



**EDP Ventures – Sociedade de Capital de Risco, S.A.  
Fundo de Capital de Risco EDP Cleantech**

## **A. Integrating sustainability risks into the investment process**

With the aim of reducing information asymmetry and increasing transparency regarding the integration of sustainability risks into investment decisions and the consideration of negative impacts on sustainability, Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019 (SFDR) on sustainability-related disclosures in the financial services sector obliges financial market players to disclose specific information on their approaches to these issues.

EDP Ventures - Sociedade de Capital de Risco, S.A. (EDP Ventures), in accordance with its duties as a venture capital fund manager and given its size, nature, scale of activities and the types of instruments in which it invests, carefully considers the relevant financial and sustainability risks in the investment decision-making process.

Throughout this process, EDP Ventures gathers information and continuously and diligently identifies, assesses and monitors the different risks that can influence the value of its investments. Thus, sustainability risks and their impact are considered on a case-by-case basis, taking into account the specific characteristics of each investment decision.

This risk analysis is monitored by the functions involved at all stages of the decision-making process and may be included in the due diligence processes of the subsidiaries of the venture capital funds it manages, which may be complemented by the suggestion, implementation and periodic reassessment of measures to mitigate the risks identified.

[At present, no EDP Ventures employee receives remuneration paid by EDP Ventures itself. Therefore, under the terms and for the purposes of Article 5 of the SFDR, EDP Ventures does not take into account its policy on the integration of sustainability risks in determining the remuneration of its employees].

## **B. Failure to consider the negative impacts of investment decisions on sustainability factors**

Although EDP Ventures, as the venture capital arm of the EDP group, recognizes the importance of environmental, social, governance and sustainability factors,

gradually incorporating them into the investment decision-making process, it currently does not consider all the negative impacts on sustainability factors in its investment decisions.

In fact, EDP Ventures believes that not all the necessary conditions for a correct consideration of these negative impacts have yet been met. If, on the one hand, the nature and type of the investment activity, namely in sectors not considered high risk in terms of sustainability, make it difficult to measure, on the other hand, the insufficiency of information available on the market, the lack of uniform criteria, the non-disclosure of uniform information on sustainability factors by venture capital funds and, to that extent, the need to implement methodologies and metrics adapted to the nature of the investments made by the funds managed by EDP Ventures make it impossible at the moment to correctly consider these impacts.

Nevertheless, given the careful weighing of sustainability risks in the decision-making process and the very nature of the investments - aimed primarily at the technology sector linked to the environment and the reduction of environmental impact, with a special focus on energy efficiency, energy transition and decarbonization - EDP Ventures believes that any negative impacts of its activities are significantly minimized.

EDP Ventures may review its position on this issue in the near future and, if the circumstances described change, there is nothing to prevent a change of approach and the implementation of a specific policy, of which it will inform its stakeholders in good time.

EDP Ventures will continue to seek a balance between profitability and maximizing the financial return on its investments and the relevant financial and sustainability risks, adapting its procedures in line with the evolution of applicable legislation and best market practices.

This information consolidates the declaration of non-consideration of negative impacts for the purposes of Article 4(1)(b) of the SFDR. It should also be noted that EDP Ventures is not required to comply with the disclosure criteria referred to in Article 4(3) and (4) of the SFDR, and that, pursuant to Article 7 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020, the underlying investments do not take into account the European Union criteria applicable to environmentally sustainable economic activities.

### **C. Review of information disclosure**

EDP Ventures ensures that all the information published above is kept up to date and reviewed.

EDP Ventures originally approved and published this information on 25<sup>th</sup> of May, 2023, and revised and published its update on 8<sup>th</sup> of July, 2024.