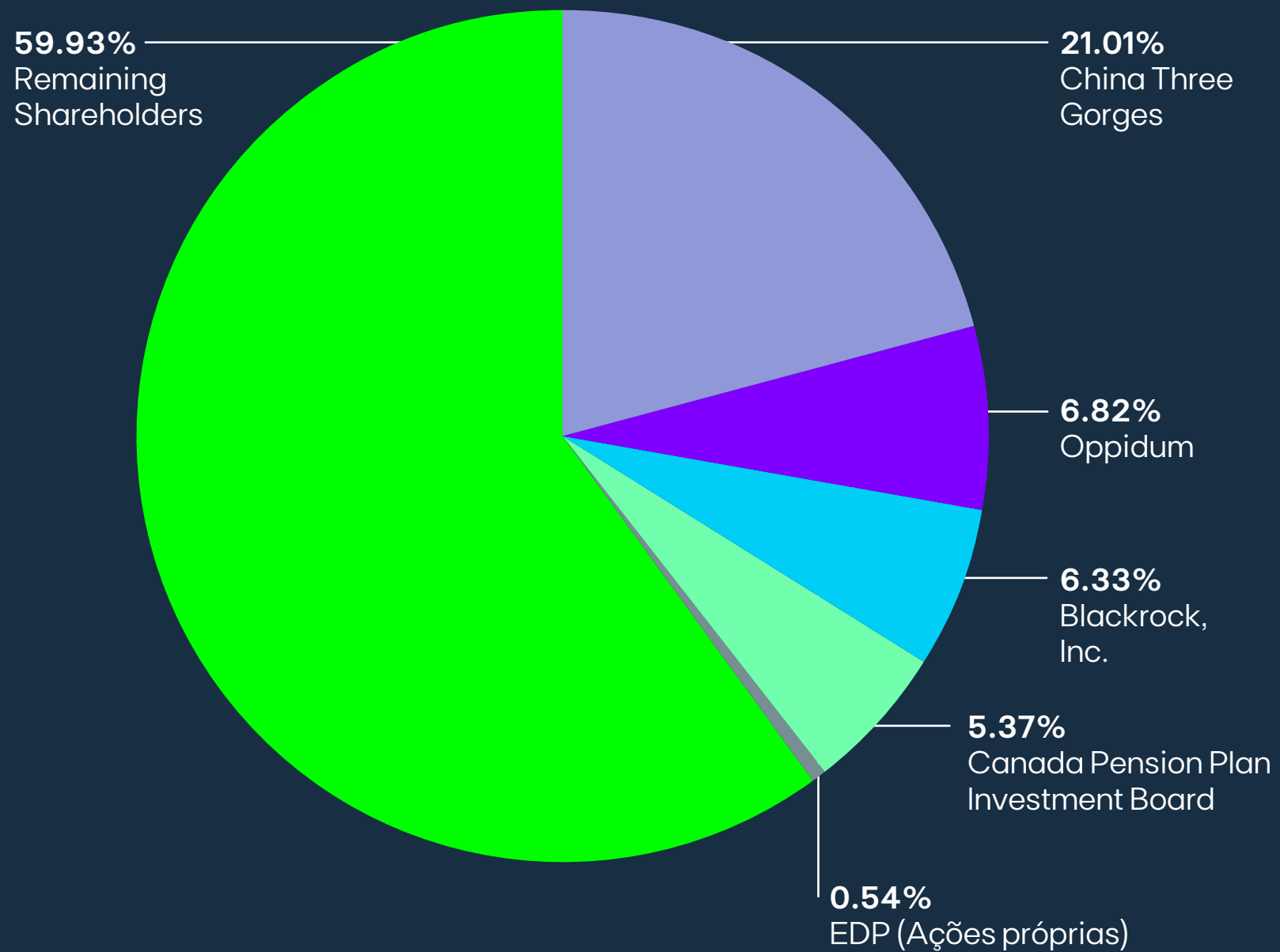
Capex

 Renewables, Clients & Energy Management

 Electricity Networks

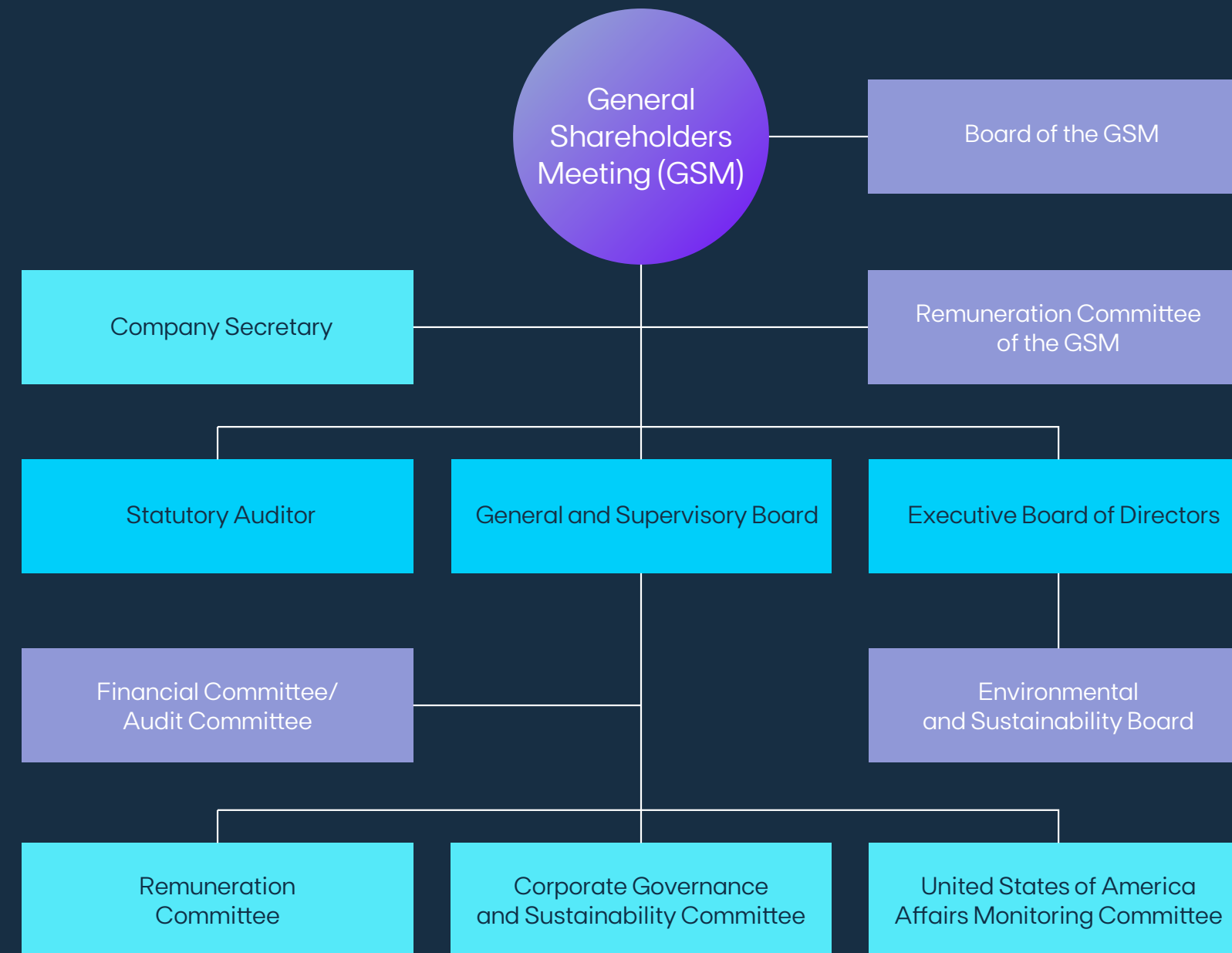
Shareholder structure

The share capital of EDP – Energias de Portugal, S.A. is 4,184,021,624 euros and is fully paid up, as provided for in article 4 of the Company Statutes, being represented by 4,184,021,624 shares with a nominal value of 1 euro each.



The volume of the Socially Responsible Investors (SRI) represent 30% of EDP's shares capital, slightly above 2022. 51% of the institutional investors are located in Europe being the rest located in United States (20%), Canada (12%), Asia (10%) and Rest of the World (8%).

Corporate governance



- Corporate Entities ¹
- Corporate Bodies
- Other Statutory Bodies

¹ Corporate Entities are also Corporate Bodies, pursuing the article 8(4) of EDP's Articles of Association.

Corporate bodies

Executive Board of Directors



Miguel Stilwell d'Andrade

- CEO EDP and EDP Renewables
- Networks
- Strategy, Legal & Governance, Internal Audit, Compliance, Ethics
- People & Organization and Communication



Rui Teixeira

- CFO EDP and EDP Renewables
- Finance, Planning & Control and Investor Relations
- Risk, Sustainability and Shared Services



Vera Pinto Pereira

- Head of Client Solutions
- EDP Foundation and Social Impact
- Brand and Safety, Security & Business Continuity



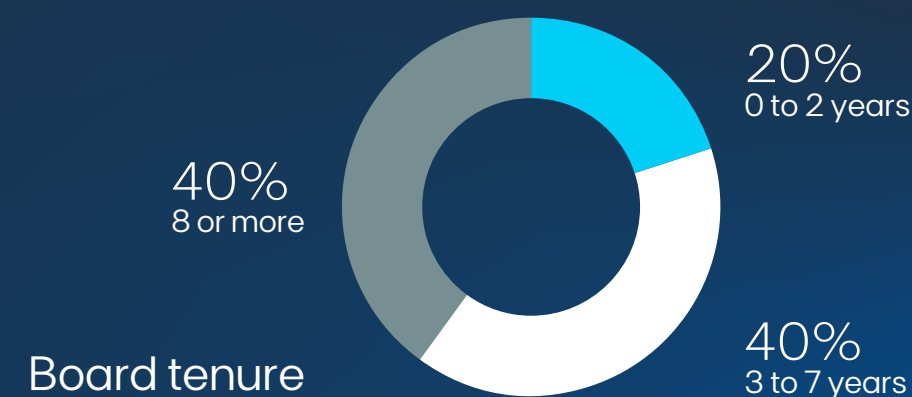
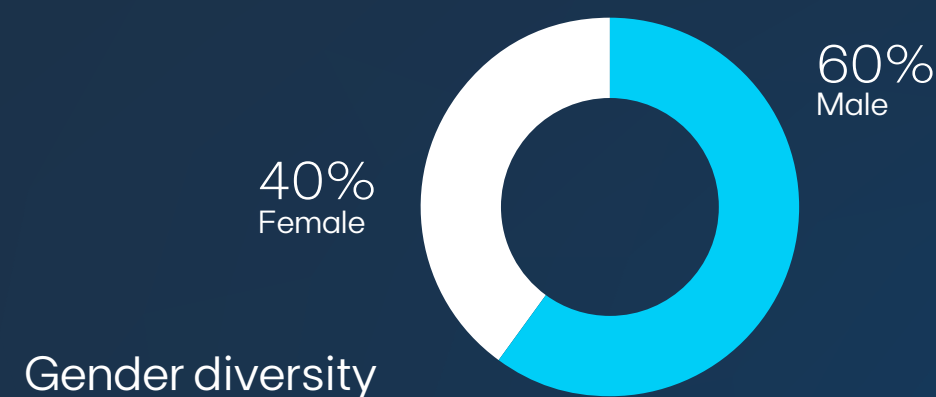
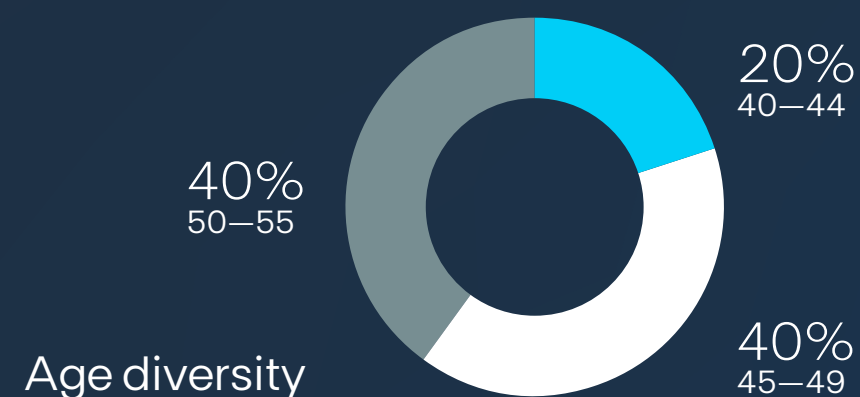
Ana Paula Marques

- Head of Conventional Generation
- Digital and Innovation
- Policy, Regulation & Stakeholders



Pedro Vasconcelos

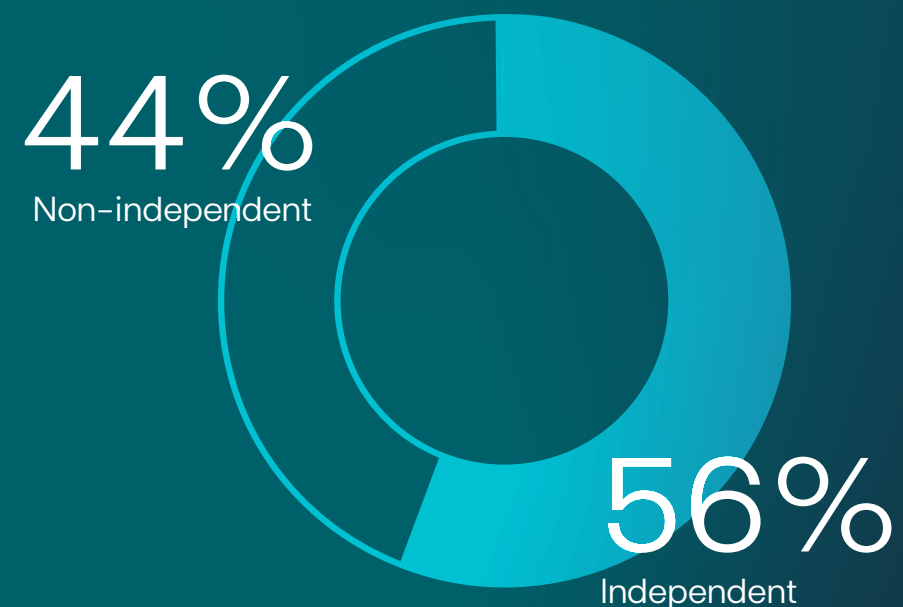
- Head of Global Energy Management
- COO EDP Renewables APAC
- Energy Planning



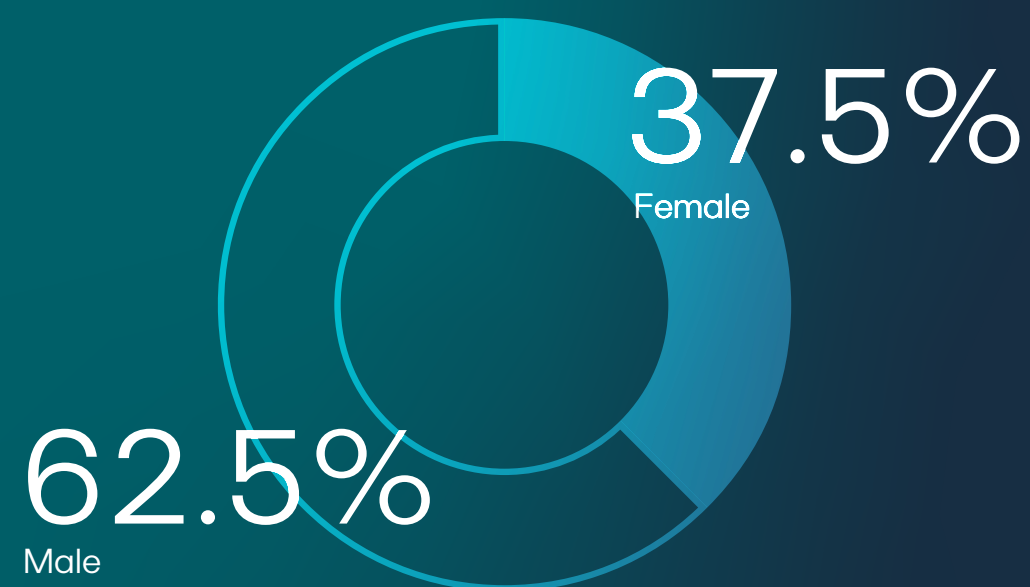
Corporate bodies

General and Supervisory Board

Status



Gender diversity



João Luís Ramalho de Carvalho Talone
Chairman



Dingming Zhang
China Three Gorges Corporation



Shengliang Wu
China Three Gorges International Limited



Ignacio Herrero Ruiz
China Three Gorges (Europe), S.A.



Zhang Hui
China Three Gorges Brasil Energia, S.A.



Miguel Espregueira Mendes Pereira Leite
China Three Gorges (Portugal),
Sociedade Unipessoal, Lda.



Felipe Fernández Fernández
DRAURSA, S.A.



Fernando Maria Masaveu Herrero



João Carvalho das Neves



Maria del Carmen Fernández Rozado



Laurie Lee Fitch



Esmeralda da Silva Santos Dourado



Helena Sofia Silva Borges Salgado Fonseca Cerveira Pinto



Sandrine Dixson-Declève



Zili Shao

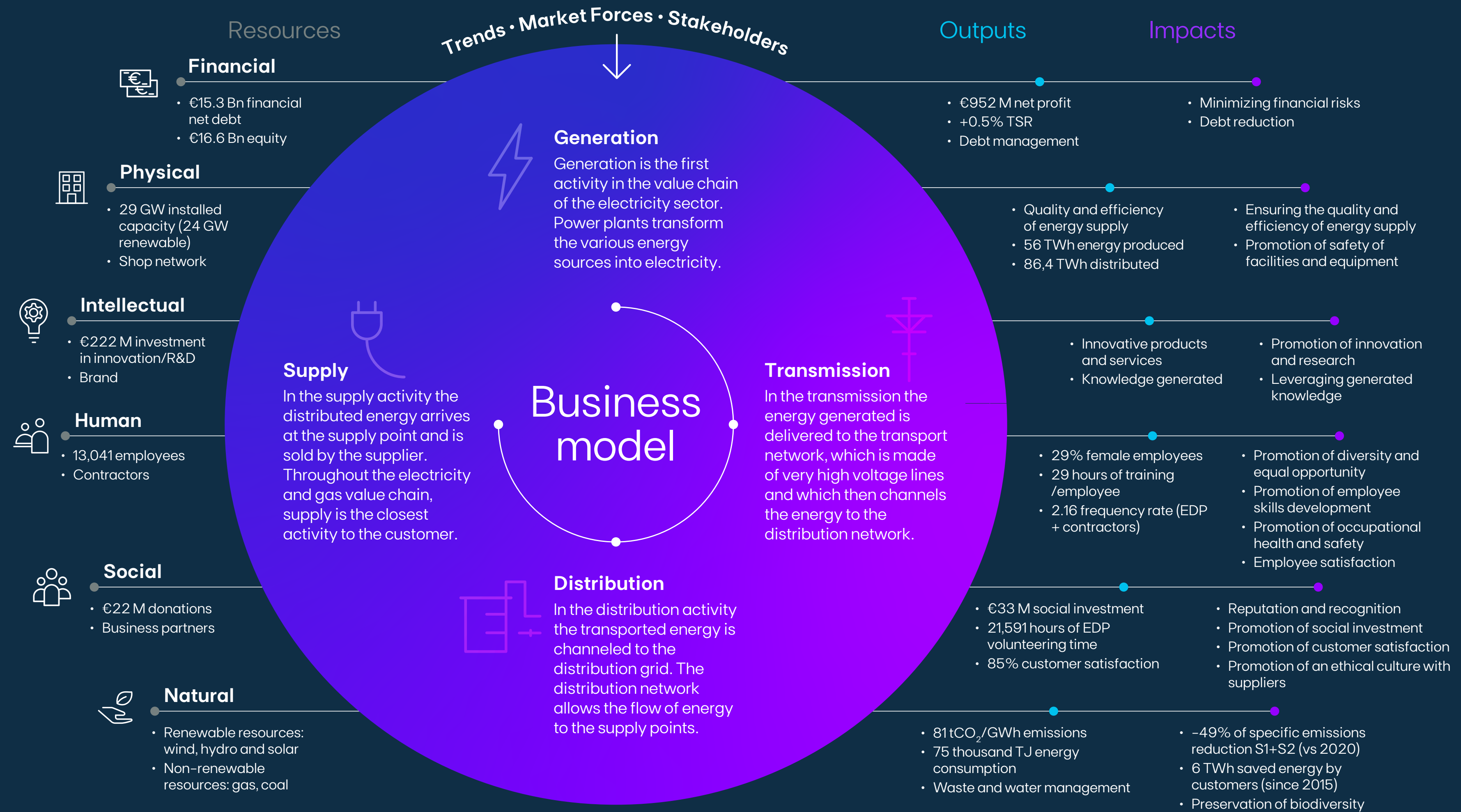


Luís Maria Viana Palha da Silva
Chairman of the General Shareholders' Meeting

Alternate Statutory Auditor

Pricewaterhouse Coopers & Associados – Sociedade de Revisores de Contas, Lda.
João Rui Fernandes Ramos

Aurélio Adriano Rangel Amado
Revisor Oficial de Contas Suplente



Stakeholder management

Stakeholder management is a strategic priority for EDP, following the ESG (Environment; Social; Governance) growing importance in the business world.

Engaging with stakeholders is an extremely demanding exercise for companies, that involves sharing information and being transparent in their relationship with society and, in particular, with all who are affected by their activities. EDP seeks to achieve this through four major interaction commitments: comprehend, communicate, trust, and collaborate.

EDP remains committed to preserving the excellence achieved in this area, constantly seeking to listen to its key stakeholders, adapting and improving its procedures, and incorporating different visions into its action plans.

As a result, in 2023, the EDP Group carried out a global and integrated study among several stakeholder segments in the regions where it operates, with more than 6,000 respondents. This exercise allowed EDP to assess stakeholders' global perception of the company and its role in leading the energy transition. Following the first global assessment conducted in 2021, there has been steady progress in perceptions and strong reinforcement of our global positioning.

EDP Group continues committed to achieving an excellent level regarding stakeholder engagement activities, designing new procedures, and global and unified approaches on its main markets, adapting it whenever necessary regarding cultural and social specificities.

EDP strongly believes this activity is key to enabling the implementation of the business plan, improving business success, anticipating risks, and also to create value for the stakeholders involved.

Position EDP as a global company at the forefront of the energy transition, increasing awareness in our key markets, and establishing long-lasting and trustful relations with our main stakeholders will continue to be our main purpose.

Stakeholders



Market

- Competitors
- Investors & Analysts
- Financial Entities & Tax equity investors
- Shareholders
- Assets Owners
- Market Agents



Value chain

- Employees & Unions
- Suppliers
- Partners
- Universities & Scientific Community
- Offtakers
- Business Associations
- Start-ups
- Clients



Democracy

- Governments
- Public Powers & Regulation
- Parliament & Political Parties
- Municipalities
- International Institutions & Associations



Social and local communities

- NGOs
- Landowners
- General Public
- Educational Institutions
- Media & Opinion Leaders

For more information see www.edp.com

We will be coal free

by 2025

Setúbal Thermoelectric
Power Station, Portugal

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Because
We Choose
Earth

2.1. Business Environment

2.1.1. General context 2023 overview

2023 was marked by efforts to recover from what happened in the previous years. After a global pandemic and the immediate effects of the war in Ukraine, the impacts on the global economy still last. The different global economies still struggle to get back on track and the energy sector is finding its way back to lower volatility.

While in 2022 inflation rates were at very high levels, 2023 was the year to start seeing more stable indexes. In the Eurozone inflation was 5.4% by 2023, a drop from 8.4% in 2022, while in the United States, it stood at 4.1% against 8.0% in 2022 (source: [Focus Economics](#)). Monetary policy measures played a big role in 2023, with consecutive increases in interest rates both by the European Central Bank and by the US Federal Reserve. The higher cost of capital creates a challenging environment for investors, cautiously considering where to put their money next.

In 2023 the energy sector recovered from the environment of uncertainty and high volatility from 2022. Coal annual average prices decreased more than 55% in 2023, as API#2 – a widely used European price reference for coal – was around 129 \$/ton compared to 290 \$/ton in 2022.

The Brent price was somewhat stable during the first half of 2023 but following cuts in Saudi Arabia, Russia, and OPEC+ countries production, it reached the maximum of 95.4 dollars per barrel (\$/bbl) by September. The year ended with an average price of 83 \$/bbl, a lower reference compared to the 101 \$/bbl of 2022.

There was a significant decrease in gas prices, as Henry Hub – reference index in the US – reached an average price of 2.5 dollars per million British thermal units (\$/MMBtu), 54% lower than the previous year. The European reference gas index (TTF) price at the beginning of the year was 63 €/MWh (average price in January) but started to decrease to the range of 30–45 €/MWh as EU gas storage reached a level of 86% at the end of the year. The TTF had an average price of 41 €/MWh in 2023, almost three times lower than the 2022 price of 121 €/MWh.

In Europe, the reference carbon price of the European Emissions Trading System (ETS) was on average 84 €/ton in 2023, a slight increase from the 81 €/ton average price in 2022.

Having a sustainable and secure energy system is a clear priority to many countries, after everything that happened in 2022. Accelerating the energy transition is on the political agenda of so many countries, as well as on the strategic plans of private sector corporations. Throughout the year 2023, several policies were put in place, with the main focus of boosting investors' confidence back and strengthening industries' competitiveness, so that economies can keep on recovering and businesses have a favourable environment to strive.

Global warming in 2023

2023 has become the warmest year on record, according to the European Earth Observation Programme, "Copernicus". Unprecedented global temperatures from June onwards led 2023 to become the hottest year since we have registers, overtaking 2016, the previous warmest year. In the past months, global temperatures were 1.48° C warmer than the 1850–1900 pre-industrial level and therefore, close to the 1.5° C limit agreed upon in the Paris Climate Agreement. According to the report, it is likely that a 12-month period ending in January or February 2024 will already exceed the 1.5° C threshold.

The Intergovernmental Panel on Climate Change (IPCC) made a call in March 2023 for urgent climate action, as the planet seems to be at an inflection point regarding climate change, as chances to keep the 1.5° C temperature goal are narrowing. According to the report, limiting global warming to 1.5° C, requires a peak of emissions before 2025, and reducing them by 43% by 2030, 60% by 2035 and reaching net-zero in early 2050.

Global warming has already caused devastating disruptions in ecosystems, populations and economies all around the globe, and impacts seem to be increasingly catastrophic. The year 2023 was no exception and important climate-related events caused widespread damage all around the world. In Libya, and Turkey, torrential rains fell in volumes rarely seen, leading to devastating floods. China was hit by the Doksuri Typhoon, one of the strongest storms in years, that caused significant rainfall and flooding across the country. Extreme hot and dry conditions led to a large number of catastrophic wildfires all around the globe, including Greece (that experienced the largest wildfire ever seen in Europe), Canada, South America and Australia, among

others. On the other hand, record droughts were recorded in different regions, including the Amazon rainforest, Mexico and western Africa.

Climate negotiations: 28th Conference of the Parties of the UNFCCC (COP 28)

The 2023 United Nations Conference of the Parties (COP) took place in Dubai, in the United Arab Emirates (EAU) from 30 November to 12 December.

For the first time, countries agreed on the need to “transition away from fossil fuels in energy systems” in a “just, orderly and equitable manner” to achieve net-zero by 2050. This was the main conclusion to the first Global Stocktake (the inventory on global climate action and support that informs the updates to countries’ Nationally Determined Contributions or NDCs). However, the deal did not include concrete actions and no timescale was specified. Besides, given the omission of the terms “phase-out” or “phase-down” could be a sign of lack of ambition according to some countries.

Countries home to at least half the world’s renewable energy capacity also signed a pledge to triple the world’s renewable energy capacity by 2030 to at least 11 TW and double global energy efficiency improvement rates from around 2%/year now to more than 4%/year by 2030. The renewables’ target will require an unprecedented acceleration in renewables’ deployment, although according to the International Energy Agency, it is an “ambitious, yet achievable goal”.

Directive EU/2018/2001 for the period 2020–2030, was revised in 2023. The revised Renewable Energy Directive, the so-called “RED III” was published on 31 October 2023 and entered into force 20 days later.

The RED III aims to increase the share of renewable energy in the EU’s overall energy consumption to 42.5% by 2030, with a further indicative target of 2.5%. To achieve this target, the Directive calls for an acceleration of permitting procedures and sub-targets on the industry, transport and buildings sectors are also imposed.

Regarding the acceleration of permitting procedures, the Directive includes measures to considerably speed up permitting for new projects. A key measure is the definition of so-called “Renewable acceleration areas” that have to be defined by Member States (MS), and in which renewable projects will benefit from shorter and simplified permitting processes. In particular, renewable energy sources (RES) projects (or collocated energy storage facilities) in these areas will be exempted from the Environmental Impact Assessment and permitting times shall not exceed one year (two years for offshore projects) and six months for repowering of plants and for new installations with an electricity capacity of less than 150 kW. Outside such areas, the process should not exceed 24 months. The Directive furthermore mandates that the lack of an answer from the administration within the prescribed deadlines will result, in some cases, in tacit approval of the specific administrative step. Under the new Directive, the deployment of RES will also be of “overriding public interest” limiting the grounds of legal objections to new installations.

Member States must transpose the RED III to national law by mid-2025.

Wind Power Package

The European Commission launched the so-called “Wind Power Package” (WPP) in October 2023, which aims to accelerate the roll-out of wind energy in Europe and to strengthen the competitiveness of European wind energy manufacturing. The WPP tackles specific challenges faced by the European wind power sector, such as the uncertain demand for wind turbines, high inflation, shortages and increasing costs of raw material costs, and slow and cumbersome permitting processes. The final goal is to achieve the 420 GW of wind energy that the REPowerEU targets by 2030.

The WPP proposes a Wind Power Action Plan which sets out 15 concrete and immediate actions, structured in 6 key pillars.

European Energy Policy

Renewable Energy Directive

The Renewable Energy Directive is the legal framework for the development of clean energy across all sectors of the EU economy. Given the need to speed up the European clean energy transition as mandated in the “Fit for 55” package, the Renewable Energy



Some measures aim at accelerating the deployment of wind through an increased predictability and faster permitting, with a strong emphasis on the digitalisation of national permitting processes.

The WPP also aims at improving auction design. MS will ensure auction prices are indexed to reflect increases in costs and will use prequalification criteria in critical areas such as cybersecurity. The WPP also calls for an increased visibility through wind pledges, publication of the mid-term auction schedules and of long-term plans for renewables deployment.

Access to finance is another key pillar. The EC aims to double the EU Innovation Fund budget for clean technologies and to increase support for wind-related activities in the revised Strategic Energy Technology Plan (SET Plan) focusing on research and innovation in the wind manufacturing sector. On this regard, the EC launched a €4bn call under the Innovation Fund with grants aimed to support investment in clean tech manufacturing. Likewise, the European Investment Bank changed its lending rules to support factory investment and launched a new €5bn counter-guarantees scheme for wind turbines manufacturing.

To ensure commitment from Member States, a dedicated Wind Power Charter was released in December 2023, and was signed by 24 Member States and endorsed also by Bulgaria and Croatia and more than 300 companies from the wind energy sector (such as EDP Renewables).

Market Design Reform

Throughout the year 2023, the EU worked on the electricity market design reform, and in December 2023 the proposal was approved. This reform intended to build an energy system based on clean technologies, while at the same time promoting a competitive environment for businesses and a stable price setting for consumers.

To reach such goals, different proposed measures are moving forward, some of them highlighted here:

- investments in new generation such as wind, solar, geothermal, hydro without reservoir, and nuclear, will be backed through public support in the form of two-way contracts for difference, or an equivalent scheme
- member states shall provide public guarantees to promote new renewable power purchase agreements under certain conditions

- suppliers (with more than 200 thousand customers) will be obliged to offer fixed-term and fixed-price contracts with a duration of at least 1 year
- member states may apply flexibility support schemes to non-fossil technologies, including storage and demand-side response, in the form of capacity payments.

Net-Zero Industry Act

The Net Zero Industry Act was published in March 2023 to strengthen European manufacturing capacity and promote measures to overcome barriers to the scaling up of such capacity. Some specific targets were set to achieve these outcomes, namely increasing the production of zero-impact technologies, in order to meet at least 40% of the EU's annual needs for the deployment of strategic zero-impact technologies by 2030. Solar photovoltaic, onshore wind, offshore wind, batteries, and electrolyzers are some of the technologies among the list considered in this Act.

To ease conditions and stimulate investment, this legislation sets several proposals, namely:

- accelerating permitting and lowering the administrative burden to the implementation of net-zero technology manufacturing projects
- facilitating market access, for example, by including sustainability and resilience criteria for public procurement and auctions
- attracting investment through the Net-Zero Europe Platform and the EU Hydrogen Bank and
- fostering innovation through the creation of regulatory sandboxes.

Critical Raw Materials Act

Clean technologies rely heavily on critical materials, and so the demand for these is expected to rise significantly in the coming years. To secure the supply of strategic raw materials, the European Commission proposed in March 2023 the Critical Raw Materials Act. The legislation identifies a list of strategic raw materials that are needed for key technologies, which in turn are critical for the EU to pursue its green ambitions and goals.

The Act sets a target of having no more than 65% of the EU's annual consumption of each strategic raw material at any relevant stage of processing from a single third country by 2030. By diversifying the supply chains, the EU will be able to mitigate the risk of external dependencies.



The legislation is in provisional agreement by the Council and the Parliament, and it sets the following non-legally binding targets:

- at least 10% of the EU's annual consumption of strategic raw materials, by 2030, must come from internally conducted extraction
- at least 40% of the EU's annual consumption of strategic raw materials, must come from internally conducted processing, by 2030
- least 25% of the EU's annual consumption must come from internally conducted recycling, by 2030.

US Energy Policy

The Inflation Reduction Act, which came into effect on January 1, 2023, is the most significant legislation in the history of the United States. It aims to provide funding, programs, and incentives (such as tax credits) to accelerate the transition to a clean economy. This is intended to reduce the costs of renewable energy for organizations, NGOs, businesses, and academic institutions. The Treasury has informed how investment tax credits will apply to offshore wind and batteries, while also detailing how domestic content and apprenticeship tax credit-adders can be applied. The Department of Energy (DOE) has announced 3.5 billion USD to boost domestic production of batteries, 1.3 billion USD for transmission expansion, and various smaller grants for equal justice and innovation projects focusing on low-income and coal communities.

The Federal Energy Regulatory Commission (FERC) published Order No. 2023 on September 6, 2023. This rule will go into effect on April 3, 2024, and is meant to both reduce backlogs of projects seeking to connect to the transmission system and provide more concrete deadlines throughout the process. The rule will adopt a cluster study approach for examining grid upgrades and additions rather than studying individual proposals.

The Environmental Protection Agency (EPA) proposed greenhouse gas emissions limits for coal- and gas-fired power plants in May 2023. The limits vary based on plant size, whether they are existing or new, and how often they are online. These proposed limits would require the affected plants to either add carbon capture technology, co-fire with 'green' hydrogen, or retire. These rules are not yet final and there has already been pushback from various states, Independent System Operators (ISO) and Regional Transmission Organizations (RTO), citing reliability concerns. It is expected that the final version issued by the EPA will undergo heavy legal scrutiny.

2.1.2. The evolution of renewables around the world in 2023

According to the International Energy Agency (IEA), in 2023, the amount of renewable energy capacity added to energy systems grew by 50% globally compared to the previous year, marking the fastest growth rate in the last two decades, with an estimated addition of 507 GW. Photovoltaic energy contributed to one-third of the global capacity increase. The IEA expects an even faster growth in the next 5 years, increasing the chances of achieving the goal of tripling renewables' global capacity by 2030 as agreed at the COP 28 Climate Change Conference. According to the IEA, solar PV and wind will account for 95% of global renewable additions through 2028. Supportive policy environments and the improving economic attractiveness of these two technologies remain the most important drivers behind the expected growth.

The astonishing renewables growth in 2023 was mainly driven by China, that installed as much solar PV as the entire world did in 2022. The growth was also supported by all-time records of new renewable additions in Europe, the US and Brazil.

Wind

According to IEA estimations, global wind additions could have reached 108 GW in 2023. This would represent, the highest figure ever seen, and the first time the wind sector surpasses the 100 GW threshold. Long-term fundamentals remain strong for the coming years, and supportive policies in China, the US and Europe in particular, are expected to boost wind additions in the coming years. However, short and medium-term challenges in project execution remain.

New installations in China could have hit a record and grow to 59–65 GW¹ as provinces are accelerating to meet the targets set out in their five-year plans. India could have commissioned more than 3 GW of new wind projects, the highest figure since 2017.

In the US, new installations have grown at a moderate pace, with around 7–9 GW built in 2023. Although developers seem to be taking advantage of new tax credits from the Inflation Reduction Act, it still takes time to bring projects online. At the end of Q3 2023, nearly 147 GW of onshore wind were operating in the US, according to the American Clean Power Association (ACP). Additions are expected to pick up in 2024.

¹At the time of preparation of this report, final data from the Global Wind Energy Council (GWEC), the American Clean Power Association (ACP) or Wind Europe, had not been released. Experts consulted include IEA, S&P, Bloomberg New Energy Finance, Wood MacKenzie

²Data from the German Wind Energy Association (BWE)

³Data from the National Electricity Energy Agency (ANEEL)

The European Union built a record 17 GW of new wind capacity in 2023, according to preliminary data from Wind Europe. Wind energy is expected to be a fundamental piece of Europe's clean energy transition, but these figures are still well below the required capacity to hit the 2030 target (30 GW/year). Particularly, onshore wind energy still faces some significant obstacles contributing to the observed delay, namely difficulties in obtaining licensing, network restrictions, and increased production chain costs.

Germany was the largest market, followed by the Netherlands and Sweden. Germany² installed 2.9 GW of onshore wind power in 2023, more than the previous year (2.4GW). In addition, around 7 GW were approved in 2023 and 6.4 GW awarded in tenders, figures never seen before.

Spain commissioned 1.6 GW of onshore wind facilities, a very promising figure but still below the 4 GW per year that would be necessary to reach the 63 GW 2030 wind target proposed in the National Energy and Climate Plan (NECP) submitted to the European Commission for approval.

In Latin America, Brazil remains the largest wind market, with expected record additions of around 4.9 GW³. This growth could bring Brazil's total installed capacity to nearly 28 GW, making it the country's second-largest generating technology, after large-scale hydro.

Regarding offshore wind, around 12–14 GW of new offshore installed capacity were globally added in 2023, surpassing the 2022 figure (9 GW). Rising costs and supply-chain bottlenecks have hindered the industry, resulting in project delays and cancellations. China remains the main market, with around 7–8 GW installed.

According to Wind Europe preliminary data, Europe (including the UK) installed 4.2 GW of offshore wind capacity, up 40% from 2022. Netherlands led offshore, as it commissioned the 1.5 GW Hollandse Kust Zuid wind farm, the world's largest operational wind farm, followed by UK and France.

Solar PV

2023 is on course to become another record-breaking year for solar PV, with the IEA forecasting around 373 GW of new installed capacity, a 63% increase compared to 2022. This shows the enormous growth potential of the technology, continuously breaking



records in the last years. All solar PV segments have witnessed considerable growth in 2023. According to experts, around 55% of new solar PV capacity would be utility-scale projects and the remaining ones small-scale (mainly residential and commercial systems).

China could have added between 180 and 200 GW of solar PV capacity, according to data released by the National Energy Administration (NEA). The growth was supported by China “30-60” goal of reaching peak emissions by 2030 and net zero by 2060. Other major markets in Asia include India (≈10 GW expected), Japan (≈8 GW) and the Republic of Korea (≈3.5 GW).

In the US, approximately 31-33 GW of solar PV capacity could have been added in 2023, according to analysts consulted⁴. Solar PV is the fastest-growing source of electricity in the US, making up almost half of all new power capacity in the first three quarters of 2023. According to the American Clean Power Association, more than 83 GW of solar PV were operating at the end of the third quarter of 2023.

The EU installed a record 56 GW of solar capacity in 2023, well above the 40 GW added the previous year, according to SolarPower Europe. In 2023, Germany returned to the top spot with 14.1 GW of new capacity, followed by Spain with 8.2 GW, Italy with 4.8 GW, Poland with 4.6 GW and the Netherlands with 4.1 GW. In Central and Eastern Europe, Czech Republic, Bulgaria, and Romania crossed the 1 GW threshold for annual solar additions.

In Latin America, Brazil is expected to remain the main market in 2023, with around 12 GW installed, according to the Solar Association ABSOLAR.

Storage

Energy storage systems allow energy consumption to be separated in time from the production of energy. Electricity storage and, more in particular, Battery Energy Storage Systems (BESS), are a key tool in achieving a low-carbon future, as they allow to accommodate larger shares of variable renewables (typically wind and solar PV) allowing to achieve a greater system flexibility. Batteries can not only shift excess renewable energy to hours when there is less production, but they can also provide a wide range of services to the system, such as frequency response, reserve capacity, black-start capability among other grid services. In addition to providing grid stability services, BESS could also be used by TSO and DSOs to defer costly grid investments. All in all, BESS can be a valuable tool to

reduce curtailment, an increasingly important challenge in countries with high renewables’ penetration.

Batteries offer enormous deployment and cost reduction potential, according to analysts. In that sense, utility-scale battery storage deployment is already happening on a very large scale, and its capacity is expected to increase nearly 85-fold by 2050⁵.

However, many challenges lie ahead. On the one side, BESS supply chains are today highly geographically concentrated. According to the IEA, China concentrates around 75% of the manufacturing capacity, and the share is not expected to significantly decrease in the next years. Therefore, countries need to diversify supply chains and/or develop industrial strategies for batteries’ manufacturing. The access to critical minerals, essential for BESS production, is also a key challenge for most of the countries.

On the other side, regulatory and market conditions are not always well-suited to compensate batteries for all the services they can provide, and in most of the countries BESS projects are not attractive to investors. Therefore, it is important to enhance the returns they can yield, monetizing positive externalities and minimizing the risks associated with the projects. This can be achieved through different options including: (i) allowing BESS participation in capacity markets (which need to provide long-term contracts) (ii) designing ancillary services well-suited for BESS (iii) allowing BESS participation in auctions (standalone or paired with renewables), (iv) granting aids or grants when necessary and (v) enabling the PPA market.

⁴ Experts consulted include IEA, SEIA (Solar Energy Industries Association), American Clean Power Association, S&P, Bloomberg New Energy Finance, Wood MacKenzie

⁵ Source: IEA (WEO 2023) according to the data of the Stated Policies Scenario (STEPS)

2.1.3. Regulatory Framework

Renewables, clients & energy management

Renewables

Belgium

- Green certificate scheme (GC)
- Wind farms receive market price plus GCs per MWh produced.
- Number of GC/MWh (kECO) for new plants' contracts was revised in 2019, 2021, 2022 (exceptional update) and 2023
- Last update (Dec-22, for 2023 onwards) the kECO decreased from 0.52 to 0 GC/MWh due to high electricity prices
- The minimum price for GCs is set at 65€/GC in Wallonia.

Poland

- Electricity price can be established through bilateral contracts
- Wind farms commissioned before 2018 are supported through a Green Certificate scheme (GC). Wind receives 1 GC/MWh during a 15-year period. Electricity suppliers have a substitution fee for non-compliance with GC obligations
- Since 2018, wind farms are supported by 15-year two-side Contracts-for difference awarded through auctions.

Italy

- Wind farms in operation prior to 2012YE are under a feed-in-premium scheme applicable during the first 15 years of operation
- Wind farms commissioned from 2013 to 2017 are supported by a 20-year floor CfD scheme, awarded through competitive auctions
- Since 2017, wind farms are supported by a 20-year two-side CfD scheme.

Portugal

- Wind farms commissioned before 2006 are subject to a Feed-in-tariff (FiT) whose value is correlated with production and indexed to CPI. Initial tenure was the soonest of 15 years (or until 2020) or 33GWh/MW but it was increased 7 years (tariff extension) with a cap and floor scheme in exchange of annual payments between 2013 and 2020
- Wind farms under the new regime (COD after 2006) are subject to a FiT for the soonest of 20 years from COD of 44 GWh/MW. Tariff value is also indexed to CPI
- Since 2019, solar projects are awarded following a new auction system
- Floating PV projects awarded in 2022 auction has a 15 years CfD contract with a negative strike price (the original project pays for injecting the energy in the grid in exchange of securing grid capacity that can be used by over equipment and hybrid).

Spain

- Under RD 413/2014, wind energy projects receive pool price and a premium per MW in order to achieve a target return defined by regulation
- RDL 17/2019 has set the target return (TRF) @7.398% for WF's prior to 2013 for the next two regulatory periods (until 2031) and @7.09% for new installations for the current regulatory period (until 2026)
- Premium calculation is based on standard assets (standard load factor, production and costs)
- Since 2016, all the new renewable capacity is allocated through competitive auctions.
- In 2020, RD 960/2020 defined the framework for a new auction mechanism
- Since 2021 several auctions have taken place to grant the new scheme.

Colombia

- Colombian wind farms are awarded 15-year contracts through competitive pay-as-bid auctions. Contracts are signed with distribution companies
- Additionally, Colombian wind farms must secure reliability charge contracts, which provides a monthly payment in exchange of having part of their capacity available when the system is under tight supply conditions.

Brazil

- Old wind farms receive support under a feed-in program ("PROINFA")
- Since 2008, competitive auctions award 20-year PPAs to winning projects

- Electricity may also be sold under private PPAs.

France

- Old wind farms receive Feed-in tariffs for 15 years, with values depending on their COD and load factors achieved
- A transitory Contract-for-difference scheme was released in December 2016 in which wind farms having requested a PPA in 2016 would receive a 15-year CfD, being the strike price very similar to the previous FiT. This scheme was closed in December 2019
- From 2017 onwards:
 - Wind farms with 6 wind turbines (or less, and with 3MW/WTG maximum) can request a 20-year CfD which strike price ranges from 72€/MWh to 74€/MWh depending on turbine's diameter and may include a FiT reduction when a yearly generation cap is reached. Since April 2022, additional tip height restriction (below 132m) has been implemented
 - Wind farms not eligible to CR17 need to participate in competitive tenders in order to obtain a 20-year CfD
 - A new set of rules ("Cahier des Charges") that will govern auctions (both technology-specific and neutral) from H2 2021 until 2026 were published in August 2021

Romania

- Wind assets (installed until 2013) received 2 GC/MWh until 2017 and 1 GC/MWh after 2017 completing 15 years:
 - 1 out of the 2 GC earned until March 2017 is postponed and can only be recovered gradually from January 2018
- Solar assets received 6 GC/MWh for 15 years:
 - 2 out of the 6 GC earned until December 2020 are postponed and may only be recovered gradually from 2025
- GC are traded in the market under a cap and floor system (cap 35.0€ and floor €29.4€)
- Wind assets (installed after 2013) receive 1.5 GC/MWh until 2017 and 0.75 GC/MWh afterwards until completing 15 years
- Solar PV facilities (installed after 2014) only receive 3 GC
- The GCs issued after April 2017 and the CGs postponed to trading from July 2013 will remain valid and may be traded until March 2032.

Greece

- Renewable projects in Greece are supported by a 20-year feed-in premium (Contract-for-Difference) awarded through auctions
- In 2022, Greece launched a new support system, based on two-way contract-for-difference contracts, awarded through auctions:
 - For both onshore wind and solar installations, support will be awarded through a joint competitive tendering procedure, with minimum reserves per technology of 30%

Hungary

- Renewable projects before 2016 benefited from a feed-in tariff scheme ("KÁT system")
- In 2016 the FiT was closed to new projects and replaced by a new support system ("MÉTAR system") consisting of 15-year Contracts-for-Difference granted through technology-neutral tenders.

Chile

- Technology-neutral auctions, for renewable and non-renewable technologies award 15-year power purchase agreements with distribution companies
- Large non-regulated customers can also enter PPAs directly with generators or organize a public auction.

UK

- Since 2013, renewables are supported through a 15-year two-way Contracts-for-difference, awarded through auctions, that have progressively replaced the former Green Certificate scheme:
 - the "established technologies" which include onshore wind and solar PV, compete for budgets in each allocation round. Less mature technologies have a separate "pot" of allocated budget. For the first time, in 2023 auction, offshore will compete with mature technologies.

Vietnam

- Onshore wind projects were supported under two different Feed-in-tariff regimes:
 - projects were granted a 20-year PPA with EVN, the state utility
 - as the latest feed-in-tariff was closed for new projects, a new support scheme is expected to be released soon - most likely, competitive auctions will be introduced



- Solar PV projects have also been remunerated under two different feed-in-tariff regimes and the government is also planning to introduce a pilot auction program
- FiT schemes are no longer available; however a transitional scheme has been published for renewable projects that had a FiT signed but failed to COD on time. Transitional scheme would be subject to a price negotiation with EVN.

Singapore

- No support is given to large-scale renewable energy
- Solar PV development is mainly incentivized through public agencies tenders like the SolarNova programme or JTC tenders :
 - Solarnova was launched in 2014 by the Housing Development Board (HDB). It aggregates demand for solar PV across some government agencies buildings to achieve economies of scale. Since 2014, 8 SolarNova tenders have been launched
 - JTC is a government agency under the Ministry of Trade and Industry that launched several Solar PV tenders under the Solarland and SolarRoof programme. There have been fewer and smaller auctions than in solarnova's program.

Clients & Energy Management

Spain

Main measures with impact on the retail activity and energy management are the following:

- Order TED/81/2023, of January 27, established the following percentage distribution of the amounts to be financed related to the Social Bonus by activity for that year: production, 46.44%; transmission, 1.09%; distribution, 3.93%; commercialization, 47.56%; and direct consumers in market, 0.98%
- Circular 1/2023, of February 7, reformulated the incentives for the system operator introduced by Circular 4/2019, of November 27, to better optimize resources in the dynamics of the system operation, as well as to better adapt to the energy transition objectives
- Resolution of February 23, 2023, of the National Commission of Markets and Competition, approved the operating rules for the daily and intraday electricity markets to adapt to the economic regime of renewable energies and the evolution of the market agents committee

- through Order TED/296/2023, of March 27, the contribution obligations to the National Energy Efficiency Fund in 2023 were set: (i) a final energy savings target of the National System of Energy Efficiency Obligations of 204.12 ktoe or 2,373.95 GWh; (ii) the financial equivalence for the calculation of economic contributions to the National Energy Efficiency Fund, set at 1.928 million euros per saved ktoe or 165,778.16 euros per saved GWh, based on the estimated average cost to mobilize investments in all sectors of action necessary to achieve the annual savings target; and (iii) the corresponding savings obligations, calculated according to the procedure established in its annex I, as well as its economic equivalence for the year 2023.
- Order TED/567/2023, of May 31, called for access to the regulatory testbed provided for in Royal Decree 568/2022, of July 11, which establishes the general framework of the regulatory testbed for the promotion of research and innovation in the electricity sector.
- subsequently, through Royal Decree 446/2023, of June 13, which modifies Royal Decree 216/2014, of March 28, reduced the volatility of the voluntary price for the small consumer (PVPC) by mitigating the effects derived from the electricity price context at the time
- Royal Decree-Law 5/2023, of June 28 introduced relevant innovations in (i) e-mobility (administrative simplification), (ii) permitting of renewable generation facilities, (iii) energy communities (Renewable Energy Communities and Citizen Energy Communities), remuneration for cogeneration, biomass, and waste (RECORE) (updating remuneration parameters for the period 2023-2025), and electro intensive consumers (among other issues, extending the 80% exemption from electricity tolls until December 31, 2023)
- Resolution of October 19, 2023, approved the new electric operation procedure 7.5 on the active demand response service, which aims to regulate the operation of the specific active demand response balance service of the Spanish peninsular electrical system, to address situations in which an insufficiency of tertiary regulation reserve is identified
- through the Resolution of the General Water Directorate, EDP España, S.A.U. was authorized to modify the characteristics of the concession for the hydroelectric use of 142 m3/s of the Nalón River for hydroelectric production (135.6 MW) at the Tanes dam to include the hydroelectric use of 20 m3/s at the Rioseco reservoir dam (3.3 MW), Nalón River, in the municipality of Sobrescobio (Asturias)
- Resolution of November 2, 2023, of the National Commission of Markets and Competition, approved conditions and requirements for the execution of a regulatory demonstration project for voltage control in the Spanish peninsular electric system
- Resolution of the General Water Directorate, announcing the public tender for the exploitation of the hydroelectric use of La Riera, in the municipality of Somiedo

(Asturias), the public tender for the exploitation of hydroelectric power plant “La Riera” was published, granting a three-month period for offers presentation

- finally, Royal Decree-Law 8/2023, of December 27 introduced relevant regulatory changes in several areas, including: (i) regarding Gas Clawback (reduction of remuneration for electricity production activity) and Cap gas (adjustment mechanism or Iberian exception), no measures were contemplated, therefore these mechanisms ceased to be applicable as of January 1, 2024; (ii) progressive recovery of the Value Added Tax on Electric Energy Production (IVPEE); (iii) extension of the energy tax; (iv) progressive recovery of taxation, articulated through a progressive increase in VAT and the special tax on electricity; (v) continuity of the 80% reduction in electricity tolls for electro intensive consumers; (vi) extension and flexibilization of deadlines for the development of new renewable installations; (vii) implementation of measures to provide greater network capacity for self-consumption; (viii) extension until June 30, 2024, of the following measures to protect vulnerable consumers: discounts on the Social Bonus, Last Resort Tariff (TUR) for property communities, maximum limit for the revision of the TUR for natural gas, measures to flexibilize electricity and natural gas contracts, limitation of the maximum sale price of packaged liquefied petroleum gases, and prohibition of interrupting basic supplies to vulnerable consumers due to non-payment; (ix) publication of new unit values for the financing of the Social Bonus; (x) promotion of pumping facilities by introducing various measures in the Water Law, both for existing pumping and for new facilities under development; and (xi) adaptation of renewable energy auctions to include criteria for measuring environmental and social quality, innovation, and job creation. Auctions may include non-economic award criteria with a maximum weighting of 30%.

Portugal

With impact on the **generation activity**, the regime for the use of water resources was changed by removing the right of preference of the previous entity with the hydro concession in future tender procedures when the respective concession period expired.

Measures related to the Hydro Strategic Reserve (“Reserva Estratégica Hídrica”) were suspended which, since October 1, 2022, determined the temporary suspension of the use of water resources of 15 hydropower plants (13 belonging to EDP), until the minimum levels of storage of their useful capacity are reached.

Concerning the **retail activity**, the financing mechanism for the electricity social tariff has been changed, shifting from being supported only by producers under the ordinary regime to generators, retailers and other market agents in the consumption function (not applicable to TSO and DSO).

In the **electricity tariffs**, the regulator (ERSE) carried out an update of the energy tariff in April 2023, reflecting a decrease of 5€/MWh, which was effective from April 1st to June 30th. Additionally, exceptional tariffs were set for the second half of 2023, with an average increase in network tariffs (TAR) of 55 €/MWh and the maintenance of the transitional tariff for end users (TTVCF) in the normal low voltage (BTN), compared to the previous semester. For 2024, an increase of 2.9% in TTVCF in BTN and an average increase of 66 €/MWh in TAR were approved, comparing with the previous year's average.

Regarding the **electricity sector's tariff debt**, the tariffs foresee an ex-ante debt of 1.995 billion euros by the end of 2024, representing an increase of 1.116 billion euros compared to the tariff debt at the end of 2023.

Related to **gas tariffs**, ERSE proceeded with an updated to the energy tariff during the gas year Oct 2022–Sep 2023, increasing 2€/MWh from January 1st to September 30th, 2023. Gas tariffs and prices for the gas year Oct 2023–Sep 2024 were also approved, with an 1.3% increase of the transitory tariff to the end user in low pressure, in force from October 1st, 2023, onwards.

Networks

Spain

Given the current crisis resulting from the conflict between Russia and Ukraine, the main measures taken have been aimed at reducing the impact of the rise in energy prices, as well as encouraging savings and promoting renewable energies.

Regarding the distribution activity, the main measures introduced were the following:

- resolution of January 19, 2023, of the National Commission of Markets and Competition, which provisionally establishes the remuneration of electricity distribution companies for the year 2023, established a transitional regime for the year 2023 applying the remuneration approved by Order TED/749/2022, of July 27. That transitional regime was established without prejudice to the effects that, on the remuneration of said year, may arise from appeals filed against Order TED/490/2022, of May 31, which executes the judgment of the Supreme Court in relation to the “lesividad” of Order IET/980/2016, of June 10, which establishes the remuneration of electricity distribution companies for the year 2016. On this date, Supreme Court has upheld the appeal 726/2022 filed by Viesgo Distribución Eléctrica, S.L., declaring Order TED/490/2022 to be unlawful, and



recognizing its right to have its remuneration set based on the content of its reformulated accounts as of December 31, 2014

- Royal Decree 314/2023, of April 25, develops the procedure and requirements for granting administrative authorization for closed electricity distribution networks
- through Resolution of December 21, 2023, of the National Commission of Markets and Competition, which establishes the values of the access tolls to the electricity transmission and distribution networks applicable from January 1, 2024, the prices of the terms of contracted power and active energy of the transport and distribution tolls applicable to consumers, self-consumers for the energy demanded from the grid, and generators for their own consumption were set for the year 2024
- Royal Decree-Law 8/2023, of December 27, established a transitional regime for electricity tariffs, extending until 2024 the application of those provided for in Order TED/1312/2022, of December 23, until new ones are established by ministerial order. As of this date, the aforementioned order awaits publication
- regarding settlements of regulated activities in the electricity sector, the most recent development is the publication of the Resolution approving the Provisional Settlement nº 11 of 2023 for regulated activities in the electricity sector, dated January 18, 2024.

Portugal

In the **distribution activity**, standard documents were published that regulated the public tender procedure which aims to allocate the low-voltage electricity networks concessions.

Brazil

Regarding the **liberalization of the Brazilian power market**, since January 2024 consumers with less than 500 kW load and voltage levels equal to or greater than 2.3 kV, represented by retailers, can choose their own energy suppliers. The Ministry of Mines and Energy (MME) launched a Public Consultation to discuss the market liberalization for low voltage consumers from 2026 onwards. To choose their energy supplier, low voltage consumers must also be represented by a retailer. The result of this Public Consultation has not yet been published.

Law 14,300/22 created the regulatory framework for **mini and micro distributed generation** (DG) in Brazil. The Law established a transition period after which DG will have to start paying for the grid fees according to the amount of electricity injected into the grid. The enactment of this Law brings legal security and regulatory stability to foster these

investments, incentivizing clean energy sources. The main topics addressed by the Law are:

- existent DG (grid fees exemption until 2045): mini and micro-DG already installed will only pay a partial grid fee if there is a positive difference between the total energy consumption and the energy production injected into the grid. Also, mini and micro-DG that have requested access to the grid until January 6th, 2023, can benefit from the exemption regime
- new DG (tariff transition): the Law created a transition period, varying from 6 to 8 years, for new DG to gradually pay for grid fees until 2028. The subsidy is matched by resources from *Conta de Desenvolvimento Energético* - CDE.

Regarding the concession renewals of **distribution utilities**, the MME launched a Public Consultation to design the guidelines for the renewals. In summary, the renewals – and not new bidding processes – are designed with the implementation of social measures with a focus on energy efficiency measures. Furthermore, the MME proposed the same indexes for quality sets and economic health of the utility. The renewals' process still awaits the enactment of a Decree and the opening of a public consultation by ANEEL to discuss with society the terms of the new concession agreement, stages of which are expected to follow along 2024.

Regarding **transmission companies**, Decree 11,314/22 determined that transmission concessions are to face new bidding processes at the end of their contractual term, being the concession renewal the exception (unfeasibility of bidding or in case of any prejudice for the public interest). This Decree was preceded by a Public Consultation opened by the MME in which EDP included some contributions.

Between 2024 and 2032, twenty-four transmission concession agreements will expire. It is worth noting that EDP's first transmission contract expires in January 2043.

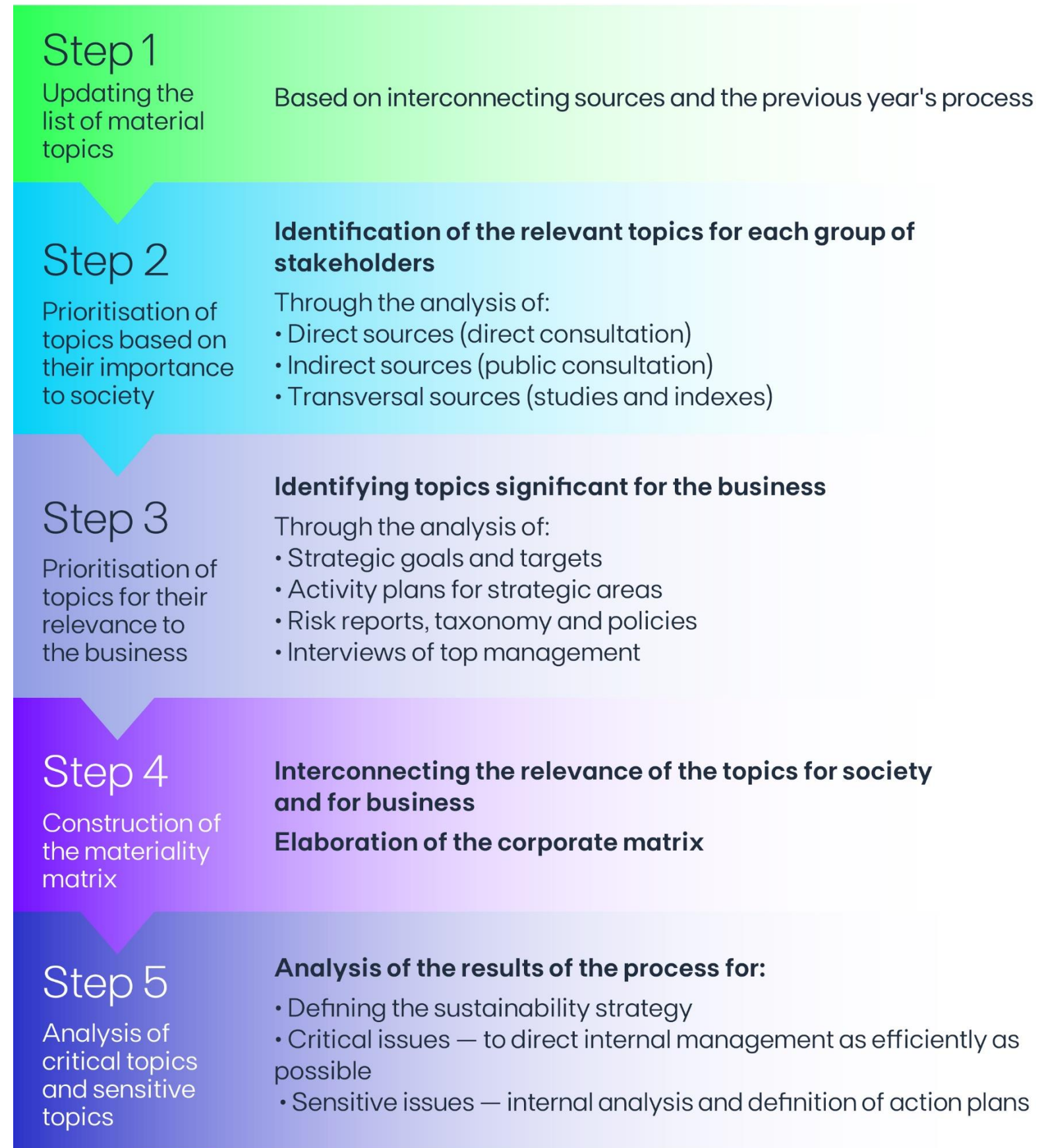
2.2. Materiality

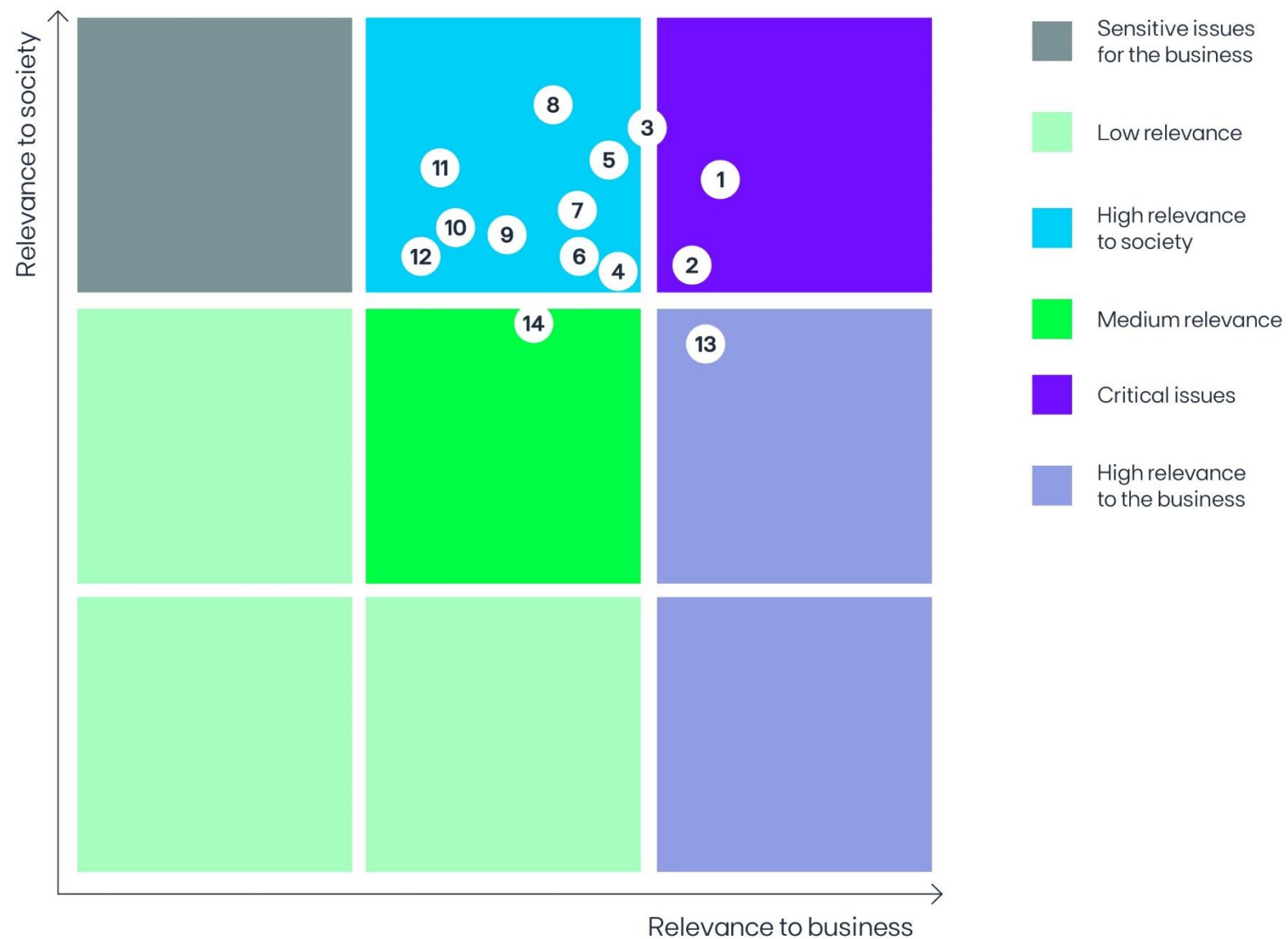
EDP's Materiality analysis process has been continuously developed since 2016, through a comprehensive methodology, standardized across the group and detailed in a specific report available at www.edp.com. This process is conducted every two years, in alignment with the revision of the Business Plans, and enables the identification of the relevance of non-financial issues for stakeholders, cross-referencing it with their relevance to the business priorities and strategy. The analysis supports decision-making and strategy development within the organization, particularly in terms of sustainability performance assessment.

The main stages of the materiality process are outlined in the infographic on the right. EDP's methodological approach to defining materiality incorporates the concept of double materiality, as defined by GRI Standards. This alignment underscores the importance given by the group to the relevance of the issues for society, in which it takes into account their impact on its stakeholders. As the concept of double materiality gains prominence in the international regulatory landscape, namely with the guidelines set by the European Financial Reporting Advisory Group and within the International Sustainability Standards Board, EDP is adjusting its methodology for identifying material themes for subsequent reports. This adaptation aims to align with the evolving expectations of stakeholders and uphold the company's commitment to society and the environment.

In 2023, the materiality was revised to incorporate the Business Plan for 2023–2026. Additionally, an alignment with the CSRD was initiated, integrating the materiality themes and categories of 2022 with those of the ESRS standards. Fourteen material themes have been identified, and their relevance to both society and business is positioned in accordance with the matrix presented on the following page, highlighting:

- 1. Climate Change** – Climate change stands out for its high relevance to both society and business. This emphasis aligns with the global concern regarding this issue and is intricately integrated in the strategy of EDP. This overarching theme encompasses three key issues: (1) adaptation to climate change; (2) mitigation, involving decarbonization solutions, such as sustainable mobility and energy efficiency; and (3) the promotion of renewable energies.





- 1 Climate Change
- 2 Supply chain
- 3 Biodiversity and ecosystems
- 4 Circular economy
- 5 Affected communities
- 6 Innovation and digital transformation
- 7 Health, safety and crisis management
- 8 Pollution
- 9 Energy consumers and end-users
- 10 Business conduct
- 11 Water and marine resources
- 12 Human Rights
- 13 Sustainable finance
- 14 Own workforce

2. Supply chain – The growing relevance of the topic for business and society is due to the increased importance given to environmental criteria within the supply chain, namely the reduction of CO₂ emissions in the context of decarbonisation, in light of global goals. Additionally, under the external pressures from the market and regulations, equipment traceability has emerged as a key factor in avoiding and mitigating indirect risks related to social and environmental concerns.

3. Biodiversity and ecosystems – The new Global Biodiversity Framework elevates the urgency of halting biodiversity loss and preserving the ecosystem services provided by nature. Companies need to accelerate their efforts to assess biodiversity and ecosystem-related impacts and dependencies, manage associated risks, and adopt a net gain approach. Their strategy and business model should be adjusted accordingly. Prioritizing actions to avoid, mitigate, restore, and compensate is essential for fostering responsible business practices.

The Materiality process also makes it possible to identify the degree of priority given by each stakeholder group to sustainability issues. This analysis shows a natural dispersion of the relevance attributed by various stakeholders to the analysed themes, inherently related to their nature and relationship with the company.

The figure in the next page details the identified themes, aggregated by the degree of relevance attributed to each of the stakeholder groups.

MAIN TOPICS

Climate Change 1	Sustainable finance 13
Mitigation	Creation of long-term value
Energy	Innovation and digital transformation 9
	Development of innovative technologies

	Climate change	Pollution	Water and marine resources	Biodiversity and ecosystems	Circular economy	Business conduct	Own workforce	Supply chain	Affected communities	Energy consumers and end-users	Human Rights	Innovation and digital transformation	Health, safety and crisis management	Sustainable finance
Market														
Shareholders, Investors	High	Medium	Medium	Medium	Medium	High	Medium	High	High	Medium	High	Medium	High	High
Financial entities	High	Medium	Medium	Medium	High	High	Medium	Medium	Medium	High	Medium	High	High	High
Competition	High	High	High	High	High	Medium	Medium	High	High	High	Medium	Medium	Medium	Medium
Democracy														
Government, Public entities, Regulation	High	High	High	High	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
Political parties	High	High	High	High	High	Medium	Medium	Medium	Medium	High	Medium	Medium	Medium	High
International institutions	High	High	High	High	Medium	Medium	Medium	Medium	Medium	Medium	High	Medium	High	Medium
Social and Territorial Environment														
NGOs	High	High	High	High	Medium	Medium	Medium	Medium	High	Medium	High	Medium	High	Medium
Local communities	Medium	Medium	Medium	Medium	Medium	High	Medium	Medium	High	Medium	Medium	Medium	Medium	Medium
Local government	High	Medium	Medium	Medium	Medium	Medium	Medium	High	High	Medium	Medium	Medium	Medium	Medium
Media, Opinion makers	High	Medium	Medium	Medium	Medium	High	Medium	Medium	Medium	Medium	Medium	Medium	Medium	Medium
Value Chain														
Scientific community	High	Medium	Medium	Medium	Medium	Medium	Medium	Medium	High	Medium	Medium	High	Medium	Medium
Customers	High	Medium	Medium	Medium	High	Medium	Medium	Medium	High	High	Medium	High	High	Medium
Suppliers	Medium	Medium	Medium	Medium	Medium	High	Medium	High	Medium	Medium	High	Medium	High	Medium
Employees	Medium	Medium	Medium	Medium	Medium	High	High	Medium	Medium	Medium	Medium	Medium	High	Medium

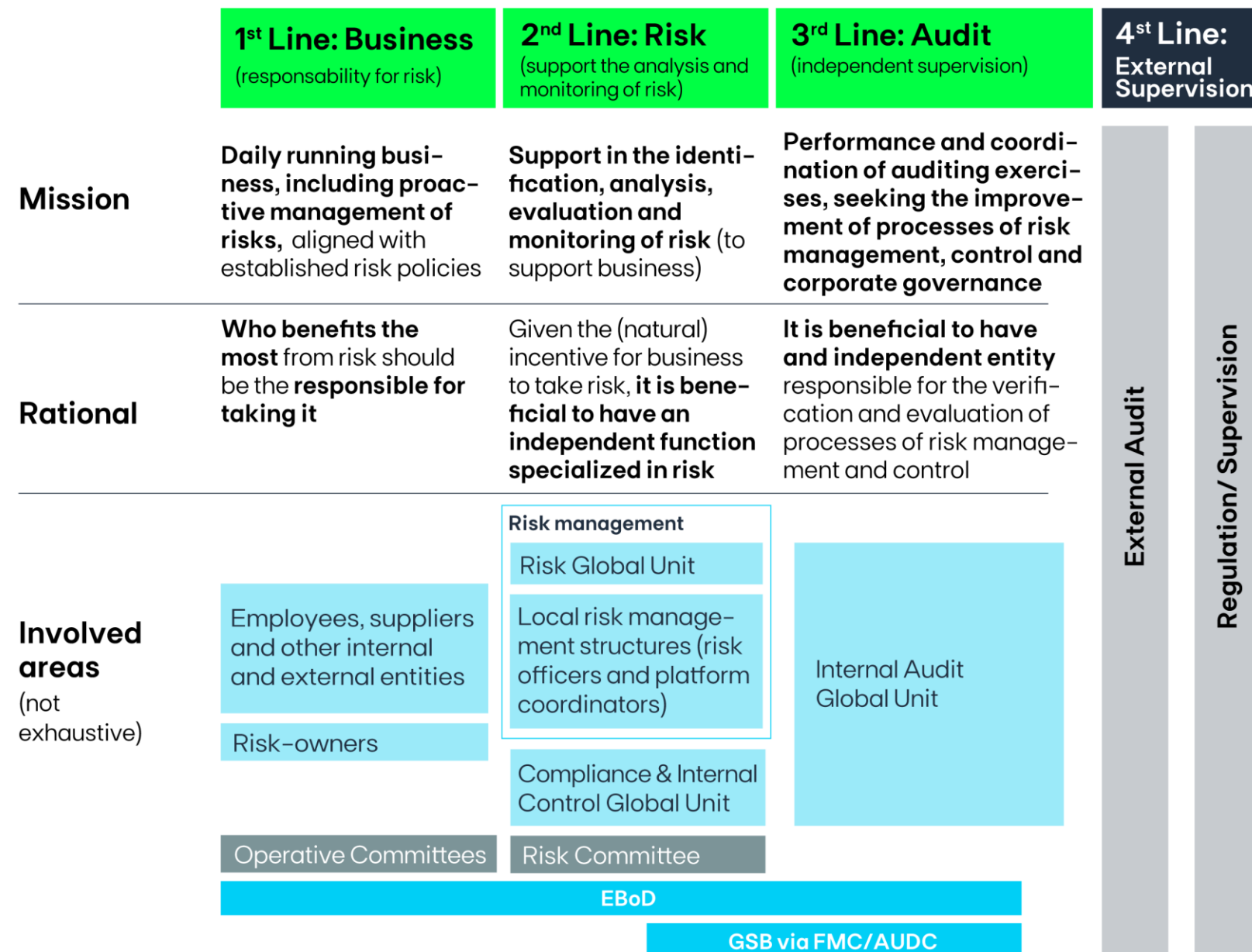
Relevance level
● High
● Medium
● Low

2.3 Risk management

2.3.1 Risk governance model

The EDP group adopts a risk governance model, widely accepted in most relevant literature, that relies on the idea of three internal lines of defence for the organisation – which can be supplemented, in certain situations, by a fourth external line of defence, in the form of external auditing and regulation/supervision¹.

Three Lines of Defence Risk Governance Model



Each line of defence has designated entities and forums that are officially set up to implement each line of defence at corporate and Business Unit levels, preventing any overlap or omission and encouraging collaboration and coordination between the different areas.

Risk management is embodied both by the Risk Global Unit and by the risk areas of the different Business Units (led by the respective risk officers), which report functionally to the former, ensuring fluid articulation and communication regarding the main sources of exposure and risk mitigation measures.

Moreover, the group has Risk Committees at both corporate level and at Business Units, where top management and relevant specialists meet to examine, discuss, and advise on key risk exposures for the group, their limits and mitigation actions.

The Internal Audit Global Unit, as the third line of defence, performs internal audits on the group’s processes that manage, control, and monitor the different risks it faces. To do this, annually, it decides which audit activities should be part of the next year’s activity plan, based on, among other things, the inputs and concerns of the first and second lines of defence. In this regard, for 2023, the Internal Audit Global Unit did internal audits to the risk management process with a focus on: counterparty risk management; market risks related to Energy Management; financial risks; security and cybersecurity; and compliance with policies and procedures, promoted by the second lines in the areas of Compliance and Internal Control. The Internal Audit Global Unit’s Director is part of the Risk Committees, thus facilitating the monitoring of projects carried out by RISK.

RISK regularly meets with the General and Supervisory Board and the Financial Matters Committee/Audit Committee to monitor the effectiveness of the risk management system. The FMC/AUDC defines in its annual planning sessions dedicated to monitoring the main exposures and risk management issues, addressing matters related to financial, strategic, ESG, business and operational risks. In 2023, RISK had three meetings with the GSB, two with the FMC/AUDC and the yearly meeting of the Audit Committees, addressing several risk issues, namely the monitoring of EDP’s main exposures and Key Risk Indicators, an

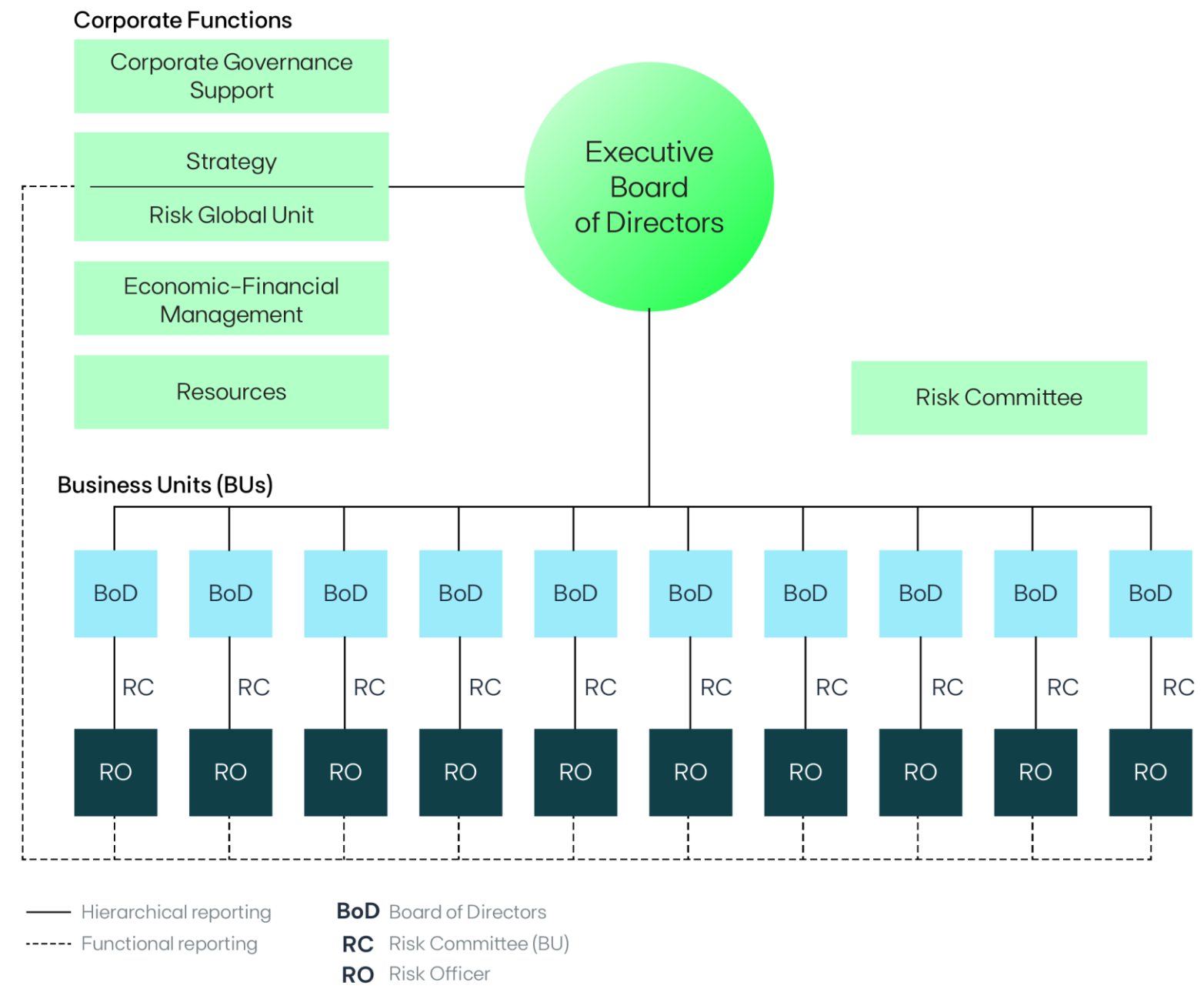
¹ IIA Institute of Internal Auditors, Position Paper, [The IIA’s Three Lines Model: An update of the Three Lines of Defense](#), July 2020

overview of the RISK execution plan (financial and non-financial risks, including ESG risks and climate risks), risk reporting mechanisms, ESG investments criteria, long-term contracting strategy, foreign exchange risk management policy, risk appetite framework review and RISK strategic priorities for 2024. In June 2023, a presentation was also made to this Commission on the project that began in 2024 to prepare the company for the Sustainability Reporting Directive (CSRD), regarding the Internal Control System for Sustainability Reporting (ICSRS), as well as climate risk analysis and the ESG risk framework.

EDP’s external audits also contribute to assess the degree of internal compliance with the risk management system. The last external audit took place in 2022 and focussed on assessing the level of maturity of the Enterprise Risk Management system at group and Business Unit levels.

A description of those involved in the EDP group's risk governance model, as well as their respective responsibilities, is available in the [Corporate Governance Report](#) and, in more detail, on the EDP website: [EDP group Risk Governance Model | edp.com](https://www.edp.com/EDP-group-Risk-Governance-Model)

Corporate Functions



2.3.2 Risk appetite

The EDP group is exposed to several risks due to its size, and diversity of businesses and geographies in which it operates. Therefore, it recognises risk-taking as an integral and unavoidable component of its activity, both in terms of threat and opportunity. In this context, the group explicitly and implicitly establishes its risk appetite with its stakeholders, at corporate and Business Unit level, through a series of mechanisms:

- the development and periodic approval by the Board of Directors of the group's Business Plan, which sets out and explains the main strategic guidelines over a three-to-five-year horizon
- rigorous assessment of the risk associated with investment and divestment opportunities carried out by the Business Units and approved by the Executive Board of Directors, supported by the opinion of the Investment Committee
- the development of risk management policies, both at corporate and Business Unit level, establishing guidelines, assessment methodologies and exposure limits for key risks²
- periodic risk maps based on objective, quantitative and comparable criteria, with the aim of analysing exposure to the most relevant risks and taking preventive action to deal with excessive exposure in relation to the established risk tolerance
- the development of periodic risk reports for the main risk categories, making it possible to regularly monitor the evolution of current and emerging risks and compare the various exposures against the established limits. Dissemination of said reports in line with the group's strategy and performance metrics to the EBD and GSB
- the definition of an internal Risk Appetite Framework, approved by the EBD.

The EDP group's risk appetite framework is structured around four pillars:

- the governance model identifies the main players in the risk appetite process and their responsibilities
- the risk appetite statement formally defines a set of risk appetite statements complemented by risk indicators and thresholds. In terms of positioning, the group has established maintaining a controlled risk profile as a fundamental pillar of its strategy

- monitoring and follow-up, defining the key processes of monitoring, update and action plan
- and the reporting platform, embodied in a risk appetite dashboard, that allows the EDP group's risk appetite to be monitored.

² These include, among others, the [Enterprise Risk Management Policy](#), the Risk Appetite Framework Policy, the Energy Risk Management Policy, the [Financial Management Policy](#), the Counterparty Risk Policy, the Insurable Risk Management Policy, the [Occupational Health and Safety Policy](#), the [Information Security Policy](#) and the Crisis Management and Business Continuity principles, structure and procedures.



2.3.3 EDP group risk appetite statement

1 st Level Declaration	2 nd Level Declaration	KRI (Objective)
Balanced business Controlled risk utility, with a strong share of regulated/LT contracted activities, diversified both geographically and across the value chain, with a strong growth focus on renewables.	GEOGRAPHICAL CONCENTRATION Geographical diversification and focus on geographies/markets with reduced country risk.	Max EBITDA by Market/Country (<50% in Iberia) Max EBITDA in Emerging Countries (<20% in Brazil)
	BUSINESS SEGMENTS Diversified portfolio across the value chain with a strong growth focus in medium to long-term viable renewable generation and grids.	Max EBITDA by Technology
	REGULATED/LT CONTRACTED Activity focused mainly in regulated or long-term contracted operations.	Min Regulated EBITDA / LT Contracted Min Contracted Duration of Generation Assets
	ST ENERGY MARKET POSITION Controlled short-medium term energy market risk and limited proprietary trading exposure.	Max Portfolio Value at Risk Min Net Position in Iberia (coverage of ≈70-80% for hydro and ≈80-90% for wind and solar)
	REGULATORY MONITORING Foresight of possible high impacting regulatory/political changes in current portfolio and potential new geographies.	Max Expected Loss of Regulatory Risk
Solid financials Credible business plan with sound financials, aiming for a solid investment grade rating and sustainable dividend policy.	RATING Alignment between business and financial profiles to target a solid Investment Grade.	Min Long-Term Rating (BBB target) Min Funds from Operations/Net Debt (>20%)
	DIVIDENDS Predictability and sustainability of dividend policy as a fundamental element of the shareholders' value proposition.	Max Payout Ratio (recurring Net Income) (target payout of 60-70%) Max Net Income Recurring @Risk
	LIQUIDITY Maintenance of liquidity reserves enough to cover cash needs in short-medium term in times of stress.	Min Survival Period (coverage > 100%)
	FINANCIAL MARKET RISK Proactive management of the exposure to financial markets, namely FX and IR, controlling the impacts on the business activity. Investments are financed in local currency if possible.	Max P95% Net Investment Loss - Foreign Exchange Max % Variable Rate Debt in EUR and USD Min Duration of group Debt in EUR and USD
	CREDIT & COUNTERPARTY Controlled exposure to credit & counterparty risk, favouring higher rated counterparties.	Max Expected Portfolio Loss Max Exposure to non-Investment Grade Counterparties Max Concentration of counterparty exposure
	IMPLEMENTATION OF THE INVESTMENT PLAN Investment in projects with an attractive risk adjusted profitability, limited market exposure and short time to cash.	Min IRR P90 / WACC (1x)
	SOCIAL LIABILITIES Full coverage of funded social liabilities, through a diversified asset portfolio of limited duration gap, with new pension plans as defined contribution.	Min Funded Pension Coverage Ratio Max V@R of the Assets-Liabilities Position
ESG Excellence Build a future-proof organization adherent to key ESG principles.	ENVIRONMENT Leading the energy transition to create superior value accounting for climate change resilience and limiting the environmental impact of the group activities.	Min Percentage of Renewable Generation (93% in 2026) Min Percentage of Revenues aligned with the EU taxonomy (70% in 2025)
	SOCIAL People-oriented way-of-working, with zero tolerance for non-compliance with safety measures, assuring Human and Labour Rights, attracting and retaining diverse top talent, and empowering communities.	Max Rate of Work Accidents Max Work-Related Fatalities (target of 0 fatal accidents)



1 st Level Declaration	2 nd Level Declaration	KRI (Objective)
	<p>GOVERNANCE Maintain the highest standards of ethical behaviour, transparency and accountability, with zero tolerance to corruption and to any other illicit behaviour or non-compliance with laws and/or regulations, and continuously work towards the enhancement of our governance practices for the benefit of our stakeholders.</p>	<p>Max Outstanding Value of Passive Legal Contingency Max High Integrity Risk Counterparties Min RepRisk Score Leading Position in the DJSI Index</p>
<p>Operational excellence</p> <p>Prudent operational risk management, following best-practices and assuring business continuity.</p>	<p>DEVELOPMENT/CONSTRUCTION OF PHYSICAL ASSETS Excellence in project management, limiting risk of CAPEX deviation and COD delays, allowing the fulfilment of the Investment plan.</p>	<p>Max CAPEX Weighted Deviation Max COD Weighted Deviation</p>
	<p>AVAILABILITY AND INTEGRITY OF PHYSICAL ASSETS AND ENERGY LOSSES Prudent O&M and security of physical assets, complemented with insurance and contingency and recovery planning, guarantying limited operational losses, outstanding quality of service and assets availability. Control of technical and non-technical losses in electrical grid through adequate tech, maintenance, operation and fraud anticipation processes.</p>	<p>Max Losses after Insurance in Physical Assets</p>
	<p>SECURITY, CONFIDENTIALITY, INTEGRITY AND AVAILABILITY OF SYSTEMS Prudent management, targeted maintenance, security and availability of IT and OT systems and related services, ensuring resiliency capability under abnormal/disruptive situations.</p>	<p>Min Bitsight Security Performance Rating</p>
	<p>PROCESSES Pursue of increasingly efficient and adequately controlled processes, digitalization and, for business critical and intersecting processes, assurance of business continuity and recovery under abnormal/disruptive situations and minimization of procedural errors.</p>	<p>Min Digitised Processes</p>
	<p>SUPPLY CHAIN Reinforcement of the effectiveness, sustainability, resilience and continuity of the supply chain, providing service excellence to customers and partners in a secure manner, while ensuring supplier compliance.</p>	<p>Max Supply of High-Risk Regions Max Suppliers Concentration by Product</p>

Monitoring Risk

EDP has a comprehensive risk monitoring framework to safeguard its operations and investments, reporting on a recurring basis to the Executive Board of Directors and Risk Committee.

At the forefront of this strategy is the annual mapping of risks, complemented by quarterly interim updates, to identify, quantify and prioritise the risks of the different categories of the risk taxonomy.

The quarterly risk appetite dashboard is a vital tool that systematically assesses the company's risk exposure, comparing the value of the KRIs with the limits defined in the Risk Appetite Statement. In the table above are some examples of these limits, within brackets.

In addition, the Risk Global Unit prepares a fortnightly risk report focused on controlling energy and financial risks, which are more volatile and therefore require more recurrent monitoring.

At local level or for individual policies, there are dedicated reports for monitoring risk, focussed on more operational metrics, some of which updated daily.

To reinforce the risk monitoring infrastructure, EDP has a group Risk Committee, which includes four annual meetings, as well as risk committees in the different Business Units. These committees play a key role in monitoring risk exposure and defining risk mitigation policies and measures.

2.3.4 Risk management for the year

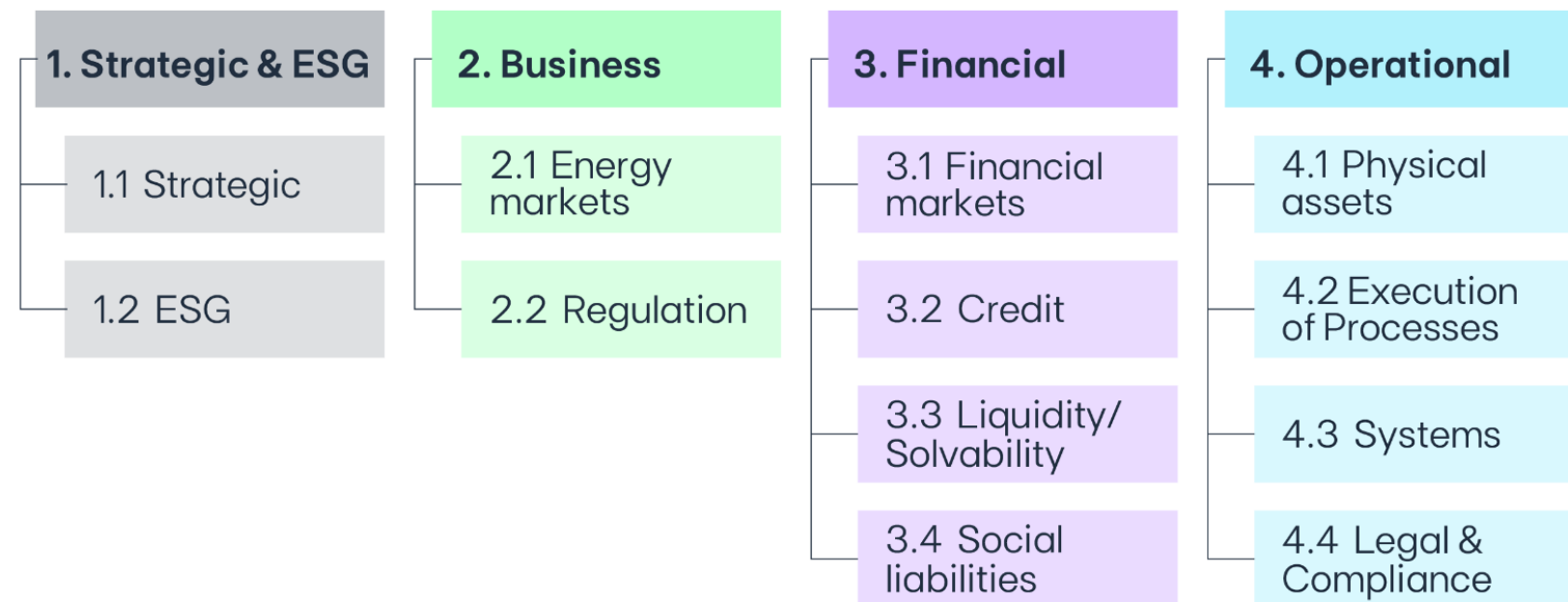
The EDP group's risk management endeavours to act in an integrated manner across five fundamental pillars:

	Recurring activities	Developments in 2023	Priorities for 2024
In-depth knowledge about key main sources of risk exposure	<p>Development of the risk map with the main risks for the following year and the Business Plan horizon, with updates for the main risks during the year</p> <p>Quantitative analysis of exposures (based on expected loss and maximum loss)</p> <p>Development of the climate risk assessment</p> <p>Presence at national and international forums on risk management</p>	<p>Risk analysis of the electric mobility and decentralised solar businesses</p> <p>Realisation of a project to develop an Ethical Risk framework</p> <p>Carrying out in-depth risk maps together with the Business Unit teams</p>	<p>Update of the main strategic and emerging risks analysis for the EDP group</p> <p>In-depth analysis of the main IT/OT risks</p> <p>In-depth analysis of the main operational risks</p> <p>Further analysis of inflation risk</p> <p>Strategic reflection on insurance coverage in the group</p>
Definition of risk management strategy	<p>Support for explaining and reflecting on risk-return trade-offs (and risk appetite) in key management decisions</p> <p>Periodic updating of the risk appetite statement, formalised and disclosed in the Annual Report and Accounts</p> <p>Periodic updating of specific risk management policies</p>	<p>Alignment of the EDP group's Risk Appetite Framework with the new Business Plan</p> <p>Implementation of the Enterprise Risk Management Roadmap</p> <p>Implementation of a corporate counterparty risk policy, aligning risk concepts and practices and centralising metrics</p> <p>Updating the EDP group's energy risk policy</p> <p>Updating the EDP group's foreign exchange risk management policy</p>	<p>Creation/Update of the Risk Appetite Statements of EDP's Business Units based on the group's update</p> <p>Extension of the Counterparty Risk Project to the other BUs</p> <p>Creation of a Financial Risk Policy at group level</p> <p>Creation of a framework for analysing and controlling inflation risk</p> <p>External audit of EDP's risk management system</p>
Active participation of risk in key management decisions and processes	<p>Risk advice on the Business Plan and Budget exercises</p> <p>Support for investment decisions (including participation in the Investment Committee)</p> <p>Support in defining coverage strategies for key exposures</p> <p>Analyses and advice on topics with possible impact on the group's risk profile</p> <p>Follow-up and control of key exposures (through periodic reports at group level and for the most relevant BUs)</p> <p>Periodical Risk Committees (for debate of key sources of risk exposures and treatment measures)</p>	<p>Strategic risk reflection for the EDP group Business Plan</p> <p>Active participation of the risk teams of EDP's Business Units in the evaluation of EDP group investments</p>	<p>Creation/Updating of reports to monitor the risk exposures set out in the Risk Appetite Statements of EDP's Business Units</p>
Formalisation of the risk governance model	<p>Updating the EDP group's risk management policies and principles</p>	<p>Updating the EDP group's Enterprise Risk Management Policy.</p> <p>Continued support for the dynamization of the risk-officer network and the maturing of the risk function (in the BUs with more recent risk governance models).</p>	<p>Updating the EDP group's Enterprise Risk Management Manual</p>
Promoting a solid risk culture throughout the organisation	<p>Carrying out a wide range of awareness initiatives, adapted to the different target audiences:</p> <ul style="list-style-type: none"> • Training on risk issues and new trends in risk management at the Annual Meeting of the Audit Committees, for members of the General and Supervisory Board • Specialised courses for all employees (e.g., ethics, health and safety, cyber security) • Programme to boost the EDP group's network of risk officers: quarterly individual meetings, annual planning meeting, sharing of information in the ERM Repository, quarterly masterclasses, annual meeting of risk officers and participation in Risk Committees • Annual Risk Summit to promote a risk culture and train risk officers and their teams, as well as members of the Risk Committee (such as Internal Audit) and members of the General and Supervisory Board 	<p>Development of several sessions dedicated to risk for senior management (executives and non-executives): four Risk Committees dedicated to analysing the main risk issues with senior executive management; participation in two sessions of the Financial Matters Committee and three plenary sessions with the General and Supervisory Board</p> <p>Training workshop for members of the Audit Committees and some members of the General Supervisory Board on ESG risks and new trends in non-financial reporting</p> <p>Diagnosis of competences in risk teams, with the aim of defining a structural development plan</p>	<p>Implementation of the development plan based on the diagnosis, with the creation of dedicated training programmes</p>

2.3.5 Main risks for 2024

EDP group seeks to have a comprehensive view over the key risks it is exposed to, at strategic and ESG, business, financial and operational levels, establishing processes to ensure their monitoring and proactive management.

Macro Categories of EDP's Risk Taxonomy



The year 2023 continued to be marked by the geopolitical crisis caused by the conflict in Ukraine, resulting in an energy crisis. The financial markets also noted some concern about the sharp rise in inflation and increase in interest rates. Risk management reaffirmed its importance, playing an essential role in this disruptive context.

A detailed description of the various risks relevant to the EDP group is available on the EDP website: [EDP Risk Taxonomy | edp.com](https://www.edp.com/pt/risco-taxonomia). The table below details the risks expected to have the greatest potential impact on the group's EBITDA in 2024, in an adverse scenario.

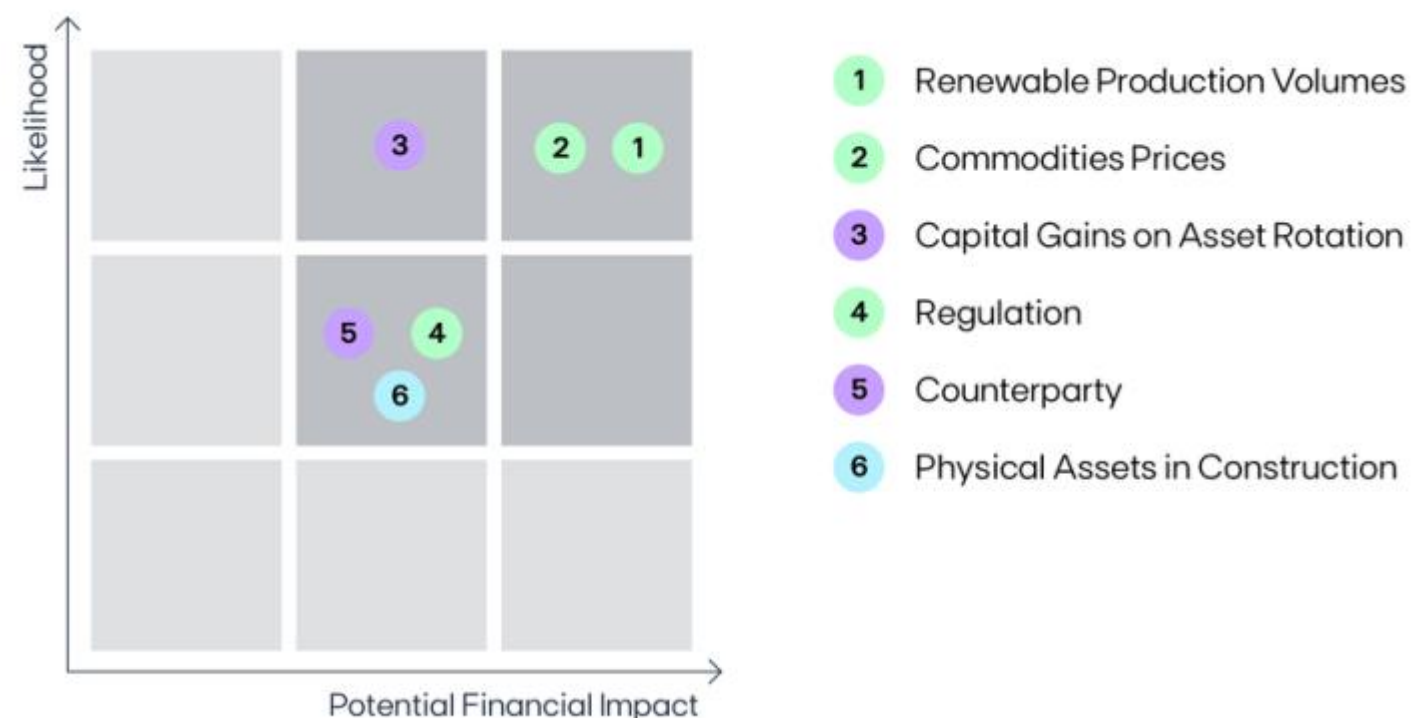
Risk	Risk Description	Evolution compared to 2023	Mitigation Measures (not exhaustive)
1 Renewable Production Volumes	The EDP group has a material degree of exposure to variations in renewable energy generation volumes, particularly regarding hydro volume, but also wind and solar. A dry year and/or a year with lower wind or solar resources can have a negative impact on the company's results	↘	<ul style="list-style-type: none"> • Geographical and production portfolio diversification • Long net position in the various markets, with continuous monitoring, protecting the company from the risk of becoming over hedged even in scenarios where there are low renewable resources • For Iberia, compensating for bad water years with greater thermal production • Appraisal of instruments to hedge the volume of renewable generation (hydro and wind).
2 Commodity Prices	Changes in commodity prices, essentially due to market exposure in Iberia to electricity, coal, gas and CO ₂ prices, but also in EDPR's other markets (residual exposure not covered by PPA). These changes may be due to various factors, namely fluctuations arising from supply and demand dynamics or regulatory changes (national or international) and may impact the company's results	↘	<ul style="list-style-type: none"> • EDP's business with a high percentage of forward contracts with PPAs, being very protected from price variations within these contracts • Integration of generation with retail in several of the most important geographies • Prudent management strategy for residual energy not covered by PPAs, by the Global Energy Management Unit, which negotiates and manages coal, gas and CO₂ licence contracts, and is also responsible for mitigating price risk via hedging (including exchange rate risk in US dollars, in coordination with the Finance Global Unit).



Risk	Risk Description	Evolution compared to 2023	Mitigation Measures (not exhaustive)
3	Capital Gains on Asset Rotation Reduction of capital gains expected from asset rotation activity due to a decrease in the value of assets, because of lower market appetite, a generalised rise in interest rates or exchange rate variations	↗	<ul style="list-style-type: none"> Diversification of asset rotation across different geographies (EU, NA, LATAM, APAC, etc.) and currencies (EUR, USD, BRL, PLN, etc.) Exchange rate risk hedging (Net Investment and transactional), within the framework of the group's financial risk management policy Financing structure in the different currencies (namely variable rate percentage and duration) aligned with the characteristics of the assets, offering risk mitigation to interest rate hikes.
4	Regulation Risks related to legislative and regulatory changes that the group is obliged to comply with in the different geographies and markets in which it operates (namely sector packages, regulatory models, environmental legislation, taxes and other). Adverse regulatory changes could have a negative impact on the company's results	↘	<ul style="list-style-type: none"> High business diversification both geographically and in the energy value chain Proactive management through careful monitoring and preparation of the several dossiers, as well as the adoption of a constructive and cooperative stance when discussing them, making it possible to anticipate and minimise the materialisation of options that are unsuited to the reality of the various market contexts in which the group operates.
5	Counterparty Risk associated with the potential default (or increase in relation to the expected level of default) of contractual obligations from customers, energy counterparties, financial counterparties (essentially associated with deposits with financial institutions and financial derivatives) and/or suppliers	=	<ul style="list-style-type: none"> Diversification of counterparties, with limits on the concentration and percentage of exposures below Investment Grade Careful analysis of counterparties, differentiating risk limits between counterparties, promoting contracts with those with the best credit quality Continuous monitoring of the evolution of the credit quality of the group's counterparties Use of counterparty risk mitigation instruments, such as financial guarantees, clearing and credit insurance Implementation of credit risk premiums in contracts where the EDP group is a price-setter, differentiating between counterparties and compensating for Expected Losses.
6	Physical Assets under Construction Risk associated with Capex deviations and/or COD delay beyond what was estimated in the investment decision, leading to potential impacts on the current year (less revenue and more costs) and on the profitability of investments. This risk is mostly concentrated in Renewables investments due to the proportion of new investments foreseen in the Business Plan	↗	<ul style="list-style-type: none"> Timely contacting of equipment and EPC, to reduce the risk of cost increases or unavailability of the supply chain after commitments to projects have been made Introduction of a buffer between the expected COD and the PPA start, to reduce the risk of incurring penalties or the need to purchase energy to fulfil the contract Prudence in defining contingencies and assumptions of stress analysis (COD and CAPEX deviation) in the investment decision-making process.

The quantification of EDP's risks is based on the potential loss in EBITDA, in a P95% scenario, estimated through the application of Monte Carlo simulations. Monte Carlo simulation, through the definition of probabilistic distributions for each risk factor/variable, allows to simulate possible future outcomes; for each simulation, different values are randomly generated for each of the probability distributions of the various risk variables (inputs). The result of a Monte Carlo simulation is a probability distribution, i.e., a representation of the different possible future outcomes and their probability of

occurrence. In addition, EDP also makes a qualitative assessment of the potential financial impact and probability/likelihood of each risk, and the impact matrix for the main risks identified above is presented below.



Also, in the process of evaluating risk in the budget exercise, as a way of assessing execution risk, stress analyses are carried out using Monte Carlo analysis. This type of analysis is applied to EBITDA, EBT, NI, FFO/ND and all relevant output variables at group level and broken down by platform, technology, BU, among others.

In addition, liquidity/solvency stress analysis are also carried out to assess the company's ability to continue operating in a highly stressful situation, i.e., to maintain sufficient liquidity/cash levels to continue operating. Two different scenarios are considered (generalised liquidity crisis scenario for one year and EDP-specific stress scenario for two years), for which the company's ability to survive is assessed. EDP must have available liquidity, in cash and available credit lines, to cover these stress scenarios.

A climate risk analysis exercise is also carried out every year using three different scenarios, which can be consulted in greater detail in section 2.3.7 Climate Risks.

EDP favours risk management based on quantitative analysis and continuous monitoring of the risks that may affect its business. For this purpose, the company regularly carries out sensitivity analyses of financial and non-financial risks, as well as analyses of stressed scenarios, using Monte Carlo analysis, or focusing on some specific stress scenarios.

As an example, every year, when analysing the risk of the budget for the following year, EDP carries out a sensitivity analysis of various risk factors, namely renewable volume (hydro, wind and solar), electricity price, gas price, electricity demand, inflation, exchange rate, inflation rate, among other specific operational sensitivities, for the different markets which impact EDP's business. The impact on EDP's EBITDA of the variation in some risk factors is presented below, namely:

- **Hydro volume:** a significant risk factor for EDP given its portfolio and high volatility of the variable, impacting the company's generation capacity. Assuming a price of €80/MWh, a 20% reduction in the expected volume impacts EDP's EBITDA by ≈€100M–€140M. It should be noted that EDP's financial performance in 1Q2022 was strongly impacted by the extreme drought in Portugal in the winter of 2021/2022 (≈-30% compared to the historical average hydro production)
- **Unavailability of assets:** assuming an average 1% reduction in the availability of all EDP's generation assets (conventional and renewable), the impact on EDP would be ≈€30M–€50M.

2.3.6 Emerging risks

In addition to closely monitoring the main risks inherent to the group's activity, the main trends (at global and sectoral level) that may translate into threats and opportunities for the group are also comprehensively mapped, and appropriate mitigation strategies are proactively developed. In 2022, the mapping of emerging risks was updated, with an assessment by the EDP group's top, executive and non-executive, management.

In 2023 the following stand out: (1) gap in labour market and risk of unavailability of talent for renewable energy companies; (2) disruptive technologies in energy sector; (3) geopolitics of global supply chains; (4) Introduction of Artificial Intelligence; (5) cybersecurity; and (6) increased climate risks and potential misalignment of international commitments for climate transition.

	Description	Potential Impacts	Mitigation Measures
<p>Social Risk Gap in labour market and risk of unavailability of talent for renewable energy companies</p>	<p>The renewable energy sector is currently in a phase of rapid expansion, fuelled by a growing demand for clean energy solutions and government initiatives aimed at facilitating the transition to low-carbon economies. This increase in the renewable energy industry is expected to create a substantial demand for qualified professionals in various fields, such as engineering, project management, installation, and maintenance. At the same time, demographic trends indicate a projected decline in the working-age population in Europe, along with a stabilization in the United States. This demographic shift, along with a projected increase in the need for workers in renewable assets (which is expected to increase 3-4 times by 2030 in the EU), is set to result in a global shortage of skilled labour in the green economy, reaching 7 million by the year 2030, predominantly in the solar and wind sectors. This shortage of skilled labour represents a notable risk to EDP's business plan. The company has ambitious targets for the years 2023-26, with the aim of deploying approximately 17 GW of additional renewable capacity, with an expected overall increase in the workforce of around 6%. Specifically, in the wind and solar sectors, a percentage increase in the number of employees of around 30% is expected. In the digital and innovation sectors, the expected increase in headcount is around 20%.</p>	<ul style="list-style-type: none"> Increased competition in attracting and retaining talent, leading to more competitive and aggressive recruitment and retention strategies in the market Companies, such as EDP, will need to become more involved in strategic workforce planning to identify critical roles, assess skills gaps, and implement measures to mitigate the impact of workforce shortages Heavier investment in innovation and automation to reduce reliance on manual labour, streamline processes, and boost efficiency, as well as invest in research and development Delayed project deadlines and risk of execution of the Business Plan Increased global mobility of the workforce, attracting talent from regions where there is a surplus of qualified labour in the renewable energy sector, increasing global collaboration, and the diversity of the workforce Significant investment in training and development programs to improve the skills of current employees and prepare them for roles in the renewable energy sector. 	<ul style="list-style-type: none"> Implement a proactive and strategic global recruitment strategy to attract young, qualified professionals by creating internship and apprenticeship programs that offer first-hand experience to students interested in the renewable energy sector, fostering long-term relationships and retention, and more specific opportunities for experienced profiles Develop and implement strategies to retain existing skilled workers, offering competitive compensation packages, providing career development opportunities, and cultivating a positive work environment to minimize turnover and enhance knowledge management Conduct regular workforce needs assessments to identify critical roles and develop strategic learning plans to address skills gaps Allocate resources to comprehensive training programs, focusing on upskilling and reskilling existing workers to prepare them for roles in the renewable energy sector through partnerships with educational institutions, companies in the sector, or other strategic partners Promote a flexible, diverse, and inclusive workplace that welcomes and leverages the strengths of a diverse workforce, ensuring talent retention regardless of demographic or professional characteristics EDP has been working on innovative projects within automation to overcome the labour shortage challenge and to increase efficiency. It also advocates for government and institutional support through policies, incentives, and funding to bolster workforce development efforts.
<p>Technological Risk Disruptive Technologies in energy sector</p>	<p>The growing pressure to keep global warming to +1.5C by 2050 is attracting bigger than ever investments to clean energy technologies. In 2022, \$1.4 trillion were invested in the energy transition. These large investment amounts are financing multiple types of technologies, some of which have low technology readiness levels, but high disruptive potential. Examples include carbon capture & removal, new geothermal energy, new nuclear energy (Small Modular Reactors and nuclear fusion), and geoengineering. EDP reinforced its investment of ≈€25B (gross investment 2023-26) in energy transition, with a strong focus on renewables and core low-risk markets (>50 GW of RES gross additions from 2021-30), and ESG excellence and future proof organization, being coal free by 2025, all green in 2030 and net zero by 2040.</p>	<ul style="list-style-type: none"> If technological portfolio choices are not the most adequate, decrease in renewables' relevance in the future energy mix Loss of revenue, as demand for renewable energy decreases Decrease in the value of EDP's renewable assets, creating stranded assets and impacting EDP's financial performance, in a worst case scenario Loss of EDP competitiveness in the energy sector Damage to the company's reputation and brand image. 	<ul style="list-style-type: none"> Innovation and R&D are key priorities for EDP, conducting regular knowledge and technology assessments to evaluate the potential impact of emerging technologies on the business and to identify opportunities for innovation and growth EDP regularly assesses existing and emerging technologies, which are incorporated into its innovation strategy that is reviewed periodically. EDP's innovation strategy guides the technologies and opportunity spaces that will integrate EDP's future portfolio and ensures alignment with latest market trends EDP fosters a culture of innovation and partnerships with startups and incubators, particularly through acceleration programs such as the EDP Starter and Free Electrons. Moreover, EDP's innovation teams help to disseminate a culture of innovation, with global initiatives that foster collaboration and intrapreneurship, for instance through The Spiral, our intrapreneurship program EDP regularly monitors regulatory changes related to emerging technologies and engage with policymakers to advocate for policies that support innovation and mitigate regulatory risks



	Description	Potential Impacts	Mitigation Measures
			<ul style="list-style-type: none"> EDP has been diversifying its portfolio of assets to increase its resilience to emerging technologies, for instance with innovative projects in areas such as floating PV, offshore wind, hybridization projects of solar and wind, and utility-scale storage.
<p>Geopolitical Risk Geopolitics of global supply chains</p>	<p>The supply and value chain obstacles for critical materials and electric components needed for renewable energy equipment supplies, which were thought to be temporary in the pandemic context, have proven to be a structural problem and have been further exacerbated by growing China-US tensions. China assumes a dominant position in the production of clean-energy technologies, accounting for ~65% of the manufacturing capacity of most of the equipment and components needed for the energy transition, leading to a high supply chain dependency for the rest of the world (for example, 97% of global solar wafers comes from China). Additionally, critical materials global reserves, mining and refining are highly geographically concentrated, which can become a geopolitical leverage.</p>	<ul style="list-style-type: none"> Shortage of equipment and components needed to deploy the 17 GW of renewables committed in 2023-26 Business Plan and/or maintain EDP's new and/or existing projects Impact to EDP's investment execution and financial performance through projects COD delays and cost and CAPEX increase Loss of profitability due to the implementation of import tariffs for project supplies Breach of existing and/or new agreements, due to failure to comply with agreed requirements (e.g., timings, maintenance, etc.) Damage to EDP's reputation and brand image. 	<ul style="list-style-type: none"> Supply chain and suppliers' diversification at tier-N level EDP regularly analyses and assesses supplier exposure to potential supply chain disruptions and monitors critical suppliers, as well as supplier diversification to reduce dependencies. Moreover, through innovation and R&D, the group explores new types of solutions to overcome supply chain issues, such as circularity options and/or new materials. When applicable, evaluate the trade-off of extending ongoing contracts vs. new bids/anticipating purchases to cover shortages and price increases Evaluate and improve /transform EDP's inventory management strategies Analyse and implement new partnerships with current /new suppliers. EDP maintains close connection with the players acting in the energy ecosystem, including startups with innovative products or services, with which pilot projects are organised whenever a fit exists with EDP needs.
<p>Technological Risk Introduction of Artificial Intelligence (AI)</p>	<p>The introduction of AI tools into the corporate landscape presents a double-edged sword, offering tremendous potential for automation, efficiency, and innovation while simultaneously posing inherent risks that could threaten EDP's future trajectory. As AI automates tasks and evolves skill requirements, a prime concern is that employees will face the dual perils of job displacement and obsolescence, jeopardizing their security and adaptability. Moreover, AI systems may handle vast amounts of sensitive data raising concerns about data privacy and security. Furthermore, AI systems are susceptible to biases that can permeate their decision-making, leading to discrimination against certain groups of people. Finally, the complexity of AI systems often makes it difficult to comprehend their decision-making processes, hindering accountability for any errors or unintended consequences. Several regulatory approaches to legislate AI are as of early 2024 in nonbinding principle (Singapore, United States) or being finalized (European Union).</p>	<ul style="list-style-type: none"> Legal charges for not complying with new developments in the AI legislation, across the various countries under which it operates. Fines from legal enforcement could represent up to 7% of annual global revenues, according to regulation proposed by the EU Loss of EDP market share and/or competitiveness due to slow adoption of AI Increased costs associated with required investment in data security and compliance Damage to EDP's reputation and consumer trust due to data breaches and discrimination scandals involving AI Loss of competitiveness due to leak of confidential information, namely commercially sensitive and/or advantageous information Compromise of personal data with impact on data subjects (employees, clients, vendors, and other third-parties). 	<ul style="list-style-type: none"> Ensure transparency in AI usage within EDP by creating a taxonomy and inventory of models, classifying them in accordance with regulation, and recording all usage across the organization in a central repository Create detailed documentation of AI usage, its functioning, risks, and controls, and clear documentation on how a model was developed and what is its intended use Implement a governance structure for AI that ensures sufficient oversight, authority, and accountability both within the organization and with third parties and regulators Establish clear data governance policies that protect privacy and ensure that data is used responsibly Implement bias detection and mitigation measures to identify and address biases in EDP's AI systems Investment in training and development to ensure that EDP's employees have the necessary skills and knowledge to work effectively with AI systems Continue the digital talks and clinics initiatives that are online interactive sessions aiming to increase knowledge in digital topics, namely AI Limit the use of AI platforms to a controlled (exclusive tenant), scope limited and secure environment, monitored by EDP.
<p>Technological Risk Cybersecurity</p>	<p>EDP, as an energy utility company, has become very reliant on its digital infrastructure for efficient operations and services delivery. However, this increase in technological sophistication and integration also leads to an increased exposure to cyber risks of different natures. EDP is already driving a digital transformation to further boost business performance with a total of ~€2B in digital TOTEX (for 2023-26 period), in which cyber resilience is included. Despite all the efforts made by organizations, there is probable risk that cyber-attacks become more frequent and with higher magnitude.</p>	<ul style="list-style-type: none"> Losses from critical EDP systems unavailability (dispatch/plants, billing, customer service) In an extreme case, damage/destruction to physical assets and lives Data breach /loss (personal and others) Fines due to GDPR violations Increased costs associated with increase in cybersecurity investment Damage to EDP's reputation in case of a cyber-attack that impacts power availability or data privacy. 	<ul style="list-style-type: none"> Cyber Governance at EDP with strong support from the Board Continuous improvement of the security of internal systems Continuous improvement of dedicated Security Operations Centre (SOC) for continuous security monitoring of the group's IT & OT infrastructure Continuous improvement and development of dedicated EDP Cyber-range training scenarios for simulation and testing of cyber attacks Online training and awareness actions on information security principles, seeking to enlarge training audiences Continue digital talks and clinics initiatives (online interactive sessions) to increase knowledge in digital topics, namely cybersecurity Continue to integrate national and international work/study groups (e.g., CRT.PT, Word Economic Forum, Cyber DSO group, International Energy Agency), and European projects.



	Description	Potential Impacts	Mitigation Measures
			<p>EDP Global SOC is also seeking membership within Trusted Introducer, which is an European forum focused on cooperation and coordination of CSIRTs and general good practices in information security.</p> <ul style="list-style-type: none"> • Continue to monitor cybersecurity Bitsight rating (2022 value already reached 2025 target, and is maintained during 2023) • Continue to address cybersecurity topics in the Cyber Executive Committee, with attendance of BU's management, the Chief Information Security Officer (CISO), Chief Risk Officer (CRO) and an EBD member • Cyber risk insurance.
<p>Environmental Risk Increased climate risks and potential misalignment of international commitments for climate transition</p>	<p>Physical risks associated with climate change (e.g., chronic risks such as increased temperature or reduced precipitation, and acute risks such as extreme temperature and precipitation events) impacting portfolio availability, generation output and increasing costs. Risk of political misalignment with a global climate transition strategy (due to the influence of other factors with greater relevance at the level of each State, namely favouring social policies), jeopardizing long term decarbonization objectives. To accelerate its energy transition, EDP has committed investment in energy transition of ≈€25B in 2023-26. EDP carries out an annual assessment of climate risks and opportunities until 2050, which is described in the following section.</p>	<ul style="list-style-type: none"> • Structural loss of portfolio profitability due to damage to physical assets and loss of revenue caused by more frequent extreme weather events and increase in overall costs (such as insurance) • Reduction in hydro portfolio profitability in case of a structural reduction in precipitation • Limitation of the economic potential of investments in new technological solutions in case of misalignment towards a green economy (e.g., green hydrogen with 1.5 GW of installed capacity expected by 2030). 	<ul style="list-style-type: none"> • Continue structured assessment of climate risks (TCFD), updating scenarios, evolution of climate variables and key risks and opportunities for each business • Continue the development of climate adaptation plans by Business Unit in line with the main risks identified • Integration of climate risk assessment into investment analysis • Close monitoring of national and international commitments in decarbonization and adjustment of EDP's strategy accordingly • Geographic, technological and business line diversification (€25B gross investment in 2023-26, of which ≈85% in renewables, clients and energy management and ≈15% in electricity networks; ≈40% North America, ≈40% Europe, ≈15% South America and >5% APAC).

2.3.7 Climate risks

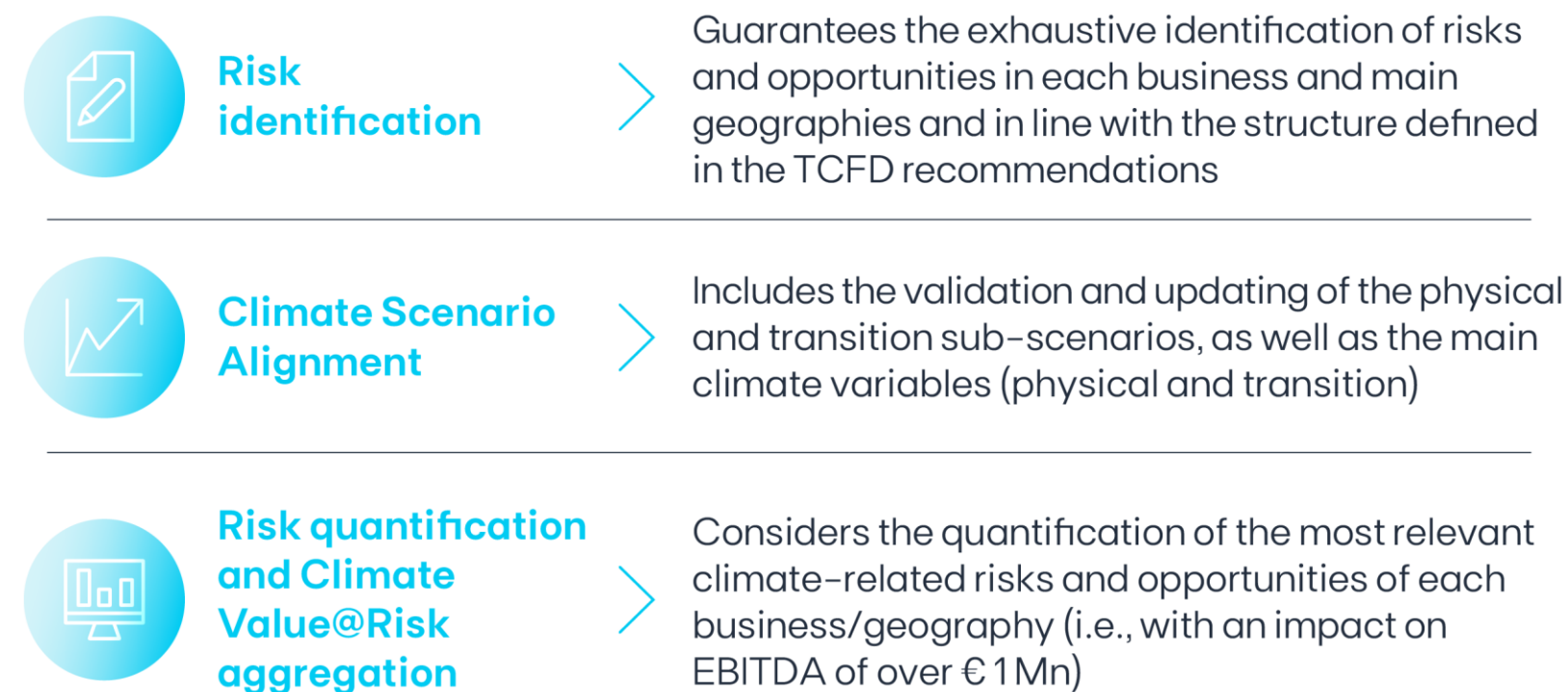
2.3.7.1. Introduction

In 2017, the TCFD (Task Force on Climate-related Financial Disclosures) issued a set of recommendations on how to analyse, report and incorporate the climate transition to increase transparency and climate-related information. The EDP group has adopted these recommendations and in 2021 launched a project to deepen them, including a diagnosis to identify points for improvement and the creation of an annual process to assess climate risks and opportunities.

More detailed information on the TCFD recommendations, governance model and resilience strategy are available on EDP's website: [EDP Climate Transition Plan | edp.com](https://www.edp.com/EDP-Climate-Transition-Plan).

EDP has in place an internal climate risk management governance model, integrated into the global risk management process, to annually review and report on the resilience of EDP's strategy to climate change. The process is overseen by the Risk Global Unit and the Sustainability Global Unit, with the collaboration of the Energy Planning Global Unit, and supported by a team of specialised interlocutors from the different Business Units (risk officers, sustainability officers and energy planning areas). The process is structured in three distinct phases:

2.3.7.2. Climate Risk Management Process



2.3.7.3. EDP's Climate Risk in 2023

After validating the taxonomy, three climate scenarios were defined that aggregate the physical and the transition scenarios.

Climate scenarios

	<u>Transition scenario</u>	<u>Physical scenario</u>
As green as it gets (AGG)	Net Zero Scenario (IEA)	RCP 2.6 (IPCC)
A bit greener than today (BGT)	Base case scenario (resulting from several international sources), assuming that of market prices changes will not be significant between the two scenarios, due to short/ mid term nature of transition risks	RCP 4.5 (IPCC)
Slow move towards transition (SMT)		RCP 8.5 (IPCC)
Time periods assessed	<ul style="list-style-type: none"> • 2025 • 2030 • 2050 	<ul style="list-style-type: none"> • 2025 • 2030 • 2050

Considering a 30-year horizon and for the different scenarios defined, narratives focussing on the various dimensions (social, regulatory, and political, economic and technological, and energy) were constructed and are presented below:

Physical scenarios:

- **RCP 2.6:** considers (1) compliance with the Paris Agreement; (2) that the energy system reaches carbon neutrality by 2070; (3) that the temperature rises between 1.5°C and 2°C; and (4) that the average sea level rises by 0.4m and ocean acidification begins to recover by 2050
- **RCP 4.5:** considers that (1) the Paris Agreement is not fulfilled; (2) the temperature rises between 2°C and 3°C and extreme temperatures become more frequent; and (3) the sea level rises by 0.5m and many species are unable to adapt



- **RCP 8.5:** considers that (1) the Paris Agreement is not fulfilled; (2) the temperature rises by more than 3°C; (3) extreme events become more frequent and there are large variations in rainfall; and (4) the sea level rises by 0.7 metres.

Transition scenarios:

- Net Zero Emissions by 2050 Scenario (NZE) with internal adjustments: considers (1) the global energy sector reaching net zero CO₂ emissions by 2050; (2) economic growth and job creation related to sustainable energy; (3) a more resilient and cleaner energy system; and (4) full international co-operation for sustainable development
- Base Scenario: assumes that (1) the announced policies are generally complied with, and no additional effort is made towards sustainable development; and (2) policies, albeit limited, are adopted to reduce the use of fossil fuels, but demand is still high.

For more detailed information on the physical and transition variables considered, please consult the [EDP Climate Transition Plan | edp.com](https://www.edp.com/EDP_Climate_Transition_Plan). The evolution of the physical variables was provided by a specialised external consultant, using the Copernicus database and other international databases. The transition variables, namely the evolution of prices, energy demand and energy mix, are based on scenarios from the IEA and other international sources (e.g., Aurora, Baringa, among others), with the necessary adaptations to the countries where EDP is present.

Quantification, based on the individual analysis of the impact on EBITDA of each risk and opportunity (physical and transition), is carried out by each Business Unit and for each geography. This quantification considers the identification of the physical variables and their evolution according to the experts, and the political/social/economic/technological narratives related to the different scenarios. The quantification method depends on each risk and opportunity using, whenever possible, the direct method (expected loss/gain and maximum loss/gain at P95%) or, alternatively, the indirect method (probability/frequency, average impact and maximum impact at P95%). For the purposes of the group's analysis, the consolidation of losses and gains is carried out considering correlations among risks and opportunities and among geographies.

Short-term risk (5 to 10 years, specifically 2025 and 2030) is mainly related to transition risks, namely energy market design, prices, regulatory framework, and technological developments. Long-term risk (10 to 30 years, specifically 2030 and 2050) is mainly related to physical risks that may affect EDP's asset portfolio, namely regarding extreme temperatures, extreme wind and rain events, and structural changes in physical parameters.

The following table shows, for 2050, the potential impact on the EDP group of the relevant physical risks (maximum loss P95%) and opportunities (minimum gain P5%) (chronic and acute), considering the physical scenarios RCP 2.6 and RCP 8.5 and relating them to the mitigation measures in place.

RISK	MAIN IMPACT	BUSINESS SEGMENT	QUANTIFICATION			MITIGATION MEASURES	
			C0-C50M	C50M-C100M	>C100M		
CHRONIC	Temperature increase	Rise of energy losses Loss of efficiency Demand increase	EDP group	AGG: OPORT & RISCO SMT: OPPORTUNITY & RISK			Natural mitigation, i.e., an increase in temperature will result in an increase in demand. In addition, EDP group has an integrated energy risk management and follows a strategy of diversification by business area and geography
	Water availability	Reduction of hydro generation	Hydro Generation	AGG: RISK SMT: RISK			Strategy of diversification by technology, business segment and geography
SHARP	Extreme temperatures	Unpredictability of consumption Loss of efficiency Malfunctioning turbines and panels	Client Solutions EDPR	AGG: OPORT & RISCO SMT: OPPORTUNITY & RISK			Energy risk management to cover potential generation outages and a strategy of diversification by technology, business segment and geography
	Extremes events (wind/rain)	Disruptions of activities (production and networks) Increase operating costs	EDP group	AGG: RISK SMT: RISK			Preventive maintenance of protection strips on distribution lines, a comprehensive insurance plan and EDP group has also been strengthening business continuity and crisis management plans, minimising the impact on business and third parties.
	Wildfire	Damage to assets (distribution networks, production)					

For transition risks and opportunities, the following tables show the main potential impacts for 2030, considering the IEA's NZE (Net Zero) and Base scenarios (the result of several international sources), and the respective mitigation measures.

RISK	MAIN IMPACT	BUSINESS SEGMENT	QUANTIFICATION			MITIGATION MEASURES
			€0-€50M	€50M-€100M	>€100M	
REGULATORY AND LEGAL	Increase exposure to environmental litigation Changes in product regulation	EDP group (mainly EDPR)	AGG: RISK SMT: RISK			Strategy of diversification by technology, business segment and geography, asset maturity, as well as through a close monitoring of government regulation and policies
MARKET	Loss of revenue due to new competitors Effect of additional environmental measures on market price variables	EDP group (mainly Generation and EDPR)		AGG: RISK SMT: RISK		Focus on the electrification of the economy (through energy services, EVs, among others) as an offsetting strategy
TECHNOLOGICAL	Failure to follow up/delay in adopting new technologies Devaluation/replacement of assets due to technological obsolescence	EDP group (mainly Generation and EDPR)	AGG: RISK SMT: RISK			Close monitoring of market trends, technological development (including emerging technologies across value chain) together with a clear Innovation Policy focused on the main trends in the sector
REPUTATIONAL	Stakeholders' concerns regarding the company's path to climate transition Implementation failures of environmental measures or market positioning regarding the new climate reality	EDP group	AGG: RISK SMT: RISK			Electricity sector has traditionally been seen as a net contributor to climate change. In a paradigm shift, the group is strengthening its renewable portfolio, and is committed to attaining 100% renewable capacity by 2030. At the same time, it is recognized for its excellent performance in the various sustainability indexes of which it forms part, demonstrating its sustainable character and providing evidence of adopted measures and strategies.

OPPORTUNITY	MAIN IMPACT	BUSINESS SEGMENT	QUANTIFICATION		
			€0-€50M	€50M-€100M	>€100M
ENERGY SOURCES	Use of incentive policies for renewable production Explore new green energy sources	EDP group			AGG: OPPORT SMT: OPPORT
PRODUCTS & SERVICES	Greater electrification leading to increased energy demand Higher need for heating and cooling due to physical risks	EDP group	AGG: OPPORT SMT: OPPORT		
RESOURCE EFFICIENCY	Use of more efficient means of transport and consequent increase in installed capacity	EDP group	AGG: OPPORT SMT: OPPORT		
MARKET	Access to new markets and consequent increase in installed capacity	EDP group	AGG: OPPORT SMT: OPPORT		
RESILIENCE	Increase supply chain reliability	EDP group	AGG: OPPORT SMT: OPPORT		

2.4. Strategic priorities

Today’s world is changing very fast and very volatile, and this environment requires businesses to adapt quickly. EDP has a resilient business plan focused on driving growth and making sure that EDP can navigate through world’s volatile environment. With this business plan in place until 2026, EDP is promoting renewables as a source of energy, reinforcing its position in electricity networks, and supporting collaborators, clients, communities, shareholders, and partners in achieving a climate positive world.

Vision

EDP's vision is to be a leader in the energy transition, while creating superior value. To achieve this, EDP is strategically positioning itself with a low-risk, cross-diversified and resilient profile, which enables the company to create distinctive conditions for the execution of a value-creation strategy in the challenging context of low ecological footprint leveraged in sustainable growth.

By prioritizing sustainability and innovation, EDP is committed to being at the forefront of the energy industry and aims to create value for all stakeholders while minimizing its environmental impact. With its forward-thinking approach and strong focus on sustainability, EDP aims to drive the energy transition and contribute to a more sustainable future. As our business expands, our purpose and commitment to the planet grows stronger.

Strategic Pillars

Based on its Vision, EDP has identified four strategic pillars:

- Accelerated and focused growth
- ESG excellence and future proof organization
- Distinctive and resilient portfolio
- Superior value creation for stakeholders

EDP aims to achieve accelerated and focused growth by implementing its investment plan for the period of 2023-2026 that will reinforce EDP’s position as a leader of the energy transition and its distinctive “green” position and low risk profile. With the goal to be net-zero by 2040, and a clear roadmap of coal free by 2025 and all green by 2030, EDP has clearly defined its strategy towards decarbonization. The fast deployment of renewables

capacity will be combined with the intended sale of majority stakes in selected renewable assets, in line with EDP's asset rotation strategy, to accelerate growth and enable a less capital-intensive growth model.

The focus on building a future-proof organization will drive the EDP of the future. EDP is focused on accelerated and sustained growth, being a more global, agile and efficient organisation by improving its decision-making process and simplifying its organisational structure. By having digital at the core of its strategy and being fast adopters on innovation while continuously investing in talent, it will achieve its targets.

EDP has a distinctive and resilient portfolio with a low-risk profile and focused geographic presence, with a BBB credit rating, 21% FFO/Net Debt target by 2026 and >80% EBITDA in high-rated markets such as Europe and North America. EDP is leveraging a superior portfolio and infrastructure as a competitive advantage for increased renewables deployment such as hybridization, repowering, storage and hydrogen.

EDP is committed to delivering attractive returns through a sustainable dividend policy based on a target pay-out ratio of 60 to 70 per cent., with a dividend floor at €0.19 per share in 2023 with an increase to €0.20 per share in 2026. EDP is focused on delivering value to shareholders through a sustainable business model for the long term. Accordingly, EDP has committed to various sustainability targets by 2030 and beyond, focused on an all green positioning and facilitating the energy transition.

Strategic guidelines compliance

In the following pages are the main objectives and strategic goals of the group defined for the period 2023-2026.



Strategic Axis	Key figures and targets	Target 2026	Status 2023
Accelerated and sustainable growth	• Gross investment 2023-26	€25 Bn	€6.1 Bn
	• Gross additions	18 GW	2.7 GW
	• RES gross additions 2021-30	>50 GW (by 2030)	7.4 GW
ESG excellence and futureproof organization	• Coal free by 2025 ³	0%	3% <small>(Pecém deconsolidated; 50/50 partnership to convert Aboño into a gas-fired plant)</small>
	• All Green by 2030 (Renewable installed capacity)	33 GW	24 GW
	• Net-Zero by 2040	-	-
Distinctive and resilient portfolio	• Credit rating	BBB	BBB
	• FFO / Net Debt ²	21% ²	21% ²
	• EBITDA in high-rated markets (Europe and North America)	>80%	78%
Superior value creation for all stakeholders	• EBITDA ¹	€5.7 Bn ¹	€5.0 Bn ¹
	• Net income ¹	€1.4-1.5 Bn ¹	€1.3 Bn ¹
	• DPS floor	€0.20	€0.195 ⁴

1 – Recurring Values. 2 – FFO/ND with a formula consistent with the methodology of rating agencies, considering EDP's definition of recurring EBITDA. 3 – Coal installed capacity/ total installed capacity. 4 – To be proposed in the General Shareholders Meeting



Ambition	Objective	2023	Goal 2026	Ambition 2030
 Decarbonize	SBTi: Scope 1 + Scope 2, gCO2e/kWh (% vs. 2020) ¹	81 (-49%)	36 (-77%)	8 (-95%)
	SBTi: Scope 3, MtCO2e (% vs. 2020) ¹	8.1 (-16%)	—	~6M (-45%)
	Renewables generation	87%	93%	100%
 Communities	Global investment in communities, cumulative ²	88.7	~€200 M	>€300 M
	Social impact investment beneficiaries ³	604	20 m	>30 m
	New hires	1,425	>3,000	>6,500
	Training in upskilling and reskilling program, % training ⁴	86%	45%	>45%
 Planet	Total recovered waste ⁵ , % per year	96%	90%	>90%
	Projects with Net Gain Biodiversity tracking system	22%	100%	100%
 Partners	Suppliers compliant with ESG Due Diligence ⁶	62%	100%	100%
	Purchases volume aligned with EDP ESG goals ⁷	~50%	90%	>90%
 ESG Culture	Fatal accidents	5	0	0
	Women employees	29%	31%	35%
	Women employees in leadership	29%	31%	35%
	Employees receiving ESG training	83%	70%	90%

1. 2020 as base year. 2. Accumulated OPEX 2021–2030. Includes voluntary & mandatory investment + management costs. 3. Accumulated 2021–2030. Includes direct and indirect beneficiaries & A2E clients. 4. Excludes transversal training. 5. Includes construction, operational and dismantling phases and considers the change in EDP’s technology mix. 6. In 2023, this indicator was improved. Prequalification assessment already considers IDD, Environment and H&S, as well as other risk mitigation stages: desk assessments/audits/inspections, during contract period, and contract evaluation after contract closure. With this new approach, in 2023, 62% of suppliers are already compliant with ESG due diligence. 7. The volume of purchases associated with critical suppliers whose decarbonization, environmental (biodiversity and circular economy), and human rights goals are consistent with those of the Group is considered aligned with EDP’s ESG objectives. In 2023, approximately 50% of the Group’s purchasing volume is considered aligned with EDP’s ESG goals.

Strategic alignment


Through the materiality process, the group carefully identifies and prioritizes the most important topics for both society and the business. By doing so, the group can optimize its strategic direction and direct its internal management towards addressing these material topics to integrate them into the group's overall strategy. These material topics are embodied in the three strategic pillars of the current business plan.

Based on these strategic pillars, the group defines objectives that are relevant to the entire scope of the group's operations and ensures that they are integrated and aligned with the strategic axes. These objectives aim to help the group achieve its long-term vision and contribute to the group's ongoing success. By following this process, the group can effectively manage its resources, respond to evolving societal expectations, and remain competitive in the market.





Contribution to the SDGs



7 AFFORDABLE AND CLEAN ENERGY



13 CLIMATE ACTION

Decarbonize

Decarbonize for a climate-positive world

Coal free by 2025

All green by 2030

Net Zero by 2040



11 SUSTAINABLE CITIES AND COMMUNITIES



17 PARTNERSHIPS FOR THE GOALS

Communities


Empowering our communities for an active role in the transition

~€200 Mn in social investments (accumulated)


2023 status: €88.7Mn

>3,000 new hires

2023 status: 1,425



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



15 LIFE ON LAND

Planet

Protecting our planet, contributing to its regeneration

100% Projects with Net Gain Biodiversity tracking system

2023 status: 22%

90% recovered waste

2023 status: 96%



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Partners

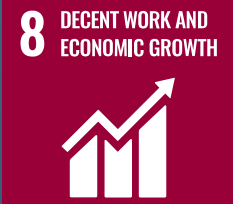
Engaging our partners for an impactful transformation

100% suppliers compliant with ESG Due Diligence


2023 status: 62%

90% of purchases volume aligned with EDP's ESG goals

2023 status: ~50%



8 DECENT WORK AND ECONOMIC GROWTH



5 GENDER EQUALITY

ESG Culture

A strong ESG culture protecting and empowering human life

Aim to Zero fatal accidents

2023 status: 5

70% employees received ESG training

2023 status: 83%

31% women in leadership

2023 status: 29%

Remuneration linked to ESG

We will be all green

by 2030

Livadi Wind Farm, Greece

Because
We Choose
Earth

03 Performance

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3.1. Business area analysis

3.1.1. Renewables, Clients and Energy Management

Financial Analysis

**EBITDA Renewables,
Clients and Energy
Management**

€3,552M

+18% vs. 2022

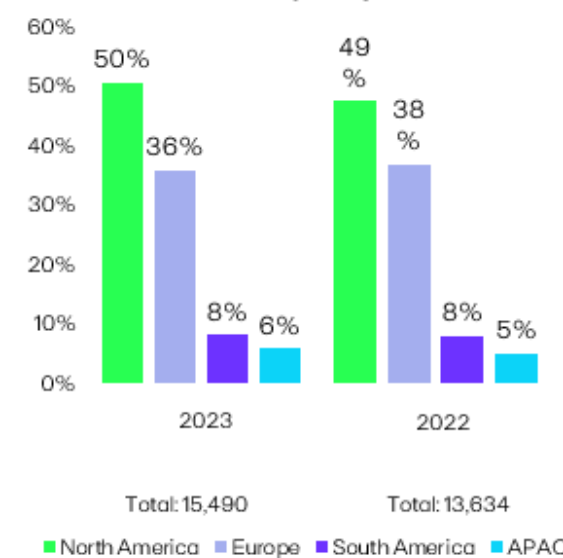
Renewables, Clients and Energy Management EBITDA (Wind & Solar generation plus Hydro, Client Solutions and Energy Management activity) increased 18% vs. 2022 to 3,552 million euros, supported by:

- **Wind and solar EBITDA decreased to 1,835 million euros in December 2023** despite higher capital gains, reflecting: (i) lower avg. selling price (-6% YoY), mitigated by higher generation output (+4% YoY) mainly driven by higher average MW installed (+8% YoY) and (ii) lower contribution from Ocean Winds.
- **EBITDA from Hydro, Client solutions and Energy Management** (hydro and thermal generation, supply and energy management), increased to 1,718 million euros detailed by:
 - **In Iberia: EBITDA increased to 1,480 million euros, with 2023** figures including an extraordinary gain of 104 million euros, resulting from the 50/50 partnership signed to convert Aboño into a gas-fired plant. Besides this extraordinary gain, YoY increase reflects a strong rebound from a very weak 2022 that was penalized by a record-high prices and the driest winter period since 1930 that heavily penalized intermediation costs. In more detail: (i) Hydro production benefited from a normalization of hydro resources specially during the first quarter of the year, (ii) normalization of energy management activities in a context of declining commodity prices, which contrasts with a 2022 with extremely high intermediation costs and (iii) recovery of supply activities when compared with a very harsh environment in 2022. These effects partially compensated the decrease in thermal production (54%

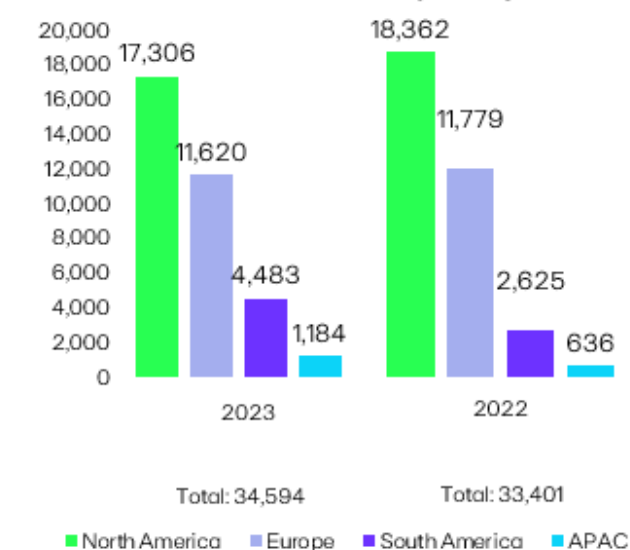
- YoY) and the booking of 1.2% revenue tax in Spain (45 million euros already recorded in 1Q23).
- **In Brazil, 238 million euros EBITDA**, with the segment performance being penalized by: i) sale of Pecém in December 2023 (-84 million euros) and ii) deconsolidation of hydro plant Mascarenhas (“Energest”) in December 2022.

Operational Analysis

INSTALLED CAPACITY WIND & SOLAR (MW)



NET ELECTRICITY GENERATION WIND & SOLAR (GWH)



Wind and Solar Generation

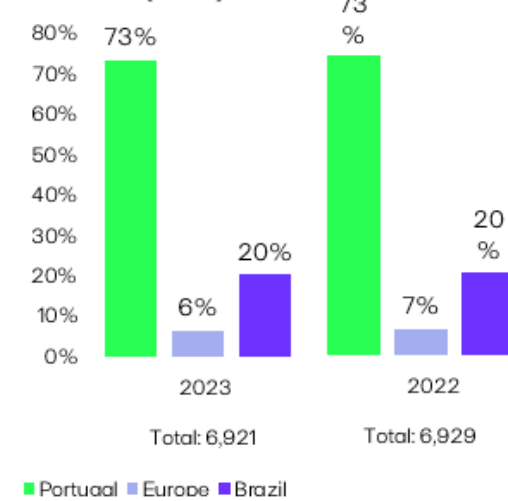
- The Group's wind and solar generation portfolio corresponds to a total of 16.6 GW of installed capacity (EBITDA + Equity), an increase of 1.8 GW (+12%) explained by the growth of the portfolio of EDP Renováveis (“EDPR”) net of deconsolidations resulting from the asset rotation strategy.
- In 2023, EDPR added a total of 2.5 GW, including the acquisition of a wind portfolio in Spain (45 MW).
- Regarding the EBITDA portfolio, EDPR added: i) 958 MW of onshore wind technology: 277 MW in Europe (65 MW in Spain, 12 MW in Poland, 117 MW in Italy, 35 MW in Greece, 26 MW in France and 22 MW in Portugal), 297 MW in Canada, 202 MW in the United States,

99 MW in Brazil and 83 MW in Chile; ii) 1,300 MW of solar PV technology: 589 MW in the United States, 498 MW in Europe (195 MW in Poland, 66 MW in Spain, 223 MW in Portugal, 9 MW in Netherlands, 4 MW in France) and 212 MW in Brazil; iii) 251 MW of solar DG technology: 63 MW in the United States and 190 MW in APAC (9 MW in Vietnam, 85 MW in Singapore, 79 MW in China, 11 MW in Taiwan and 6 MW in Thailand); iv) 15 MW of storage technology in the United States.

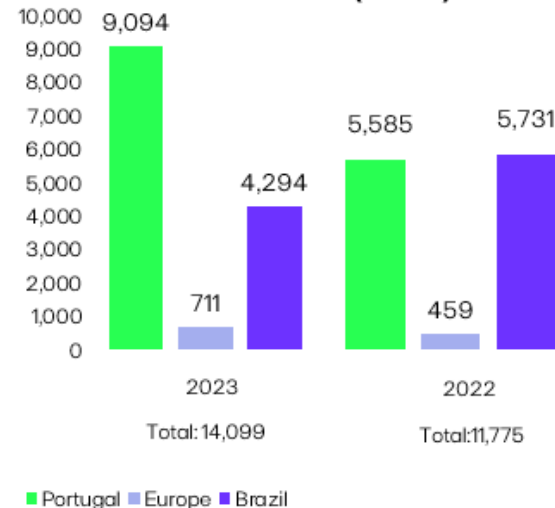
- Following the asset rotation strategy, EDPR concluded the following sales: a 256 MW in Spain, 142 MW in Poland and 260 MW in Brazil wind onshore portfolios. Regarding the equity portfolio, the variation was -35 MW resulting from a stake in San Cristo de Magallón and San Juan Bargas and +1 MW of solar DG technology in APAC.
- Wind and solar generation increased 4% YoY, as a result of higher installed capacity (+12%), which was mitigated by: i) concentration of annual capacity additions in 4Q23, ii) wind resources below LT average in the United States related to El Niño, iii) increase of solar capacity weight, with lower load factors vs wind, iv) asset rotations closed in 3Q23 for wind assets in Europe (Spain and Poland).
- At the end of 2023, EDPR had 4.4 GW of capacity under construction, of which 0.9 GW related to onshore wind, 2.8 GW solar and 0.7 GW offshore wind. Regarding onshore wind, 90 MW in Europe (20 MW in Spain and 70 MW in Greece), 329 MW in Brazil and 504 MW in Colombia. Solar projects respect to 404 MW in Europe (140 MW in Spain, 15 MW in France, 155 MW in Italy, 21 MW in Netherlands and 74 MW in Hungary), 2,074 MW in the United States, 255 MW in Brazil and 65 MW in APAC (31 MW in Singapore, 25 MW in China, 8 MW in Taiwan and 1 MW in Malaysia). On wind offshore, 419 MW in the United Kingdom and 309 MW in France.

Hydro Generation

INSTALLED CAPACITY HYDRO (MW)



NET ELECTRICITY GENERATION HYDRO (GWH)



Iberia

- EDP's hydro production portfolio in the Iberia includes a total of 5.5GW of installed capacity, of which 43% includes pumping.
- Hydro generation in 2023 increased 62% year on year (+3.8TWh), to 9.8TWh, reflecting the above average hydro reservoir levels in Portugal, with hydro generation coefficient of 0.99 in Portugal, compared with a coefficient of 0.63 in 2022.

Brazil

- The Hydro generation portfolio in Brazil includes a total of 1.4 GW of installed capacity. The portfolio also includes 0.6 GW of equity installed capacity (Jari, Cachoeira-Caldeirão and S. Manoel).
- In 2023, the average GSF stayed at 90% registering an increase of 4% vs 2022. Consequently, the volume of energy production, considering the consolidated companies, was 4,294 GWh, a decrease of -25% year-on-year.

Risk outlook

- **Renewable generation volumes:** uncertainty regarding hydro generation levels, with high volatility, being 2022 an example of a year with very low production in the Iberian Peninsula; uncertainty regarding the remaining technologies with less annual volatility in a normal scenario, but which could be strongly affected by extreme meteorological scenarios (e.g., El Niño in 2023).
- **Prices of PPAs:** price reduction trend due to increased competitiveness (auctions and Corporate PPAs) and reduction in the cost of raw materials and equipment.
- **Prices for generation to market:** high volatility of market prices (albeit with lower base values), including electricity prices, green certificates, and RECs (Renewable Energy Credits).
- **Policy/ regulatory support for renewables:** uncertainty regarding long-term regulatory frameworks (i.e., incentives, capacity, among others), as well as potential clawbacks to inframarginal technologies.
- **Political/ social risk in EDP geographies:** risk of political uncertainty and instability in EDP geographies, the most current example being Brazil, with the risk of social unrest increasing in recent years (although progressively decreasing since the 2022 presidential elections).

- **Counterparty:** possibility of counterparties defaulting on their obligations (i.e., energy sales contracts, equipment purchase contracts, among others).
- **Interest rates and capital gains:** increased volatility of reference interest rates, impacting the expected profitability of new investments and impacting the lower-than-expected selling price of parks for some projects, leading to lower capital gains.
- **Inflation:** uncertainty regarding the evolution of inflation in the different geographies, with an impact mainly on the costs (Capex and Opex) of operational projects and new projects.
- **FX:** potential evolution of key currencies leading to lower results in EUR.
- **Construction and asset development:** delays in the allocation of construction permits and potential capex deviations and delays in the commissioning date, due to supply chain related constraints and cost increases.
- **Asset operation and availability:** uncertainty regarding damage of assets and/ or loss of profit, risk of delays in maintenance and construction due to logistical and supply chain constraints.

- Thermal generation decreased 50% compared to 2021 (-8.6 TWh), to 8.6TWh, following the disposal of 80% of the 720 MW Pecém coal plant in Brazil in December, and the new 50%/50% partnership in Aboño Coal Plant in Spain (deconsolidated in December 2023), as well as hydro recovery. Nuclear generation remained stable.

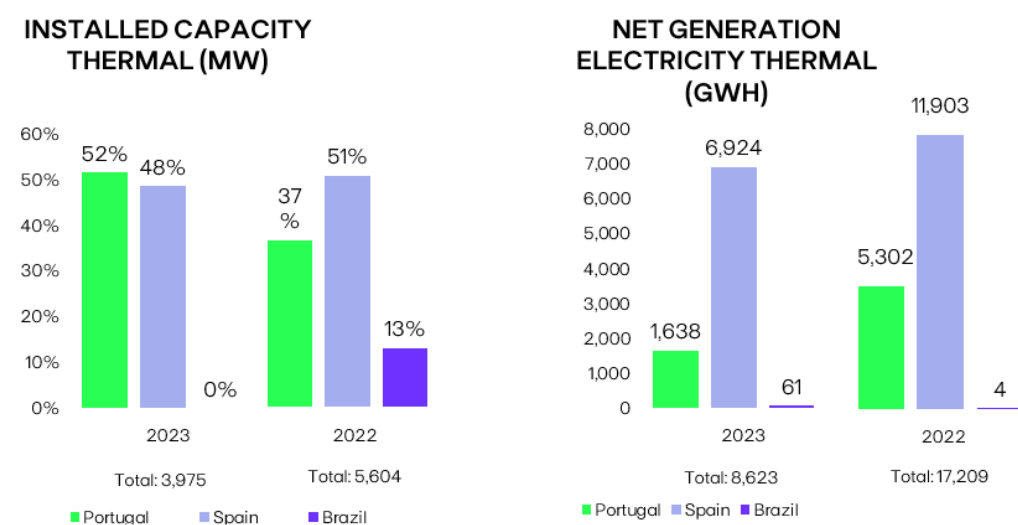
Brazil

- In Brazil, 80% of Pecém plant was sold in December, therefore there is no thermal installed capacity in 2023.
- Pecém was dispatched during the 4Q23 with an output energy of 61 GWh due to the heat waves of November and December.
- Pecém's availability stayed at 99%.

Supply

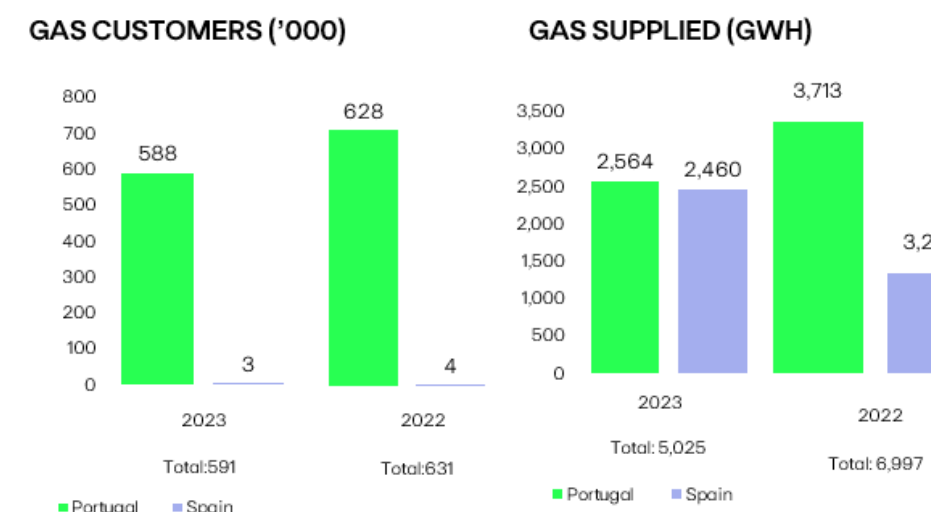
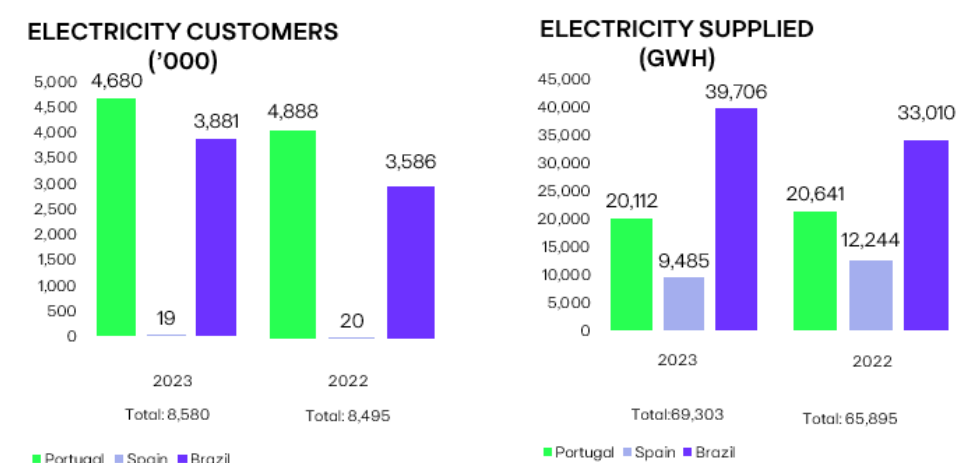
Operational Analysis

Thermal Generation



Iberia

- The Iberian thermal generation portfolio has an installed capacity of 4 GW, with most of the capacity being CCGT (73% or 2.9 GW) and coal (23% or 0.9 GW). The remaining thermal capacity is divided between nuclear, cogeneration and waste (0.2 GW).





Europe

- 2023 marked a more stable context but still challenging in the commercialization of energy-related products and services, mostly as a consequence of the price increase in 2022. Wholesale energy and commodities prices soared during 2022 in response to gas supply shortage due to Ukraine–Russian conflict and sanctions taken by Western countries against Russian gas supply, which led to all-time high inflation levels in energy products and services.
- In this context, the already in place Energy Transition plans were fast paced worldwide with countries and companies committing to more ambitious Net Zero targets, which resulted in higher prices and supply chain disruptions. These decisions affected directly prices and supply of solar panels and Electric Charges to face a higher demand of customers looking for green solutions and energy independence.
- In Portugal the regulated electricity business (operated by EDP under SU Electricidade brand) decreased 5% vs 2022 in number of clients to 927 thousand, while electricity sold increased 7% to 3 TWh.
- In the liberalized electricity business in Portugal, EDP saw a 4% reduction in number of clients to 3.8 million, and a reduction of 4% in the volumes sold to 17 TWh. The liberalized gas business lost competitiveness, and therefore EDP portfolio of gas customers in Portugal reduced by 13% to 480 thousand, and volumes sold decreased by 38% to 3.2 TWh.
- In Spain, EDP also registered a decrease of 23% in electricity sold to 9.5 TWh and a decrease of 25% in gas volume sold to 2.5TWh.
- In the services sector, among the main traditional services, emphasis should be placed on “Funciona” portfolio, which grew by 1% vs 2022 to 599 thousand customers and “EDP Saúde”, which registered a total number of 236 thousand customers in Portugal, 9% more than in 2022.
- The commitment and the focus on to new services more focused on efficiency and energy transition remain, EDP positions itself as a brand that looks for offering to all its clients (residential, small and medium-sized companies, large business groups, and government entities) solutions that allow energetic autonomy and independence. Hence, solar DG and Electric Mobility are the present bet thinking about the future. In Iberia, EDP is proud of having installed 189MWac of solar DG and 2,3 thousand chargers both public and private.
- Regarding the ambition of geographical expansion, EDP has been investing in companies providing service related to solar DG, with the purchase of Enertel (Italy) in 2021, Soon Energy and Zielona (Poland) in 2022, and Enerdeal (Belgium and Luxembourg) in 2023. Therefore, during 2023 EDP installed 106 MWac in these countries.

Brazil

- The total volume of energy sold in 2023 increased by 20% to 39.7 TWh.
- The focus on solar DG is also a reality in EDP Brazil, with 48 MWac installed in 2023. Although being the geography most affected by the delays in the installations, a recover is expected in 2024.

Risk outlook

- **Market price:** high volatility of market prices (albeit with lower base values), including electricity prices, as well as fuel prices with an impact on the Energy Management activity. Potential differences in electricity and gas hedges in indices other than the original exposure (both gas and electricity) with basis risk (especially relevant in cases of energy crisis).
- **Risk on thermal revenue:** possibility of a fall in thermal generation spreads.
- **Retail margin/ market share:** uncertainty regarding the evolution of retail margin or loss of market share, marketing of new products and services and potential deviations in demand vs. energy previously contracted.
- **Political/ social risk in EDP geographies:** risk of political uncertainty and instability in EDP geographies, the most current example being Brazil, with the risk of social unrest increasing in recent years (although progressively decreasing since the 2022 presidential elections).
- **Counterparty:** possibility of counterparties defaulting on their obligations (i.e., energy sales contracts, energy purchase contracts, equipment purchase contracts, among others).
- **Operation and availability of assets:** uncertainty regarding damage to assets and/or loss of profits, risk of delays in maintenance and construction due to logistical and supply chain constraints.
- **Liquidity risk:** the risk of a sudden increase in liquidity needs (e.g., margin calls) that may exceed current sources of funding. Liquidity risk increased significantly with the energy crisis in Europe, however, in recent months it has shown a downward trend, associated with the reduction in market prices.

3.1.2. Networks

EBITDA Networks

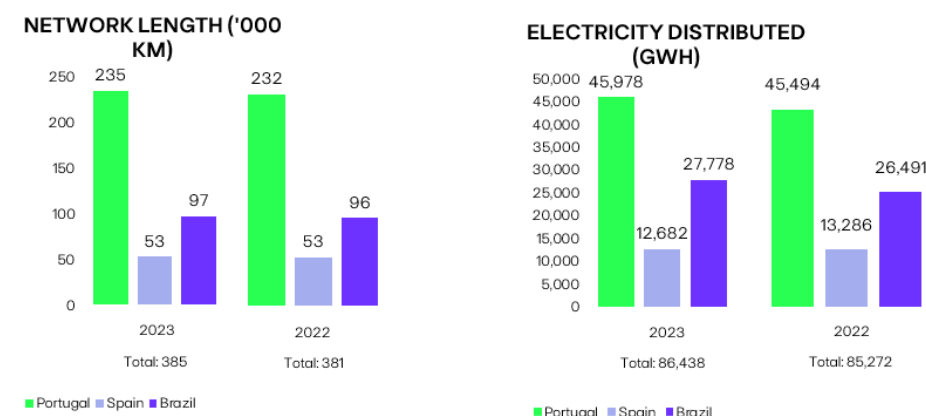
€1,501M

-0.3% vs. 2022

Financial Analysis

- **EBITDA from networks remained flat vs 2022 at 1,501 million euros**, mainly explained by: (i) 6 million euros increase in the Brazilian networks segment mainly due to tariff update in 2023 and higher RAP, mitigated by higher operating costs as result of higher inflation in the period which also reflect on distribution remuneration; (ii) 9 million euros decrease in Spain following the increase in Opex due to higher personnel costs.
- In Iberia, EBITDA was broadly stable compared to 2022 as the positive impact from higher Portuguese 10Y bond yields on the return on RAB and the benefits from integration of Viesgo were compensated by an increase in OPEX, mainly reflecting the high inflation environment.

Operational Analysis



Distribution

Iberia

- The Distribution network in Iberia reached the length of 287,516 km in 2023 corresponding to a slight increase of 1% vs 2022.

- At the end of 2023, EDP reached 7.0 million smart meters installed in the entire distribution network in the Iberian Peninsula. Smart meters are aligned with the efficiency, digitalization and innovation strategies and are considered a strong bet in the Group, especially in Portugal where there was an increase of 22% against 2022.
- In 2023 the volume of electricity distributed in Iberia remained equal to 2022.
- The Installed Capacity Equivalent Interruption Time (ICEIT) in Portugal registered a decrease vs 2022, reaching the value of 48 minutes, which is still below the regulator's benchmark. In Spain, the registered ICEIT value was of 19 minutes, an increase from the previous year's value of 18 minutes.
- Regarding energy losses in the network, Portugal registered a decrease in the indicator (measured based on energy input into the grid) which reached 7.8% in 2023 (-0.9pp vs 2022), remaining below the upper regulatory limit of 9.00%. In Spain (measured based on energy input into the grid), losses stayed at 4.8% (-1.1pp vs 2022).

Brazil

- The Distribution network in Brazil reached the length of 96,999 km in 2023, corresponding to an increase of 1% vs 2022.
- In 2023, the volume of energy distributed increased 4.9%, (2.7% at EDP SP and 8.3% at EDP ES). This reflects the increase in the number of connected costumers and the heat waves during the months of November and December.
- The number of new customers increased 3% with free customers increasing by 16.5% (153 customers at EDP SP and 159 customers at EDP ES), due to the migration of captive customers to the free market.
- Regarding service quality indicators, both distribution companies show a slight worsening (vs 2022) of the Equivalent Duration of Interruption (DEC) with the values staying at 369 minutes for EDP SP and 437 minutes for EDP ES. As for Equivalent Frequency of Interruption (FEC), there was an improvement vs the previous year, with the values reaching 2.9 in EDP SP and 3.1 in EDP ES.
- As for energy losses in the network, both distribution companies showed improvements with EDP SP reaching a value of 7.2% (-0.7p.p. vs 2022) and EDP ES reaching 11.8% (-0.1p.p. vs 2022).

Transmission Brazil

- In 2023, EDP Brazil concluded the sale of two transmission lines (EDP Transmissão SP-MG and Mata Grande Transmissão de Energia).

- The construction of Lote 02 and at the end of the year 91% of the Lote EDP Transmissão Norte (Lote 1) was built.
- In 2023 there was the conclusion of all reinforcement and improvement licencing of 2023 and anticipation of 2024 in EDP Goiás, with an additional margin of 59% - R\$37Bn in Xavantes and 32% R\$13Bn in Itapaci.

Risk Outlook

- **Low voltage network concessions (Portugal):** uncertainty as to the timing of the launch of the tender and its terms, with possible fragmentation of the activity and possible increased costs for the system.
- **Political/ social risk:** risk of political uncertainty and instability in EDP geographies, the most current example being Brazil, with the risk of social unrest increasing in recent years (although progressively decreasing since the 2022 presidential elections).
- **Counterparty:** possibility of default or failure of counterparties to meet their obligations, leading to possible delays, penalties or lost revenue.
- **Construction and asset development:** delays in the allocation of construction permits and potential capex deviations and delays in the commissioning date due to supply chain related constraints and cost increases.
- **Asset operation and availability:** uncertainty regarding damage of assets; risk of delays in maintenance and construction due to logistical and supply chain constraints.
- **Business continuity:** impact of extreme events with possible materialization in a prolonged interruption of operations.

3.2. Group's financial analysis

3.2.1. Income Statement

EURO MILLION	2023	2022	Δ %	Δ ABS.
Gross Profit	6,997	6,121	14%	+876
Operating Costs	1,995	1,874	6%	+121
Other Revenues/(Costs)	(59)	38	-%	-97
Joint Ventures and Associates	78	239	-68%	-162
EBITDA	5,020	4,524	11%	+496
EBIT	2,798	2,530	11%	+268
Net Profit for the period	1,331	1,170	14%	+161
Net Profit attributable to EDP shareholders	952	679	40%	+273
Non-controlling interests	379	491	-23%	-112

EBITDA

€5,020M

11% vs. 2022

- **EBITDA amounted to 5,020 million euros in 2023**, a 11% increase vs. 2022. Excluding non-recurrent effects Recurrent EBITDA increased 11% to 5,023 million euros, benefitting from a strong growth of Hydro, Clients & Energy Management in Iberia.
- **Renewables, Clients and Energy Management** EBITDA increased 18% vs. 2022 to 3,552 million euros. On **EDPR**, EBITDA decreased to 1,835 million euros in December 2023 despite higher capital gains, reflecting: (i) lower avg. selling price (-6% YoY), mitigated by higher generation output (+4% YoY) mainly driven by higher average MWs installed (+8% YoY) and (ii) lower contribution from Ocean Winds. **Hydro, Clients & Energy Management Iberia** EBITDA increased to 1,480 million euros in 2023 mainly reflecting a recovery of hydro resources in 2023 vs. the extreme drought of 2022. **Hydro, Clients & Energy Management Brazil** EBITDA in 2023 decreased 95 million euros YoY to 238 million euros mainly driven by the deconsolidation of the Mascarenhas Hydro Plant (“Energest”) that took place in December 2022.
- **Electricity Networks** EBITDA slightly decreased to 1,501 million euros in 2023. In Brazil EBITDA was flat YoY, mainly driven by (i) tariff update in transmission 2023 and higher RAP given the completion of reinforcement works in Lot Q and EDP Goiás and (ii) over contracting costs in distribution. EBITDA in Iberia was slightly down YoY, mainly influenced by the high inflation environment, leading to an increase in operating costs.

EBIT

€ 2,798 M

11% vs. 2022

- **Opex costs increased 6% vs. 2022** to 1,995 million euros due to inflation, the tight cost control and successful implementation of ongoing saving programs avoided a higher increase.
- **Other net operating revenues/(costs)** decreased to -59 million euros, explained by increased costs with rents on distribution and the windfall profit tax in Spain.
- **EBIT increased 11% vs. 2022 to 2,798 million euros**, reflecting the increase in the operational performance.
- **Net Financial results** remained flat at -910 million euros in 2023. On one hand, the average cost of debt increased to 5% YoY, penalized by all currencies, essentially by EUR and USD higher interest rate environment. This effect was mitigated by an increase in capitalized financial costs. Net foreign exchange was positively impacted by 37 million euros from the settlement of US dollar pre-hedge as a result of the revision of our funding strategy by currency.

Net profit

Attributable to EDP Shareholders

€952M

40% vs. 2022

- **Income taxes** amounted to 507 million euros, representing an effective tax rate of 27% in 2023.
- **Non-controlling interests** decreased 23% to 379 million euros in 2023, including (i) 295 million euros related to EDPR (-67 million euros year-on-year), explained by the lower operational performance and the impact of Colombia impairment; (ii) €57 million euros related to EDP Brasil, reflecting the acquisition of all minorities at EDP Brasil holding level in 3Q23 (+48 million euros positive impact on EDP net profit in 2023).
- **Net profit attributable to EDP shareholders reached 952 million euros in 2023** (+40% vs. 2022), driven by normalization of hydro resources and better results from energy management. Moreover, EDP successfully concluded the full acquisition of EDP Brasil's minority interests, which also contributed to an improvement in EDP's net profit in 2023.

3.2.2. Investment Activity

Gross investment

€6,139M

-8% vs. 2022

Expansion Investments (including Expansion Capex and Financial Investments), 5,491 million euros (-9% vs. 2022)

- **Expansion Investment represented 89% of gross investment** and mostly dedicated to new renewables capacity and electricity networks (~94%).
- **Expansion Investment in new renewable capacity** amounted to 4.7 billion (-9% vs. 2022), distributed by North America (60%), Europe (22%), APAC (3%) and Latam (15%).
- **In Brazil**, Expansion Capex in transmission investments increased by 28% while in distribution it increased by 10% vs 2022, mainly due to grid expansion and improving quality of service in distribution.

Maintenance Capex, €648M (-1% vs. 2022)

Maintenance capex amounted to 648 million euros in 2023 and was mostly absorbed by networks in Iberia and Brazil (72 % of total).

Asset rotation

€2,020M

3.2.3. Net Debt

Net debt

€15,319M

16% vs. 2022

The execution of our asset rotation strategy remained strong during 2023:

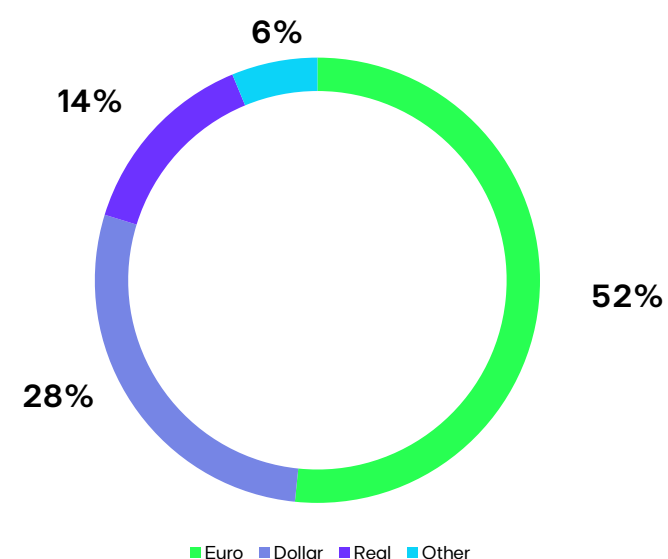
In 2023 we announced and closed several asset rotation deals, of which it's worth highlighting: (i) a 260 MW wind portfolio in Brazil (0.3 billion euros), (ii) a 257 MW wind portfolio in Spain (0.46 billion euros), (iii) a 142 MW wind portfolio in Poland (0.49 billion euros). The remaining asset rotation proceeds resulted from transactions announced in 2022, which only were cashed-in in 2023.

As of December 2023, net debt amounted to 15.3 billion euros, +16% vs. December 2022, reflecting the acceleration in the investments in renewables and networks, mitigated by the capital increase at EDPR.

3.2.4. Funding Policy

- Centralized policy for financial debt at EDP – Energias de Portugal, S.A., EDP Finance BV and EDP SFE (approximately 83% of gross debt), while the remainder is divided between EDP Brasil (ring fenced vs. the rest of the Group), project finance at some EDP Renewables subsidiaries.
- In 2023, the average cost of debt stood at 5.0% (+65 basis points vs. 2022), mainly driven by the cost EUR/USD, partially offset by the cost reduction in Brazil.
- Fixed interest rate debt represents 79% of overall gross financial debt.

Gross Debt by Currency in Dec-23 ⁽¹⁾



¹After FX-derivatives

Bond Issues

All EDP issuances in 2023 were green notes, detailed as follow:

ISIN CODE	CURRENCY	AMOUNT	COUPON	MATURITY
PTEDP4OM0025	EUR	1,000,000,000	5.943%	23/04/2083
PTEDPUOM0008	EUR	750,000,000	3.875%	26/06/2028
XS2699159278	EUR	600,000,000	4.125%	04/04/2029
XS2699159351	EUR	750,000,000	4.375%	04/04/2032

Rating

Regarding EDP’s rating, in May 2023, Moody’s upgraded EDP’s rating from Baa3, with a positive outlook, to Baa2, with stable outlook. Throughout the second half of 2023, EDP maintained its rating, namely S&P’s rating of BBB with stable outlook, and Fitch’s rating of BBB with stable outlook.

	LONG-TERM	SHORT-TERM	OUTLOOK
S&P	BBB	A-2	Stable
Moody's	Baa2	P2	Stable
Fitch	BBB	F2	Stable

3.3. Share performance

3.3.1. Share

EDP market price was 4.555€ per share at the end of 2023, 2.2% below the 4.656€ per share at the end of 2022. Based on the payment of dividends to shareholders held on April 12th, 2023 (0.19€ per share), which implied a dividend yield of 4.2% (considering 2023's year-end closing price), in 2023 EDP generated a total shareholder return (TSR) of 1.5%, assuming automatic reinvestment of the dividends received into new shares.

3.3.2. Market Performance

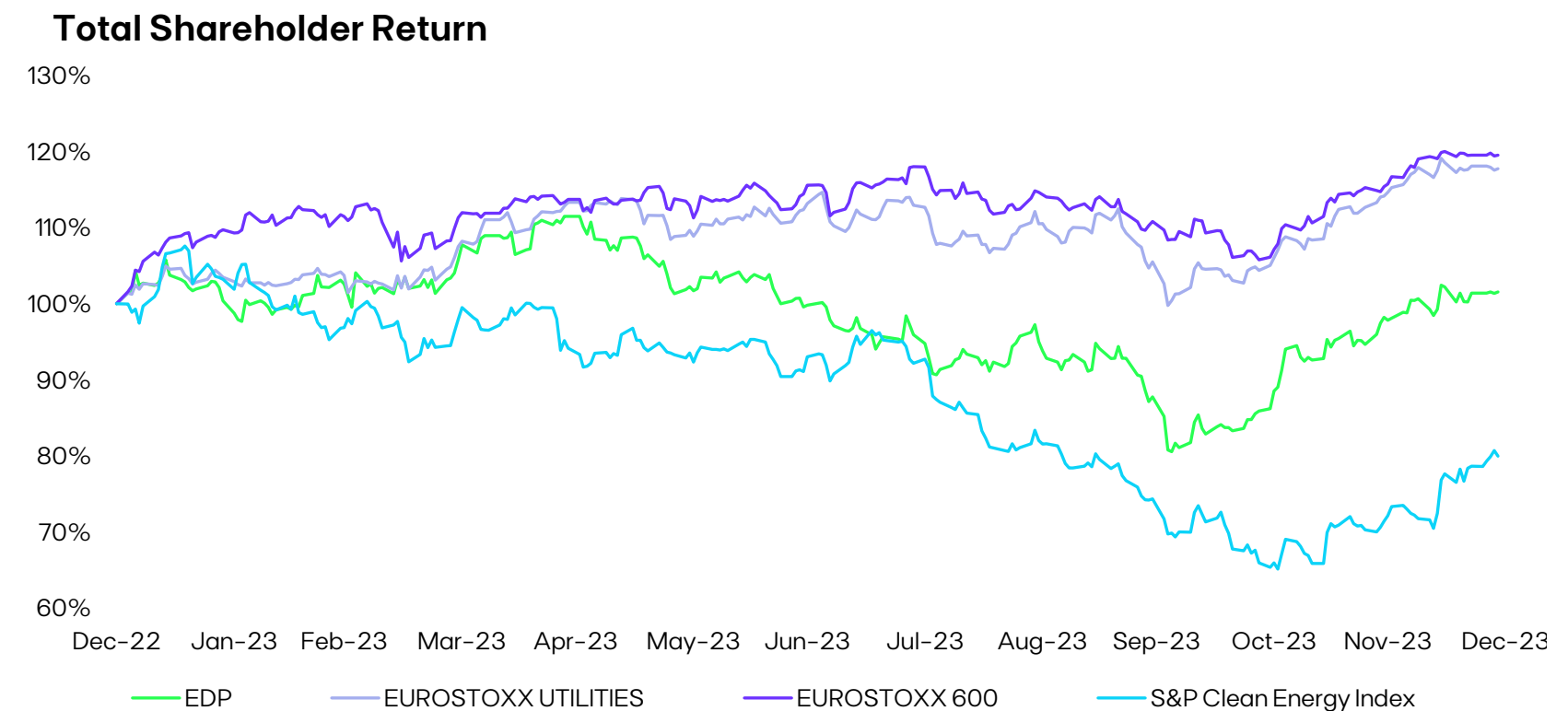
In 2023, European Equities benchmark index, Eurostoxx 600, yielded a positive TSR of 19.5% as stocks rallied and bonds recovered after suffered substantial losses at the onset of the year due to concerns about a recession faced last year. The year 2022 was significantly impacted by geopolitical tensions stemming from the invasion of Ukraine, resulting in an unprecedented energy and food crisis that reverberated across much of the globe. Additionally, the performance of European shares in the early months of 2023 was influenced by global market challenges, particularly the abrupt downfall of Swiss lender Credit Suisse and the struggles faced by U.S. mid-sized lender Silicon Valley Bank. These anxieties were subsequently alleviated as investors' confidence grew, propelled by a noteworthy shift in expectations for interest rate reductions by the commencement of 2024.

The Utilities Sector underperformed the Eurostoxx600 and exhibited total return of 17.7% in 2023, in contrast to the challenges faced in 2022, where energy markets were adversely affected by rising energy sourcing costs. Despite the difficulties encountered by renewables players throughout the year, government policies persist in bolstering the performance of electricity markets, thereby promoting the ongoing energy transition. Moreover, the reduction in interest rates for 2024 is anticipated to contribute to a recovery in energy market stocks.

In 2023, the global benchmark for clean energy-related businesses, S&P Global Clean Energy Index, registered a TSR of -20.1%, mainly attributed to the underperformance of pure renewables companies compared to utilities, resulting from profit warnings prompted by high interest rates, operational challenges, and disruptions in

the supply chain. Consequently, a wave of impairments affected renewable energy players, precipitating a subsequent decline in the clean energy stock market.

EDP's TSR of +1.5% in 2023 underperformed both European and Utilities benchmark Indexes, impacted by lower resources caused by weather conditions and capacity delays. The performance benefits from strong performance of integrated portfolio in Iberia following hydro recovery and better sourcing costs.



3.3.3. Factors influencing the change in EDP share price




The performance of EDP's share price in 2023 was impacted by several factors. On one hand, the adverse of macroeconomic conditions resulting from the increase in interest rates, supply chain issues and complicated weather condition. On the other hand, the implementation and strong delivery of EDP's Strategic Plan growth targets in the first year of this plan.



Internal factors	Accelerated Sustainable Growth	Focused Growth	<ul style="list-style-type: none"> In renewables, at EDPR level, has 9.9 GW of secured capacity to 2023-26, with additions of 2.5 GW additions in 2023 and expected 4GW to be installed in 2024. In renewables, the strengthened position in the global renewables landscape across four regional hubs: APAC, North America, Europe and South America. Delays in us 0.9 GW in solar capacity from 2023 to 2024 and 0.5GW projects in Colombia due to delays in permitting.
		Portfolio Optimization	<ul style="list-style-type: none"> EDP close 3 asset rotations deals in 2023, amounting a total capital gains of €460m with €1.5Bn in asset rotations proceeds. Acquisition of EDP Brasil minority stakes with an investment of €1.1Bn that will generate an earnings contribution of ~€120m in 2024 and represent an important milestone in the implementation of EDP's strategy, as well as synergies between EDP's different business units. EDP has taken important steps to implement its strategy of exit coal: i) the sale of 80% and the option to sell 20% of the Pecém thermal power plant in Brazil ii) a partnership in the Aboño power plant in Spain with a decision to invest in the conversion to gas; as well as iii) a request for authorization to close the Soto 3 and Los Barrios coal-fired power plants in Spain. EDP buys back 49% stake in 1GW wind portfolio in Portugal, Poland and Italy for €0.57Bn. With this transaction EDP will hold 100% in projects with strong operational track record, providing immediate cashflow and earnings accretion.
		Hedging Strategy	<ul style="list-style-type: none"> EDP is managing its integrated position with adjusted hedging strategies to optimize portfolio risk / return with renewables generation hedging of ~70%-80% in hydro and ~80-90% in wind and solar.
		Solid Balance sheet	<ul style="list-style-type: none"> Credit rating upgrade by Moody's to "Baa2" with stable outlook. EDP is rebalancing our debt currency mix, aiming to decline the US dollar weight. EDP proceed to a €2Bn capital increases €1Bn to finance acquisition of EDP minorities stakes and €1Bn to invest in EDPR and finance renewables growth. EDP carried out in December da sale of €2 Bn tariff deviation following ERSE announcement of its final proposal for electricity tariffs in Portugal for 2024.

External Factors	ESG Excellence	<ul style="list-style-type: none"> Reassured presence in the S&P Global Clean Energy Index, recognized leadership among electric utilities in the S&P CSA 2023 and continued presence on the Dow Jones Sustainability Index (16th consecutive year). EDP improved alignment with EU taxonomy, with 96% of the Capex and 43% of Revenue aligned with EU taxonomy. Renewables represents 87% of total generation and coal decrease its weight in EDP's total revenue to 4.3% in 2023.
	Dividend policy	<ul style="list-style-type: none"> Proposal to increase by 3% YoY the 2023 dividend per share (paid in 2024), reflecting a 63% payout ratio on 2023 recurring net profit, in line with 2023-26 strategic plan.
	Regulatory Environment	<ul style="list-style-type: none"> RES energy target for 2030 doubled to 45% in REPowerEUPlan. The EC has reached an agreement on a proposal to amend the EU's electricity market design, allowing to start negotiations with the European Parliament to reach a final agreement. The Inflation Reduction Act, which came into effect on January 1, 2023, is the most significant legislation in the history of the United States. It aims to provide funding, programs, and incentives (such as tax credits) to accelerate the transition to a clean economy. This is intended to reduce the costs of renewable energy for organizations, NGOs, businesses, and academic institutions. Spain's Minister for the Ecological Transition supports extending the temporary Tax levy, suggesting it may become permanent. Spanish Parliament reinstated, from 2024 onwards, the special tax on power generation revenues. The lower-than-expected wholesale electricity prices in 2023 (162€/MWh ERSE assumption vs. 88 €/MWh effective value) implied higher than expected deviations, despite ERSE's prices correction in the extraordinary review for the 2H23.
	Supply Chain	<ul style="list-style-type: none"> Bottlenecks throughout global supply chains have been responsible for strong inflationary pressures and delays mainly regarding restrictions on imports of solar panels from Asia to US.



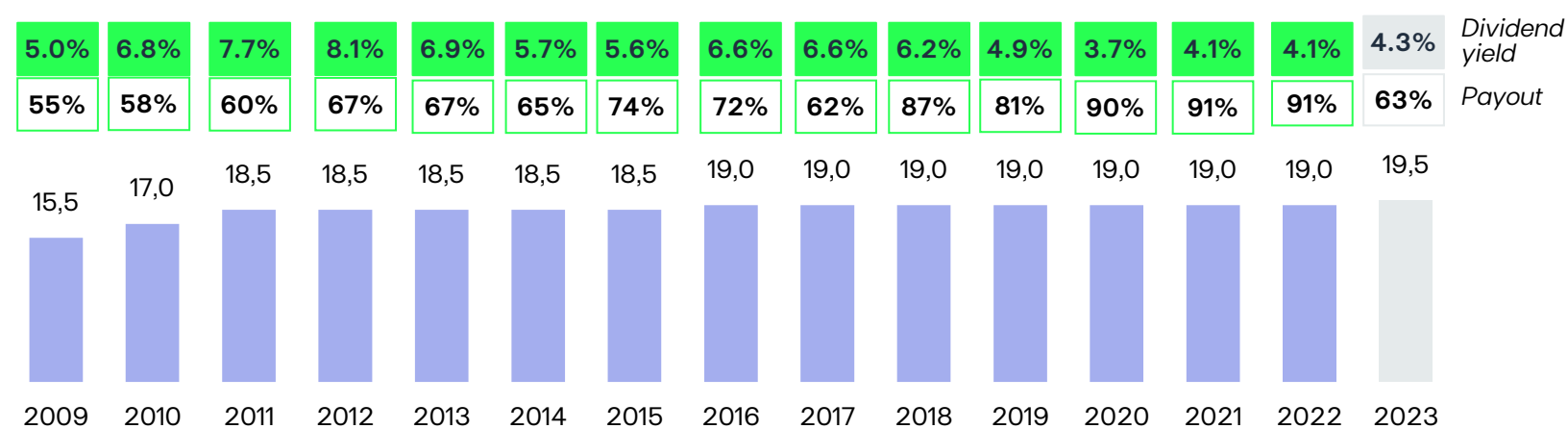
	Interest-rate		<ul style="list-style-type: none">• "Higher for longer" inflation and interest rates environment resulting on a downward pressure on EDP's and on the Energy Sector performances.
	Gas and Electricity Prices in Europe		<ul style="list-style-type: none">• Decline of wholesale gas and electricity prices in Europe with a negative impact on merchant generation volumes
	Climate		<ul style="list-style-type: none">• El Niño effect penalizing wind resources in 2023 namely in US.

3.3.4. Dividend

In the Strategic Update held virtually on March 3rd, 2023, EDP reiterated its dividend policy, comprising a dividend floor of 0.19€ per share on the dividend going forward, which we delivered in 2023. The announced dividend policy dictates that the dividend should continue to evolve in tandem to earnings per share, within a payout ratio interval of 60% to 70%.

Executive Board of Directors will propose to the General Shareholders' Meeting, the distribution of a dividend for the year 2023 in the amount of €0.195 per share an increase of 3% vs 2022 with a payout of 63%, the first increase recorded since 2016, considering the dividend policy established in our 2023–2026 strategic plan.

Dividend per Share(€cent)



Accordingly, for the 2022 financial year the Executive Board of Directors of EDP submitted to the approval of the General Shareholders' Meeting of April 12th, 2023, a proposal for the allocation of 2022 profits, including 791 million euros to be distributed to shareholders in the form of dividends. The proposal was approved at the General Meeting and a gross dividend of 0.19€ per share was paid on the May 3rd, 2023.

(1) 2018 Payout based on Net Profit excluding regulatory impacts (-€208m), impairments at coal plants in Iberia (-€21m), restructuring costs (-€21m), net gain on disposals (+€64m), debt prepayment fees and others (-€26m) and the extraordinary contribution for the energy sector (-€65m).

(2) 2019 Payout based on Net Profit excluding impairments (-€224m), the provision for Fridão (-€59m), provision reversal at S. Manoel and the gain on the revaluation of Feedzai (+€28m), restructuring costs (-€8m), provision for the sharing of some gains with customers and gains following the change in medical plan of employees in Brazil (-€12m) and the extraordinary contribution for the energy sector (-€66m).

(3) 2020 Payout based on Net Profit excluding the net gain from disposals and investments (+€325m), impairments (-€252m, mainly thermal in Iberia), liability management costs (-€55m), regulation related items and other (-€18m) and HR restructuring costs (-€38m).

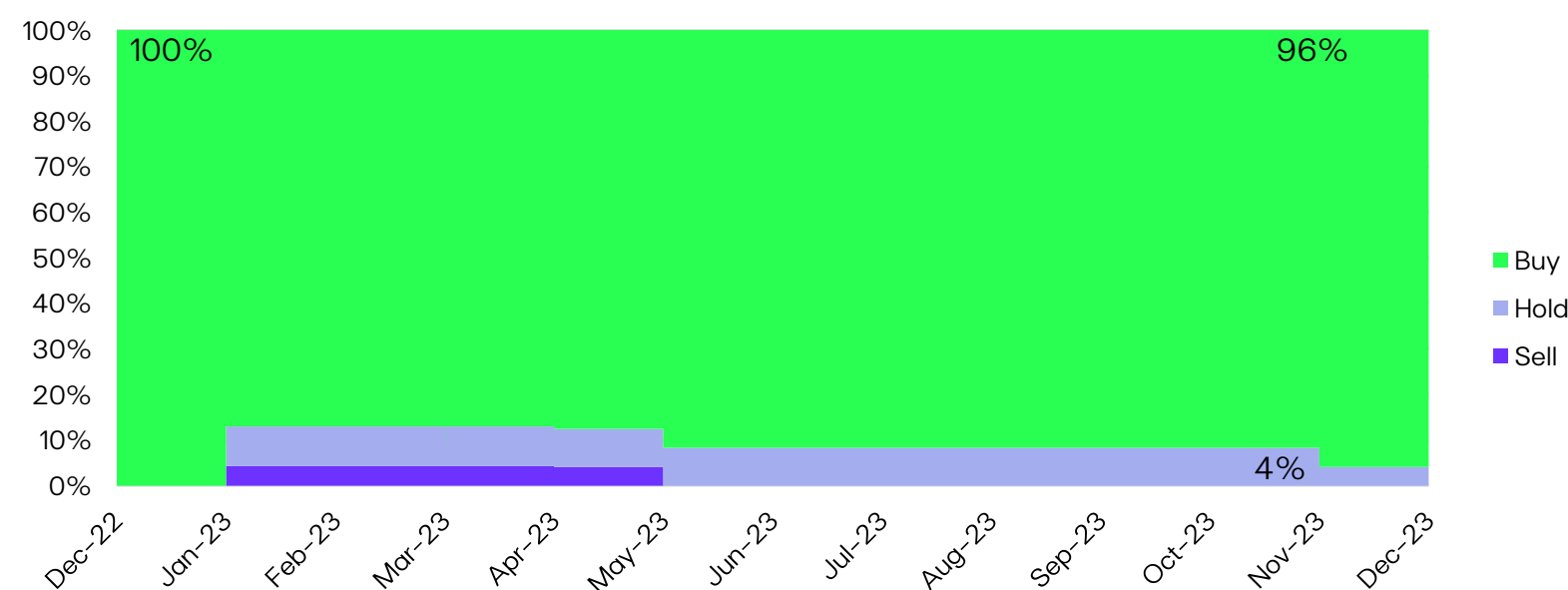
(4) 2021 Payout based on Net Profit excluding (i) impairments, mostly CCGTs in Iberia (-€164m), (ii) acquisition of debt in minority stake in Spain (+€36m); (iii) provision on competition authority penalty (-€33m), (iv) gain from CIDE disposal (+€21m), (v) debt buyback prepayment fees (-€19m), (vi) curtailment costs in (-€10m).

(5) 2022 Payout based on Net Profit excluding (i) impairments in thermal assets and other (-€154m) and EDPR(-€41m); and (ii) net gain related to portfolio optimization in LatAm (+€6m) and HRrestructuring costs (-€3m).

3.3.5. Analyst's Recommendations

There are currently 24 Equity sell side analysts with active coverage of EDP. During 2023, the weight of Buy recommendations by equity sell side analysts deteriorated to 96%, representing 4 p.p. decrease, due the worsened in outlook for renewable players, high interest rates, supply chain issues and low resources driven by weather conditions. Hold recommendations increased from 0% to 4%, whereas Sell recommendations remain 0%. The average Price Target as of December 31st, 2023, was €5.513 per share, according to Bloomberg, implying a 21% upside potential.

Analysts' Recommendations

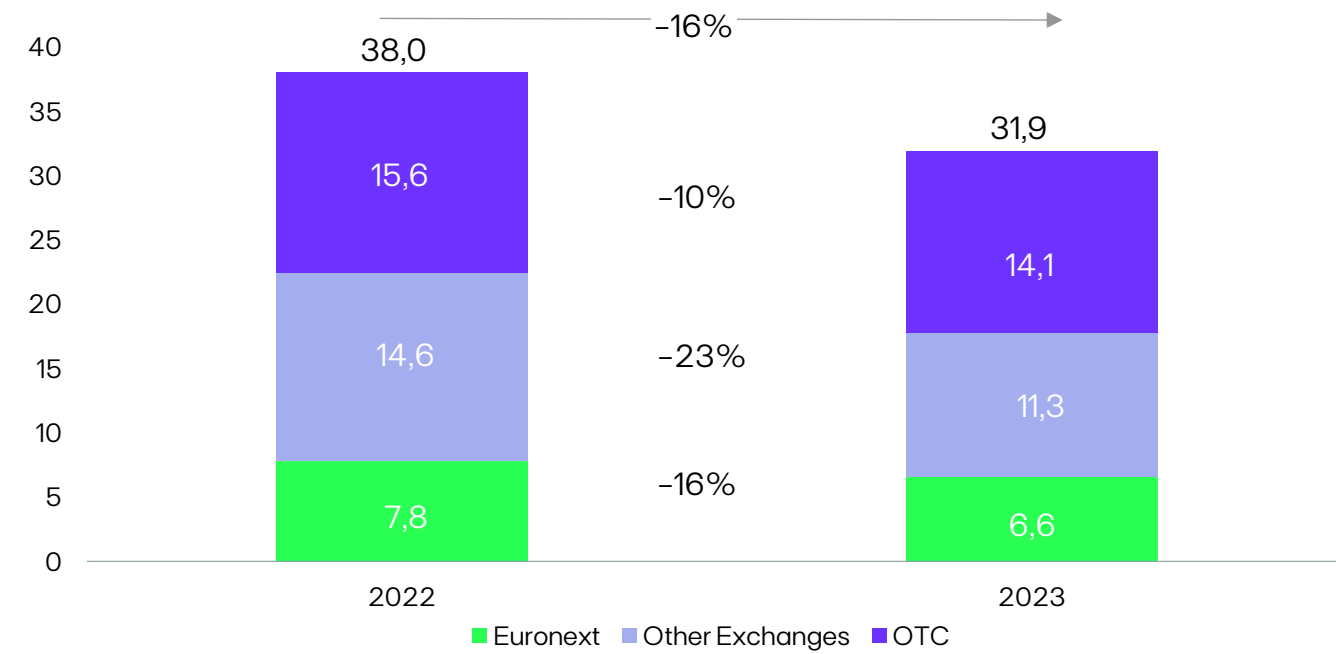


Source: Bloomberg

3.3.6. Volumes

EDP's ordinary shares are publicly traded not only in its main market (Euronext Lisbon), but also in other 27 stock exchanges (including Turquoise and Chi-X Europe) and 7 Over-the-Counter markets (including BATS Chi-X Europe and BOAT).

Average daily trading volume per type of market in 2023 (million shares)



Source: Bloomberg

[Click to check each subject](#)

3.4. Sustainability

Environmental

Environmental management is strategic for the EDP Group, aiming to prevent pollution and mitigate impacts. Through its Environmental Policy and in compliance with ISO 14001:2015, the group maintains a certified corporate environmental management system (SIGAC). Continuous improvement is supported by action plans, objectives, and targets, with a particular emphasis on the Climate Transition Plan.

Governance & Economic

EDP's responsible business conduct, focused on long-term value creation, implies the implementation of due diligence practices in increasingly vital areas for the business. This includes rigorous diligence processes in integrity and in the supply chain, with the aim of safeguarding stakeholders from associated risks. These practices are grounded in various policies and regulations, which are in complete alignment with the values and principles established in EDP's Code of Ethics.

Social

The current and potential impacts associated with the multiple dimensions of the social pillar requires the company to develop policies, action plans, and set objectives and targets. These are based on our policies that align with the values and principles of the Code of Ethics. Identifying risks and opportunities related to those impacts, especially in the 'Human Rights' dimension, is critical for the company's management.

Environmental

- [Climate change](#)
- [Pollution](#)
- [Water and marine resources](#)
- [Biodiversity and ecosystems](#)
- [Circular economy](#)

Stakeholders

- Shareholders | Employees
- Suppliers | Consumers
- Academy | State
- NGOs | Communities

Social

- [Own workforce](#)
- [Health, safety and crisis management](#)
- [Affected communities](#)
- [Human Rights](#)

Governance & Economic

- [Supply chain](#)
- [Energy consumers and end-users](#)
- [Business conduct](#)
- [Innovation and digital transformation](#)
- [Sustainable Finance](#)



3.4.1. Climate change

3.4.1.1. Climate action approach

Prominently positioned at the forefront of energy transition, EDP recognises the importance of the electricity sector, and of its contribution to a low-carbon economy, as part of the solution for tackling climate change.

Given the current context of climate emergency, as well as compliance with the global commitment established by the Paris Agreement and reinforced by the Glasgow Pact to limit the increase in global average temperature to 1.5°C, EDP's contribution to combating climate change is realised through its Climate Action approach, embodied in the [Climate Transition Plan](#) (published in an autonomous document in 2023).

EDP's Climate Action approach focuses on mitigation actions - with the aim of reducing greenhouse gas (GHG) emissions and adopting climate change adaptation plans in all regions and business units exposed to significant climate risks. These actions are supported in a crosscutting way by innovation - which aims to promote the development of carbon-neutral technologies and increase energy efficiency; and by capacity building, increasing awareness and transparency on climate change, both within and outside EDP.

This approach is the responsibility of corporate governance, which assumes a strategic role in the appropriate management of climate responsibilities and action plans, where it includes the identification, analysis and management of climate-related risks and opportunities (more details in [Climate Transition Plan](#)).

EDP has publicly assumed a set of near and long-term objectives and targets that support its decarbonisation strategy, approved by the Science Based Target initiative (SBTi), as being aligned with a decarbonisation trajectory of 1.5°C. Under the new SBTi Net-Zero standard, EDP has also committed to achieve Net-Zero by 2040 across its value chain, covering scope 1, 2 and 3 emissions, from a baseline year set for 2020. Despite ongoing efforts to reduce GHG emissions, there are residual emissions that cannot be eliminated. For these emissions, EDP will offset them using carbon credits.

The following emission reduction targets were validated and approved by SBTi in 2023:

Scope	Target 2030	Target 2040	2023 vs. 2020
S1+S2 [intensity]	-95%	-96%	-48.6%
S3 [absolute]	-45%	-90%	-16.0%
S1+S3C3 [intensity]	-80%	-95%	-47.3%
S3C11 [absolute]	-45%	-90%	-57.1%
S1+S2+S3 [absolute]	-	-90%	-35.2%

EDP follows the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), disclosing information on governance, strategy, risk and opportunity analysis, metrics and targets and financial impact of climate change on the company (more details in [Climate Transition Plan](#)).

The EDP group publicly discloses its response to the CDP Climate Change questionnaire, in which it details its strategy and performance in the fight against climate change in line with the TCFD ([CDP Climate Change EDP 2023](#))

In 2023, EDP achieved again the highest level of this index (Leadership A) in the CDP Climate Change, which has been secured since 2015.

Climate Transition Plan progress

In 2023 EDP published its Climate Transition Plan, built upon the 2022 Commitment to Climate Transition and the results of the Net Zero Acceleration Taskforce, and approved at 2023 Annual General Meeting, supported by strong shareholders vote of over 90%. The Board engagement and the Say on Climate from shareholders brings consistency and credibility to the path to follow.

EDP is being recognized as front runner in credibility of its transition plan: i) **was the only corporate selected to speak at the Credibility session of the UN Climate Ambition Summit** convened by UN Secretary General, September 2023, to showcase first “movers and doers” and ii) was invited by CDP showcase its climate transition plan among recognized corporate standards, companies, and financial institutions.

The Climate Transition Plan sets a baseline of EDP's strategy for this decade, supported mainly by the Business Plan 23-26 under a broader pathway for a net zero goal in 2040.

EDP's climate pathway is set on an action plan that provides the strategy to decarbonise towards science-based Net-Zero targets.

EDP will review this Plan in each Business Plan Cycle. In the meanwhile, the progress towards targets achievement based on EDP's mitigation actions, mainly impacting carbon footprint and evolution of emissions reductions and corresponding Net-Zero targets, are reported on the document [Climate Transition Plan: Progress report, 2023](#).

Further information can be found in [Climate Transition Plan](#).

Mitigation

Mitigation is directly linked to EDP's Business Plans, both on the supply side and on the demand side, with the aim of reducing global GHG emissions by implementing solutions based on four main pillars:

<p>1. Continued reduction of production from coal-fired power plants (coal-free by 2025) and natural gas (by 2030).</p>	<p>2. All green by 2030: increase in renewable power, with the public objective of reaching 100% in 2030</p>
<p>3. Strengthening electrification and promoting energy efficiency, favouring the supply and demand of renewable energies and sustainable mobility solutions.</p>	<p>4. Promoting innovation aimed at mitigating the effect of climate change, contributing to the energy transition to a low carbon economy.</p>

In 2023, compared to 2022, the first and second pillars were strongly influenced by:

- favourable hydro conditions in the Iberian Peninsula (productivity index close to the average year), after a 2022 of extreme drought, which led to a higher hydropower generation and a lower operation of the CCGT plants
- the sharp reduction in production from coal-fired power plants in Spain, combined with the announced plans for the Spanish thermal assets:
 - to convert Aboño II from coal into gas fired, expected to occur by middle of 2025 while continuing to co-fire blast furnace gases, a case study of circular economy in Europe

through the valorisation of this by-product, avoiding the emission of one million tons of CO₂/year

- establishment of a new partnership with the Asturian based industrial group Corporación Masaveu, S.A. ("CM"), through the sale of a 50% stake in Aboño
- authorization requested from the electricity system operator (Red Eléctrica) to close Aboño I coal plant, as well as EDP's last remaining coal plants in Spain (Soto 3 and Los Barrios).
- the limited production from the Pecém power plant in Brazil and the sale of 80% of this power plant concluded in December
- with the announced plans for Aboño and Pecém, the weight of coal on total generation is expected to be immaterial in 2024 providing further visibility on the delivery of EDP's commitment to become coal-free by 2025
- the net increase in renewable capacity (wind and solar), which now accounts for around 60% of the total installed capacity.

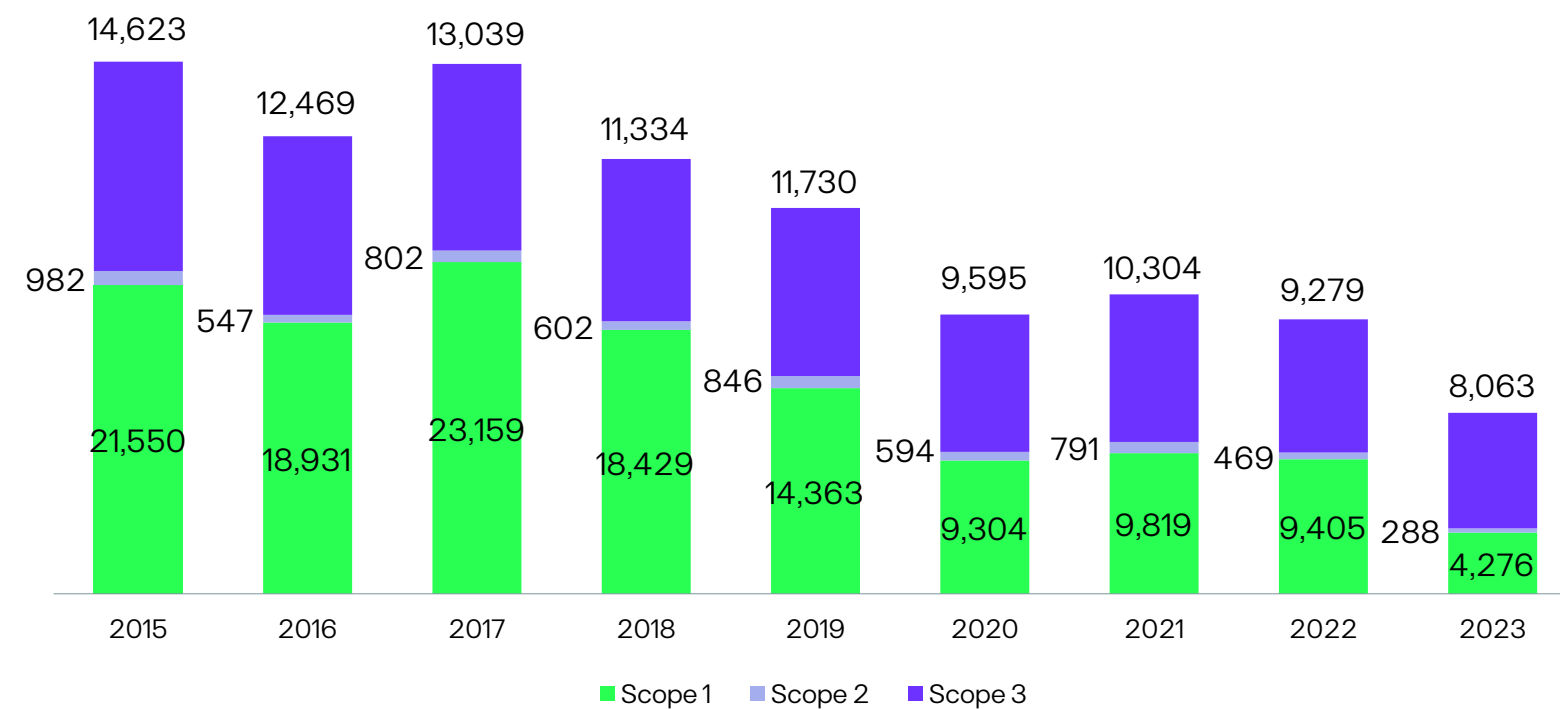
As a result of these operating conditions, there was a significant decrease in both EDP's primary energy consumption (-51% YoY) and the CO₂e emissions associated with electricity generation (-55%YoY).

EDP reports its GHG emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (categories detailed in [GRI Indicators | Environmental indicators](#)). In summary:

- **Scope 1 emissions:** includes stationary emissions from thermoelectric power plants, which represent 99.4% of the total, as well as emissions from the vehicle fleet, fugitive emissions (SF₆) and those corresponding to natural gas consumption in buildings. In 2023, the scope 1 emissions totalled 4.3 MtCO₂e, 55% less than in 2022.
- **Scope 2 emissions:** refer to electricity consumption, including losses in transmission and distribution networks (the part produced by third parties), internal consumptions in power plants and consumption in administrative buildings supplied by third parties. In 2023, they totalled around 0.29 MtCO₂e, 39% less than in 2022, considering only the technical losses, and also due to the significant reduction in emission factors in Portugal, Spain and Brazil, affecting the contribution of emissions-related losses in the distribution networks, which represents 91% of the total scope 2 emissions.
- **Scope 3 emissions:** comprise all remaining indirect emissions upstream and downstream of the value chain, not accounted for in scopes 1 and 2. They essentially include emissions associated with purchased goods and services, capital goods, fuel and energy related activities and the sale of gas to end customers. The total value of

scope 3 emissions reached 8.1 MtCO₂e, 13% less than in 2022, essentially due to the reduction in the categories of sale of gas to end customers, capital goods and fuel and energy related activities.

Scope 1, 2 and 3 emissions (ktCO₂e)

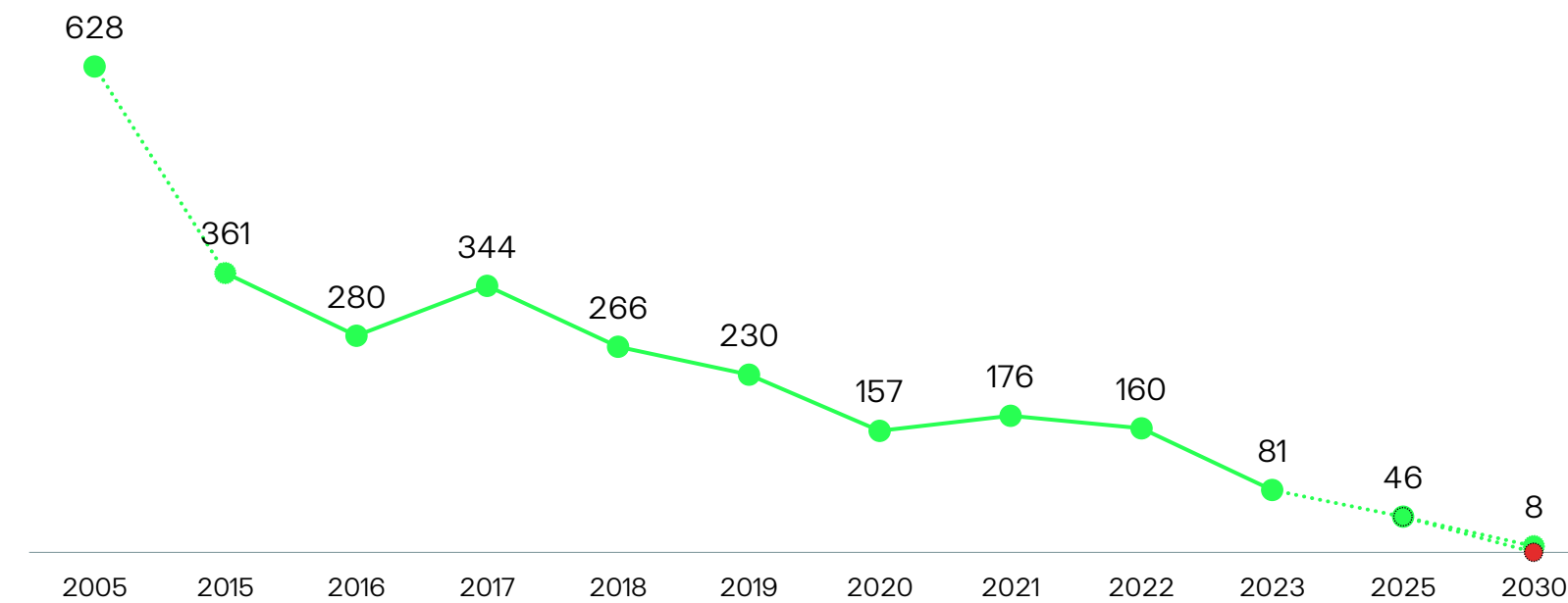


The 54% reduction in Scope 1 and 2 emissions, despite the decrease in electricity produced (-8%), has led to a decrease in Scope 1 and 2 emissions intensity by around 50% compared to 2022, which is now 81 gCO₂e/kWh.

The production of electricity from renewable sources, by replacing fossil-based thermoelectric production in the country where they operate, avoids the emission of greenhouse gases in an amount corresponding to that which would be emitted by a mix of the existing thermoelectric portfolio in that country, producing the same electricity. In 2023, the avoided emissions amounted to 25.8 Mt CO₂e, 14% more than in 2022, with the following distribution: wind - 72%; hydro - 20%; solar - 8%.

The decarbonisation strategy also has an impact on improving energy efficiency along the value chain, contributing, on one hand, to the reduction of upstream primary energy consumption and, on the other hand, to greater efficiency in the end use of energy (third pillar of the mitigation strategy), avoiding GHG emissions. In the car fleet, the percentage of electric light vehicles reached 29% this year. It should be noted that EDP has assumed a commitment to electrify more than 40% of the light vehicle fleet in 2025 and 100% in 2030.

Scope 1 and 2 specific emissions (gCO₂/kWh)



The fourth pillar regarding innovation is developed in [chapter 3.4.13.2](#).

Supply chain impact on Scope 3 emissions and data quality

EDP’s ambitious renewable deployment plan brings challenges on supply chain related emissions. While in 2022 supply chain emissions accounted for 30% of Scope 3 emissions, by 2030, it is expected that over 65% of EDP’s non-commodity supply chain emissions are associated with solar and wind farms activity (construction, operation, and maintenance).

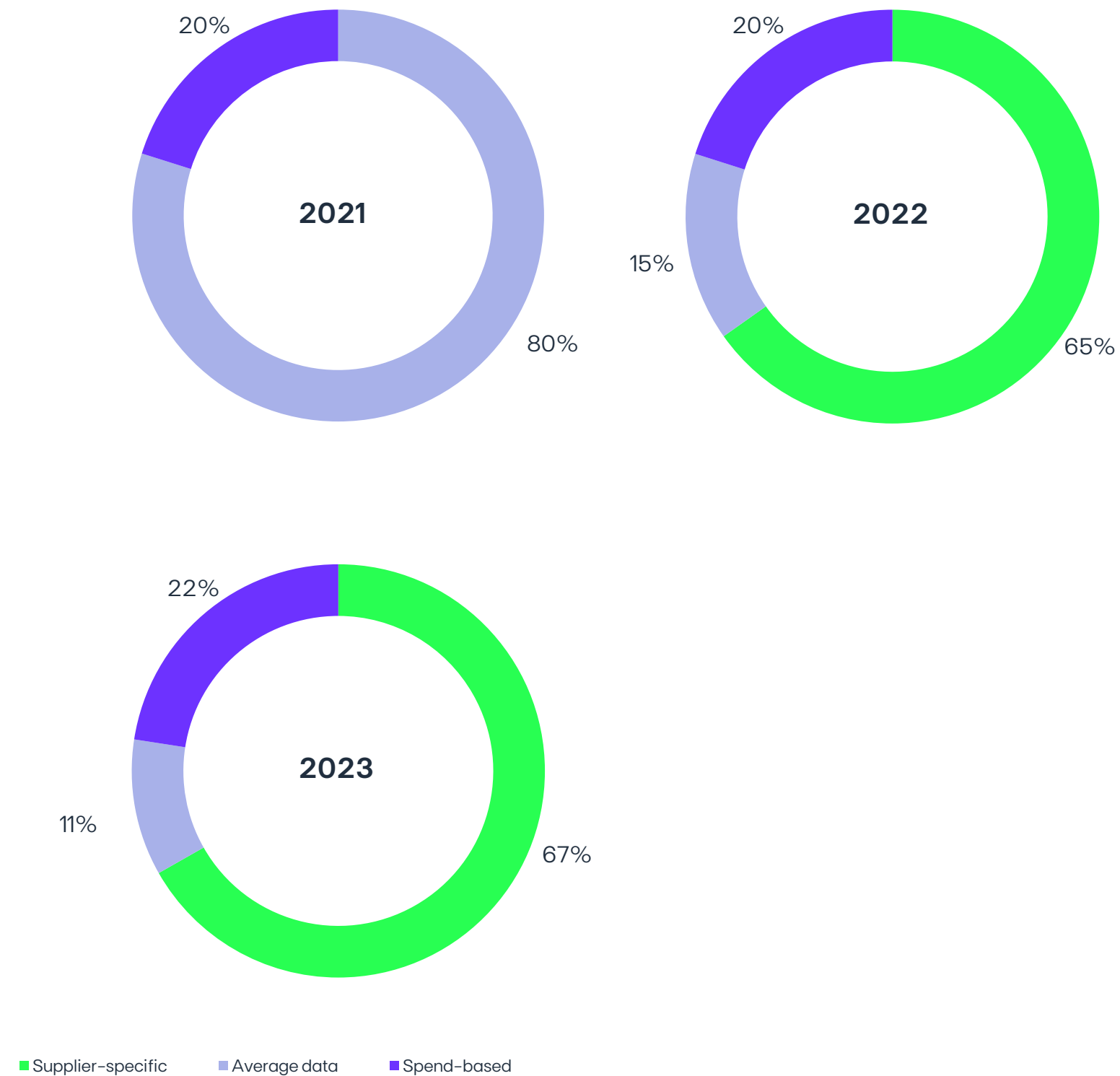
Since 2022, one of the steps EDP is implementing to tackle the challenge of reducing supply chain emissions whilst growing its renewable deployment is the engagement with wind and solar suppliers with the purpose of improving data quality.

The first major developments were on wind projects, where all Capital Goods emissions were calculated using the global warming potential available on the Life Cycle Assessment (LCA) or Environmental Product Declaration (EPD) of the specific turbine suppliers and models used in the 2022 projects.

During 2023 EDP has applied the same methodology to solar projects, engaging with the main solar suppliers of modules, inverters and trackers to request environmental information from their equipment. For this reason, this was the focus of the efforts that took place in 2023, with the majority of solar suppliers already able to provide information on the carbon footprint of PV modules and inverters.

As a result, EDP has been able to report with a higher level of precision on supply chain emissions, as seen in the graphs below, whilst mapping the carbon footprint impacts of both suppliers and their products.

Evolution of supply chain Scope 3 emissions data quality



Adaptation

Ensuring the resilience of its electricity generation and distribution infrastructures is one of the priorities of EDP's climate action. To this regard, the group maintains the objective of having implemented in its business units, by 2025, climate change adaptation plans that ensure the resilience of infrastructures that may be exposed to extreme events of increasing intensity and frequency, given the reality we know today.

To this end, the common corporate methodology supports the Business Unit plans already in place and the evaluation and quantification of physical risks are consolidated at corporate level in accordance with EDP's risk taxonomy, aligned with the TCFD recommendations.

The level of exposure of EDP's infrastructures to physical climate risks is assessed considering the relevant climate variables, the short, medium and long-term IPCC scenarios and level of regionalisation. In addition to supporting the sensitivity analyses of the group's business units in the implementation of climate change adaptation plans, the physical risk analysis serves to support the decision for new investments.

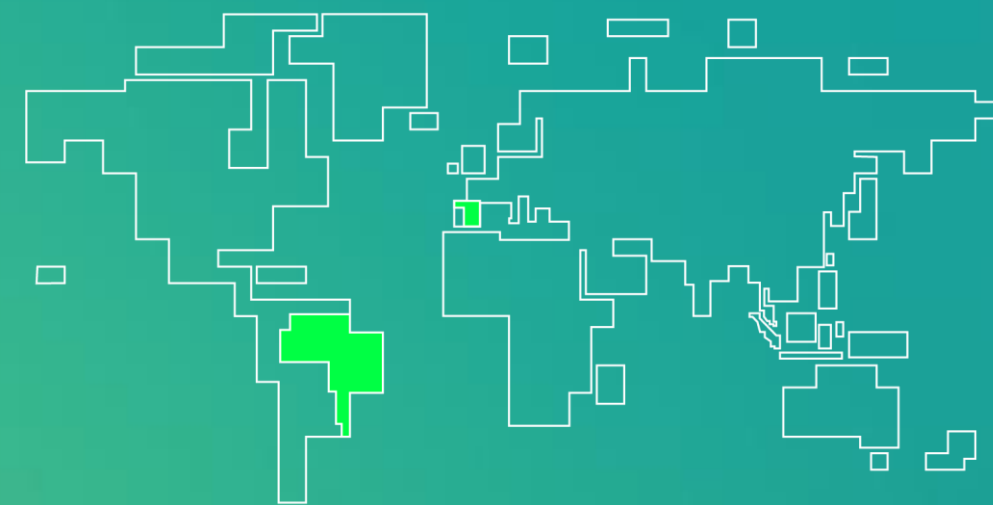
Further information can be found at www.edp.com.



Coal free by 2025

Decarbonizing for a fair transition, always committed to a sustainable future.

Our approach: EDP is steadfast in its commitment to achieving a coal-free status by 2025 and transitioning to 100% renewable energy by 2030. The company has made significant strides in this direction, including the recent announcement of the disposal of the Pecém coal power plant in Brazil, with potential for conversion while retaining hydrogen capabilities. Moreover, EDP is actively pursuing the conversion of the Aboño II thermal plant from coal to a gas-fired facility, while simultaneously developing it into a Green Hydrogen hub, for which it has already been awarded the Important Project of Common European Interest (IPCEI) status. Additionally, EDP has sought authorization to close its last remaining coal plants, Soto 3 and Los Barrios in Spain, as part of its unwavering commitment to decarbonization. Furthermore, the company is decommissioning Puente Nuevo, Los Barrios, and Soto, with plans for several repurposing projects, including renewables, to ensure a smooth transition.



Country: Spain and Brazil

The transformation of Aboño's thermal power plant into the Asturian green hydrogen valley, recognized as the continent's most honored green hydrogen initiative by the European Commission.




Differentiator factor: EDP's strategic commitment to be coal-free by 2025 and its investment in the transformation of Aboño's thermal power plant into the Asturian green hydrogen valley set it apart from other energy companies. Aboño and Soto de Ribera's unique location as a fair transition area sets them apart. Both initiatives follow circular economy principles due to the repurposing of two thermal power plants' facilities, demonstrating EDP's commitment to sustainable and responsible practices in the energy transition.

What lies ahead: EDP remains focused on achieving its decarbonization targets while ensuring a just transition for the community and its employees. The company's intention to close its last remaining coal plant, Los Barrios, in Spain, aligns with its ambitious decarbonization objectives, marking a significant step towards a cleaner and more sustainable energy future.

[Link for more information.](#)



3.4.1.2. Decarbonising the world

Alignment with the SDGs	Objectives	KPIs 2023	Target 2025
	Installed capacity from renewable sources	86%	90%
	Smart meters installed in Iberia	91%	100%
	EV charging stations	8.5k	>40K

The fight against climate change and, in particular, the fulfilment of the climate goals of the Paris Agreement, reinforced in the Glasgow Pact, requires a five-fold acceleration in the pace of decarbonisation of the world economy.

The electricity sector, through the use of renewable energies, is key to this acceleration by promoting the electrification of the remaining sectors, particularly transport, air conditioning in buildings and industry. EDP, by the nature of its activity, plays a pivotal role in this collective effort to combat climate change, an integral part of its global strategy.

Leading the energy transition, contributing to a low carbon economy, has been a primary objective of the group, which is now a globally recognised reference among its peers.

EDP contributes to the decarbonisation of the world economy on two different fronts:

- through the decarbonisation of generation, through expansion into renewable energies and the progressive closure of thermoelectric plants
- through the electrification of consumption, offering new low carbon product and service solutions.

These services include:

- **distributed generation:** installation of solar photovoltaic systems on a self-consumption basis and adapted to customers and local characteristics, including energy communities

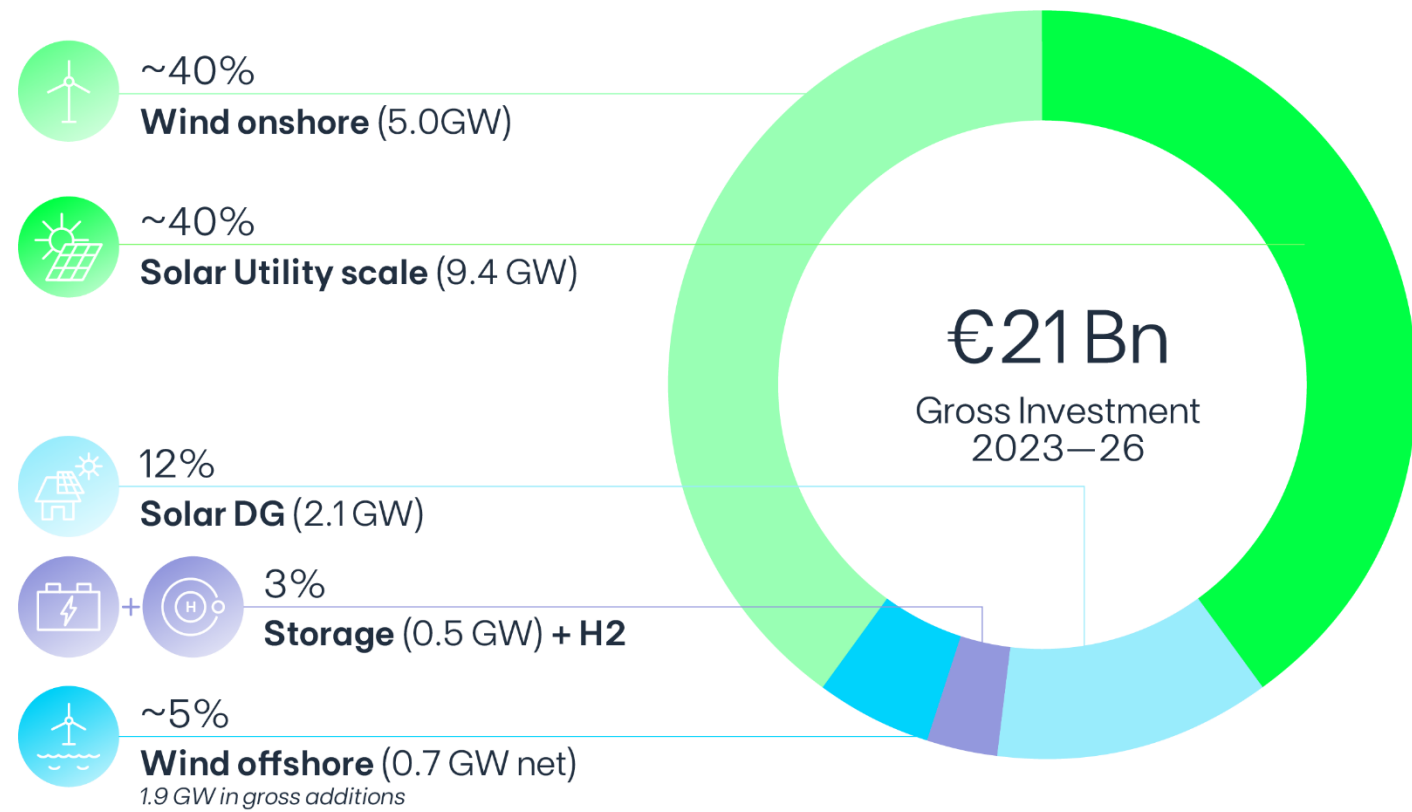
- **sustainable mobility:** support, advice and availability of in-home and out-of-home charging solutions currently available in Portugal, Spain and Brazil
- **energy efficiency:** more efficient equipment and lighting, such as LED lamps, high-efficiency motors, electronic variable speed drives and heat pumps, as well as advisory services and energy audits.



Renewable energies

KPI 2023	TARGET 2025
Renewable energies	
86% installed capacity from renewable sources	>90%
87% production from renewable sources	83%
2,3 GW installed capacity in centralized solar systems	5.5 GW
1,1 GW installed capacity in decentralized solar photovoltaic systems	3.7 GW

The path to decarbonisation involves a strong commitment to electricity production from renewable sources. The 2023–2026 Business Plan, presented to the markets in May 2023, emphasised the acceleration of the group's investment in energy transition, with a total planned investment of 25 billion euros, 85% of which in renewables, clients, and energy management. This unprecedented investment in renewable energy includes wind, solar and green hydrogen complemented by energy storage technologies. This unprecedented investment in renewable energy includes wind, solar and green hydrogen complemented by energy storage technologies.



The Plan targets 18 GW gross added renewable capacity by 2026. On average, new gross installed capacity is estimated at 4.5 GW/year, during the period 2023 to 2026, preferably in low-risk markets with regulatory stability, favouring long-term PPA (Power Purchase Agreement) and energy purchases Contracts for Difference (CfD).

In technological terms, 40% of the total planned investment will be allocated to solar technology (9.4 GW), 40% to wind onshore (5.0 GW), 12% to solar DG (2.1 GW), 5% (0.7 GW) to wind offshore, to be carried out by the company Ocean Winds (50/50 joint venture with Engie) and 3% to H2 and storage.

To increase flexibility, EDP also intends to expand its energy storage capacity beyond its traditional storage in hydroelectric plants with pumped-storage reservoir. An increase of 0.5 GW of capacity is therefore planned for 2023–2026.

The group's asset rotation strategy that crystallises value and funds additional growth opportunities, significantly contributes to this implementation. For the period 2023–2026, In 2023, EDP added 958 MW of wind farms, 1,715 MW of solar projects, 15 MW on storage. EDP also sold a total of 658 MW and 22 MW in decommissioning, resulting in a net addition of 2,008 MW of installed renewable capacity.

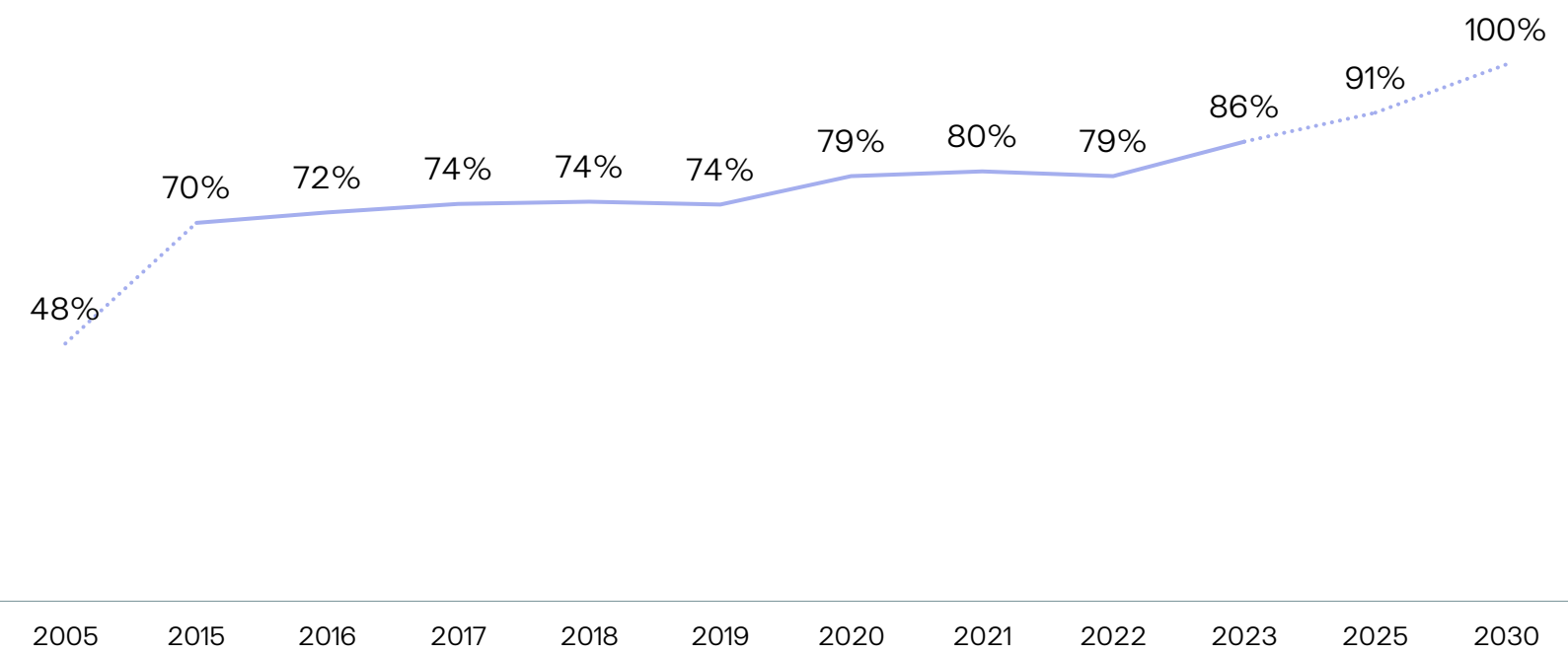
In line with the marked investment planned in renewable energies, EDP has set ambitious targets, aiming at being all green by 2030, i.e., all power generated will be from renewable sources. By 2025, both the renewable installed capacity and generation should already exceed 90%, both indicators reaching 100% in 2030.

At the end of 2023, the percentage of renewable installed capacity was 86%, i.e., up 7 p.p. compared with 2022.

In 2023, electricity production from renewable sources accounted for 87% of the total electricity generated, 13% more than in 2022. Of this 87%, wind contributed with 56%, hydro with 25% and solar with 6%. The increase in this indicator was essentially due to:

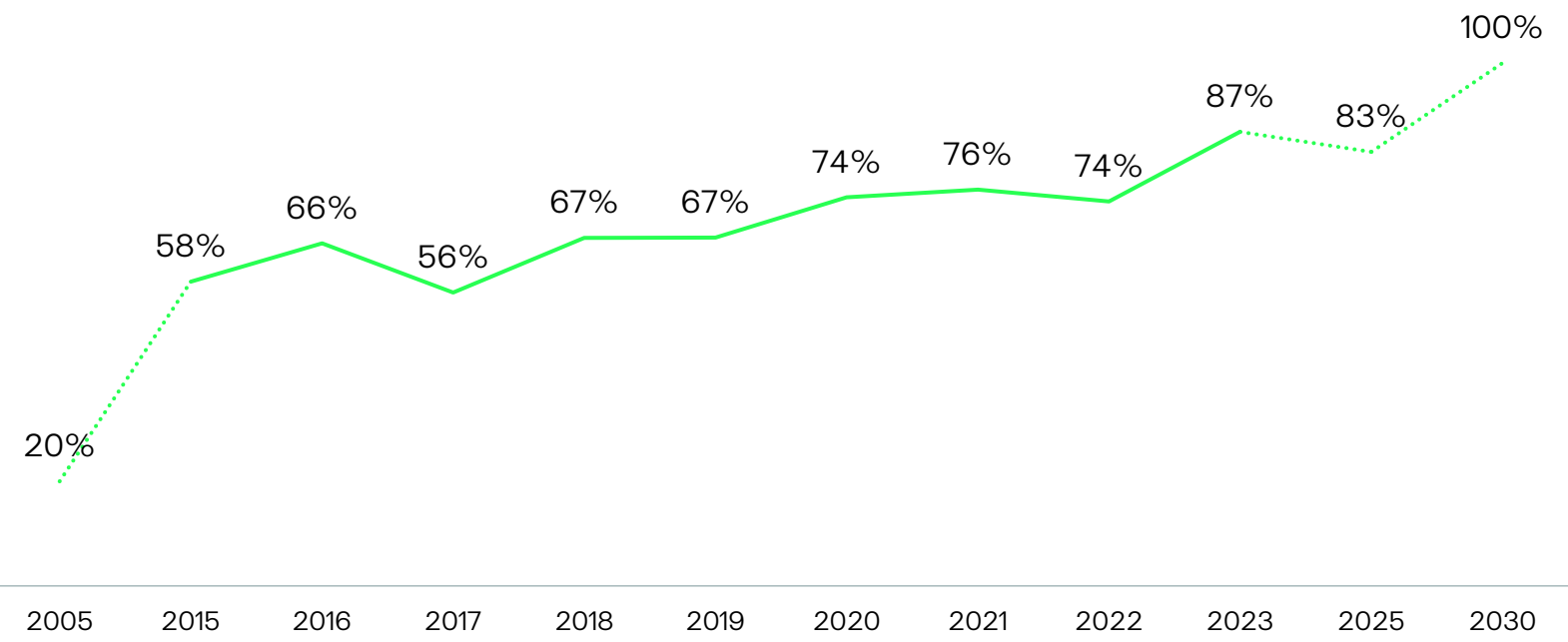
- the high increase in hydropower generation in the Iberian Peninsula (IPH close to the average year), after a 2022 of extreme drought, which also led to a lower use operation of the CCGT plants
- the sharp reduction in production from coal-fired power plants in Spain and from the Pecém power plant in Brazil.

Renewable installed capacity (%)





Renewable energy generation (%)



The decarbonisation route that the group has followed also involves the development of innovative projects, in anticipation of future business solutions. There is notable investment in areas such as energy hybridisation, which leverages potential synergies between different technologies (solar, wind, hydro and storage), the medium-term production of green hydrogen and solar and wind installations on offshore structures.

EDP, through Ocean Winds, has been raising its profile in offshore wind growth with 1.5 GW gross capacity in operation by 2023, 1.9 GW under construction and a portfolio of 13.2 GW under development.

Distributed generation

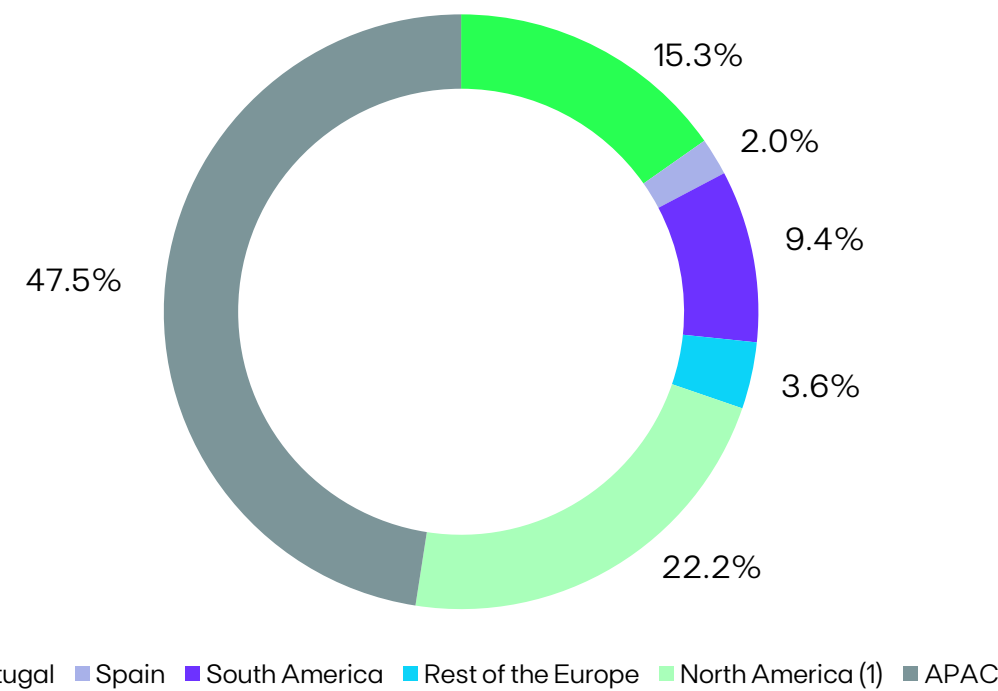
Anticipating the new energy paradigm, EDP has been consolidating its presence in a future in which power production, consumption and distribution will be increasingly decentralised. In this sense, the group offers a variety of solutions aimed at the specific needs of the various customer segments, through a diverse and competitive set of products and services in the solar photovoltaic field, which avoid emissions in the final consumption of energy.

Through its suppliers, EDP offers this service in Portugal, Spain, Brazil, Italy and Poland, both on a transactional basis, with a personalised installation service tailored to each customer, and on an as-a-service basis, in which the investment and operation of the system is ensured by EDP for a certain period of time contracted with the customer.

EDP Renováveis is also heavily involved in this activity, especially in the USA, APAC (Singapore, China, Taiwan, Vietnam, and Thailand) and Europe (Germany, the Netherlands, France and the United Kingdom, Belgium and Luxembourg).

In 2023, EDP installed a total of 410 MW of decentralized solar photovoltaic systems and the total installed capacity by the end of 2023 amounted to 1,100 MW, which produced 1,045 GWh and avoided 570 ktCO₂e of emissions.

Decentralised solar installed capacity (%)



⁽¹⁾ North America installed capacity includes 1MW of storage.

Sustainable mobility

KPI 2023	Target 2025
Sustainable mobility	
107 k customers with electric mobility solutions	180k
29,4% electrification of the light fleet	100% (in 2030)
8,510 charging points installed	>40k

EDP has made a pioneering commitment to promoting electric mobility over the next few years. The objectives outlined are in line with the conviction that the fight against climate change and the decarbonisation of the economy will involve a greater penetration of renewable energies and the electrification of consumption, particularly in the transport, heating and cooling sectors.

In conjunction with the group's strategic objectives of achieving 100% renewable installed capacity by 2030 and reducing its specific CO₂ emissions by 95% in 2030 compared to 2020 levels, we are actively contributing to accelerating the transition to sustainable mobility. EDP is committed to achieving a 100% electric fleet (light vehicles) by 2030, which will require a strong investment in the renewal of its vehicle fleet. This transition will now be accelerated and will enable a 70% reduction in CO₂ emissions from the global fleet, which consists of around 4,000 service vehicles. EDP has also committed to installing 40,000 public and private charging points by 2025 in the different geographies where it has commercial activity (Portugal, Spain and Brazil), as well as reaching 180,000 customers with electric mobility solutions by 2025.

Within the scope of the services offered by EDP, which contribute to the decarbonisation of energy consumption, electric mobility also plays a key role.

Given the potential for action, the company has internalised a large part of its efforts in the area of electric mobility, through solutions (products, services and charging networks), mostly aimed at its customers, but also in internal measures at group level. In this regard, in 2023 EDP maintained the "Sustainable Mobility Support Credits" initiative, which allocates an annual sum to employees to use in shared mobility modes (excluding individual combustion-powered vehicles).

In addition, EDP's approach has included the promotion of an ecosystem of partnerships and initiatives for electric mobility at international level:

- EDP actively participates in Eurelectric – where it shares the E-mobility working group since 2023 – which aims to promote the implementation of a regulatory framework favourable to the development of the electric mobility sector, as well as innovative business models that benefit both companies in the sector and end consumers, and thus support the transition to clean mobility.
- EDP is a board member of ChargeUp Europe, an association of companies in the EV charging infrastructure industry, which actively works to defend public policies to promote the rapid and uncomplicated deployment of EV charging infrastructure in Europe. EDP was the first Portuguese company to join the association. In 2023, ChargeUp Europe published the second edition of the State of the Industry report, a publication that provides, in a simple and accessible way, a set of insights, facts and case studies on the EV charging sector. EDP actively contributed to the development of the report and also shared its own case study on the smart charging management of the more than 170 charging points installed at its headquarters in Lisbon.
- EDP is part of The Climate group's ambitious EV100 initiative, through which it has made a commitment to transition its light fleet of more than 3,000 vehicles to electric vehicles by 2030.
- EDP is a founding member of the Portuguese Association of Electric Mobility Operators and Suppliers (APOCME), an association that aims to promote the development of electric mobility, not only as a vector for decarbonising the transport sector, but also for integrating the electric vehicle as a resource for security and energy transition.
- In order to increase awareness and visibility of electric mobility, EDP continues to promote the "Portugal Mobi Summit", the largest urban mobility event in Portugal for the sixth consecutive year, in partnership with the Global Media group.
- In Spain, EDP is part of the *Asociación Empresarial para el Desarrollo e Impulso de la Movilidad Eléctrica* (AEDIVE), whose mission is to promote and contribute to the competitiveness of sectors related to the electric mobility value chain, in order to boost the development of the market, creating a solid and stable framework for it.
- EDP Spain also participates in events that promote electric mobility, such as VEM – an exhibition of electric vehicles whose main aim is to bring electric mobility to private consumers and public and private companies (fleets) in Madrid – and the Global Mobility Call – a world congress whose aim is to promote collaboration between companies and generate public-private partnerships that contribute to the development of sustainable mobility.

Products and Services

The EDP group has a diverse commercial offer of products and services, particularly in Portugal, Spain and Brazil. Throughout 2023, EDP worked to provide the best charging solutions for its customers. The group has focused on the one hand, on developing ever more complete electric mobility solutions tailored to the needs of the growing market and, on the other hand, on having more competitive prices, thus reaching more and more electric vehicle drivers.

In Portugal

EDP, through its subsidiary EDP Comercial, supplies and installs charging solutions for electric vehicles through charging stations for the B2C and B2B segments, as well as being an active operator of charging points on the public network.

EDP currently has partnerships with the five largest rental companies in Portugal (Leaseplan, Arval, Leasys, Locarent and Kinto), and already has more than 300 charging points contracted in this segment.

EDP manages a constantly updated [website](#) with relevant information to help customers overcome the initial barriers of this new sustainable transport paradigm and with a simulator to help customers choose the best solution for their electric vehicle according to their mobility profile and home electrical installation.

In 2023, EDP invested in the digital transformation and evolution of the technological ecosystem of electric mobility EDP Charge.

The EDP Charge app allows customers to charge on the public network, at home and in the workplace. Using this new app, customers can check the availability of the most suitable chargers for their vehicle, start charging digitally, simulate charging session costs and consult their charging history, providing a simple and digital experience for customers.

The new EDP Charging Portals, for condominium managers and B2B customers, allow various functionalities, including managing and carrying out remote actions on chargers, monitoring charging sessions, assigning drivers access to chargers, setting charging caps for employees, among other features that give customers autonomy and flexibility to manage their electric fleet.

Sales of the "smart charging" service were also boosted in 2023 – it is a differentiating service in the market that makes it possible to distribute the electrical power made available by the network in a balanced way among all the vehicles that need charging, avoiding costly investments in reinforcing the electrical infrastructure of buildings. With the exponential growth of mobility, this topic has been one of the main concerns of customers.

In terms of charging solutions for the B2B segment, the offer available on Effizency Sales – an EDP Comercial platform that allows access to personalised energy efficiency recommendations and technical services adapted to the business – has been updated with charging solutions adapted to the real needs of business customers, both for proven access spaces and public access spaces, with different levels of personalisation and also available as-a-service.

Also, for the business segment, a new product has been launched – the EDP Charge Fleet card. This card allows company employees to manage their charging anywhere (at home, in the workplace or on the public network). We believe that this is an innovative product that brings convenience to companies and their employees, offering a digital charging experience integrated into the private and corporate spheres.

In Spain

MOVE ON is a global tool for connecting with both customers, via the app, and partners, on the portals, which has been in operation throughout 2023 despite having a plan to switch to global systems.

Thanks to the agreement reached with one of Spain's leading low-cost petrol companies – Petroprix – the installation of the first battery-powered ultra-fast charging network in Spanish territory has begun. This project was recognised by the MOVES SINGULARES programme for its innovative approach to limiting the impact of power availability at more than 40 sites through the use of storage systems.

In order to make the user experience as easy as possible, EDP has continued to focus on being an operator open to interoperability and ad hoc payment. To this end, EDP's charging points are connected to the main European and Spanish interoperability facilitators, such as Electromaps, Hsubject and DCS, and it has also signed direct bilateral agreements with other charging point operators, such as Zunder, Wenea and Repsol.

In addition, and also with the aim of facilitating the user experience, thanks to the alliance with Mastercard and Banco Santander through GETNET and Worldline, the installation of charging points where it is possible to pay by bank card has begun.

In the corporate segment, EDP manages charging infrastructures in company buildings for the drivers of the corporate fleet, and this includes the management of energy payments.

Public charging network

In Portugal

Estimated electric charging needs for the coming years point to a demand for 20,000 charging points by 2025.

EDP continues to make a positive contribution to the creation of a vast public charging network, increasing the number of charging points in Portugal, not only through strategic partnerships in publicly accessible commercial locations (Brisa, McDonalds, Burger King, etc.), but also by investing in partnerships with small and medium-sized companies, contributing to greater capillarity of the public charging network.

In 2023, EDP grew by +14% in contracted charging points and closed several important partnerships that resulted in more than 2,350 contracted charging points. EDP's growing network of partners, who provide space on their premises for the deployment of charging points, continues to be crucial for EV users, ensuring greater capillarity of the public charging infrastructure. It is important to note that 2023 was the year with the highest utilisation of the public charging network operated by EDP with more than 500,000 charging sessions in Portugal.

EDP leads the CEME market – the market for energy sold in public charging – with more than 83,200 cards issued, allowing its users to benefit from one of the most attractive tariffs in the public charging market.

In Spain

By the end of 2023, EDP had contracted a total of 2,444 public charging points.

Agreements have been reached with organisations such as town halls (Ayuntamiento de El Franco), hotels (Hotel El Albir) and supermarket chains – such as Carrefour, a partnership in which 978 charging points have been contracted.



In Brazil

EDP has opened two new public charging stations, with two chargers each, one ultra-fast (>150 kW) and the other semi-fast (2x22 kW). One of the charging stations was installed in the state of Minas Gerais, an important point for the construction of the electric corridor on one of Brazil's main motorways. EDP ended the year with 12 ultra-fast charging stations, out of the 18 planned in the project.

The E-Lounge Powered by EDP was also inaugurated, a public space with a 60 kW fast charger and four 22 kW chargers, aimed mainly at app drivers. In the state of Espírito Santo, EDP completed the first electric bus project in partnership with a local operator for private transport of company employees between the capital and three neighbouring municipalities, covering a radius of more than 100 km. All the projects are part of ANEEL's Research & Development programme.

Energy efficiency

KPI 2023	Target 2025
Energy efficiency	
46% B2C customers with sustainable services	25%
13 MtCO ₂ emissions avoided by customer	15 MtCO ₂

EDP promotes the improvement of energy efficiency throughout the value chain as an important contribution to decarbonisation, contributing to greater efficiency in the end use of energy by offering its customers low carbon products and services.

In 2023, 46% of B2C customers on the liberalised market had sustainable services, such as energy efficiency, electric mobility or decentralised solar solutions. The target set for 2025 (25%) has already been reached and is fast approaching the goal of 50% of B2B customers with sustainable services by 2030.

In Portugal, the “Casa Elétrica” programme continued, focusing on B2C customers, aiming to promote the switching from butane or propane gas consumption to electricity, with an

impact on energy consumption and safety, and in alignment with the strategy of electrification of consumption. In 2023, EDP launched two new solar photovoltaic offers:

- **Solar Water Heater:** a solution that combines solar panels with a water heater, taking advantage of surplus solar production to heat water. The water heater not only optimises the operation of the solar system, but also includes a management system that allows you to have only the amount of hot water you need when you need it and in the most economical way possible.
- **Solar Apartments:** a solution that allows customers living in flats to take advantage of solar energy to reduce their energy bills and their energy dependency.

In the corporate segment, EDP supports companies in the implementation of integrated energy efficiency services by offering solar energy, sustainable mobility, and consumption management solutions.

For B2B customers in Europe, in 2023, EDP boosted the contracting of approximately 500MW of solar photovoltaic solutions for self-consumption, for installation in companies from various sectors of activity, ranging in size from large customers to small businesses.

In order to support the decarbonisation efforts of the business fabric in the Iberian Peninsula, EDP offers a multi-sector, turnkey Going Net Zero solution to support the transition to emission-neutral businesses. This service includes the measurement of corporate greenhouse gas emissions or product catalogue through life cycle analysis and promotes the implementation of mitigation plans.

Also in 2023, EDP continued to focus on diversifying its offer, through solutions that promote the energy transition of companies, through innovative and inclusive solutions with special emphasis on local energy community solutions, that exceeded all business forecasts for 2023 with more than 80 MWp contracted.

In Brazil, EDP also invests in energy efficiency initiatives, either through distribution companies, which operate in the regulated market, or through the service company EDP Smart, which operates in the liberalised market. The distributors, according to the legislation of the Brazilian electricity sector, have the obligation to apply 0.4% of net operating revenue annually in Energy Efficiency Programs (PEE) and 0.1% in the National Program of Electric Energy Conservation (PROCEL). EDP Smart offers solutions to improve energy efficiency (lighting, air conditioning) and also in the area of electric mobility and distributed generation. By 2023, the implemented measures led to energy savings of 33.3 GWh and 30 ktCO₂ avoided.

Energy efficiency services generated around 571 million euros of income in 2023, representing an 16% increase compared to 2022.

The set of energy efficiency, sustainable mobility and distributed generation initiatives carried out in 2023 led to an estimated energy saving of 496 GWh, avoiding the emission of 1,066 ktCO₂, including those corresponding to the sale of electricity from renewable sources, through the guarantees of origin scheme. Since 2015, the savings generated from sustainable services have made it possible to avoid the emission of 13 MtCO₂, which represents around 86% of the 2025 target.

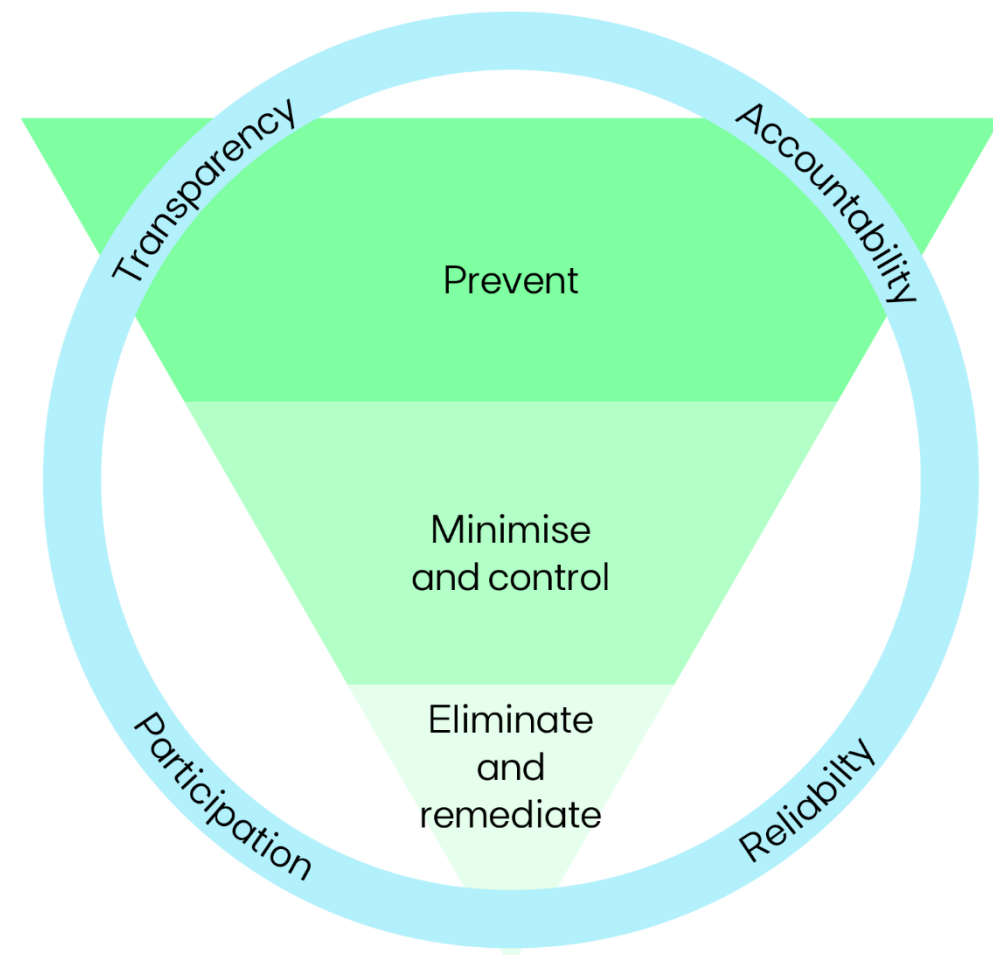


3.4.2. Pollution

Ensuring pollution prevention is a key strategic focus for the EDP group and represents a core commitment within its [Environmental policy](#) to "effectively manage environmental risks, with a specific emphasis on preventing pollution and responding to emergencies in the event of accidents and/or disasters."

The environmental aspects and potential impacts are assessed within the scope of the environmental management systems in facilities and activities, certified according to ISO 14001 across the EDP group, also in the thermal and hydroelectric production facilities in Portugal to comply with the Eco-Management and Audit Scheme (EMAS) registration.

In pollution prevention, we employ the best available techniques to eliminate potential adverse effects, address impacts when no compatible and viable alternative exists, and consistently monitor and control existing impacts. Our pollution prevention measures are aligned with the following hierarchy towards achieving zero pollution in the air, water, and soil:



Source: European Environment Agency – Zero pollution action plan

The production and distribution of electricity have the most significant direct environmental impact. Key environmental aspects that have a negative impact include fuel and chemical consumption, greenhouse gas and atmospheric pollutant emissions, water usage, treated effluent discharge, effects on wildlife and plant life, and noise in specific facility scenarios.

Thermoelectric power plants have equipment to reduce polluting atmospheric emissions, liquid effluent treatment and are subject to environmental permits that set emission limits. The monitoring results are made available to the competent authorities. The reduction of pollutant emissions in 2023 is in line with the objective of not producing electricity from coal after 2025.

In the electricity distribution activity, the main impact mitigation measures focus on the integration of overhead lines into the landscape, installation of sound barriers, and oil retention systems. In the management of transformers contaminated with polychlorinated biphenyls (PCBs) with a concentration of more than 50 ppm, in addition to complying with the legislation in force, EDP adopts the best practices for identifying, screening and forwarding PCB waste for appropriate final treatment. Equipment with concentrations higher than 50 ppm, which are increasingly residual in the group, will be completely deactivated by 2025.

The implementation of the circular economy strategy (please see [3.4.5 Circular economy](#)), particularly at a time when several dismantling projects are underway, also supports the reduction of hazardous waste towards achieving zero pollution to the soil.

In order to respond to emergencies, internal emergency plans and, when applicable, external emergency plans are defined, with scenarios of potential emergencies or serious accidents involving hazardous substances. This response capability is trained through simulation exercises, and lessons learned are incorporated to improve response capacity. In 2023, there were 253 environmental simulation exercises, and no environmental accidents occurred, although there were 211 small oil spills, totalling 37 m³ of oil spilled. These spills are mainly due to theft in transformers in electricity distribution activity. These repair situations are carefully managed by specialist teams, and the contaminated land is properly disposed of at an appropriate final destination. As a pollution prevention measure for these minor spills, the mineral oil in the transformers has been replaced with vegetable oil, thus eliminating the hazardous nature of the waste produced.



In the activities of the EDP group, the following actions stand out in the context of pollution prevention and nature protection:

- contractual environmental requirements for contractors, with penalties applied if these requirements are not met
- environmental audits and inspections at different stages of the facilities' life cycle (construction, operation, maintenance, and dismantling) in various activities with environmental impact
- analysis of causes of occurrences with environmental impact and identification of rapid corrective and preventive measures
- implementation of noise minimization measures
- environmental training for employees involved in activities that impact the environment.

The number of environmental complaints has decreased again in all areas of activity and has reduced globally 40% (vs. 2022). The theme biodiversity represents 41% of the reasons for environmental complaints, followed by the theme noise, with 29% representation.

On the other hand, in order to have a positive effect on the environment, EDP continues to invest heavily in improving technologies and in initiatives to prevent and mitigate the environmental impacts of its operations, totalling 522 million euros in 2023.

3.4.3. Water and marine resources

3.4.3.1. Water management

EDP recognises access to drinking water and sanitation as a universal Human Right and assumes its responsibility in the pursuit of SDGs, in particular SDG 15, contributing to the sustainable use of freshwater ecosystem services, and SDG 7, seeking to ensure the supply of clean and affordable energy for all.

Under its [Environmental Policy](#), EDP is committed to mitigating its impacts, managing risks and promoting the ongoing improvement of processes, practices and performance through a collaborative approach with stakeholders for the sustainable management and efficient use of water.

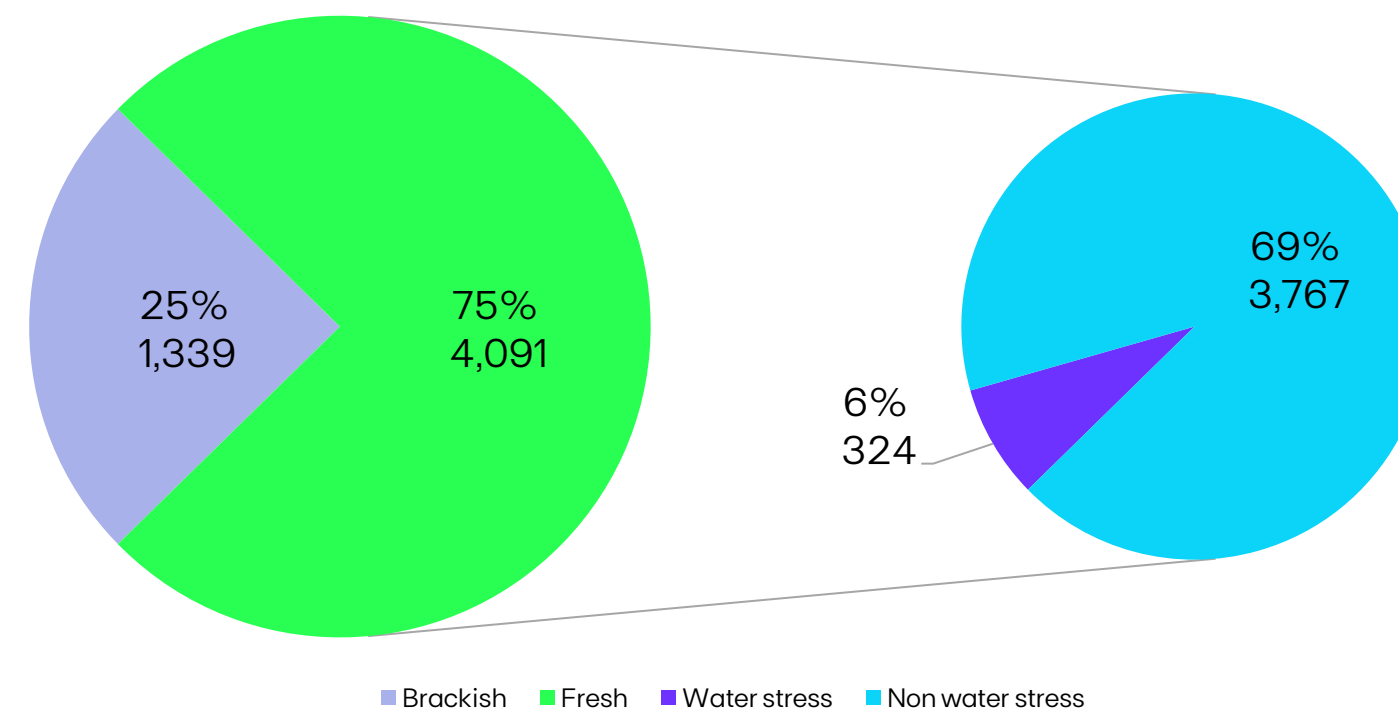
Water is a vital resource for electricity generation, particularly hydroelectric power, which is an important part of EDP's renewable generation portfolio and is crucial to its strategy of reducing CO₂ emissions and mitigating climate change.

Although, and contrary to the other activities of the organization, the use of water in hydroelectric production is not considered consumption, EDP monitors the volume of water managed in these assets, which has reached 131 million cubic meters, +17% compared to 2022, as a result of favourable water conditions in the Iberian Peninsula, after a year of extreme drought (2022), leading to increased hydroelectric production and reduced operation of CCGT power plants. This indicator heavily depends on the hydroelectric productivity index in Portugal, in which the water portfolio is more relevant, standing at 0.99 (compared to 0.63 in 2022), 1 p.p. below the average hydrological year.

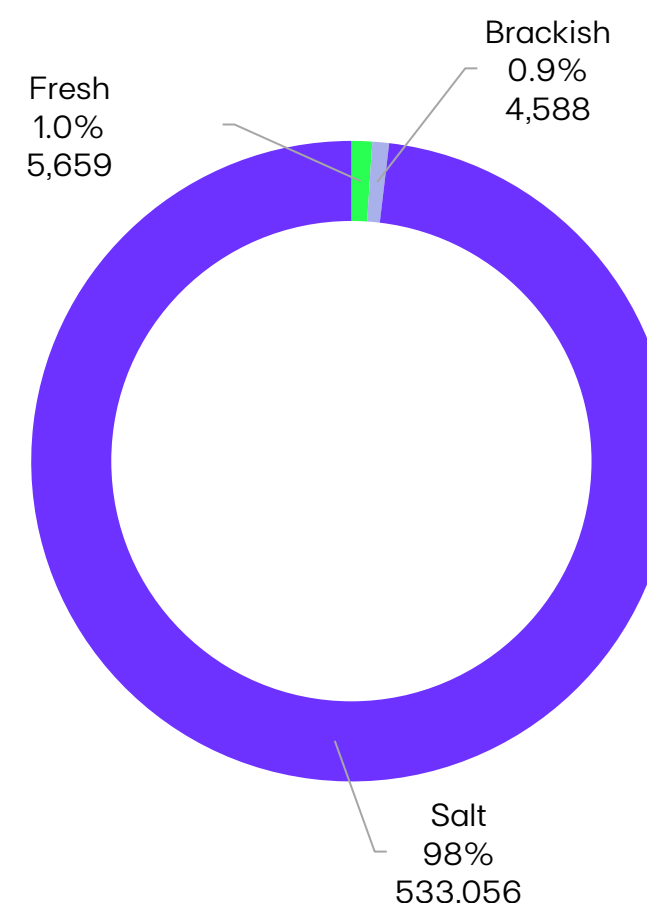
The following table highlights the impact on water consumption and operational dependence on the resource in EDP group's assets, namely in thermal power plants, hydroelectric plants, solar parks, and wind farms:

ASSET TYPE	WATER CONSUMPTION	DEPENDENCE
Thermoelectric power plants	High	High
Hydroelectric power plants	Low	High
Solar farms	Low	Low
Wind farms	Low	Low

Water consumption (% , Thousand m³)



Water withdrawal (% , Thousand m³)



The specific consumption of fresh water changed in 2023 (-50% compared to 2022), with the decrease in the EDP group's coal-fired electricity generation (-52% vs. 2022), which is justified by the limited production from the Pecém power plant in Brazil, with the sale of 80% of this power plant being completed in December, and by the significant reduction in production at coal power plants in Spain.

In 2023, EDP reached the level of higher performance (leadership) with the rating

A-

CDP Water Security

EDP monitors potential shortages, water quality and sediments, as well as the impact of the management of this resource on biodiversity, for which it undertakes mitigation activities such as the release of ecological flows, the transfer and transport of fish, and support for scientific research on these topics.

To assess exposure to water stress, EDP uses the World Resources Institute's Aqueduct tool to carry out an initial high-level risk assessment, mapping its generation assets against a widely recognized indicator of water availability (Baseline Water Stress). The assessment of exposure to water risk is carried out on a river basin scale, and then a local analysis is conducted taking into account quantitative information from national institutions and the experience of the operational in-house teams.

This analysis is carried out for all geographies where EDP has generation activities, whose water abstraction sources are located close to the facilities (Portugal, Spain and Brazil). Wind generation and distribution assets are excluded, given their low dependence on water. According to this analysis, it should be noted that the Pecém thermoelectric plant in Brazil is located in a water stress zone.

Since 2010, EDP has responded to the CDP Water Security, where it provides a detailed description of its ongoing initiatives. In 2023, EDP achieved the highest performance level of this index (leadership) with a rating of A-.

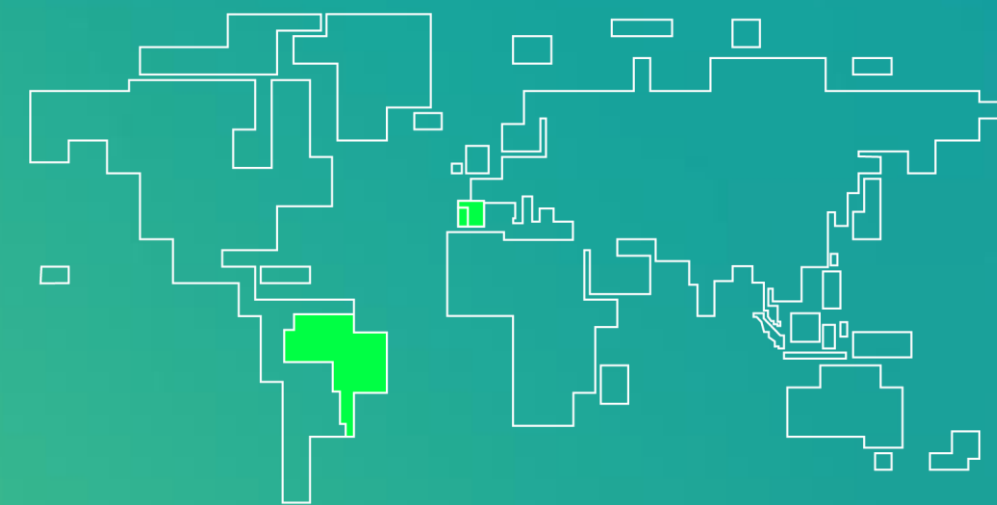




The role of hydropower in the Energy Transition

Hydropower and pumped storage as key drivers for the energy transition.

Our approach: EDP Geração owns 68 hydroelectric plants totaling around 7,000 MW in Portugal, Spain and Brazil, including 10 pumped storage plants in Iberia. In addition, there are two technologies developed in the context of storage: hydro pumping, with greater scale and technological maturity; and battery storage, as part of hybridisation projects. One of the best examples is Frades II (Venda Nova III), equipped with the most powerful variable-speed reversible units on the Iberian Peninsula.



Countries: Portugal, Spain and Brazil

68 hydroelectric power stations totaling around 7,000 MW.

Differentiator factor: One of the main features of Frades II (Venda Nova III) is the variable speed technology that allows for power variation when operating in pump mode, as well as the exceptional ability to provide grid stability services. Overall, dams and pumping technology are real facilitators of the energy transition and one of EDP's main focuses on becoming a totally green energy company by 2030, by promoting more efficient management of the electricity grid in periods of higher demand or intermittency of other non-dispatchable sources – such as solar and wind.

What lies ahead: EDP is exploring opportunities at Iberian level to boost the use of existing pumping technology (optimisation of the turbine-pump at the Torrão power station) and to carry out conversions, such as the one at the Alto Lindoso power station, in order to increase the overall efficiency of the system and thus contribute to the energy transition.



3.4.4. Biodiversity and ecosystems

Biodiversity faces a critical threat, emphasizing the urgent need to rehabilitate damaged ecosystems. There are high hopes for reinforcing the global commitments and targets outlined in the Kunming–Montreal Global Biodiversity Framework, which was adopted in late 2022. This Framework aims to achieve a world living in harmony with nature by 2050, with key targets including the restoration of 30% of all degraded ecosystems and the conservation of 30% of land, water, and seas by 2030. According to the United Nations Environment Programme (UNEP), the degradation of marine and terrestrial ecosystems has a significant impact on the well-being of 3.3 billion people worldwide, with an associated annual cost of approximately 10% of the planet's gross product due to the loss of species and essential ecosystem services.

3.4.4.1. Policy and targets

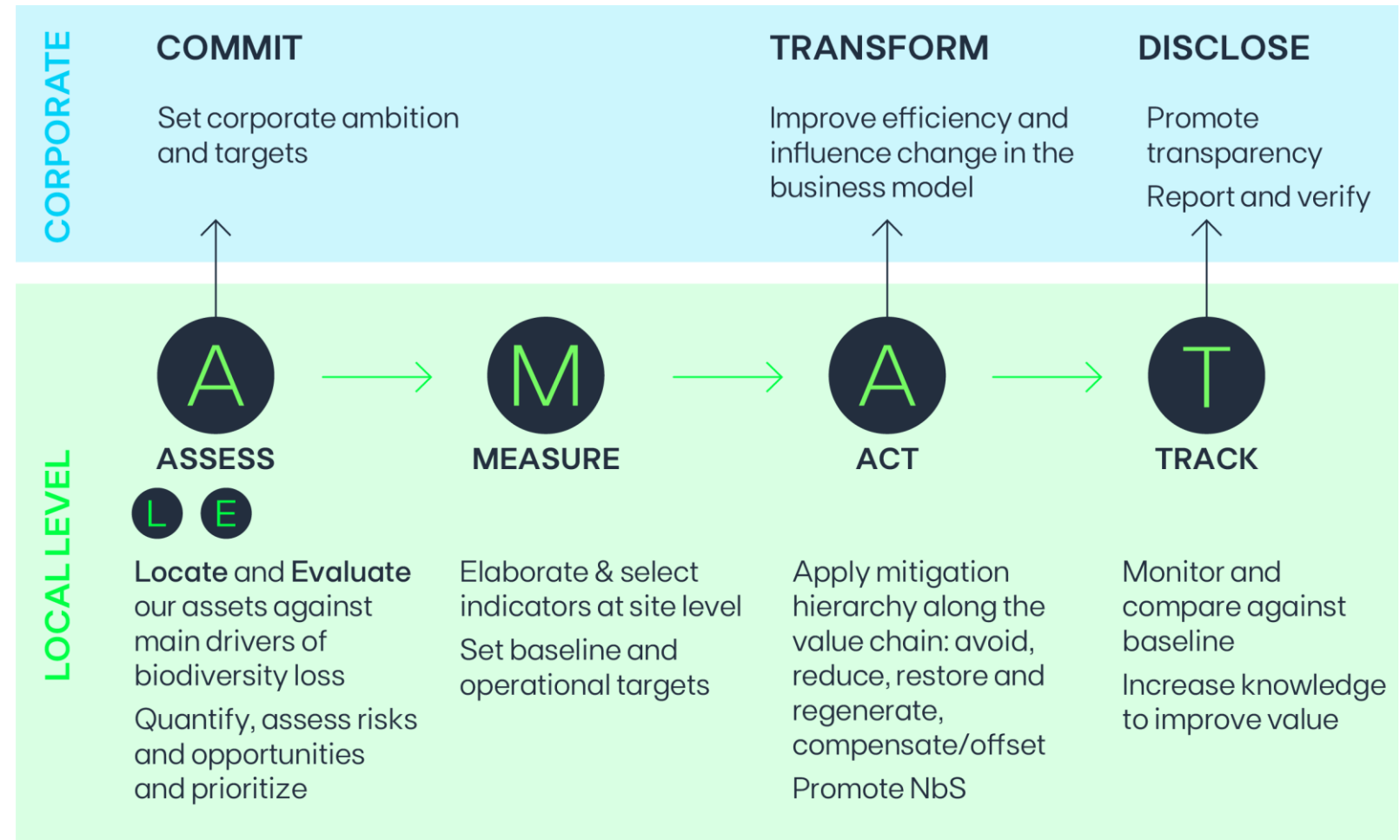
DP's new Business Plan for 2023–2026 includes targets related to Nature, including a corporate objective to attain a Biodiversity Net Gain in all new projects with significant residual impacts by 2030. By 2026, EDP aims to have implemented Net Gain Biodiversity tracking systems supporting 100% of new projects, signifying the need for all internal knowledge and resources to be in place to enable the company to meet Nature's 2030 targets. Under this 2026 target, EDP maintains its commitment to have 100% of action plans in place whenever its facilities are recognized as having high biodiversity risks. Under this level of ambition EDP will work towards a no net deforestation practice.

Additionally, EDP maintains its commitment to not build new generation facilities in Natural Heritage Sites, from UNESCO's World Heritage list.

[EDP's Environmental Policy](#), includes specific commitment to the protection of biodiversity:

- contributing to the reduction of biodiversity loss, prioritising mitigation line management and aiming for a positive outcome on the biodiversity balance sheet in the long term
- contributing to the deepening of scientific knowledge of biodiversity and ecosystem services, including through the establishment of partnerships.

This Policy is supplemented by internal guidance to establish a shared understanding of how to act at project level, emphasizing the use of the mitigation hierarchy approach throughout the project life cycle, as the initial step in fulfilling the overall biodiversity commitments.



EDP's Biodiversity Strategy, based on SBTN; TNFD; Business4Nature; CSRD.

3.4.4.2. Key developments and performance in 2023

In 2023, EDP's started using IBAT to characterize our generation and transport assets and as an early risk screening tool for new projects; The use of this tool reinforces the mitigation hierarchy approach, integrating biodiversity into the investment decision-making process. Following IBAT datasets, by the end of 2023, EDP reviewed its data, disclosed in [GRI indicators | Environmental indicators](#). During 2024, EDP will drilldown this info to improve data quality, supported by internal Geographic Information Systems.

During 2023, EDP's Biodiversity strategy was reinforced, to better support alignment with international core standards, such as Taskforce on Nature-related Financial Disclosures (TNFD), Science Based Targets Network (SBTN) and the new European CSRD, in accordance to figure above. In short:

- several programs at Business Unit level were designed and several others reinforced (table in page 96)

- biodiversity indicators were reviewed to improve monitoring of related risks decision making process.
- internal workshops for the sustainability teams in EDP's Business Unit were promoted to align local action with the Nature Based Solutions' concepts and practices.

During 2024, EDP will strengthen TNFD content to improve alignment and will reinforce action at operational level, mainly working in early risk screening processes.

In addition, during 2023, EDP continued to strengthen its public commitments in this area by:

- updating its commitments made under [Act4Nature-Portugal](#). Act4Nature is an initiative led by the BCSD-Portugal and fostered by the biodiversity working group since 2020, where EDP is part of the Steering Committee and the Advisory Board
- in Brazil, the Brazilian Business Council for Sustainable Development CEBDS, launched in October 2019 the Brazilian Business Commitment to Biodiversity aiming to emphasise the importance of Biodiversity and ecosystem services for businesses. This initiative is framed by nine global goals and targets have actions in progress that are subject to re-evaluation/definition depending on the evolution of approaches, indicators and metrics that are being defined internationally
- in 2023, EDP made a similar commitment in Spain under the [Iniciativa Española Empresa Y Biodiversidad \(IEEB\)](#), promoted by Fundación Biodiversidad. By endorsing the Pacto por la Biodiversidad y el Capital Natural, EDP pledged to adhere to 10 common principles crucial to the Kunming-Montreal agreement. The company also committed to assessing and sharing its impacts and dependencies on biodiversity and natural capital, and to develop a roadmap for mitigation.

During 2023, EDP published its [Biodiversity Report 2020-2022](#), detailing its initiatives on going and additional indicators and practices can be consulted in it.



Biodiversity projects ongoing worldwide (non-exhaustive)

Generation	Portugal	EDP Generation in Portugal launched the Nature4Tomorrow Program, aiming to promoting biodiversity and contribute to CO ₂ sequestration. The Alto Lindoso reforestation project, covering 22 hectares in the National Park of Peneda Geres, is the first project aiming to enhance ecological conditions and support EDP's commitment to Net Zero by 2030. The project benefits the environment but also promotes economic benefits for local communities and green job creation. It is aligned with the SBTN AR3T framework, focusing on the assessment of flora species, implementing measures for positive change, and embracing Nature-based Solutions. Engaging with local communities and authorities is paramount for the project's success, raising awareness about the pivotal role of biodiversity in socioeconomic development. Operationally, the project involves improving the ecosystem by densifying weakened cork oak trees with native forest species and controlling invasive alien species. The project's area has forest management certification and certification in ecosystem services.
	Spain	In Spain, EDP is working on improving its understanding on the impacts of the environmental footprint of its generation assets on natural capital, with special emphasis on ecosystems and ecosystem services (ES). To this end, a methodology has been developed to measure the impact of its facilities on natural capital still in its early stages but making it possible to measure the impact of a facility at a local level, mainly using information from its environmental footprint. The tool integrates three variables for measuring the impact: (i) scope of the impacts of the facility, (ii) severity of these impacts and (iii) relevance of the ecosystems and ES impacted by the facility. As a pilot study, the tool has been applied at EDP's Aboño Thermal Power Plant, located on the coast of Gijón, Asturias (Spain), where the main impacts came out as (i) terrestrial acidification, (ii) urban land occupation and (iii) terrestrial ecotoxicity.
Networks	Portugal	For networks in Portugal, two main priorities prevail in managing biodiversity protection: 1) For more than 20 years a multi stakeholder protocol, involving local authorities and NGO allowed a thorough mitigation program focusing reducing the risks of bird collision and electrocution. By the end of 2023, more than 1,300 km were adapted, with significant expected bird loss reduction. 2) Managing more than 68 thousand km of network extension, E-REDES is enhancing the resilience of its network to extreme events, particularly rural fires, through preventive measures and planned protection of infrastructure. Under its partnership with ForestWISE, the company is focusing on monitoring vegetation proximity, investing in advanced technologies, and working for effective biodiversity management, namely when inside some sensitive or classified natural area, looking to promote competitive use of the land. In 2023 the partnership behind the Birdlife Protocol was extended for another five years.
	Spain	NATURNET is a tool designed to assess the effects of medium and high voltage overhead power grids on impacted habitats, the services they offer, and the most vulnerable species within these habitats. It enables the management of risks associated with power grid impacts and facilitates investment decisions to minimize these risks. The analysis covers all high and medium voltage overhead networks spanning the communities, with a detailed examination down to the municipality level. The assessment focuses on the impacts on habitats, species, and ecosystem services, utilizing official external sources of information cross-referenced with internal network data. This knowledge allows for the management of risks associated with constructing new lines at the municipal level and the exploration of alternatives with reduced impact. Furthermore, it provides opportunities to invest in suitable locations to compensate for damaged services and habitats.
Renewables	Europe	In Iberia, it can be highlighted the different projects on-going to protect several species of birds, mostly associated with mitigation and compensation activities associated windfarms operations. One of the oldest partnerships is with GREFA, a Spanish environmental NGO, with whom EDP Renewables collaborates to reintroduce the Bonelli Eagle in Madrid and the central peninsular area, as well as in projects to improve lesser kestrel and Egyptian vulture populations in other regions of Spain. Additionally, projects to improve pollination within the area of management are being tested. An example is in Poland and in Hungary, where flower meadows are being planted to reinforce biodiversity, create asylum for rare and protected species especially insects and protect the land from drought.
	North America	In North America, biodiversity protection is centred around applying the mitigation hierarchy. For projects where biodiversity impacts could not be avoided or minimized, North America conducted a wide range of compensation initiatives from conserving bat habitats to restoring wetlands and sensitive habitats, tailored to meet local needs and regulations. For instance, in Mexico, EDPR is working to preserve rare desert plants through flora relocation and restoration across approximately 330 hectares at two windfarms, and a partnership with a local university supports these activities. Meanwhile, in New York, an ongoing offsite wetland and stream restoration project aims to enhance the habitat of three federally endangered mussel species using nature-based remediation techniques to address streambank erosion and sedimentation. The restoration activities, covering 13 hectares, also seek to safeguard adjacent floodplain wetlands from potential washouts during high rainfall events. Moreover, in the USA, companies have the option to purchase credits from recognized biodiversity banks. EDP Renewables has utilized this opportunity to cover 545 hectares of land conservation in the Midwest, thereby increasing the availability of suitable maternity roost habitats for bat and its conservation purposes.
	LatAmerica	In Brazil, EDP is reinforcing its IT geographic information systems by mapping all its assets against different layers of protected and sensitive areas, namely all IBAT datasets. This initiative will improve risk analysis and the decision-making process, not only for the current portfolio, but for future business expansion in Brazil. Locally, EDP in Brazil maintains several initiatives to protect biodiversity, within the surroundings of its facilities, from compensatory forest planting in several locations to seeding distribution and education programs.

3.4.5. Circular Economy

KPI 2023

Promoting the Circular Economy

Target 2025

74% Accelerating circularity in renewables in terms of operational waste and decommissioning	>80%
-76% Reduction of operational waste	-82%
42% Increased rate of recyclability in the operation	85%
-88% Reduction of water consumption	-78%

While renewable energy sources and electrification are vital first steps in transitioning to zero-emission models, the significant growth of renewable energy technologies poses challenges in material supply, production, and end-of-life management. The growth of these technologies must be established as part of a circular economy approach to prevent new environmental problems and boost job creation and economic development. The increasing use of renewable energy sources will also lead to the decommissioning of EDP's thermoelectric plants, which will require a circular economy strategy to address the large volume of land, assets, and materials involved.

The Circular Economy is one of the axes of the EDP group's sustainability strategy, constituting an important pillar of its [Environment Policy](#). For EDP, the Circular Economy is based on the efficient use of natural resources from a life-cycle analysis perspective, aiming to:

- minimise the use of natural resources necessary for the proper execution of its activities
- efficiently optimise and manage internal products and services capable of leveraging the circular economy in its customers
- maximise the recovery of waste and its reintroduction into the economy as by-product.

EDP's Circular Economy strategy is based on three fundamental pillars: Reduction, Optimisation and Valorisation as a way to promote the increase of circularity in the business, implemented through seven priority axes of action (see figure in the [next page](#)).

Close the loop program

“As an innovative solar recycling company with industry-leading technology that can recycle and recover over 95% of the valuable material from a solar panel, we are thrilled that EDP Renewables North America has chosen SOLARCYCLE as a top, trusted partner for its new Close the Loop Program. With this new partnership, EDP is not only demonstrating its leadership on sustainability, but also joining us in our mission to build a more circular industry that strengthens the solar supply chain.”

Suvi Sharma, CEO and Co-Founder of SOLARCYCLE



Materials inputs and outputs

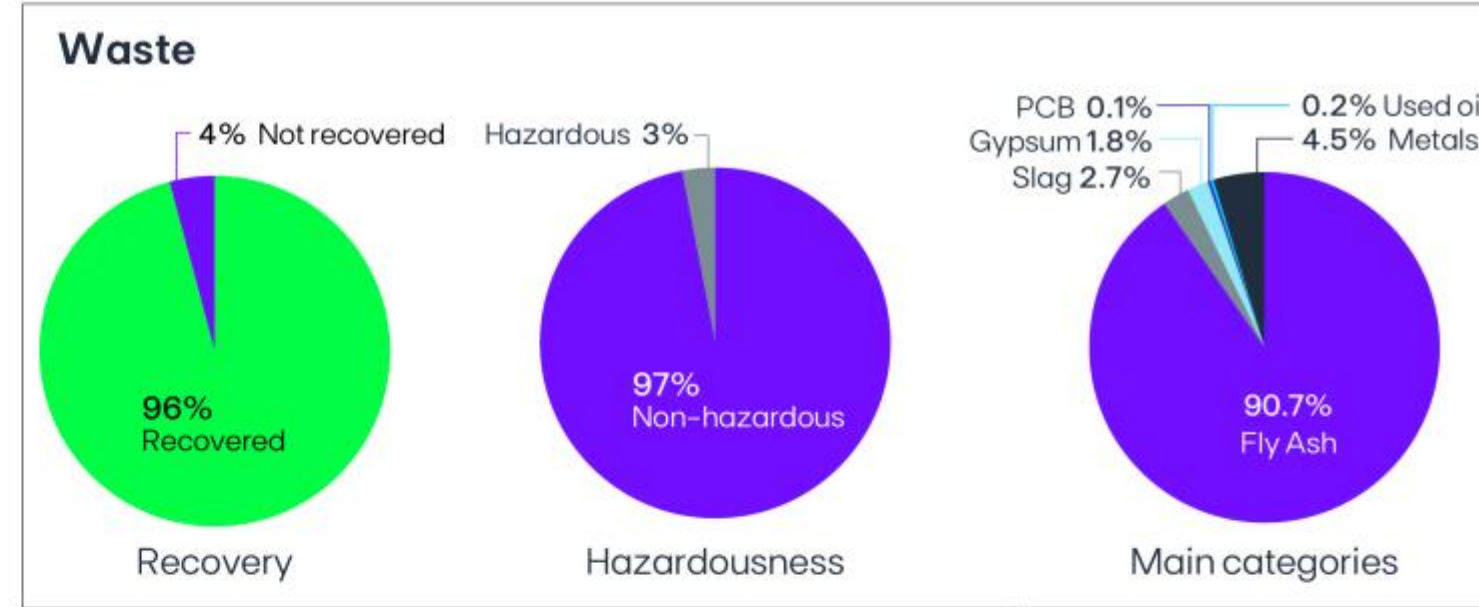
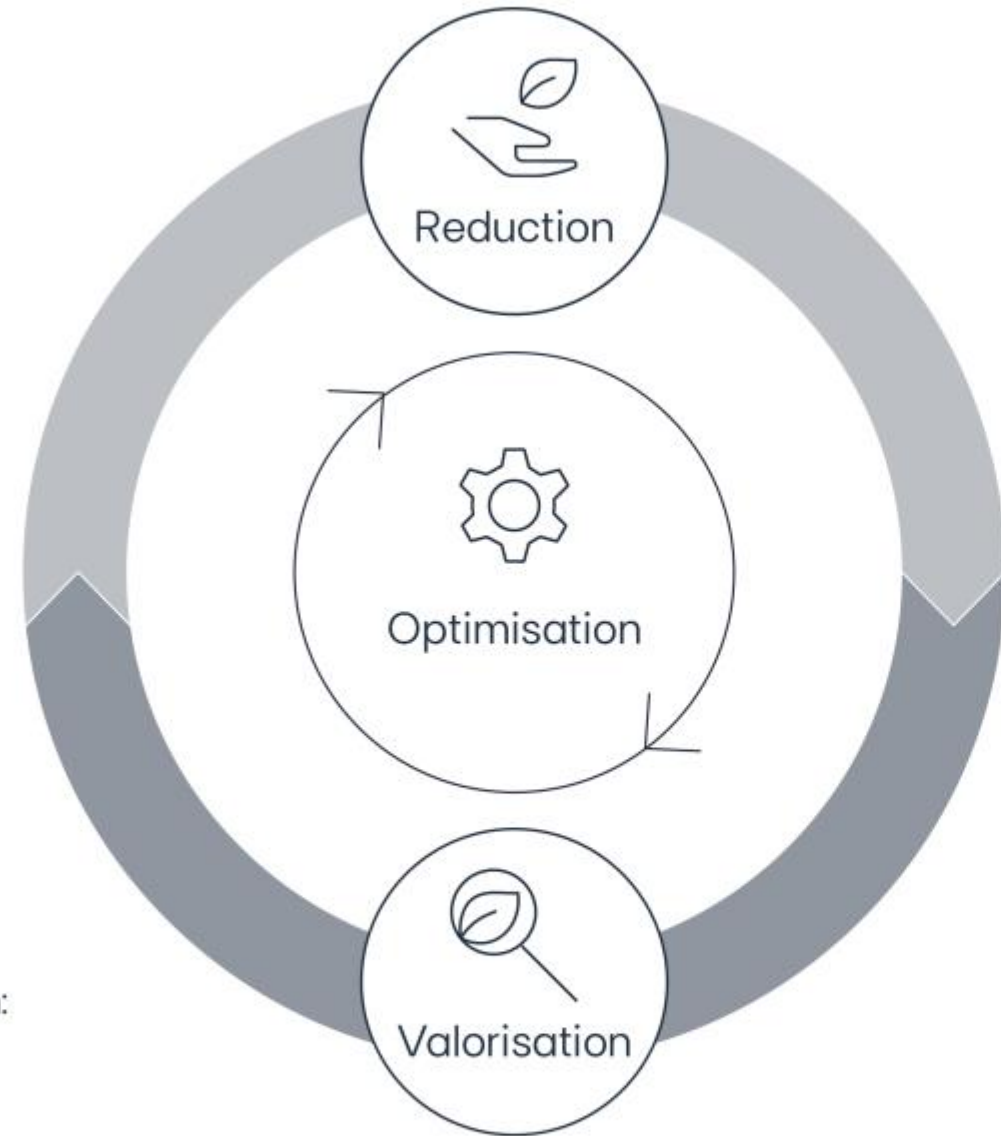
Inputs

26,549 MW Installed

The installed capacity represents an input of materials from the construction and operation of our assets.

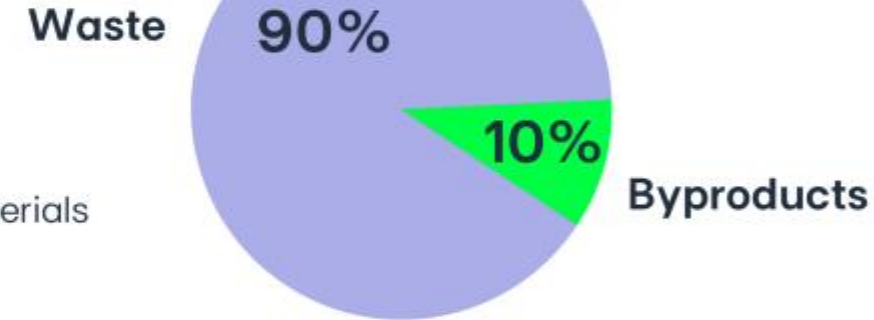
They originate fundamentally from:

- Equipments
- Raw materials
- Consumables



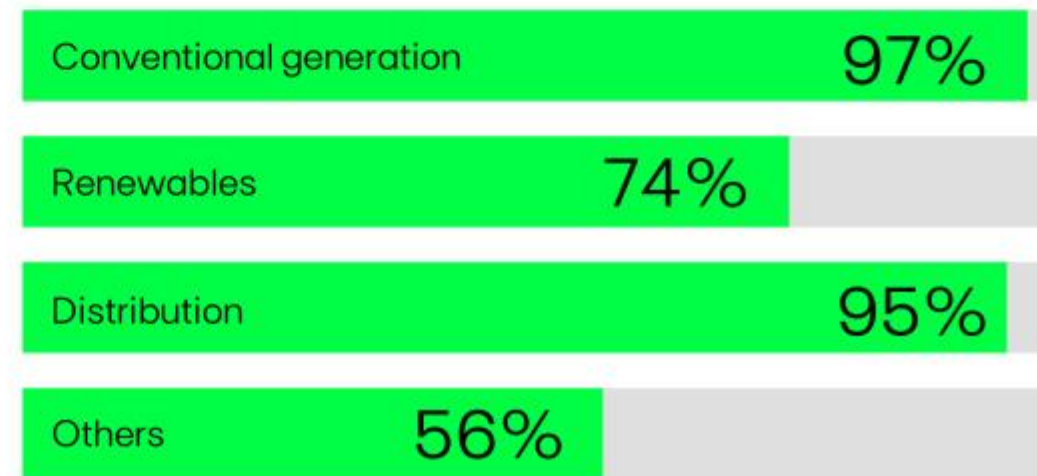
Outputs

266,138 t Total of waste materials



Total residual materials recovered¹: 256,689 t

By activity:



¹Residual materials recovered: Byproducts + Recovered waste

The 7 EDP's axes of action for circular economy

	Efficiency in the use of resources and materials	Promote the reduction of inputs of resources and materials and reduction of waste outputs.
	Product longevity	Promote solutions that extend the product lifecycle, including modular design solutions, which allow the product to be easily disassembled and their components replaced, remanufactured, repaired, updated.
	Digitalisation	Integrate digital solutions that through technology and data allow dematerializing processes and reducing the consumption of materials and resources, but also supporting the construction of new business models (product as a service).
	Resource valorisation	Promote the valorization of waste materials at the end of life, focusing on their "second life" after the original purpose, namely through the creation of symbiosis with other sectors of activity, recycling, energy recovery, etc.
	New business models	Promote the construction of new business models that allow the introduction of different circularity levels in the products and services provided to the customer, such as the life cycle extension, models as a service, efficiency, sharing, etc.
	Circular supplies	Promote circularity practices, such as replacing materials and products with longer-lasting, recycled, reused ones; labelling of products identifying their circularity; but also the inclusion of criteria in purchases.
	Influence and awareness	Ensure the company's responsibility for the products, materials and assets it produces and manages/uses. Responsibility to influence the value chain to leverage the circularity in its products, services and choices.

The EDP group is committed to providing innovative and competitive solutions by ensuring coherence across all its activities and ecosystems:

- in **power generation**, the group aims to reappraise renewable energy supply chains throughout their value chain and manage thermoelectric assets until their decommissioning
- in **infrastructure and network**, the group aims to redefine the value chain of major assets through "Circularity by Design" and use digitalization to accelerate the role of the network as a platform
- in **end customers**, the group aims to facilitate their transition to circularity through new products and services
- in **suppliers** to support and leverage the entire supply chain towards circularity.

All other areas, from digital infrastructures to trading to office management, are also actively involved.

Achieving high levels of circularity is only possible through a collaborative and systemic approach. Therefore, EDP is collaborating with international organizations and platforms, as well as in its main countries of operation, including European countries, the United States, and Brazil. The group collaborates with institutions, companies, NGOs, universities, and other stakeholders to increase knowledge and understanding of the circular economy and support the system transition.

EDP has set out four ambitious circular economy targets for 2025, contributing to its commitment to SDGs 8 and 12, promoting decent work and economic growth, and sustainable production and consumption. To achieve these objectives, a corporate roadmap was determined, to which projects and initiatives developed by the different Business Units of the group contribute.

In 2023, there are several best practices for circular economy, for each of the priority axes of action, which are detailed in the following table.



Axis of action	Initiative	Description	Business Unit
Efficient use of resources and materials	E-Redondo	The E-REDONDO Action Plan aims to internalize the circular economy in the activities of the networks in Portugal, involving workshops and consulting from Capgemini. Eight critical assets were selected for assessing their circularity, including interviews with suppliers. In the future, the analysis will be extended to more assets with a new circularity assessment tool. The integration of this analysis into the procurement process and green purchasing criteria is a significant step in reducing E-REDES' environmental impact on the supply chain.	E-REDES - Portugal
	CIRCUMETRIC 2.0	Circumetric is a corporate tool designed to assess the circularity of initiatives, with the primary goal of raising awareness and identifying improvement measures. In 2023, significant enhancements were made to the tool, and its scope was expanded to cover all geographies. This expansion ensures the tool's continued functionality while incorporating new features to better serve its purpose.	EDP Spain – Global
	Energy storage system with batteries at solar farms	Installation of batteries for energy storage in solar farms with the aim of improving the flexibility of electrical systems, thus incorporating greater renewable capacity.	EDP Renováveis - Europe and Brazil
	Promotion of rationalization of water consumption	Minimizing water usage in hydroelectric plant landscapes is a key priority for us. To achieve this, we are actively incorporating rainwater reuse practices for irrigation. Additionally, we are conducting a comprehensive assessment to identify opportunities for streamlining water consumption. To address areas with less developed water management, such as hydroelectric power plants, we are executing an action plan. This plan focuses on enhancing consumption accounting measures and initiating pilot projects in gardens. These projects involve selecting climate-appropriate vegetation and optimizing watering practices for increased efficiency.	EDP Produção - Portugal
	Use of rainwater in wind farms	Implementation of rainwater harvesting systems in wind farms to reduce water consumption for human use.	EDP Renováveis - Europe and Brazil
Product longevity	Reuse or recycle unused electronic equipment	EDP Global Solutions launched a pilot initiative for reusing and recycling electronic equipment. Collection points were set up, urging employees to responsibly dispose of unused computer peripherals. The collected items were either reused or processed for recovery to ensure proper disposal. Demonstrating its commitment to sustainability, EDP Global Solutions plans to expand this initiative to other facilities in 2024. The company will integrate it with a social project, benefiting communities. This approach aligns with EDP's mission of making a lasting positive impact on the environment and society through responsible business practices.	EDP Global Solutions - Portugal
Digitalisation	Transformers overhaul	Reconditioning of transformers and the use of predictive analysis and remote monitoring of this equipment in real time, which allows an increase in the responsiveness and quality of service, and simultaneously increases the useful life of resources through dematerialisation processes.	E-REDES - Portugal
	LIDAR system on power lines	Use of LIDAR systems for maintenance and monitoring of lines, avoiding travel and saving resources.	EDP Spain - Spain



Axis of action	Initiative	Description	Business Unit
Resource valorization	Recycling of porcelains isolators	Because a significant amount of porcelain isolators was being generated in networks, EDP decided to reevaluate their use. Tests in a laboratory with crushed porcelain in concrete blocks showed positive results. As a result, the solution was to reuse this material on a larger scale, using it as fine aggregate in civil construction. This approach ensures 100% utilization of the previously considered waste material.	EDP Brazil – Brazil
	Wind turbines end-of-life	Promote the search for innovative solutions for wind turbine blades and PV panels at the end of their life. Integrated in EDP Lite Up project, blades out of use were donated. Also a framework was developed to establish the strategies for resource valorization at the end-of-life of wind or solar projects in EDPR – “Guidelines for end-of-life projects at EDPR”.	EDP Renewables – EU&LATAM
	Recycling solar panels	EDP Renewables, in partnership with SOLARCYCLE, has launched a programme to recycle materials used in renewable energy projects in North America, addressing one of the main challenges of renewable energies. The aim is to promote a circular economy and reduce environmental impact by using resources more efficiently and extending the useful life of products. The goal is to recover 85 % of waste by 2026, helping to reduce pollution and preserve natural resources.	EDP Renewables – NA
	Cattlemen II Circularity Plan	EDP Renewables created a comprehensive circularity plan for offtaker Microsoft Corporation, which includes the proper recycling and disposal of all project components, equipment and material both during and at the end of the useful life of the project, Cattlemen II Solar Park in Milam County, Texas. Within the plan, EDPR NA highlights means, methods, scope, and strategy for how the company promotes asset recovery, recycling, and the efficient use of resources through each stage of the project lifecycle, including development, construction, operation and maintenance, and decommissioning.	EDP Renewables – NA
New business models	Solar energy sales as a service	Development of a business model as a service for solar, in which the management of panels made by EDP contributes to their better maintenance and, therefore, to an extension of their useful life, in addition to the fact that when the customer no longer needs them, they can be reused by other customers.	EDP Comercial and EDP Spain – Iberia
Circular supplies	Integrating circularity in suppliers’ evaluation	At Iberia, our global procurement team is actively implementing a series of measures to seamlessly incorporate circular economy principles into the assessment processes for our suppliers. Specifically, we are enhancing the supplier registration questionnaire to gather information about initiatives and practices related to the circular economy undertaken by our partners. Additionally, we are modifying the contractual performance evaluation questionnaire to encompass criteria pertinent to the circular economy. Moreover, we are crafting an Environmental, Social, and Governance (ESG) roadmap to provide suppliers with insights into their performance and guide them in aligning with EDP’s circular economy strategy.	EDP Global Solutions – Iberia and Brazil



Axis of action	Initiative	Description	Business Unit
Influence and awareness	Circular economy training	Circular Economy Training sessions have been held for EDP Spain employees, with 3 sessions and a total of 167 attendees. The content of the training includes of 6 modules. The first ones focus on conceptual topics on Circular Economy, and the last ones in Circular Economy at the EDP group, targeting mainly the environmental area (EDP's Circular Economy Strategy, Action Plans and CIRCUMETRIC evaluation tool).	EDP Spain - Spain
	Partnerships for circularity improvement	We engaged with and registered 18 qualified waste management organizations – and growing – to cover various materials recycling including the recycling and reuse of scrap metals, wind turbine parts and components including blades, packaging material such as cardboard and pallets, batteries from energy storage projects, as well as oils and associated lubricant waste from operations	EDP Renewables – NA

EDP gathers efforts to develop solutions so that its main waste materials can be used as by-products and raw materials for another industry, namely fly ash and coal slag which made up around 65% of the total waste materials recovered (256,689 tonnes).

With regard to construction, operational activities and the maintenance of facilities, reuse is prioritized so that, when discarding, recycling is always considered as the first solution.

In this way, contracts are established with licensed operators who transport the waste to the appropriate destination for recovery. Efficient waste management goes beyond the suitable disposal of waste and its incorporation into the economic circuit, by promoting its reintegration whenever possible. This management starts upstream, in design and in the choice of materials necessary for the functioning of operations.



Close the loop program

Tackling the end of life cycle of solar panels.

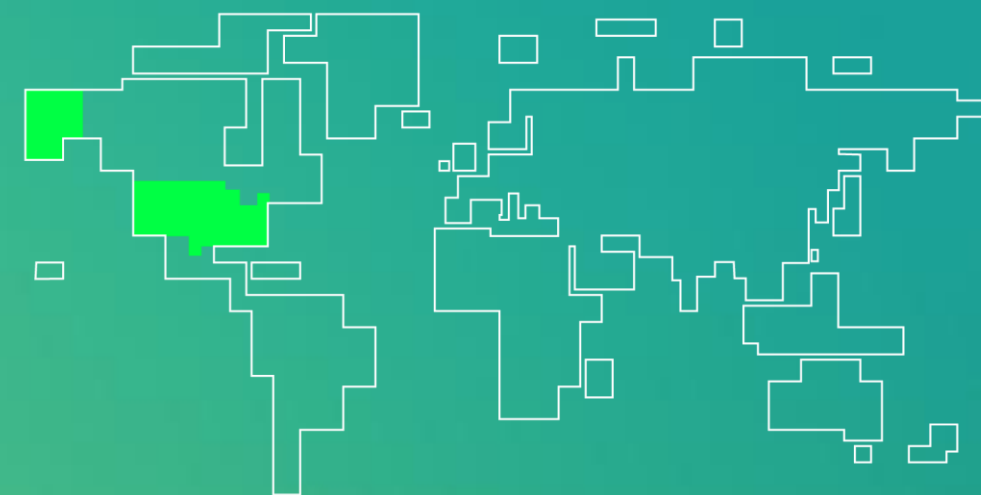
Our approach: EDP Renewables North America launched, Close the Loop, a company-wide recycling program. This program supports EDPR's circular economy goal by building structured partnerships with various stakeholders, promoting efficiency in the product life cycle, optimizing resource use while minimizing waste, and ensuring transparent communication throughout the company. EDPR NA has engaged with 19 qualified waste management organizations to cover various materials recycling including solar modules, wind turbine generator components, batteries metals, oils and lubricants, as well as packaging material. EDPR NA's key partner in this program is SOLARCYCLE, an advanced technology-based solar recycling company. Founded in 2022, SOLARCYCLE offers tailored recycling solutions, reverse logistics, rapid testing, low-cost and eco-friendly recycling, and advanced environmental reporting for solar panels. The process aims to return those materials back into supply chains to help grow the domestic solar manufacturing industry.

SOLARCYCLE's patented recycling process extracts more than 95% of the value in a panel, including aluminum, silver, silicon, and glass.

Differentiator factor: One of the key differentiators of the Close the Loop program is its focus on the entire lifecycle of both solar and wind renewable energy projects, including waste from construction to operations and maintenance, to repowering and decommissioning. EDP Renewables is committed to innovative approaches towards sustainability and responsible resource use throughout the project lifecycle.



What lies ahead: EDPR NA is supporting the advancement of U.S. renewable energy supply chains tied to a vibrant secondary market for recycled materials through the establishment of specific ESG targets. Globally, EDP Renewables has set a target of 85% waste recovery by 2026, with an ambition to take that figure to 90% total waste recovered by 2030.

[Link for more information](#)



Country: US

6.4.6. Own workforce

Alignment with the SDGs	Objectives	KPIs 2023	Target 2025
	Employee Engagement	80%	High-performance company
	Female employees	28.8%	30%

6.4.6.1. Our purpose

EDP is committed to evolving as a global, agile, and efficient organisation with a people-centred approach that seeks to attract, develop, and retain the skills needed to meet future challenges.

For EDP to be a truly future-proof organisation, an ambitious People and Organisation (P&O) strategy has been defined to fulfil the following in the coming years:

- provide its people with a human and meaningful experience through a global purpose and skills and concrete measures of well-being and flexibility
- focus on attracting and retaining internal talent through a strong global strategy of employer branding and onboarding, as well as a customised succession and development strategy
- foster growth opportunities for all employees in an engaging manner, in line with a global development mindset
- invest in collaboration and internal mobilities as a way of sharing knowledge and individual and organisational development
- treat diversity, equity and inclusion as catalysts for innovation
- promote agility and efficiency through the improvement and digitalisation of processes to reduce decision-making time
- use the global tools of people analytics as instruments to support decision-making and strategic planning.

The major events of 2023 continue to transform the global labour market, reinforcing the importance of preparing EDP for the challenges of the future whilst meeting the needs of its global population, which has slightly decreased when compared to the previous year:

- decrease of 1.3% in the global population (-170 for a total of 13,041 employees), considering the inclusion of 3 new markets (28 markets in total) and 8 new companies with headcount (101 companies in total), representing 13 new nationalities (68 nationalities in total)
- decrease in the number of additions (1,425) and an increase in the number of leaves (1,729)
- increase of women in global representation (+1.3 pp totalling 28.8%) and in leadership positions (+0.9 pp totalling 29.2%)
- Generations Y and Z represent around 63% of the global population, with an increase of 1.5 pp of Generation Y in leadership positions (43.6%)
- growth of 0.2 pp of people working outside their country of origin (3.8%), in a reality where 62% of the global population continues to work in a hybrid model.

In the dynamic landscape of the contemporary job market, marked by transformative phenomena such as the Great Resignation and other impactful trends, EDP registered a voluntary turnover of 5,8%. EDP continues to strategically navigate these challenges, recognizing the evolving nature of workforce dynamics, and prioritizing talent retention initiatives across the employee journey described throughout this chapter.

Considering EDP’s global presence, the work developed in terms of people management in 2023 was based on the consolidation of a new people narrative through the integration of a global purpose in the main people management processes, strengthening the sense of belonging and pride in employees:

Our energy and heart drive a better tomorrow

3.4.6.2. Our energy

This purpose dimension represents the strength, legacy, and motivation of EDP's people to deliver green energy continuously, leading to an increasingly empowered organisation.

Organisation

EDP remains committed to promoting simple and agile organisational practices, supported by digital tools suitable for fulfilling its objectives.

In this sense, in 2023, EDP continued to promote efforts to provide greater empowerment and autonomy to its people through improvements in terms of the span of control and simplification of organisational layers in different Business Units, making it possible to increasingly decentralise decision-making and increase accountability.

Considering the ongoing transition towards a business platform management model, the Key Performance Indicators (KPI) for 2023 were established and communicated to the entire EDP global population, with the respective results being communicated at the end of each quarter.

To guarantee the group's global alignment and the speed with which commitments are delivered, the KPIs are defined annually based on EDP's organisational performance model, which is divided into three axes of action: Attractive Returns, ESG Excellence, Future-Proof People & Organisation.

Efficiency and decision-making

In 2023, the efficiency of the P&O and decision-making systems was also ensured with the implementation of various improvements that allowed for the reduction of more than 1.150 hours of work.

These improvements are related to the follow-up of the three-year digital roadmap that aims to increase the digital maturity of people management processes which includes other achievements such as the implementation of a tool to automate and standardise the global workforce planning process, automation of the estimation of short-term incentives (STI) for all employees in Portugal, implementation of a new onboarding platform, standardisation of the recruitment process in a single tool and the construction of scorecards that allow the consolidation of employee data as a way of supporting decision-making by managers and P&O teams.

Speed and efficiency are keywords for any future-proof organisation. In 2023 a new global decision-making model for EDP was approved. The main objective of this model is to improve the agility of decision-making processes, simplifying them and empowering employees. On the other hand, being a standardised global model, it speeds up the

adaptation to an organisation structured by business platforms. The measures that are being taken to streamline decisions include focusing EBD interventions to the level of strategic definition and planning, increasing the approval autonomy of Management Teams in business situations, and providing the remaining levels with greater autonomy in operational decisions.

Collaboration

EDP continues to discover new opportunities to bring its people together through digital collaborative tools such as virtual global communities. Currently, EDP has already implemented eight global communities (Finance Ahead; ESG; People & Organization; Global Energy Management; Brand & Communication; Innovation; Digital; Generation), connecting more than 40% of the global population and providing access to content and initiatives in an innovative and customised way to each functional family.

3.4.6.3. Our heart

People are at the heart of EDP's strategy, and this dimension of its global purpose reflects their importance and fundamental role in delivering the organisation's commitments to customers, partners, and communities. Recent years have led the EDP group to rethink its working models in favour of a more flexible and balanced working environment and to develop an active listening strategy highlighting the organisation's work in this direction.

Organisational climate

The organisational climate constitutes a fundamental, active-listening tool for monitoring different dimensions of employee experience, and the 2023 climate survey had the participation of 91% of EDP group employees.

In terms of engagement, it was found that 80% of employees feel involved with the company, where the majority show pride in working for EDP (85%) and would recommend EDP as a great place to work (76%). Regarding empowerment, it was also concluded that 75% of employees have a high perception of organisational support, where 77% feel they can carry out challenging work, 72% believe that their skills and abilities are well used, and 75% feel they have the authority to make decisions necessary to do their job.

Rewards and benefits

The work environment at EDP must also create global conditions of equality and recognition. Therefore, following its implementation in 2023, EDP's current global compensation framework was communicated to the entire population through different internal channels, contributing to a better understanding of how pay is determined, as evidenced by a 2% increase in the latest organisational climate results compared to the previous year.

This framework, aligned with the best companies in the market, defines a common strategy and language for the entire group, allowing for global alignment and increasingly transparent communication. As well as clarifying the concepts associated with compensation through a global glossary for all EDP markets, this model makes it possible to define a range of job grades, map all the group's functions in a functional matrix and group them into organisational segments according to the level of responsibility, autonomy, impact on the company, level of knowledge and skills required.

EDP globally assigns long-term incentive plans to the Top Management segment and critical positions in the Senior Management segment. The Executive Board of Directors (EBD) considers the attribution of these incentives as a tool for attracting and retaining talent, focusing on achieving results and complying with the business plan.

In 2023, this global approach was also extended to the different benefits awarded to employees in the different markets where EDP is present, to define a common global offer complemented by local benefits. This framework was built over the year and is expected to be implemented in 2024.

Flexibility and well-being

In 2023, the global flexibility measures already implemented were consolidated, with positive employee feedback, as evidenced by the organisational climate results: most employees claim being satisfied with the hybrid working model (82%) and the Flex Fridays measure (83%), and say they feel productive in a hybrid working environment (95%).

Throughout this year, continuity was also given to the global well-being strategy, based on five pillars (physical, social, professional, financial, and emotional). To this end, global awareness campaigns have been developed (e.g., Diversity & Well-being Moments; Mind Your Mind) to encourage the adoption of healthy behaviours, promote the accountability of the organisation's leaders, and remind all the channels and support helplines available.

EDP believes work-life balance is fundamental to achieving more competitive companies and a fairer society based on flexibility, respect, and equal opportunities. To this end, EDP has once again been certified by the Fundación Másfamilia as a family-responsible company (efr, in its Portuguese acronym), a recognition awarded for the first time this year to the entire group. This certification, which the company has received since 2013, gained a global dimension this year, reinforcing the excellence of the various work-life balance measures that the EDP group promotes among its employees in all the markets in which it operates.

Diversity, equality, inclusion and sense of belonging

By ensuring fairness and inclusion for its people, EDP is also creating a more diverse working environment, and according to the organisational climate results, 85% believe all employees, regardless of their differences (age, gender, ethnicity, colour, disabilities, sexual orientation, religion), are treated fairly. Following the adoption of the DEIB (Diversity, Equity, Inclusion and Belonging) acronym and the revision of its global policy in the previous year, EDP continued throughout 2023 to promote different awareness-raising initiatives on inclusion issues and held the second Global Council at which the next strategic priorities were defined, with a focus on the inclusion of people with disabilities.

Black connections

"The aim of this programme was to strengthen, broaden connections, welcome, boost talents and enrich the journey of the 45 black professionals who took part in this training. During the journey we had the opportunity to reflect on the fundamental importance of valuing our struggle, which is constant and daily, to understand how significant our professional valorisation is, and above all, how much stronger we are when we are together! I'm very honoured and grateful for this journey! And very proud of everything we have already achieved, but persisting in what is yet to come."

Wellington António



In 2023, efforts were made to ensure increasingly inclusive recruitment and the 2023–2024 Gender Equality Plan was launched. This plan, developed annually, presents a set of measures (policies, programmes, incentives and benefits, initiatives, or projects) framed within the following dimensions: strategy, mission statement and values, equal opportunities, awareness and training, work–life balance, and partnerships for progress.

3.4.6.4. Our drive

This dimension of EDP's global purpose reflects its ambition and leadership in making change happen as an organisation prepared for the challenges of the future.

Talent attraction

For EDP it is essential to develop a strong employer branding strategy that is increasingly global and attractive, which in 2023 meant continuing to review its employee value proposition to reflect the company's global positioning, purpose, and flexible, balanced, inclusive, and development–oriented culture.

Overall, in 2023, the EDP group impacted more than 32,000 people through more than 140 initiatives and strong positioning on its main social networks, which resulted in more than 400 people–related content. This attractiveness strategy gave rise to more than 50,000 applications in EDP's different markets, resulting in 1,425 new hires and 677 internships, through an increasingly global, standardised, and digital recruitment process, which has been characterised by a strong investment in upskilling all the stakeholders involved to ensure a competitive position in the market, particularly in the energy market.

In 2023, EDP also implemented its first–ever global onboarding experience and a new internal mobility program, demonstrating its commitment to attracting and retaining top talent. The global onboarding experience provides employees with a structured learning path that fosters a deeper understanding of EDP's business, brand, and people narratives, while also strengthening their contact networks. Meanwhile, the new internal mobility program empowers employees to explore a wide range of temporary and permanent opportunities worldwide, aligning with their development goals and presenting exciting new possibilities, resulting in more than 730 mobilities registered in 2023.

These efforts resulted in several distinctions, such as a new recognition by the Top Employers Institute, highlighting the EDP group's strong positioning with candidates and employees and its dedication and commitment to attracting and retaining the best talent.

Talent development and management

In 2023, the first holistic assessment cycle was completed, evaluating past individual performance, current skills, and agility to face future challenges, following a global development model implemented the previous year. This cycle showed very high participation results, proving its importance for the development of each employee: 86% chose peers, 88% carried out their self–assessment, 91% carried out their assessment as managers, and 95% of employees confirmed that they had their development conversation. At the end of this year, a new assessment cycle began, with an improved user experience.

Throughout 2023, efforts also continued to ensure the global development of EDP's leadership through an approach characterised by a focus on themes related to leadership, people management, culture, digital, innovation, safety, ethics, and compliance. The EDP group's total training volume in 2023 resulted in more than 375,000 hours of training, reinforced by worldwide access to on–demand content via Udemy, currently with 72% coverage. According to the organisational climate results, 76% of employees believe EDP provides learning opportunities, experiences, and tools to do their jobs in the best possible way.

EDP's succession planning is also crucial to ensure the continuity of the business, acting as an important people management tool. In line with the defined criteria, 150 successors and 457 potential career moves were mapped for 71 Top Management positions, as well as 694 successors and 1412 potential career moves for 346 Senior Management and Senior Consultant positions. Considering EDP's growth, the competitiveness of the market and the shortage of talent, several customised development initiatives were also carried out throughout the year, ensuring that most (80%) of top priority successors were involved in learning and development opportunities and contributing to the retention of more than 90% of the successors and their readiness to assume future roles.

3.4.6.5. A better tomorrow

EDP's current strategy sets out ambitious commitments for the coming years, allowing it to become a future–proof organisation focused on providing a better tomorrow for current and future generations. In this sense, EDP's P&O strategy will continue to focus on meeting the challenges of attracting, developing, and retaining the skills needed to meet the challenges of the future, ensuring:

- a global organisational design strategy that represents our global presence
- enhanced digital maturity and efficiency of processes

- greater collaboration by strengthening our global communities
- an inclusive and flexible working environment that promotes meritocracy
- a strong employer branding strategy to attract the best talent
- a learning and development-oriented culture that fosters accountability.

With people at the heart of its strategy, EDP will continue to work towards an increasingly attractive, human, and meaningful experience for all its candidates and employees to drive a better tomorrow.

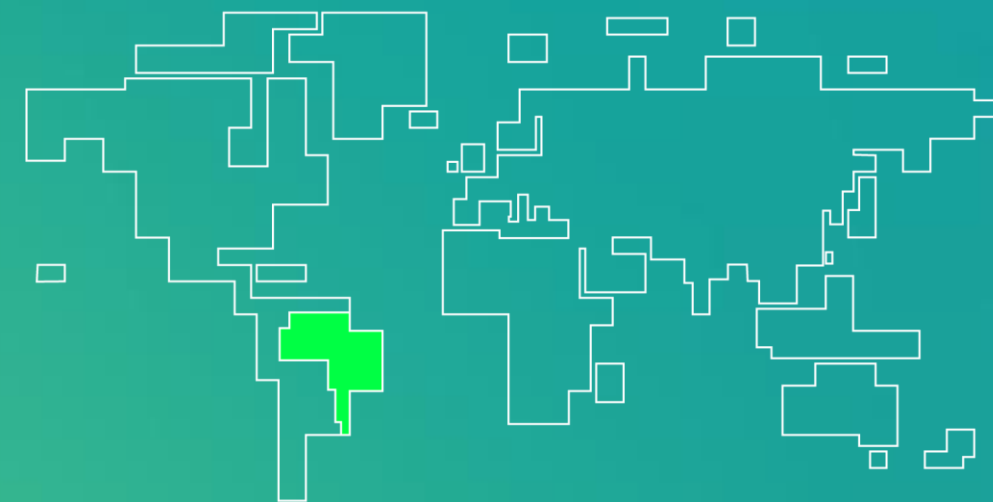




Black connections

Expanding racial representation through a journey of development and strengthening of the network of Black individuals at EDP.

Our approach: In 2023, we invested in the Black Connections Programme, an initiative that aims to create an individual development plan for Black professionals with a focus on recognition, retention, and career acceleration. There were 45 participants, and significant results have already been achieved, such as 18 merits, three promotions, totalling a 46% mobility rate in their careers. In addition, we concluded the programme with a Net Promoter Score of 98, which exceeded the project's expectations.



Country: Brazil



Net Promoter Score of 98

Differentiator factor: It stands out for its personalised approach to the development and progression of Black professionals within the organisation. It emphasises individualised development plans, recognition, retention, and career acceleration, responding to the need for greater representation and progression of Black talent. The innovative format, which includes theoretical content and round table discussions, provides a dynamic and engaging learning experience.

The future: The programme's next steps will focus on affinity groups and the dissemination of the knowledge acquired by participants. This approach will contribute to the continuous development and advancement of Black professionals in the company, ultimately reinforcing the programme's effectiveness and value.



3.4.7. Supply chain

Alignment with the SDGs	Objectives	KPIs 2023	Target 2026
	Suppliers compliant with ESG Due Diligence	62% ¹	100%
	Volume of Purchases aligned with EDP's ESG goals	~50% ²	90%

3.4.7.1. ESG challenges in supply chain management

EDP's materiality matrix identifies the supply chain and its management as one of the most relevant aspects for the company, based on its impact to society and for the business. Therefore, suppliers are a key stakeholder and also a main partner to achieve the company renewable installed capacity growth targets and sustainability goals. Technical excellence, execution performance, economic competitiveness, together with sustainability are the basis for EDP's supply chain management.

Sustainability in the supply chain faces considerable challenges arising from the increasing external pressure, both regulatory and market-driven, to implement ESG initiatives in the company's operations. The transition to renewable energy sources and the reduction of emissions are crucial imperatives to address climate change. Simultaneously, ensuring ethical working conditions and promoting equity in the supply chain take on a heightened urgency, further emphasizing the need for increased transparency and regulatory compliance.

The growing pressure from external stakeholders, encourage companies to collaborate with suppliers committed to high ESG standards, implement technological innovations for traceability (such as blockchain and AI), and adopt policies that incorporate ethical principles and human rights.

¹ In 2023, this indicator was improved. Prequalification assessment already considers IDD, Environment and H&S, as well as other risk mitigation stages: desk assessments/audits/inspections, during contract period, and contract evaluation after contract closure. With this new approach, in 2023, 62% of suppliers are already compliant with ESG due diligence.

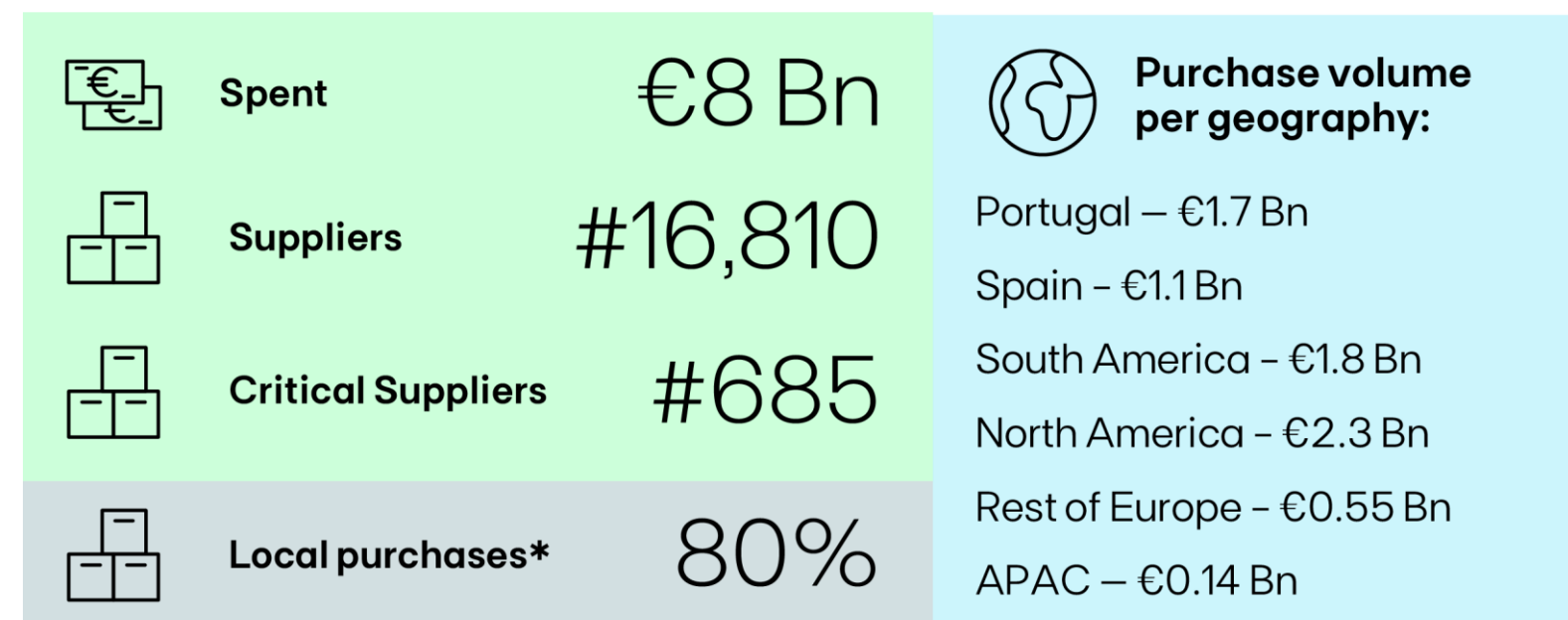
² The volume of purchases associated with critical suppliers whose decarbonization, environmental (biodiversity and circular economy), and human rights goals are consistent with those of the Group is considered aligned with EDP's ESG objectives. In 2023, approximately 50% of the Group's purchasing volume is considered aligned with EDP's ESG goals.

In this challenging scenario, the effective integration of ESG criteria into the supply chain allows EDP to improve management and risk mitigation, thereby contributing to the resilience of the organization in the global landscape.

Supply chain – hot topics

Given the dynamism present in the global ESG context, it becomes crucial to understand and adapt to ESG requirements by implementing strategies that involve data collection and regular engagement with stakeholders as a guarantee of future competitiveness.

Navigating through new laws and priorities: As ESG risks grow in complexity and severity globally, laws are being implemented worldwide to ensure effective mitigation of these risks. Two recent and stringent laws, the U.S. Uyghur Forced Labor Prevention Act (UFLPA) and the German Supply Chain Due Diligence Act (LkSG), have important implications in case of non-compliance. Looking ahead to 2024, companies must prepare to face an evolving ESG landscape, adjusting practices and leveraging technology to meet compliance obligations while exploring opportunities to positively impact society and the environment.



*EDP defines local purchases as purchases from suppliers in countries where EDP is present divided by the total volume invoiced on the Region of the Company to which the supplier / contractor supplies in 2023. In Portugal and Spain, only purchases from those specific countries (instead of region) were considered.



Stakeholder’s demand for greater transparency on ESG practices: Instead of relying solely on financial metrics for their investments, investors are now turning to ESG principles to assess companies' performance in sustainability goals. Similarly, consumers are increasingly interested in how companies ensure clear policies – including suppliers and downstream partners – that demonstrate their commitment to sustainability goals.

The environmental agenda dominating overall concerns: Growing concerns about decarbonization of the supply chain and the transition to a circular economy pose significant challenges to suppliers. Therefore, organizations need to adopt more sustainable practices that will require changes in production processes. Compliance with environmental standards or certifications will become a market trend, and close collaboration with suppliers is essential to effectively implement decarbonization and circular economy strategies throughout the chain, thereby mitigating environmental impacts and promoting sustainability.

The importance of sustainable procurement in a competitive market: Customers and investors care about the origin of products and the underlying ethics, leading them to question certain products or processes and demand assurances that goods were acquired responsibly with minimal harm, both directly through production activities and indirectly through the origin of raw materials, etc. Consequently, companies need to implement scrutiny processes and supply chain visibility to remain competitive in an increasingly dynamic global market.

3.4.7.2. Supplier management governance

The Board of Directors directly monitors the procurement process management structures that implement the policies, being the ultimately responsible for ensuring that the company’s procurement policies and procedures are followed.

EDP’s global procurement, qualification and process teams, and market-level operational teams at business units are responsible for managing suppliers from the bidding process through to their activities. Procurement teams have staff assigned to coordinate supplier relations with internal sustainability teams and supplier relations and engagement.

At business unit level, Environmental and Health and Safety teams support and are in continuous liaison with the procurement teams to ensure that the company’s ESG priorities are considered throughout the contractual relationship with suppliers: tenders, construction, and operations.

In addition, a permanent working group within the scope of sustainable procurement ensures that procedures are reviewed, updated, and reported, thus ensuring the day-to-day management of sustainability in the supply chain.

The company has a set of policies and procedures that frame the entire sustainable procurement process across the group:

- [Supplier Code of Conduct](#) that feeds into the purchasing and contract negotiation processes with suppliers to ensure the alignment of critical suppliers with the company's ethics and sustainability commitments
- [Sustainable Supply Chain Policy](#) that establishes the principles and commitments to sustainability implemented along the purchasing process
- [Sustainable Procurement Protocol](#) that defines the company's action protocol and due diligence process related to the supply chain. This Protocol Includes the identification of critical suppliers based on their activity with EDP.

3.4.7.3. Identification and mitigation of sustainable procurement risks

EDP’s procurement process includes an analysis of potential risks that may occur throughout the supply chain, from risks that occur in upstream processes in the manufacture of equipment, to those that could occur in the company’s own operations and facilities.

Procurement teams implement measures to mitigate technical, operational or ESG risks at different stages. The entire procurement and due diligence process specified below is intended to avoid and mitigate supply chain risks related to:

- equipment efficiency risks due to poor manufacturing or maintenance
- lack of supply due to supply chain disruption
- possible risks related to ethics and compliance of the company partners
- abolition of human rights risks such as forced labour or child labour, as well as other bad labour practices or lack of safety
- environmental risks due to bad supply chain practices or lack of preparedness
- other ESG and operational risks.

ESG Criticality matrix		LOW	MED	HIGH
Business Plan	1. Supply category (value chain country/sector/activity level risks)	Light Green	Light Green	Dark Green
	2. Purchase amount (EUR)	Light Green	Light Green	Dark Green
	3. Duration of the contract and frequency of supplies	Light Green	Light Green	Dark Green
	4. Importance for operation, innovation and investment	Light Green	Light Green	Dark Green
	5. Consequence of sudden supply interruption	Light Green	Light Green	Dark Green
Exposure to ESG risks	6. Irreplaceability of suppliers	Light Green	Light Green	Dark Green
	7. Supplier access to equipment/facilities	Light Green	Light Green	Dark Green
	8. Supplier access to customers	Light Green	Light Green	Dark Green
	9. Supplier access to protected personal data	Light Green	Light Green	Dark Green
	10. Supplier access to reserved data and Cybersecurity	Light Green	Light Green	Dark Green
	11. Risks of occupational accidents from the contracted activity	Light Green	Light Green	Dark Green
	12. Environmental risks from the contracted activity	Light Green	Light Green	Dark Green
	13. Ethical, human and labour rights of the contracted activity	Light Green	Light Green	Dark Green

environmental accidents; accidents at work; integrity and compliance; human and labour rights.

Once the risks of each type of purchase have been identified, non-negotiable clauses are included in the specifications that establish the minimum qualifications standards that suppliers must meet, as well as the rules for monitoring execution of the contract. Suppliers that submit proposals only enter the negotiation phase after a thorough ESG due diligence is carried out, including integrity, legal and ethical, financial, technical, social and environmental compliance.

Through the application of go/no-go rules in the selection of suppliers and contractual clauses that include monitoring, audits, and performance assessment, EDP ensures that it works with low-risk suppliers with skills appropriate to each activity's inherent risks.

Traceability and indirect risks

During 2023, EDP has taken a step forward in terms of equipment traceability. Traceability has become a fundamental element for the company to avoid the emergence of risks in the supply chain, being a key tool to:

- ensure a clean supply chain and avoid human and labour rights abuses
- be able to measure the environmental impacts generated by the transport of equipment
- comply with regulatory requirements, such as Uyghur Forced Labour Prevention Act, Corporate Sustainability Due Diligence Directive (CSDDD), Corporate Sustainability Reporting Directive (CSRD), Carbon Border Adjustment Mechanism (CBAM), among others
- being able to avoid a disruption of the supply chain due to international conflicts
- comply and respond to stakeholders demands such as investors and offtakers.

Traceability has become a key element in the engagement with the suppliers of the main equipment, becoming a tool that allows the origin of the equipment to be tracked during the phases, until the development of the final product that it is supplied.

To tackle this challenge, the company is creating a working group that involves the key teams in this process, to ensure that all the knowledge is available for the development of a traceability tool. This group has already started developing internal traceability protocols based on international frameworks developed in the main markets in which it operates.

The risk management process is based on the EDP's Sustainable Procurement Protocol, being critical suppliers those with high impacts and risks and therefore those for which engagement and additional measures should be prioritized. Therefore, through criticality analysis, the EDP group identifies and segments the potential risks associated with each type of specification.

The analysis is carried out using a Sustainability Matrix defined in EDP's Sustainability Protocol, which combines the relevant risks of the activity, identified by consulting stakeholders and attributable to the sector, with the characteristics of the specifications. Based on this internal process, the following criteria are considered in the analysis: financial, business relevance and continuity; dependence and autonomy; access to data; facilities; customers; local communities; cybersecurity; emissions potential; waste;

Therefore, traceability it is now a main part of the engagement process with suppliers when providing the company with the project traceability map and when they must comply with the specific protocols for equipment. All these topics have become a common element in the engagement and contractual negotiation with its equipment suppliers.

Sustainable Procurement Process

EDP's procurement process extends to direct and indirect suppliers and allows to establish practices and procedures that ensure a high-quality relationship with the company's suppliers and sustainability practices through the entire supply chain. Some of these practices and procedures are:

- development of activities that promote the exchange of sustainability best practices in procurement processes;
- contribution to the growth and profitability of the business through the promotion of initiatives for the progress and continuous improvement of the supply chain
- systematic monitoring of suppliers' performance and risk profile
- dissemination and implementation of EDPs ESG policies (Environmental, H&S and Human and Labour Rights policies and Code of Ethics) in the acquisition of goods and services
- involvement and empowerment of all actors in the supply chain.

These practices are only possible through continuous dialogue and engagement with suppliers where the main priorities of both parties are shared at the technical, implementation and ESG levels.

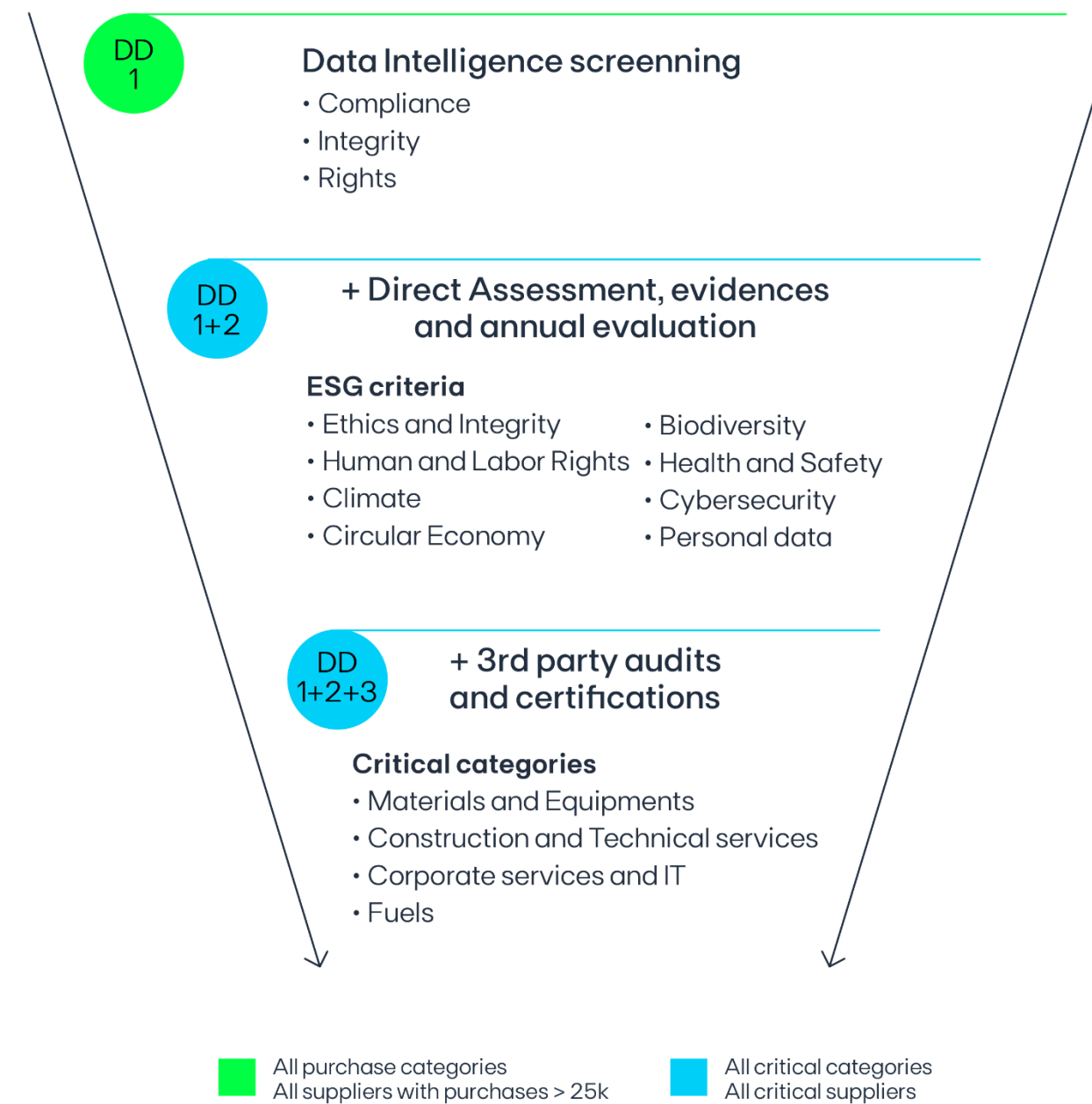
EDP assesses human rights violations that may be related to any counterpart, particularly on the electric power sector supply chain, where rely the critical suppliers for EDP., A Due Diligence process on legal compliance, integrity, human and labor rights is carried out for counterparts with businesses exceeding €25,000. In accordance with specific risk maps, there is a thorough analysis of climate and environmental issues, management practices, qualifications, sustainability, financial and business continuity risks, cybersecurity, safety prevention and management, quality, among others. Once the contractual relationship is established, with ESG requirements being converted into contractual clauses, EDP monitors, audits, and evaluates the performance of its critical suppliers.

Uptoday, the Due Diligence process has been mainly focused on contracted or yet-to-be-contracted suppliers. although EDP is extending this Due Diligence to indirect suppliers.

Auditing suppliers of suppliers is an emerging issue on the international agenda – it requires time and a mindset shift, as well as collaborative work between companies. EDP is currently addressing this issue through discussions with its key suppliers exposed to ESG risks, modifying clauses in its specifications, requesting equivalent commitments, and developing the principle of independent auditing.

Therefore, EDP has in place requirements related to ESG, Quality and Risk management that have to be met by its suppliers throughout the main procurement phases aligned with the due diligence process: 1. Registration and Qualification, 2. Requests for Proposals and Contracting and, lastly, the 3. Monitoring and Evaluation of the suppliers.

ESG due diligence layers





1. Registration and Qualification

The registration process is a mandatory requirement for any company who intends to become a supplier or apply for a qualification process. EDP’s corporate System of Supplier Registration supports supplier’s selection by providing detailed information, validated and updated by credible sources, in order to guarantee their accreditation through financial, technical quality and ESG criteria.

EDP’s qualification process aims to provide an analysis on critical issues and establishes minimum requirements to ensure that the suppliers score positive in: technical capabilities & quality management, financial & risk, compliance & integrity, health & safety and environmental management criteria. The company regularly reviews and reassesses the Qualification System criteria to ensure that they reflect the main market trends and regulations and that a high level of quality of the information available from suppliers is maintained.

In addition, during the Qualification Process, the company shares relevant information that suppliers must comply with: [EDP Code of Ethics](#), [EDP Integrity Policy](#) and [EDP Supplier Code of Conduct](#). Other policies and requirements are also shared with the suppliers depending on their activity with the company and the phase where they are involved (manufacturing or operational services).

The qualified suppliers are then able to participate in the EDP’s bidding and contracting process, during the qualification validity period.

2. Requests for Proposals and Contracting

The incorporation of adequate criteria in the contracting processes is essential to ensure in-depth management, mitigation, and avoidance of operational and ESG risks in the supply chain.

In 2023, EDP has updated its additional analysis on 5 ESG priorities – decarbonisation, circular economy, human and labour rights, health and safety, and transparency and biodiversity – in its tenders (RfP and other processes) for strategic renewables’ equipment purchases. At this stage, EDP analyses suppliers’ policies, targets, strategies, statements, roadmaps and other documents or procedures that show their alignment with EDP’s positioning.

This analysis also helps the company to identify potential ESG risks. During this phase EDP also performs specific meetings with suppliers to understand their strategies, measures and policies regarding EDP’s ESG main priorities.

Adequate compliance by all EDP suppliers with applicable H&S and environmental requirements is essential to guarantee the correct performance of the contracted services and works. The company has also a disciplinary and sanctioning regime, which is included in some of the RFPs, contracts, and purchase orders so any provider will be always informed about the consequences of not complying with EDP’s H&S and Environmental requirements.

Moreover, EDP has a Third-Party Integrity Due Diligence Procedure to reinforce risk identification and prevent possible integrity or corruption risks for EDP in the relationship with third parties. In high-risk situations, it is necessary the approval of the Management Team, its submission to the Executive Board of Directors, and the execution of additional recommendations to the inclusion of the compliance clauses in the agreements, related to corruption, conflict of interest and the inclusion on sanctions lists.

During the contracting and awarding phase, the company establishes a fluent dialogue and shared of information with strategic suppliers through specific meetings. Through these meetings EDP and its partners discuss technical and sustainability criteria that are fundamental for the fulfilment and execution of the projects.

During 2023, EDP has taken a step forward in the contractual negotiation with suppliers regarding ESG requirements been requested. Depending on the type of equipment or service, EDP establishes a series of contractual requirements to address any material issues during execution.

3. Monitoring and Evaluation

In order to guarantee suppliers’ compliance with the previously mentioned requirements, EDP monitors critical suppliers during their services delivery and activity in the group’s facilities.

EDP has two mechanisms to ensure compliance with contractual obligations, passive mechanism and active mechanism:

- The passive mechanisms are those related to suppliers’ report on of any situation, infringement, or circumstance that may affect the agreement



- The active mechanisms consist in physical audits; inspections; management systems implemented by EDP certified and supervised by verified external certification bodies (third parties).

Valuing ESG Criteria in Supplier Selection

ESG criteria are technical specifications that suppliers must demonstrate to be selected for the negotiation phase.

The definition of the required ESG criteria is established at two levels:

- as minimum contractual conditions applicable to all purchase contracts
- as specific conditions for certain types of contracts, depending on pre-identified and relevant risks.

These specifications are go/no go criteria. For example, for a contract exposed to workplace accident risks, the supplier must demonstrate the existence of a certified management system, including the qualifications of its employees, and report accident indicators below a set limit.

Applying minimum weight to ESG criteria in procurement through the go/no go mechanism, based on thresholds, ensures that ESG criteria are non-negotiable. In some situations, such as market shortage, dependence on certain specific technologies, or low qualification of suppliers, given the defined ESG goals, proposals are ranked according to a criterion-by-criterion scoring system, and an exception may be approved. For all intents and purposes, through the ESG matrix, these cases are pre-identified. These situations are closely monitored, and suppliers are excluded from contracting if they fail to meet the minimum ESG requirements within a specified timeframe.

Purchases Main Risks and Segmentation

There are four segments of ESG risk in the supply chain that correspond to various purchasing categories in the value chain.

- **Electrical/Industrial Equipment:** EDP does not develop, design, or manufacture any type of equipment, directly or indirectly. The procurement of equipment's is directed towards finished technologies, in wholesale, ready for installation, which must meet pre-defined technical and sustainability specifications. For each type of technical equipment, the number of manufacturers is small, resulting from previous specifications and requirements.

- **Technical Services and Construction:** technical and construction services are directed to local suppliers and include both preparatory work for the installation of infrastructure and the actual installation of equipment and technologies. Often, the same suppliers are responsible for maintenance work. This type of activity is based on direct service providers and, depending on their expertise, includes subcontracted providers. EDP qualifies not only contractors but also subcontractors.
- **Corporate and IT Services:** these services are developed by service providers under medium/long-term outsourcing contracts. These activities have a low level of direct equipment and energy consumption since they are office extension and local logistics activities. The exception is data storage and management.
- **Fuels:** consists of a small number of coal suppliers, usually around 10, and will remain in the portfolio until 2025 at the latest when EDP closes the last coal-fired power plant. Additionally, natural gas suppliers will be in the portfolio until 2030 when EDP will terminate all thermal activities.

PURCHASES RISKS AND SEGMENTATION	2023	2022	2021
Electrical/Industrial technology			
ESG upstream footprint	26%	13%	22%
Technical Services and Construction			
Waste, Safety, Subcontracting, local impact, ESG upstream footprint	45%	41%	40%
Corporate Services and IT			
Data Privacy, Cybersecurity, Integrity	18%	16%	18%
Fuels			
CO ₂ emissions and pollutants, waste, safety, working conditions, upstream ESG footprint	11%	30%	20%



3.4.7.4. Supply chain engagement

The EDP group acknowledges the importance of partners in advancing sustainability goals and the mutual success of both parties. Through the EDPartners program, EDP aims to enhance partner success by promoting the exchange of best practices, initiatives, and project development. The program focuses on aligning processes for excellence, recognizing positive practices, identifying areas for improvement, and building trust to positively impact society and improve the long-term supply chain.

Two significant initiatives have been developed under the EDPartners program:

- **EDPartners Talks:** This initiative fosters open and constructive dialogue with strategic partners, facilitating informal conversations to gain insights into EDP's operations and strengthen understanding and proximity with key partners. It involves specific questions about EDP's competitive advantages, strategic plan, communication channels, negotiation processes, innovation in procurement, and potential difficulties of becoming an EDP supplier. The initiative aims to continually improve collaboration, promote innovation, and strengthen sustainability throughout the supply chain. It involves 15 suppliers from all procurement categories.
- **ESG Talks:** This initiative focuses on promoting sustainability analysis and identifying the ESG maturity of key suppliers through sharing sessions. It aims to identify actions for sustainable purchasing and focuses on critical partners with management systems for decarbonization, human and labour rights, circular economy, biodiversity, and health and safety. The initiative explores market drivers in the ESG context, peers' investment in meeting ESG requirements, and parameters for more sustainable products for EDP's future needs. The goal is to accelerate ESG maturity in the supply chain through concrete initiatives and improved communication on ESG issues. It involves 10 suppliers from critical materials such as cables, solar panels, and IT.

Cumulatively, EDPR performs an engagement process with its strategic suppliers throughout its relationship with them, from qualification to the beginning of the service or delivery of equipment, including contractual negotiations:

- During the qualification, the company has conversation with the suppliers and contractors to request information and analyse them regarding to the following criteria: Technical; Compliance; Environment; H&S and Financial.
- During the RFP and contracting phase, it requests additional information from the shortlist of suppliers that can be awarded, with additional technical information, as well as information related to the suppliers' ESG performance and practices.

- In addition, in the contracting phase, EDPR has continuous conversations and meetings with suppliers to negotiate and include clauses of different types that ensure the execution of the contract and are in line with the company's standards.
- During the execution of the contract, depending on the type of supplier and the service offered to the company, the engagement will be different, through conversations related to the manufacturing process of the equipment to the control, coordination and monitoring of the installation and maintenance processes in the facilities.

3.4.7.5. Scope 3 and supply chain decarbonization

For more information, see chapter [3.4.1. Climate change - Supply chain impact on Scope 3 emissions and data quality.](#)

3.4.8. Health, safety and crisis management

3.4.8.1. Health and safety

Alignment with the SDGs	Objectives	KPIs 2023	Target 2025
	Severity index (employees and contractors)	445	<150
	Fatal accidents (employees and contractors)	5	0

EDP uses Humanisation as one of its fundamental values and places people at the heart of its strategic agenda. Safeguarding the health and safety of employees (both inside and outside the group), suppliers, contractors, customers and stakeholders, is a priority. For the group, no situation or emergency can justify endangering a person's life!

In fact, EDP guides its action in this matter by the principles established in the [Health and Safety at Work Policy](#), a binding document that covers all group employees and contractors, making the entire hierarchical structure responsible.

To this end, the EDP group requires everyone to adopt practices in line with the principles of this policy, in order to ensure continuous improvement.

Safety practices

Audits, inspections, visits and observations

52,573

The implementation of EDP's annual occupational health and safety programme was based on a set of actions aimed at preventing occupational accidents, as measured by a reduction in the frequency rates and the seriousness of accidents and occupational illnesses, and included training for EDP employees and contractors, the ongoing evaluation and control of labour risks and the implementation of an internal and external inspection and audit programme of EDP facilities and works.

The plan of strategic Occupational Health and Safety (OHS) objectives contains the repository of commitments and initiatives undertaken by the different organisational units for the execution of the six vectors of intervention defined on a strategic and corporate level, concerning OHS approved for 2020/25: (1) commitment of leaderships to OHS; (2) behaviour, preventive activities and learning from mistakes; (3) streamlining, digitalising and standardising OHS processes in the EDP group; (4) skills; (5) communication and involvement; (6) management of OHS in the contracting of ESP.

With regard to emergency preparedness and response, 537 simulated drills were carried out throughout the EDP group, covering various industrial, administrative and construction sites, in order to test the effectiveness of the planned response capacity in potential emergency situations. These drills included the participation of the civil defence force, the fire brigade, police and public safety authorities, as well as employees, contractors and the surrounding communities.

Training

EDP workers and ESP

392,211 h

In order to prevent electrical accidents involving third parties not involved in the group's activity, EDP ensures that the risks associated with its facilities and equipment are identified and communicated. However, in 2023 there were 47 accidents of electrical origin with third parties, which resulted in the deaths of 15 people. These accidents were the result of civil construction activities, tampering with the grid and leisure, among others.

Safety indicators

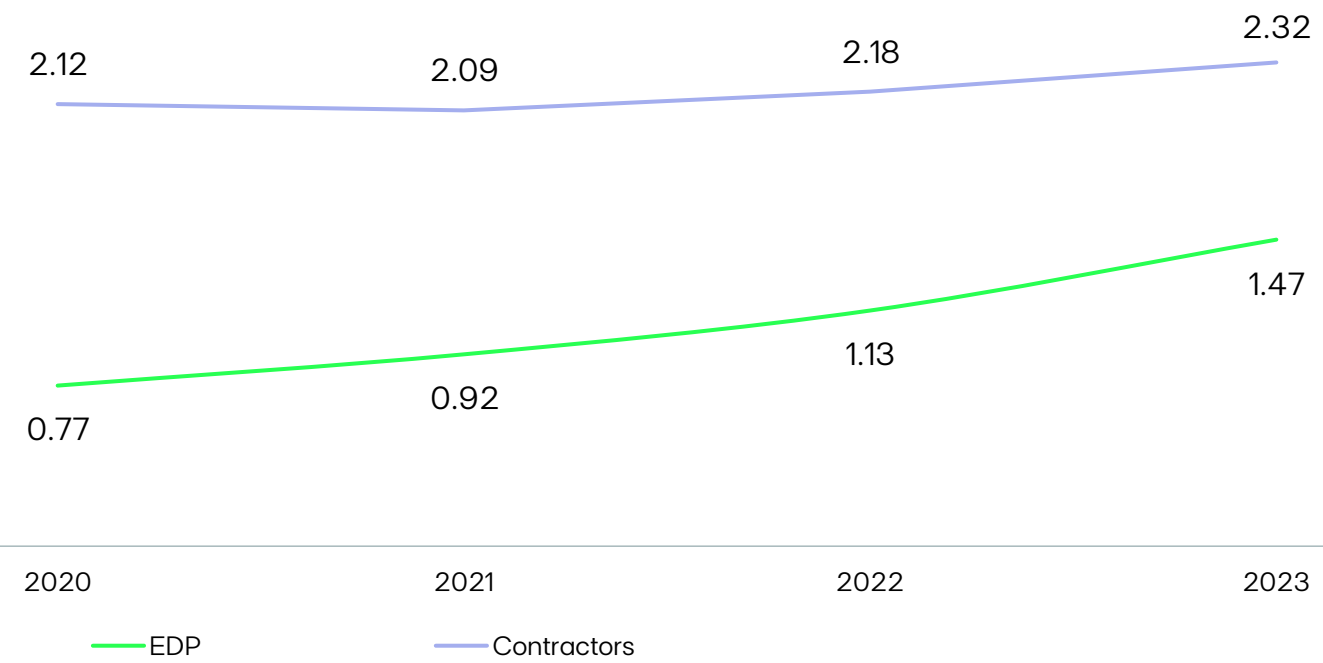
The [Health and Safety at Work Policy](#) within the EDP group demonstrates its commitment to a model of Health and Safety Work Management based on continuous improvement and the conviction that working in a safe, healthy environment is instrumental for employee satisfaction and provides added value for successful results. To improve management of the Policy objectives, EDP has a Corporate Safety Management System based on ISO 45001:2018 and the ILO-OSH 2021 recommendation. This system can be adopted in its entirety by each of the companies, or, alternatively, taken as a reference for the implementation of their own systems. In 2023, the EDP group counted a total of 10,255 employees covered by ISO 45001:2018 certification. The certification covers 92% of net installed power in production activities.

In EDP group, 177 work-related accidents with lost days, occurred out of all EDP employees and ESP, representing an increase of 33% compared with 2022. The frequency rate (FR) amongst EDP employees and ESP in 2023 grew 13% compared with the previous year, consequently we were unable to achieve the target of 1.64 set for 2023.

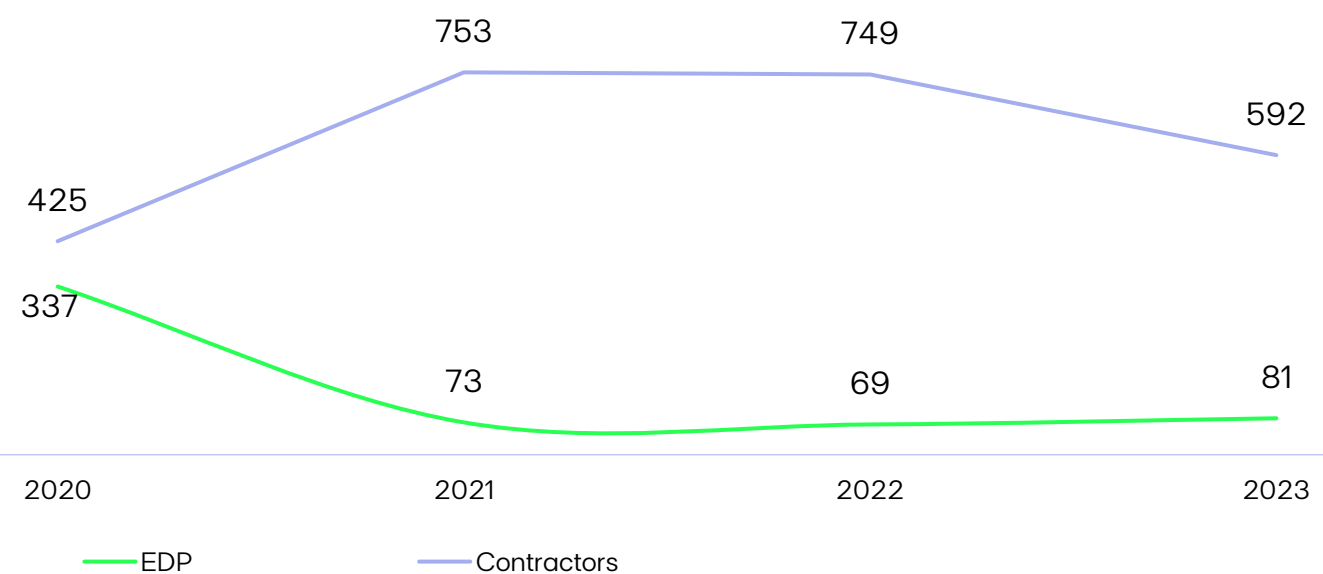
During 2023, there were five fatal accidents at work with contractors (fall from height, electrical origin, Impact with objects and fallen objects).

Additional information visit www.edp.com.

Frequency rate (Fr)

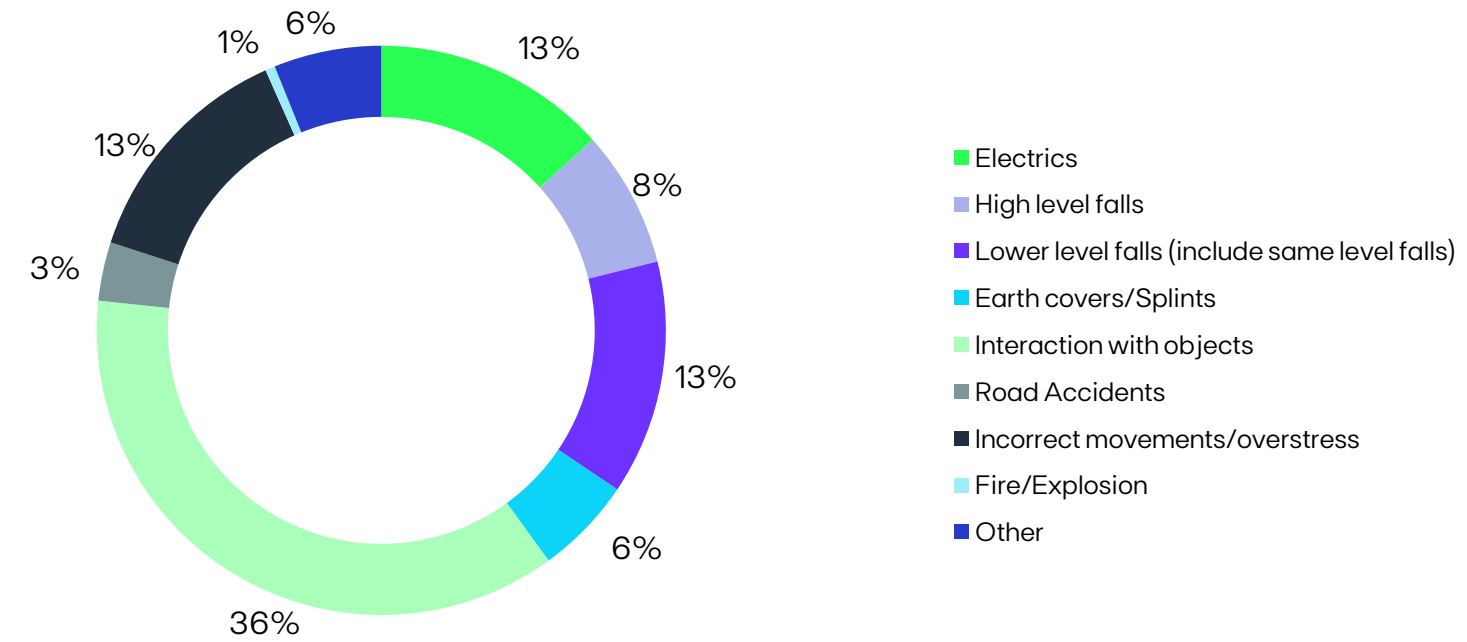


Severity rate (Sr)



Accidents that occurred due to interaction with objects are responsible for 36% of accidents, followed by incorrect movements or overexertion, falls from a level, and electrical causes with 13% each, 8% of which were falls from a height, while the remaining causes accounted for 17%.

Typology of accidents at work (%)



Health promotion

The health and well-being of the group's employees are promoted and protected through compliance with occupational health monitoring requirements, in accordance with applicable legislation.

Health monitoring programmes guarantee fulfilment of the regular medical examinations plan, workplace inspections, participation in the Occupational Health and Safety and Internal Accident Prevention Committees, and the implementation of a range of preventive campaigns.

During 2023, 10,436 medical exams, 1,940 consultations with employees who have nutrition programmes, 1,973 cardiovascular screenings and 2,841 vaccination programmes against influenza, pneumococcal infection, hepatitis B and yellow fever, which covered 1,418 employees, were carried out in the EDP group. Also, within the scope of occupational medicine activities, 398 screening sessions for alcohol and drugs were carried out. EDP group monitors and follows up the occurrence of occupational diseases.

In 2023, no cases of occupational illness were recorded.

playitSafe

Life always comes first

Psychosocial risks

Work-related psychosocial risks have been one of the major challenges associated with Safety and Health in the workplace, and are directly linked to problems such as stress, violence, harassment, burnout and engagement.

Our approach: The Prevention and Safety area once again signed a protocol with the Faculty of Psychology of the University of Lisbon to draw up an "Assessment of Psychosocial Risks and Well-being" across all the business units and geographies where we operate, with the exception of APAC. Between June and July 2023, employees were invited to respond online, and the response rate was very positive. The aim of the questionnaire was to identify the factors associated with the appearance of both stress and well-being, as well as to establish intervention guidelines for building a safer and healthier working environment.



Main conclusions: The results indicate stability compared to 2021, with the majority of risk and protective factors remaining unchanged. The absence of overwork, role conflict and job insecurity stand out, as does the presence of a positive social climate and support from colleagues and bosses. However, around 32 per cent of workers feel that the company does not look after their well-being, highlighting the need to develop practices to promote well-being. Furthermore, the adoption of a hybrid teleworking model is well received by workers, bringing advantages for the company, team and individuals.

EDP Group employees showed adequate stress and well-being when carrying out their work and can be considered to be carrying out their activity in a healthy working environment.

Differentiator factor: Until 2018, this assessment was carried out in the sphere of EDP employees in Portugal, due to the fact that it was a legal issue. In 2019, the pandemic we are experiencing challenged our routines and our people-focused corporate culture. The EDP Group therefore wanted to extend this Psychosocial Risks and Well-being assessment to all the Group's employees.

What lies ahead: In 2025 a new Psychosocial Risk Assessment will be carried out in all the Group's geographies.

3.4.8.2. Crisis management

Alignment with the SDGs	Objectives	KPIs 2023	Target 2026
 	BitSight rating	810	≥740
	Climate change adaptation plans implemented	50%	100%

Organizations face, nowadays a multiplicity of adverse situations, as a result of their international positioning, further exposing them to disruptive events with potentially high negative impacts. On the other hand, being aware of its position allows organizations to assume a state of continuous monitoring and alertness, regarding the evolution of possible crises on a global scale, with impact on the organization.

The EDP group assumes crisis management as a strategic capacity that enhances its supported and sustainable response to abnormal situations, characterized by high uncertainty and with potential negative impact on its strategic and business commitments and objectives, requiring urgent attention and action to protect the life and physical integrity of people, the environment, assets, and the reputation of the EDP group.

The EDP group Crisis Management Plan (OS 4/2021/CAE), which is transversal and strategic in nature and aligned with the ISO22361 standard, establishes the management structures, guiding principles for decision making, and practices to be observed in the three phases of the crisis management process: before, during and after the crisis. Alongside the Crisis Management Plan, the Crisis Communication Plan was established, which supports the actions of the teams responsible for ensuring effective communication – transparent, coherent, and consistent – in these highly complex and volatile contexts.

Designed to allow a strategic response to crisis and pre-crisis situations of diverse natures and with different levels of complexity, these plans are echoed in the Business Units and Corporate Centre Departments, when applicable, ensuring the tactical and operational capacity to respond to Crises, and an adequate escalation to the EBD and the EDP group's Crisis Management Office.

In order to strengthen its resilience, the EDP group established, in the OS 15/2023/CAE and OS 16/2023/CAE, its Business Continuity Policy and approach to Business Continuity

Management, respectively, also specifying the methodological parts to be observed, in alignment with the ISO 22301:2019 standard, strengthening its ability to detect and respond appropriately to risks with potential impact on its activity.

It should be highlighted that E-REDES has maintained an ISO 22301 – Business Continuity certification since 2015, while EDP REDES España has accomplished its certification against this standard, in 2023.

EDP has therefore developed and maintains a set of human, procedural and technological controls, and safeguard measures that have been improved overtime, complemented by recovery plans at an operational level, such as the Business Continuity Plans for priority processes/services, Contingency Plans or Disaster Recovery Plans, among others. These allow EDP to enhance its capacity to continue to provide its services at acceptable levels even when faced with incidents, emergencies, and disasters, fulfilling its purpose and meeting the objectives it has committed to. To ensure their effectiveness and adequacy, these plans are subject to periodic exercises and simulations, both internally and in collaboration with external entities relevant to EDP's value chain.

Also noteworthy was the creation of the Safety, Security & Business Continuity Unit (SSBC) in January 2022, which allowed for the strategic reframing of the Crisis Management and Business Continuity, Safety (prevention and security) and Security (physical security and duty of care) subjects, towards a holistic and transversal management of these in EDP, benefiting from the clear complementarity between them and from an integrated approach.

Aiming to strengthen this commitment, the EDP group has defined the Security Policy (OS 8/2022/CAE), which establishes the guiding principles to be followed by all Business Units and Corporate Centre departments.

Monitoring the evolution of geopolitical conflicts

Since February 2022, following what was established in its Crisis Management Plan and Crisis Communication Plan, EDP assumed a Pre-Crisis Situation, motivated by the emergence of the Russia-Ukraine conflict, which resulted in a worsening of geopolitical instability in Europe and worldwide.

Starting an intensive follow-up of the evolution of this situation, a monitoring group was established that included different areas of the Corporate Centre of EDP, S.A., and the Business Units, especially those with a greater presence in the nearby region. This monitoring is carried out in terms of topics such as the physical safety of people and assets,

cybersecurity, business continuity, risk management, supply chain, energy management, finance, regulation and stakeholders, compliance, communication, and social support.

This monitoring group, under the coordination of the SSBC Unit, is responsible for reporting to the EBD on the main risks existing at each moment, changes in the environment, the status of implementation of risk management measures defined, as well as further measures proposed for adoption.

The presence of EDP Renewables and, more recently, EDP Comercial in countries bordering the conflict zone led to the adoption of a series of immediate measures to safeguard its people in these regions and the EDP group's people from Ukraine and Russia who are in other operations, as well as its assets under construction and in operation, including Evacuation Plans.

As a complement to the analysis and monitoring of the situation by the different areas, EDP also opted to resort to entities specialized in the management of geopolitical conflicts, in order to acquire greater knowledge of potential developments and thus anticipate its response to potential risks or threats. Considering the possible scenarios of the evolution of geopolitical conflicts (including, among others, the situation in the Middle East), an approach to evaluation of the most relevant risks and impacts for EDP was adopted, as well as of the main risk management and impact mitigation measures.

Critical infrastructures

Council Directive 2008/114/EC defines "critical infrastructure" as "the asset, system or part thereof located in Member States which is essential for the maintenance of vital societal functions, health, safety, security, economic or social well-being, and the disruption or destruction of which would have a significant impact in a Member State as a result of the failure to maintain those functions".

EDP is responsible for a set of critical infrastructures in Spain and Portugal, which include electricity generation and distribution infrastructures (physical and control facilities), as well as related customer service activities, which have been identified within the scope of the transposition of Council Directive 2008/114/EC into Spanish and Portuguese law.

It should be noted that a new European directive was recently approved, Directive (EU) 2022/2557 of the European Parliament and Council of December 14, 2022, on the resilience of critical entities (repealing Council Directive 2008/114/EC with effect from October 18, 2024), which is awaiting transposition into national law.

Due to the diversity of the critical infrastructures under its responsibility, EDP has proactively adopted strategies to respond to risks of different natures, such as physical risks (e.g., fires, earthquakes, atmospheric events, including extreme events), and technological risks (including, but not limited to, cybersecurity risks for operational systems and information systems).

In addition, the measures and tools adopted to mitigate these risks are diversified and different in nature, adjusted to the specifics of the infrastructures, necessarily covering physical security (safety and security aspects), technological security and cybersecurity, as well as the management of business continuity, leveraged by a strong component of training and exercises. EDP has developed, for each of the critical infrastructures, the respective security plan, supported by the conclusions of the risk analysis carried out and the set of measures implemented as a result, in line with the provisions of Council Directive 2008/114/EC and in alignment with the national legislation DL 20/2022 revoked (DL 62/2011).

Furthermore, it is important to mention the role assumed by EDP in promoting the adoption of good practices in the management of critical infrastructures in the sector, through its dissemination, but also through collaboration with external entities, participating in exercises and workshops relevant to the topic.

Focusing on establishing and developing a Security Culture, EDP promoted a set of awareness-raising activities, provided by SIS - Security Information Service; (i) the Knowledge and Sensitive Information Protection Program, which aims to alert entities in Portugal to espionage threats and raise their awareness of the importance of protecting knowledge and sensitive information and (ii) the Krítica Program, with the aim of contributing to improving the protection of critical infrastructures and sensitive national points against the terrorist threat.

Also, with the aim of promoting a culture of resilience at EDP, the SSBC dedicated a month to the dissemination of good practices and strategies to be adopted in natural disaster scenarios, in particular, earthquakes. Highlights among the initiatives promoted were: EDP's participation in the annual seismic risk awareness exercise "A Terra Treme", the organization of the conference "Resilience | Connecting the dots between entities", with the participation of the National Emergency and Civil Protection Authority and of the Lisbon City Council, through its [ReSist program](#), and a *workshop* in collaboration with the [Southern California Earthquake Center](#), focusing on good practices to adopt for earthquake preparedness and response.

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Furthermore, in this context and following the approval of the Sendai Framework for Disaster Risk Reduction 2015–2030, EDP has participated, in Portugal, in the National Platform for Disaster Risk Reduction (PNRRC in its Portuguese acronym), under the responsibility of a sub-committee coordinated by ANEPC (National Authority for Emergency and Civil Protection). We highlight EDP's participation in the development of the Handbook on "Sectoral Interdependencies in the Resilience of operators of essential services to society" as part of the PNRRC activities for the 2021–2023 (soon available on the PNRRC [website](#)), while during the 2015–2017 triennium, the "Good Resilience Practices for Critical Infrastructure – Private Sector and State Business Sector" was developed and made available at the PNRRC [website](#).

Information security

The EDP group's [Information Security Policy](#), updated and approved by the Executive Board of Directors in 2023, establishes information security as a competitive factor, generating confidence in its stakeholders, but also as a critical responsibility in a social context, due to its role as an operator of critical infrastructures and manager of large volumes of personal data on customers and employees.

The governance of information security in the EDP group underwent an evolution during 2023, with the Executive Cybersecurity Committee now taking place every quarter to:

- set guidelines for the strategic planning of information security
- assess the company's cybersecurity risks
- monitor scenarios of serious incidents in the energy sector and the organization's cybersecurity risk profile.

The EDP group's cybersecurity risk is presented annually to the members of the General and Supervisory Board.

Cybersecurity in 2023 in the EDP group

The global cybersecurity landscape has become more challenging, with increased geopolitical tensions posing greater threats to critical infrastructures and with the energy sector remaining a prime target for attackers. Despite this context, the EDP group's cybersecurity teams were able to:

- approve of the evolution of the group's cybersecurity governance model
- expand the global SOC (Security Operations Center)
- eliminate legacy communication protocols vulnerable to cyberattacks.

Despite the increase in cyber threats and incidents compared to the previous year – largely due to the expansion of the attack surface resulting from the expansion of the organization's operations –, no incidents with a significant impact on either the EDP group's image or its operations were registered.

Cybersecurity activities and indicators

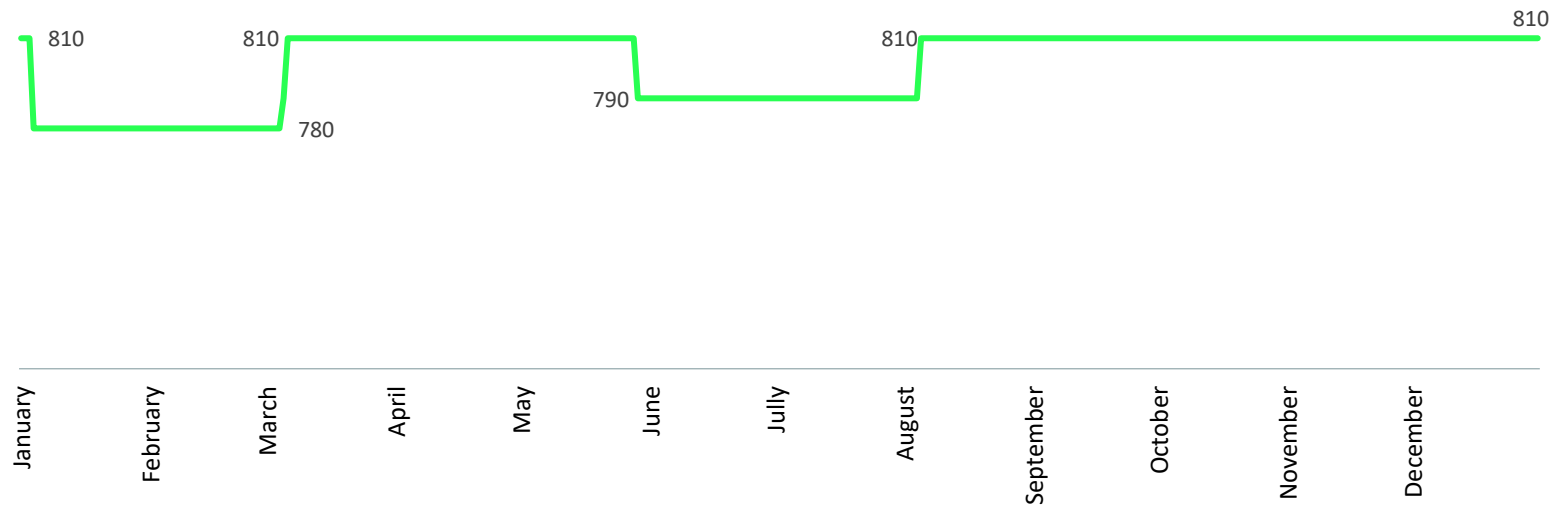
The Cybersecurity rating adopted – defined as the group's KPI for this area –, observes the EDP group's behaviour in cyberspace. During 2023, the rating remained at the advanced level, with an average of 810 points, well above the average for the sector.

To support the challenge secure operations in EDP's energy networks and facilities, a "Zero Trust" strategy for cybersecurity was adopted, comprising a plan of initiatives for the years 2021–2023, both in the domain of networks and IT systems and in the OT domain. These plans are currently being executed.

Regarding face-to-face training, highlights include the EDP Cyber Range, providing a learning model based on gamification. In 2023, more than 14,000 online courses were completed, and 586 employees took part in face-to-face or online training.

EDP continues to position itself as reference in the use of best practices in the area of information security by participating in several national and international work/study groups, as well as European projects with other European counterparts, academia and governmental organisations.

BitSight Security rating



3.4.9. Affected communities

3.4.9.1. Voluntary investment in the community

EDP group’s social investment – strategic vision

The EDP group actively contributes to the sustainable development of the communities in which it operates worldwide, through its own social investment and collaborative initiatives, donations and volunteering. As social impact is a strategic pillar of the EDP group, these initiatives aim to meet social needs in line with the group's core themes, namely investment in **fair energy transition** projects which should represent around **45% of investment by 2025**.

The **Fair Energy Transition** projects include support for energy access, energy inclusion and communities impacted by the closure of thermal power plants, projects aimed at protecting natural heritage and biodiversity and also projects promoting energy efficiency and renewable energies, contributing to decarbonisation and combating climate change.

On the other hand, the group's social investment strategy is also based on **Culture**, with the mission of promoting access to culture, stimulating art and protecting cultural heritage. Cultural projects are projected to represent around **30% of investment by 2025**. In parallel and recognising the need to continue to support projects that respond to other social needs in the communities where EDP is present, part of the annual budget is earmarked for investment in various areas, such as training, health, social inclusion and response to emergency situations, among others.

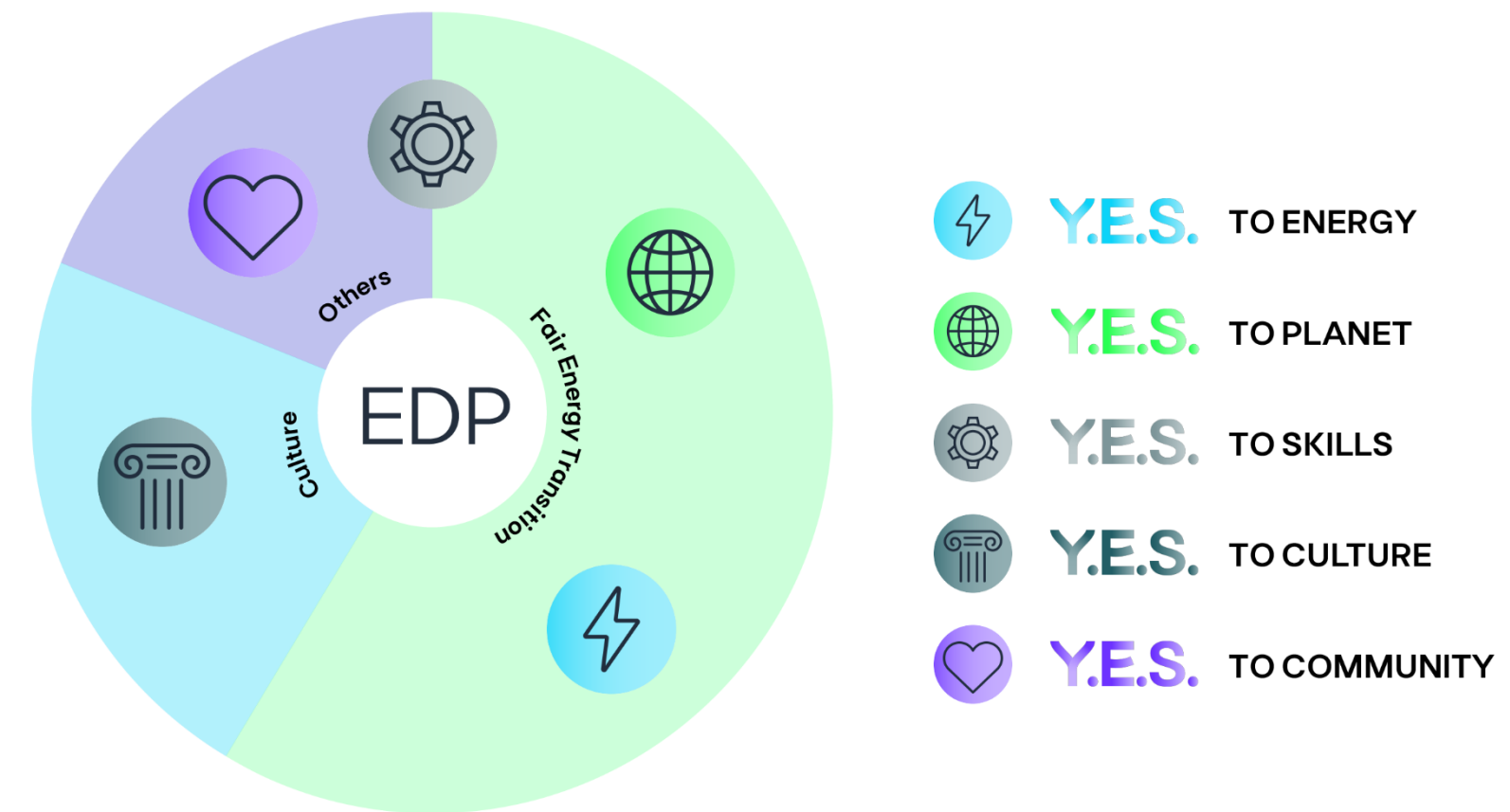
These Pillars are aligned with the [Social Investment Policy](#).

THEMATIC FOCUSES OF SOCIAL INVESTMENT	GLOBAL INVESTMENT 2023 (M€)	%	TARGET 2025 (%)
Fair Energy Transition	10.4	36	45
Culture	11.1	39	30
Other projects	7.1	25	25
Total	28.5	100	100
Management costs	5.7		
Total with management costs	34.2		

Social investment projects developed in the countries where EDP is present are communicated to the various stakeholders through the **EDP Y.E.S - You Empower Society** brand, ensuring an integrated narrative about the EDP group’s social investment. The projects are classified into **five main Pillars: Energy, Planet, Skills, Culture and Community**, which are framed within the thematic focuses of EDP's social investment strategy.

For more information on the social investment projects that are part of each EDP Y.E.S pillar and the respective social investment focused, please see the [EDP group Social Investment Report](#) and also the [website](#) where you can find information about projects supported by EDP around the world, articles related to the Y.E.S pillars and even a dedicated form where entities can submit requests for EDP support for projects within the scope of social investment.

The framework of the edp yes pillars in the social investment thematic focuses



Voluntary contributions – application of the B4SI methodology

EDP uses the international methodology [B4SI - Business for Societal Impact](#) to characterise and assess its **voluntary investment in the community**, which accounts for most of the investment made in this area (97%). This model promotes alignment between the purpose of companies and social needs, facilitating the structuring of priorities and reflecting on their results and benefits for the communities.

In 2023, according to the B4SI methodology, voluntary investment in the EDP group's communities was **33.1 million euros**, supporting the projects of **604 entities**, resulting in **3.1 million direct beneficiaries**. Of this investment, 91.7% was classified as **community investment**, **8.2%** as **charitable gifts** and **0.1%** as **commercial initiatives**. **Cash contributions** were the main form of contribution (**65%**), followed by **in-kind contributions (33%)** and **time contributions (2%)**. **Time contributions**, equivalent to **570 thousand euros**, correspond to **EDP volunteering initiatives** carried out during **working hours**.

Investment in **Education** was primarily directed at skills development projects, namely training (upskilling and requalification) in renewable energies to respond to future labour needs, as well as educational programs for new generations to understand the importance of renewable energy. Investment in **Health** was directed at supporting health institutions and health professionals (equipment, support for health research, among others). Investment in **Emergency Relief** was mostly aimed at supporting local organizations that aim to guarantee the safety of populations in the event of emergencies, such as fire brigades and humanitarian organizations in the context of the earthquake that occurred in Turkey and Syria. Investment in **Economic Development** gave priority to energy access projects for communities without access to the electricity grid, with the A2E Fund standing out and support for entrepreneurship and job creation projects. Projects for social inclusion and fighting energy poverty contributed to the investment in **Social Welfare**, promoting the improvement of thermal comfort and living conditions for several families. Voluntary investment in the **Environment** was carried out through projects to promote biodiversity, decarbonization, and climate change awareness-raising. In turn, investment in **Arts and Culture** gave priority to projects providing access to art and culture, and those preserving and promoting cultural heritage.

NATURE OF THE CONTRIBUTION (B4SI)	VOLUNTARY CONTRIBUTIONS (K€)	%
Education	1,916	7.3
Health	70	0.3
Economic development	1,909	7.3
Environment	3,017	11.5
Arts and culture	10,961	41.8
Social welfare	5,569	21.2
Emergency relief	123	0.5
Other	2,646	10.1
Total	26,211	100
Management costs	6,850	-
Total with management costs	33,060	-

Mandatory contributions

In addition to voluntary contributions, EDP also invests in the communities in which it operates through **mandatory contributions**. These types of contributions correspond to support for projects resulting from counterparts, commercial/legal impositions or compensatory measures. In 2023, the mandatory investment in the communities of the EDP group was **1.1 million euros (3% of total investment in the community)** supporting **18 entities**.

Although with less weight than voluntary contributions and not recognised by the B4SI methodology as social investment, these contributions promote the sustainable development of the communities where EDP operates and, at the same time, are an important instrument to obtain the social license to operate in territories where new EDP infrastructure is to be built or new markets where EDP begins to operate.

Contribution to the SDGs

In addition to contributions through its operations/business, the EDP group also contributes to the **Sustainable Development Goals (SDGs)** through its social investment programmes, prioritising goals **5, 7, 8, 9, 11, 12, 13, 15** and **17**, in accordance with the Social

Investment Policy. EDP reports its contribution to the SDGs not only at the level of the SDG objectives and targets, but also at the level of the **indicators** set by the United Nations. Additional information regarding EDP’s contribution to the SDGs can be found in [chapter 2.5](#).

In 2023, of all the voluntary contributions recognised by the B4SI methodology, EDP supported projects that contributed to the SDGs with an investment of **14 million euros** (43 % of total voluntary contributions) , resulting in **1.8 million direct beneficiaries**. In turn, through mandatory contributions, EDP supported projects that contributed to SDGs with an investment of **1 million euros** (92% of total mandatory contributions).

For more information on the voluntary and mandatory social investment projects developed and supported by the EDP group, as well as the methodology used by EDP for their compliance with the SDGs, see the [EDP group Social Investment Report](#).

CONTRIBUTION OF SOCIAL INVESTMENT TO THE SDGS	VOLUNTARY CONTRIBUTIONS (K€)	%	MANDATORY CONTRIBUTIONS (K€)	%
SDG 5: Gender equality	287	0.9	81	7.3
SDG7: Renewable and affordable energy	3,154	9.5	52	4.7
SDG 8: Decent work and economic growth	2,655	8.0	22	2.0
SDG 9: Industry, innovation and infrastructure	14	0.0	-	-
SDG 11: Sustainable cities and communities	5,409	16.4	381	34.2
SDG 12: Sustainable production and consumption	36	0.1	92	8.3
SDG 13: Climate Action	551	1.7	18	1.6
SDG 15: Protecting terrestrial life	233	0.7	-	-
SDG 17: Partnerships for the implementation of the objectives	141	0.4	-	-
SDG 4 ¹ : Quality education	380	1.1	86	7.7
SDG 10 ¹ : Reducing inequality	1,368	4.1	291	26.1
Total SDG	14,228	43	1,023	92
Total social investment	33,060	100	1,114	100

¹ nonpriority SDGs for EDP

Volunteering strategy

EDP Volunteering program is a fundamental pillar of the company's relationship with communities and, at the same time, contributes to the development of employees, expanding the purpose and meaning of their activity. The Volunteering Program’s areas of intervention are aligned with the EDP group's Social Investment Policy and focus **on social inclusion, empowerment, energy inclusion, biodiversity and climate action**. Over the years, the Volunteering Program has attracted a growing number of participants, because it allows the allocation of working hours to the various initiatives, reinforcing the important role of volunteering for the EDP group, as well as its visible impact on everyone involved. The aim is to achieve a **30% share of the EDP group's Headcount (HC)** by 2024.

In all the different actions and projects promoted throughout 2023, **4,426 unique volunteer employees participated (34% of the company's HC)**, contributing **21,591 hours during working hours and 4,887 hours outside working hours**. Given the inclusive nature of the Volunteering Program, **585 EDP Friend volunteers** (company retirees, friends, family and partners) were also involved, contributing **1,274 volunteer hours**. In total, in 2023, the EDP group Volunteering Program involved **5,011 volunteers**, making a total of **27,752 volunteer hours**.

In 2023, the main focus of the Volunteering Program was to strengthen training projects, in particular with children and young people, volunteers and leaders and social organizations, while continuing to provide an effective response to the main challenges identified in the volunteering strategy defined for 2022- 2025, in particular, communication, recognition of volunteers and raising awareness among leaders on the subject of volunteering, as well as working towards increasingly involving different stakeholders in the initiatives promoted and working on empowering communities, in particular with the 2nd edition of Energy Week, in Portugal. In this initiative, EDP dedicates a week to a community outside large urban centres, rehabilitating a space that serves the community (in partnership with the NGO Just-a-Change) and carrying out various activities, from energy classes to ateliers or workshops, environmental actions, among others, involving the entire population, from the youngest to the senior population.

Additionally, and following the trend of recent years, skills volunteering has been gaining more and more ground, putting employees' talents and know-how at the service of the community, and in 2023, topics such as **fair energy transition, social entrepreneurship and ESG themes** began to gain more prominence in this field. In 2023, worthy of mention was the **9,034 hours in skills-based volunteering projects** (34% of total volunteer hours) carried out by EDP employees, of which **7,316 hours took place during working hours**.

2023 was also a year of great achievements regarding the Volunteer Program as a global program. On May 25th, during the Energy Campaign, the **first Global Volunteer Action** was launched under the motto – Move your heart for a greener planet – from Portugal to Singapore, passing through Spain, the United States, Brazil, Greece, Italy, Poland, Romania, Hungary and the United Kingdom, we had **705 volunteers** participating in the various actions that took place on this day, such as beach cleaning, walks and solidarity runs, the participation of which went to the global organization Plant for the Planet and Make-a-Wish Portugal, along with some local organizations, depending on the initiatives promoted.

On the other hand, a new global campaign was launched – Go green – challenging teams from several countries, between September 15th and October 15th, to carry out environmental initiatives. In this new campaign, **235 EDP volunteers** and **84 EDP Friends** were involved, in a total of **903 working hours** of volunteering, and around **2.3 tons of waste** could be collected. From Brazil to Singapore, passing through Chile, Portugal and Spain, there were several geographies that promoted environmental volunteering actions that marked this period and contributed to a greener planet.

EDP VOLUNTEERING	Un	2023	2022	2021	2020
Unique EDP volunteers	#	4,426	3,626	3,681	2,482
Employees involved in voluntary actions	%	34	27	30	19
EDP volunteer work hours – working hours	h	21,591	10,551	11,307	14,457
Hours of skills-based volunteering – working hours	h	7,316	2,556	3,316	9,133

Global programs

In 2023, an effort to **converge and align similar social investment programs** developed in different geographies where EDP is present began. The objective is to guarantee an integrated narrative of the programs and incorporate the best practices of each EDP Business Unit. Within the scope of this initiative, the following programs were covered:

EDP Energy Solidarity

This program was based on the EDP Solidarity program in Spain, Portugal and Brazil. Initially with the sole objective of promoting the quality of life of socially disadvantaged people and the integration of communities at risk of social exclusion, in recent years, this program has specialized, giving greater attention to sustainability, innovation and equal

access to energy in the areas where EDP carries out its activity. This new approach gave rise to a new name for the program – **EDP Energy Solidarity** – which aims to support projects that contribute to a fair and inclusive energy transition, promoting **access to energy** (Brazil), **sustainable mobility** (Portugal and Spain), **energy efficiency** and the **use of renewable energy** (Portugal, Spain and Brazil) and **support for communities in transition** (Spain).

Know more about this program in Spain: [EDP Energía Solidaria](#)

Know more about this program in Portugal: [EDP Energy Solidarity](#)

Energy Inclusion

To address the problem of **energy poverty**, the EDP group promotes several projects focused on implementing **energy efficiency measures** and raising **awareness about the responsible use of energy** that allow reducing the energy bill of identified families and NGOs and changing their habits of consumption. The scope of intervention is quite broad because the solutions can be passive (thermal insulation, windows, doors) or involve the installation of more efficient equipment, household appliances, LED lighting, or even self-consumption solar panels. In addition to the solutions, EDP also promotes energy literacy by training families on habits and behaviours that promote energy savings on a daily basis. In 2023, projects belonging to this program were developed in Portugal, Spain and Brazil.

Know more about this program: [Energy Inclusion](#)

Solidarity Solar

Through this program, EDP promotes the **installation of self-consumption solar panels** in needy communities in Portugal, Spain and Brazil. In addition to guaranteeing access to clean and renewable energy, in cases of communities that often do not have adequate electrical infrastructure and where interventions are also carried out at the level of the Energy Inclusion project, it also results in significant savings on household energy bills, promoting sustainability, social inclusion, improving the quality of life of residents and local development.

In Portugal, the Solidarity Solar program started in 2022 in the neighbourhood of Cova da Moura, a community located on the outskirts of Lisbon, which faces challenges related to the lack of basic infrastructure, namely electricity. In this first action of the program, which

concluded in 2023, around 150 families in the neighbourhood each received two solar panels for energy production and an efficient refrigerator as a complement.

Know more about this program: [Solidarity Solar](#)

Your Energy

This EDP educational activity aims to explain to young people the difference between the different types of energy generation technologies. The sessions consist of leading students through the world of renewable energies using children's characters representing solar, hydraulic, wind, geothermal and biomass energy, accompanied by videos and interactive presentations allowing them to learn about their different characteristics in an easy and attractive way.

As part of this program, a dedicated website was also developed, where students and teachers can find the content to be used in the sessions. In 2023 this website was available in Portugal and Spain and, in 2024, it is intended to be used in the remaining countries where EDP develops this program.

Know more about this program: [Your Energy](#)

In 2024, the aim is to continue with the convergence work, increasingly promoting the alignment of initiatives that are part of the EDP group's portfolio of social investment programs.

3.4.9.2. Just transition

The Just Energy Transition process engages through **three pillars: Innovation** (deploying solutions for a fast and secure outcome); **Access to Energy** (Fighting energy poverty and taking energy to all places in the World, as in the A2E project and [fund](#) by EDP), and **Community Engagement: *Leaving no one behind*** must be a common signature for all transitioning, since the Coal production phase-out, and the overtaking of new territories by Renewable Energy solutions, are dramatically impactful on local economies and cultures. It becomes eventually even more demanding when displacement of population takes place, in order to develop new energy sources. **EDP is deeply committed to earn its License to Operate** through preventing early engagement with local communities, promoting shared value upon its approach.

This commitment is showcased at **Sines**, where one of the largest coal power plants in Portugal operated with a 1,256 MW capacity, from 1985 until 2021. Sines former coal power plant is already in the process of decommission with plans to become an H2 hub reference in Portugal.

Social impact program [Futuro Ativo Sines](#), (featured by the World Economic Forum in its [coal to renewables toolkit](#), specifically addressed the needs of the subcontractor's workers, as well as the local community at large, with **entrepreneurship programs, vocational training** in partnership with the employment agency, **support for local action NGO's**, a dedicated office for social support, etc. It was designed as a Fair Transition tool for the southern Portuguese region and promoted (from its early academic assessment on the local economy perspectives) the launch of the Observatory for the Just Transition of Alentejo Litoral.

The numbers evolved in 2023, showing the success of its implementation: 77% have found new jobs, and are now working; 12% in training and 11% retired or are under health leave.

After working for more than two years the [support office](#) put together with the Sines Municipality and the National Institute for Skilling and Employment (IEFP) achieved its goals and reached very low levels of demand and as such was closed on Jun 2023 with the following results : 117 registrations were held there, 19 requests for social support and three people received psychological support (all not related to the plant).

The reskilling program created reached 24 persons and the [entrepreneurship scholarship](#) reached 45 entrepreneurs with 36 business projects that may create 22 jobs and it is still ongoing on sines.

33 social entities received material from the dismantled plant worth more than 330k€; and 11 local ONG received from the Fund created to support the region, **EDP Solidária Sines**, a total of [141,000€](#) benefiting more than 3000 people.

And in Spain, the program EDP SUMA+, structures the engagement of social and environmental landscapes, supporting local communities in Aboño, Soto de Ribera, Los Barrios and Puente Nuevo, four projects endorse communities into entrepreneurship, school and technical education and further quality building within common facilities, through [ENTAMA](#), [Tech Camps](#), EDP Partners and EDP + CERCA.

Also in the APAC region, EDP has been implementing the local stakeholder approach new policy, reinforcing the Community engagement strategies.

In North Singapore, deploying solar DG on the [Pulau Ubin](#) island was a visible incentive into the walking the talk approach, since there was no business interest in the region, but rather on implementing the energy transition as a flagship locally, since Ubin is a deeply respected natural sanctuary... but had a power grid fed by diesel fuel generators, now partially transformed into solar DG: the enhanced microgrid system is powered by 328 kWp of solar energy, equipped with a 1 MWh vanadium flow redox battery energy storage system, creating an electrical ecosystem that powers the island with non-intermittent renewable energy, capable of meeting at least 95% of the key business and residential needs. Today, more than 30 households and businesses enjoy 24/7 non-intermittent renewable energy, thereby reducing the island's reliance on diesel by more than 100,000 litres per annum, avoiding 268,000 kg of CO₂ emissions. With the use of solar power, it also stabilizes the electricity pricing for residents, as they are no longer subjected to the price fluctuations of diesel.

Also in Vietnam the strategy to a just transition is rooted on seeding a solid educational bases to the whole population on operation areas – and this was why EDPR invested on a powerful transformation on the education facilities and tools for populations around operation areas (Xuan Thien Thuan Bac and Xuan Thien Ninh Thuan Solar farms play a crucial role on the transition, aligned with the approved master plan (PDP-7), these projects boast a total capacity of 255MWp.).The back to school operation covered over one thousand households, also endorsing economically fragile families, and further developing local institutional relations with the authorities. This long-term investment on education, deeply knowing the population and transparently engaging, was part of EDPR's recognition as the first project worth of a **Fast Infra Label Assessment**.

EDP worked closely with the European Union institutions into fasten the policy making, the funds and the acts protecting the energy transition.

A just transition can only be achieved with the close involvement of all stakeholders at the European, national, or local levels. To ensure that social impacts are reduced or even avoided in all locations where thermal power plants previously existed, EDP has been committed to adapting these facilities to new technologies, particularly in the creation of Hydrogen and Storage Hubs, especially in Spain (Aboño, Soto de Ribera and Los Barrios) and in Portugal (Sines).

To make these technologies a reality, in 2023, EDP has been closely collaborating with several entities to secure **European funding**. Some successful initiatives have been acknowledged as pioneering, thus empowering local communities with future economic perspectives, as in the Aboño H2 project (remarkable synergies among different funding programs); Los Barrios (IPSEI and Pioneros recognition); Soto de Ribera (Pioneros' Recognition, Soto 2 now being decommissioned)

The **Sines** project in Portugal has received recognition from the European Commission by being awarded through the competitive Innovation Fund.

Pulau Ubin

“Since 2013, the Pulau Ubin micro-grid has provided more than 30 of the island's residents and businesses with a more reliable, cleaner and affordable electricity supply, while also being a living lab for innovative, clean energy solutions.

Through a research and development grant, the Energy Market Authority (EMA) of Singapore has supported the enhancement of the Pulau Ubin micro-grid with a Solar Green Roof and Energy Storage System. These enhancements could potentially help the micro-grid meet 90% of the daily electricity demand in the main village using solar power, while regulating ambient temperatures and increasing the efficiency of rooftop solar deployments.

The test-bedding of these innovations in a micro-grid will provide useful learnings for mainland applications and support Singapore's journey towards a more sustainable energy future.”

Violet Chen, Director (Industry Ecosystem Development). Enerav Market Authority of





This work is being constantly updated, following the new projects in the pipeline by EDP and the new programs launched at national and European levels.

Throughout 2023, EDP promoted its constant engagement with European Institutional stakeholders, sector associations and peers in order to promote enabling policies to deliver the just transition projects stated previously.

Renewable hydrogen has been one of the key topics of advocacy activities, considering its potential in the transformation and conversion of coal power plants' areas into green hubs.

EDP has co-signed and/or supported, within its membership in associations, a series of letters calling for the definition of a regulatory framework for renewable hydrogen that truly ensures the contribution to the decarbonization of hard to abate sectors and support the execution of projects:

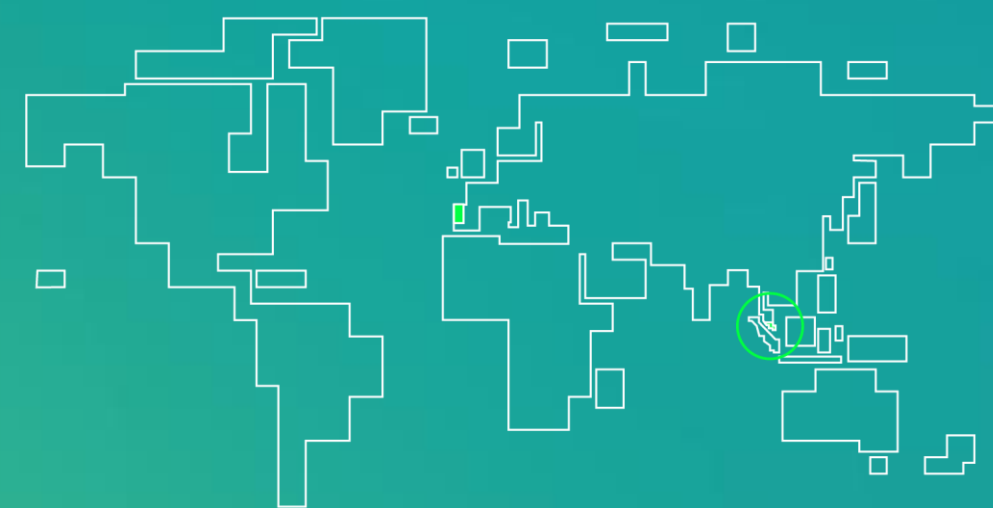
- [Letter to the European Council and Parliament on the Delegated Act for RFNBOs](#)
- [Letter on the urgent Adoption of the Renewable Hydrogen Directive](#)
- [Letter to EU Finance Ministers in order to call for an EU approach to the financing of renewable hydrogen](#)



Pulau Ubin Green Micro-grid

Transitioning from diesel reliance to clean, renewable solar energy.

Our approach: EDP Renewables APAC, with the support of Singapore’s Energy Market Authority and National Parks Board, has enhanced the micro-grid on Pulau Ubin island in Singapore. The enhanced micro-grid now includes a Solar Green Roof with a 328 kilowatt-peak (kWp) solar photovoltaic system together with a 1 Megawatt-hour (MWh) Vanadium Redox Flow Battery (VRB) Energy Storage System (ESS). More than 30 households and businesses will benefit from this enhanced micro-grid.



Country: Singapore

The island’s reliance on diesel will also be reduced by nearly 100,000 liters per annum, avoiding 268,000 kg of CO₂ emissions.

Differentiating factors: Vanadium flow batteries are ideal for this application of long duration energy storage as they can operate continuously for over 20 years without degradation. It is also a significantly safer technology compared to lithium-ion batteries as they are not flammable, making them ideal for remote applications such as on islands like Pulau Ubin. These unique features of the VRB ESS set it apart from other battery storage systems.

The Solar Green Roof helps to regulate the ambient temperature surrounding the solar panels, optimising the efficiency of the panels by up to 4%.

The Future: There are potential plans to extend this micro-grid solution to areas outside of Pulau Ubin’s Main Village. This could have a significant impact on the sustainability of other areas in Singapore and contribute to the broader national goal of environmental stewardship and energy security. The learnings from the Pulau Ubin Green Micro-grid project can also be applied across other hard-to-electrify areas in the APAC region. The project marks another landmark for Singapore to be a reference for energy transition in the region – what EDPR seeks to lead – while contributing to EDPR’s solar and storage capacity as well as net zero targets.

[Link for more information](#)



3.4.9.3. Respect for local and indigenous communities

To keep on track with the Paris Agreement of limiting the global average temperature to 1,5°C, the effort required from the energy transition is immense. The infrastructure required will continue to take over new territories and their population - who may never have seen this type of massive construction and abrupt landscape change before.

The paths needed to engage with these communities are urgent and need to bring shared value to the local quality of life.

Businesses must endorse the new economy’s people-positive culture, committed to respect human rights as climate change is tackled.

Installed clean energy must triple by 2030, but it will only grow consistently if we assure community support:

EDP approved its new [Local Stakeholder Engagement Policy](#), with an extensive list of Procedures compulsory throughout the group. The premise is to map and deeply engage with the communities before starting a new project, and to deeply diagnose, through independent external studies, the real impacts business will have on the new energy landscape. It’s the safest path to build shared value, supporting communities before construction begins and earning a social license to operate. A preventive identification of risks and knowledge of the local stakeholders will frankly diminish the chances of deep crisis further ahead. This new approach was developed under the lighthouse project for ESG at the EDP group, called “Community Gate Keeper”. Under this umbrella, all local Stakeholder teams now have a common SharePoint to share best practice and lessons learned. Quarterly meetings are held to improve their Community Rights protection tools. Community Gate Keeper monitors the group’s activity towards local populations and reports regularly to the EBD and the GSB on impact achieved or avoided.

Tackling these new community challenges, EDPR has implemented a proactive approach that emphasizes effective communication, transparency, and community engagement. Listening to the concerns of local communities and addressing them in a timely and meaningful manner is a priority. The CRC, “Community Relations Coordinator” figure was created in North America for EDP to be close to any situation needed to address throughout the region. This project, implemented in 2023 and bringing locally respected society figures to work closely with EDPR, has been most welcome locally and has become a strong facilitator for local relations and developments.

Still, some flags were shown and are being addressed as follow:

- In North America, community opposed the construction of the Rolling Uplands Wind Farm, and a deep dive engaged impact study is ongoing before any further decisions are taken. A previous community concern raised with the Misenheimer Solar Park has been surpassed and is now under the construction phase, strongly aligned with the local authorities. In Wisconsin, two townships required restrictive ordinances on the Marathon Wind Farm, opposed by EDPR.
- In Brazil, the Northeast region EDPR won its first project in the state of Paraíba and a preventive social diagnosis was carried out in advance, aiming to plan the social and communication actions to be carried out in these communities. As a result, the departments of Environment, Social and Public Affairs & Community Relations drew up an action plan to be executed through-out 2023, which included initiatives addressing:
 - education and improvement of school environment, catering for almost 500 students in the municipal educational network
 - cultural events throughout the year, with theater plays and movies in public spaces
 - sports events throughout the year designed to promote socio-emotional benefits of sport
 - development of rural enterprise to inject economic dynamism into socioeconomically deprived regions, through technology involving agroecological production, combating drought, water security and food supply safety
 - development of a social project to train young people for the job market
 - creation of a narrative aligned and coordinated with the rest of the industry through the largest industry body, Abeeolica, and
 - preparation of a differentiated communication plan for the region.

A whistleblowing channel is in place and by the end of 2023 no major issues have been reported. Monthly meetings have also been held with communities since May 2023, which have gone off without a hitch.

The surroundings of São Manoel Hydroelectric Power Station are historically inhabited by the Kayabi, Munduruku and Apiaká ethnic groups, made up of around 1,400 people living in 19 villages on the banks of the Teles Pires River. Built in June 2014 and operating since May 2018, mitigation measures and environmental compensation are still ongoing for the benefit of these peoples, respecting the specificities/particularities of each indigenous people. 17 programs, approved by FUNAI, aim to improve the quality of life of these communities. The monitoring of these programs is made by a Management Council

created with representatives from the company, FUNAI and each of the indigenous communities involved. The execution is prioritized around actions linked to subsistence activities.

During 2023, regarding infrastructures, the following works were executed and delivered in 2023:

- Basic Indigenous Health Unit (UBS-I) Bom Futuro Village, Munduruku people
- Basic Indigenous Health Unit (UBS-I) Papagaio Village, Munduruku people
- Casa de Farinha (Siqueirinha Village), Kayabi People
- Meeting Shed, Community Kitchen and Photovoltaic Energy System (Kururuzinho Village), Kayabi People
- Photovoltaic Energy System (Teles Pires Village), Munduruku People
- Meeting Shed and Photovoltaic Energy System (Bom Futuro Village), Munduruku People

Another action that continued in 2023 was the maintenance of the granting of higher and technical level scholarships, within the scope of the Program for the Strengthening of Indigenous Organizations, all 39 scholarships were awarded. So far, eight students are trained in the area of health, nine professionals with courses completed in the area of education and already work in the classroom as teachers, three graduated in the area of Law, another three graduated in Business Management and one in the area of forest engineering.

The established procedures in place ensured that, throughout 2023, as in previous years, the EDP group was not subject to accusations or suspicions of violations of fundamental human and labour rights. However, occasional occurrences, which were neither structural nor recurrent, were recorded and dealt with, often related to individual behaviours, and translated into individual complaints that were endorsed and solved within the framework of the ethical process and, when justified, gave rise to corrective measures, penalties or reinforcement of procedures.

Additionally, the **EDP IMPULSA programme** was created by EDPR in Brazil with the objective of supporting the professional development and employability of people in the communities where the company operates. Following a social diagnosis performed with the collaboration of the local government, a high unemployment rate was identified among young adults who lacked basic training to find employment in the region. Scholarships for vocational training courses were offer to residents and over 120 students received training

on High Voltage Building Electrician, Industrial Sewing Machine Operator, Bricklayer, and Motorcycle Maintenance Mechanic.

Keeping engaged with communities

But it is not just in operation areas that EDP feels responsible for a healthy society: the work aims on promoting the wellbeing and development of society as a whole, focusing on the people who contribute to the success of the company's business and how society may benefit from it.

During 2023, it is worth highlighting what was achieved in La Guajira (Colombia). With the goal of improving the lives of the most vulnerable people, the donation of 100,000 COP helped 700 families (about 3,150 people) affected by the winter cold wave. This donation mitigated some basic needs through the delivery of non-perishable food kits were delivered in Uriba, Maicao, and Albania.

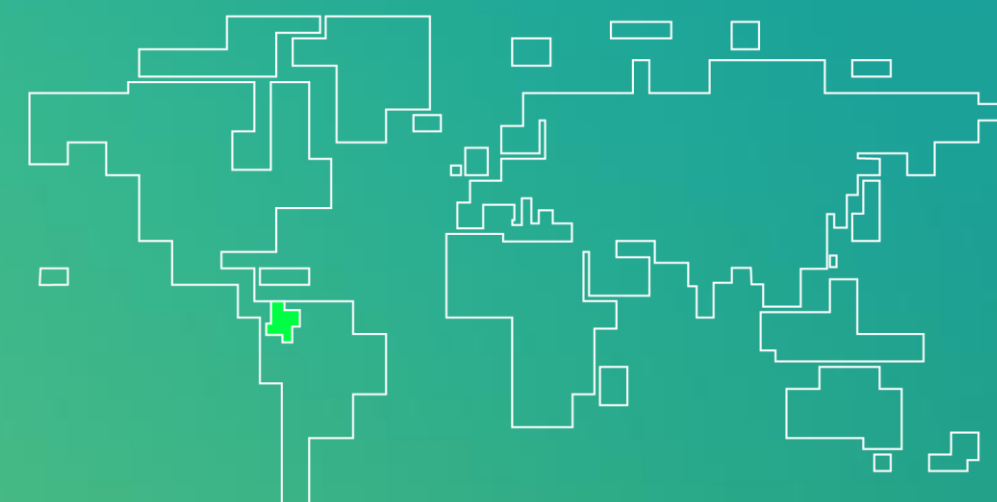
In Greece, one of the company's various initiatives is the collaboration with the cleaning of Lokron beach, located in the Malesina region near Livadi and Erinia wind farms. By organizing and participating in beach clean-up activities, EDPR has helped preserve the beauty of Lokron beach and protect its ecosystem.



Prior consultations

A mechanism that guarantees the listening and free participation of the communities in Colombia.

Our approach: Prior consultation is a fundamental right of indigenous peoples and other ethnic groups before deciding on actions that affect the self-determination of peoples, either by legislative and/or administrative measures or the implementation of projects, works or activities within their territories. The parameters for prior consultations were defined by Ruling SU-039/97 and they seek to protect the cultural, social and economic integrity of these communities and guarantee their right to participation. In the Sierra Nevada de Santa Marta, EDPR considered the specific governance system and environmental conservation values of the four peoples in the local communities. They initiated a prior consultation with these communities, which is estimated to last three months. The engagement between EDPR and these communities has been positive, and there are plans for meetings and tours to be held. In La Guajira, Colombia, EDPR conducted environmental education workshops with the ethnic communities in the area of influence of the Beta wind farm. These workshops facilitated outreach with the communities, allowed for the exchange of knowledge, and helped EDPR to better understand how the communities perceive the project, ultimately identifying opportunities for improvement.



Country: Colombia

EDPR considers prior consultation to be a mechanism that assists in listening to the needs and realities of local communities, as well as guaranteeing their right to participation.

Differentiator factor: With that in mind, the field teams have sought to think ahead and strengthen their relationship with the communities through educational activities in which they can combine their ancestral knowledge with the opportunities that come with working alongside the private sector. One such example of this are the educational spaces and workshops on environmental issues that have been implemented in La Guarija.

What lies ahead: The company will continue to ensure that best practices in prior consultation are carried out to promote the path towards intercultural understanding and to recognize a human and ethnic right.

[Link for more information](#)



3.4.10. Human rights

3.4.10.1. Respect and advocate for human rights

EDP has in place a [Human Right's Policy](#) based on the international frameworks defined by the United Nations and the International Labour Organization. Within the framework of the United Nations, EDP follows the principles of the "International Bill of Human Rights", as well as the different instruments to protect vulnerable people and groups. In addition, fundamental labour rights are enshrined in eight International Labour Organization conventions, covering namely the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation. From a management approach perspective, the following topics are addressed under this Policy:

- Non discrimination
- Integration and Inclusion
- Freedom of association and collective bargains
- Abolition of forced labour
- Abolition of child labour
- Equal pay, remuneration and work environment
- Rest and family life conciliation
- Health and Safety environment
- Environmental protection and impact on the land
- Data protection

EDP has a common and global approach to ensure the respect of human and labour rights along its value chain, implementing policies, processes and measures to ensure the protection of these rights.

The company's main objective is to avoid abuses of human rights both in its own activities and along its supply chain; ensure a safe and healthy environment for its direct and indirect employees, promote a just and ecological transition, and ensure an activity aligned with the needs and expectations of local communities.

The purpose of this chapter is to clarify concepts and scope of action and serve as an index to support readers better understand where specific chapters disclosing human rights practices are detailed along this Report.

The chapters in which human rights management is addressed are specified below, with the organisation's stakeholder engagement process being considered as a starting point, as it is essential to understand the needs and expectations of EDP's stakeholders in order to be able to manage the risks related to human rights that may arise along the value chain.



Governance

The previous mentioned approach requires the involvement of several departments within the organization, each of them playing a key role in ensuring that all necessary practices are put in place.

At the highest level, human rights governance follows the [sustainability governance](#). The General and Supervisory Board of Directors is the body ultimately responsible for overseeing human and labour rights, through its [Corporate Governance and Sustainability Committee](#), which has the highest responsibility to oversee all Sustainability aspects.

At the executive level, the Executive Board of Directors is supported by a sustainability team that coordinates and consolidates and monitors performance and initiatives carried out by all the operational departments involved. Among the teams involved in the process are ethics, compliance, procurement, health and safety, environment and people management.

Stakeholder engagement process

The protection of human and labour rights starts with an effective stakeholder management. Depending on the stakeholder, a series of processes and means of engagement are established to respond to the particular needs and manage any impact (positive or negative) that the company may have. This engagement is central to risk identification and used to prioritise action. Please refer to [stakeholder management](#) for more information on the process and consider the [materiality process](#) to better understand the overall identification of material topics.

To guarantee compliance with human rights' internal policy, EDP differentiates its approach among direct and indirect stakeholder groups. Direct group includes the ones closely related to the company's value chain, such as: suppliers; employees and contractors; and local and indigenous communities. Indirect stakeholders are those who have an influence on EDP's activity and determine how the company's issues and priorities are addressed. This latest one include: civil society and governments; investors and shareholders; and customers, consumers and offtakers.

Risk Analysis and Human rights Materiality

The materiality process carried out by the company identifies human and labour rights as one of the material categories for EDP's direct and indirect stakeholders. Please refer to the [Materiality](#) chapter of this report for more information.

The human and labour rights protection continues with risks assessment. This exercise is carried out by assessing the country risk, the local risk and the specific risk of each activity and equipment, according to the nature of the project, informed by the sector's risk map. Depending on whether we are considering new investments, the creation or modification of infrastructures, contracting suppliers and other counterparties, or operations with customers and employee management, specific risk control and mitigation measures are implemented (additional information can be found in previous Human Rights reports published by EDP in [2021](#) and [2022](#)).

EDP faces indirect risks of failure to respect fundamental labour rights, relating to the extraction and production of the equipment necessary for the value chain of manufacturers of electrical technologies. These risks occur several levels upstream of the direct suppliers and focus on internationally identified regions. Please refer to EDP's [2022 Human and Labour Rights Report](#) for more information regarding other potential human and labour rights risks that could occur in the value chain.

Due diligence process

Policies and Codes of Conduct

The human rights due diligence process begins with the company's public commitments and codes of conduct, which are the starting point for ensuring the respect of human rights throughout the value chain. These policies and codes apply to a wide range of stakeholders working directly or indirectly for EDP. The commitments are set out in the [Human and Labour Rights Policy](#) updated in 2021, aligned with EDP's [Code of Ethics](#), principles and commitments. Additionally, EDP has a set of specific policies and codes addressing concrete issues under the human and labour rights framework, listed below.

The [Human and Labour Rights Policy](#) covers the EDP group worldwide. It identifies the references, standards and international conventions to which it is subject, establishes the strategic principles, specifies the principles for action, assigns responsibilities, determines obligations and management bodies. The Policy details operational commitments, its workings, complaint and communication channels, reporting and training obligations and

extends obligations to suppliers. In particular, the Policy sets out Due Diligence procedures, implementing the Ruggie and OECD methodology, and anticipating the EU Due Diligence directive.

Tools and Management Systems

To adequately implement the [Human and Labour Rights Policy](#), EDP has a set of tools in place.

Any stakeholder group can use the [Speak Up Channel](#) that the company makes publicly available. Issues are handled anonymously to ensure that there is no conflict with the whistleblower. In addition, the company has an Integrity Due Diligence (IDD) process to identify integrity-related disputes or potential human rights abuses on business partners. Additional information on the Speak Up Channel outputs, please consult [Operational and ESG indicators](#) and the [Ethics Ombudsperson Report 2023](#).

To manage potential risks in the **supply chain**, the company has a Sustainable Procurement Protocol that serves as a guide for the integration of sustainability aspects in purchasing and to define the criticality of suppliers. This protocol is framed by the [Sustainable Procurement Policy](#) and complemented by the [Supplier Code of Conduct](#). Additionally, is complemented by specific actions such as screening of suppliers in terms of human rights, mechanisms to know the traceability of components or other tools that make up the EDP due diligence process in the supply chain. More information on human rights management in the supply chain can be found in [Supply Chain](#).

Regarding **health and safety** management of employees and contractors in operations, EDP's Corporate Safety Management System (CSMS), in alignment with ISO 45:001, is certified by LRQA, and additional information is detailed both in [Health and safety](#) and [EDP's Health and Safety report](#). The CSMS frames the guiding procedures for companies at local level, which may follow directly CSMS or have their own operational SMS system.

Regarding to **human capital**, EDP has internal policies and procedures that seek to promote equality and non-discrimination, the recruitment and retention of talent and the reconciliation of work and personal life. In addition, for each country in which the company operates, it has systems in place to ensure compliance with regulations regarding collective bargaining agreements and workers' rights. Please refer to [Own Workforce](#) for more information on human capital management.

Furthermore, EDP approved its new [Local Stakeholder Engagement Policy](#), with an extensive list of Procedures compulsory throughout the group. The main goal is to assure

the full Human Rights legislations respect, under the terms set out in the EDP group's current internal regulations. For additional information on this subject, please refer to [Affected Communities](#).

Championing human rights programme

Framed by its Social Investment Policy, EDP prioritizes social inclusion programs, particularly aimed at vulnerable communities, for skill development and energy inclusion. This is in line with the B4SI methodology, and the global priorities of the United Nations as expressed in the Sustainable Development Goals. The focus is on combating energy poverty and implementing energy access programs for populations not connected to electricity grids. For more information on these programs please refer to [Affected Communities](#).

Moving Forward

2024 will continue to be a demanding year, with an action plan mostly focused on the following issues:

- **Supply chain** traceability and human rights management practices improvements, due to the challenge of getting into the tier+1
- **Local communities**, with the roll-out program of the new Local engagement Policy approved in 2023
- **Local employment**, by implementing the just transition process for phasing out coal with the development of "green hubs". This local reinvestment, mainly in Spain, includes hydrogen pilot projects, storage projects and other solutions to make the system more flexible
- **Health and Safety** with the PlayitSafe Program development.





EDP's process to ensure Human and Labour Rights protection

Human and Labour rights framework					
Main stakeholders involved					
Suppliers	Employees and Contractors	Local and Indigenous Communities	Civil Society and Government	Investors and shareholders	Clients, Customers and offtakers
Codes and Policies					
Code of Ethics	Human Rights Policy	Stakeholder Relationship Policy	Integrity Policy	Personal Data Protection Policy	Supplier Code of Conduct
H&S Policy	Environmental Policy	Diversity Policy	Training Policy	Volunteering Policy	Local Engagement Policy
Tools and Management Systems					
Speak up Channel	Sustainable Procurement Protocol	Integrity Due Diligence (IDD)	Supply chain due diligence process	HSE Management Systems	
Sustainability Guidelines for contractors	PlayitSafe Program	Human Capital Management Processes	A2Energy Projects	Community Gatekeeper projects	



3.4.11. Energy consumers and end-users

EDP has been expanding its commercial activities and currently has a presence in several European countries and Brazil. With a portfolio increasingly aligned with the energy transition, EDP offers its residential and business customers a range of products and services, spanning from energy supply to solutions in energy efficiency, electric mobility, and decentralized solar energy.

In Iberia, the regulatory framework defines the separation of distribution (regulated market), supply (liberalised and regulated market) and supply in the regulated market. While, in Portugal, EDP operates in the three activities through independent companies, in Spain it is present in distribution (regulated market) and supply (liberalised market). In Brazil, in the states of São Paulo and Espírito Santo, EDP operates in the regulated market, in distribution and supply, as well as in supply in the liberalized market.

In the current market context, there are several events and trends that put pressure on service quality and challenge the commercial relationship with customers, of which we highlight the following:

- the volatility in the energy markets that forces adjustments in price and contractual conditions and the search for solutions that favour price stability and predictability
- the priority to decarbonise and adapt to climate change, through continuous technological, digital and legislative innovation
- new regulatory dynamics and customer behaviours
- the growing importance of energy services compared to the traditional business of selling energy

As a result, transformation dynamics in the market context are changing the classic segmentation of customers, widening their diversity and expanding business opportunities and challenges. In this area, we continue to see a growing focus on trends towards the energy rating of buildings, the acceleration of electric mobility, self-consumption and energy communities, and the increase in the divide between customers with the capacity to invest in energy efficiency and customers in the state of energy poverty.

The EDP group maintained its commitment to accelerating investment in commercial innovation by diversifying its portfolio of services and markets to ensure a highly satisfying customer experience through its commercial services, and excellence in the quality of the commercial relationship. Commitments that are part of the EDP's values and culture and translated into quantitative strategic objectives.

3.4.11.1. Promoting sustainable consumption

Aligned with the group's ambition to be a global leader in the energy transition, EDP has been expanding its commercial portfolio to offer products and services that empower consumers to contribute to a more sustainable planet.

Efficient equipment

To achieve carbon neutrality, it is critical not only to electrify consumption, but also to consume energy in a more conscious manner. In 2023, EDP added a particularly innovative product to its portfolio – a solar water heater, in partnership with Mixergy, that enables savings of up to 60% on the water heating bill. Resorting to artificial intelligence, this equipment adapts to the consumption patterns of the household, heating only the necessary water when energy is more affordable, and doing so five times faster. Additionally, the equipment also harnesses surplus solar energy to heat water for free and use later.

Decentralized solar energy

This clean and virtually inexhaustible source of energy allows customers to be active participants in the energy transition while reducing exposure to electricity price fluctuations and, therefore, accessing significant savings on the energy bill.

EDP offers solutions that allow customers to maximize the investment and benefits of the solar installation, including a consumption monitoring system and the option to install a storage battery so that customers can not only consume their solar energy during the day but also store it for later use.

For the business sector, EDP develops customized offers to accommodate the unique needs of each business, with a focus on the as-a-service model, in which EDP takes on the entire investment and is responsible for the installation, operation, and maintenance of the solar plant.

2023 was also another year of growth for Solar Neighbourhoods, renewable energy communities that are democratizing access to solar energy. In these neighbourhoods, producers make their space available for the installation of solar panels, and the energy produced is shared among the community's neighbours.

Electric mobility

EDP is present throughout the entire journey of electric vehicle users, from research to the use of charging solutions at home and in public spaces. In addition to information initiatives and integrated offerings for private charging, EDP has significantly expanded its public charging network, surpassing the 4,500 contracted charging points in the Iberian Peninsula in 2023.

EDP is focused on developing charging solutions for all use cases and in 2023 launched a new product for corporate fleets, which currently represent about 80% of the electric vehicles sold in Portugal. The EDP Charge Fleet card aims to simplify the adoption of electric mobility by allowing a company to allocate a direct credit to each employee, which can be used for charging on the street, at work, and at home. In a pioneering solution for the Portuguese market, an EV driver has access to a single tool that allows them to charge the electric vehicle according to their needs. This solution is integrated into the ecosystem of solutions for companies, which also includes the installation of chargers for private spaces, a digital portal where fleet managers can manage chargers, analyse consumption, allocate credits, among other features, as well as the EDP Charge App, where each employee has access to innovative features such as home reimbursement and integrated payment management.

3.4.11.2. Customer satisfaction

The EDP group has made the commitment to maintain a customer satisfaction level of over 85%. This objective is monitored through customer satisfaction in their interactions with the company, the number of complaints, and through satisfaction questionnaires carried out periodically.

In **Portugal**, in the liberalised market, a satisfaction level of 92% was achieved, an increase on the previous year. The NPS (Net Promoter Score) of the liberalised market, which measures the degree of customer recommendation in relation to the company, was 28% in B2C segment and 27% in B2B. In the regulated market, satisfaction levels reached 88%.

In **Brazil**, the main indicator used to measure customer satisfaction is the Quality Satisfaction Index (ISQP), obtained through the ABRADÉE Residential Survey. In 2023, there has been an improvement in the ranking (EDP São Paulo 76% and EDP Espírito Santo 75%).

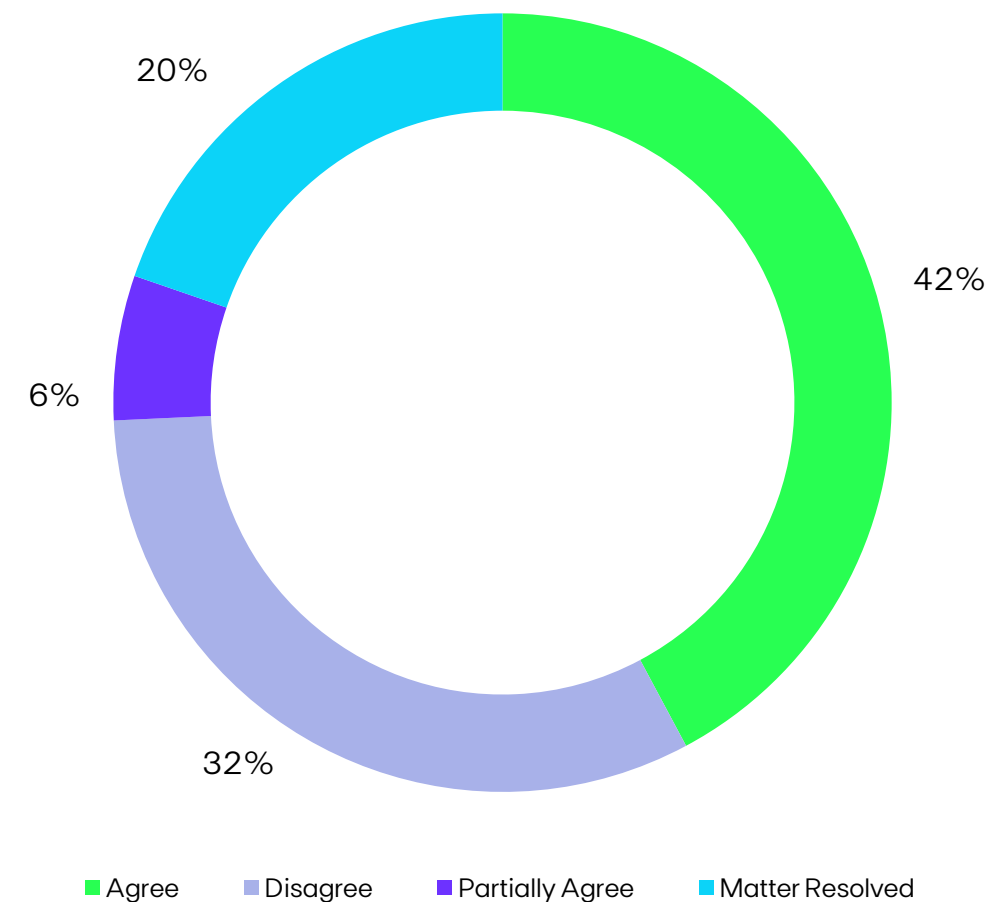
In **Spain**, the B2B segment recorded an average satisfaction rate of 7.6 (on a scale of zero to ten).

3.4.11.3. Complaint and claim management

The EDP group continuously invests in the development of channels and means of handling complaints and grievances, as well as improving customer experience. In addition to facilitating conventional means of service, alternative solutions to those provided by law are made available, such as the [Customer Ombudsman](#), the Ethics Ombudsman (see [Ethics](#)) and participation in citizenship initiatives, such as the [Complaints Portal](#).

In Portugal, EDP has a [Customer Ombudsman](#), an independent body whose role is to assess customer complaints in cases where they are not satisfied with the responses obtained from the standard system.

Response details from the customer ombudsperson (%)



In Portugal, in the liberalised market, despite the continuation of a context of high volatility in the market, the energy supply segment recorded a significant reduction in the volume of complaints (-7p.p. compared to 2022), reaching the lowest value ever recorded. This result is mainly due to the greater robustness of business cycle processes and a less severe winter that resulted in fewer incidences of power failure and/or losses.

Regarding solar energy, there was a reduction in the volume of claims, despite a significant increase in installations. This was due to the continuous improvement of sales, installation and after-sales procedures and evolutions in the performance of the smart meter replacement process and settlement activation. As for electro mobility, due to the context of strong growth of this activity, there was a natural increase in the volume of complaints, although not significant when compared with the installed number of recharging stations and CEME cards.

In B2B energy in Spain, as in Portugal, the year was marked by the continuation of a very volatile context in the energy market, but the stabilization of the regulatory context compared to the changes that were implemented during the year of 2022, led to a sharp drop in the number of complaints.

COMPLAINTS	UN	2023	2022
Portugal		81,954	87,141
B2B	#	1,561	1,796
B2C	#	72,632	77,873
SU	#	7,761	7,472
Spain ¹		217	344
B2B	#	217	344
Brazil		71,912	56,565
Company	#	58,059	45,131
ANEEL	#	3,728	2,444
PROCON	#	4,100	4,451
Justice	#	6,025	4,539

¹From December 2020, EDP stopped operating in B2C in Spain for the sale of electricity and gas. 2020 figure represents claims to 30 November 2020.

3.4.11.4. Energy prices

In the Iberian Peninsula, energy supply is free, and consumers can contract it with any supply company.

In Portugal, and according to ERSE, in September 2023, the liberalized market represented around 86% of total customers and approximately 94% of consumption, and the regulated market tariff is expected to be abolished at the end of 2025. Until then, liberalized market Normal Low Voltage electricity customers have the right to access a scheme equivalent to regulated tariffs and may return to the regulated market if their supplier does not provide this equivalent scheme. The average reference price tariffs for end user in Portugal, in 2023, was mostly composed of energy and supply costs (113%), as a result of the high level of electricity prices in wholesale markets, with the costs of energy policy not being a cost but a revenue of ≈-29% of total value and use of networks representing ≈17% of the total value.

In Spain, on September 2022, the liberalized market accounted for 70.8% of total customers, corresponding to 98.4% in the SME segment, 98.6% in industrial segments and 69.9% of customers in the domestic segment. Domestic prices in Spain, from June 2023 onwards, included a component of energy policy costs of around 11% of the final tariff, while the energy and network use components represented, respectively, 60% and 29% of the total.

In Brazil, in September 2023, the liberalized market represented more than 37% of the country's total electricity consumption, with a total of 36,329 customers. Since January 2021, consumers with contracted power equal to or greater than 1,500 kW can buy energy from any source as liberalized consumers, with this threshold being reduced to 1,000 kW in January 2022 and to 500 kW in January 2023, under the terms of the Ordinance 465/2019, from the Ministry of Mines and Energy (MME). In September 2022, MME Ordinance 50/2022 was published, which allows high voltage consumers to purchase electricity from any supplier from January 2024. In the same month, a Public Consultation was opened with a proposal for an Ordinance containing the schedule for opening the low voltage market starting from 2026, with predicted total opening by 2028, including residential and rural customers. With regard to the breakdown of the price of electricity, energy and supply costs constitute about 50% of the costs invoiced to the customer, with the costs of using the networks (transmission and distribution) and energy policy corresponding to around 39% and 11%, respectively.

Analytics4Vegetation

Need for greater efficiency dealing with the vegetation proximities to the electric grid.

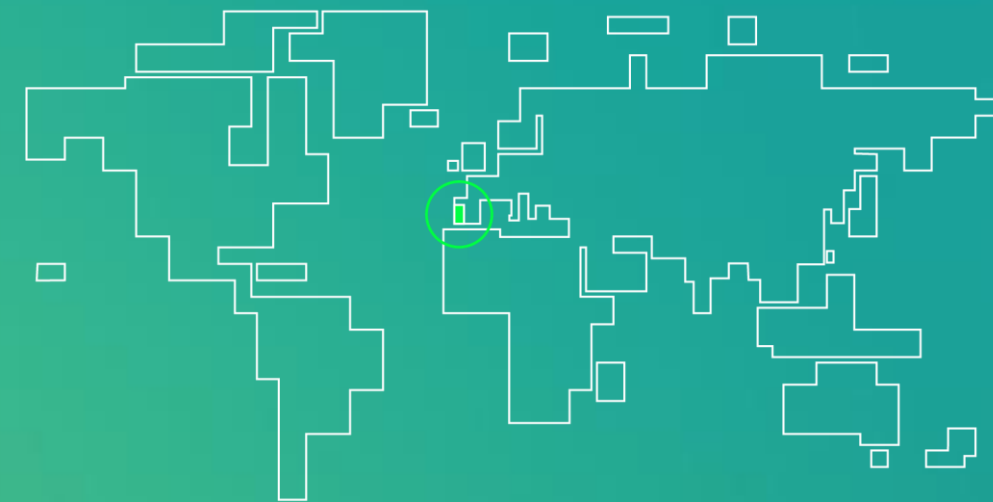
Our approach: Analytics4Vegetation for managing vegetation management information. It incorporates an integrated infrastructure for vegetation management processes and includes an analytical and predictive model for vegetation growth, using machine learning techniques. This solution enables the prediction and generation of alerts for possible situations where vegetation interferes with the electricity grid, includes a vegetation growth model (taking into account external factors such as weather conditions, altitude, proximity to the coast) and a criticality index for the assets in question.

Four awards in the field of digital, analytics and innovation.

Differentiator factor: Integration in one single infrastructure of all the process needed to have an effective and efficient vegetation management operation.

The future: Analyze the IA outputs fit to reality and improve the model with retrofit.

[Link for more information](#)



Country: Portugal



3.4.11.5. Quality of service

Improving the quality of the technical service provided to customers is one of E-REDES' main goals as a distribution network operator. E-REDES maintains a process for rigorously monitoring the quality of the technical service, allowing for the adoption of mitigating measures whenever justified. At the same time, complementary checks and analyses are carried out at customer delivery points, in accordance with regulatory provisions. These procedures are designed to help optimise the maintenance and operation of the distribution network, with a focus on improving the quality of service provided.

In 2023, the quality of service, particularly with regard to continuity of service and the quality of electricity, remained high as a result of the commitment of the technical teams, in a joint effort between E-REDES and the service providers, and of management measures, new investments and cooperation and dialogue with stakeholders.

In Portugal, the good performance of the distribution network has been helped by specific investments and maintenance plans for network assets, as well as modernisation and automation projects for the HV, MV and LV networks carried out over the last decade. The main continuity of service indicators have stabilised in recent years, confirming a general trend that reflects the good performance of E-REDES in improving the quality of technical service in electricity distribution.

In 2023, the distribution network was subjected to several extraordinary weather events in various parts of mainland Portugal, including the storm at the beginning of the year on 1 January, the Babet depression on 17 October, the Aline depression on 19 October, the Bernard depression on 22 October, the Ciarán depression between 1 and 2 November and the Domingos depression on 4 November, which had a major impact on electricity infrastructure.

E-REDES developed an effective response to the events mentioned above, in order to minimise their impact on the quality of service for customers in the affected areas, having alerted its entire operational structure with the activation of the POAC-RD (Distribution Network Operational Crisis Action Plan), resulting in the reinforcement of E-REDES teams, the contact centre (handling fault reports) and its external service providers and the reinforcement of the allocation of vehicles, generators and other specialised equipment.

E-REDES España, for the third consecutive year, stands out as a leading company in terms of security and quality of supply, as a result of the investment made above all in digitalising the network so that it becomes totally intelligent, and in operational efficiency. E-REDES España also obtained AENOR certification in Business Continuity according to the ISO

22301 standard. This is a very important milestone, as it is the first company in the electricity sector in Spain to obtain the ENAC¹ seal on its certificate, as it focuses business continuity on distribution processes (operation, maintenance, and management of communications with its customers in the event of a breakdown).

ENAC accompanied the certification audit with the aim of extending AENOR's accreditation to the "25 - Electricity generation and distribution" sector, which also ended up materialising. This success was possible thanks to the strong involvement and support of the Board of Directors and the efforts of the team made up of employees from the Networks area and the DCNySF structure area.

In Brazil in 2023, the indicators of distributors EDP São Paulo and EDP Espírito Santo remained below the regulatory limits established by ANEEL, mainly due to improvement actions and preventive maintenance. Distributors count on specific projects to improve quality indexes and are focused on remedying recurrent cuts, the improvement of internal processes and the acquisition of new technologies.

In the last year, the indicators of Equivalent Duration of Interruption per Consumer Unit (DEC) and Equivalent Frequency of interruption per Consumer Unit (FEC) recorded in both São Paulo and Espírito Santo was consistently better than the limits defined by the regulator and lower than that observed in 2022.

3.4.11.6. Safety of products and services

The safety of products and services sold by EDP represents a fundamental aspect for the sustainability of the business. Risk prevention and control of all activities and equipment is an essential organisational requirement, committed to at the highest level and adhered to by the entire group.

Within the scope of energy services in EDP's portfolio, there is a set of promoted practices that foster safety for products and services, namely:

- promotion of online simulators that allow solutions to be customised and sized according to each client's needs. In these offers, prior visits are made to adjust the solution and ensure that all additional interventions are considered
- steps are taken to ensure that the legal compliance of all services and products is met in accordance with the regulations in force
- training and supervision of all installation teams as well as the inclusion of instructions for use and safety rules made available to all customers

- specific studies for safety analyses of the structure of buildings and of accessory equipment, enabling safety risks to be mitigated or even eliminated, for continuous improvement
- regular inspection of assets, according to their function, type and regulation, to ensure their safe operation during their life cycle.

3.4.11.7. Social inclusion of consumers and end-users

Vulnerable customers

Quality of life and well-being are directly dependent on access to energy and, in particular, to high quality electrical energy at affordable prices. In an increasingly technological and digital society, ensuring that everyone can enjoy this essential asset is a challenge that the EDP group places at the centre of its business strategy, for which it has established quantitative objectives (more details at www.edp.com) and a commitment to contribute to the targets of the United Nations sustainable development goals (SDG 7).

EDP's approach to customer energy vulnerability is based on three pillars:



Commercial commitments

- Service guarantee
- Adapted solutions



Energy poverty

- Social tariffs
- Energy efficiency



Access to energy

- New business
- Social dimensions

Commercial Commitments

EDP scrupulously applies the service guarantees specified by regulation and which aim to protect priority customers from interruptions in the supply of energy. Priority customers are informed individually about supply interruptions that are subject to prior notice, with the minimum adequate prior notice, and have priority in the restoration of service in the event of breakdowns. Priority clients are health services, security forces, firefighters, civil

protection, maritime and air safety, and penitentiary facilities. Similarly, for customers with special needs, with limited vision, hearing or oral communication or olfactory deficit, EDP adapts its information and communication systems and guarantees the same levels of quality of service and rights available to other customers.

EDP also provides the "Safe Invoice" service, which covers situations of involuntary unemployment, temporary incapacity for work or total and permanent disability.

Energy Poverty

Energy poverty translates into the financial inability to maintain thermal comfort conditions within homes – temperatures between 18° and 21°C in winter, and 19° and 23°C in summer – according to the World Health Organization. This can lead to chronic illnesses and other respiratory and cardiovascular complications or even death.

The structural causes of energy poverty are poor energy performance of the housing stock and the inability of unemployed and poor families to invest in improving the energy efficiency of their homes. The social impacts of energy poverty are also well-known: deepening structural poverty and social exclusion, with significant impacts on public health. The International Energy Agency estimates that around two billion people around the world suffer from energy poverty and data from the EU Energy Poverty Observatory indicates that the estimated number of energy poor citizens in the European Union ranges between 50 and 125 million of people.

EDP argues that support for energy poor customers should be directed at solving the structural problem, fundamentally through the implementation of energy efficiency measures and the adoption of preventive measures to avoid power being cut off in response to non-payment. In line with the European Commission's guidelines, the group also advocates that this type of measure should be financed, preferably by the State, as an obligation of the Social State, or alternatively supported by other consumers as a national solidarity measure.

In Portugal, since 2010, legislation has provided for the application of a social tariff for electricity and natural gas, which translates into a discount granted to economically vulnerable customers on the access tariff. The process to access the social tariff was facilitated in 2016, with the expansion of eligibility criteria and its automatic allocation. Financing of the social tariff is ensured, in the case of natural gas, by the transmission network operator, distribution network operators and natural gas suppliers. Regarding electricity, the financing of the social tariff was borne by electricity generators not covered by guaranteed remuneration schemes. However, Decree Law 104/2023, of November 17th,

expanded the number of financing entities, now covering not only generators, but also electricity suppliers and consumers who buy directly on the wholesale market, without suppliers' intermediation.

In the process of defining the tariffs for 2023, the Energy Services Regulatory Authority estimated a number of beneficiaries of the social electricity tariff in Portugal of around 853 thousand customers, with a discount equivalent to 33.8% of the gross price of the transitory regulated market tariffs, corresponding to €129 million. In turn, it estimated around 51 thousand beneficiaries of the natural gas social tariff in mainland Portugal, with a discount equivalent to 31.2% of the final customers invoice, corresponding to a value of 2.4 million euros. In December 2023, the number of beneficiaries of the social tariff in EDP's customer portfolio amounted to approximately 500 thousand customers for electricity and 19 thousand for gas. The amount supported by EDP, in 2023, in relation to the social electricity and gas tariff was 73 million euros and 2 thousand euros, respectively.

In Spain, the social tariff has been implemented since 2009, covering, however, only electricity customers. The mechanism currently in force distinguishes three categories of social tariff beneficiaries, depending on their income level: vulnerable customers, with a 25% discount, severely vulnerable customers, with a 40% discount, and customers at risk of exclusion, with a 100% discount. However, as a result of the publication of Decree-Law 18/2022, of 18 October, vulnerable customers and severely vulnerable customers saw their discounts increased to 65% and 80%, respectively, during 2023. The discounts in question apply to the fixed term and to a maximum energy consumption. The social tariff is not granted automatically and must be requested and renewed periodically by the customer, if they meet the eligibility conditions, in particular, income-related criteria. Following the sale of the B2C commercial business to Total in December 2020, there are no social tariff beneficiaries in the customer portfolio of EDP's suppliers in Spain. From the beginning of 2022, the financing of the social tariff discount is assumed by all agents of the electricity sector value chain as a proportion of their turnover, following the decision of the Spanish Supreme Court, which considered the previous model discriminatory because it only applied to electricity suppliers. The sum financed by the EDP group, in 2023, amounts to €16.2 million.

In Brazil, the Social Tariff was implemented in 2002 and consists of a benefit created by the Federal Government applicable to low-income families. This is a discount on the tariff applicable to the residential class of the electricity distributors, which can vary between 10%, 40% and 65%, according to the consumption of each residence, up to a maximum of 220 kWh/month. Indigenous and *quilombola* families who meet the specified requirements benefit, in turn, from a 100% discount up to a consumption limit of 50 kWh/month. In December 2023, EDP's two energy distribution companies had

approximately 625 thousand customers in the social tariff. ANEEL provides monthly databases with the information necessary for distributors to cross-check the information, so that if a customer is identified as falling within the social tariff criteria, the benefit will be granted automatically.

However, the EDP group's contribution to protecting vulnerable customers is not limited to the promotion of the social tariff and compliance with legal obligations. Voluntarily, through its [Social Investment Policy](#), EDP also develops programmes to combat energy poverty.

To address this problem, EDP develops and supports projects in several countries focusing on the **implementation of energy efficiency measures**. The solutions adopted can be passive (thermal insulation, windows, doors) or involve the installation of more efficient equipment (household appliances, LED lighting) or even **self-consumption solar panels**. EDP also promotes **energy literacy** through training on behaviours that promote energy savings in everyday life.

These projects allow reducing the energy bills of families and NGOs who have difficulty maintaining thermal comfort in their homes and modifying their consumption habits, contributing to the improvement of their living conditions.

The theme of social investment projects developed and supported by EDP to mitigate energy poverty and promote access to energy is addressed in greater detail in the [Social Investment Report](#) of the EDP group.

Access to Energy

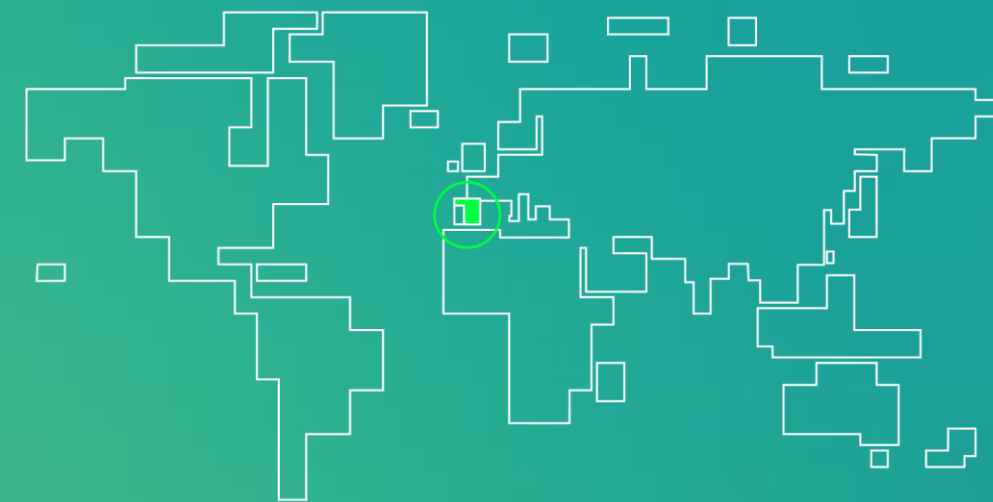
This third axis is aimed at promoting access to energy for populations without connection to electricity networks, either through **investments in companies** with this theme in mind, such as SolarWorks in Mozambique and Rensource in Nigeria, or through the provision of an **annual financing fund** for sustainable clean energy projects in the areas of education, health, water and agriculture, business and community in countries with low electrification rates.



EDP's Solar DG Strategy and Klepierre Partnership

Promoting Solar DG solutions through corporate Partnerships.

Our approach: The company has installed 1.6 GWp of solar DG capacity worldwide, with a focus on residential and business clients. EDP's strong track record and dedicated teams have deployed 127 thousand installations across Europe, Asia Pacific, North America, and Brazil. The company is set to expand its solar DG presence significantly in Europe, the US, APAC, and Brazil, with key corporate partnerships driving growth. One of the examples is the partnership with Klepierre with an investment €2 million to install photovoltaic panels in three of its shopping centers in Madrid: La Gavia, Plenilunio, and Príncipe Pío. This initiative is a significant step in Klepierre's Act For Good® strategy, demonstrating its commitment to sustainability and environmental responsibility.



Country: Spain (Klepierre business case)

Strong track record in 17 markets and a commitment to invest €2.5 billion by 2026 to install an additional 4 GWp in solar projects.

Differentiator factor: EDP's partnership with Klepierre showcases the integration of sustainable energy solutions in commercial spaces, contributing to significant energy savings and environmental benefits. EDP's global presence and expertise in solar DG, combined with Klepierre's commitment to sustainability, create a powerful synergy that drives positive impact.

What lies ahead: Solar DG segment is rapidly growing will be key to EDP as it is expected to represent close to 50% of all new market solar additions globally in the coming years.

[Link for more information](#)





3.4.12. Business conduct

3.4.12.1. Ethics

Ethics Office (ETH) and Ethics Ombudsperson activity in 2023

The activity of the **Ethics Office** (ETH) in 2023 continued to be based on the design, management, and implementation of **Ethics Programs**, as it has been since 2019. The ongoing program, "**Making Ethics Real**," aims to reinforce the perspective of the importance of practicing an "ethics of substance" in addition to the already established structural framework. The **main objectives of the program** include integrating ethics into the company's daily operations and aligning the corporate ethics policy across the entire EDP group.

Specific initiatives in 2023 included stabilizing the whistleblowing management model, which now applies to EDP SA, EDP Renewables, and EDP Spain; launching the 2023 Ethical Environment Questionnaire; and initiating a project to create a methodology for identifying and evaluating ethical risks.

Continuing from previous years, ethics **training and communication** were key activities in 2023, with ongoing training sessions from 2022 and a new initiative to reinforce the Speak Up culture. Notably, in-person training sessions were held for approximately 420 middle managers under the title "Approaching Ethics" and "Lead Now" sessions were conducted for 50 new managers. Online training on "Ethical Risks in Business," initiated in 2021, reached 64 mid-level managers in the Generation area, with an overall session completion rate of 77%.

To ensure the dissemination of ethical culture, various internal channels published content throughout the year emphasizing the importance of ethics at EDP. This included a global celebration of Ethics Day in October and monthly publication of short videos related to the various topics of the Code of Ethics, known as "The Energy of Ethics."

In 2023, EDP maintained specialized **partnerships** that have complemented their work for years, including collaboration with AESE through the existing Ethics Chair, which has supported executive training for over ten years, and with Católica Porto Business School for another benchmarking study aimed at obtaining information on how companies are addressing and emphasizing key ethics management topics.

Efforts to reinforce employees' trust in the **whistleblowing process**, following a clear recommendation from the 2021 Ethics Survey, continued through various training and communication initiatives, resulting in a significant overall increase in the 2023 survey results.

The **management of potentially ethical contacts**, the responsibility of the Ethics Ombudsperson, continued in 2023 within the new whistleblowing management model shared with the Compliance & Internal Controls Global Unit regarding legislative and/or integrity-related issues. Contacts deemed potentially ethical after investigation are reviewed by the Ethics Commission, which issues appropriate opinions and informs the parties involved.

The Ethics Ombudsperson, with the support of the Ethics Office, also supported the activities of the Ethics Committees of EDP SA and EDP Renewables and participated in the meetings of the EDP Brazil Ethics Committee. Specifically in 2023, the Ethics Ombudsperson prepared quarterly status reports on the 2023 Annual Ethics Plan, as well as Management of Whistleblowing Scorecards throughout the year.

In 2023, the **biannual Ethics survey** was administered to the entire EDP population, recording a response rate of 41%, which was 4 percentage points higher than the previous survey and revealed slightly improved overall results. However, it notably showed a significant increase of 13 percentage points in better understanding the whistleblowing.

3.4.12.2. Compliance

The EDP group is committed to carrying out its activity in strict compliance with the legislation and regulations, as well as to act in a responsible and oriented way by the highest standards of ethics and integrity, maintaining the idea of establishing Compliance as a strategic part of the company's corporate culture. This commitment applies to all EDP R entities and to their administrators, employees and contractors who act on their behalf.

In this sense, EDP assumes a **zero tolerance Compliance policy** regarding any non-compliance with the applicable legal and regulatory requirements, especially regarding bribery, corruption or money laundering.

To put this commitment into practice, EDP has implemented a Compliance Management System Implemented, under the coordination of the Compliance & Internal Control Global Unit (C&IC), which is aligned with the best international practices, namely with the ISO Standard 37301:2021 - Compliance Management Systems - and with the COSO

(Committee of Sponsoring Organizations of the Treadway Commission) reference of risk management, internal control and fraud prevention (Fraud Risk Management).

The Compliance Management System is essentially based on nine components, which can be framed in three levels of action (as illustrated).

Compliance Management System



This System is developed at the group level, allowing the harmonization of Compliance management guidelines and methodologies throughout the organization and to different regulatory scopes, covering all activities, businesses, and geographies. Whenever necessary corporate guidelines are specified by business units in order to meet their respective particularities.

Through the work developed over the years, EDP currently has different mechanisms, such as a specific governance model, specific policies and procedures, periodic training/awareness initiatives and monitoring and reporting instruments that enable the identification of situations to consider from continuous improvement perspective, responding to internal and external challenges. The EDP group also provides several whistleblowing channels, some global and others specific to certain matters or with a specific scope by company, country or subgroup, whose management is ensured by independent and impartial areas.

The Compliance Management System integrates specific programs (SCPs) depending on the risks affecting the group namely: (1) Integrity/Anti-corruption; (2) Prevention of Money Laundering; (3) Personal Data Protection; (4) Prevention of Criminal Risks; (5) Internal Control System for Financial Reporting; (6) Competition; (7) Separation of Activities; (8) Environment; (9) Health and Safety.

The Compliance Management System, as well as the respective SCPs, are continuously monitored by the C&IC and periodically subject to internal audits, in accordance with the annual activity plan of the Internal Audit Department or subcontracted to third-parties, and external audits, which may result in the identification of opportunities for improvement, considered for the purpose of improving the Compliance management.

Also, from a continuous improvement perspective, a Compliance Survey is conducted every 2 years for all group employees, from all Business Units and geographies, with the aim of assessing their perception and positioning regarding Compliance matters, including their knowledge about the application of the existing Compliance mechanisms in the group. The last Compliance Survey was conducted in 2022, resulting in the development of an action plan that provided for the reinforcement of awareness and training actions. Also aiming at the improvement of the group's Compliance Management System, an annual self-assessment survey is carried out with all Compliance function employees and an evaluation survey by their main interlocutors.

Integrity, anti-bribery and corruption

This Specific Compliance Program has as its central axis the [Integrity Policy](#), which defines the commitments, general principles of action, and duties of the entities of the group, its employees, contractors, and business partners, regarding the prevention of illicit acts. This Policy complements the set of existing norms and compliance mechanisms at both the corporate level (including the Supplier Code of Conduct, the Code of Conduct for Senior Management and Senior Financial Officers, the Related Party Transactions Policy, and the Social Investment Policy, in addition to the group's own Code of Ethics and the available whistleblowing channels), and in the group companies, particularly the prevention and control models of criminal liability previously implemented by EDP España and EDP Renováveis and the *Compliance* program for the prevention of corruption at EDP Energias do Brasil (which include a significant set of specific Compliance policies and procedures).

The group's Integrity Policy is approved by the Executive Board of Directors, periodically reviewed (last review conducted in 2023), made available to all employees - being a mandatory reading document, with registration of acknowledgement - and is available on the [EDP website](#). This Policy reinforces the zero-tolerance policy regarding corruption or bribery practices, clarifies the prohibition of facilitation payments, and details the principles related to the prevention of conflicts of interest, donations and sponsorships, contributions to political parties, prevention of money laundering and combating the financing of terrorism, as well as guidelines regarding the performance of integrity due diligence of third parties, the relationship with politically exposed persons (PEPs), the acceptance and allocation of offers and invitations to events, and the monitoring of international sanctions. As to whistleblowing, the Integrity Policy reinforces the principle of non-retaliation, listing the different available channels at the internal and external levels, and addresses the process of investigating potential non-compliance situations and identifying and implementing any corrective actions.

The principles and guidelines set out in the Integrity Policy are embodied in specific internal procedures:

- the Third-Party Integrity Due Diligence Procedure, namely suppliers, business partners/counterparties, beneficiaries of sponsorship/ donations, employee applicants and other third parties, evaluating the various integrity risks (if necessary, using specialized external consultants), foresees the analysis of possible existing legal proceedings, adverse news, involvement with PEPs, inclusion in sanctions lists,

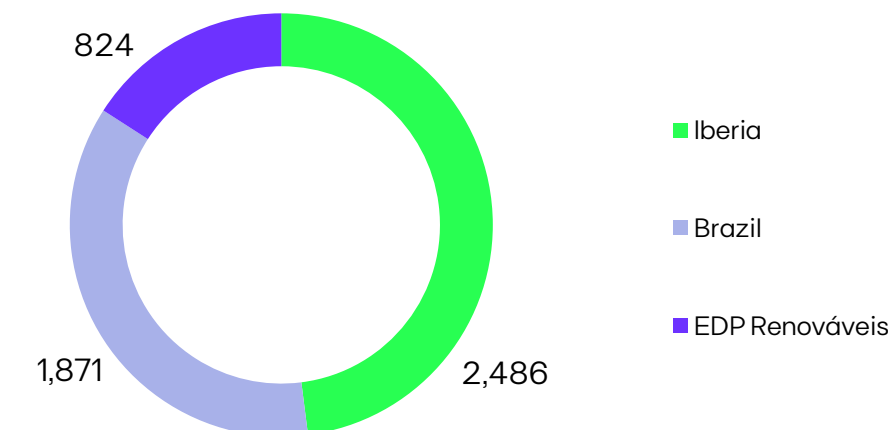
situations of conflict of interest, etc. The analysis carried out results in the assignment of a rating and the issuance of an opinion that includes specific recommendations regarding the approval of the transaction, the adequacy of its contractual conditions, and the monitoring of the contract's execution

- the Procedure for relations with PEPs provides for specific rules of action, foreseeing the need to record and communicate certain types of interaction
- the Procedure for offers and invitations to events defines rules of action and thresholds for its award and acceptance, as well as review and approval mechanisms
- the procedure for the attribution of donations and sponsorships, requires an integrity due diligence of the respective beneficiaries as well as the monitoring of the actual application of the support granted
- the conflict-of-interests management procedure establishes rules that guarantee impartiality and transparency in decision-making and to prevent misconduct or inappropriate behaviour
- the Complaint Management Procedure defines the principles of action and rules to be followed in the management of complaints received and in the investigation process, involving five phases: preliminary analysis, documentary investigation, interviews, investigation, and the release of a final report.

In the operationalization of this SCP in 2023, the following stands out:

- The analysis of 5,181 third parties (2022: 6,317), as part of the Integrity Due Diligence (IDD) procedure.^{3 4}

Integrity due diligence (# of analyzed transactions)



³For calculating this indicator, in 2023, EDP considers the number of third parties analyzed, regardless of the number of times each of them has been subject to analysis.

⁴Portugal and Spain data are presented jointly because the operationalization of respective DDIs is centralized.



- The conclusion of the analysis of 54 cases (2022: 14) related to corruption and bribery – 7 carried over from 2022 and 69 new ones received in 2023 – reported through the different whistleblowing channels made available by the EDP group. Of these, two were considered substantiated, being related to the improper performance of service providers, with whom the contractual relationship was consequently terminated.
- The development of training and awareness-raising actions to ensure the strengthening of the compliance and integrity culture, complemented by specific initiatives developed locally according to identified needs, namely:
 - global training on the Speak Up whistleblowing channels and on the Complaints Management Procedure
 - monthly global publication of the Compliance Golden Rules, raising awareness of the main principles of different compliance areas, including specific topics related with the Integrity procedures
 - communication campaigns to disseminate integrity topics as the celebration of the Compliance Officer Day, the Compliance Day and Anti-Corruption Day.

In this context, a total of 15,300 participations (2022: 25,637) were recorded in the various sessions made available, corresponding to a total of 5,770 training hours (2022: 7,445 hours).

In terms of continuous improvement, the following initiatives stand out throughout 2023:

- development and publication of the Corruption Risks Prevention Plan (covering all EDP companies in Portugal subject to this legal regime) under the terms of the General Framework for the Prevention of Corruption
- review and update of internal regulations on Integrity, considering changes in context and continuous adherence to best practices
- automation of some of the existing control mechanisms
- strengthening the monitoring of the application of the implemented procedures.

The corruption risk assessment carried out by the group covers all its operations, being the EDP Integrity Specific Compliance Program certified in accordance with the requirements of ISO 37001 Standard – Anti-Corruption Management Systems, at EDP Energias de Portugal S.A., EDP España, EDP Renováveis and EDP Energias do Brasil.

Prevention of money laundering

The structuring of the Specific Compliance Program for the Prevention of Money Laundering and Combating Terrorism Financing is based on the specific internal regulations implemented by each of the obliged entities as well as on a transversal procedure regarding the reporting of suspicious transactions. Additionally, and in accordance with legal requirements, the obliged entities have designated a Responsible for Normative Compliance, whose activity is articulated with the governance model defined within the scope of this program and provide a specific channel for the reporting of complaints in this area.

In this context, in 2023, no complaints were received nor were any suspicious operations identified at the group level.

Throughout the year, compliance with the applicable legal requirements was ensured, with emphasis on compliance with counterparty identification and diligence duties regarding counterparties with whom EDP obliged entities establish business relationships and/or occasional transactions.

Personal data protection

The strict respect for privacy and protection of all its stakeholders is assumed by EDP as a commitment to be followed in its activity, throughout the value chain. In this context, the Specific Personal Data Protection Program is one of the main global programs of EDP's Compliance Management System.

This commitment is reflected in the [group's Data Protection Policy](#), approved by the EDP's Executive Board of Directors, according to which such commitment is ensured by observing the following principles which guarantees compliance based on observance of the following principles: (1) Lawfulness and purpose; (2) Transparency and Loyalty; (3) Proportionality; (4) Monitoring; (5) Privacy from the very start; (6) Responsibility and (7) Safety.

These principles are embodied in the different global data protection norms and procedures that address in particular:

- the **privacy by design** processes
- the **risk assessments** of processing activities and **data protection impact assessments**

- the management of **processors**
- the process of responding to the **exercise of data protection rights**
- the management of **personal data breaches**.

These global procedures are complemented by specific procedures and controls defined at the level of each Business Unit for the entire life cycle of processing activities, according to their respective exposure to personal data protection risks.

In their relationship with customers and other data subjects, the group companies provide information on the data processing carried out, either by themselves or by their processors, namely through the Privacy Policies available on their respective sites or informative disclaimers provided in contractual clauses or data collection forms. In these documents, the EDP group entities identify, among other aspects, the purposes for which they process the data, the respective grounds for lawfulness, retention periods, if applicable, whether the data is shared with other parties, as well as provide the contacts of the entity responsible for data processing and the contacts of the respective Data Protection Officer (DPO), through which data subjects can exercise their rights regarding personal data protection, request information or clarifications about their data and submit complaints.

The management of this Specific Compliance Program is based on a specific governance model, based on the Compliance Management System, which establishes the responsibilities and the paradigm of relationship between the different stakeholders, with the coordination of the Compliance & Internal Control Global Unit, specific teams responsible for promoting the dissemination, knowledge, training, and implementation of the Compliance program in their respective areas of activity, and with the Internal Audit Global Unit, in the third line of defence, conducting specific audit work to verify the adequacy and effectiveness of the control mechanisms implemented. Whenever legally required, this Governance Model also includes a DPO.

Regarding incidents with personal data, in 2023, the EDP group entities:

- received a total of 614 Customer complaints (2022: 324); and
- notified the respective control authorities of two breaches of Customers' personal data in Portugal (2022: 3) and one in Spain (2022: 2) Of these, were also communicated to data subjects, two data subjects in Portugal (2022: 1) and zero in Spain (2022: 0).

	RECEIVED DIRECTLY FROM THE CLIENT			REFERRED BY THE CONTROL AUTHORITY
	EDP COMMERCIAL CHANNELS	DPO	OTHER CHANNELS	DPO
Portugal	537	32	40	4
Spain	0	0	0	1
Brazil	0	0	0	0

Under the Personal Data Protection Compliance Program, a total of 9,183 participations were registered in the sessions provided in 2023, corresponding to a total of 3,965 training hours (2022: 11,619 employees/4,374 hours). In this context, the launch of the "The World of Data Protection" global learning stands out, with the objective of refreshing basic concepts, principles, and obligations regarding personal data protection.

With regard to ongoing improvement initiatives developed in 2023, the following stand out:

- the approval and dissemination of the revised and updated internal regulations. This revision aimed mainly at their updating, better systematization, clarification, and streamlining of procedures
- the face-to-face training sessions with key interlocutors on the new procedures implemented in the revision of the regulations, also aiming at reinforcing topics whose maturity was intended to be strengthened
- the continuous improvement of the Personal Data Protection Program Management Tool, highlighting the revision of the templates of some assessments with the aim of simplifying it and deepening its filling instructions.

Prevention of criminal risks

The Prevention of Criminal Risks Program was implemented, in a first phase, in the companies based in Spain (including a specific program at EDP Renováveis), following different reforms of criminal legislation in this country, which introduced and deepened the concept of criminal liability of legal persons with respect to certain offenses, also defining the requirements to be considered in the implementation of compliance models.

The Compliance programs implemented in this context at EDP, meanwhile extended to other geographies with similar legal frameworks, provide the organization with a



management system that includes supervision and control measures to prevent the occurrence of crimes or mitigate the risk of their occurrence, mainly related to prevention corruption, bribery and other similar offenses (benefiting of synergies with other global Compliance programs such as the Integrity Compliance Program).

EDP España and EDP Renováveis Compliance Programs regarding the Prevention of Criminal Risks are certified according to the UNE 19601:2017 Standard – Criminal Compliance Management Systems, certifications awarded by independent entities.

Fair competition practices

EDP promotes strict compliance with Competition rules, based on the commitments assumed in its Code of Ethics, its Integrity Policy, its Commitment to Healthy Competition and its Competition-related Specific Compliance Programme.

Approved at the end of 2019, and transversal to all EDP group companies operating in Portugal, the Specific Compliance Programme for Competition Legal Obligations (SCP) aims to ensure strict compliance with national and EU competition legislation. For this purpose, it includes a set of specific tools, namely:

- **Competition Manual**, which explains the basic concepts of Competition, the applicable rules, the impact of non-compliance, as well as the rules of conduct that all EDP group employees are obliged to comply with and enforce
- **Norm and Governance Model**, which establish the relationship model, duties, and responsibilities of the various participants who act within the scope of the SCP
- **controls to mitigate competition risks**, with periodic monitoring of compliance by the heads of the different business units, with the support of SCP Promoter
- **competition checklist and standard clause**, to support the conclusion of contracts and/or agreements with suppliers, contractors, partners, and other entities
- **internal policies, standards**, and procedures specific to the activities of EDP group companies, outlining the fundamental principles to be ensured in terms of Competition
- **specific training** courses on Competition issues for EDP group employees, in particular the “100% Compliant – the Competition Game” e-learning course, which is part of EDP’s new employee onboarding programme, and the “Competition Quiz” e-learning course, both available to all employees in Portugal and with very high access and completion rates since their launch, and more recently a specific Competition module was included in a mandatory training for external service providers; and

- **other resources to raise awareness and publicize Competition issues**, such as the Competition email to clarify doubts and support employees in implementing SCP, and communications aimed at employees who represent EDP in business associations, outlining the main rules of conduct.

Every six months, since its implementation in 2020, the SCP is scrutinized, together with the different business units and other stakeholders, and evidence of their actions in accordance with the Competition rules is presented and validated. Improvements to the SCP are also identified and proposed, with a view to continuous improvement, which has made it possible to strengthen the EDP group’s compliance culture in the field of Competition. The year of 2023 was no exception and was marked by:

- alteration and creation of new controls for the GEM Platform (the group's energy management platform), and inclusion of SU Eletricidade (electricity supplier of last resort) in the SCP, with the creation of specific controls for monitoring
- on-site training on Competition Compliance, for a wide range of EDP Comercial (the group’s company that supplies in the liberalized market) employees, with a practical focus, adjusted to EDP Comercial's day-to-day business; and
- approval by the EBD of the manual of procedures to be adopted in the event of on-site inspections, namely by Competition Authorities (OS 13/2023/CAE of 25 July), and subsequent training actions carried out by the Competition & Energy Policy and Legal & Governance departments.

At present, two legal proceedings of a competition law nature are ongoing:

- in the first case, EDP, S.A. and EDP Comercial were charged by the Portuguese Competition Authority (AdC) with entering an alleged non-compete agreement with Sonae MC – Modelo Continente. This decision was appealed before the Portuguese Competition, Regulation and Supervision Court (TCRS), which reduced the fines by 10%, to EUR 2.6 million and EUR 23.2 million, respectively. This TCRS decision was appealed before the Lisbon Court of Appeal (TRL) which, in April 2021, had ordered that the case be adjourned and referred to the Court of Justice of the European Union (CJEU) for a preliminary ruling. The CJEU handed down its judgement in October 2023. This court’s position is not binding and refers some points specifically to the TRL, which will now have to assess and hand down its judgement on the appeal against the TCRS judgement of September 2020. The decision is pending.
- in the second case, EDP Produção was accused by the AdC of allegedly abusing its dominant position in the secondary regulation band market, with a fine of 48 million euros being imposed, and EDP Produção appealed against the AdC's decision to the

TCRS. This court upheld the conviction of EDP Produção, which appealed this sentence to the TRL. In a judgement handed down in September 2023, the TRL partially rejected the appeal filed by EDP Produção, confirming the TCRS judgement, although it upheld the appeal regarding the reduction in the amount of the fine imposed on EDP Produção, reducing it to 40 million euros. Faced with this decision, in October 2023 EDP Produção filed an application with the TRL arguing that the judgement had been flawed in a number of ways and filed a request to appeal to the Constitutional Court, raising the unconstitutionality argued throughout the process. In December 2023, the TRL rejected the invalidations invoked by EDP Produção, and EDP Produção submitted a request for clarification of part of the judgement. A decision is pending on this request for clarification, as well as a decision by the Constitutional Court on the admissibility of the appeal and notification to submit written arguments. Nonetheless, in the context of this case, EDP Produção has already been legally obliged to pay the fine to which it was condemned by AdC even before the judgement and final decision of the TCRS. Following this case, the lus Omnibus Association filed a popular action, anchored in the AdC's decision, claiming the payment of compensation to all consumers in Portugal who were allegedly harmed. This case is suspended until a final decision is taken in the administrative offence case brought by AdC.

- EDP is fully convinced that, in both cases, no offence was committed.
- it should be noted that a similar approach to preventing and mitigating practices that restrict competition is being implemented for the remaining countries, without prejudice to the codes and manuals already in place.

Internal Control System for Financial Reporting (ICFR)

EDP, within the scope of its financial reporting obligations, has an Internal Control System for Financial Reporting (ICFR), consisting of a model for the evaluation and mitigation of financial reporting risks, through the monitoring of the execution of control activities and the identification of potential improvement actions and their implementation.

The EDP group's ICFR was developed and implemented based on the criteria established by the internal control regulatory framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO 2013") in relation to business processes and overall controls, and by the Control Objectives for Information and related Technologies ("COBIT") in relation to general information technology controls. In 2023, the ICFR mapped and monitored a total of 3510 controls that contribute to mitigating the risks in Financial Reporting, including those of fraud and information systems.

Annually, the ICFR is audited by an external independent entity, and since 2010 it has been considered, in all materially relevant aspects, an appropriate and effective internal control system and is certified by the external auditor without conditions and comments.

3.4.12.3. Responsible political involvement

Representation of interest

EDP group institutional engagement and external affairs are managed in accordance with legal requirements and in line with the principles of action established in the [Code of Ethics](#), [Integrity Policy](#) and other internal provisions of the company governing its relations with stakeholders, in particular those of integrity, transparency and responsible political involvement. 2023 was the year for the implementation of the new Policy of Representation of Interest, implementing its Principles for responsible political involvement: it prohibits any contribution or association of the EDP brand to political parties, candidates, political campaigns/candidacies or to related people or entities. This covers the direct or indirect delivery of goods or provision of services on behalf of, or representing, EDP. It also includes the prohibition on using EDP resources for actions related to political processes.

None of the group's companies have made monetary contributions or contributions in kind to political parties, although permitted in some of the legal regimes in countries where the EDP group operates.

Nevertheless, EDP participates in public decision-making processes, and engages in activities with various national, European and international institutions, with a view to conveying to public bodies their legitimate interests and/or those of the sector, which it considers worthy of consideration within the scope of legislative processes.

These activities include:

1. Awareness of specialized people and institutions

EDP Renewables undertakes awareness activities for specialized individuals and institutions according to local legislation.

In addition, in accordance with US law, and at the request of US employees, EDP Renewables North America (EDPR NA) provides duly regulated mechanisms for the participation of employees in political processes and has established a policy action committee (PAC) called "EDPR NA PAC". The EDPR NA PAC is funded entirely by



voluntary personal monetary contributions made by members of the PAC, who are employees, according to US law. Decisions on which political campaigns to support are made with the approval of the PAC's Board of Directors, whose members are elected PAC members, also in accordance with US law.

The activities representing the interests of EDPR mainly involve the following awareness-raising initiatives, presented below which exclude the amounts under EDPR NA PAC.

• **Contributions to America Energy Action activities**

EDP Renewables North America contributes to the activities of America Energy Action, a social welfare organization established under Section 501(c) (4) of the US Federal Internal Revenue Code. This type of organization can legally participate in political activities by defending or opposing candidates for public office. However, these kinds of activities must be absolutely independent of specific candidates or campaigns: they can be undertaken for ideas, concepts or public interests.

• **Contributions to Non-Governmental Organizations (NGOs)**

EDP Renewables North America works with a number of organizations with social or environmental objectives, pursuing goals aligned with support for decarbonization and the transition to a low carbon economy. This type of organization can support a candidate with its own funds, but its communications cannot be coordinated by a political party, campaign, or candidate.

• **Procurement of lobbying services**

EDP Renewables North America has lobbying consultants operating with the US Government and in some US states. These political consultants are prohibited from making contributions to candidates or political parties and campaigns on behalf of EDPR NA, to ensure that their activities never violate the prohibition on making political contributions, established with the EDP group.

2. Participation in the main European or international Sectoral or Industrial Associations

During 2023 EDP sought to raise awareness among the various stakeholders in the context of the European institutions (European Council, European Parliament and European Commission) on a number of issues central to sustainability in the field of energy, either proactively or as part of public consultations, leveraging on the advocacy activities of associations. The long-endured Energy Crisis aroused by the eastern war inflicted by

Russia led to an acceleration in the EU commitments to the sustainable transition and the phase-out from fossil-fuels, a final definition of a number of legislative files within the fit for 55 Package as well as of the Electricity Market Design , reinforcing EDP group' s participation within the main European sectoral associations, in particular Eurelectric, WindEurope, Solar Power Europe, EASE, ChargeUp Europe, European Distribution System Operators (E.DSO) or the European Federation of Energy Traders (EFET).

At the same time, to promote the development of the energy sector, its sustainability and efficiency, EDP strengthened alliances with similar parties to establish macro platforms for joint public positions that reflect the vision of the sector as a whole vis-à-vis the major decarbonization commitments undertaken internationally.

In this context, we're highlighting the renewable hydrogen implementation efforts:

- Letter to the European Council and Parliament on the Delegated Act for RFNBOs
- Letter on the urgent Adoption of the Renewable Hydrogen Directive
- Letter to EU Finance Ministers in order to call for an EU approach to the financing of renewable hydrogen and of course the multiple contacts with decision-makers in different institutions seeking to contribute to opinion-forming and communicating the company's views on such wide-ranging and decisive issues as the Market Design, Permitting, European Funds, and Biodiversity.

Membership and activity undertaken in global associations such as:

- the World Economic Forum, where its first year as partner was deeply engaged on the world paths to netZero, also engaging in cyber security; grids and storage; the World Business Council for Sustainable Development group (WBCSD)
- or at European level such as Eurelectric
- or yet at national level, in the different geographical areas, such as the Portuguese Association of Electricity Sector Companies (Elecpor), the Spanish Association of Electric Energy Companies (Aelec), The Brazilian Association for the electrical grid (Abradee) , The North American Solar Energy Industry Association, The American Energy Action, and others, clearly identify the shared and constructive path that the EDP group continues to build, advocating sound climate action, world sustainability and security, all aligned with [EDP's Human and Labour Rights Policy](#).

Advocacy to combat climate change:

The persistent advocacy in all representations of the Climate positioning, following the Paris Agreement as stated throughout EDP’s policies and public commitments, is mapped in the group’s Strategy, mirroring the transparent, scrutinized, and constructive positioning of the EDP group's growth.

In 2023 EDP publicly updated its [UN Energy Compact](#) “All green Energy by 2030” restating its commitments to 100% renewable energy by 2030 and coal free by 2025, while promoting access to energy and decarbonizing its value chain with the commitment to be Net Zero by 2040.

EDP joined the WEF based CEO Climate Leaders Alliance a CEOs led initiative across sectors scaling ambition on climate action to encourage policy makers to support bold climate action by setting ambitious targets, taking collective action, reducing own emissions, and inspiring others to do the same. Ahead of UNFCCC COP28 in Dubai EDP signed COP28 Open letter where members of the CEO Climate Leaders Alliance call for policy changes that can drive outsized impact and subscribed the policy letter and campaign calling for fossil fuel phase out “Fossil to Clean” mobilized by the We Mean Business Coalition (WMBC) and supporting partners aiming to send a clear message that businesses are taking action to accelerate the deployment of clean technologies and reduce emissions – and that business can go even further with bold political leadership at COP28 and beyond. It was also towards COP28 that EDP supported the Global Renewables Alliance positioning, that deeply impacted COP’ s themes pushing Renewables on the Energy transition.

The preparation of Davos Annual Meeting in themes like Cybersecurity or Solving for net zero through industrial Clusters, or yet the Hydrogen Acceleration, built up to behaviour and positioning commitments among energy utilities in all of these fronts, fulfilling the corporate strategy on leading the energy transition, by creating superior value on a path aligned with the ambition of the Paris Agreement.

The 2023 commitment towards a NetZero planet can be identified at the 70% of the TOP10 Interest Representation being relevant and involved work on Climate position Organizations, through an investment of 2.140 k€.

From our selected TOP10 representations of interest, 94% of the work was taken through Business or Sectoral Associations, and none through lobbying.

3. The direct or indirect Involvement of employees appointed/designated for this purpose

At European level, the transparency of lobbying activities carried out by appointed lobbyists is ensured through the publication of their activities in the [European Union Transparency Register](#), a public register in which organizations representing specific interests in the European Union register and provide up-to-date information on these interests. Internally, EDP group has developed a [Stakeholder Relationship Policy](#), with the definition of principles and guidelines for interaction with strategic groups, in particular Employees and Politically Exposed Persons and, based on four guiding commitments: Understand, Communicate, Trust and Collaborate. There is also an internal compliance platform for registration with PEP; another to record actions and contacts established (TRUST) and a shared map of EDP's external representations in society, the “Impact Map”, that centralizes all external representation at EDP, defining which is Representation of Interest and of what kind. This tool was formalized and made a managing procedure by [the Interest Representation Policy](#) mentioned above (June 2023).

Value of the activities of representation of interests

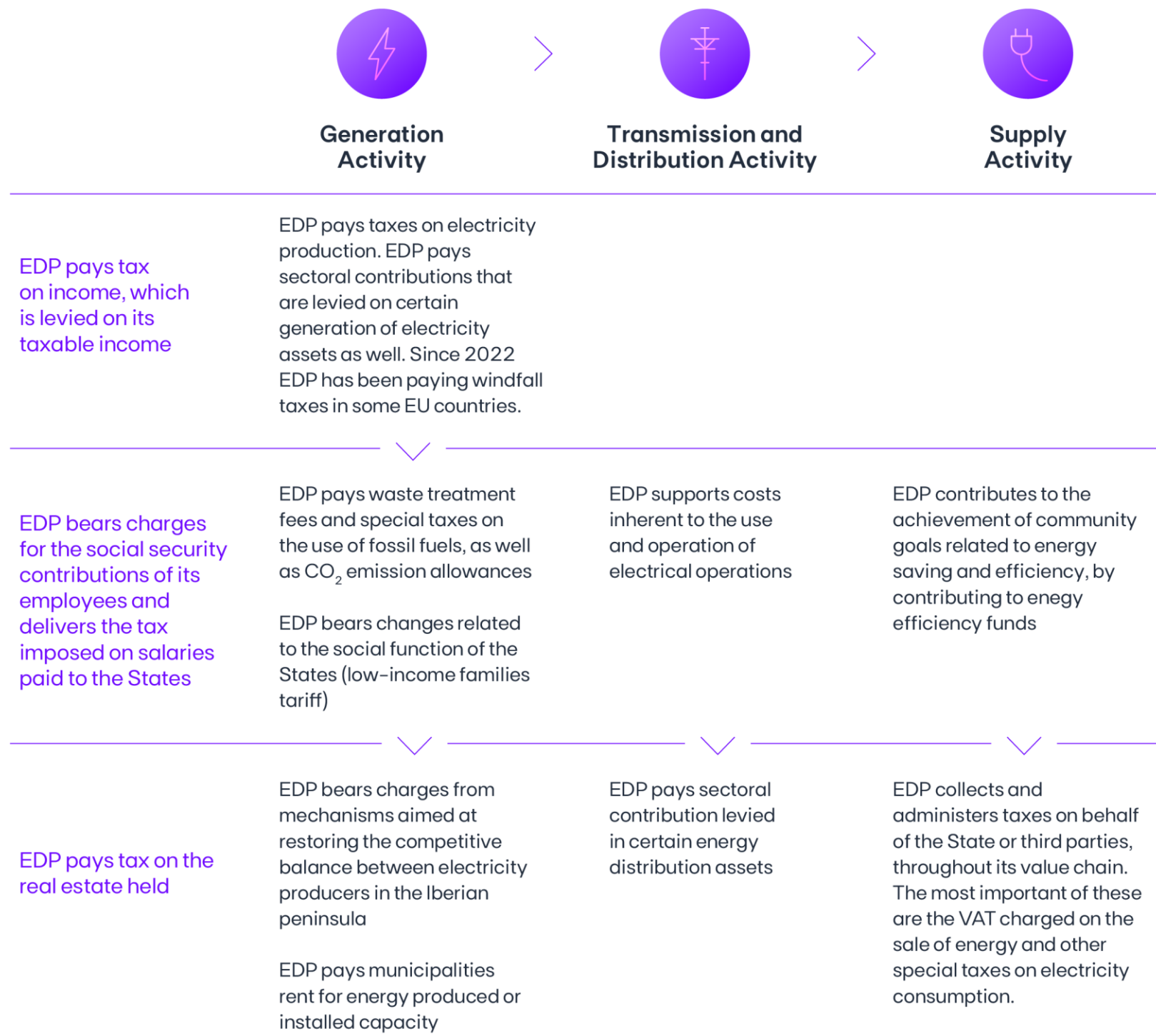
For the year 2023, the costs of representation of interests were under 6.8 million euros and were deeply related to the decarbonization of the economy, electric mobility, energy efficiency and security of supply. Reinforcing the facing of a long-endured energy crisis was a strategic focus, bringing Renewable Energies as key to guarantee Independence. The focus of advocacy work with the main national energy sector associations (UNESA, Eurelectric, American Wind Energy Association and TDA), above all, dwelt with the European Green Deal and market design, the National Climate and Energy Plans of the member states and biodiversity as a whole.

For details of lobbying activities undertaken in 2023, at global and climate action level, go to www.edp.com.

3.4.12.4. Tax transparency

The fiscal footprint of EDP Group

EDP Group is a utility present in 4 regional hubs, whose value chain includes the activities of generation, transmission and distribution and supply of energy. These activities trigger various types of taxes, levies and financial contributions which, when considered as a whole, determine the level of taxation to which the EDP Group is subject.

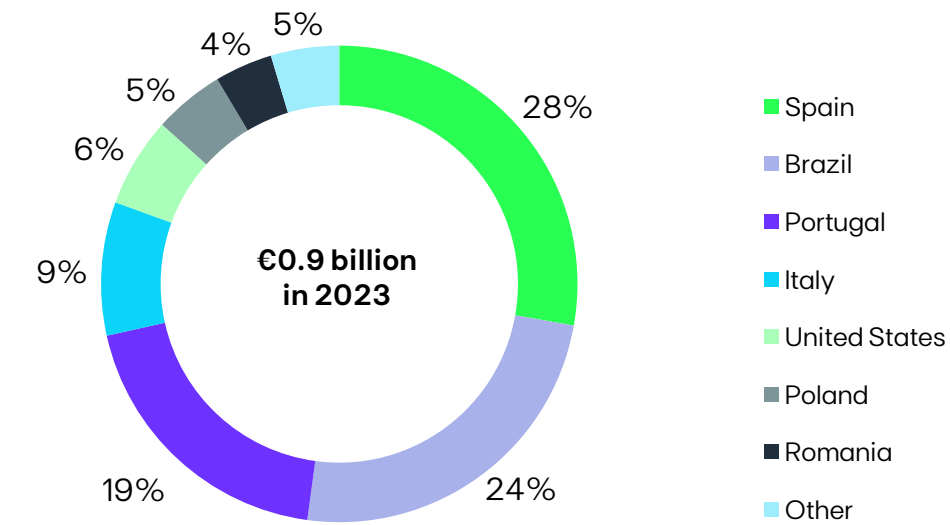


Of all the phases in the EDP value chain, its energy production activity is the one that contributes most significantly to the payment of taxes and other contributions.

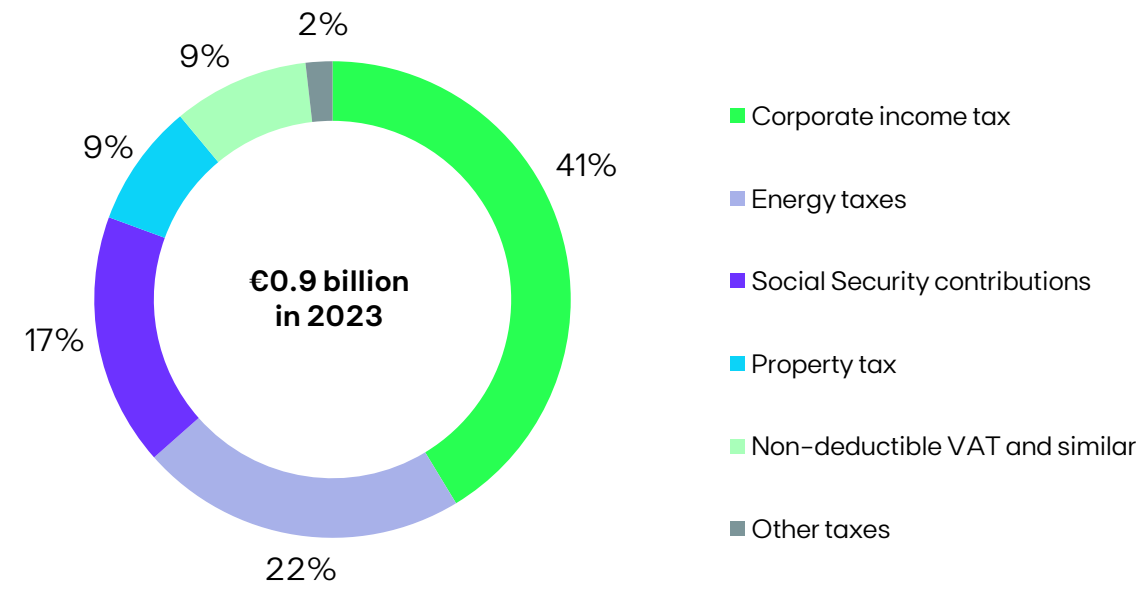
Global contribution of the EDP group

In 2023, EDP Group's global tax contribution to the public revenues of the countries where it is present amounted to approximately 2.9 billion euros, of which 0.9 billion euros correspond to own taxes and contributions borne (paid) by the EDP Group and circa 2 billion euros of taxes collected (contributions to the States on behalf of other economic agents), as shown in the following charts.

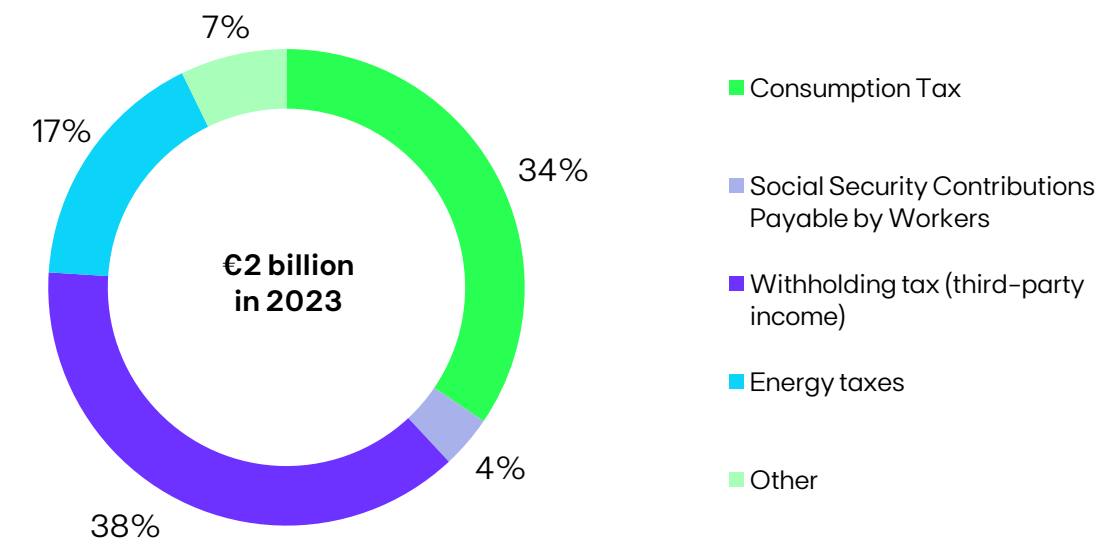
Taxes borne (paid) by EDP Group, by geographical area



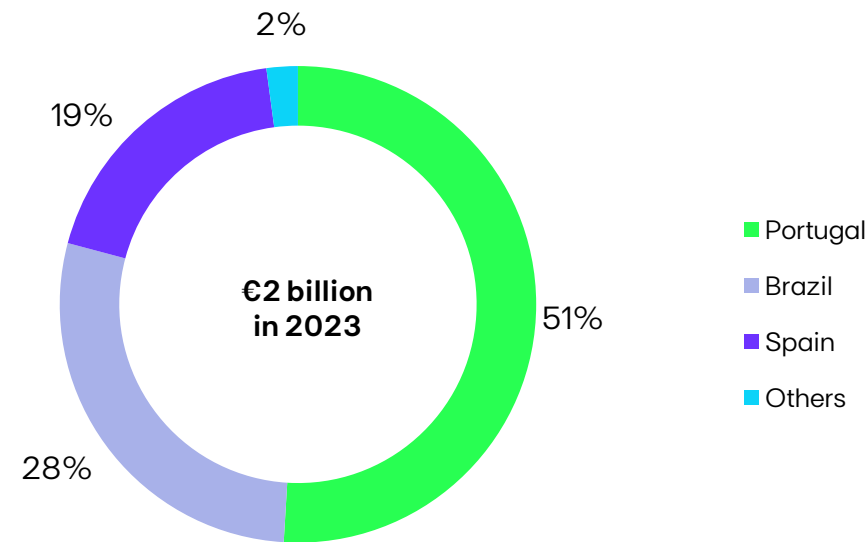
Taxes borne (paid) by EDP Group, by type of contribution



Taxes collected by EDP Group and delivered to the States (burden of other agents), by type of contribution



Taxes collected by EDP Group and delivered to the States (burden of other agents), by geographical area



Regarding the taxes borne by EDP Group, Spain is the country with the highest tax contribution, accounting for 28% of total taxes borne by EDP Group.

On the other hand, considering the taxes incurred by EDP Group, the most relevant amount (41%) concerns to corporate income tax, followed by specific taxation on the energy sector (including the windfall tax paid in Spain, Romania, Italy and Poland) (22%), and, finally, social security contributions borne by companies (17%).

Regarding corporate income tax rates, the nominal tax rates in the main countries in which EDP Group operates range between 16% in Romania and 31.5% in Portugal, adding municipal and state surtaxes to the nominal rate in the case of companies located in Portugal.

In Portugal, the taxes borne (paid) in 2023 amounted to 180 million euros, emphasizing the weight of corporate income taxes amounting to 74 million euros, as well as social security contributions borne by the companies amounting to 78 million euros.

In Spain, the taxes borne (paid) in 2023 amounted to 258 million euros, where the specific taxation on the energy sector should have the highest weight amounting to 116 million euros, followed by corporate income taxes that amounted to 88 million euros.



Taxes collected by EDP Group and delivered to the States where it carries out its activity (burden of other agents) amounted to 2 billion euros in 2023, mostly related to the collection of consumption taxes (e.g., VAT) and withholding taxes on income.

Country by country tax contribution

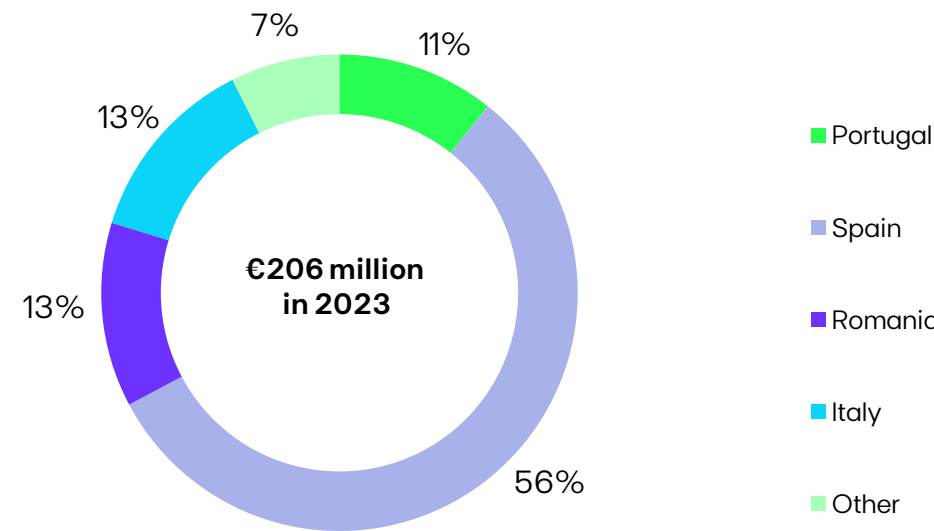
THOUSAND EUROS		
Corporate income tax paid (cash basis)	2023	2022
Belgium	445	0
Brazil	112,239	55,056
China	8	40
Colombia	3,323	3,802
Germany	34	1
Spain	88,246	16,872
France	61	-447
Greece	11	9
Hungary	63	0
Italy	54,942	16,527
Japan	8	10
Luxembourg	21	0
Mexico	14,060	7,230
Malaysia	0	3
Netherlands	843	0
Poland	31,166	24,892
Portugal	74,084	91,959
Romania	9,180	387
Taiwan	3	16
United Kingdom	0	1
United States	-4,851	1,058
Vietnam	0	132
Total	383,886	217,549



THOUSAND EUROS TAXES BORNE (PAID) BY THE EDP GROUP							
2023	CORPORATE INCOME TAX	ENERGY TAXES	SOCIAL SECURITY CONTRIBUTIONS	PROPERTY TAX	NON-DEDUCTIBLE VAT AND SIMILAR	OTHER TAXES	
Belgium	445	0	238	0	0	0	0
Brazil	112,239	8,233	27,086	2,037	71,486	5,084	
Canada	0	0	32	177	0	0	
Chile	0	0	51	0	201	0	
China	8	0	212	0	0	91	
Colombia	3,323	0	787	0	9,271	2,475	
Germany	34	0	604	3	5	0	
Spain	88,246	116,321	35,626	11,513	0	6,583	
France	61	838	2,654	94	0	416	
Greece	11	0	508	0	94	1,176	
Hungary	63	0	137	0	53	10	
Indonesia	0	0	6	0	18	0	
Italy	54,942	26,438	2,314	379	0	5	
Japan	8	0	66	0	0	1	
South Korea	0	0	0	0	16	0	
Luxembourg	21	0	29	0	0	-1	
Macao	0	0	0	0	0	0	
Mexico	14,060	0	132	0	0	296	
Netherlands	843	0	75	0	214	0	
Poland	31,166	6,178	1,113	5,900	0	81	
Portugal	74,084	22,031	78,253	1,332	3,758	487	
Romania	9,180	25,787	50	1,439	0	3	
Singapore	0	0	2,115	0	613	122	
Taiwan	3	0	44	0	0	0	
United Kingdom	0	0	204	109	0	0	
United States	-4,851	0	6,857	54,615	0	0	
TOTAL	383,886	205,826	159,194	77,601	85,728	16,829	

Specific taxation on the energy sector in 2023

The specific taxation on the energy sector carries significant weight within the EDP Group. In 2023, the EDP Group incurred taxes of this nature amounting to 206 million euros, as shown in the following graph.



Indeed, in the year 2023, several European countries maintained or enforced the so-called "windfall taxes", which originated from Council Regulation (EU) 2022/1854 of October 6, 2022, establishing emergency intervention measures at the European Union level to address high energy prices. These measures included, among others, the introduction of price cap mechanisms for market revenues obtained by electricity producers from, essentially, renewable energy, and a temporary solidarity contribution applicable exclusively to companies active in the crude oil, natural gas, coal and refining sectors.

Although the rules contained in this Regulation are aimed to create standardized measures in the European Union in response to the energy prices rise, certain countries where the EDP group is present have introduced unilateral measures, giving rise to the payment of windfall taxes in Spain, Romania, Italy, and Poland.

While EDP fully acknowledges that the existing emergency situation required for extraordinary measures, the Company also considers that (i) the principle of not taxing unrealized extra-profits should always prevail and (ii) the compatibility with existing, legitimately implemented, risk management strategies, needs to be ensured. These requirements are necessary to avoid harming producers that do not actually benefit from the current high electricity prices, due to having hedged, individually or at Group level, their revenues, against fluctuations in the wholesale electricity market. These financial hedges

follow the Company's established low risk strategy to secure long term revenues and to remove electricity prices volatility on the company's earnings. For these reasons, EDP will pursue all legal actions at its disposal in order to challenge the legality of these measures.

The introduction of this tax in Spain resulted in the payment of 48 million euros by the EDP Group in 2023, making this country bear the highest level of energy taxation, representing about 57% of the total amount paid by the entire EDP Group.

At the same time, there was a very significant decrease in the value of energy taxes paid in Portugal and Romania.

In the case of Portugal, the reduction in terms of taxes paid was mainly due to (i) the suspension of the mechanism to restore competitive balance between electricity producers operating on Portuguese territory and electricity producers operating in Spain (known as clawback), (ii) the postponement of the collection of the amount corresponding to the social tariff for 2023 (which will be collected at the beginning of 2024, as stated in ERSE Directive 1-2024 of January 9, 2024), and (iii) the decision not to pay the CESE, whose constitutionality is being legally challenged by the EDP Group.

In the case of Romania, the amount of tax paid decreased by approximately 69 million euros, as from March 2023, because the requirements for the application of the windfall tax in that country were no longer met.

3.4.13. Innovation and digital transformation

3.4.13.1. Transforming our business

DGU's mission for business transformation

EDP's **Digital Global Unit** (DGU) has the mission to shape a global technological strategy and vision for the organization, transforming how the business delivers value by seamlessly integrating digital technology.

DGU plays a key role in managing the complexities of energy systems, focusing on three priorities to accelerate digital and technology adoption: (1) consolidate business proximity for a global digital operation; (2) enhanced data and digital ambition, ensuring a group-wide digital strategy, and increasing digital maturity; and (3) ensure a high-quality and secure digital ecosystem.

In 2023, DGU concentrated on strengthening data fundamentals and adopting emerging technologies, contributing to EDP's digital ambition by democratizing AI adoption and advancing data analytics. These efforts set a strong foundation for furthering EDP's digital goals, promoting disruption, maximizing value, accelerating Data & AI adoption, and expanding digital practices across the organization.

Digital strategy as driver to energy transition

The **digital strategy** is paramount in partnering with the business to tackle key challenges and generate value. Digital transformation is an enabler and accelerator for EDP to lead the energy transition across all its operations.

Building on the ambitious goals outlined in the 2021-25 strategic plan, EDP has set even more ambitious **digital KPI's** for the 2023-26 period. This decision is driven by positive forecasts and the significance of measuring the Digital contribution.

As of 2023, certain Digital KPI's are heading well towards the targets set for 2026, as per:

KPI 2023	Target 2026
74% Energy Assets with Advanced Analytics	85%
82% Businesses with Artificial Intelligence	100%
82% Digitalized Processes	95%
810 Zero trust security	≥740

DGU and digital transformation

To accelerate digital transformation EDP has committed to invest a total of ~€2 billion Digital TOTEX in 2023-26 to meet the targets for the period:

- 85% energy assets with advanced analytics
- 100% businesses with artificial intelligence
- 95% processes digitalized.

EDP's digital transformation extends across all businesses and geographies, to digitize processes, tools, and the ecosystem for enhanced agility and efficiency. This inclusive journey involves active participation not only from EDP's people but also from partners and suppliers, all contributing significantly to the desired digital acceleration at EDP.

EDP's digital transformation journey is powered by four strategic priorities:

- a Global DGU, closer to business
- focus on a people-centric organization
- push on digital-first culture
- excel in delivery and cyber.

During the year, ~200 digital and technology projects were managed with cross-business and geographies impact.



Global DGU, closer to business

DGU continued its journey to become a truly global team, with global functions, hubs, and teams to deliver value and increase proximity across the value chain.

In 2023, several strategic projects were implemented to improve communication between digital and business teams, pursuing high business-value solutions with increased synergies and simplification:

- **DGU Now:** Initiated a program to reshape DGU's organizational model. This involves redefining DGU's operating model, governance mechanisms, operational models for hubs, and people strategy. The goal being to enhance alignment across Global functions, platforms, and hubs, strategically positioning digital at the core of EDP's overall strategy
- **Digital Roadmap:** A Digital Roadmap from 23 to 26' was created seeking to have an aligned digital vision, focused on higher business value and engaging the organization toward the digital transformation
- **Agile Squads:** allocation of dedicated global resources to work close to business units, ensuring continuous alignment with the business throughout the development of new solutions, driving delivery speed and quality
- **Reference Architectures:** defined a set of reference architectures to allow the business to have higher flexibility and faster development in adding new products/services and introducing innovations, with reduced costs and lower architecture disruption. In 2023, the focus was on Client Solutions, Data & AI Strategy and Governance, Generative AI, Integration, Master Data Management and Monitorization reference architectures.

Focus on a people-centric organization

EDP's vision is to create a global human-centred organization and acquire and train talent with new and upgraded skills for critical roles.

To enable the organization's readiness to adopt a more digital mindset, EDP has taken action to place people at the heart of the transformation, by investing in the development of digital skills of its people at all professional levels:

- **GenAI workshops:** held of a series of workshop sessions to push GenAI democratization across the group, reaching EDP's Top Management (+50 participants) and the Digital Global Community (+800 participants)
- **Training & Certifications:** achieved a maximum number of certifications in a year at EDP, with a total of +500 certifications, most being delivered in critical technologies for the future (e.g., Cloud and Data)
- **Leadership Training:** DGU launched a training program for leaders to cascade down through their teams at all levels, to introduce the DGU new operating model and ways of working, aligned with the group's Global People Development Strategy.

Push on digital-first culture

EDP invested in creating a digital organizational culture and mindset, both by (1) promoting digital awareness and maturity across the company's leadership, with immersive training programs including top management involvement, and (2) developing and improving the key data & AI foundations to accelerate digital impact, with the implementation of new data lakes/hubs and new analytics solutions.

In 2023, the main highlights were:

- **Digital2Leaders:** boosted digital culture across top management, by pushing digital awareness and establishing a common lexicon
- **Digital Global Community:** virtual community that promotes collaboration and knowledge on digital technologies and methodologies (e.g.: Agile, Blockchain, Cybersecurity, Data & AI, High Tech...), currently with almost ~2,000 members
- **IoT Platform:** significant push of IoT Use Cases implementation and cross-pollination, with three global references in production
- **Data & AI Governance:** defined a global strategy to guardrail AI ramp-up at EDP and implement data governance across geographies and platforms
- **GenAI Program:** defined the golden rules for deployment of Generative AI solutions and created a pipeline of priority use cases to implement in 2023-24, with +five initiatives undergoing implementation

- **Open Data Portal:** implemented a portal that allows main stakeholders (e.g., universities, municipalities, energy producers and developers) to have regular and organized access to data, to deliver value to society and foster innovation.

Excel in delivery and cyber

In 2023, EDP has made significant progress in ensuring that its landscape is future-proof, through the implementation of (1) a multi-cloud strategy, with the gradual migration of apps to cloud, (2) parallel initiatives to optimize cloud storage, and (3) a secure ecosystem, with a robust response system to block or resolve any cyber threats.

Main highlights in 2023 include:

- **Strategic Tech Partnerships:** consolidated partnerships with a pool of tier-1 global strategic tech partners to build cutting-edge solutions, to power tech evolution and modernization of the application landscape
- **Simplifica Program:** implemented S/4HANA in Brazil, following a greenfield implementation strategy which covered ~80 companies of the group and impacted 100% of the business processes and interfaces with business systems
- **All Cloud Program:** continued the journey to achieve a future-proof multi-cloud architecture and generate flexibility, scalability and application management autonomy. By the end of 2023 EDP had migrated +80% of all apps to the cloud
- **All Cyber – Defend EDP as one:** building a cybersecure organization ensuring a global and robust threat monitoring and response processes. The program has acted on three domains: (1) definition of cybersecurity organizational model (i.e., roles, processes, governance), (2) creation of a framework to ensure documentation and information security, and (3) establishment of global cybersecurity metrics and KPIs.

3.4.13.2. Development of innovative technologies

Overview

Innovation has long been a traditional investment priority for EDP, with EDP Inovação (EDPI) as the key promoter for innovation within the group. It was established in 2007 with the objective of creating an autonomous entity responsible for internal innovation activities as well as fostering stronger links with the entrepreneurial ecosystem.

EDP's innovation operating model is based on a fast adopter logic with a well-defined purpose of accelerating new businesses with impact and promoting the rapid adoption of innovative solutions to lead the energy transition. It seeks to solve the energy transition problems through the integration of new technologies, processes, and products, as well as innovative business models in EDP's business to enhance competitiveness and create value for stakeholders.

EDPI follows an Open Innovation philosophy that engages and promotes adoption through three innovation paths that act in parallel and complementary to one another, fed by a transversal sourcing process, namely: internal delivery (innovation portfolio developed internally), external partnerships through the open innovation ecosystem (start-ups, corporates, universities, among others), and external investments through EDP Ventures.

Innovation strategy to be delivered throughout three innovation avenues

These innovation avenues are supported by the right funding and investment, coordination, and expertise development to ensure EDP is at the forefront of market trends and innovation. EDPI also ensures the development and management of the infrastructure to disseminate innovation culture and best practices across the organization, fostering both entrepreneurship and intrapreneurship.

EDPI focuses on seven (+one) innovation domains aligned with corporate strategy and market trends, which positions EDP along the energy industry value chain.

- Renewable energies, their integration and flexibility, to help EDP achieve its renewable energy targets
- Networks, an enabler of the energy transition
- Distributed energy systems that support B2B and B2C customers in developing their distributed generation solutions



Internal Delivery

Internal incubation projects

Open Ecosystem

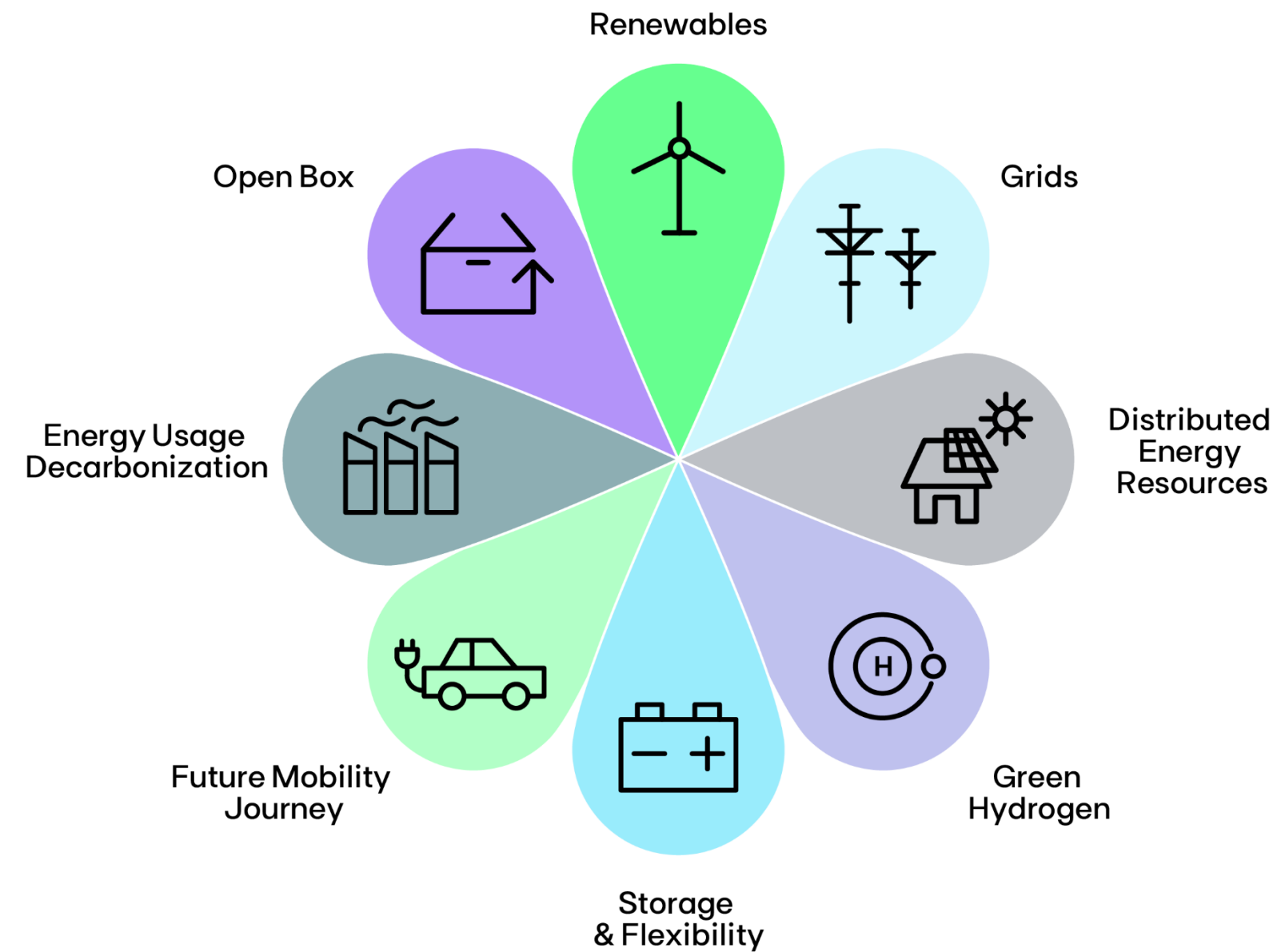
Open innovation pilots

Venture Investments

Investments (VC) in startups

- Green hydrogen to support the energy transition in sectors whose activity is preponderantly dependent on carbon-emitting solutions
- Energy storage and flexibility, which tests new storage technologies, flexibility management
- Sustainable mobility, which supports EDP customers in their transition to electric mobility and provides associated services
- Decarbonisation of energy uses, which supports EDP customers' decarbonisation efforts by developing new solutions and speeding up their adoption

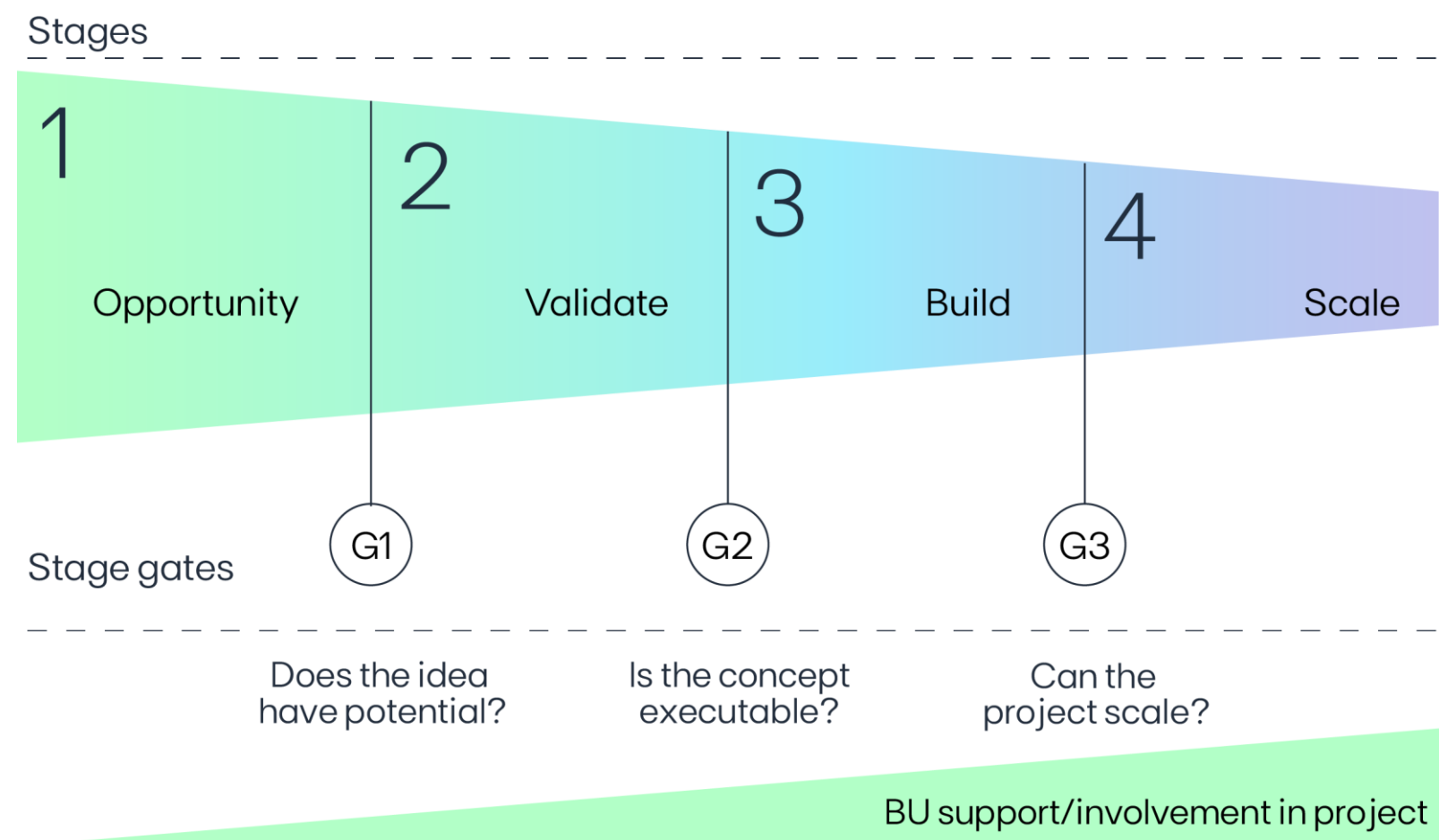
Moreover, EDPI continuously searches for new solutions. The “Open Box” domain creates space for ideas/projects to be developed that do not fit rigidly into any of the other domains.



2023 in summary

After defining the structure in 2021 and consolidating the innovation model in 2022, the year 2023 was marked by the execution of the defined strategy. EDP Innovation aligned and prioritized its areas of opportunity in their respective domains, focusing the team and reinforcing it to expand opportunities throughout the innovation funnel. In 2023, the editions of Free Electrons and Energy Starter in Dublin, Sydney, Mumbai, Houston, Lisbon, and Santander stood out, along with the significant presence of EDP teams at the Web Summit, bringing EDP's innovation and message to the largest global conference of Innovation and Technology in both Rio de Janeiro and Lisbon. In the investment scenario, the year was particularly exciting, with new companies in the portfolio totalling approximately €14 million in investment.

Internal delivery



This year marked the second year of the current internal incubation process, in which a portfolio was developed from internal sources (although it was explored both internally and externally). This method was supported by a funnel approach, aiming to mitigate the risk of opportunity to expand solutions and businesses, aligned with EDP's strategy and priorities.

In 2023, ten new emerging business opportunities were submitted to the global innovation decision committee for evaluation, totalling 30 since the implementation of the current Innovation model. Among these 30 opportunities, 21 were chosen based on their innovative merit and competition for resources among them. Of these, nine were discontinued in the Validation phase and four in the Construction phase, while the remaining seventeen impactful projects are currently in progress. We concluded the year 2023 with eight projects in the construction phase.

Below are some of the projects in the funnel:

- In the validate phase:

- The Scale up O&M project aims to automate the operation and maintenance processes of solar parks, particularly in activities such as aerial inspections, vegetation cutting, and panel cleaning. The main goal is to improve overall solar production and reduce the OPEX of solar plants.
- In the build phase:
 - The Going Net Zero project – with the objective to help C&I customers to decarbonize by a digital platform able to offer fully automatized one fits all emissions assessment and reporting with advisory-based service, able to prescribe detailed reduction plans.
 - The Automating PVs Installation project – with the objective to incorporate advanced solutions to automate critical construction tasks of utility-scale solar PV power plants. Relevant cost savings can be achieved by a mindset shift of the installation process from construction to manufacturing.

All these 21 EBOs involved nine different EDP business units and more than 100 people across geographies.

Open ecosystem

In 2023, we carried out Open Innovation programs, such as Free Electrons (founded by EDP, now in its seventh edition, with a total of over 4,000 startup applications and over 80 million dollars in investment) and Energy Starter programs, executed in multiple geographies, as well as conducting pilot projects with startups. Currently, we have a total of 19 pilots resulting from programs promoted by EDP Innovation and three commercial rollouts approved by EDP with startups from previous editions. Among the various programs in which EDP was involved in 2023, such as AWS Clean Energy Accelerator, DeepTech Alliance, SOL Energy Transition, and SOL Mobility, over 1,200 startups were evaluated, and over 100 meetings were held to explore opportunities with startups.

- In 2023, three in-person events of the Free Electrons program were held in Dublin, Sydney, and Mumbai. In this edition, we had the participation of over 60 EDP employees and received over 750 startup applications, with the selection of a group of 15 startups.
- Throughout the year, the Energy Starter program was restructured in line with the recent innovation model and business strategy of EDPI, comprising three verticals: Networks, Renewables, Green Hydrogen, and Customer Solutions. The program featured in-person events in Houston, Lisbon, and Santander, with 28 startups selected for the three tracks of the program. The program also included an Open Day in Lisbon, involving over 170 participants from the local innovation ecosystem and over 600 who attended online.



- Regarding the pilot projects, the following stand out: the one with Rondo Energy, a thermal storage solution; the second highlighted pilot project is with Granular Energy, winner of Free Electrons, for managing 24/7 energy matching origin guarantees; and the third highlighted project is with IND.T for sensorisation of power lines and preventive fault detection in the network.

Ventures

Increasingly focused on strategic investments to meet the renewable energy generation goals of the EDP group. In 2022, EDP Ventures altered its investment strategy, shifting from a minimum ticket size of 250,000 euros to 1 million euros to a higher range of 1 million euros to 10 million euros.

- In 2023, we invested 14 million euros, reaching a total accumulated investment of 70 million euros.
- We added four new companies to our portfolio:
 - **Terabase:** developed Terafab, the world's first automated field factory for large-scale solar construction
 - **Mixergy:** developed an intelligent water heater that uses artificial intelligence to significantly improve efficiency and costs, acting as a residential battery
 - **Captura:** developed a carbon dioxide removal (CDR) system based on the natural capacity of ocean CO₂ absorption
 - **Splight:** a platform that implements AI solutions to optimize the integration of Renewable Energy Sources (RES) into any type of grid
- We successfully completed the divestment of four companies from our portfolio, achieving a total of nine successful divestments. The Total Contract Value between EDP and portfolio companies in 2023 was 20 million euros, with a total accumulated value of over 115 million euros and 39 active companies in the portfolio.
- We had new additions to the team, and currently, over 30% of our team is composed of female professionals.

The work of EDP Ventures did not go unnoticed; it was recognized as Corporate Startup Stars by Mind the Bridge/ICC, due to its strategically impactful investments in the EDP group. Additionally, we were ranked as the 8th largest global investor in Renewable Energies in the Pitchbook ranking from 2018–2022, and our managing partner, Luis Manuel, was included in the "Top 100 Powerlist" of the Global Corporate Venturing ranking.

Innovation enablement and expertise

In 2022, there was a significant dissemination of the culture of innovation throughout the organization: EDPI initiatives reached 830 FTE of internal audience (with 15% participation in more than one initiative) and over 1,482 colleagues from 29 business areas and 22 different countries through our online Global Innovation Community.

Below are some of the highlights for 2023:

- The 2023 Innovation Immersion Program in Singapore had 17 participants from 13 business areas and five geographies, representing our most diverse group to date. The program included 22 networking sessions, generated 305 learning opportunities, and 81 qualified business leads. It stood out for its emphasis on communication, with the team dedicating resources to its promotion. For 2024, the team is considering a new innovation hub, possibly in the APAC region or the United States.
- The Global Innovation Community, with its over 900 subscribers from 15 countries and 22 business areas. In 2023, it hosted 26 live sessions. Since its launch in February 2022, we have had the participation of over 1,500 attendees.
- Participation in the Web Summit conference (Rio de Janeiro and Lisbon) driving the culture of innovation throughout the organization. At Web Summit Rio 2023, EDP had a delegation of 49 colleagues from EDP Brazil and 9 business areas. At Web Summit Lisbon 2023, we brought over 134 colleagues, and EDP focused on seeking promising startups and showcased six major projects at its booth. We identified 522 opportunities in 65 technologies, representing a 160% increase since 2022. Our showcased projects gained significant visibility, reaching over 3,500 participants, and generating approximately 1,500 qualified leads. Additionally, we held two talks on the Web Summit stages. We now look forward to the next edition in Rio, Latin America.
- The Groundbreakers team brought together 110 colleagues from 13 business areas and the five EDP innovation hubs at the second in-person meeting of the Global Innovation Team.
- The first edition of the "The Spiral" program, a tool to strengthen the culture of innovation and internal entrepreneurship. In this edition, we received over 60 registrations, selected ten finalists, and saw a high level of engagement from the organization.
- The "Somos Play" program, an intrapreneurship program that takes place in Brazil, had seven projects implemented by the organization.
- Innovation Learning Experience (ILE), a global learning program in collaboration with EDPU that provides a distinct experience, valuing participants who effectively apply their learning in innovation projects at EDP. In 2023, ILE held 15 sessions for five different

time zones, covering seven distinct topics and methodologies of innovation. We had the participation of over 291 people from 43 different companies within the group and from 13 different geographies. ILE managed to hold in-person workshops in all five EDP Innovation geographies in 2023. Additionally, EDPI was particularly active this year in developing skills related to the Energy Transition, providing significant added value to Business Units and top management decisions.

Final remarks

Overall, 2023 stood out for the effective implementation of the model, which reinforced the importance of innovation at EDP, and of EDPI in catalysing EDP's business and providing options for potential future group businesses.

3.4.13.3. Research and development

EDP NEW – Centre for NEW Energy Technologies is EDP's Research and Development (R&D) Centre, fully dedicated to the development and implementation of innovative R&D projects in different areas of the energy sector.




NEW adopts a collaborative approach to innovation, partnering with EDP's business units and multiple European institutions, companies, and universities to develop large R&D projects leveraged by public competitive funding for Research and Innovation – like the European Commission's Horizon 2020 and Horizon Europe programs. EDP NEW's current project portfolio comprises around 40 ongoing projects covering all seven (+one) domains of EDP's innovation model. These projects focus on developing, testing, validating, and exploiting innovative concepts, technologies and business models that contribute to EDP's objectives and to the global decarbonization targets. Organized in five technical areas covering the aforementioned innovation domains, NEW currently boasts around 60 researchers with very diverse and increasingly diversified profiles and academic backgrounds and complementary skillsets. due to the nature of its collaborative R&D activity, NEW maintains a strong relationship with EDP Innovation, and is in constant contact to share initiatives and explore opportunities of interest to both areas.

Since its establishment in 2015, NEW has secured close to €36 million in funding for R&D and innovation for EDP, which have supported NEW's growing and sustainable operation based on an agile, project-based structure complemented by a technical consultancy activity via international partnerships.

NEW is also continuously scouting for emerging solutions and technologies in the energy sector, crucially supported by its wide network of 700+ top tier partners across Europe, to continue to create knowledge and help shape the energy future through applied R&D.



3.4.14. Sustainable finance

Alignment with the SDGs	Objectives	KPIs 2023	Target 2026
 	Profits in line with the EU's Taxonomy	43%	>70*
	Sustainable financing	58%	60%

*2025

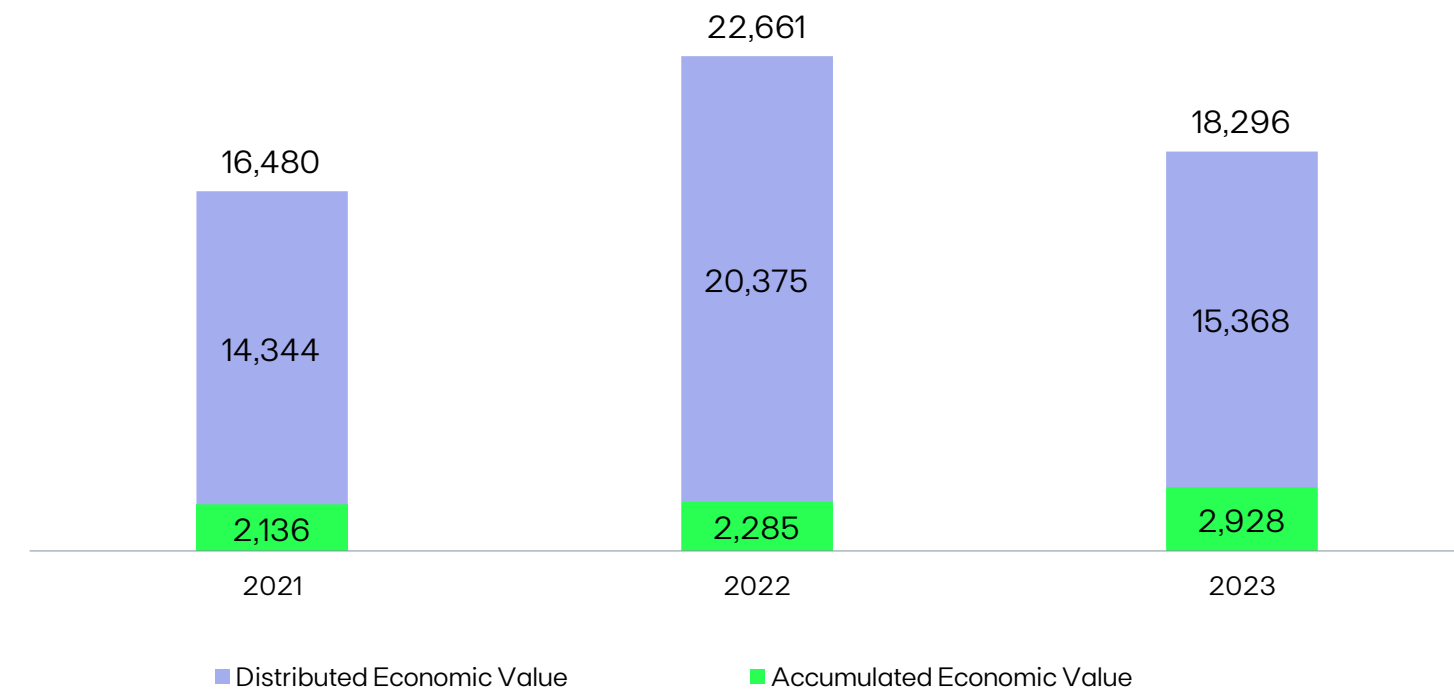
3.4.14.1. Creation of a long-term value

We address the path of sustainability by facilitating the long-term investment in companies. This means to channel the capital into sustainable assets.

Since 2004, with the join to the UN Global Compact (UNGC) and the approval of EDP group's Principles of sustainable Development, EDP has announced publicly the commitment to carry on its business while seeking a balance between the economic, environmental, and social aspects of the company's activity and pursuing an approach that incorporates the priorities of their stakeholders.

In 2023, the economic value generated by EDP was 18,296 million euros, compared to 22,661 million euros in 2022. This value includes turnover and other income. In 2023, 84% of the Generated Economic Value (GEV) was distributed in a total amount of 15,368 million euros. The aggregated economic value (AEV), the difference between the GEV and the Distributed Economic Value (DEV) corresponds to the remaining 16% and includes retained earnings and non-payable costs.

Economic value generated (€M)

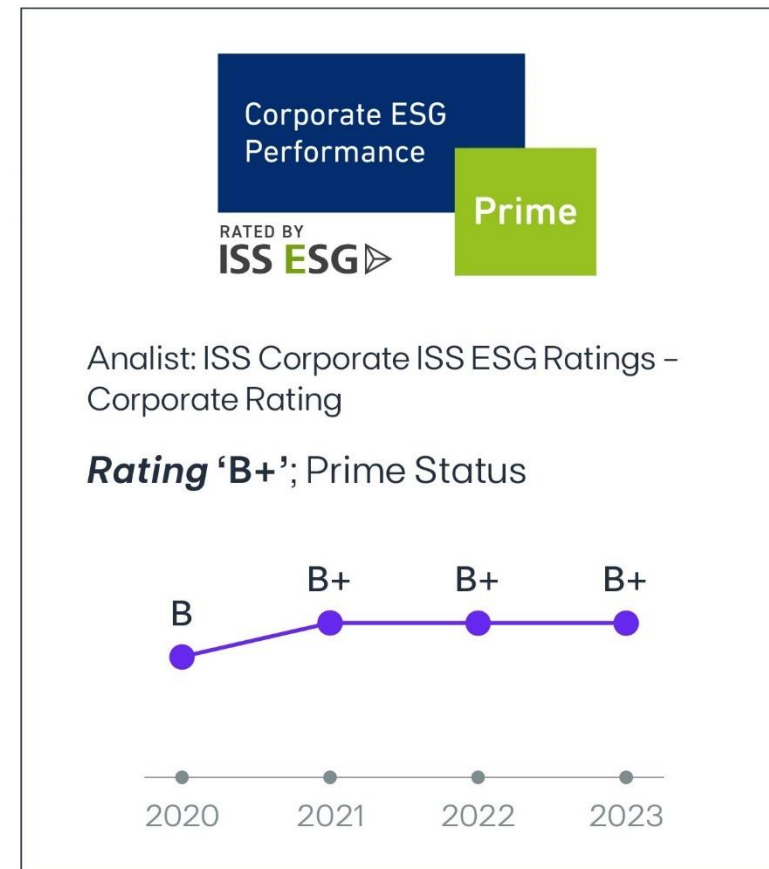
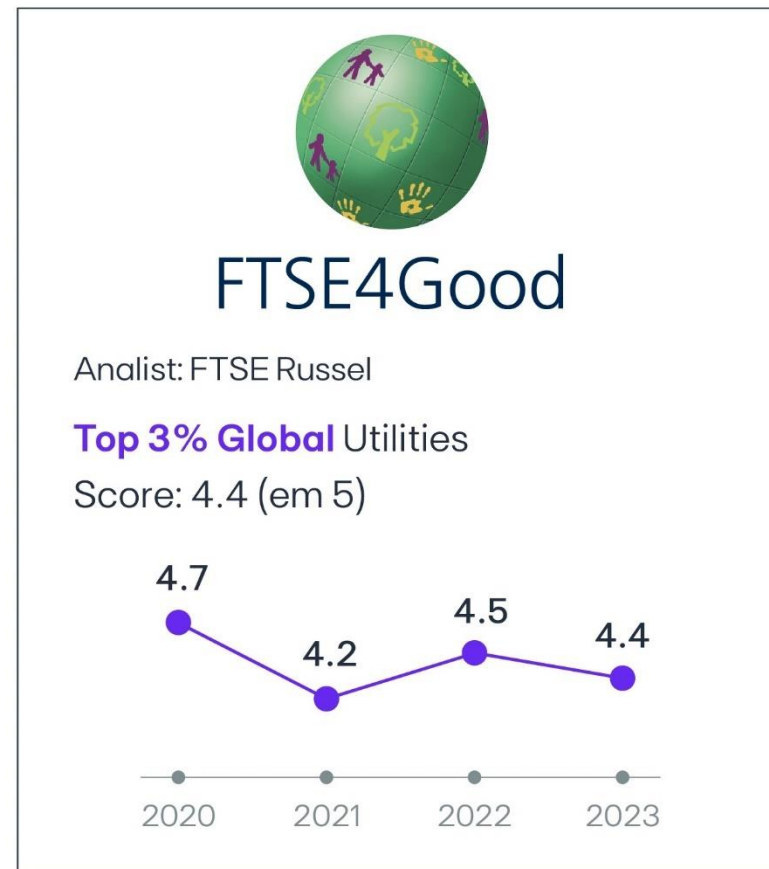
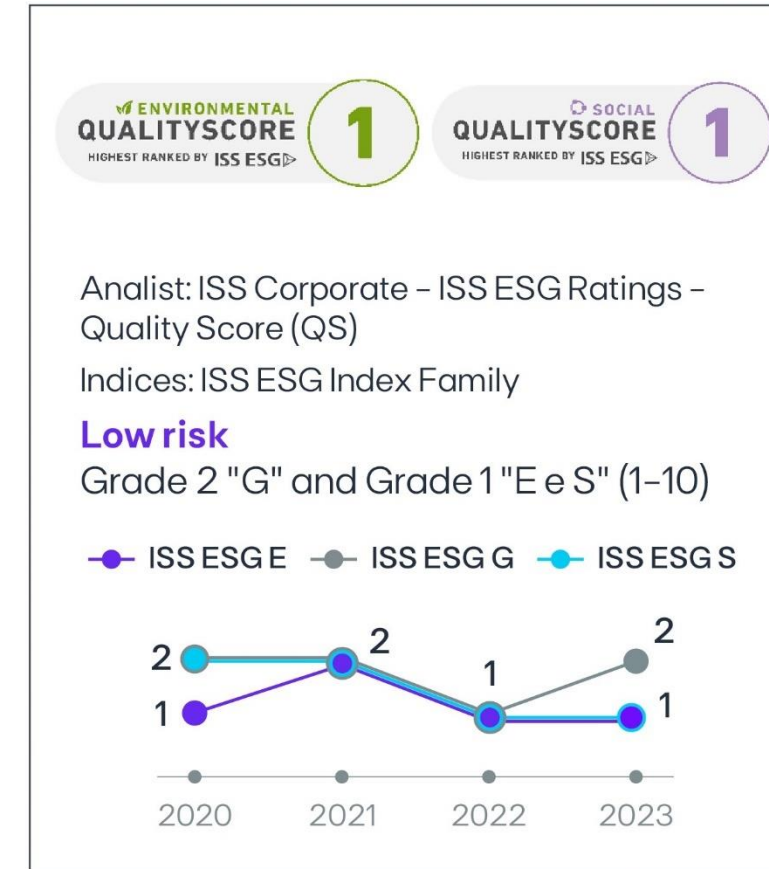
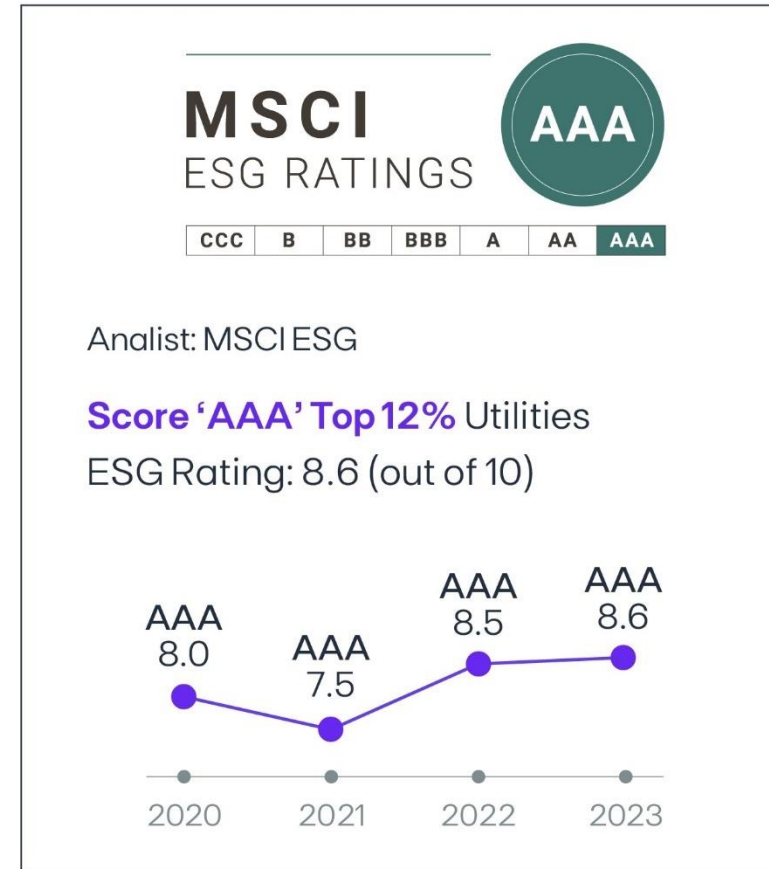
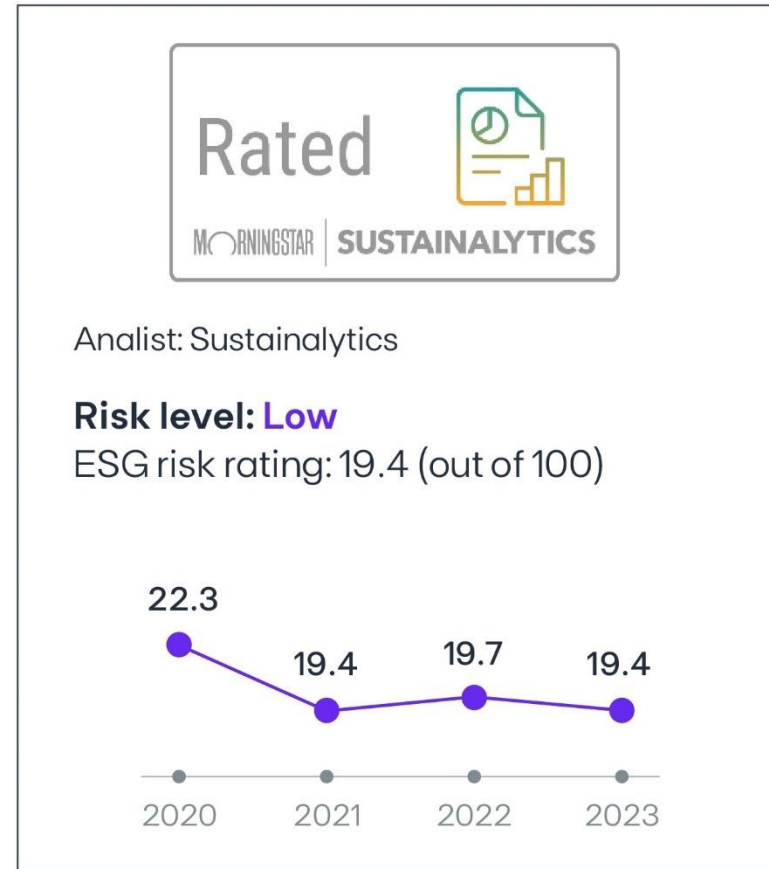
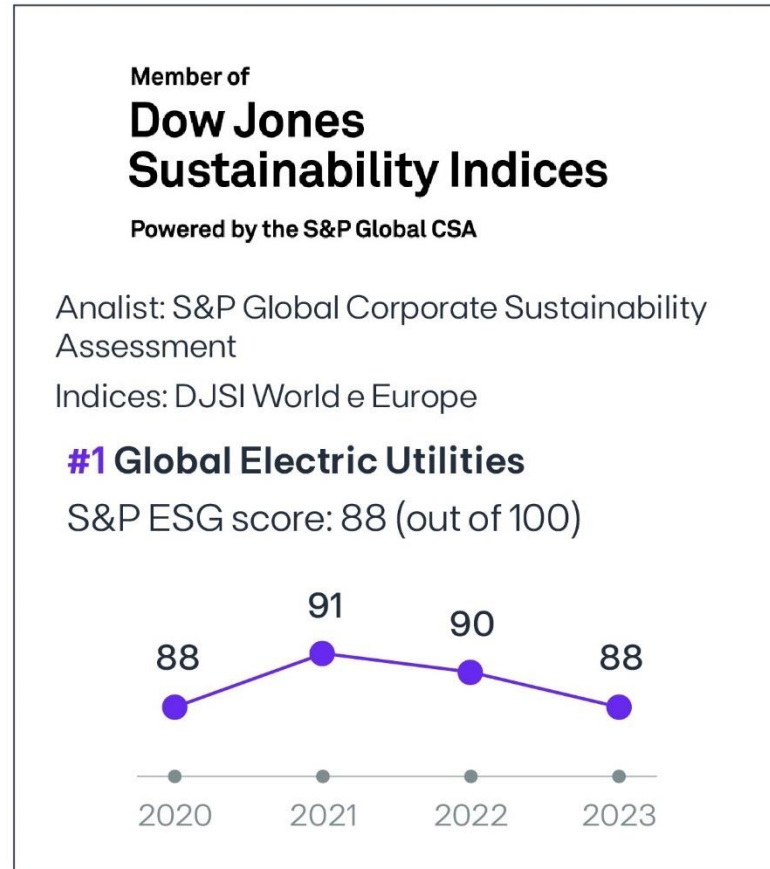


3.4.14.2. EDP ESG performance assessment

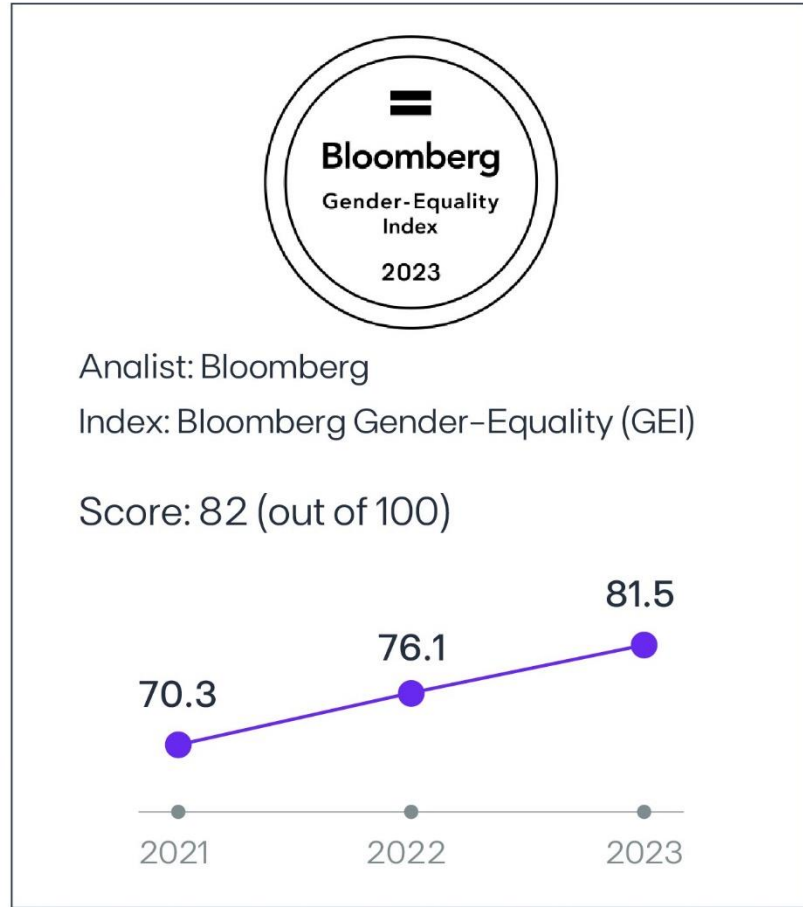
During 2023, EDP has carried on the efforts of providing ESG data (qualitative and quantitative) to several ESG analysts as a tool for managing risk because the company's long-term success depends on its sustainability performance. The company's commitment to sustainable practices continues to be revisited by analysts (climate change, policy commitments, worker safety, diversity, governance and other ESG factors), based on each in-house methodology. This explains why scores, ratings and/or level of risk obtained based on different ESG performance indicators, such as GHG emissions or violations against the UN Global Compact (UNGC) used by the different analysts are not comparable with each other.

It should also be noted that the group has responded to questionnaires that grant recognition in the areas of climate change and water management (CDP Climate Change and CDP Water Security), in sustainability (S&P Global CSA) and in ethics (Ethisphere Institute). Additionally, some of the group's subsidiaries provided answers to particular assessment surveys: ECOVADIS - EDP Renováveis, EDP Comercial e EDP Espanha.

ESG corporate scores, ratings and rankings



For additional information, click on the logos



ETHISPHERE®
WORLD'S MOST ETHICAL COMPANIES®
2012 - 2023

Analyst: Etisphere

EDP recognized as one of the "World Most Ethical Companies since 2012"

S&P Global Clean Energy Index

Analyst: S&P Global
Index: S&P Global Clean Energy Index

Top 10

Other recognitions subsidaires companies

Analyst: ECOVADIS

EDP España

EDP Comercial

EDP Renováveis

Analyst: GRESB

Infrastructure Asset Sector Leader
E-Redes España

Analyst: Corporate Knights

Global 100
Listed among the global 100 most sustainable corporations for the first time
Overall rank on 2024 Global 100: #39
Rank within Industry (Power Generation): #4

EDP Renováveis

Analyst: S&P Global

Sustainability Yearbook Member
S&P Global Corporate Sustainability Assessment (CSA) Score 2023
S&P Global CSA Score 2023: 77/100
Score date: February 7, 2024
The S&P Global Corporate Sustainability Assessment (CSA) Score is the S&P Global ESG Score without the inclusion of any modelling approaches.
Position and scores are industry specific and reflect exclusion screening criteria.
Learn more at <https://www.spglobal.com/esg/csa/yearbook/methodology/>

EDP Renováveis

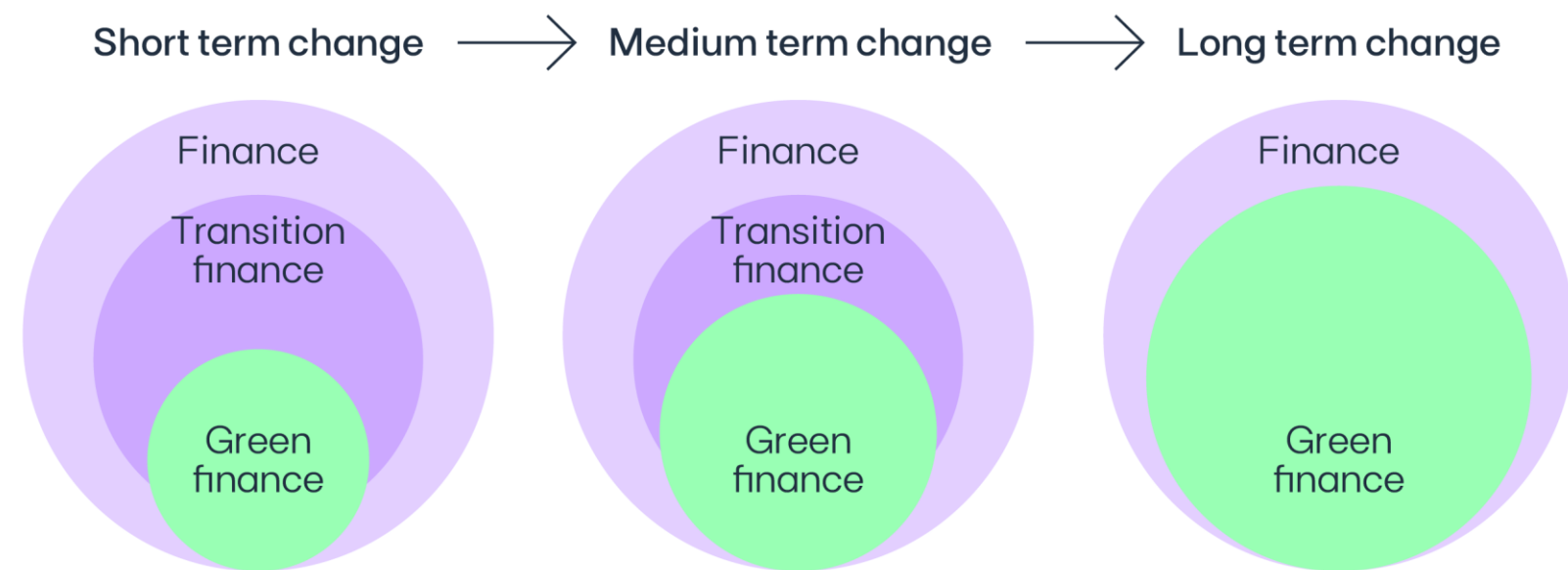
👉 For additional information, click on the logos

3.4.14.3. Facts & figures of sustainable finance

Since the 2030 Agenda for Sustainable Development and the historic signature of the Paris Agreement, there have been made important progress in the battle against climate change and towards a greener, more resilient, more inclusive global economy. Sustainable finance has the potential redirect the funds to climate action, transition to a climate-neutral economy and towards an environmentally sustainable economy, namely a circular, zero pollution, nature-positive economy and sustainable use of water and marine resources.

The European Commission's regulatory framework supports this path through three main instruments: the taxonomy regulation (available at the [link](#)), the regulation of EU benchmarks for the climate transition and EU benchmarks aligned with the Paris Agreement (available at the [link](#)) and the regulation of the issuance of green bonds (available at the [link](#)).

Figure Financing the transition to a sustainable economy ([Adapted from the recommendations from European Union](#))



According the last report of the Global Sustainable Investment Alliance – GSIA Report 2022 (available through the [link](#)) the global sustainable investment reached USD30.3 trillion in six major markets (Europe; United States; Canada; Australia; Japan and New Zealand)-. That amount, which excludes the US owing to methodological adjustments, corresponds to a 20% increase in sustainable investments (from 18 trillion US dollars in 2020 to 22 trillion US dollars). In Europe, there are 38% (or 42% in 2020) sustainable investments out of the total global assets under management. The decrease is a result of increased scrutiny brought about by European regulations, including the SFDR (available

at the [link](#)) on the disclosure of sustainability-related information in the financial services sector.

Investors

The “[Glasgow Financial alliance for Net Zero \(GFANZ\)](#)” established in November 2021, which assembled a few of the world’s most powerful financial institutions to fight global warming, by pledging to bring loan and investment portfolios to net-zero by 2050 and currently made up of 675 members from more than 50 countries, has continued to develop its work in 8 main sectors: Net-Zero Asset Owner Alliance (NZAOA); Net-Zero Asset Managers Initiative (NZAM); Paris Aligned Asset Owners (PAAO); Net-Zero Banking Alliance (NZBA); Net-Zero Insurance Alliance (NZIA); Net Zero Financial Service Providers Alliance (NZFSPA); Net Zero Investment Consultants Initiative (NZICI); The Venture Climate Alliance (VCA).

However, as the year unfolded, sustainable finance had to stave off a backlash against ESG policies. At the end of 2022, Vanguard group, the world’s second-largest asset manager and a major index investor, pulled out the GFANZ, saying it aims “provide the clarity our investors desire about the role of index funds and about how we think about material risks, including climate-related risks.”

Regulators

The first report of financial disclosures about the corporate sector's shareholding climate for monetary policy purposes, following the measures announced in 2022 (the purchase of corporate bonds and the pandemic emergency purchase programme according to a climate score based on three factors: backward-looking emissions (issuers’ past emissions), forward-looking targets (issuer’s ambitious decarbonization targets) and climate disclosures (issuers’ reporting of greenhouse gas emissions: scope one, two and three), was released by the European Central Bank (ECB) in 2023 and may be accessed via this [link](#).

Within the European regulatory framework, the following facts are critical for sustainable financing in 2023:

January 2023 – coming into force of the sustainability reporting directive (CSRD available on the [link](#)). This regulation replaces the Directive 2014/95/EU on reporting non-financial information. Large listed companies are required to report under the new ESRS (European Sustainability Reporting Standards, available on the [link](#)). They are part of the first group of



users of the CSRD. They will have reporting requirements for the 2024 fiscal year starting in 2025. June 2023 – amendments to the 2020 Taxonomy regulation (available at the [link](#)): a) the introduction of technical assessment criteria to determine under which conditions an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to the prevention and control of pollution or to the protection and restoration of biodiversity and ecosystems, and to establish whether that economic activity does not significantly undermine the fulfilment of any of the other environmental objectives; b) amendments to regulation 2021/2078 on compliance with Article 8 of the Treaty on the Functioning of the European Union.

June 2023 – changes to the environmental taxonomy's regulation as a result of establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation ([link](#)).

November 2023 – publication of the EU Green Bond Standard Regulation in the Official Journal of the European Union (available on the following [link](#))

December 2023 – publication in the Official Journal of the European Union the sustainability European reporting standards (available [here](#))

EDP

Impact of ESG performance measurement

EDP has demonstrated its expertise in ESG matters and its knowledge to reply to investors who follow active and passive investment approaches. Additionally, regarding the financing component, the group has responded to requests from investors, who are increasingly demanding in terms of mitigating the risks inherent in ESG factors.

EDP Sustainable Finance

Considering that EDP must comply with the sustainability reporting mandate and report sustainability in 2025 for the fiscal year 2024, the company feels the significant pressure in terms of set up an Internal Control System for Sustainability Reporting (SCIRS). While it is not currently required, there are advantages to it, such as: a) ensuring the validity, completeness, and accuracy of the sustainability information reported; and b) ensuring the transparency and confidence of the processes used to produce, process, and

communicate the information for reporting. EDP therefore concluded the year with the development of a project that would ensure that it has the key elements of the Internal Control System on Sustainability Information (SCIRS) in place by 2024 in order to better anticipate and prepare for the implementation of the regulation.

Within the framework of the taxonomy regulation, EDP has been disclosing the key performance indicators since 2019. There is an individual report available on the following [link](#) which provides the 2023 turnover, capital expenditure, and operating costs of its economic activities that are aligned with the EU taxonomy.

In March 2023, EDP updated its 2022 Green Finance Framework to reflect the changed scope and the new decarbonisation strategy. Apart from EDP, EDP Finance BV, EDP – Servicios Financieros España, S.A.U. was also a part of the 2023 framework. You can find the new framework on the following [here](#). The framework is aligned with the Green Bond Principles 2021 (GBP), as administered by ICMA, and Green Loan Principles 2023 (GLP), as administered by Loan Market Association (LMA), Asia Pacific Loan Association (APLMA) and Loan Syndications and Trading Association (LSTA). In addition, it is also aligned with the EU taxonomy. The framework is supported by a second-party review from Sustainalytics which you can find [here](#).

The proceeds of the issued green finance instruments are used to finance and/or refinance new and/or existing wind and solar assets of EDP Renováveis (EDPR). Eligible assets include wind and solar assets available on the EDP R's balance sheet, as well as the acquisitions of companies and equity participations in entities on the sector of wind and solar energy production.

As of 31 December 2023, EDP sustainable finance instruments (the first was in 2018) represent 58% of our total nominal debt. The objective of EDP is to maintain its sustainable finance model.

The Reports on the allocation and impact of Green Finance and sustainability-linked loan include information about the use of resources, projects selection and impacts, and also about the sustainability-linked loans. The information about the green finance is audited by an external party. More details consult the [Annex 9 of the Integrated Report 2023](#).

We will be Net Zero by 2040

Hydrid Park, Portugal

Because
We Choose
Earth

04 Indicators

Operational and ESG indicators
GRI indicators

174
205

4.1. Operational and ESG indicators

CLIMATE CHANGE	UN	2023	2022	2021	2020
RENEWABLE ENERGIES					
TOTAL INSTALLED CAPACITY	MW	26,565	26,187	24,495	23,524
Renewable installed capacity	%	86	79	80	79
Renewable installed capacity	MW	22,746	20,739	19,617	18,626
Wind	MW	12,432	12,136	11,845	11,155
Portugal	MW	1,177	1,156	1,138	1,224
Spain	MW	1,967	2,158	2,194	2,137
South America	MW	832	910	591	436
North America	MW	6,671	6,175	6,079	6,005
Rest of the Europe	MW	1,786	1,737	1,843	1,353
APAC	MW	0	0	0	0
Hydro	MW	6,864	6,872	7,070	7,069
Portugal	MW	5,019	5,019	5,019	5,019
Spain	MW	444	451	451	451
South America	MW	1,401	1,401	1,599	1,599
North America	MW	0	0	0	0
Rest of the Europe	MW	0	0	0	0
APAC	MW	0	0	0	0
Mini-hydro	MW	57	57	57	57
Portugal	MW	57	57	57	57
Spain	MW	0	0	0	0
South America	MW	0	0	0	0
North America	MW	0	0	0	0
Rest of the Europe	MW	0	0	0	0
APAC	MW	0	0	0	0
Solar	MW	3,393	1,674	645	345
Portugal	MW	409	116	5	5
Spain	MW	97	20	0	0
South America	MW	520	260	204	0
North America	MW	1,142	475	358	290
Rest of the Europe	MW	335	92	50	50
APAC	MW	890	711	28	0



CLIMATE CHANGE	UN	2023	2022	2021	2020
Non-renewable installed capacity	MW	3,819	5,449	4,879	4,898
CCGT	MW	2,886	2,886	2,886	2,886
Portugal	MW	2,031	2,031	2,031	2,031
Spain	MW	854	854	854	854
South America	MW	0	0	0	0
North America	MW	0	0	0	0
Rest of the Europe	MW	0	0	0	0
APAC	MW	0	0	0	0
Coal	MW	916	2,540	1,970	1,970
Portugal	MW	0	0	0	0
Spain	MW	916	1,820	1,250	1,250
South America	MW	0	720	720	720
North America	MW	0	0	0	0
Rest of the Europe	MW	0	0	0	0
APAC	MW	0	0	0	0
Cogeneration and waste	MW	17	23	23	42
Portugal	MW	17	17	17	17
Spain	MW	0	5	5	25
South America	MW	0	0	0	0
North America	MW	0	0	0	0
Rest of the Europe	MW	0	0	0	0
APAC	MW	0	0	0	0
Capacity under construction	MW	3,719	3,552	1,824	2,051
Portugal	MW	0	192	0	135
Spain	MW	160	132	141	85
South America	MW	1,087	504	1,084	359
North America	MW	2,074	2,075	320	970
Rest of the Europe	MW	334	523	280	502
APAC	MW	64	126	0	0
Installed capacity MEP	MW	1,070	1,665	1,651	1,229
Portugal	MW	31	31	31	30
Spain	MW	120	165	165	177
South America	MW	0	551	551	551
North America	MW	592	592	592	471
Rest of the Europe	MW	311	311	311	0
APAC	MW	16	15	0	0



CLIMATE CHANGE	UN	2023	2022	2021	2020
Capacity under construction MEP	MW	729	431	78	389
Portugal	MW	0	0	0	0
Spain	MW	0	0	0	0
South America	MW	0	0	78	78
North America	MW	0	0	0	0
Rest of the Europe	MW	728	431	0	311
APAC	MW	1	0	0	0
TOTAL NET GENERATION	GWh	56,395	61,351	59,784	63,122
Generation from renewable sources	%	87	74	76	75
Generation from renewable sources	GWh	48,969	45,329	45,608	47,330
Wind	GWh	31,669	31,772	29,592	28,272
Portugal	GWh	2,649	2,707	3,041	2,616
Spain	GWh	4,473	4,885	4,979	4,346
South America	GWh	4,029	2,189	1,843	1,093
North America	GWh	16,245	17,883	16,468	17,231
Rest of the Europe	GWh	4,273	4,107	3,262	2,987
APAC	GWh	0	0	0	0
Hydro	GWh	13,947	11,677	15,152	18,656
Portugal	GWh	8,942	5,487	8,901	12,435
Spain	GWh	711	459	772	677
South America	GWh	4,294	5,731	5,478	5,543
North America	GWh	0	0	0	0
Rest of the Europe	GWh	0	0	0	0
APAC	GWh	0	0	0	0
Mini-hydro	GWh	152	98	131	137
Portugal	GWh	152	98	131	137
Spain	GWh	0	0	0	0
South America	GWh	0	0	0	0
North America	GWh	0	0	0	0
Rest of the Europe	GWh	0	0	0	0
APAC	GWh	0	0	0	0



CLIMATE CHANGE	UN	2023	2022	2021	2020
Solar	GWh	3,201	1,782	733	265
Portugal	GWh	199	91	9	8
Spain	GWh	33	5	0	0
South America	GWh	562	500	45	0
North America	GWh	1,061	479	589	190
Rest of the Europe	GWh	161	72	67	67
APAC	GWh	1,184	636	23	0
Generation from non-renewable sources	GWh	7,426	16,021	14,176	15,792
CCGT	GWh	4,047	9,033	6,435	9,759
Portugal	GWh	1,508	5,161	3,836	5,653
Spain	GWh	2,539	3,872	2,599	4,107
South America	GWh	0	0	0	0
North America	GWh	0	0	0	0
Rest of the Europe	GWh	0	0	0	0
APAC	GWh	0	0	0	0
Coal	GWh	3,249	6,830	7,569	5,821
Portugal	GWh	0	0	0	1,832
Spain	GWh	3,188	6,826	4,152	2,403
South America	GWh	61	4	3,417	1,586
North America	GWh	0	0	0	0
Rest of the Europe	GWh	0	0	0	0
APAC	GWh	0	0	0	0
Cogeneration and Waste	GWh	130	158	173	211
Portugal	GWh	130	141	125	138
Spain	GWh	0	17	48	73
South America	GWh	0	0	0	0
North America	GWh	0	0	0	0
Rest of the Europe	GWh	0	0	0	0
APAC	GWh	0	0	0	0
Heat	GWh	234	279	382	556
Portugal	GWh	234	247	249	254
Spain	GWh	0	33	133	302
South America	GWh	0	0	0	0
North America	GWh	0	0	0	0
Rest of the Europe	GWh	0	0	0	0
APAC	GWh	0	0	0	0



CLIMATE CHANGE	UN	2023	2022	2021	2020
Hydroelectric Productivity Index					
Portugal	#	1	1	1	1
Spain	#	1	1	1	1
TECHNICAL AVAILABILITY					
Wind and Solar					
Portugal	%	94	95	97	97
Portugal	%	98	99	98	98
Spain	%	94	96	96	95
South America	%	96	97	98	98
North America	%	93	93	96	96
Rest of the Europe	%	97	96	98	98
APAC	%	96	n.a.	0	0
Hydro					
Portugal	%	88	89	91	93
Spain	%	97	99	100	100
Brazil	%	98	97	98	95
Thermal					
Portugal	%	75	74	81	95
CCGT	%	75	73	81	94
Coal	%	0	0	0	96
Cogeneration	%	97	97	91	94
Spain	%	83	74	79	93
CCGT	%	95	91	89	94
Coal	%	75	64	72	91
Nuclear	%	75	90	86	91
Cogeneration	%	92	83	99	99
Waste	%	n.d.	n.d.	n.d.	94
Brazil	%	99	97	94	92
Coal	%	99	97	94	92
EMISSIONS					
Specific CO ₂ emissions ¹					
Global	g/kWh	75	152	164	146
Thermal	g/kWh	555	575	673	567



CLIMATE CHANGE	UN	2023	2022	2021	2020
CO ₂ equivalent emissions					
Scope 1	ktCO₂eq	4,276	9,405	9,819	9,304
Stationary combustion	ktCO ₂ eq	4,249	9,381	9,794	9,273
SF ₆ Emissions	ktCO ₂ eq	11	9	11	17
Company fleet	ktCO ₂ eq	15	15	14	13
Natural gas consumption	ktCO ₂ eq	0	0	0	0
Scope 2 (location-based²)³	ktCO₂eq	288	469	791	594
Electricity consumption in office buildings	ktCO ₂ eq	2	1	2	1
Electricity losses in distribution	ktCO ₂ eq	262	443	766	568
Renewable plants self-consumption	ktCO ₂ eq	25	25	23	25
Scope 2 (market-based⁴)³	ktCO₂eq	262	443	773	574
Electricity consumption in office buildings	ktCO ₂ eq	0	0	0	0
Electricity losses in distribution	ktCO ₂ eq	262	443	766	568
Renewable plants self-consumption	ktCO ₂ eq	0	0	7	6
Scope 3⁵	ktCO₂eq	8,063	9,279	10,304	9,595
Purchased goods and services (C01)	ktCO ₂ eq	602	713	721	1,116
Capital goods (C02)	ktCO ₂ eq	2,618	2,935	2,610	1,878
Fuel and energy related activities (C03)	ktCO ₂ eq	3,761	4,159	5,185	4,131
Upstream transportation and distribution (C04)	ktCO ₂ eq	19	6	66	39
Waste generated in operations (C05)	ktCO ₂ eq	5	10	18	11
Business travels (C06)	ktCO ₂ eq	15	9	3	3
Commuting (C07)	ktCO ₂ eq	11	11	12	11
Use of sold products (C11)	ktCO ₂ eq	1,032	1,437	1,688	2,405
Investments (C15)	ktCO ₂ eq	0	0	0	1
Avoided CO₂ emissions⁶	ktCO₂	25,841	22,749	23,752	25,167
SF₆	kg	470	389	459	724
Portugal	kg	261	220	240	206
Spain	kg	130	62	53	298
South America	kg	79	104	166	217
North America	kg	0	0	0	0
Rest of the Europe	kg	0	2	0	3
APAC	kg	0	0	0	0



CLIMATE CHANGE	UN	2023	2022	2021	2020
SUSTAINABLE MOBILITY					
Fleet electrification	%	29	15	13,2	11
Fleet electric vehicles	#	1,311	516	501	393
Electric charging points	#	8,510	6,010	3,804	1,811
Customers with electric mobility solutions	#	106,991	76,455	43,500	18,747
ENERGY EFFICIENCY					
Internal Energy Efficiency					
Thermal Efficiency	%	43	47	46	46
Coal plants	%	30	35	34	34
Natural gas combined cycle plant	%	51	54	54	54
Energy Intensity	MJ/€	4.6	7.0	9.2	11.4
Electricity Distribution Grid Losses					
Technical losses	%	5.39	5.29	5.42	5.75
Total losses	%	8	8.19	8.21	9.33
Portugal ⁷	%	8	8	8	10
Spain	%	5	5	4	4
Brazil	%	9	10	10	10
External Energy Efficiency					
Savings in energy efficiency services ⁸	TWh	6	6	5	5
CO ₂ avoided emissions in the final customer ⁸	ktCO ₂	12,967	11,901	8,950	8,531
Energy consumed outside the organization ⁹	TJ	267,262	262,414	244,462	350,433
NEW ENERGY SERVICES					
Energy efficiency services revenues	000€	571,162	491,013	261,415	244,573

¹ The stationary emissions do not include those produced by the burning of ArcelorMittal steel gases in EDP's power plant in Spain. Includes only stationary emissions.

² Based on global emission factors of each geography.

³ From 2023 onwards, CO₂e emissions associated with distribution grid losses will be calculated on the basis of technical losses, as recommended by the GHG Protocol

⁴ Based in the suppliers' emission factors.

⁵ Methodological review conducted in 2021. The 2020 figures were adjusted based on the new methodology, but the calculations were not audited for that year. The 2020 figure includes 1.4 ktCO₂e from category 15 (investments).

⁶ Emissions that would have occurred if the electricity generated by renewable energy sources were produced by thermal power plants. For each country, it is obtained by multiplying the net renewable production by the emission factor of that country's thermal power plant mix

⁷ In 2021, the loss indicator was changed to consider the energy input in the grid, and not the output (as until 2020), according to the expectation that the regulator will incorporate this change in the next regulatory period, to align with common practice in other countries (namely Spain and Brazil).

⁸ Reviewed and harmonized methodology for all geographies, applied since 2015. Excludes Consumption Efficiency Promotion Plan (PPEC) projects. The 2017 values have been revised for consistency with the harmonized savings calculation method.

⁹ Consider only the category "Use of sold products" of GHG Protocol Corporate Value Chain (Scope 3).



POLLUTION	UN	2023	2022	2021	2020
ISO 14001 CERTIFICATION					
ISO 14001 certification ¹	%	89	87	90	94
PREVENTION OF POLLUTION					
Total NO _x emissions		2.49	4.79	8.89	6.17
Portugal	kt	0.27	0.69	0.55	1.71
Spain	kt	2.22	4.10	3.67	2.96
Brazil	kt	0.00	0.00	4.67	1.50
Total SO ₂ emissions		1.04	2.35	12.14	8.23
Portugal	kt	0.00	0.00	0.00	0.79
Spain	kt	1.04	2.35	1.62	1.48
Brazil	kt	0.00	0.00	10.52	5.95
Total particulate matter emissions		0.09	0.23	1.26	0.92
Portugal	kt	0.00	0.01	0.01	0.03
Spain	kt	0.09	0.22	0.15	0.08
Brazil	kt	0.00	0.00	1.10	0.81
Environmental fines	000€	63	2	15	0
Indemnities to third parties	000€	98	97	26	11

¹ Aggregated certification indicator due to assets with potential environmental impacts.

WATER AND MARINE RESOURCES	UN	2023	2022	2021	2020
WATER					
Total water withdrawal	10 ³ xm ³	543,304	675,668	358,480	602,909
Freshwater	10 ³ xm ³	5,659	11,275	14,527	11,944
Salt and estuarine water	10 ³ xm ³	537,645	664,393	343,953	590,965
In water-stressed regions¹	10³xm³	324	213	9,042	6,294
Pecém	10 ³ xm ³	324	213	9,042	4,260
Castejón	10 ³ xm ³	0	0	0	2,035
Total water discharge	10 ³ xm ³	538,244	661,362	343,836	589,375
Discharge into inland water	10 ³ xm ³	1,403	1,215	1,554	1,891
Discharge into estuary water and sea	10 ³ xm ³	536,841	660,147	342,282	587,484
Municipal treatment	10 ³ xm ³	3	3	4	4
In water-stressed regions¹	10³xm³	164	176	1,065	867
Pecém	10 ³ xm ³	164	176	1,065	418
Castejón	10 ³ xm ³	n.a.	n.a.	n.a.	449



WATER AND MARINE RESOURCES	UN	2023	2022	2021	2020
Total water consumption	10 ³ xm ³	5,430	14,797	16,248	14,967
Total freshwater consumption	10 ³ xm ³	4,091	9,964	13,045	10,252
In water-stressed regions¹	10³xm³	324	213	9,042	5,847
Pecém	10 ³ xm ³	324	213	9,042	4,260
Castejón	10 ³ xm ³	0	0	0	1,594
Specific fresh water consumption	m ³ /GWh	72	162	217	161

¹≤1,000 mg / L of total dissolved solids.

CIRCULAR ECONOMY	UN	2023	2022	2021	2020
WASTE MATERIALS	t	266,138	383,633	216,164	309,451
Waste	t	238,591	335,155	173,769	174,594
Hazard waste	t	6,921	5,019	6,728	5,810
Non-hazard waste	t	231,670	330,137	167,042	168,784
Recovered waste	t	229,142	314,371	136,025	150,406
Hazardous waste	t	4,972	3,842	4,334	3,564
Recycled waste	t	2,636	3,002	2,099	1,443
On site	t	0	0	0	n.d.
Off site	t	2,636	3,002	2,099	n.d.
Other	t	2,336	840	2,235	2,122
On site	t	0	0	17	n.d.
Off site	t	2,336	840	2,218	n.d.
Non-hazardous	t	224,170	310,529	131,690	146,841
Recycled waste	t	108,404	196,790	34,147	113,965
On site	t	0	0	0	n.d.
Off site	t	108,404	196,790	34,147	n.d.
Other	t	115,765	113,694	97,543	32,876
On site	t	1,163	0	10	n.d.
Off site	t	114,602	113,694	97,533	n.d.
Non-recovered waste	t	9,449	20,786	37,744	24,188
Hazardous waste	t	1,949	1,177	2,393	2,245
Landfilling	t	147	172	562	398
On site	t	0	0	0	n.d.
Off site	t	147	172	562	n.d.
Other disposal operations	t	1,802	1,004	1,831	1,848
On site	t	0	0	0	n.d.
Off site	t	1,802	1,004	1,831	n.d.
Incineration	t	0	1	n.d.	n.d.
On site	t	0	0	n.d.	n.d.
Off site	t	0	1	n.d.	n.d.



CIRCULAR ECONOMY	UN	2023	2022	2021	2020
Non-hazardous	t	7,500	19,608	35,351	21,943
Landfilling	t	6,532	18,537	33,682	21,231
On site	t	2,916	10,618	28,843	n.d.
Off site	t	3,617	7,918	4,839	n.d.
Other disposal operations	t	968	1,071	1,669	711
On site	t	0	0	0	n.d.
Off site	t	968	1,071	1,669	n.d.
Incineration	t	0	0	n.d.	n.d.
On site	t	0	0	n.d.	n.d.
Off site	t	0	0	n.d.	n.d.
Main waste categories					
Fly ash	%	91	82	88	83
Slag	%	3	8	10	10
Gypsum	%	2	9	0	4
Used oils	%	0	0	0	0
PCB	%	0	0	0	0
Metals	%	4	1	2	2
By-products	t	27,547	48,478	42,395	134,858
Gypsum	t	27,547	48,478	39,053	45,049
Fly ash	t	0	0	3,071	86,929
Slag	t	0	0	271	2,880
Specific production of waste materials	t/GWh	5	6	4	5
Recovered waste materials	%	96	95	83	92
NATURAL RESOURCES					
Fuel					
Coal	TJ	27,192	62,435	71,109	55,515
Natural gas	TJ	29,718	61,961	45,334	67,447
Diesel	TJ	116	217	69	127
Fuel oil	TJ	11	20	21	220
Waste gas	TJ	7,837	7,965	11,158	7,046
Chemicals consumption					
Sodium hydroxyde	t	284	464	462	608
Hydrochloric acid	t	422	875	710	1,236
Sodium hypochlorite	t	1,930	1,957	2,094	3,087
Ammonia	t	2,216	8,848	2,368	6,063
Calcareous	t	16,910	42,694	24,327	27,254
Acquired oils	t	84	185	155	140



OWN WORKFORCE	UN	2023	2022	2021	2020
EMPLOYEES					
Data including EDP Comercial Internacional companies acquired in 2023¹					
Employees	#	13,041	13,211	12,236	12,180
Female	%	28.8	27.5	26.7	25.2
Male	%	70.8	72.1	73.3	74.8
Not declared	%	0.4	0.4	n.d.	n.d.
Data excluding EDP Comercial Internacional companies acquired in 2023					
Employees	#	12,907	13,211	12,236	12,180
Female	%	28.7	27.5	26.7	25.2
Male	%	70.9	72.1	73.3	74.8
Not declared	%	0.4	0.4	n.d.	n.d.
EMPLOYEES DISTRIBUTION BY PROFESSIONAL CATEGORY					
EBD	#	5	5	5	9
Female	#	2	2	2	2
Male	#	3	3	3	7
Not declared	#	0	0	n.d.	n.d.
Senior Management	#	391	386	962	861
Female	#	104	104	265	215
Male	#	287	281	697	646
Not declared	#	0	1	n.d.	n.d.
Supervisors	#	1,198	1,323	865	777
Female	#	360	380	218	188
Male	#	835	939	647	589
Not declared	#	3	4	n.d.	n.d.
Specialists	#	6,573	6,469	5,276	4,717
Female	#	2,570	2,417	2,010	1,773
Male	#	3,981	4,027	3,266	2,944
Not declared	#	22	25	n.d.	n.d.
Technicians	#	4,740	5,028	5,128	5,246
Female	#	674	728	767	790
Male	#	4,040	4,277	4,361	4,456
Not declared	#	26	23	n.d.	n.d.



OWN WORKFORCE	UN	2023	2022	2021	2020
EMPLOYEES DISTRIBUTION BY AGE GROUP					
≥ 50	#	2,994	2,910	2,971	3,117
Female	#	727	646	649	652
Male	#	2,264	2,261	2,322	2,465
Not declared	#	3	3	n.d.	n.d.
[30-50[	#	8,019	7,973	7,213	6,556
Female	#	2,350	2,239	1,973	1,750
Male	#	5,635	5,712	5,240	4,806
Not declared	#	34	22	n.d.	n.d.
< 30	#	1,894	2,328	2,052	1,937
Female	#	633	746	640	566
Male	#	1,247	1,554	1,412	1,371
Not declared	#	14	28	n.d.	n.d.
PERCENTUAL DISTRIBUTION OF EMPLOYEES					
Age Group					
≥50	%	23	22	24	27
[30-50[	%	62	60	59	56
<30	%	15	18	17	17
Geography					
Portugal	%	43	43	47	50
Spain	%	16	16	17	13
South America	%	26	25	26	28
North America	%	8	8	7	7
Rest of the Europe	%	4	4	3	2
APAC	%	3	4	0	0
Employees with disabilities	%	2	1	1	1
FEMALE EMPLOYEES IN MANAGEMENT POSITIONS					
In the total workforce	%	29	28	26	25
In EBD and Senior Management positions	%	27	27	28	23
In Supervisory positions	%	30	29	25	24
In revenue-generating positions	%	44	17	16	14
In STEM positions ²	%	32	33	31	33



OWN WORKFORCE	UN	2023	2022	2021	2020
ELIGIBLE EMPLOYEES FOR RETIREMENT					
EBD					
next to 5 years	#	0	0	0	3
next to 10 years	#	0	0	0	5
Senior Management					
next to 5 years	#	31	32	85	88
next to 10 years	#	70	47	146	162
Supervisors					
next to 5 years	#	71	84	39	42
next to 10 years	#	139	114	90	84
Specialists					
next to 5 years	#	304	298	292	326
next to 10 years	#	589	478	476	518
Technicians					
next to 5 years	#	478	812	967	1,188
next to 10 years	#	950	992	1,258	1,450
RATIO EDP MINIMUM WAGE/NATIONAL MIMINUM WAGE					
Portugal	x	1.43	1.47	1.79	1.84
Spain	x	1.43	1.55	1.17	1.19
South America	x	1.47	1.49	1.09	1.15
North America	x	2.25	1.39	2.21	2.21
Rest of the Europe	x	1.44	1.37	0.00	0.00
APAC	x	1.08	1.01	n.a.	n.a.
RATIO OF THE ANNUAL TOTAL COMPENSATION FOR THE ORGANIZATION'S HIGHEST-PAID INDIVIDUAL TO THE AVERAGE ANNUAL TOTAL COMPENSATION FOR ALL EMPLOYEES (EXCLUDING THE HIGHEST-PAID INDIVIDUAL)					
	x	0.20	2.16	1.00	1.07
TYPES OF ENTRIES					
New entries	#	1,425	2,064	1,599	1,282
Gender					
Male	#	818	1,216	1,047	885
Female	#	451	642	552	397
Not declared	#	156	206	n.d.	n.d.
Age Group					
<30	#	633	854	749	598
[30-50[	#	740	1,069	777	633
≥50	#	52	141	73	51



OWN WORKFORCE	UN	2023	2022	2021	2020
Professional category					
Technicians	#	368	596	443	403
Specialists	#	963	1,327	1,104	809
Supervisors	#	80	91	18	30
Senior Management	#	14	50	34	40
Geography					
Portugal	#	398	521	471	432
Spain	#	188	272	229	185
South America	#	345	595	434	366
North America	#	247	381	316	229
Rest of the Europe	#	165	161	137	84
APAC	#	82	134	12	0
Employees with disabilities (new entries)	#	21	18	25	0
Vacancies filled by internal candidates	#	864	809	947	1,186
Gender					
Male	#	519	555	690	850
Female	#	345	254	257	336
Not declared	#	0	0	n.d.	n.d.
Age Group					
<30	#	240	286	130	159
[30-50[	#	537	444	564	625
≥50	#	87	79	253	402
Professional category					
Technicians	#	94	123	341	413
Specialists	#	622	566	381	472
Supervisors	#	117	65	115	149
Senior Management	#	31	55	110	152
Geography					
Portugal	#	394	382	280	973
Spain	#	91	74	329	77
South America	#	245	281	168	100
North America	#	84	52	168	30
Rest of the Europe	#	21	6	2	6
APAC	#	29	14	0	0
Employees with disabilities	#	4	9	0	0



OWN WORKFORCE	UN	2023	2022	2021	2020
REASONS FOR LEAVING					
End of fixed-term contracts	%	4	3	2	2
Terminated by mutual agreement	%	2	1	9	4
Terminated by employee	%	44	48	34	20
Dismissals	%	16	20	24	14
Early retirements	%	5	7	21	21
Age/invalidity retirement	%	7	8	7	5
Other reasons for leaving	%	23	14	4	35
SALARY RATIO F/M BY PROFESSIONAL CATEGORY					
Technicians					
Portugal	x	1.32	1.29	1.29	1.25
Spain	x	0.91	0.92	0.87	0.83
South America	x	0.69	0.93	0.97	0.96
North America	x	0.99	0.88	1.00	1.04
Rest of the Europe	x	0.75	0.98	0.00	1.70
APAC	x	0.71	0.97	0.00	0.00
Specialists					
Portugal	x	0.90	0.89	0.93	0.92
Spain	x	0.90	0.88	0.91	0.92
South America	x	0.79	0.86	0.81	0.82
North America	x	0.93	0.96	0.97	0.93
Rest of the Europe	x	0.82	0.85	0.89	0.91
APAC	x	0.90	0.93	0.75	0.00
Supervisors					
Portugal	x	0.97	0.95	0.98	0.99
Spain	x	0.91	0.89	0.86	0.87
South America	x	0.98	0.97	1.05	1.05
North America	x	0.93	0.92	0.97	1.06
Rest of the Europe	x	0.87	0.92	0.88	1.26
APAC	x	1.00	0.96	0.00	0.00
Senior Management					
Portugal	x	0.99	1.00	0.94	0.92
Spain	x	0.89	0.91	0.82	0.85
South America	x	1.18	1.32	0.89	0.93
North America	x	1.16	1.18	0.99	0.95
Rest of the Europe	x	0.00	0.00	0.79	0.75
APAC	x	1.16	1.05	0.00	0.00



OWN WORKFORCE	UN	2023	2022	2021	2020
EMPLOYEES SATISFACTION					
Engagement	%	80	84	76	80
Gender					
Female	%	84	86	78	83
Male	%	78	83	76	79
Not declared	%	100	94	n.d.	n.d.
Age Group					
<30	%	76	82	76	79
[30-50[	%	79	83	76	81
≥50	%	84	87	76	78
Professional category					
Technicians	%	75	82	75	78
Specialists	%	81	84	74	79
Supervisors	%	88	88	81	86
Senior Management	%	91	92	88	90
Geography					
Portugal	%	75	80	73	76
Spain	%	79	81	71	78
South America	%	87	91	84	86
North America	%	86	86	79	84
Rest of the Europe	%	78	84	73	76
APAC	%	85	81	90	0
Employees with disabilities	%	n.d.	n.d.	n.d.	74
Empowerment ³	%	75	72	76	80
Gender					
Female	%	77	73	71	75
Male	%	74	72	71	73
Not declared	%	79	87	n.d.	n.d.
TURNOVER					
Gender					
Female	%	14	12	13	11
Male	%	11	11	11	12
Not declared	%	14	25	n.d.	n.d.



OWN WORKFORCE	UN	2023	2022	2021	2020
Age group					
< 30	%	15	14	13	10
[30-50[	%	12	10	8	9
≥ 50	%	14	15	24	18
Professional category					
Technicians	%	15	11	13	11
Specialists	%	13	13	12	12
Supervisors	%	9	8	6	11
Senior management	%	6	21	7	10
Geography					
Portugal	%	7	8	10	8
Spain	%	11	6	15	25
South America	%	17	15	14	9
North America	%	21	24	20	15
Rest of the Europe	%	21	10	10	37
APAC	%	54	30	0	0
Employees with disabilities	%	13	9	14	24
VOLUNTARY EMPLOYEE TURNOVER	%	6	6	4	2
Gender					
Male	%	6	6	4	3
Female	%	6	6	5	2
Not declared	%	6	23	n.d.	n.d.
Age group					
< 30	%	9	10	9	4
[30-50[	%	7	6	4	3
≥ 50	%	2	1	1	0
Professional category					
Technicians	%	4	3	2	1
Specialists	%	8	8	7	4
Supervisors	%	5	5	3	1
Senior management	%	3	9	2	1



OWN WORKFORCE	UN	2023	2022	2021	2020
Geography					
Portugal	%	3	3	2	1
Spain	%	3	3	2	1
South America	%	5	5	6	3
North America	%	16	18	19	11
Rest of the Europe	%	14	9	5	4
APAC	%		19	n.d.	n.a.
Employees with disabilities	%	4	3	0	0
HC ROI	€	7	7	6	6
TRAINING VOLUME					
Volume of mandatory training per employee	h	301,127	206,310	245,716	176,196
Gender					
Male	h	244,699	167,019	201,172	133,234
Female	h	56,428	39,292	44,544	42,962
Age group					
< 30	h	60,661	44,339	47,126	n.d.
[30-50[	h	197,909	119,604	152,358	n.d.
≥ 50	h	42,556	42,367	46,232	n.d.
Professional category					
Technicians	h	153,072	98,160	124,967	77,486
Specialists	h	109,028	71,222	78,194	69,560
Supervisors	h	32,482	27,229	23,556	15,417
Senior Management	h	6,544	9,700	18,999	13,732
Geography					
Portugal	h	119,454	119,264	120,518	117,444
Spain	h	24,615	47,979	36,056	20,415
South America	h	101,922	25,072	79,648	27,981
North America	h	19,831	9,216	5,401	7,848
Rest of the Europe	h	27,898	3,661	3,998	2,508
APAC	h	7,407	1,120	95	n.a.
Volume of non-mandatory training per employee	h	75,590	103,626	91,580	97,677
Gender					
Male	h	53,841	74,742	64,749	73,782
Female	h	21,750	28,884	26,831	23,896



OWN WORKFORCE	UN	2023	2022	2021	2020
Age group					
< 30	h	12,707	14,934	10,395	n.d.
[30-50[	h	51,503	70,996	64,642	n.d.
≥ 50	h	11,381	17,696	16,543	n.d.
Professional category					
Technicians	h	22,970	23,900	20,110	33,842
Specialists	h	38,813	46,687	44,496	40,625
Supervisors	h	10,672	19,318	11,314	11,383
Senior Management	h	3,136	13,721	15,660	11,828
Geography					
Portugal	h	22,729	21,645	28,064	27,386
Spain	h	12,646	38,168	30,994	23,374
South America	h	12,605	24,119	12,590	31,549
North America	h	16,859	13,235	15,107	11,434
Rest of the Europe	h	10,724	6,170	4,821	3,935
APAC	h	29	288	4	n.a.
DIRECT INVESTMENT WITH TRAINING BY EMPLOYEES	€/p	402	287	303	280
Investment in mandatory training per employee	€/p	3,547,301	1,949,792	1,635,444	1,325,491
Gender					
Male	€/p	2,664,111	1,490,993	1,213,787	983,598
Female	€/p	883,190	458,799	421,657	341,892
Age group					
< 30	€/p	614,779	295,464	174,975	n.d.
[30-50[	€/p	2,383,752	1,246,565	1,134,684	n.d.
≥ 50	€/p	548,769	407,763	325,785	n.d.
Professional category					
Technicians	€/p	1,091,590	585,649	308,374	275,175
Specialists	€/p	1,736,511	719,732	650,960	493,354
Supervisors	€/p	520,072	488,517	336,156	214,700
Senior Management	€/p	199,128	155,894	339,954	342,261
Geography					
Portugal	€/p	945,919	835,207	737,557	593,235
Spain	€/p	461,172	699,026	595,895	430,401
South America	€/p	523,000	81,110	113,752	52,692
North America	€/p	493,010	258,554	125,667	230,805
Rest of the Europe	€/p	1,074,819	36,407	62,573	18,357
APAC	€/p	19,381	39,488	n.d.	n.d.



OWN WORKFORCE	UN	2023	2022	2021	2020
Investment in non-mandatory training per employee	€/p	1,597,747	1,887,386	2,068,303	1,924,421
Gender					
Male	€/p	1,111,575	1,289,407	1,383,758	1,340,749
Female	€/p	486,172	597,978	684,545	583,672
Age group					
< 30	€/p	280,856	275,834	231,019	n.d.
[30-50[	€/p	1,072,976	1,293,843	1,519,167	n.d.
≥ 50	€/p	243,915	317,709	318,117	n.d.
Professional category					
Technicians	€/p	383,727	244,982	356,821	292,106
Specialists	€/p	903,104	886,667	977,110	964,897
Supervisors	€/p	224,837	453,859	359,099	295,390
Senior Management	€/p	86,080	301,877	375,273	372,027
Geography					
Portugal	€/p	460,079	413,999	593,859	709,309
Spain	€/p	236,929	881,228	862,803	570,044
South America	€/p	68,389	149,300	184,642	279,986
North America	€/p	419,125	371,333	351,541	336,283
Rest of the Europe	€/p	413,150	61,371	75,458	28,800
APAC	€/p	75	10,154	n.d.	n.a.

¹Data includes companies acquired in 2023 and which, in the purchase process, negotiated that, for GDPR (General Data Protection Regulation) reasons, human resources data would only be made available in 2024.

¹STEM Positions (Science, Technology, Engineering e Mathematics).

²As part of the Organisational Climate, the Empowerment dimension was assessed in 2022 to replace the Enablement dimension previously assessed, as part of the evolution of the employee consultation model at EDP.

SUPPLY CHAIN	UN	2023	2022	2021	2020
SUPPLIERS					
Number of Suppliers by purchase region ¹	#	16,810	4,199	13,385	13,185
Portugal	#	4,671	1,052	3,649	3,923
Spain	#	2,940	549	1,421	2,552
South America	#	5,617	1,053	3,749	4,720
North America	#	794	357	654	594
Rest of the Europe	#	2,736	1,381	3,916	1,559
APAC	#	552	0	1	0



SUPPLY CHAIN	UN	2023	2022	2021	2020
Purchase volume by purchase region	M€	7,613	10,074	5,724	4,738
Portugal	M€	1,703	3,003	1,395	965
Spain	M€	1,104	1,500	722	615
South America	M€	1,833	596	887	617
North America	M€	2,286	3,010	1,268	1,376
Rest of the Europe	M€	552	1,965	1,429	1,165
APAC	M€	135	0	23	0
Local Suppliers volume of purchases					
Portugal	%	61	27	58	76
Spain	%	59	40	51	58
South America	%	89	99	99	99
North America	%	99	99	100	100
Rest of the Europe	%	82	82	100	45
APAC	%	66	0	0	0
Critical Suppliers²					
ISO 14001 or equivalent	%	47	81	25	69
OHSAS 18001 or equivalent	%	42	80	36	55
Assessed by ESG criteria	%	85	97	100	100
Service providers with audited ESG risks	%	82	63	45	53
ORIGIN OF FUEL					
Coal Origin					
Colombia	%	74	58	100	100
USA	%	0	2	0	0
South Africa	%	8	0	0	0
Russia	%	0	10	0	0
Australia	%	0	3	0	0
Kazakhstan	%	18	27	0	0
Ucrain	%	0	0	0	0
Gas Origin					
USA	%	76	57	81	n.d.
Russia	%	0	0	12	n.d.
Equatorial Guinea	%	0	6	5	n.d.
Nigeria	%	0	0	2	n.d.
Trinidad and Tobago	%	24	37	0	n.d.



SUPPLY CHAIN	UN	2023	2022	2021	2020
PURCHASE CATEGORY					
Materials and Equipment	%	26	13	22	24
Corporate Services and IT	%	18	16	18	14
Construction and technical services	%	45	41	40	53
Fuels	%	11	31	20	9

¹ The number of total suppliers considers the count of single suppliers in all EDP geographies. Therefore, it does not correspond to the sum of the geography's suppliers, once it discards the double counts of the ones that may supply different EDP geographies.

² Critical Suppliers exposed to environmental or health and safety risks.

HEALTH, SAFETY AND CRISIS MANAGEMENT	UN	2023	2022	2021	2020
EMPLOYEES					
Accidents at work ¹	#	37	28	21	17
Fatalities	#	0	0	0	0
Frequency rate ²	Fr	1.47	1.13	0.92	0.77
Severity rate ³	Sr	78	65	69	60
CONTRACTORS					
Accidents at work ¹	#	140	105	132	115
Fatalities	#	5	5	7	3
Frequency rate ²	Fr	2.32	2.18	2.09	2.12
Severity rate ³	Sr	106	144	109	100
INFORMATION SECURITY / CYBER SECURITY					
Information security incidents ⁴	#	3,574	3,172	4,043	3,397

¹ Accidents occurred at the place and working time or on a journey, with one or more days of absence and fatal accidents.

² Number of accidents at work in service with absence/fatalities, per million hours worked.

³ Number of calendar days lost due to work accident per million hours worked, in the reference period.

⁴ The evolution is explained by the greater robustness in the detection capacity of this indicator and the larger number of cyberattacks.

AFFECTED COMMUNITIES ¹	UN	2023	2022	2021	2020
Category	000€	26,211	19,857	21,275	20,654
Nonstrategic investment	000€	2,138	544	1,735	980
Strategic investment	000€	24,038	18,636	19,531	19,674
Commercial initiative	000€	35	677	9	0



AFFECTED COMMUNITIES¹	UN	2023	2022	2021	2020
Nature	000€	26,211	19,857	21,275	20,654
Education	000€	1,916	2,478	1,679	1,574
Health	000€	70	107	535	1
Economic development	000€	1,909	1,033	686	756
Environment	000€	3,017	2,414	1,125	787
Art and culture	000€	10,961	5,625	8,474	7,647
Social welfare	000€	5,569	6,104	6,271	2,432
Emergency response	000€	123	787	304	6,144
Other	000€	2,646	1,310	2,201	1,313
Type	000€	26,211	19,857	21,275	20,654
Cash contributions	000€	16,940	17,751	19,299	17,486
Kind contributions	000€	8,700	1,845	1,764	2,858
Working time contributions	000€	570	261	211	310
Management costs	000€	6,850	11,376	1,283	554
Total value of contributions (including management costs)	000€	33,060	31,233	22,558	21,208
Beneficiary entities	#	604	634	994	1,051
CORPORATE VOLUNTEERING					
EDP Volunteers	#	4,426	3,626	3,681	2,482
EDP time used in volunteering	h	21,591	10,551	11,307	14,457

¹Determined according to the LBG methodology. Not yet validated by Corporate Citizenship.

HUMAN RIGHTS	UN	2023	2022	2021	2020
HUMAN AND EMPLOYMENT RIGHTS					
Human Rights due diligence process	y/n	y	y	y	y

ENERGY CONSUMERS AND END-USERS	UN	2023	2022	2021	2020
CUSTOMERS					
Number of electricity customers	000	8,580	8,495	8,654	8,615
Regulated market	000	4,807	4,558	4,609	4,565
Portugal	000	927	973	930	965
Spain	000	0	0	0	0
South America	000	3,881	3,586	3,679	3,600



ENERGY CONSUMERS AND END-USERS	UN	2023	2022	2021	2020
Liberalised market	000	3,773	3,936	4,045	4,050
Portugal	000	3,753	3,916	4,022	4,033
Market Share EDP - Liberalised Market	%	0	n.d.	74	76
Spain	000	19	20	22	22
South America	000	1	1	1	0
Gas	000	591	631	686	691
Regulated market	000	108	77	32	34
Portugal	000	108	77	32	34
Spain	000	0	0	0	0
Liberalised market	000	483	554	654	657
Portugal	000	480	551	650	652
Spain	000	3	4	4	6
Overall customers satisfaction	%	85	80	77	79
Portugal	%	90	86	81	79
Spain	%	n.a.	n.a.	n.a.	n.a.
South America	%	77	74	64	80
Customers by type of use					
Electricity customers					
Domestic	%	86	88	86	88
Industrial	%	1	1	1	1
Commercial	%	8	9	8	8
Agriculture	%	3	1	3	3
Other	%	2	2	1	1
Gas customers					
Domestic	%	95	94	95	97
Industrial	%	0	0	1	0
Commercial	%	1	1	2	1
Agriculture	%	0	0	0	0
Other	%	3	4	3	1
Customers with social tariff	#	1,143,755	1,011,628	935,772	763,831
Electricity	#	1,125,080	992,662	913,609	749,413
Portugal	#	500,474	528,985	553,304	555,361
Spain	#	n.a.	n.a.	n.a.	n.a.
South America	#	624,606	463,677	360,305	194,052
Gas	#	18,675	18,966	22,163	14,418
Portugal	#	18,675	18,966	22,163	14,418



ENERGY CONSUMERS AND END-USERS	UN	2023	2022	2021	2020
Priority customers ¹	#	8,700	3,865	3,022	3,711
Electricity	#	8,700	3,865	3,022	3,711
Portugal	#	4,668	2,979	2,527	3,329
Spain	#	n.a.	n.a.	n.a.	n.a.
South America	#	4,032	886	495	382
Special needs customers ²	#	1,487	1,288	772	1,049
Electricity	#	1,487	1,288	772	1,049
Portugal	#	526	404	287	257
Spain	#	n.a.	n.a.	n.a.	n.a.
South America	#	961	884	485	792
Green tariff	#	0			
Electricity	#	968	4,691	6,115	4,760
Portugal	#	958	1,994	1,101	799
Spain	#	10	2,697	5,014	3,962
South America	#	n.d.	n.d.	n.d.	n.d.
Customer Ombudsperson		0			
Ombudsman's answer orientation		0			
Concordant	%	35	42	46	47
Discordant	%	49	32	29	18
Partial concordant	%	3	6	5	15
Resolved issues	%	13	20	20	20
E-voicing					
Portugal	%	49	48	47	44
Spain	%	87	77	48	21
South America	%	39	27	27	26
Fines payed for failure in supply and use of products and services	000€	10,597	7,912	5,365	4,113
Information privacy					
Fines for breach of privacy and loss of customer data	#	0	0	0	4
Fines for breach of privacy and loss of customer data	000€	0	0	0	51
ELECTRICITY SUPPLIED	GWh	69,215	65,895	59,750	69,478
Portugal	GWh	20,112	20,641	19,999	19,508
Last Resort	GWh	3,015	2,817	2,343	2,413
Liberalised Market	GWh	17,097	17,824	17,656	17,095
Market Share EDP – Liberalised Market	%	n.d.	n.d.	43	41



ENERGY CONSUMERS AND END-USERS	UN	2023	2022	2021	2020
Spain	GWh	9,485	12,244	10,959	10,702
Last Resort	GWh	0	0	0	350
Liberalised Market	GWh	9,485	12,244	10,959	10,352
Market Share EDP – Liberalised Market	%	5	6	4	6
Brazil	GWh	39,618	33,010	28,792	39,269
Last Resort	GWh	14,217	13,754	13,587	13,429
Liberalized Market	GWh	25,402	19,256	15,205	25,840
Social Tariff	GWh	1,309	938	1,415	545
Portugal	GWh	134	132	150	159
Spain	GWh	0	0	0	90
South America	GWh	1,175	807	1,264	296
Green Tariff	GWh	5,190	4,691	6,115	4,760
Portugal	GWh	850	1,994	1,101	799
Spain	GWh	4,340	2,697	5,014	3,962
South America	GWh	n.d.	n.d.	n.d.	n.d.
GAS SUPPLIED	GWh	5,025	10,364	14,309	17,070
Portugal	GWh	2,564	3,713	4,390	4,294
Last Resort	GWh	392	195	155	167
Liberalised Market	GWh	2,172	3,518	4,235	4,127
Market Share EDP – Liberalised Market	%	n.d.	n.d.	11	11
Spain	GWh	2,460	6,651	9,920	12,776
Last Resort	GWh	0	0	0	195
Liberalised Market	GWh	2,460	6,651	9,920	12,581
Market Share EDP – Liberalised Market	%	3	3	6	3
DISTRIBUTION					
Electricity distributed		86,438	85,272	84,885	76,360
Portugal	GWh	45,978	45,494	44,752	44,143
Spain	GWh	12,682	13,286	14,117	7,559
South America	GWh	27,778	26,491	26,016	24,658
Electricity supply points		11,758	11,583	11,427	11,274
Portugal	GWh	6,484	6,425	6,370	6,302
Spain	GWh	1,391	1,383	1,376	1,371
South America	GWh	3,883	3,775	3,680	3,601



ENERGY CONSUMERS AND END-USERS	UN	2023	2022	2021	2020
Grid extension	km	384,516	380,788	378,155	375,777
Portugal	km	234,668	232,089	230,676	229,168
Overhead lines	km	183,900	181,907	180,951	179,867
Underground lines	km	50,768	50,182	49,725	49,301
Spain	km	52,848	52,644	52,493	52,492
Overhead lines	km	39,623	39,571	39,553	39,670
Underground lines	km	13,225	13,073	12,940	12,822
South America	km	96,999	96,055	94,986	94,118
Overhead lines	km	96,688	95,771	94,708	93,850
Underground lines	km	312	283	277	268
Service Quality					
Portugal					
Installed capacity equivalent interruption time ³	min	48	54	50	60
Spain					
Installed capacity equivalent interruption time ⁶	min	19	18	20	15
South America					
Average interruption duration per consumer					
EDP São Paulo	h	6	6	6	7
EDP Espírito Santo	h	7	7	8	8
Frequency of interruptions per consumer					
EDP São Paulo	#	3	3	4	5
EDP Espírito Santo	#	3	3	4	4
SERVICE RECONNECTION					
Electricity supply reconnection after payment of debt by customer					
Portugal ⁴	#	152,573	168,496	62,935	186,139
< 4h (urgent)	#	26,854	34,215	16,281	47,806
< 8h (other clients)	#	625	617	476	630
< 12h (clients NVL)	#	125,094	133,664	46,178	137,703
Spain ⁵	#	10,585	3,308	16,674	3,533
≤ 24 hours	#	10,498	3,127	16,561	3,509
> 24 hours	#	87	181	113	24
South America	#	223,700	273,975	175,463	180,257
< 24h	#	148,710	244,707	114,129	157,022
< 1 week	#	44,464	28,270	37,585	21,507
> 1 week	#	30,526	998	23,749	1,728



ENERGY CONSUMERS AND END-USERS	UN	2023	2022	2021	2020
TRANSMISSION					
Grid extension		2,535	2,535	1,414	1,441
Grid extension in operation	GWh	2,185	2,185	162	316
Grid extension under construction	GWh	350	350	1,252	1,125

¹ Customers whose survival depends on equipment or customers that provide essential health or safety services to the community (in accordance with Article 103 of the Regulation on Service Quality in the Electricity and Natural Gas sector).

² Customers with limitations in the field of vision (total blindness or hypovision), in the field of hearing (total deafness or hearing loss) and in the field of oral communication (in accordance with Article 100 of the Regulation on Service Quality in the Electric and Natural Gas sector).

³ TIEPI in the MT network, excludes extraordinary events.

⁴ The values consider service reconnections within the deadlines defined by the regulator, representing 99% of the total reestablishments.

⁵ The time intervals considered are related to the time that elapses from the interruption of the service due to non-payment by the customer, until the restoration of the same. The values consider service reconnections within the deadlines defined by the regulator.

BUSINESS CONDUCT	UN	2023	2022	2021	2020
CORPORATE GOVERNANCE					
Number of members					
EBD	#	5	5	5	7
GSB	#	16	16	16	21
Number of independent members					
GSB	#	9	9	9	11
Number of women					
EBD	#	2	2	2	2
GSB	#	6	6	6	5
ETHICS AND COMPLIANCE					
Claims					
Total queries ¹	#	689	427	344	464
Claims before the Ethics Commission ²	#	382	321	146	147
Client	#	58	22	10	8
Citizen	#	22	15	20	22
Employee	#	223	153	33	27
Supplier	#	30	26	9	8
Anonymous	#	49	105	74	82
Claims by category					
Fairness of solutions	#	n.a.	n.a.	n.a.	19
Neglect or disrespect	#	n.a.	n.a.	n.a.	103
Transparency	#	n.a.	n.a.	n.a.	0
Use of information or assets	#	n.a.	n.a.	n.a.	8
Environment and responsibility towards society	#	n.a.	n.a.	n.a.	0



BUSINESS CONDUCT	UN	2023	2022	2021	2020
Fraud, corruption and bribery	#	n.a.	n.a.	n.a.	17
Employee well-being	#	123	140	46	n.a.
Health and Safety	#	16	19	6	n.a.
Company representation	#	0	0	0	n.a.
Diversity and inclusion	#	3	7	4	n.a.
Harassment ³	#	64	47	24	n.a.
Human Rights	#	0	0	2	n.a.
Relationship with shareholders	#	0	0	0	n.a.
Relationship with customers	#	1	2	4	n.a.
Relationship with suppliers	#	4	3	3	n.a.
Relationship with communities	#	0	1	3	n.a.
Competition	#	0	0	1	n.a.
Environment	#	2	0	1	n.a.
Energy transition	#	0	0	0	n.a.
Digital revolution	#	0	0	0	n.a.
Entrepreneurship and cooperation	#	0	0	0	n.a.
Personal data protection and privacy ³	#	6	5	0	n.a.
Use of company information	#	37	34	18	n.a.
Conflict of interests	#	35	32	17	n.a.
Corruption and bribery	#	69	20	12	n.a.
Money laundering and countering the financing of terrorism	#	0	0	1	n.a.
Use of assets	#	20	8	4	n.a.
Gifts and entertainment	#	0	0	0	n.a.
Manipulation in financial statements and/or management reports	#	1	3	0	n.a.
Other	#	1	1	0	n.a.
Actions deliberated/determined by the Ethics Commission	#	120	38	52	39
Revisions/improvements of procedures	#	38	16	26	14
Compensation of damages	#	0	0	1	0
Disciplinary action	#	25	21	13	25
Training	#	42	17	12	0
Other	#	15	4	0	0
RESPONSIBLE POLITICAL INVOLVEMENT					
Costs related to lobbying	000€	6,797	6,359	4,856	4,239



BUSINESS CONDUCT	UN	2023	2022	2021	2020
TAX TRANSPARENCY					
Current tax	000€	232,239	374,432	191,433	139,751
Support from public authorities	000€	102,238	58,389	63,211	42,767

¹ Entries registered in the complaint channels Ethics of EDP Group.

² The remaining complaints were dealt with expeditiously with the Business Units involved.

³ One of the complaints has two inherent categories, "harassment" and "personal data protection and privacy", which justifies the fact that there is one more category (322) when compared to the total of complaints entered (321).

DIGITAL TRANSFORMATION AND INNOVATION	UN	2023	2022	2021	2020
INNOVATION AND RESEARCH					
Investment in RDI	000€	222,321	186,004	102,794	110,936
Investment in RDI/Turnover	%	1	1	1	1
Number of employees in RDI	#	563	591	321	212
DIGITAL TRANSFORMATION					
Smart meters ¹					
Portugal	#	5,620,188	4,593,940	3,983,104	3,208,209
Spain	#	1,379,786	1,373,145	1,372,720	1,368,843
South America	#	576,266	462,261	332,980	25,745
Clients with RE:DY	#	27,303	56,974	27,350	n.d.
Robotisation					
Number of robotised activities	#	2,436	1,610	1,686	1,132
Robotised hours/year	h/year	993,703	647,913	1,310,813	927,568
Minimum viable products ²	#	187	129	n.d.	n.d.

¹ The presented amounts are accumulated.

² KPI methodology changed to better reflect Digital Products' complexity level; "mVP equivalent" (mVP eq) is now based on the total Capex of each Digital Product, with a ratio translating that cost in a number of mVP equivalents.

SUSTAINABLE FINANCE	UN	2023	2022	2021	2020
CREATION OF A LONG-TERM VALUE					
Economic Value Generated	000€	18,296,209	22,660,644	16,479,886	13,755,853
Turnover	000€	16,202,308	20,650,764	14,982,909	12,448,205
Other income	000€	2,093,901	2,009,880	1,496,976	1,307,648



SUSTAINABLE FINANCE	UN	2023	2022	2021	2020
Economic Value Distributed	000€	15,368,261	20,375,387	14,344,023	11,307,190
Employees	000€	819,259	770,800	666,459	667,313
Suppliers	000€	10,381,262	15,633,382	11,036,972	8,213,006
Shareholders	000€	949,642	953,629	884,821	690,924
Financial sector	000€	1,889,694	1,753,220	875,816	897,326
Community	000€	33,060	31,233	22,544	21,208
State	000€	928,681	1,036,365	700,696	630,723
Other	000€	366,663	196,758	156,715	186,690
Economic Value Accumulated	000€	2,927,948	2,285,257	2,135,863	2,448,663
Gross Value Added per Employee	000€/#	446	383	350	397
CAPEX	000€	5,850,459	4,558,287	3,492,673	2,909,191
EBITDA	000€	5,020,026	4,523,539	3,723,050	3,949,963
Net Debt/EBITDA	x	3.1	2.9	3.1	3.1
Net Profit Attributable to EDP Shareholders	000€	952,348	679,001	656,717	800,692

4.2. GRI Indicators

Environmental indicators

2023	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
ENVIRONMENTAL CERTIFICATION								
ISO 14001 Certification ¹	%	89	95	100	89	83	86	27
TOTAL ENERGY CONSUMPTION								
PRIMARY ENERGY CONSUMPTION	TJ	65,098	12,495	51,799	772	22	8	2
Coal	TJ	27,192	0	26,522	669	n.a.	n.a.	n.a.
Fuel oil	TJ	11	0	11	n.a.	n.a.	n.a.	n.a.
Natural gas	TJ	29,718	12,397	17,317	0	3	0	0
Blast furnace gas	TJ	7,837	n.a.	7,837	n.a.	n.a.	n.a.	n.a.
Coke gas	TJ	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
Diesel oil	TJ	116	2	96	18	n.a.	n.a.	n.a.
Iron and steel industry gas	TJ	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
Fuel for fleet	TJ	224	96	16	84	19	8	2
ENERGY INTENSITY²								
THERMAL POWER PLANT EFFICIENCY (capacity based)	MJ/EUR	4.6	2.5	16.9	0.2	0.3	0.1	0.0
ELECTRICITY CONSUMPTION								
Generation self-consumption	%	43.0	50.2	37.5	n.a.	n.a.	n.a.	n.a.
Administrative service	MWh	2,601,814	2,150,219	366,757	15,571	50,281	18,986	0
Grid losses	MWh	30,689	20,737	1,940	5,674	1,703	465	170
Grid losses	%	7.8	7.9	4.8	9.2	n.a.	n.a.	n.a.
GHG EMISSION								
Direct emissions (scope 1)	ktCO ₂ eq	4,275.8	699.5	3,494.0	80.1	1.5	0.6	0.2
Stationary combustion ³	ktCO ₂ eq	4,249.3	686.3	3,489.8	73.3	0.0	0.0	0.0
SF ₆ Emissions	ktCO ₂ eq	11.0	6.1	3.0	1.9	0.0	0.0	0.0
Company fleet	ktCO ₂ eq	15.3	7.1	1.2	4.9	1.4	0.6	0.2
Natural gas consumption	ktCO ₂ eq	0.2	0.0	0.0	0.0	0.1	0.0	0.0
Indirect emissions (scope 2) ⁴	ktCO ₂ eq	287.7	215.0	5.0	41.6	18.7	7.3	0.1
Electricity consumption in office buildings	ktCO ₂ eq	1.6	0.0	0.0	0.0	1.5	0.1	0.1
Electricity losses	ktCO ₂ eq	261.5	215.0	5.0	41.6	0.0	0.0	0.0
Renewable plants self-consumption	ktCO ₂ eq	24.5	0.0	0.0	0.0	17.2	7.3	0.0



2023	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Other indirect emissions (scope 3)	ktCO ₂ eq	8,062.7	2,434.1	1,275.3	2,722.9	1,292.2	249.4	88.7
Purchased goods and services (C01)	ktCO ₂ eq	602.1	254.2	217.4	78.9	37.4	9.9	4.3
Capital Goods (C02)	ktCO ₂ eq	2,617.7	297.5	163.7	598.3	1,245.6	235.4	77.1
Fuel and energy related activities (C03)	ktCO ₂ eq	3,761.3	1,345.0	379.2	2,037.1	0.0	0.0	0.0
Upstream transportation and distribution (C04)	ktCO ₂ eq	19.1	1.6	0.6	0.7	7.0	3.3	5.9
Waste generated in operations (C05)	ktCO ₂ eq	4.9	0.2	3.1	1.4	0.2	0.0	0.0
Business Travels (C06)	ktCO ₂ eq	14.9	4.9	3.5	3.8	1.2	0.4	1.1
Commuting (C07)	ktCO ₂ eq	10.7	4.0	2.5	2.7	0.9	0.3	0.3
Use of sold products (C11)	ktCO ₂ eq	1,032.0	526.7	505.3	0.0	0.0	0.0	0.0
GHG EMISSIONS INTENSITY ⁵	kgCO ₂ /EUR	0.3	0.1	1.1	0.0	0.0	0.0	0.0
CO ₂ AVOIDED EMISSIONS ⁶	ktCO ₂	25,840.5	5,015.0	2,068.8	3,026.2	11,516.5	3,249.0	965.0
TOTAL EMISSIONS								
CO ₂ ³⁷	kt	4,249.3	686.3	3,489.8	73.3	n.a.	n.a.	n.a.
NO _x	kt	2.5	0.3	2.2	0.0	n.a.	n.a.	n.a.
SO ₂	kt	1.0	0.0	1.0	0.0	n.a.	n.a.	n.a.
Particulate matter	kt	0.1	0.0	0.1	0.0	n.a.	n.a.	n.a.
Mercury	kg	31.7	0.0	31.7	0.0	n.a.	n.a.	n.a.
SF ₆	kg	469.7	260.5	129.7	79.4	0.0	0.1	0.0
SPECIFIC OVERALL EMISSIONS								
CO ₂ ³⁷	g/kWh	75.0	50.5	318.9	8.2	n.a.	n.a.	n.a.
NO _x	g/kWh	0.0	0.0	0.2	0.0	n.a.	n.a.	n.a.
SO ₂	g/kWh	0.0	0.0	0.1	0.0	n.a.	n.a.	n.a.
Particulate matter	g/kWh	0.0	0.0	0.0	0.0	n.a.	n.a.	n.a.
SPECIFIC THERMAL EMISSIONS								
CO ₂ ³⁷	g/kWh	554.7	418.9	609.3	1,211.4	n.a.	n.a.	n.a.
NO _x	g/kWh	0.3	0.2	0.4	0.0	n.a.	n.a.	n.a.
SO ₂	g/kWh	0.1	0.0	0.2	0.0	n.a.	n.a.	n.a.
Particulate matter	g/kWh	0.0	0.0	0.0	0.0	n.a.	n.a.	n.a.
TOTAL WATER WITHDRAWAL BY SOURCE								
Ocean ⁹	10 ³ x m ³	533,056.4	0.0	533,056.4	n.a.	n.a.	n.a.	n.a.
Surface	10 ³ x m ³	8,653.7	4,588.3	4,056.7	8.7	n.a.	n.a.	n.a.
Fresh water	10 ³ x m ³	4,065.4	n.a.	4,056.7	8.7	n.a.	n.a.	n.d.
Other water	10 ³ x m ³	4,588.3	4,588.3	n.a.	n.a.	n.a.	n.a.	n.d.
Water hole ⁹	10 ³ x m ³	107.2	105.6	0.0	1.6	n.a.	n.a.	n.a.
Well ⁹	10 ³ x m ³	0.7	0.0	0.0	0.0	0.0	0.6	0.0
Municipal water supplies ⁹	10 ³ x m ³	1,173.5	72.4	726.7	370.4	0.0	0.6	3.5
Other private entity ⁹	10 ³ x m ³	312.4	311.8	0.1	0.4	0.0	0.1	0.0



2023	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
MAIN USE OF WATER								
Cooling water	10 ³ x m ³	541,772.3	4,615.4	536,865.7	291.2	n.a.	n.a.	n.a.
Row water	10 ³ x m ³	1,342.4	379.1	931.0	32.4	n.a.	n.a.	n.a.
Potable water	10 ³ x m ³	159.9	68.5	21.0	55.6	10.3	1.0	3.5
WASTEWATER								
Wastewater from generation with treatment	10 ³ x m ³	704.5	56.9	628.7	18.9	n.a.	n.a.	n.a.
Discharge into estuarine water and sea ⁸	10 ³ x m ³	536,840.7	3,271.9	533,404.3	164.4	n.a.	n.a.	n.a.
Discharge into inland water ⁹	10 ³ x m ³	1,402.9	5.2	1,397.8	n.a.	n.a.	n.a.	n.a.
WASTE MATERIALS								
	t	266,137.7	2,270.5	136,186.8	126,621.2	938.2	121.1	0.0
Waste								
Hazard waste	t	6,921.2	1,493.6	2,813.2	2,251.9	303.3	59.2	0.0
Non-hazard waste	t	231,669.6	776.9	105,826.6	124,369.3	634.9	61.8	0.0
Recovered waste	t	229,141.8	1,924.3	102,659.1	123,891.6	565.1	101.6	0.0
Hazardous waste	t	4,972.2	1,258.9	1,931.3	1,455.6	270.6	55.8	0.0
Recycled waste	t	2,636.3	0.0	1,099.2	1,405.9	129.3	1.8	0.0
On site	t	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Off site	t	2,636.3	0.0	1,099.2	1,405.9	129.3	1.8	0.0
Other	t	2,336.1	1,258.9	832.3	49.7	141.3	54.0	0.0
On site	t	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Off site	t	2,336.1	1,258.9	832.3	49.7	141.3	54.0	0.0
Non-hazardous	t	224,169.6	665.4	100,727.9	122,436.0	294.5	45.8	0.0
Recycled waste	t	108,404.5	198.6	84,563.9	23,321.8	285.1	35.0	0.0
On site	t	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Off site	t	108,404.2	198.6	84,563.9	23,321.8	285.1	34.8	0.0
Other	t	115,765.2	466.8	16,164.0	99,114.2	9.4	10.8	0.0
On site	t	1,163.0	0.0	1,163.0	0.0	0.0	0.0	0.0
Off site	t	114,602.2	466.8	15,001.0	99,114.2	9.4	10.8	0.0
Non-recovered waste	t	9,448.9	346.1	5,980.6	2,729.5	373.1	19.4	0.0
Hazardous waste	t	1,949.0	234.7	881.9	796.2	32.7	3.4	0.0
Landfilling	t	147.3	82.2	29.6	2.9	32.7	0.0	0.0
On site	t	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Off site	t	147.3	82.2	29.6	2.9	32.7	0.0	0.0
Other disposal operations	t	1,801.7	152.5	852.4	793.4	0.0	3.4	0.0
On site	t	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Off site	t	1,801.7	152.5	852.4	793.4	0.0	3.4	0.0



2023	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Non-hazardous	t	7,499.9	111.5	5,098.7	1,933.3	340.4	16.0	0.0
Landfilling	t	6,532.2	90.4	4,157.7	1,933.3	340.4	10.5	0.0
On site	t	2,915.7	90.4	1,447.4	1,378.0	0.0	0.0	0.0
Off site	t	3,616.9	0.0	2,710.7	555.3	340.4	10.5	0.0
Other disposal operations	t	967.7	21.1	941.0	0.0	0.0	5.5	0.0
On site	t	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Off site	t	967.7	21.1	941.0	0.0	0.0	5.5	0.0
By-products	t	27,547.0	0.0	27,547.0	n.a.	n.a.	n.a.	n.a.
Gypsum	t	27,547.0	0.0	27,547.0	n.a.	n.a.	n.a.	n.a.
Fly ash	t	0.0	0.0	n.a.	n.a.	n.a.	n.a.	n.a.
Slag	t	0.0	0.0	n.a.	n.a.	n.a.	n.a.	n.a.
Recovered waste materials	%	96.4	84.8	95.6	97.8	60.2	83.9	n.a.
DISTRIBUTION IN PROTECTED AREAS								
High voltage distribution grid in protected areas	km	1,582.4	960.5	207.7	414.2	n.a.	n.a.	n.a.
Overhead	km	1,566.3	944.4	207.7	414.2	n.a.	n.a.	n.a.
Underground	km	16.1	16.1	0.0	0.0	n.a.	n.a.	n.a.
Medium voltage distribution grid in protected areas	km	17,885.9	9,417.4	1,795.0	6,673.5	n.a.	n.a.	n.a.
Overhead	km	16,673.5	8,379.4	1,629.5	6,664.5	n.a.	n.a.	n.a.
Underground	km	1,212.4	1,038.0	165.5	8.9	n.a.	n.a.	n.a.
Substations in protected areas	#	71.0	29.0	28.0	14.0	n.a.	n.a.	n.a.
TRANSMISSION IN PROTECTED AREAS								
High voltage transmission grid in protected areas	km	83.8	n.a.	n.a.	83.8	n.a.	n.a.	n.a.
Overhead	km	83.8	n.a.	n.a.	83.8	n.a.	n.a.	n.a.
Underground	km	0.0	n.a.	n.a.	0.0	n.a.	n.a.	n.a.
Substations in protected areas	#	0.0	n.a.	n.a.	0.0	n.a.	n.a.	n.a.
Sites located in WDPA¹⁰								
Wind	#	62	27	21	1	0	13	0
Solar	#	1	0	0	0	0	1	0
Sites located in KBA¹¹								
Wind	#	71	11	48	0	1	11	0
Solar	#	2	0	0	0	0	2	0
Sites located in WDPA¹⁰								
Wind	ha	3,517	1,613	1,212	99	0	593	0
Solar	ha	23	0	0	0	0	23	0



2023	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Sites located in KBA ¹¹								
Wind	ha	7,862	924	5,846	0	672	421	0
Solar	ha	40	0	0	0	0	40	0
FLOODED AREAS BY RESERVOIRS IN PROTECTED AREAS	ha	2,916.0	2,584.7	331.3	0.0	n.a.	n.a.	n.a.
ENVIRONMENTAL COMPLAINTS	#	157.0	21	38	87	5	6	0

¹ Aggregated certification indicator due to assets with potential environmental impacts.

² Primary energy consumption by turnover.

³ The stationary emissions do not include those produced by the burning of ArcelorMittal steel gases in EDP's power plants in Spain.

⁴ Calculation according with GHG Protocol based location methodology. From 2023 onwards, CO₂e emissions associated with distribution grid losses will be calculated on the basis of technical losses, as recommended by the GHG Protocol

⁵ Scope 1 and Scope 2 emissions by turnover.

⁶ CO₂ emissions that would have occurred if the electricity generated by renewable energy sources were produced by thermal power plants. For each country, it is obtained by multiplying the net renewable energy production by the emission factor of the thermoelectric mix of that country.

⁷ Includes only stationary combustion emissions.

⁸ Other water: > 1,000 mg/L of total dissolved solids.

⁹ Fresh water: ≤1,000 mg/L of total dissolved solids.

¹⁰ WDPA - World Database on Protected Areas: IBAT Dataset. Includes 150m buffer. For solar, excludes solar DG.

¹¹ KBA - Key Biodiversity Areas: IBAT Dataset. Includes 150m buffer. For solar, excludes solar DG.

2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
ENVIRONMENTAL CERTIFICATION								
ISO 14001 Certification ¹	%	87	98	41	95	96	93	n.d.
TOTAL ENERGY CONSUMPTION	TJ	143,724	44,657	98,556	251	185	76	0
PRIMARY ENERGY CONSUMPTION	TJ	132,818	36,284	96,349	169	10	6	0
Coal	TJ	62,435	0	62,359	76	n.a.	n.a.	n.a.
Fuel oil	TJ	20	0	20	n.a.	n.a.	n.a.	n.a.
Natural gas	TJ	61,961	36,182	25,777	0	2	1	0
Blast furnace gas	TJ	7,965	n.a.	7,965	n.a.	n.a.	n.a.	n.a.
Coke gas	TJ	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
Diesel oil	TJ	217	1	204	13	n.a.	n.a.	n.a.
Iron and steel industry gas	TJ	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
Fuel for fleet	TJ	219	101	24	80	7	5	0
ENERGY INTENSITY ²	MJ/EUR	7.0	5.1	14.6	0.1	0.2	0.1	0.0
THERMAL POWER PLANT EFFICIENCY (capacity based)	%	46.7	53.9	41.1	n.a.	n.a.	n.a.	n.a.
ELECTRICITY CONSUMPTION								
Generation self-consumption	MWh	2,998,125.9	2,304,172.4	609,888.4	17,805.9	47,126.2	19,132.8	0.0
Administrative service	MWh	33,274.9	21,837.3	3,158.7	6,511.6	1,654.3	113.0	0.0
Grid losses	%	8.2	8.3	4.8	9.5	n.a.	n.a.	n.a.



2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
GHG EMISSION								
Direct emissions (scope 1)	ktCO ₂ eq	9,405.0	2,020.1	7,368.2	15.6	0.6	0.5	0.0
Stationary combustion ³	ktCO ₂ eq	9,380.8	2,007.4	7,364.9	8.5	0.0	0.0	0.0
SF ₆ Emissions	ktCO ₂ eq	9.1	5.2	1.5	2.4	0.0	0.0	0.0
Company fleet	ktCO ₂ eq	14.9	7.5	1.8	4.6	0.5	0.4	0.0
Natural gas consumption	ktCO ₂ eq	0.2	0.0	0.0	0.0	0.1	0.0	0.0
Indirect emissions (scope 2) ⁴	ktCO ₂ eq	469.2	358.1	0.0	84.7	18.6	7.9	0.0
Electricity consumption in office buildings	ktCO ₂ eq	1.4	0.0	0.0	0.0	1.3	0.0	0.0
Electricity losses	ktCO ₂ eq	442.8	358.1	0.0	84.7	0.0	0.0	0.0
Renewable plants self-consumption	ktCO ₂ eq	25.0	0.0	0.0	0.0	17.2	7.8	0.0
Other indirect emissions (scope 3)	ktCO ₂ eq	9,279.4	2,907.7	1,924.9	2,957.3	550.9	242.7	695.8
Purchased goods and services (C01)	ktCO ₂ eq	712.6	302.4	267.6	70.5	52.2	14.3	5.6
Capital Goods (C02)	ktCO ₂ eq	2,935.1	170.9	203.3	1,152.1	496.8	222.2	689.9
Fuel and energy related activities (C03)	ktCO ₂ eq	4,159.0	1,664.7	765.4	1,728.9	0.0	0.0	0.0
Upstream transportation and distribution (C04)	ktCO ₂ eq	5.7	0.0	0.0	0.0	0.0	5.7	0.0
Waste generated in operations (C05)	ktCO ₂ eq	9.7	0.2	8.7	0.7	0.1	0.0	0.0
Business Travels (C06)	ktCO ₂ eq	9.1	3.1	2.4	2.3	1.0	0.3	0.0
Commuting (C07)	ktCO ₂ eq	11.0	3.9	2.8	2.9	0.7	0.3	0.4
Use of sold products (C11)	ktCO ₂ eq	1,437.2	762.6	674.6	0.0	0.0	0.0	0.0
GHG EMISSIONS INTENSITY ⁵	kgCO ₂ /EUR	0.5	0.3	1.1	0.0	0.0	0.0	0.0
CO ₂ AVOIDED EMISSIONS ⁶	ktCO ₂	22,748.9	2,553.8	2,232.1	1,808.1	12,657.8	3,034.6	462.4
TOTAL EMISSIONS								
CO ₂ ³⁷	kt	9,380.8	2,007.4	7,364.9	8.5	n.a.	n.a.	n.a.
NOx	kt	4.8	0.7	4.1	0.0	n.a.	n.a.	n.a.
SO ₂	kt	2.3	0.0	2.3	0.0	n.a.	n.a.	n.a.
Particulate matter	kt	0.2	0.0	0.2	0.0	n.a.	n.a.	n.a.
Mercury	kg	36.8	0.0	36.8	0.0	n.a.	n.a.	n.a.
SF ₆	kg	388.8	220.4	62.2	104.2	0.0	2.1	0.0
SPECIFIC OVERALL EMISSIONS								
CO ₂ ³⁷	g/kWh	152.2	146.7	458.5	1.0	n.a.	n.a.	n.a.
NOx	g/kWh	0.1	0.1	0.3	0.0	n.a.	n.a.	n.a.
SO ₂	g/kWh	0.0	0.0	0.1	0.0	n.a.	n.a.	n.a.
Particulate matter	g/kWh	0.0	0.0	0.0	0.0	n.a.	n.a.	n.a.



2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
SPECIFIC THERMAL EMISSIONS								
CO ₂ ³⁷	g/kWh	575.5	27.7	687.3	2,237.8	n.a.	n.a.	n.a.
NOx	g/kWh	0.3	0.1	0.4	0.0	n.a.	n.a.	n.a.
SO ₂	g/kWh	0.1	0.0	0.2	0.0	n.a.	n.a.	n.a.
Particulate matter	g/kWh	0.0	0.0	0.0	0.0	n.a.	n.a.	n.a.
TOTAL WATER WITHDRAWAL BY SOURCE								
Ocean ⁸	10 ³ x m ³	652,950.6	0.0	652,950.6	n.a.	n.a.	n.a.	n.a.
Surface	10 ³ x m ³	20,848.9	11,442.3	9,381.9	24.6	n.a.	n.a.	n.a.
Fresh water	10 ³ x m ³	9,406.5	n.a.	9,381.9	24.6	n.a.	n.a.	n.d.
Other water	10 ³ x m ³	11,442.3	11,442.3	n.a.	n.a.	n.a.	n.a.	n.d.
Water hole ⁹	10 ³ x m ³	165.8	165.8	0.0	0.0	n.a.	n.a.	n.a.
Well ⁹	10 ³ x m ³	3.5	0.0	0.0	1.6	1.1	0.7	0.0
Municipal water supplies ⁹	10 ³ x m ³	1,555.2	93.0	1,197.8	257.7	6.4	0.2	0.0
Other private entity ⁹	10 ³ x m ³	143.8	106.4	37.1	0.3	0.0	0.1	0.0
MAIN USE OF WATER								
Cooling water	10 ³ x m ³	673,385.8	11,460.2	661,733.5	192.1	n.a.	n.a.	n.a.
Row water	10 ³ x m ³	2,249.3	445.3	1,782.6	21.3	n.a.	n.a.	n.a.
Potable water	10 ³ x m ³	175.2	75.4	22.9	68.9	7.5	0.5	0.0
WASTEWATER								
Wastewater from generation with treatment	10 ³ x m ³	812.1	102.2	692.3	17.6	n.a.	n.a.	n.a.
Discharge into estuarine water and sea ⁸	10 ³ x m ³	660,147.0	6,662.2	653,308.7	176.1	n.a.	n.a.	n.a.
Discharge into inland water ⁹	10 ³ x m ³	1,215.2	2.9	1,212.3	n.a.	n.a.	n.a.	n.a.
WASTE MATERIALS								
Waste								
Hazard waste	t	5,018.7	671.7	1,282.0	2,771.3	254.9	38.8	0.0
Non-hazard waste	t	330,136.7	1,376.6	220,242.5	108,020.3	456.6	40.7	0.0
Recovered waste	t	314,370.6	1,717.1	202,801.5	109,325.3	455.6	71.2	0.0
Hazardous waste	t	3,841.7	452.5	839.0	2,287.1	226.2	36.9	0.0
Recycled waste	t	3,002.4	0.2	639.1	2,244.8	117.9	0.4	0.0
On site	t	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Off site	t	3,002.4	0.2	639.1	2,244.8	117.9	0.4	0.0
Other	t	840.1	452.3	200.8	42.3	108.3	36.6	0.0
On site	t	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Off site	t	840.1	452.3	200.8	42.3	108.3	36.6	0.0



2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Non-hazardous	t	310,528.9	1,264.6	201,962.5	107,038.1	229.4	34.3	0.0
Recycled waste	t	196,790.1	198.0	177,788.7	18,577.5	218.9	7.0	0.0
On site	t	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Off site	t	196,790.1	198.0	177,788.7	18,577.5	218.9	7.0	0.0
Other	t	113,693.9	1,066.6	24,128.9	88,460.6	10.4	27.3	0.0
On site	t	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Off site	t	113,693.9	1,066.6	24,128.9	88,460.6	10.4	27.3	0.0
Non-recovered waste	t	20,786.1	331.2	18,724.3	1,466.4	256.0	8.3	0.0
Hazardous waste	t	1,177.0	219.2	443.0	484.2	28.7	1.8	0.0
Landfilling	t	172.1	32.1	86.2	25.0	28.7	0.0	0.0
On site	t	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Off site	t	172.1	32.1	86.2	25.0	28.7	0.0	0.0
Other disposal operations	t	1,004.0	186.8	356.8	458.5	0.0	1.8	0.0
On site	t	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Off site	t	1,004.0	186.8	356.8	458.5	0.0	1.8	0.0
Non-hazardous	t	19,607.8	112.0	18,280.0	982.2	227.2	6.4	0.0
Landfilling	t	18,536.6	0.0	17,325.0	982.2	227.2	2.2	0.0
On site	t	10,618.3	0.0	10,618.3	0.0	0.0	0.0	0.0
Off site	t	7,918.2	0.0	6,706.7	982.2	227.2	2.2	0.0
Other disposal operations	t	1,071.2	112.0	955.0	0.0	0.0	4.2	0.0
On site	t	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Off site	t	1,071.2	112.0	955.0	0.0	0.0	4.2	0.0
By-products	t	48,477.7	0.0	48,477.7	n.a.	n.a.	n.a.	n.a.
Gypsum	t	48,477.7	0.0	48,477.7	n.a.	n.a.	n.a.	n.a.
Fly ash	t	0.0	0.0	n.a.	n.a.	n.a.	n.a.	n.a.
Slag	t	0.0	0.0	n.a.	n.a.	n.a.	n.a.	n.a.
Recovered waste materials	%	94.6	83.8	93.1	98.7	64.0	89.6	n.a.
DISTRIBUTION IN PROTECTED AREAS								
High voltage distribution grid in protected areas	km	1,521.0	915.4	209.0	396.6	n.a.	n.a.	n.a.
Overhead	km	1,504.9	899.3	209.0	396.6	n.a.	n.a.	n.a.
Underground	km	16.1	16.1	0.0	0.0	n.a.	n.a.	n.a.
Medium voltage distribution grid in protected areas	km	17,870.4	9,216.2	1,777.0	6,877.2	n.a.	n.a.	n.a.
Overhead	km	16,712.8	8,212.1	1,632.0	6,868.7	n.a.	n.a.	n.a.
Underground	km	1,157.6	1,004.1	145.0	8.5	n.a.	n.a.	n.a.
Substations in protected areas	#	72.0	29.0	28.0	15.0	n.a.	n.a.	n.a.



2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
TRANSMISSION IN PROTECTED AREAS								
High voltage transmission grid in protected areas	km	83.8	n.a.	n.a.	83.8	n.a.	n.a.	n.a.
Overhead	km	83.8	n.a.	n.a.	83.8	n.a.	n.a.	n.a.
Underground	km	0.0	n.a.	n.a.	0.0	n.a.	n.a.	n.a.
Substations in protected areas	#	0.0	n.a.	n.a.	0.0	n.a.	n.a.	n.a.
Sites located in WDPA¹⁰								
Wind	#	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solar	#	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sites located in KBA¹¹								
Wind	#	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solar	#	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sites located in WDPA¹⁰								
Wind	ha	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solar	ha	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sites located in KBA¹¹								
Wind	ha	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solar	ha	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FLOODED AREAS BY RESERVOIRS IN PROTECTED AREAS	ha	2,919.3	2,584.7	329.3	5.2	n.a.	n.a.	n.a.
ENVIRONMENTAL COMPLAINTS	#	222.0	30	66	100	20	6	0

¹Aggregated certification indicator due to assets with potential environmental impacts.

² Primary energy consumption by turnover.

³ The stationary emissions do not include those produced by the burning of ArcelorMittal steel gases in EDP's power plants in Spain.

⁴ Calculation according with GHG Protocol based location methodology.

⁵ Scope 1 and Scope 2 emissions by turnover.

⁶ CO₂ emissions that would have occurred if the electricity generated by renewable energy sources were produced by thermal power plants. For each country, it is obtained by multiplying the net renewable energy production by the emission factor of the thermoelectric mix of that country.

⁷Includes only stationary combustion emissions.

⁸ Other water: > 1,000 mg/L of total dissolved solids.

⁹ Fresh water: ≤1,000 mg/L of total dissolved solids.

¹⁰ WDPA – World Database on Protected Areas: IBAT Dataset. Includes 150m buffer. For solar, excludes solar DG.

¹¹ KBA – Key Biodiversity Areas: IBAT Dataset. Includes 150m buffer. For solar, excludes solar DG.

Social indicators

2023	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
EMPLOYMENT								
Data including EDP Comercial Internacional companies acquired in 2023¹								
Employees	#	13,041	5,682	2,140	3,133	1,073	613	400
Male employees	%	70.8	71.6	68.9	74.5	66.1	63.9	64.8
Female employees	%	28.8	28.4	31.1	25.5	29.2	36.1	35.3
Not declared employees	%	0.4	0.0	0.0	0.0	4.8	0.0	0.0
Data excluding EDP Comercial Internacional companies acquired in 2023								
Employees	#	12,907	5,682	2,090	3,133	1,073	529	400
Executive Board of Directors	#	5	5	0	0	0	0	0
Senior Management	#	391	184	90	32	49	8	28
Supervisors	#	1,198	524	242	168	137	80	47
Specialists	#	6,573	2,806	1,250	1,271	613	408	225
Technicians	#	4,740	2,163	508	1,662	274	33	100
Male employees	%	70.9	71.6	68.4	74.5	66.1	65.0	64.8
Female employees	%	28.7	28.4	31.6	25.5	29.2	35.0	35.3
Not declared employees	%	0.4	0.0	0.0	0.0	4.8	0.0	0.0
Females in management position	%	29	32	30	21	27	26	29
Senior management hired from the local community	%	87	98	81	88	69	100	61
Employees by types of contract	#	12,907	5,682	2,090	3,133	1,073	529	400
Executive bodies	#	54	32	0	22	0	0	0
Male	#	40	21	0	19	0	0	0
Female	#	14	11	0	3	0	0	0
Not declared	#	0	0	0	0	0	0	0
Permanent workforce	#	12,735	5,599	2,090	3,111	1,014	522	399
Male	#	9,039	4,025	1,430	2,316	669	341	258
Female	#	3,645	1,574	660	795	294	181	141
Not declared	#	51	0	0	0	51	0	0
Fixed-term contracts	#	118	51	0	0	59	7	1
Male	#	67	23	0	0	40	3	1
Female	#	51	28	0	0	19	4	0
Not declared	#	0	0	0	0	0	0	0



2023	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Employees by occupational contract	#	12,907	5,682	2,090	3,133	1,073	529	400
Full-Time	#	12,903	5,679	2,090	3,133	1,073	528	400
Male	#	9,144	4,068	1,430	2,335	709	343	259
Female	#	3,708	1,611	660	798	313	185	141
Not declared	#	51	0	0	0	51	0	0
Part-time	#	4	3	0	0	0	1	0
Male	#	2	1	0	0	0	1	0
Female	#	2	2	0	0	0	0	0
Not declared	#	0	0	0	0	0	0	0
Employees with disabilities	#	194	75	17	65	37	0	0
Male	#	107	42	10	31	24	0	0
Female	#	87	33	7	34	13	0	0
Not declared	#	0	0	0	0	0	0	0
Foreign employees	#	501	99	137	15	67	54	129
New employees ²	#	1,425	398	188	345	247	165	82
Direct admissions to permanent workforce	#	1,332	326	187	339	244	156	80
Admissions with fixed-term contracts	#	57	56	0	0	0	0	1
Other admissions	#	36	16	1	6	3	9	1
Male	#	818	228	109	254	76	105	46
Female	#	451	170	79	91	15	60	36
Not declared	#	156	0	0	0	156	0	0
<30 years	#	633	231	85	129	102	65	21
[30-50 years[	#	740	160	99	209	130	84	58
≥50 years	#	52	7	4	7	15	16	3
F/M new admissions rate	x	0.55	0.75	0.72	0.36	0.20	0.57	0.78
Employees leaving	#	1,729	424	221	535	224	111	214
Male	#	1,306	285	179	427	165	70	180
Female	#	416	139	42	108	52	41	34
Not declared	#	7	0	0	0	7	0	0
<30 years	#	331	83	26	68	70	35	49
[30-50 years[	#	1,009	170	96	392	134	67	150
≥50 years	#	389	171	99	75	20	9	15



2023	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Turnover	%	13.40	7.46	10.57	17.08	20.88	20.98	53.50
Male	%	14.28	7.00	12.52	18.29	23.27	20.35	69.50
Female	%	11.21	8.62	6.36	13.53	16.61	22.16	24.11
Not declared	%	13.73	0.00	0.00	0.00	13.73	0.00	0.00
<30 years	%	15.43	9.27	11.26	12.73	25.83	28.23	54.44
[30-50 years[	%	12.46	5.42	7.80	16.06	20.68	18.87	52.45
≥50 years	%	13.55	10.35	15.74	20.72	12.99	18.00	62.50
Average age of workforce	y	41	42	43	38	38	37	36
Average age of new admissions	y	32	30	32	32	33	35	35
Average age of leaving	y	40	45	47	39	36	35	35
Average seniority of employees	y	11	15	13	9	4	3	3
Average seniority of leaving	y	10	19	17	8	3	3	2
Absenteeism rate	%	3.33	3.24	4.12	1.03	3.19	8.35	11.28
Employees entitled to parental leave	#	535	212	63	140	78	22	20
Male	#	369	152	32	109	52	13	11
Female	#	166	60	31	31	26	9	9
Not declared	#	0	0	0	0	0	0	0
Employees that took parental leave ³	#	529	211	84	128	64	22	20
Male ³	#	368	151	52	n.a.	43	13	11
Female	#	161	60	32	30	21	9	9
Not declared	#	0	0	0	0	0	0	0
Retention rate of employees who took parental leave	%	96	100	100	94	98	86	60
Male ³	%	96	100	100	n.a.	98	77	27
Female	%	97	100	100	83	100	100	100
Not declared	%	0	0	0	0	0	0	0
Annualized average base salary								
Male	€	3,717	3,400	4,861	1,947	8,195	4,742	4,405
Female	€	3,857	3,772	4,303	1,918	7,943	3,735	4,433
Not declared	€	5,004	0	0	0	5,004	0	0
Pay ratio by gender (F/M)	x	1.04	1.11	0.89	0.98	0.97	0.79	1.01
Ratio of the annual total compensation for the organization's highest-paid individual to the average annual total compensation for all employees (excluding the highest-paid individual)	x	12.72	6.45	7.44	10.16	6.01	4.60	8.34



2023	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
TRAINING								
Total hours of training	h	376,717	142,183	37,261	118,528	36,690	34,620	7,436
Sustainability								
Environment	h	1,999	633	89	265	534	478	0
Social and Economic	h	2,759	638	579	97	867	445	134
Ethics	h	6,692	2,977	465	921	470	1,825	34
Quality	h	2,217	1,546	95	96	111	283	88
Languages	h	11,925	6,593	0	774	0	4,557	0
Information systems	h	22,300	11,879	3,407	1,155	1,349	3,385	1,126
Other	h	328,825	117,918	32,626	115,221	33,358	23,646	6,055
Average total training	h/p	29	25	18	38	34	64	19
Executive Board of Directors								
	h/p	5	5	n.a.	n.a.	n.a.	n.a.	n.a.
Male	h/p	5	5	n.a.	n.a.	n.a.	n.a.	n.a.
Female	h/p	4	4	n.a.	n.a.	n.a.	n.a.	n.a.
Senior Management								
	h/p	23	31	11	13	12	126	10
Male	h/p	26	34	11	12	14	126	25
Female	h/p	20	26	11	18	8	n.a.	15
Supervisors								
	h/p	36	35	21	69	19	55	25
Male	h/p	37	36	24	73	18	53	26
Female	h/p	31	33	14	56	22	60	21
Specialists								
	h/p	22	20	15	22	22	64	20
Male	h/p	24	20	17	30	24	65	23
Female	h/p	19	21	11	12	21	63	17
Technicians								
	h/p	37	28	25	47	72	74	15
Male	h/p	40	30	27	50	98	98	15
Female	h/p	20	17	16	26	23	19	14
Employees with training	%	100	100	67	100	45	100	100
LABOUR RELATIONS								
Collective employment agreements	%	78	99	58	97	0	31	0
Trade union membership	%	27	31	18	42	0	1	0
Union Structures	#	32	15	5	11	0	1	0
Hours lost due to strikes	h	1,460	1,382	29	0	0	49	0
Staff engaged in further study	#	69	69	0	0	0	0	0
Professional internships	#	471	290	0	114	50	4	13
Academic internships	#	123	0	89	0	1	23	10



2023	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
HEALTH AND SAFETY (H&S)								
Certification (installed capacity)	MW	25,102	8,410	4,380	2,436	7,814	1,819	243
Certification (installed capacity)	%	92	97	100	91	72	86	77
Employees								
Covered by certification	#	10,255	5,924	1,708	1,150	1,036	342	95
Covered by certification	%	78	100	100	32	100	100	20
Work-related injuries⁴								
Recordable work-related injuries ⁵	#	60	23	7	14	14	0	2
High-consequence work-related injuries ⁶	#	3	2	1	0	0	0	0
Fatal work-related injuries	#	0	0	0	0	0	0	0
Work-related ill health								
Recordable ill health	#	0	0	0	0	0	0	0
Fatalities as a result of ill health	#	0	0	0	0	0	0	0
Accidents with lost workdays⁷								
Male	#	32	17	2	9	2	0	2
Female	#	5	4	0	1	0	0	0
Total lost days due to accidents ⁸	#	1,978	1,111	402	297	156	0	12
Hours worked	h	25,226,403	10,128,132	3,770,780	7,302,639	2,056,217	619,046	1,349,589
Rates								
Frequency rate⁹	Fr	1.47	2.07	0.53	1.37	0.97	0.00	1.48
Male	Fr	1.70	2.34	0.76	1.67	0.97	0.00	1.88
Female	Fr	0.78	1.40	0.00	0.52	0.00	0.00	0.00
Severity rate¹⁰	Sr	78	110	107	41	76	0	9
Male	Sr	85	102	152	55	76	0	11
Female	Sr	58	129	0	1	0	0	0
Overall severity rate¹¹	oSr	81	117	107	41	76	0	9
Male	oSr	87	107	152	55	76	0	11
Female	oSr	63	141	0	1	0	0	0
Work-related injuries⁴								
Recordable frequency rate	RFr	2.38	2.27	1.86	1.92	6.81	0.00	1.48
High-consequency frequency rate (excluding fatalities)	HFr	0.12	0.20	0.27	0.00	0.00	0.00	0.00
Fatal frequency rate	FFr	0.00	0.00	0.00	0.00	0.00	0.00	0.00



2023	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Contractors								
Covered by certification	#	19,079	8,536	3,196	4,856	1,526	806	159
Covered by certification	%	78	100	100	32	100	100	20
Work-related injuries⁴								
Recordable work-related injuries	#	213	57	38	92	18	5	3
High-consequence work-related injuries (excluding fatalities)	#	11	5	4	2	0	0	0
Fatal work-related injuries	#	5	0	0	5	0	0	0
Work-related ill health								
Recordable ill health	#	0	0	0	0	0	0	0
Fatalities as a result of ill health	#	0	0	0	0	0	0	0
Accidents with lost workdays ⁷	#	140	56	23	53	0	5	3
Hours worked	h	62,546,729	16,867,239	6,314,939	29,987,258	6,218,093	1,592,711	1,566,489
Rates								
Frequency rate ⁹	Fr	2.32	3.32	3.64	1.93	0.00	3.14	1.92
Severity rate ¹⁰	Sr	106	214	192	46	0	92	183
Overall severity rate ¹¹	oSr	592	236	192	1,047	0	92	183
Work-related injuries⁵								
Recordable Frequency Rate	RFr	3.41	3.38	6.02	3.07	2.89	3.14	1.92
High-Consequence Frequency Rate	HFr	0.18	0.30	0.63	0.07	0.00	0.00	0.00
Fatal Frequency Rate	FFr	0.08	0.00	0.00	0.17	0.00	0.00	0.00
EDP employees and contractors								
Rates								
Frequency rate ⁹	Fr	2.07	2.85	2.48	1.82	0.24	2.26	1.71
Severity rate ¹⁰	Sr	98	175	160	45	19	66	103
Overall severity rate ¹¹	oSr	445	191	160	850	19	66	103
Near accidents	#	537	169	108	120	112	27	1
People outside the activity								
Electrical accidents involving third parties¹²								
Fatal electrical accidents involving third parties	#	15	2	0	13	0	0	0
Representatives elected in H&S Comissions								
EDP employees represented ¹³	%	69	84	81	67	0	72	0
Employees representative	#	247	47	20	148	14	18	0



2023	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
H&S TRAINING								
Employees								
Awareness actions	#	2,602	410	538	908	534	199	13
Employees	#	33,338	9,587	5,915	5,910	9,311	2,545	70
Training hours	h	141,290	23,653	20,106	69,867	17,715	8,585	1,364
Contractors								
Awareness actions	#	7,086	5,199	168	1,480	0	226	13
Employees	#	24,141	11,264	1,050	10,509	0	763	555
Training hours	h	250,921	3,404	325	246,935	0	203	54

¹Data includes companies acquired in 2023 and which, in the purchase process, negotiated that, for GDPR (General Data Protection Regulation) reasons, human resources data would only be made available in 2024.

²Net values of the employees transfer from fixed-term contracts to permanent workforce.

³These values do not include information about male employees that took parental leave at South America.

⁴Accidents at the workplace in worktime and accidents on the way to or from work, with an absence of one more calendar days and fatal accidents.

⁵Includes accidents: fatal, absence from work (TTI - Temporary Total Incapacity), with TPI (Temporary Partial Incapacity) or PPI (Permanent Partial Incapacity); Without absence, with use of non-prescription medication at prescription strength; without absence, with use of wound closing treatment, such as suture, staples; without absence, administering immunization vaccines; without absence, with use of devices with rigid stays/others designed to immobilization; without absence, with physical therapy treatment; without absence, with loss of consciousness.

⁶An accident at work in which a serious injury has resulted and from which the worker does not recover, or may not fully recover, or from which it is not expected to recover in less than 6 months. Excludes fatal accidents.

⁷Accidents occurred at the place and working time or on a journey, with 1 or more days of absence and fatal accidents.

⁸Sum of the number of absence calendar days resulting of work accidents occurred in the reference period, plus the number of days lost by accidents in the previous period, which lasted until the reference period without interruption. The lost time is measured from the day following the accident to the day right before the return to work.

⁹Number of accidents at work in service with absence/fatalities, per million hours worked.

¹⁰Number of calendar days lost due to work accident per million hours worked, in the reference period.

¹¹Number of calendar days lost due to work accidents per million hours worked, in the reference period, including days for permanent disability and a portion of 6,000 days for each fatal accident.

¹²Accidents involving persons outside EDP's activity, including fatal accidents.

¹³Numbers of EDP employees represented by the total number of EDP employees.

2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
EMPLOYMENT								
Employees	#	13,211	5,716	2,119	3,328	1,041	476	531
Executive Board of Directors	#	5	5	0	0	0	0	0
Senior Management	#	386	182	88	30	52	7	27
Supervisors	#	1,323	520	291	189	192	62	69
Specialists	#	6,469	2,733	1,180	1,475	477	391	213
Technicians	#	5,028	2,276	560	1,634	320	16	222
Male employees	%	72.1	72.3	70.6	75.5	66.0	64.9	73.8
Female employees	%	27.5	27.7	29.4	24.5	28.9	35.1	26.2
Not declared employees	%	0.4	0.0	0.0	0.0	5.1	0.0	0.0
Females in management position	%	28	32	27	21	23	23	34
Senior management hired from the local community	%	88	99	81	90	75	86	67



2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Employees by types of contract	#	13,211	5,716	2,119	3,328	1,041	476	531
Executive bodies	#	53	32	0	21	0	0	0
Male	#	37	21	0	16	0	0	0
Female	#	16	11	0	5	0	0	0
Not declared	#	0	0	0	0	0	0	0
Permanent workforce	#	13,024	5,628	2,116	3,307	972	470	531
Male	#	9,416	4,084	1,495	2,495	643	307	392
Female	#	3,555	1,544	621	812	276	163	139
Not declared	#	53	0	0	0	53	0	0
Fixed-term contracts	#	134	56	3	0	69	6	0
Male	#	74	26	2	0	44	2	0
Female	#	60	30	1	0	25	4	0
Not declared	#	0	0	0	0	0	0	0
Employees by occupational contract	#	13,211	5,716	2,119	3,328	1,041	476	531
Full-Time	#	13,205	5,711	2,119	3,328	1,041	475	531
Male	#	9,526	4,131	1,497	2,511	687	308	392
Female	#	3,626	1,580	622	817	301	167	139
Not declared	#	53	0	0	0	53	0	0
Part-time	#	6	5	0	0	0	1	0
Male	#	1	0	0	0	0	1	0
Female	#	5	5	0	0	0	0	0
Not declared	#	0	0	0	0	0	0	0
Employees with with disabilities	#	191	72	18	70	31	0	0
Male	#	110	44	11	36	19	0	0
Female	#	81	28	7	34	12	0	0
Not declared	#	0	0	0	0	0	0	0
Foreign employees	#	480	91	114	18	56	84	117
New employees ¹	#	2,064	521	272	595	381	161	134
Direct admissions to permanent workforce	#	1,831	443	271	588	311	102	116
Admissions with fixed-term contracts	#	71	70	1	0	0	0	0
Other admissions	#	162	8	0	7	70	59	18
Male	#	1,216	302	175	437	118	113	71
Female	#	642	219	97	158	57	48	63
Not declared	#	206	0	0	0	206	0	0



2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
<30 years	#	854	275	123	186	161	68	41
[30-50 years[	#	1,069	236	140	357	170	84	82
≥50 years	#	141	10	9	52	50	9	11
F/M new admissions rate	x	0.53	0.73	0.55	0.36	0.48	0.42	0.89
Employees leaving	#	1,553	474	135	487	251	49	157
Male	#	1,140	336	102	370	177	31	124
Female	#	400	138	33	117	61	18	33
Not declared	#	13	0	0	0	13	0	0
<30 years	#	333	76	29	90	70	7	61
[30-50 years[	#	779	144	70	290	149	40	86
≥50 years	#	441	254	36	107	32	2	10
Turnover	%	11.76	8.29	6.37	14.63	24.11	10.29	29.57
Male	%	11.97	8.13	6.81	14.74	25.76	10.03	31.63
Female	%	11.02	8.71	5.31	14.32	20.27	10.78	23.74
Not declared	%	24.53	n.a.	n.a.	n.a.	24.53	n.a.	n.a.
<30 years	%	14.40	8.00	12.83	15.33	25.27	6.14	38.36
[30-50 years[	%	9.80	4.70	5.63	12.09	25.82	12.23	25.22
≥50 years	%	15.31	14.91	5.54	31.20	27.12	5.71	32.26
Average age of workforce	y	41	43	44	38	37	37	35
Average age of new admissions	y	34	31	33	36	35	34	36
Average age of leaving	y	42	49	42	41	37	38	33
Average seniority of employees	y	12	16	14	9	4	3	2
Average seniority of leaving	y	12	23	12	10	3	4	1
Absenteeism rate	%	3.00	3.49	3.87	1.38	3.46	8.14	2.26
Employees entitled to parental leave	#	625	234	118	197	40	23	13
Male	#	397	153	79	118	24	12	11
Female	#	228	81	39	79	16	11	2
Not declared	#	0	0	0	0	0	0	0
Employees that took parental leave ²	#	459	165	118	106	37	20	13
Male ²	#	236	84	79	29	24	9	11
Female	#	223	81	39	77	13	11	2
Not declared	#	0	0	0	0	0	0	0



2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Retention rate of employees who took parental leave	%	98.1	100.0	94.2	99.1	97.5	95.7	100.0
Male ²	%	98	100	96	100	96	100	100
Female	%	99	100	97	99	100	91	100
Not declared	%	0	0	0	0	0	0	0
Annualized average base salary								
Male	€	3,631	3,227	4,467	1,877	10,623	4,206	3,265
Female	€	3,825	3,542	3,923	2,023	10,162	3,282	4,147
Not declared	€	4,232	0	0	0	4,232	0	0
Pay ratio by gender (F/M)	x	1.1	1.1	0.9	1.1	1.0	0.8	1.3
Ratio of the annual total compensation for the organization's highest-paid individual to the average annual total compensation for all employees (excluding the highest-paid individual)	x	13.0	6.3	7.9	11.8	4.7	5.2	9.8
TRAINING								
Total hours of training	h	309,935	140,908	86,147	49,191	22,451	9,831	1,407
Sustainability								
Environment	h	1,648	886	483	94	19	165	1
Social and Economic	h	225	194	5	1	0	24	1
Ethics	h	5,714	1,037	582	3,620	349	32	93
Quality	h	1,721	904	195	17	149	455	0
Languages	h	20,212	3,356	14,050	1,285	299	1,221	0
Information systems	h	28,900	6,927	16,888	2,002	1,428	1,467	186
Other	h	251,515	127,604	53,942	42,172	20,206	6,466	1,126
Average total training	h/p	23.6	24.7	40.7	14.8	22.7	20.7	2.7
Executive Board of Directors								
	h/p	5.0	5.0	n.a.	n.a.	n.a.	n.a.	n.a.
Male	h/p	5.3	5.3	n.a.	n.a.	n.a.	n.a.	n.a.
Female	h/p	4.7	4.7	n.a.	n.a.	n.a.	n.a.	n.a.
Senior Management								
	h/p	60.1	49.6	117.7	19.8	39.3	136.5	7.0
Male	h/p	61.0	51.0	111.7	21.4	41.6	136.5	6.4
Female	h/p	57.6	46.7	139.6	14.8	32.6	n.a.	9.1
Supervisors								
	h/p	35.6	40.9	62.8	22.9	8.4	18.5	4.3
Male	h/p	36.0	39.4	72.9	21.2	7.8	12.4	4.0
Female	h/p	33.8	43.9	38.3	29.1	10.1	36.2	4.8
Specialists								
	h/p	18.3	18.5	32.8	9.6	13.8	19.4	3.3
Male	h/p	19.5	19.4	35.1	10.3	15.8	19.8	3.3
Female	h/p	16.1	17.1	28.5	8.3	10.9	18.7	3.3



2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Technicians	h/p	24.4	26.4	33.5	18.5	42.5	8.1	1.0
Male	h/p	26.1	28.7	34.7	19.7	50.1	4.0	0.9
Female	h/p	13.8	11.3	28.5	11.3	14.5	9.5	2.0
Employees with training	%	99.5	90.8	100.0	100.0	100.0	87.4	100.0
LABOUR RELATIONS								
Collective employment agreements	%	79	99	61	98	0	36	0
Trade union membership	%	27	31	20	40	0	1	0
Union Structures	#	29	15	5	9	0	0	0
Hours lost due to strikes	h	964	964	0	0	0	0	0
Staff engaged in further study	#	83	83	0	0	0	0	0
Professional internships	#	476	280	0	137	47	0	12
Academic internships	#	199	9	190	0	0	0	0
HEALTH AND SAFETY (H&S)								
Certification (installed capacity)	MW	24,754	8,244	5,325	3,115	6,370	1,700	0
Certification (installed capacity)	%	96	98	100	95	96	95	0
Employees								
Covered by certification	#	10,604	6,049	2,092	1,767	380	316	0
Covered by certification	%	81	100	100	49	37	99	0
Work-related injuries³								
Recordable work-related injuries ⁴	#	51	12	11	13	7	1	7
High-consequence work-related injuries ⁵	#	0	0	0	0	0	0	0
Fatal work-related injuries	#	0	0	0	0	0	0	0
Work-related ill health								
Recordable ill health	#	2	2	0	0	0	0	0
Fatalities as a result of ill health	#	0	0	0	0	0	0	0
Accidents with lost workdays⁶								
Male	#	25	9	2	6	0	1	7
Female	#	3	1	0	2	0	0	0
Total lost days due to accidents ⁷	#	1,594	971	188	155	210	1	69
Hours worked	h	24,673,057	9,966,930	3,667,344	7,262,008	1,744,415	576,374	1,455,986
Rates								
Frequency rate⁸	Fr	1.13	1.00	0.55	1.10	0.00	1.73	4.81
Male	Fr	1.34	1.24	0.76	1.11	0.00	2.66	5.57
Female	Fr	0.50	0.37	0.00	1.07	0.00	0.00	0.00



2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
Severity rate⁹	Sr	65	97	51	21	120	2	47
Male	Sr	84	132	71	27	120	3	55
Female	Sr	4	5	0	5	0	0	0
Overall severity rate¹⁰	oSr	69	109	51	21	120	2	47
Male	oSr	90	146	71	27	120	3	55
Female	oSr	6	9	0	5	0	0	0
Work-related injuries³								
Recordable frequency rate	RFr	2.07	1.20	3.00	1.79	4.01	1.73	4.81
High-consequence frequency rate (excluding fatalities)	HFr	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fatal frequency rate	FFr	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractors								
Covered by certification	#	20,689	7,699	2,839	6,215	549	517	0
Covered by certification	%	81	100	100	49	37	99	0
Work-related injuries³								
Recordable work-related injuries	#	161	55	33	64	9	0	0
High-consequence work-related injuries (excluding fatalities)	#	10	5	3	2	0	0	0
Fatal work-related injuries	#	5	3	0	2	0	0	0
Work-related ill health								
Recordable ill health	#	0	0	0	0	0	0	0
Fatalities as a result of ill health	#	0	0	0	0	0	0	0
Accidents with lost workdays ⁶	#	105	50	23	32	0	0	0
Hours worked	h	50,470,660	15,213,865	5,609,617	25,063,733	2,933,039	1,030,850	619,556
Rates								
Frequency rate ⁸	Fr	2.18	3.48	4.10	1.36	0.00	0.00	0.00
Severity rate ⁹	Sr	144	208	361	79	0	91	0
Overall severity rate ¹⁰	oSr	749	1,412	361	566	0	91	0
Work-related injuries⁴								
Recordable Frequency Rate	RFr	3.19	3.62	5.88	2.55	3.07	0.00	0.00
High-Consequence Frequency Rate	HFr	0.20	0.33	0.53	0.08	0.00	0.00	0.00
Fatal Frequency Rate	FFr	0.10	0.20	0.00	0.06	0.00	0.00	0.00



2022	UN	GROUP	PORTUGAL	SPAIN	SOUTH AMERICA	NORTH AMERICA	REST OF EUROPE	APAC
EDP employees and contractors								
Rates								
Frequency rate ⁸	Fr	1.84	2.50	2.69	1.30	0.00	0.62	3.37
Severity rate ⁹	Sr	118	164	239	66	45	59	33
Overall severity rate ¹⁰	oSr	526	896	239	443	45	59	33
Near accidents	#	471	135	85	107	125	19	0
People outside the activity								
Electrical accidents involving third parties ¹¹	#	41	12	0	29	0	0	0
Fatal electrical accidents involving third parties ¹²	#	14	2	0	12	0	0	0
Representatives elected in H&S Comissions								
EDP employees represented ¹³	%	75	87	56	77	44	66	16
Employees representative	#	280	53	20	141	55	11	3
H&S TRAINNING								
Employees								
Awareness actions	#	5,398	405	724	3,328	784	145	12
Employees	#	36,152	8,423	6,335	13,101	7,549	673	71
Training hours	h	176,500	28,112	21,239	115,553	8,888	2,457	251
Contractors								
Awareness actions	#	9,388	5,880	109	3,194	0	198	7
Employees	#	35,432	24,817	1,171	8,674	0	610	160
Training hours	h	173,241	50,903	153	120,377	0	180	1,628

¹Net values of the employees transfer from fixed-term contracts to permanent workforce.

²These values do not include information about male employees that took parental leave at South America.

³Accidents at the workplace in worktime and accidents on the way to or from work, with an absence of one more calendar days and fatal accidents.

⁴Includes accidents: fatal, absence from work (TTI – Temporary Total Incapacity), with TPI (Temporary Partial Incapacity) or PPI (Permanent Partial Incapacity); Without absence, with use of non-prescription medication at prescription strength; without absence, with use of wound closing treatment, such as suture, staples; without absence, administering immunization vaccines; without absence, with use of devices with rigid stays/others designed to immobilization; without absence, with physical therapy treatment; without absence, with loss of consciousness.

⁵An accident at work in which a serious injury has resulted and from which the worker does not recover, or may not fully recover, or from which it is not expected to recover in less than 6 months. Excludes fatal accidents.

⁶Accidents occurred at the place and working time or on a journey, with 1 or more days of absence and fatal accidents.

⁷Sum of the number of absence calendar days resulting of work accidents occurred in the reference period, plus the number of days lost by accidents in the previous period, which lasted until the reference period without interruption. The lost time is measured from the day following the accident to the day right before the return to work.

⁸Number of accidents at work in service with absence/fatalities, per million hours worked.

⁹Number of calendar days lost due to work accident per million hours worked, in the reference period.

¹⁰Number of calendar days lost due to work accidents per million hours worked, in the reference period, including days for permanent disability and a portion of 6,000 days for each fatal accident.

¹¹Accidents involving persons outside EDP's activity, including fatal accidents.

¹²Accidents involving persons outside EDP's activity. It should be noted that in 2022, there were 14 fatal accidents, two of which had two victims.

¹³Numbers of EDP employees represented by the total number of EDP employees.

Economic indicators

EDP GROUP	UN	2023	2022
Economic value generated	000€	18,296,209	22,660,644
Economic value distributed	000€	15,368,261	20,375,387
Economic value accumulated	000€	2,927,948	2,285,257
RDI	000€	222,321	186,004
Energy efficiency and supplementary energy services revenues ¹	000€	1,978,530	2,035,806
Energy efficiency services revenues	000€	571,162	491,013
Supplementary energy services revenues ²	000€	1,407,368	1,544,793
Support from public authorities ³	000€	102,238	58,389
Fines and penalties	000€	11,761	11,301
Environmental matters ⁴	000€	522,359	1,111,545
Investments	000€	107,069	105,490
Expenses	000€	415,290	1,006,055
Social matters			
Personnal costs	000€	730,710	684,355
Employee benefits	000€	88,549	86,445
Direct training investment	000€	5,190	3,788
Direct training investment per employee	€/p	402	287
HC ROI	€/p	7.11	6.51

¹ Energy Efficiency and Supplementary Energy Services: services provided under energy supply, installation of more efficient and/or building retrofit, and sustainable mobility, which generate revenues for the company.

² Supplementary energy services revenues include the following categories: Energy Management, Maintenance and Operation, Property/Facility Management, Energy and/or Equipment Supply, Provision of Service (example: steam) and other.

³ Support from public authorities both recognised and not recognised in the income statement.

⁴ More information available on the Note 49 in Part II – Financial Statements of this report.



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