Climate Transition Plan Update 2025

Index

EDP Climate Transition Plan Update 2025

Notes
[1] This document lays out EDP's Group climate pathway built on its long-standing decarbonisation track record and embedded in the company's overall business strategy and financial planning, as disclosed in Integrated Annual Reports, in line with CSRD.
[2] Update approved by Executive Board of Directors by 15.12.2025

Index

EDP's decarbonisation path towards Net Zero, building on past progress and driving further change

Climate Transition Plan and Business Alignment

EDP's Climate Transition Plan (CTP) sets the baseline of EDP's Group decarbonisation strategy towards a Net Zero goal by 2040 translated into climate metrics and targets, the strategic levers and actions identified to align implementation with the overall climate commitments and the overall climate governance in place.

With Net Zero targets by 2040 approved by the Science-Based Targets initiative (SBTi), EDP published its first CTP in 2023, anticipating evolving regulatory and market expectations regarding disclosure of credible, science-aligned decarbonisation pathways.
Aligned with its business plan (BP) 23-26 and following TCFD recommendations on governance, strategy, risk management and targets and metrics, the CTP was developed through internal cross-functional work led by the Net Zero Acceleration Taskforce, combining strategic, operational, financial and sustainability expertise.

With a broad support from shareholders under a "Say on Climate" vote (2023 and 2024), EDP's climate strategy was recognised as best practice across multiple frameworks, including the UN's High Level Expert Group (HLEG) to integrate the UN Climate Ambition Summit (2023) or the Environmental Finance's Sustainable Company Awards, Net Zero progression of the year (2024).

Transition Plan update

Without changing its climate targets adopted in 2023, an updated CTP and revised priority actions were approved by Executive Board of Directors in 2025 to ensure consistency with the new business plan cycle (BP26-28) and published in the Integrated Annual Report (2025 Integrated Annual Report, Sustainability Statement, section 2.1 Climate Change).

EDP identified its main decarbonisation levers through a detailed analysis of its emissions (in accordance with the GHG Protocol), which are largely driven by the supply chain, thermal generation, electricity sold, natural gas retail, and distribution power losses. The 2025 update, aligned with BP26-28 cycle, improves absolute emissions reduction estimates, clarifies regional responsibilities, and adds CapEx and OpEx disclosure where available. Some aspects, such as full financial detail and regionalised emissions-reduction potential, are still being refined. The long-term ambition stands, but the updated CTP reinforces execution within the Business Plan timeframe.

In 2005, renewable energy made up only around 20% of EDP's generation portfolio, but by 2025, this had increased dramatically to ~90%. This growing share of renewables coincided with a sharp decrease in emissions intensity, demonstrating the effectiveness of EDP's decarbonisation efforts and EDP's strong commitment to the energy transition and to advancing a cleaner, more sustainable energy future. By scaling up the use of renewable energy and strengthening electricity networks, EDP is reinforcing its path to decarbonisation and making steady progress toward achieving net zero emissions by 2040.

Carbon offsets and credits

EDP does not use carbon credits to meet its emissions reduction targets. Residual emissions by 2040 will be addressed through carbon removals in line with SBTi. Any future voluntary use of credits beyond Net Zero would follow strict quality and governance standards, while also assessing the implications of the Ongoing Emissions Responsibility (OER) Framework under the forthcoming SBTi Net-Zero Standard v2.0.

Adaptation and Resilience

EDP views climate adaptation and mitigation as two interconnected faces of effective climate action, and to manage the physical risks, EDP has developed a comprehensive approach. Integrating climate adaptation directly into the business model, ensuring that long-term resilience and short-term operational readiness are balanced to protect assets and service continuity (see details below in Governance section and in Climate Adaptation Report 2025).

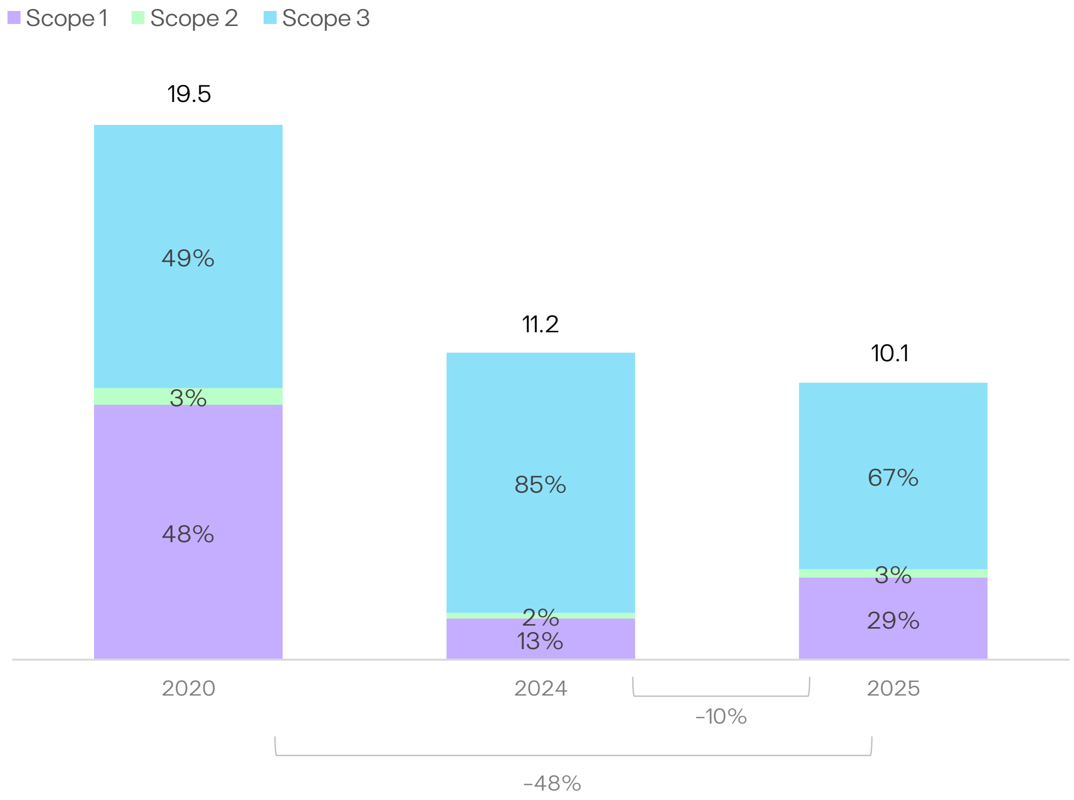
Nature systems

The protection and regeneration of natural systems are critical enablers of climate mitigation and resilience. EDP's energy infrastructure interacts extensively with natural capital, particularly in relation to water resources, biodiversity, and materials use. EDP's Nature Management approach presents the strategy on nature and biodiversity. This strategy is aligned with the Taskforce on Nature-related Financial Disclosures (TNFD) framework and explains how nature-related considerations are integrated into decision-making, as well as EDP's commitments and objectives to contribute to international and external goals. Performance outcomes and specific initiatives are disclosed in EDP's Integrated Annual Reports (2025 Integrated Annual Report, Sustainability Statement, section 2.2, Nature and Resource Management) and on the EDP website (Biodiversity | edp).

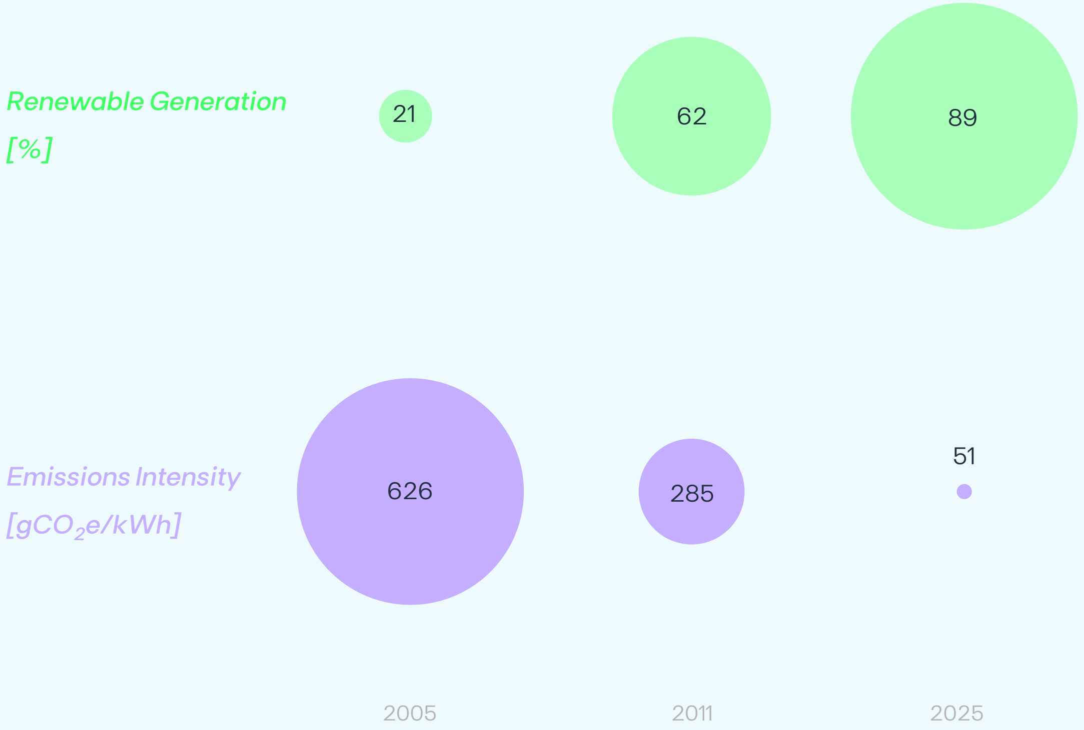
Just Transition and Skills Development

The energy transition is reshaping job profiles and workforce requirements. In response, requalification and reskilling initiatives are embedded within a broader framework ensuring retention and transfer of critical knowledge, strengthening organisational resilience and supporting a just transition. Beyond its workforce, EDP extends its just transition approach to society by contributing to the development of skills needed for a climate-neutral economy. Through partnerships EDP promotes training and awareness initiatives that are accessible to both employees and the wider community (see 2025 Integrated Annual Report, Sustainability Statement, section 3, Social).

GHG emissions per scope [MtCO2e]



Renewable Generation vs. Emissions Intensity



Index

2.1. EDP Business model

1 Electricity generation

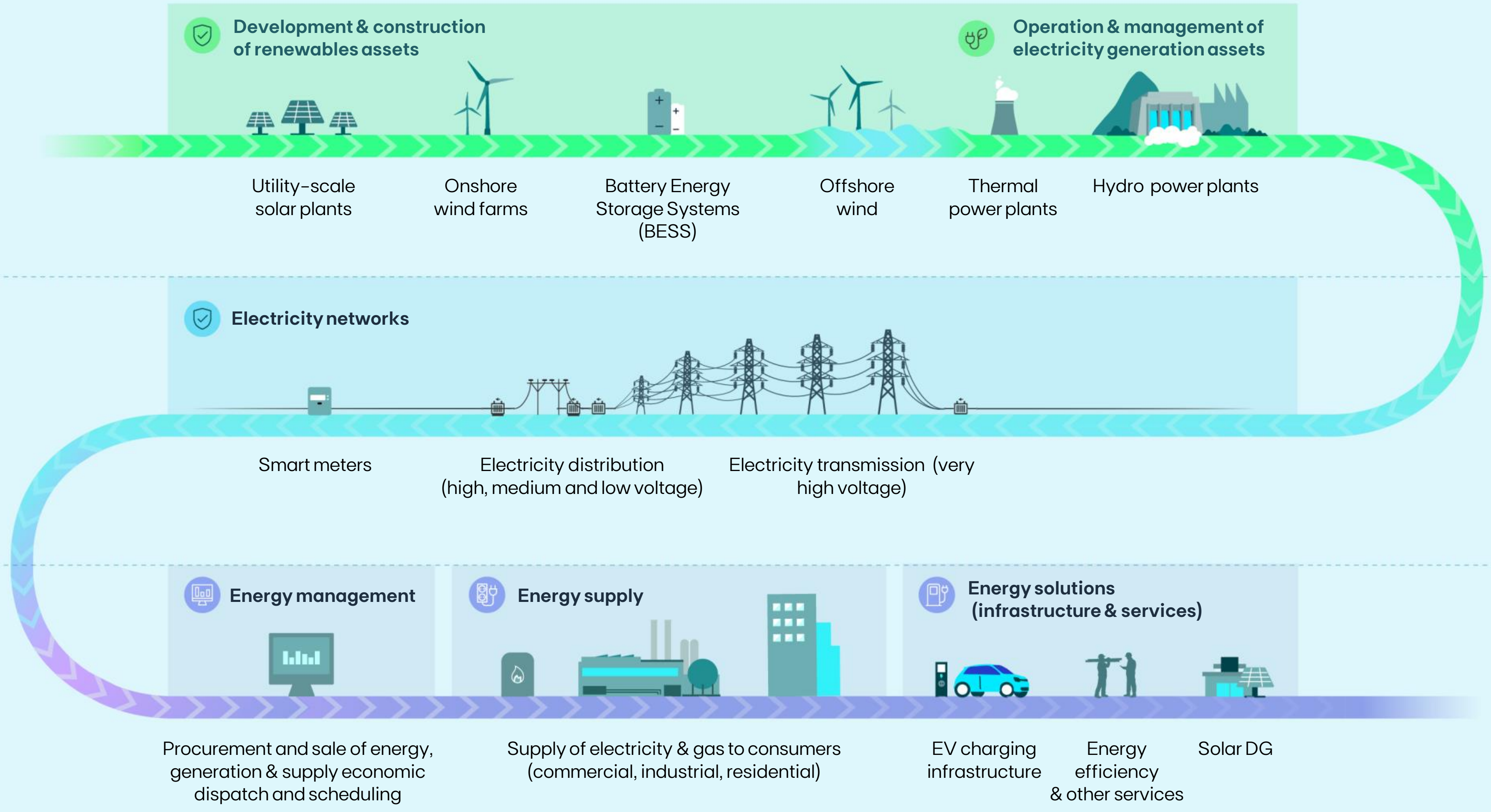
Identifying suitable sites, securing permits, grid connection, land rights, and long-term offtake agreements to make projects investment-ready.

2 Investment Execution

From FiD to CoD: sourcing major equipment and construction contracts, building the wind or solar farm, installing the equipment and connecting it to the grid.

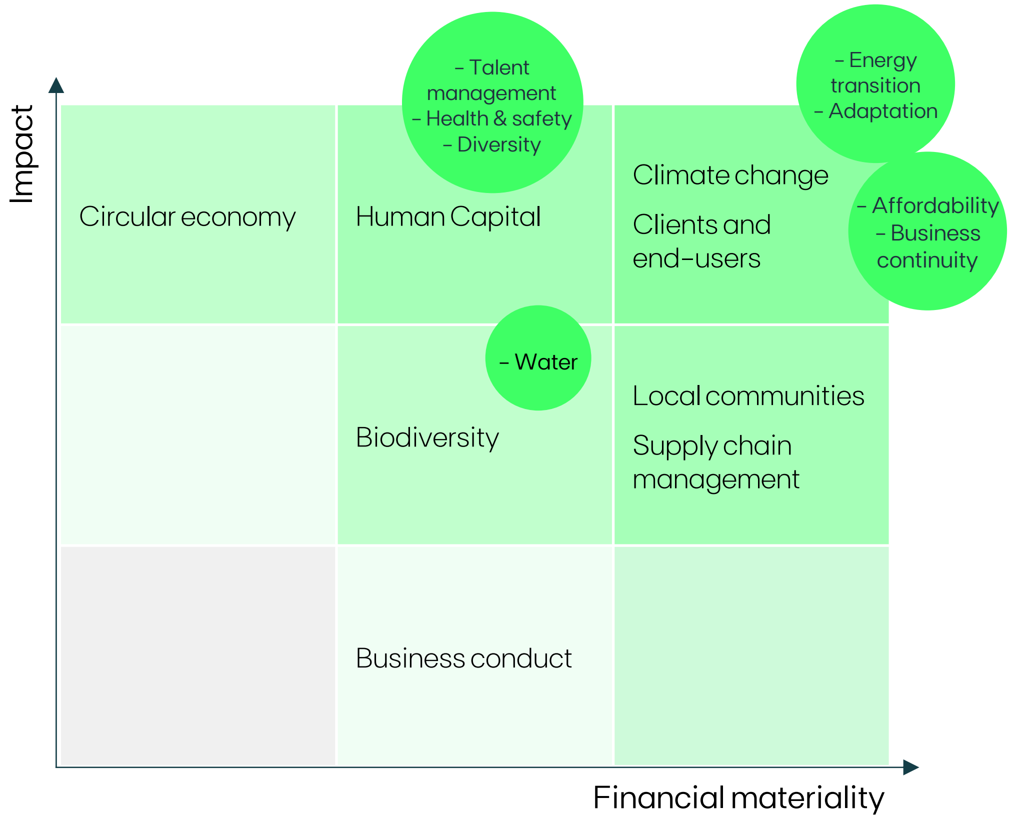
3 Energy management & supply

Energy supply contracts with end users, managing clients' energy needs and optimizing the dispatch of generation assets and energy procurement contracts. Includes other related services (Solar DG, EV charging, energy efficiency, etc.).



2.2. Double materiality matrix

Double materiality assessment underpins our business strategy to deliver secure, affordable and clean energy to our clients.



Business enablers

- **Energy transition:** Deliver clean energy through investments in renewables, electricity networks and flexible electricity generation
- **Affordability:** deliver competitive energy to our clients and off-takers
- **Resilience:** deliver more endogenous energies within reasonable timeframes, keeping high availability standards of our generation assets and networks

Key success factors

- **Adress the electrification and energy transition mega-trend opportunity**
- **Adapt to climate risks** protecting critical infrastructure aiming electricity supply continuity
- **Engage with communities & protect biodiversity** integrating win-win solutions with excel management of permitting processes
- **Strengthen supply chain** keeping high quality, traceability and circularity standards, contributing to on-time and on-cost projects' delivery
- **Develop and retain talent** Boosting engagement, health & safety and performance

2.3. Sustainability commitments embedded into Business Plan 26-28

2028 commitments

>90% renewable generation in 2026-2028

100% Growth CAPEX in Renewables & Networks

Net Zero by 2040

Focus on resilience

Climate adaptation plans for infrastructure exposed to material climate risk

Strengthen local community engagement and promote biodiversity

All new projects[1] with material impact on communities include an **engagement plan**

All new projects[1] include a **biodiversity risk analysis & action plan**

Partner with our suppliers

100% purchases with ESG risks covered by **ESG Due Diligence**

Foster circularity

>85% total **waste recovered** along the assets' life cycle

Protect and uplift our people

Zero serious injuries and fatalities

Empowered ecosystem

Human-centered experience

Highest standards of integrity

1. Projects subject to the Investment Committee's approval

2.4. Net Zero by 2040

Reinforce EDP's path for a more decarbonised portfolio towards Net Zero, by investing in Renewables, Electrification & Networks and aligning objectives with suppliers and clients

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

THE NET ZERO STANDARD
APPROVED NET-ZERO TARGETS

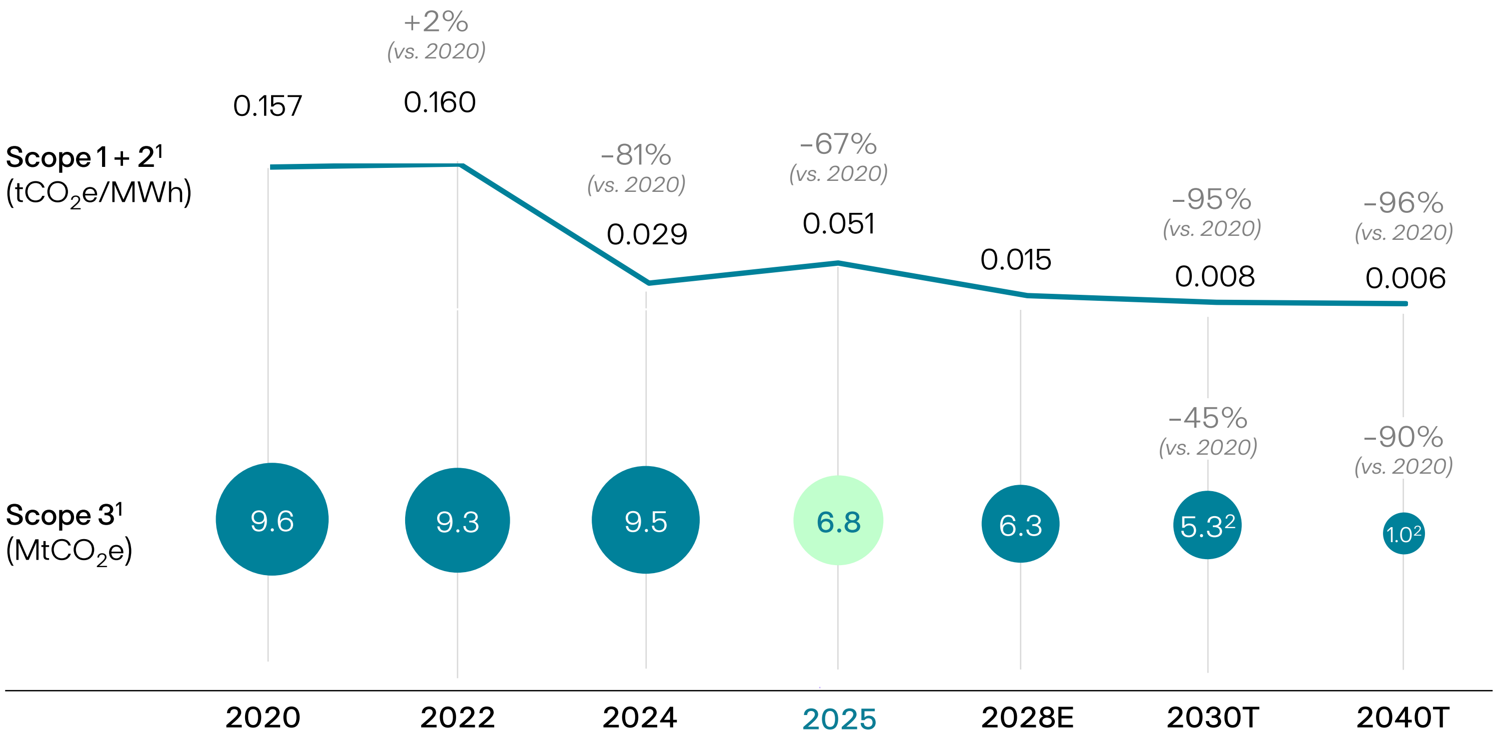
by 2030

-95% gCO_2e/kWh on Scope 1 & 2
-80% $gtCO_2e$/kWh on all sold electricity
-45% tCO_2e on Scope 3
-45% tCO_2e on gas sold to clients

by 2040

-96% gCO_2e/kWh on Scope 1 & 2
-95% gCO_2e/kWh on all sold electricity
-90% tCO_2e on Scope 3
-90% tCO_2e on gas sold to clients
-90% tCO_2e on all Scopes

Decarbonisation path towards Net Zero by 2040, with science—based targets building on past progress and driving further change



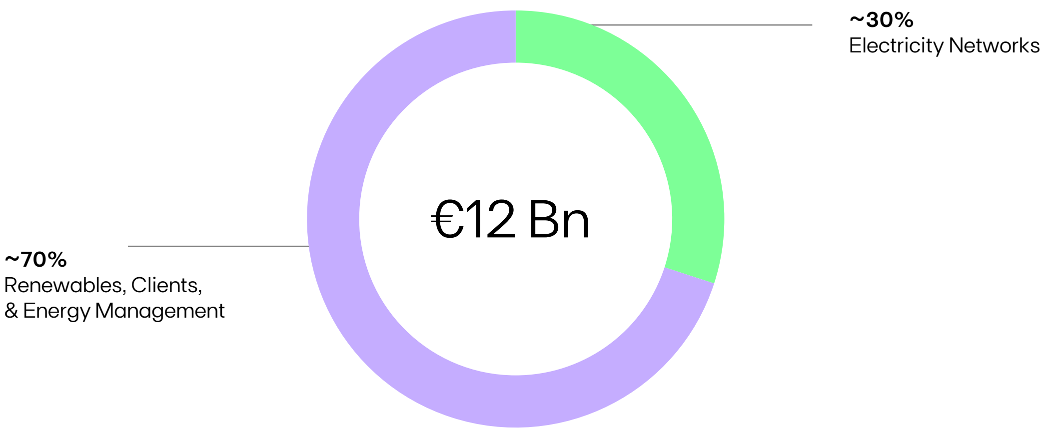
1. 2020 as base year. 2020 and 2022 values as originally published, without rebaselining after sale of Aboño and Pecém. 2. The CMD presentation has an incorrect absolute values that are corrected here

2.5. Business Plan

EDP's 2026–28 Business Plan, presented to the market in November 2025, was designed to capture rising electricity demand driven by electrification and data-centre deployment, with renewables and electricity networks at its core.

Between 2026 and 2028, EDP plans o invest ~€12Bn to reinforce electrification and strengthen energy resilience.

Gross investments

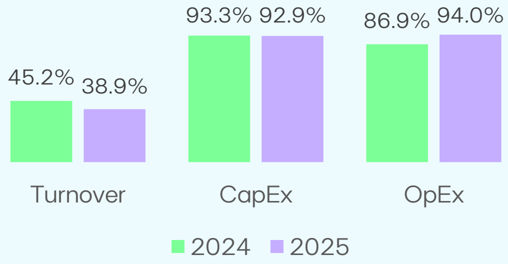


~90% in A-rated markets

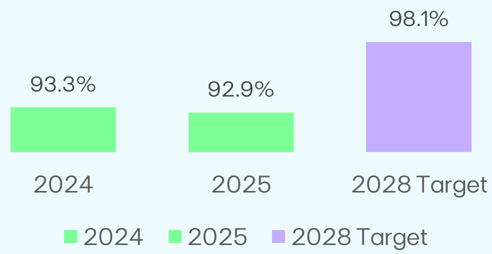
~5GW of renewables additions in 2026-28 with pipeline optionality to accelerate throughout the plan and beyond

Evolution of Taxonomy KPIs 2024-2025:

EDP alignment with EU Taxonomy (%)



CapEx alignment forecast (2025-2026)



The EU Taxonomy serves as the financial verification framework of EDP's diversified strategy across its three core platforms — Renewables (through EDPR), Electricity Networks, and FlexGen & Clients — ensuring that capital allocation under the 2026–2028 Business Plan is intrinsically linked to the Group's Net Zero 2040 commitment. The plan targets >98% Taxonomy aligned CapEx by 2028, channelling investment toward solar, wind, storage, electricity networks modernisation, and enabling activities in markets with strong regulatory frameworks.

This strategic integration supports:

- Sustainable financing objectives — green financing represents 80% of nominal debt in 2025, targeting >90% by 2028, leveraging Taxonomy alignment as a competitive advantage in debt markets.
- SBTi-validated decarbonisation targets.
- Coal exit completion — with coal-fired generation now residual in the revenue base.
- R&D investment in enabling activities including green hydrogen and energy storage.

Index

3. Implementing decarbonisation strategy by targeting key emission sources

Main sources of emissions		Total 2020 emissions		Total 2025 emissions		Main decarbonisation levers by 2028
		$MtCO_2e$	% total	$MtCO_2e$	% total	
Thermal generation	Upstream and fuel combustion from power generation (coal and natural gas)	11.0	57% 84% + 16%	4.0	39% 74% + 26%	Authorisation request to close Los Barrios and Soto III
Electricity retail	Emissions from the electricity purchased to sell to clients	2.4	12%	3.6	35%	Increasing renewable electricity sourcing for clients
Supply chain	Procurement, including materials, assembly, services, etc. (incl. wind turbines and solar modules)	3.0	15%	1.5	15%	Decreasing carbon footprint per MW installed
Gas retail	Emissions from the combustion of natural gas sold to clients	2.4	12%	0.6	6%	Reducing the natural gas sold to clients
Networks power losses	Emissions from power losses in distribution networks	0.6	3%	0.3	3%	Limiting network losses
Others	Fleet, SF6, electricity and gas consumption in buildings, business travel, commuting, waste and transport	0.1	1% 47% + 53%	0.1	1% 63% + 37%	
		19.5		10.1		

Scope 1+2   Scope 3

Reducing thermal generation emissions

Target contribution
Scope 1+2 intensity target
All sold electricity

Near 0 coal-fired generation

With a 20-year track record in decarbonisation, EDP is phasing-out coal, demonstrating a firm commitment to accelerate the energy transition, moving from 80% thermal generation to over 90% renewable generation in 20 years.

Coal phase out plan execution:

- Pecém: Sale of 80% stake closed in December 2023 + Sale of the remaining 20% stake closed in July 2025.
- Aboño: 50/50 Partnership with Masaveu in February 2024 + Aboño 1 ceasing operations in December 2025 + Aboño 2 converted to gas in July 2025.
- Los Barrios: Plant authorisation for closure was requested by EDP, with positive feedback expected but pending response from Spanish Government.
- Soto III: Authorisation for closure requested but the Asturian network may require its operation as back up to the system, with limited hours of operation per year.

Limited gas-fired generation

EDP maintains limited and strategically focused gas-fired assets, positioned as a flexibility enabler in a system dominated by rising renewable penetration.

Iberia's increasing solar share and widening intra-day spreads heighten the need for dispatchable, fast-response capacity to balance variability and safeguard security of supply. Gas CCGTs therefore operate mainly as backup and ancillary-service providers, with constrained running hours. Their role is increasingly transitional, supporting system reliability while renewables, storage and digital flexibility scale, ensuring a secure and affordable decarbonisation pathway.

Technology conversion plans

Soto III, already operating with limited annual hours due to system needs, is undergoing an assessment of fuel-switching and repowering alternatives to fully eliminate coal use. EDP is studying options such as conversion to gas, alignment with future hydrogen-ready configurations, and integration with flexibility services—leveraging its proximity to industrial demand and existing infrastructure. These studies support the objective of removing coal from the portfolio while maintaining system adequacy and enabling a just, resilient transition in Asturias.

Regions/ Platforms	RGA[1] | Iberia
Emission scope	Scope 1 Scope 3 Cat. 3 Scope 3 Cat. 15
Scope of action	Own operations
Implementation on timeline	2020-2025 (coal) 2025-2040 (gas and conversion plans)
Reductions potential by 2023 and 2040	By 2030: ~8 MtCO2e By 2040: ~8.3 MtCO2e
Financials	Not defined in the scope of the BP
Dependencies	Iberian power system & market design (need for CCGTs for security of supply)

1. RGA Renewable Generation Assets platform

Renewable generation

Target contribution
Scope 1 + 2 intensity target
All sold electricity

Over 90% renewable generation

EDP's generation mix continues to accelerate toward a predominantly renewable system, surpassing 90% renewable output in 2026—28, as highlighted in the Group ESG commitments of the most recent Business Plan.

This reflects the sustained phase-out of coal, the limited role of thermal assets, and the rapid expansion of wind, solar and storage capacity. The shift is supported by large-scale investment in Networks to integrate variable renewables and by operational excellence that increases asset availability.

With strong long-term contracted positions and a diversified global fleet, EDP's portfolio is structurally aligned with Net Zero by 2040, ensuring cleaner, more resilient and increasingly low-carbon generation across its core markets.

~5 GW of renewable additions

EDP plans ~5 GW of renewable additions in 2026—28, driven by wind, solar and co-located storage, with growth anchored in low-risk, A-rated markets and supporting the group-wide trajectory toward over 90% renewable generation.

Technology-wise, Solar PV represents ~50% of planned additions, driven by strong demand, faster permitting and attractive long-term PPA structures, particularly in Europe and the US. Solar + BESS co-located projects account for ~30%, concentrated mainly in the US and Canada. Onshore wind represents ~15%, with new developments in Spain, Portugal, France and Italy, and repowering opportunities in the US that capture improved pricing and asset life extension. Offshore wind contributes ~5%, reflecting a disciplined approach focused on already-committed European projects via Ocean Winds.

Regionally, North America captures ~60% of additions, supported by over 20 GW of mid-to-advanced pipeline visibility and favourable PPA trends. Europe contributes ~20%, primarily in Iberia, Germany, Poland and France, where electrification and flexibility needs drive new RES deployment. APAC accounts for ~10%, with Australia's large co-located Solar + BESS projects as the growth engine. South America delivers ~10%, with selective expansion aligned with contracted markets.

Regions/ Platforms	RGA[1] | All regions
Emission scope	Not applicable
Scope of action	Own operations
Implementation on timeline	2026-2028
Reductions potential by 2023 and 2040	Not applicable
Financials	From 2026-2028: ~€7.5 Bn gross investments + ~€0.8 Bn Core OPEX
Dependencies	Permitting and grid connection & Remuneration and market conditions

1. RGA Renewable Generation Assets platform

Networks power losses

Target contribution
Scope 1 + 2 intensity target

Continue investment on reduction of distribution technical losses

EDP will deepen investments to reduce technical losses by accelerating the renewal of aging assets, reinforcing overloaded grid sections, and deploying advanced monitoring and control technologies.

As stated in the 2026-28 BP, modernisation needs are rising as Iberia faces higher electrification, more distributed generation, and aging infrastructure—e.g., Portugal's transformer fleet, with over 55% exceeding 40 years by 2030. Upgraded transformers and conductors, improved voltage management, and targeted reinforcement in high-loss areas will improve overall grid efficiency.

Expanded use of advanced metering provides granular data to locate and mitigate losses. These measures enhance network performance, lower operational cost, and support the integration of renewables and EV charging, while improving system sustainability.

Climate performance evaluation in RFP's

EDP's Networks strategy places smart grids and digitalisation at the core of system transformation. The 2026-28 BP highlights the rollout of Advanced Distribution Management Systems (ADMS) for integrated HV/MV/LV management, full LV grid mapping, smart meters, and advanced sensorisation.

Digital tools—AI-driven fault detection, predictive maintenance, vegetation management by drones and satellites, dynamic line rating—enhance visibility, resilience and operational efficiency. These capabilities reduce System Average Interruption Duration Index (SAIDI), optimize grid capacity, and enable real-time response to the growing variability introduced by renewables and electrification.

Digitalisation also strengthens cybersecurity, data governance and customer service by automating processes and enabling more proactive network operations. Together, these initiatives build a smarter, more flexible and future-ready grid.

Regions/ Platforms	Networks | Iberia + South America
Emission scope	Scope 2
Scope of action	Own operations
Implementation on timeline	2020-2040
Reductions potential by 2023 and 2040	By 2030: ~0.4 $MtCO_2e$ By 2040: ~0.5 $MtCO_2e$
Financials	~€3 Bn gross investments in distribution networks 26-28 (PT €1.7 Bn; SP €0.6 Bn; BR – €0.7 Bn)
Dependencies	Grid investment frameworks & National power systems decarbonisation

Electricity retail

Target contribution
Scope 3
All sold electricity

Increase sourcing of zero/near-zero carbon electricity for costumers

EDP's retail strategy increasingly centers on delivering zero or near-zero carbon electricity in the geographies with electricity retail activity (Portugal, Spain, and Brazil).

The new 2026-28 BP emphasises that EDP's client solutions business is designed to provide tailored long-term energy products grounded in renewable sourcing, including PPAs and distributed generation, enabling customers to access clean electricity with stable and predictable pricing. EDP's success in securing new PPAs reinforces its low-risk profile and growth strategy based on the development of competitive projects with long-term visibility, fostering the acceleration of the energy transition and the decarbonisation of the economy.

The ability of the countries to achieve their national energy plans (Portugal, Spain, and Brazil) will play a crucial role in reducing the emissions associated with sold electricity, as the grid emission factor reduces due to higher penetration of renewable generation in the pool mix.

A next phase of this plan will focus on defining and developing an EAC acquisition strategy (e.g., RECs, I-RECs, GOs) to cover the emissions from generation-retail imbalance, with special attention to Brazil and the progress on liberalisation of the distribution market, along with its clients.

Regions/ Platforms	Client Solutions | Iberia + South America
Emission scope	Scope 3 Cat. 3
Scope of action	Own operations | Upstream value chain
Implementation on timeline	2030-2040
Reductions potential by 2023 and 2040	By 2030: not applicable By 2040: ~2.3 MtCO_2e
Financials	Not defined in the scope of the BP
Dependencies	National power systems decarbonisation & Electrification and green tariffs

Gas retail

Target contribution
Scope 3
Scope 3 Cat. 11

Optimise gas retail portfolio

EDP's strategy to minimise emissions from natural gas retail remains anchored in the progressive reduction of gas volumes sold and the electrification of customer consumption, as previously defined in the Climate Transition Plan:

- pushing for electrification of gas clients, especially on residential clients, through an offer of alternative electric appliances solutions for heating and cooling, cooking, and water heating
- developing and delivering low carbon solutions for clients (e.g., solar DG and energy communities)
- optimising the B2B gas portfolio (portfolio restructuring and/or electrification solutions for industrial clients).

Current "Efficient House" on Client Solutions for B2C clients provide information on solutions such as water heater and/or boiler substitutions for more efficient and electricity-based solutions, gas stove replacements with induction cooktops, gas oven replacements for electric ones, etc.

The 2026-28 BP reinforces the structural drivers behind this transition, namely the growing role of electrification, the expansion of distributed solar and client energy solutions. These developments strengthen EDP's ability to substitute gas use with clean electricity, reduce Scope 3 emissions, and support customers' decarbonisation with cost-efficient, low-carbon alternatives.

Regions/ Platforms	All platforms (mainly RGA[1]) | All regions + BEF[2] – Procurement
Emission scope	Scope 3 Cat.1 + Cat. 2
Scope of action	Upstream value chain
Implementation on timeline	2020-2040
Reductions potential by 2023 and 2040	By 2030: ~1 MtCO2e By 2040: ~2.3 MtCO2e
Financials	These actions are process-driven and embedded in existing operations; no significant incremental CapEx or OpEx has been identified.
Dependencies	Incentives for green industry and processes & Suppliers' own decarbonisation

1. RGA Renewable Generation Assets platform. 2. BEF Business Enabling Functions

Supply chain

Target contribution
Scope 3

Suppliers' product specific emissions database

Since 2022, EDP has been engaging suppliers from renewable projects to tackle the challenge of reducing supply chain emissions whilst growing its renewable deployment. This resulted in having a database with Emissions Factor for wind and solar project equipment (turbines, modules and inverters) based on supplier and equipment specific LCA and EPD.

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

EDP is already working to collect this information for other enablement equipment: batteries, racking, transformers, cables, poles and electric mobility, expanding to other business areas — networks and client solutions.

Climate performance evaluation in RFP's

Prioritisation of the equipment climate analysis at the procurement phase: for renewable assets, with a view of expanding to other equipment, the carbon footprint is being analysed as an additional risk criteria during PCs.

Selection assessment of products with lower climate impact: Whenever possible, and if technically and economically feasible, the solution with the lowest climate impact will be selected.

Green(er) procurement

Supported on the precious actions, this is supported by a BP target of having >80% of purchase volume of enablement equipment with carbon footprint data.

Furthermore, EDP has an agreement with First Solar agreement to power 1.8 GW of solar projects in the US for 2026-28. This is a significant step, with First Solar's thin film technology being EPEAT Climate+ certified.

Incentivise greener supply chains globally

Decarbonising the supply chain will be an effort that involves everyone: companies, suppliers, governments, and sectorial institutions. EDP has been working on policy and advocacy for a standardised framework on product level emissions information under a WBCSD working group (PACT).

Regions/ Platforms	All platforms (mainly RGA[1]) | All regions + BEF – Procurement
Emission scope	Scope 3 Cat.1 + Cat. 2
Scope of action	Upstream value chain
Implementation on timeline	2020-2040
Reductions potential by 2023 and 2040	By 2030: ~1 MtCO2e By 2040: ~2.3 MtCO2e
Financials	These actions are process-driven and embedded in existing operations; no significant incremental CapEx or OpEx has been identified.
Dependencies	Incentives for green industry and processes & Suppliers' own decarbonisation

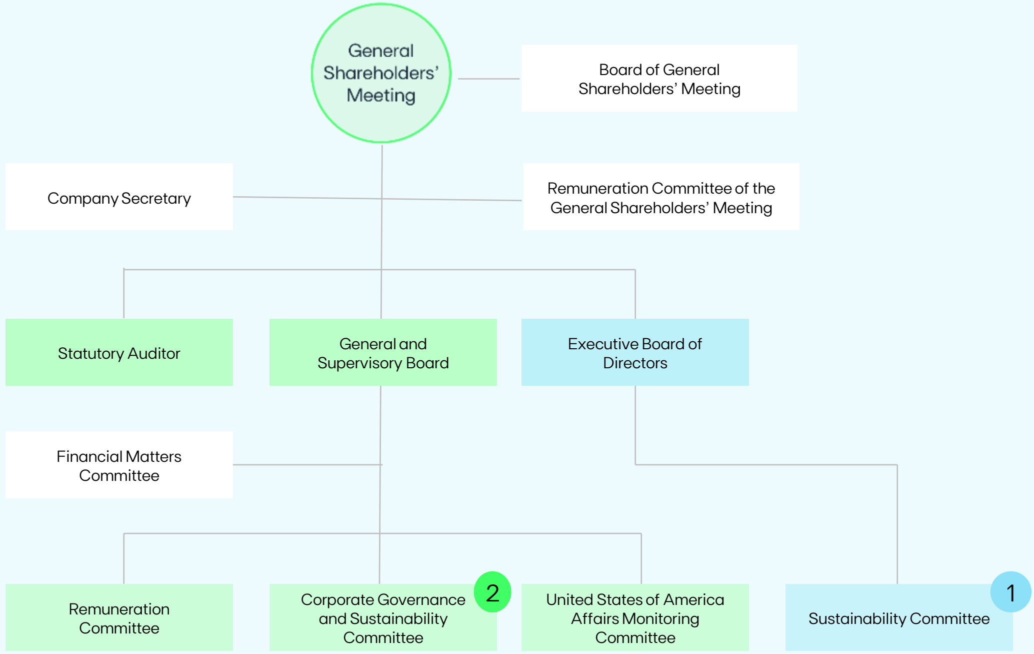
1. RGA Renewable Generation Assets platform

Index

4. Governance

Sustainability Governance

Sustainability is fully integrated into EDP's dual governance model, in which the Executive Board of Directors monitors each material issue — defining strategy and managing risks and opportunities — while the General and Supervisory Board, through its specialised committees, ensures the supervision, assessment and continuous monitoring of these matters.



See further details in 2025 Integrated Annual Report, including incentives and remuneration

Climate governance
Climate governance is embedded in EDP's corporate governance model, ensuring clear oversight, accountability, and integration into strategy, risk management, and decision-making.

The **General Supervisory Board (GSB)** oversees climate strategy, supported by dedicated committees covering sustainability, risk, remuneration, and US-specific climate impacts. The **Executive Board of Directors (EBD)** defines, approves, and monitors the climate strategy, supported by the **Sustainability** and **Risk Committees**.

Business Enablement Functions(BEF), Platforms, Regions, and Business Units ensure consistent execution, risk management, and delivery of climate objectives across the Group.
BEF:

- **Investor Relations & ESG:** monitor ESG and climate performance, oversee ESG strategy, and track the implementation of key sustainability initiatives supporting the climate strategy.
- **Risk:** defines and operates the integrated risk management framework, identifying, assessing, and monitoring climate-related risks affecting the Group's strategy and performance
- **Strategy and M&A:** support the EBD by aligning corporate strategy with climate objectives and integrating climate criteria into investment and M&A decisions.

1 **Sustainability Committee**
Supports the EBD in defining sustainability policies, practices and internal mechanisms, coordinating with the GSB's Committees and contributing to the integrated management of EDP's ESG risks and opportunities

2 **Corporate Governance and Sustainability Committee**
Monitors and supervises, on an ongoing basis, matters related to corporate governance and sustainability, including double materiality, ESG practices and stakeholder relations, ensuring alignment between the GSB and the EBD on these matters

4.2. Climate Risk

Climate change represents one of the most significant challenges for the energy sector giving rise to material impacts, risks and opportunities that originate directly from EDP's integrated energy business model and span upstream, direct and downstream activities.

EDP Group's resilience analysis is conducted in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

4.2.1. Risk management

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 the Group's strategy to climate change.

EDP identifies climate-related impacts, risks and opportunities through an integrated, group-wide risk management process and double materiality assessment. The process, conducted annually and updated as needed, starts with the mapping of EDP's value chain (upstream, own operations and downstream), assessing policy, market, technology and reputational drivers, to identify actual and potential climate-related impacts, with a specific focus on greenhouse gas (GHG) emissions across Scopes 1, 2 and 3, which represent EDP's main negative impact on climate change. This assessment is grounded in a full GHG inventory prepared annually in accordance with the GHG Protocol and aligned with SBTi methodologies.

4.2.2. Climate scenarios

To test resilience to climate change, the EDP Group has built three different scenarios that integrate physical and transition scenarios. EDP employs a detailed and robust approach to scenario analysis, incorporating various key inputs and constraints.

Climate scenarios		
	Physical scenarios	Transition scenarios
AGG (As green as it gets)	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	Net Zero Emissions by 2050 Scenario (NZE) with internal adjustments: considers (1) the global energy sector reaching net zero CO_2 emissions by 2050; (2) economic growth and job creation related to sustainable energy; (3) a more resilient and cleaner energy
BGT (A bit greener than today)	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 0.5 meters, and many species are unable to adopt	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
SMT (Slow move to transition)	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 meters	

4.2.3. Climate risk assessment

EDP conducts an annual climate risk assessment process which is structured in three distinct phases:

- Risk identification, that guarantees the exhaustive identification of physical and transitions risks and opportunities in each business and main geographies, in line with TCFD recommendations
- Climate scenario alignment, that includes the validation and updating of the physical and transition sub-scenarios, as well as the main climate variables (physical and transition); and finally
- Risk quantification and Climate Value@Risk aggregation, that aggregates the quantification of the most relevant climate-related risks and opportunities of each business/ geography (i.e., with an impact on EBITDA of over €1m).

According to the results of the climate risks assessment, the EDP Group demonstrates a resilient portfolio in both the RCP 2.6 + NZE (integrated into the AGG scenario) and the RCP 8.5 + Base scenario (integrated into the SMT scenario). Nonetheless, the exercise enabled the identification of the most relevant risks, which inform EDP's adaptation plans for assets that are more exposed.

See further details in 2025 Integrated Annual Report, Sustainability Statement, section 2.1 Climate Change

4.3. Adaptation and resilience

EDP views climate adaptation and mitigation as two interconnected faces of effective climate action, and to manage the physical risks, EDP has developed a comprehensive approach.

Integrating climate adaptation directly into the business model, ensuring that long-term resilience and short-term operational readiness are balanced to protect assets and service continuity.

EDP's adaptation approach is built upon five foundational "Adaptation building blocks", and five timeframe responses that define the areas of intervention.

The early integration of climate risk assessments during the planning and design phases of new projects are prioritised, as this is significantly more cost-effective than retrofitting, reflecting avoided losses in property damage, operational disruptions, and insurance expenses.

Timeframe and operational clusters			
Time-response		Adaptation building blocks	
Timeframe	**Description**	**Categories**	**Description**
Preparedness	Deploy forecasting and early warning systems to mitigate impacts before events occur.	**Operational**	Reorganise teams and workflows for agile response without physical asset modification.
Planning & prevention	Implement preventive measures and proactive planning to eliminate infrastructure impacts.	**Engineering & NbS**	Modify assets physically and integrate Nature-based Solutions to improve resilience.
Response	Utilise contingency measures and alternative resources to reduce damage during extreme events.	**Digitalisation**	Use digital tools for real-time monitoring, prediction, and automated mitigation.
Recovery	Rebuild post-event using “build back better” principles to improve future resilience.	**R&D**	Collaborate with academia to develop innovative technical solutions for climate resilience.
Resilience	Execute structural changes to ensure long-term asset stability against climate stressor.	**Advocacy & markets**	Partner with stakeholders to implement opportunity-driven strategic adaptation solutions.

For additional information see Climate Adaptation Report 2025 and 2025 Integrated Annual Report.

4.4. Climate engagement

EDP's transition plan relies on many macroeconomic, industry-specific, and value chain factors.

Addressing these dependencies requires coordinated action across a broad range of stakeholders, making stakeholder engagement a key lever for achieving our long-term strategic ambition.

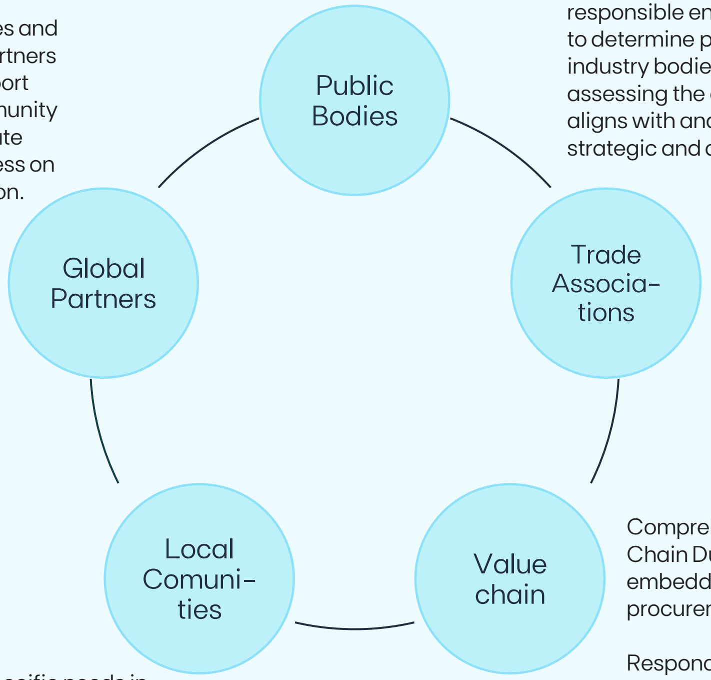
Through structured engagement with governments, sector associations, and stakeholders, EDP advocates for climate and energy policies aligned with Paris Agreement goals—covering the EU 2040 Climate and Energy Framework, renewable deployment acceleration, grid modernization, and carbon pricing, with integrity and a responsible engagement.

(see further details 2025 Integrated Annual Report, Sustainability Statement, section 4 Governance 4.1 Business Conduct).

Active participation in processes of forming or influencing public policies with Governments, regulators, standard setters, and other public bodies at the national and international level, for Paris-Aligned lobbying to progress clean energy transition.

Actively contributes and supports global partners committed to support the business community to respond to climate change and progress on the energy transition.

Appling a clear, action-oriented responsible engagement approach to determine participation in these industry bodies and associations, assessing the extent to which it aligns with and supports EDP's strategic and advocacy goals



Identification of specific needs in communities near EDP operations—such as employment training, small business support, and infrastructure improvements—and developing targeted programs to address these priorities.

Comprehensive ESG Supply Chain Due Diligence Process embedded throughout the procurement lifecycle

Responding to customer demand for sustainable solutions and social response for vulnerable costumers, EDP offers products and services that support customers in the energy transition and social needs

Our Policy Asks

EDP encourages governments around the world to act on:

- Stronger NDCs that are aligned with 1.5°C and translated into credible national delivery plans with clear renewable energy, grid and storage targets
- Rapid, orderly and just energy transition away from unabated fossil fuels through streamlined permitting, grid expansion, market reforms and removal of barriers to corporate clean energy procurement
- Ambitious long-term climate and energy targets, including at least a 90% GHG reduction by 2040 in the EU, to provide regulatory certainty and guide investment
- Scaled and de-risked finance, mobilising public and private capital via long-term contracts, guarantees, blended finance and the redirection of fossil fuel subsidies, particularly for emerging and developing economies;
- Accelerated innovation, with stronger support for R&D, pilots, green public procurement, transparent carbon markets and demand signals to scale breakthrough technologies in hard-to-abate sectors.