



Procurement Policy

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1. VERSION HISTORY

Version	Date of approval	Draft	Approval	Comment
1	21/04/2025	Procurement	EBD	Initial Issuance

2. PURPOSE

The Procurement BEF (Business Enablement Function) (hereinafter “Procurement” or “Procurement Team”) goal is to bring to EDP the best of the supply markets through transparent procurement practices that recognize and accommodate the varied capacities and strategic approaches of our suppliers. Our commitment to advancing energy technologies and projects is underpinned by sourcing strategies that acknowledge the complexities of our operating environment.

While we favour competition among suppliers, we also understand that it will not always be possible to have suppliers competing on a completely leveled playing field. Our need to ensure a diversified and resilient supply chain, our need to nurture long term and broad relationships, are not always compatible with buying through competitive tenders. Moreover, we are mindful of the diversity among our suppliers, including those whose business models limit their participation in conventional, often costly tender processes.

EDP selects suppliers based on clear, impartial, ethical, strategic and value-added criteria, and pursues global and local suppliers that comply with health, safety, environmental, labor, and human rights standards. This approach aims to deepen understanding of the value chain and risks of critical suppliers, ensuring alignment with EDP’s values.

Considering these realities, our procurement policies and procedures are designed to be agile, allowing EDP to navigate the complexities of the energy sector effectively. By acknowledging the inherent challenges in creating a completely level playing field and the need to work with a diverse range of suppliers, we aim to set a strong foundation for procurement practices that are fair, transparent, and aligned with our strategic goals.

Specialized teams within the Platforms, within the Regions and within the Procurement Centers of Excellence (CoEs) improve supply chain efficiency and quality. Experts ensure strategic and economic acquisitions while enhancing compliance with internal and external regulations, reducing risks, and promoting ethical practices.

This preamble sets the stage for the detailed policies and procedures that follow in the next pages, each crafted to address the unique needs of our procurement activities while upholding our commitment to integrity, sustainability, and excellence.

3. SCOPE

This Policy is applicable to all EDP controlled companies and its employees who pursue activities within the Platforms, Regions, Business Enablement Functions and Global Business Services of the EDP Group, except when such application does not comply with legal, regulatory or contractual provisions or any other regulation of a mandatory nature and only when the Policy does not conflict with a shareholder's agreement.

Procurement is entrusted with the authority to lead and manage all strategic sourcing processes, ensuring alignment with EDP's objectives, but the authority to approve and commit financial expenditures is not included within Procurement's responsibilities. Instead, such authority is delegated to the respective requesting areas, which hold the responsibility to validate and authorize spending in accordance with the company's Delegation of Authorities (DoA) governance framework and respective governing bodies.

Procurement provides recommendations on supplier selection and contract terms. These recommendations serve as the basis for enabling those with delegated spending authority to make informed financial commitments in line with EDP policies and DoA. This ensures a clear separation of duties, fostering accountability and compliance with corporate governance standards.

This Policy is applicable to the so-called "Strategic Sourcing", which includes any group category needed under the activity of EDP group except:

- Energy trading (i.e., the purchase of inputs or outputs of the energy production process)
- Company and/or projects acquisitions (assets for development)
- All real estate, including land, parking lots, office buildings not related with power plants
- Library materials (i.e. books, periodicals, etc.)
- Personnel services (e.g. wage, salary, and benefit administration)
- Medical Acts and Medicines
- Marketing and Communication services
- Bank fees and financial services
- Utilities (electricity, gas, hydro, water, etc.)
- Legal Services
- Financial Audit Services, Regulatory Audit Services and Tax Services
- Strategic Management Consulting Services
- Executive search services
- Recruitment and selection process
- Training services
- Regulated posting and courier services
- Liability insurances, personnel insurances, and medical services
- Office catering

- Intercompany services (EDP key holding services and other management fees between EDP group companies)
- Curation and art related services managed by EDP Foundations
- Low-cost expenses (<EUR 25.000) not regulated by frame agreements, such as:
 - Petrol and other vehicle or heating fuels
 - Conference registrations
 - Events
 - Business meals and travel meals
 - Low value consumables and small tools
 - Subscription, renewable, or membership of scientific publications

Note: the list of each Category Group, their scope and Category Owner (CoE or BP teams) is included in annex 1.

4. TERMS AND DEFINITIONS

CoE	Center of Excellence is a global team providing strategic direction and standardization across the Procurement BEF
Business Partner (BP)	Business Partner (liaison between the procurement department and other departments).
Category Owner	Procurement Team leader responsible for defining the buying strategy and tactics for a Category Group.
Change Order	A formal modification to the original terms of a contract, which may include adjustments to price, scope, schedule, or other contractual conditions. Change Orders can be foreseen, unforeseen, or due to Supplier claims which are not foreseen in the contract.
Contract Owner	Person designated by the department or area that requires the good, the work, or service and has primary responsibility for the business results of a contractual relationship. The Contract Owner is responsible for oversight over the contract including all non-commercial activities both pre and post contract award. The Contract Owner must always be defined when a sourcing action is initiated. If the final person has not yet been assigned, the closest manager among the available options will be designated as the Contract Owner.
CPO	Chief Procurement Officer

DoA	EDP's delegation of authority that defines specific delegation of critical decisions.
Group Category	Main areas into which Procurement BEF is divided, which can be either CoE or BP. There is a single Category Owner for each Group Category.
Procurement Committee (PC)	A cross-functional committee led by Procurement, responsible for overseeing and approving key procurement decisions, including Supplier selection, contract awards, and negotiation strategies
Procurement Agent	An individual or team authorized to execute procurement-related tasks, such as Supplier engagement or negotiations, on behalf of procurement. Procurement Agents do not necessarily belong to the Procurement BEF.
Purchase Categories	Breakdown of the categories in each CoE or BP scope
Subject Matter Expert (SME)	A professional or department with specialized knowledge or expertise in a particular area, engaged to provide input or consultation during procurement processes, contract negotiations, Supplier evaluation or decision points.
Supplier	Shall mean suppliers, contractors and service providers.

5. REFERENCES

N.A.

6. DESCRIPTION AND RESPONSABILITIES

6.1. Procurement Role & Responsibilities

Procurement is the leader and orchestrator of all negotiations with suppliers within the scope of this Policy. The Procurement Team will serve as the exclusive channel for all negotiations from the very beginning, including trials, RFI(s), and RFP(s) until, if applicable, closing the corresponding contracts (and handover of the same to the respective applicable area). It will play a pivotal role in integrating other relevant functional groups from EDP whenever applicable, such as, but not limited to: Financial Planning & Analysis (FP&A), Risk, Investor Relations & ESG (IR&ESG), Safety, Security and Business Continuity (SS&BC), Ethics & Compliance (E&C),

Strategy and M&A (S&MA) and Legal & Governance (L&G). Other corporate functions will provide their expertise and participate in negotiations as requested by the Procurement Team.

The Procurement Team is the only function mandated to control all end to end purchasing activities, ensuring control and oversight from the very beginning of all Suppliers' engagements. This includes exploratory conversations, pilot projects, idea testing, initial Supplier outreach, feasibility studies and preliminary assessments.

Moreover, within the scope of this Policy, the negotiation, selection, and onboarding of all third-party companies acting as sales agents, intermediaries, or representatives and partnerships or consortia deals must be conducted by Procurement. These third parties are subject to the same procurement policies and procedures as any other Suppliers to ensure alignment with EDP's supply strategy, as well as its standards for ethical behaviour, ESG compliance, and anti-bribery measures.

All such activities must be conducted by, or under the supervision of, Procurement to ensure consistency, compliance, and strategic alignment.

6.2. Policy PO10 – Sourcing to Contract Process & its Decision Points

***i)* Purpose**

To define the key rules applicable to the sourcing to contract process, establishing key decision points that allow stakeholder and cross functional alignment.

***ii)* Scope of Application**

This Policy is applicable to all EDP's controlled companies and its employees who pursue activities within the Platforms, Regions and Business Enablement Functions of the EDP Group, except when such application does not comply with legal, regulatory or contractual provisions or any other regulation of a mandatory nature EDP companies and all its employees, provided that EDP has, directly or indirectly, the majority or the management control and only when the Policy does not conflict with a Shareholder's Agreement.

***iii)* Policy**

The end-to-end procurement process is based on decision-points controlled by a mechanism designed to ensure transparency, fairness, and strategic alignment throughout EDP's procurement process.

By establishing clear decision points—ranging from initial category strategy approval, through bid package or single sourcing strategy evaluation, to the final Supplier selection—this control mechanism facilitates thorough oversight and informed decision-making.

iv) Decision Point Mechanism

Each decision point is rigorously assessed by a cross-functional Procurement Committee (The “PC”).

The PC ensures that every procurement action reflects EDP's commitment to integrity, sustainability, and excellence in our pursuit of leading the energy transition.

The PC's are the cornerstone for capturing synergies and ensuring business alignment. The PCs are led by procurement and include representatives from stakeholders (from platforms or regions) and other involved subject matter experts (technical teams, Legal & Governance, IR & ESG, Risk, SS&BC, etc.).

The PC encompasses the following representatives:

- The Chief Procurement Officer (CPO) or their representative.
- The Head of the Procurement Excellence Area or their representative.
- The Procurement Business Partner of the requesting area.
- Legal & Governance (L&G) representative.
- Investor Relations & ESG representative.
- Ethics & Compliance representative (E&C).
- Applicable **Subject Matter Expert** (“SME”). SME's will be identified in a specific procurement policy
- Representative from the area requesting to the Procurement Team the procurement of any supply, work or service (“The Requesting Area”).

Procurement Sub-committees may be created, typically at the BP region or platform level, to handle the procurement of items specific to the region or platform. For the sake of flexibility, particularly for smaller items (e.g., snow removal at a remotely located wind farm), these sub-committees may delegate parts of their delegated processes to Procurement Agents. Procurement Agents do not necessarily need to belong to the Procurement BEF.

The presence of representatives in the PC may be replaced by a formal indication outlining specific conditions that must be met for approvals. If these conditions, explicitly defined, are adhered to during the approval process, the physical presence of representatives is no longer required.

Before initiating or during a negotiation, the Procurement Team may require Requesting Areas to provide proof of budget availability and identify a representative with delegated authority to commit expenses. This representative will not be responsible for approving the expenditure during the procurement process but will ensure that EDP's and Suppliers' time is not invested in processes that lack the necessary conditions, from the outset, to result in an awarded and executed contract.

List of Procurement Committees

PC Strategy – [Optional] - Category Strategy Approval: At this initial stage, procurement decisions—including the need for goods, works or services and the determination of the procurement method—are critically reviewed by this cross-functional committee, ensuring decisions are in line with EDP's strategic goals and the resilience of our supply chain.

PC Launch – [Mandatory] - Negotiation Strategy Validation: Before proceeding with any sourcing action, whether it's a competitive bid or single sourcing, the PC evaluates the negotiation strategy's robustness and alignment with EDP's objectives. Proposals will be solicited only from Suppliers who are qualified or are reasonably expected to be qualified before contracts are executed, this judgement will be a procurement's responsibility.

PC Award – [Mandatory] - Selection and Award Decision: The final selection of Suppliers and the decision to award contracts, through either competitive bidding or single sourcing, are meticulously assessed by the PC. This process emphasizes evaluating proposals based on cost-effectiveness, reliability, Legal and ESG compliance, and strategic value to ensure the best fit for EDP's needs. Additionally, the PC may define written rules outlining specific negotiations that can be handled by the Contract Owner during contract execution without the need to involve Procurement, thereby streamlining operations while maintaining compliance with established guidelines.

PC Handover – [Mandatory for CoE contracts] An additional PC following the end of the procurement process may happen. The purpose is to summarize the process and provide a concise guide of the contract to the Contract Owner. This guide should highlight key risks, major milestones and the primary contractual instruments for contractual management, a responsibility outside procurement. If needed, further meetings with Legal area and Contract Owners are encouraged after the PC Handover meeting to ensure Contract Owner is ready to handle the contract.

Procurement Committee	Activity	PC Participants						
		CPO	Category Owner (CoE/BP)	Requesting area	Contract Owner (Responsible for the sourcing need)	Procurement Team (buyer)	Affected Procurement Business partners (R/P /BEF/GBS)	Subject Matter Experts (Tech. Eng. Teams; Legal; ESG; SSBC; Innovation, Risk, etc)
PC Strategy	Define category strategy	A	R	I	n/a	n/a	C	C
PC Launch	Present process and define process negotiation strategy	I	A	C	C	R	C	C
PC Award	Evaluate & propose awarded Suppliers	I	A	C	C	R	C	C
PC Handover	Share contract conditions negotiated and obligations	I	C	C	A	R	C	C

Table 1 – Procurement Committees structure

Notes:

- R (Responsible): The role completing the task or activity.
- A (Accountable): The role ultimately answerable for the activity's success.
- C (Consulted): Roles providing input or expertise.
- I (Informed): Roles kept up to date on progress.

v) Decision Making

Unanimity Requirement: All decisions require unanimous agreement by the PC members. If unanimity is not achieved to proceed with the contracting the DoA rules for “golden votes” will apply.

Aligned Decisions: When the recommendations for the awarding decision point are followed, individuals with delegated authority may proceed to award contracts and committing funds within their authority delegated limits.

6.3. Policy PO20 – Change Orders

i) Purpose

The purpose of this policy is to establish clear rules and guidelines for managing interactions with suppliers during the contract execution of the construction, maintenance and operations phases of power plants. This policy empowers Construction and O&M teams with the autonomy to negotiate change orders, minor scope adjustments, and other operational matters directly with Suppliers, without requiring continuous handover to Procurement.

At the same time, the policy ensures that such negotiations remain aligned with EDP's contractual obligations, governance frameworks, and compliance standards.

ii) Scope of Application

This Policy is applicable to all companies and its employees controlled by EDP who pursue activities within the Platforms, Regions and Business Enablement Functions of the EDP Group, except when such application does not comply with legal, regulatory or contractual provisions or any other regulation of a mandatory nature and only when the Policy does not conflict with a shareholder's agreement.

This policy is applicable to contract execution of the construction, maintenance and operations phases of power plants.

iii) Policy

Procurement must have decision, intervention and visibility on all Change Orders related actions.

Different types of Change Orders can occur:

a. Change Orders foreseen in contracts

Whenever this type of change happens due to any change in price, scope or calendar or other contractual conditions, all of them already envisioned in the contract, it will be managed by the Contract Owner who will involve the Procurement Team if any support is required.

b. Change Orders not previously expected in contracts

Changes in price, scope or any other unforeseen change in the contract established requires a contract renegotiation. In case of a substantial modification a formal contract addendum will be required (e.g. payment terms, duration of the contract, inclusion of new regulation or legal requirements. In these cases, Contract Owner must involve Procurement to support the renegotiation and evaluate potential synergies within the platform or regions. The support from the Legal team will be required. Applicable only for change orders above 10% of the total value of the initial contract (a PC may be formalized to evaluate values and procurement involvement).

c. Change Orders due to Supplier Claims

This type of changes arises when the Supplier requests a change for which the contract does not foresee a Change Order mechanism. It requires a contract renegotiation, managed by Procurement, and with a strong legal support required.

7. FINAL PROVISIONS

Procurement is responsible for monitoring the application of this Policy, as well as reviewing it at least once every two years or whenever there are relevant changes to the applicable legal framework and in the context of the activities performed by the EDP Group and whenever new elements arise that demonstrate they are no longer adequate, submitting the proposed changes to the approval of EDP's Executive Board of Directors.

8. ANNEXES

8.1 Purchase Category Groups

	Category Group	Purchase Category
Centers of Excellence	Wind	Wind turbines generators (WTG)
	Solar	Solar Inverters
		Solar Panels
		Solar Racking
	BESS	Battery Energy Storage Systems (BESS)
	Electrical Equipment	Cables
		Transformers and associated equipment
	BoP & BoS & H2	Complementary Construction Services
		Construction of hybrid plants
		Construction of solar plants (BOS) - Utility
Construction of solar plants (BOS) - DG		
Construction of solar plants (EPC) - DG		
Construction of solar plants (EPC) - Utility		
Construction of storage plants (BESS) - Utility		
Construction of Substation- Utility		
Construction of Transmission Lines - Utility		
Construction of wind plants (BOP) – Utility		
H2 related equipment		
H2 related services		
Business Partners	RGA	Command and control and auxiliary equipment/systems
		Decommissioning, dismantling and demolition
		O&M equipment and spare parts – electrical
		O&M equipment and spare parts – mechanical (rotating and static)
		O&M services and asset managing services
		Repowering, refurbishment, optimization and development of new assets in operating plants
		Studies & projects and other technical services
	Technical buildings maintenance/construction and other civil works in operating plants	
	Networks	Auditing, consulting, studies and associated services specific - Networks
		Auxiliary systems for grids and electrical substations
		Construction and maintenance of distribution grids
		Construction and maintenance of transmission grids
		Cut-off and sectioning equipment
		Cutting And Pruning Of Trees
		Equipment and accessories for grids
Grid related services - Networks		
Intelligent grids and energy management		
Protection, command, control and instrumentation - Networks		
Public lighting		
Structures and supports for Networks		
Substations And Sectioning Stations - Networks		

Digital & Tech

- Applicational development/maintenance
- Applicational software
- Automatization and control equipment
- Cloud computing
- Communication systems, equipment and accessories (excluding mobile & fixed voice)
- Datacenter systems and equipment
- Information and telecommunication consulting
- Information systems and equipment (Excluding End User computing equipment)
- Installation and maintenance of IT/OT equipment
- Servicedesk services
- Support services for information and telecommunication equipment
- System software and programming
- Technical software
- Telecommunication services
- Tic project management consulting

Indirects (GBS)

- Auditing, Consultancy, Studies, Projects&Associated Services
- Business and administrative services
- Business Process Outsourcing Services (BPO)
- Construction Of Buildings And Surrounding & Misc. Civil Work
- Gardening and Landscaping
- Logistics - Transport services, warehousing and related services
- Maintenance And Conservation Of Administrative Buildings
- Micellanous usage materials and equipment
- Non-specific services of maintenance and inspections
- Personal safety equipment and clothing
- Security Services
- Telecommunications and workplace IT (eg. Audiovisual equipment and accessories)

Client Solutions

- Auditing, Consulting, Studies & Associated Services To Clients
- Efficient Equipment
- Efficient Equipment Installation
- Electric Mobility
- Electric Mobility Installation And Maintenance
- Energy Monitoring & Management Installation & Maintenance
- Energy Monitoring And Management
- Supervision And Inspection Of Client Services
- Technical Services Installation And Maintenance
