

# Welcome to your CDP Climate Change Questionnaire 2022

## C0. Introduction

### C0.1

#### **(C0.1) Give a general description and introduction to your organization.**

EDP – Energias de Portugal, S.A. (EDP) is a listed, multinational vertically integrated utility company, whose ordinary shares are publicly traded in the Euronext Lisbon. The company is established and headquartered in Portugal, being organized under Portuguese laws.

Throughout its more than 40 years of history, EDP has been building a relevant presence in the world energy scene, being present in 28 markets in 4 continents. EDP has around 12 thousand employees and is present throughout the whole value chain of electricity and in the activity of gas supply: power generation, distribution and supply of electricity in Portugal, Spain and Brazil, electricity transmission in Brazil and gas supply in Portugal and Spain. Through its subsidiary EDP Renewables, EDP is also one of the largest wind power operators worldwide, with on-shore wind farms in Europe (Iberian Peninsula, France, Belgium, Italy, Poland, Romania, Greece), North America (United States of America, Canada and Mexico) and South America (Brazil), and developing off-shore wind projects in Portugal, UK, Belgium, France, Poland, USA and South Korea. Additionally, EDP generates power from photovoltaic plants in Portugal, Romania, USA, Mexico, Brazil, Vietnam, Singapore and in other APAC markets. EDP supplies 9.3 million customers. In 2021, the company generated about 61 TWh of electricity worldwide, of which 75% from renewable energy sources and, by year end, had an installed capacity of around 25 GW (80% renewable).

Highlighting its renewable energy portfolio, it is well positioned for the challenges of the energy transition.

EDP's vision is to be a global energy company, leading the energy transition to create superior value. Our values are Innovation, Sustainability and Humanization and our commitments are towards accelerated and sustainable growth, building a future-proof organization and ESG excellence and attractive returns.

The company assumes the power sector's key role in the transition to a low-carbon economy and sets a strategic agenda based on organic growth focused on renewables and low exposure to CO2 and sustainability risks. EDP publishes detailed information on its financial and sustainability performance and governance practices in its Annual Report and Sustainability Report, available on [www.edp.com](http://www.edp.com).

Key financial figures in 2021:

Turnover: EUR 14,983 million

EBITDA: EUR 3,723 million  
Net profit: EUR 657 million  
Net investment: EUR 2,551 million  
Net debt: EUR 11,565 million  
Total assets: EUR 50,994 million  
ISIN: PTEDP0AM0009  
SEDOL: 4103596

## C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2021	December 31, 2021	No

## C0.3

**(C0.3) Select the countries/areas in which you operate.**

Belgium  
Brazil  
Canada  
Chile  
France  
Greece  
Italy  
Mexico  
Poland  
Portugal  
Romania  
Singapore  
Spain  
United Kingdom of Great Britain and Northern Ireland  
United States of America  
Viet Nam

## C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

EUR

## C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Financial control

## C-EU0.7

**(C-EU0.7) Which part of the electric utilities value chain does your organization operate in? Select all that apply.**

Row 1

### Electric utilities value chain

Electricity generation

Transmission

Distribution

### Other divisions

Smart grids / demand response

## C0.8

**(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	PTEDP0AM0009

## C1. Governance

### C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

### C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
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Director on board	<p>A Director on EDP's Corporate Executive Board has formal responsibility over sustainability issues (CSO), including climate change. The Director currently in charge is assigned with all the company's cross-cutting critical themes, namely risk management and sustainability.</p> <p>This Director is responsible for: submitting to Board's approval the company's climate targets, policies and actions; ensuring inclusion of climate risks in the company's risk profile (e.g. impact of transition risks in EDP's business as well as acute and chronic physical risks in electricity generation and distribution assets) ; integrating climate-related issues into Business Plan development and investment/divestment analysis (e.g. forecast of carbon price impact on new generation assets profitability); reporting on climate-related issues to EDP's General and Supervisory Board (GSB), the highest-level corporate body below the General Shareholders Meeting, which includes a Corporate Governance and Sustainability Committee, headed by the GSB chairman.</p> <p>The most relevant example of a climate-related decision made by the Board within the last two years is the establishment of the decarbonisation strategy implicit in the Strategic Update 2021-2025, committing to reduce by 98% the Group's emissions intensity (scope 1 and 2) by 2030, supported by a coal-free decision by 2025 and 100% renewables power by 2030.</p>
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## C1.1b

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	<ul style="list-style-type: none"> <li>Reviewing and guiding strategy</li> <li>Reviewing and guiding major plans of action</li> <li>Reviewing and guiding risk management policies</li> <li>Reviewing and guiding annual budgets</li> <li>Reviewing and guiding business plans</li> <li>Setting performance objectives</li> <li>Monitoring implementation and</li> </ul>	<p>The Executive Board of Directors, in the person of the Director responsible for sustainability (CSO), is briefed at least monthly by the company's Corporate Sustainability Department – coordinating, whenever needed, with the Corporate Risk Management Office and the company's Business Units – on sustainability issues, including climate change.</p> <p>Reports include: i) regular updates on the implementation of the company's climate-related policies, actions and targets (e.g. performance against CO2/kWh targets in electricity generation business units; performance against client energy savings from energy services in electricity supply business unit); ii) results of in-depth climate risk analysis (e.g. extensive exercise, conducted in 2020-21, of climate related risks analysis and valuation, aligning the climate strategy with the recommendations of the Task Force</p>

	<p>performance of objectives</p> <p>Overseeing major capital expenditures, acquisitions and divestitures</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<p>for Climate Financial Disclosures - TCFD; iii) inputs for analysis of investments or divestments on electricity generation, impacting business plans and annual budgets (e.g. impact of changing CO2 prices); iv) proposal for new climate policies, actions and targets, aligned with EDP's corporate sustainability strategy. The Executive Director in charge of sustainability regularly takes the most relevant climate-related issues to the Executive Board meetings. The Executive Director also reports on climate-related issues to EDP's General and Supervisory Board, oversees the Corporate Sustainability and Risk Management Offices and chairs the Sustainability Committee, where the top management of the most relevant business units discuss the Group's environmental performance and its annual Operational Environment and Sustainability Plan. Additionally, The CEO and CSO chair the Environment and Sustainability Board, an external advisory Board dependent on the Executive Board of Directors, which comprises 5 experts elected at the general shareholders' meeting. This corporate body is periodically consulted for advising and supporting corporate sustainability strategy, with Climate Change being a constant issue for debate. From 2021 on, the General and Supervisory Board receives a monthly flash with the most relevant ESG performance indicators, including actual and previous year CO2 emissions (absolute and specific).</p>
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## C1.1d

**(C1.1d) Does your organization have at least one board member with competence on climate-related issues?**

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	The criteria used to assess the board member's competence in climate change issues is his proven experience in the field. The current Director has over 27 years of experience, 24 years of which in the energy sector. In the last 14 years, he assumed responsibilities in EDP Brasil, first as Vice-President responsible for New Business Development, Commercialization and Renewables, and in 2014 as CEO of EDP Energias do Brasil, with responsibility for its corporate sustainability

		<p>office. These responsibilities included a close oversight of climate change management, both from an operational point of view (business) and from an environmental point of view (availability and impacts). He also was President of the Board of Directors of EDP Gestão da Produção de Energia, since July 2020, in Portugal. He has currently formal responsibility over the corporate sustainability and the risk management.</p> <p>Additionally, the Corporate Governance and Sustainability Committee, from the General and Supervisory Board includes an independent board member with more than 25 years of experience on sustainability issues, including climate change and energy.</p>
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## C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify Head of Corporate Sustainability Department	Managing climate-related risks and opportunities	More frequently than quarterly
Other C-Suite Officer, please specify Head of Risk Management Department	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

Highest-level management position (i.e below Executive Board level) for climate-related issues lies with the Head of EDP's Corporate Sustainability Department. Corporate departments are structures of EDP Corporate Centre, headed by the company's most senior managers, who report directly to the company's Executive Board of Directors. The Head of the Corporate Sustainability Department is responsible for assisting the Executive Board in defining corporate sustainability policies, actions and targets, including those related to climate, and for monitoring their implementation at Business Unit level. The Sustainability Department works in close collaboration with the company's Corporate Risk Management Office, thus facilitating the integration of climate-related transition and physical risks into the company's risk profile and risk management procedures (assessment, integrated analyses of return-risk, mitigation strategies and monitoring). The Head of the Corporate Sustainability Department reports directly, at least monthly, to the company's Executive Board Director in charge of sustainability.

Reports include updates on the implementation of climate-related policies, actions and targets (e.g. corporate target of reduction in CO<sub>2</sub>/kWh in 2030 from 2015 levels - our base year); results of in-depth climate risk analysis (e.g. value at risk from climate change-induced structural change in water and/or wind volumes, affecting the operation of renewable electricity generation assets); climate-related inputs for analysis of investments/divestments; and proposal for new climate policies, actions and targets, namely the new 2030 ambition targets, approved and presented to the market through the EDP Strategic Update 2021-2025: to be carbon-neutral by 2030 as far as scope 1 and 2 are concerned. Another important organizational structure is the Environment and Sustainability Board (ESB), an external advisory Board dependent on the Executive Board of Directors. The ESB comprises 5 experts elected at the general shareholders' meeting. This corporate body is periodically consulted for advising and supporting corporate sustainability strategy, including climate action. The corporate Sustainability Department also reports to the General and Supervisory Board, on a monthly basis, the ESG key performance indicators, including CO<sub>2</sub> emissions performance.

## C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Not applicable. Description of incentives in question C1.3a

## C1.3a

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Board Chair	Monetary reward	Emissions reduction target	The CEO and the other members of EDP's Executive Board of Directors (EBD), in accordance with EDP's policy of remuneration for EBD members, have their variable annual performance factored into the Group's sustainability performance based on the Dow Jones Sustainability Index score and their multiannual variable remuneration based on CO <sub>2</sub> emissions reduction and the increase of share of renewable energy production.

Business unit manager	Monetary reward	Company performance against a climate-related sustainability index	<p>All business unit managers have the company's sustainability performance in several indices (DJSI, FTSE4Good, MSCI and Sustainalytics), as well as the CDP Climate Change score, factored into their annual variable remuneration. As far as climate change is concerned, the variable remuneration is based on the CDP Climate Change performance, with overall score A as the baseline, and depending on the scoring level (A, A- ou B) in the 11 categories' scores. This KPI includes, among others, the attainment of the explicit CO2 reduction targets committed by the company and the alignment with the TCFD recommendations. This target is operationalized through the commitments made in EDP's Strategic Update 2021-2025: i) To reach 100% of installed capacity and electricity generation from renewables by 2030; ii) To double solar+wind capacity by 2025; iii) To be coal-free by 2025; iv) To be carbon neutral by 2030; v) To reduce CO2 emissions intensity (scope 1&amp;2) 98% by 2030 (target approved by the Science Based Target initiative).</p>
All employees	Monetary reward	Company performance against a climate-related sustainability index	<p>At Business Unit level, team level and individual level, all employees have the company's sustainability performance in several indices (DJSI, FTSE4Good, MSCI and Sustainalytics), as well as the CDP Climate Change score, factored into their annual variable remuneration. As far as climate change is concerned, the variable remuneration is based on the CDP Climate Change performance, with overall score A as the baseline,</p>

			and depending on the scoring level (A, A- ou B) in the 11 categories' scores. This KPI includes, among others, the attainment of the explicit CO2 reduction targets committed by the company and the alignment with the TCFD recommendations. This target is operationalized through the commitments made in EDP's Strategic Update 2021-2025: i) To reach 100% of installed capacity and electricity generation from renewables by 2030; ii) To double solar+wind capacity by 2025; iii) To be coal-free by 2025; iv) To be carbon neutral by 2030; v) To reduce CO2 emissions intensity (scope 1&2) 98% by 2030 (target approved by the Science Based Target initiative).
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## C2. Risks and opportunities

### C2.1

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

#### C2.1a

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	0	5	Focus is until 2025. Timeframe allows foresight of the most immediate consequences of possible transition and physical risks and opportunities. Currently, this time horizon corresponds to the 2021-2025 period, which is the time horizon of EDP's Business Plan. Business plans at EDP are reviewed every 2 years for the following 5 years.
Medium-term	5	10	Focus is until 2030. Timeframe allows foresight of possible transition and physical risks and opportunities, with an impact on the company's

			strategy. Currently, this time horizon corresponds to the 2025-2030 period, for which EDP still has several targets defined.
Long-term	10	30	Focus is on the long-term company strategy (until 2050). Long-term horizon corresponds to the period between 2030 and 2050. This timeframe is in line with the global objective set by the Paris Agreement to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C, in the second half of the century. It foresees long-term structural risks and opportunities for the company. For the transition risks/opportunities, the focus is mainly on how governments can structure viable roadmaps towards carbon neutrality (policies and regulation) and the role companies such as EDP can play in supporting this transition with the knowledge and the technology required to deliver these roadmaps, under certain economic conditions. For the physical risks and opportunities, the main driver is resilience. Anticipate and adapt to what can be the consequences of structural changes in climate patterns, such as chronic physical impacts which are not immediate and can only be truly assessed in the long-term.

## C2.1b

### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

A substantive financial impact with materiality for EDP Group considers risks over 1M€, equivalent to around 1% of the business activity with lower EBITDA, in order to be exhaustive and guarantee that all relevant risks, as of today and prospectively, are included .

EDP Group is composed of several business units across the energy market value chain (generation, transmission, distribution, retail & services). Each business has its own particularities and climate risks. Recognizing the relevance of climate change impacts in its businesses, EDP established an annual procedure for the climate risks and opportunities assessment in order to know more about its climate resilience and adjust strategic plans accordingly. The climate-related risks quantification process considers expected loss (average scenario) and maximum loss (worst case scenario), which allows for the prioritization of risks according to their materiality, across different timeframes and different climate scenarios (based on IEA and IPCC-RCP climate scenarios).

Because all BUs have their own realities and risks, the assessment of climate risks is the result of individual assessments at BU level, which are consolidated at Group level prioritizing the most relevant climate risks and opportunities.

In terms of quantification, for each BU a substantive financial annual impact considers risks over 1M€ .

EDP discloses risks publicly broke down by the level of impact expected in its annual EBITDA in two categories: <100M€ and >100M€.

As an example, a climate risk with relevant impact is the chronic risk of average precipitation decrease impacting hydropower generation. This risk affects several business units with relevant expression in EDP Group consolidated EBITDA (~0.5%-1% depending on the climate

scenario), namely EDP Produção (Portuguese generation unit) and EDP Brasil, with a reduction of hydro plant profitability of ~10-15% in PT and ~10-40% in BR (2050 estimates). EDP's most recent assessment concluded the company is quite resilient to climate change with no risks >100M€ (~2.5% of 2021 EBITDA, in terms of P95%, assuming a 10y impact of RCP 2.6 scenario).

Climate risks assessment is presented to the Risk Committee and approved by the Executive Board of Directors and the conclusions are ultimately publicly reported in EDP's Sustainability Report according to the TCFD recommendations.

## C2.2

**(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

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### **Value chain stage(s) covered**

Direct operations  
Upstream  
Downstream

### **Risk management process**

Integrated into multi-disciplinary company-wide risk management process

### **Frequency of assessment**

More than once a year

### **Time horizon(s) covered**

Short-term  
Medium-term  
Long-term

### **Description of process**

Climate Risk Assessment and Quantification – annual dedicated process, streamlined by the corporate Risk Management Department and the corporate Sustainability Department, that seeks to assess the main physical and transition climate risks and opportunities in all Business Units, in which the EDP Group has a material and consolidated turnover, namely EDP Produção, E-REDES, EDP Comercial, EDP Spain, EDP Renewables, and EDP Brasil. The process includes:

- (1) review of risk and opportunities taxonomy (based on TCFD recommendations and aligned with the corporate risk management taxonomy);
- (2) definition of climate scenarios (aggregated physical and transition scenarios);
- (3) definition of risk physical parameters and market variables (physical and transition);
- (4) quantification through stochastic analysis of physical and transition risks and opportunities at BU level (e.g., reduction of hydro availability, increase of extreme weather events – storms, cyclones, floods, wildfires – additional taxes, exposure to litigation, uncertainty in market signs, use of new technologies, access to new markets, among others); and

(5) consolidation of results and estimation through stochastic analysis of Climate Value at Risk (EBITDA at Risk related with climate).

In addition, the Risk Management Department develop every 3-months Risk Report and Risk Appetite Dashboard, with the aim to follow up on more volatile risks and update EDP's exposure to the key sources of risk (strategic, markets, regulatory, financial and operational). There is a follow up on climatic conditions by addressing physical and transition risks. Hereafter we present a few case studies following the STAR approach (S- Situation; T- Task; A- Action; R- Result).

#### Case study 1:

(S) In order to assess how precipitation will impact EDP Group business, key physical and transition variables are updated, such as annual average precipitation in mm and pool price, considering 3 different climate scenarios and over 3 different time horizons.

(T) Once we have the new physical and transition assumptions updated, the impacted BUs consider their exposure (in terms of generation MWh planned) and quantify how their generation can be reduced given the decreasing precipitation, in average and worst-case scenario.

(A) To evaluate the impact in EBITDA, the reduction previously assessed is priced by the pool price, calculating overall cost in EBITDA of precipitation reduction. (R) As result, EDP has been adjusting its portfolio, reducing its exposure to hydro generation in regions where experts are expecting a significant decrease of precipitation – in 2021 EDP sold 1.6GW of hydro generation (reducing the exposure in Portugal ~25% in terms of hydro installed capacity).

#### Case study 2:

(S) Transition risks are more uncertain than physical risks, and however the core business of EDP is not carbon intensive, market variables change (e.g., carbon price) may test EDP's resilience (particularly EDPR). A carbon price increase will lead to a disincentive of carbon-intensive generation and a medium-term change in generation mix – prevailing renewable generation and decreasing pool price. (T) A structural decrease on price impacts the profitability of several PPA contracts that are based in assumptions of a different price evolution. (A) The end of PPAs with higher contracted price and exposure to lower market prices will reduce EDPR profitability impacting EDP Group (in 2020 EDPR had 94% of contracted generation in terms of TWh, and the BU represented ~40% of EDP Group EBITDA). Besides diversification, EDP has a continuous adjusted hedging structure to maximize value.

(R) As result, EDPR is entering in new markets (Sunseap deal in Asia & Pacific, acquiring 91% of stake, and a total of 5.5GW of solar projects as of set-2021), where business opportunities exist, and in a portfolio, perspective offsetting the cost of lower value PPAs.

#### Case study 3:

(S) Although climate physical changes are long term, hydro availability has also a short-term impact. (T) For that reason, EDP has a periodical overview of hydro volumes (highly correlated with precipitation). (A) The periodical follows up through the processes previously described allows a structured view on trends, that accompanied with long term projections provide hints on assets profitability/ precipitation vulnerability. (R) As

result, due to high volatility on hydro plants in Portugal and in line with low risk strategic aspirations, there was a portfolio adjustment through the sale of 1.6GW of hydro generation in 2021 (reducing the exposure in Portugal ~25% in terms of hydro installed capacity).

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### **Value chain stage(s) covered**

Direct operations  
Upstream  
Downstream

### **Risk management process**

Integrated into multi-disciplinary company-wide risk management process

### **Frequency of assessment**

Annually

### **Time horizon(s) covered**

Short-term

### **Description of process**

Risk Risk map (Group and Business Unit-level) – identification and categorization of risks (incl. business, financial, and operational) and their mapping according to expect loss (average scenario) and maximum loss (worst case scenario). This allows for the prioritization of risks according to their materiality and for the setting of a risk agenda focused on relevant topics. Climate-related strategic physical risks (e.g. structural reduction of hydro productivity) and transition risks (e.g. change in renewables support regulation; changes in CO2 trading schemes; technological breakthroughs) are assessed through sensitivity and stochastic analysis at Group level. At operational level, risks related to generation and distribution asset losses and damages from increased frequency of extreme weather events are also assessed.

#### Case study 1:

(S) the physical risk of hydro availability, by reduction of inflows or precipitation, (T) is assessed through stochastic simulation and/or sensitivity analysis. (A) The various paths are analyzed, the value at risk for the 95% percentile is identified and its impact on EDP's EBITDA is assessed and evaluated (a reduction of 1TWh has an impact of 60M€, considering a pool price of 60€/MWh). (R) This quantification is then used to determine the price hedging strategy of the company in order to avoid the risk of having a misaligned energy integrated position. Additional mitigation measures also include geographical and technological diversification to decrease exposure, in relative terms, to hydro generation.

#### Case study 2:

(S) Given decarbonization ambition, the pricing CO2 is a relevant tool to force businesses to decarbonize, and EDP is exposed to this price mostly in terms of impact in electricity pool price. (T) The price of CO2 that is identified and modelled through

stochastic analysis, assuming the estimated price, and considering the volatility calculated based on its historical series. (A) The impact of the CO2 price variation is evaluated in the company's EBITDA, and its exposure to each Business Unit is also calculated. (R) As a result, energy markets risks represent more than 50% of total annual EBITDA@Risk of the Group. In terms of mitigation measures, in addition to a diversified portfolio focused on renewable energies, EDP has also in place a defined limit structure for the CO2 exposure and regularly hedges this exposure to avoid price shocks on its open position.

Besides the current response throughout the year, this analysis also informs on the risk of capital allocation and M&A strategies, that can result in the reshuffling or disposal of some assets. One example is the sale of hydro assets to reduce the exposure to hydro risk (physical risk) and the sale of CCGTs in Spain that also allows to reduce exposure to transition risks (e.g., CO2 prices) that might reduce the economic value of these assets in the future.

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#### **Value chain stage(s) covered**

Direct operations  
Upstream  
Downstream

#### **Risk management process**

Integrated into multi-disciplinary company-wide risk management process

#### **Frequency of assessment**

Annually

#### **Time horizon(s) covered**

Short-term

#### **Description of process**

Budget – annual exercise that identifies possible transition risks for the next year with impact on EDP's results through sensitivity and stochastic analysis to several indicators (e.g., impact of hydro coefficient variation under several scenarios).

##### Case study 1:

(S) the physical risk of hydro availability, by reduction of inflows or precipitation, (T) is assessed through stochastic simulation and/or sensitivity analysis. (A) The various paths are analyzed, the value at risk for the 95% percentile is identified and its impact on EDP's EBITDA is assessed and evaluated (a reduction of 1TWh has an impact of 60M€, considering a pool price of 60€/MWh). (R) This quantification is then used to determine the price hedging strategy of the company in order to avoid the risk of having a misaligned energy integrated position. Additional mitigation measures also include geographical and technological diversification to decrease exposure, in relative terms, to hydro generation.

##### Case study 2:

(S) Given decarbonization ambition, the pricing CO<sub>2</sub> is a relevant tool to force businesses to decarbonize, and EDP is exposed to this price mostly in terms of impact in electricity pool price. (T) The price of CO<sub>2</sub> that is identified and modelled through stochastic analysis, assuming the estimated price, and considering the volatility calculated based on its historical series. (A) The impact of the CO<sub>2</sub> price variation is evaluated in the company's EBITDA, and its exposure to each Business Unit is also calculated. (R) As a result, energy markets risks represent more than 50% of total annual EBITDA@Risk of the Group. In terms of mitigation measures, in addition to a diversified portfolio focused on renewable energies, EDP has also in place a defined limit structure for the CO<sub>2</sub> exposure and regularly hedges this exposure to avoid price shocks on its open position.

Besides the current response throughout the year, this analysis also informs on the risk of capital allocation and M&A strategies, that can result in the reshuffling or disposal of some assets. One example is the sale of hydro assets to reduce the exposure to hydro risk (physical risk) and the sale of CCGTs in Spain that also allows to reduce exposure to transition risks (e.g., CO<sub>2</sub> prices) that might reduce the economic value of these assets in the future.

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#### **Value chain stage(s) covered**

Direct operations  
Upstream  
Downstream

#### **Risk management process**

Integrated into multi-disciplinary company-wide risk management process

#### **Frequency of assessment**

Every two years

#### **Time horizon(s) covered**

Medium-term

#### **Description of process**

Business Plan – bi-annual prospective exercise of the company's activity for the next 5 years, taking into account risks that may affect EDP's results, including climate-related risks. Strategic decisions, business plans and targets are defined after a structured reflection about market conditions that consider historical and prospected evolution of: transition risks, namely regulation and policies, and costs of technologies, among others; and physical risks (e.g., incl. renewable volumes). Sensitivity and stochastic analysis to EBITDA@Risk and NI@Risk according to different scenarios assumed is also performed.

As an example, the physical risk of uncertainty of hydro availability, either by reduction of inflows or precipitation, is assessed through stochastic simulation and/or sensitivity analysis. The various paths are analyzed and the value at risk for the 95% percentile is identified and its impact on EDP's EBITDA is assessed and evaluated. This

quantification is then used to determine the price hedging strategy of the company in order to avoid the risk of having too large a sold position relative to own generation. Additional mitigation measures also include geographical and technological diversification to decrease exposure, in relative terms, to hydro generation.

An additional example is the price of CO<sub>2</sub> (transition risk) that is identified and modeled through stochastic analysis, assuming the estimated price, and considering the volatility calculated based on its historical series. The impact of the CO<sub>2</sub> price variation is evaluated in the company's EBITDA, and its exposure to each Business Unit is also calculated. In terms of mitigation measures, in addition to a diversified portfolio focused on renewable energies, EDP has also in place a defined limit structure for the CO<sub>2</sub> exposure and regularly hedges this exposure to avoid price shocks on its open position. Besides the current response throughout the year, this analysis also informs on the risk of capital allocation and M&A strategies, that can result in the reshuffling or disposal of some assets. One example is the sale of hydro assets to reduce the exposure to hydro risk (physical risk) and the sale of CCGTs in Spain that also allows to reduce exposure to transition risks (e.g., CO<sub>2</sub> prices) that might reduce the economic value of these assets in the future.

#### Case study 1:

(S) annually, EDP must plan its budget for the year, taking into consideration market projections and the defined strategy. (T) Projections for hydro productivity shape the hedging strategy assumed, contracting financial instruments to guarantee a stable price. (A) However, when hydro productivity is lower than expected (more common in the last years) there is a mismatch between the energy integrated position, i.e., lower hydro generation than contracted, requires to buy energy from the market with a higher price due to generation mix with more thermal. (R) As result, financial accounts at the end of the year may have a significant gap vs projections, for example in 2017 there was a very dry season in Iberia and recurring EBITDA declined 44% YoY, to €603m, due to: i) a more expensive generation mix (€34/MWh in 2017 vs. €20/MWh in 2016), stemming from the replacement of lower-cost hydro production (22% weight in generation mix in 2017 vs. 45% in 2016) by coal and CCGT's. Recently, EDP's financial performance in the 1Q2022 was strongly impacted by the extreme drought in Portugal in winter 2021/2022, the driest in the last 90 years, which resulted in a record shortfall of EDP's hydro production in the Iberian market of 2.6TWh compared to the historical average. This hydro shortfall resulted in the need to purchase electricity in the Iberian wholesale market, in order to satisfy the consumption of the customer portfolio, in a quarter of historical maximum prices (average electricity price €229/MWh in the 1Q22, a rise of 407% year-on-year). The strong increase in the cost of electricity sold, which did not impact our clients, implied a €0.4bn loss in 1Q22 in terms of EBITDA, which justifies the negative net result of -€76m recorded by EDP in the 1Q22 (a decrease of €256m year-on-year).

#### Case study 2:

(S) annually it is performed a sensitivity analysis to pool price, within the exercise of budget. An increase on pool price may impact business profitability, considering the

energy exposed to market price. (T) To reduce market risk, EDP has strategic goal for 85% contracted activity by 2025, (A) supported by an active hedging strategy, in order to have a stabilized cash flow (in 2021 80% of EBITDA was LT contracted/ regulated). (R) Nonetheless price risk still exists and as result, in Iberia, Client solutions & Energy management platform recurring EBITDA decreased to €24m in 2021, strongly penalized by the sharp increase in energy prices in the wholesale markets, especially in 2H21, that implied a significantly higher production and sourcing costs as well as a negative mark-to-market impact on hedging contracts in energy markets.

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### **Value chain stage(s) covered**

Direct operations  
Upstream  
Downstream

### **Risk management process**

Integrated into multi-disciplinary company-wide risk management process

### **Frequency of assessment**

Annually

### **Time horizon(s) covered**

Medium-term  
Long-term

### **Description of process**

Energy outlook scenario analysis – annual exercise performed by EDP's corporate energy planning department, based on World Energy Outlook scenarios, that prospects transition risks/opportunities impact for the medium and long term. It sets scenarios according to different decarbonisation paths and defines different evolution trends for demand, fuels and CO2 prices, capacities, among others, forecasting different generation mixes, RES generation shares and capacity changes.

#### Case study 1:

(S) According to different climate ambitions, generation mix evolves differently. (T) Annually, EDP consults several scenario projections of global generation mix evolution and specifies it to EDP's portfolio. (A) With this analysis, managers are able to decide upon strategic investments taking into consideration market evolution, namely the prevalence of renewable generation in a climate ambitious scenario and the adjustment of investment strategy (EDP's generation investment is 80% in renewable, cumulative capex until 2025). (R) This reduces the risk of technological obsolescence and imparity of assets. Currently the portfolio is already ~60% renewable in terms EBITDA, as of end of 2021.

#### Case study 2:

(S) Physical risks influence the profitability of assets. (T) Assumptions of profitability of renewables for the next years shape the strategy. (A) According to scientists, hydro

generation will be affected in the regions where EDP is present (mainly, Iberia and Brazil), for that reason EDP growth is focused in wind and solar generation and networks, expecting a CAPEX of 24M€ until 2025. (R) As a result, ~80% of EBITDA is already result from renewables (excl. hydro) and networks, as of end 2021.

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### **Value chain stage(s) covered**

Direct operations  
Upstream  
Downstream

### **Risk management process**

Integrated into multi-disciplinary company-wide risk management process

### **Frequency of assessment**

Every three years or more

### **Time horizon(s) covered**

Long-term

### **Description of process**

Emerging risks survey – exercise developed every 3 years to assess main concerns of EDP Group top management for the next 10 years of the company (focused on Strategic risks). The first exercise was focused on identifying all the key trends and define a framework, based on a benchmark of several sources (internal and external), that focus on 6 dimensions: geopolitics, economic, social, technological, environmental and sectorial. In 2019 the first cyclical process for emerging risks assessment was launched, which consisted of interviews and survey to the top management, followed by the consolidation of results and comparison with external sources, and finally a definition of an action plan. Climate risks/opportunities (physical and transition) are present in several dimensions, namely increase of frequency and severity of extreme weather events such as cyclones and floods, and a structural reduction of precipitation (physical risks), as well as rise of political and regulatory pressures for decarbonisation (transition risk).

#### Case study 1:

(S) Besides the risk map of short-medium term risks, there a strategic reflection over the most relevant concerns of EDP's top management regarding the next 10 years, considering the key trends of the world. (T) Environmental trends reveal a number of risks, and the reduction of precipitation/ water availability is a concern for the next years of EDP, according to management survey. (A) For that reason, EDP must increase its portfolio resilience, through diversification in terms of technology and geographically. (R) Recently, EDP's financial performance in the 1Q2022 was strongly impacted by the extreme drought in Portugal in winter 2021/2022, the driest in the last 90 years, which resulted in a record shortfall of EDP's hydro production in the Iberian market of 2.6TWh compared to the historical average. This hydro shortfall resulted in the need to purchase electricity in the Iberian wholesale market, in order to satisfy the consumption of the

customer portfolio, in a quarter of historical maximum prices (average electricity price €229/MWh in the 1Q22, a rise of 407% year-on-year). The strong increase in the cost of electricity sold, which did not impact our clients, implied a €0.4bn loss in 1Q22 in terms of EBITDA, which justifies the negative net result of -€76m recorded by EDP in the 1Q22 (a decrease of €256m year-on-year).

Case study 2:

(S) Sectorial trends are also a source of risk for EDP. (T) According with management survey, the regulatory instability and unclear market design are defined as critical transition risks. (A) For that reason EDP is actively following market conditions through reports, and shaping its portfolio. (R) The company is committed to be coal free by 2025 and carbon neutral by 2030, already closing some coal thermal plants in Portugal. In recent years, the application of ISP in Iberia represented around 20% of coal taxation and an expense of ~20M€ in 2021.

## C2.2a

### (C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Climate and energy related regulation – at international, European Union and national levels – can have a significant financial impact on EDP's electricity generation, distribution and retail businesses (reduced revenues and margins, increased operating costs). Examples include regulation on renewables support schemes, emissions trading mechanisms or carbon pricing. The regulatory context of the different markets where EDP operates and the corresponding developments are closely analysed by a dedicated corporate department, the Regulation Department. Together with the Energy Planning Department and the Risk Management Department, the Regulation Department quantifies potential impacts on the company of changes to the different regulatory contexts, according to different scenarios. Regulatory framework related with climate is a priority concern and is part of several analysis namely, investment analysis, budget and business plan.
Emerging regulation	Relevant, always included	The creation of additional regulatory measures by policy makers, in order to achieve a carbon-free economy, may create pressure on the business-as-usual and (possibly) demands operational and strategic adjustments. Similarly to the current regulation risk type previously mentioned, new climate and energy related regulations may materialize at international, European Union and national levels and can also have a significant financial impact on EDP's electricity generation, distribution and retail businesses (reduced revenues and margins, increased operating costs). For example, the increase of requirements to the scope 3 emissions

		<p>reports, which will imply a detailed overview of third-parties emissions at supply chain level, which will to create additional pressure over suppliers to decarbonize</p> <p>Follow-up on possible changes to the regulatory context of the different markets where EDP operates is conducted by a dedicated corporate department, the Regulation Department (including the participation in several forums of discussion with experts, scientists &amp; academics and policy-makers). Together with the Energy Planning Department and the Risk Management Department, the Regulation Department quantifies potential impacts on the company of additional requirements to the different regulatory contexts, according to different scenarios, from business-as-usual to scenarios aligned with the Paris Agreement transition needs.</p>
Technology	Relevant, always included	<p>Technological breakthroughs (e.g. advances in smart grids, decentralized generation, energy storage or electric vehicles, trends in renewables' levelized cost of electricity) are key to the implementation of EDP's low carbon transition plan and climate targets. For example, the thermal obsolescence of coal plants, namely the coal thermal plant of Sines, in Portugal, which has been studied to be converted to a centre of hydrogen excellence (with 200 MW of renewable capacity, 100 MW of electrolysers and an R&amp;D centre) to mitigate the risk and to avoid the loss of the asset for impairment. EDP Innovation Business Unit and EDP Corporate Energy Planning Department closely follow-up technological developments that can impact EDP low carbon strategy. Emerging technology studies are carried out by the Innovation Business Unit, where technological risks and opportunities are accounted for, such as the development of storage technologies, different sources of mobility, particularly the evolution of electric mobility, as well as the evolution of LCOEs of renewables that are analysed and incorporated in the different scenarios. Additionally, the recurrent Energy Outlook scenarios analysis exercise is performed by the Energy Planning Department.</p>
Legal	Relevant, always included	<p>Climate-related legal risks (penalties, compensations, agreements) can arise from non-compliance with associated laws and regulation, or future compliance costs (e.g. decommissioning of thermal power plants). Legal risks are analysed and followed up by EDP Legal Department with a view to ensure compliance and monitor on-going contingencies of different natures, including environmental and climate change related contingencies. Together with the Risk Management department, sensitivity analysis is performed to assess different scenario for legal losses. EDP constitutes provisions for decommissioning of power plants. Also, increasing exposure to litigation is assessed by BUs in Climate Risks Assessment annual process.</p> <p>Examples include judicial measures or administrative sanctions in case</p>

		of lack of non-compliance with associated laws or regulation, or future compliance costs. A specific example would be a possible increase in compliance costs (direct or loss of revenue) with hydro basins' water management in increasingly dry or even drought contexts.
Market	Relevant, always included	Volatility in commodity prices (e.g., fuel; CO2), in generation volumes of renewables (especially hydro and wind), and in energy consumption (including energy efficiency) are market risks that can be influenced by climate change. Examples include the spill-over effect of new emissions trading schemes on CO2 prices or the reduction in electricity demand brought upon by new energy efficiency regulations and public policy targets. These risks affect directly energy pool price which can have a negative impact on EDP's results. For example, in Iberia, Client solutions & Energy management platform recurring EBITDA decreased to €24m in 2021, strongly penalized by the sharp increase in energy prices in the wholesale markets, especially in 2H2021, that implied a significantly higher production and sourcing costs as well as a negative mark-to-market impact on hedging contracts in energy markets. These variables are always included in the company's climate risks analysis, as they are a key driver of EDP's results. Assessment is performed through sensitivities analysis of several market indicators, assuming different global energy scenarios with different underlying decarbonisation pathways. Additionally, different scenarios for prices of commodities are considered in the Climate Risks Assessment annual process, impacting differently EDP's results, e.g., rise on CO2 price with a positive impact due to EDP's long position, while shrunk of overall pool price with negative impact on results.
Reputation	Relevant, always included	The energy sector, including electric utilities, is at the forefront of societal awareness on climate change and the role of the private sector. For example, failure to commit to ambitious targets on climate change mitigation and adaptation and to deliver on these commitments can cause reputational damages leading to the reduction of EDP brand value and investor interest and loss of market competitiveness. Additionally, difficulty in managing extreme weather events without an effective response to storms, floods, droughts, or wildfires can also have a negative reputational impact. EDP Group sees reputation as an impact instead of a risk, which means that all climate risks have a potential impact on EDP's reputation. For that reason, reputation is always included in risk analysis, along with economic, environmental and personnel impacts' assessment. In the Climate Risks Assessment annual process BUs are requested to quantify the impact on reputation across different time horizons and climate scenarios. However, EDP Group already shows some resilience regarding this matter, as it already started its decarbonisation pathway.

Acute physical	Relevant, always included	Increase in the frequency and severity of extreme weather events, foreseen by IPCC scenarios, represents an operational risk to EDP's activities, in particular to electricity distribution. For example, damage to assets in operation (overhead lines, poles and substations) and service disruption can have a negative financial impact, namely in investment and insurance costs. In February 2021, the Polar Vortex in US, most significantly affecting the Ercot/Texas assets costed 35M€. Acute climate-related physical risks (e. g. precipitation extremes, floods, storms) are periodically assessed in the Climate Risks Assessment process, by each BU and across different climate scenarios and time horizons. Also, the matter was object of corporate-level deep-dive analysis of emerging risks, using IPCC scenarios, and Business Unit level analysis by prevention teams in order to create preventive measures for asset management and service assurance.
Chronic physical	Relevant, always included	Chronic physical risks are also analysed, in particular, the structural decrease in precipitation that is foreseen for the Iberian Peninsula and Brazil, by IPCC and the European Environment Agency scenarios. This is a major long-term risk for EDP's hydro electricity generation activities. Chronic physical risks are accounted in medium/ long term analysis and assessed by the Climate Risks Assessment process, namely regarding water availability, temperature increase, and sea level rise. Recently, EDP's financial performance in the 1Q2022 was strongly impacted by the extreme drought in Portugal in winter 2021/2022, the driest in the last 90 years, which resulted in a record shortfall of EDP's hydro production in the Iberian market of 2.6TWh compared to the historical average. This hydro shortfall resulted in the need to purchase electricity in the Iberian wholesale market, in order to satisfy the consumption of the customer portfolio, in a quarter of historical maximum prices (average electricity price €229/MWh in the 1Q22, a rise of 407% year-on-year). The strong increase in the cost of electricity sold, which did not impact our clients, implied a €0.4bn loss in 1Q22 in terms of EBITDA, which justifies the negative net result of -€76m recorded by EDP in the 1Q22 (a decrease of €256m year-on-year).

## C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

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**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Chronic physical

Changing precipitation patterns and types (rain, hail, snow/ice)

**Primary potential financial impact**

Other, please specify

Reduced revenues due to lower sales/output

**Company-specific description**

Structural reduction of water availability with impact in hydro generation mainly in Portugal and Brazil. This risk was evaluated considering the RCP scenarios (2.6, 4.5 and 8.5) and their respective variations regarding the average precipitation for 2025, 2030 and 2050, which were provided by World Group Bank and Copernicus data sources. It is projected a structural reduction of water availability of ~10% to 15% in Portugal and ~10% to 40% in Brazil in 2050.

The company's exposure to this risk was reduced with the sale of the hydro assets in 2020 in Portugal, and EDP manages this risk through a diversified generation portfolio in terms of technologies and geographies.

**Time horizon**

Long-term

**Likelihood**

Likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

15,000,000

**Potential financial impact figure – maximum (currency)**

50,000,000

**Explanation of financial impact figure**

Impact of physical variables, namely a structural reduction of water availability is assessed within EDP Group, by considering all assets which are impacted by a reduction in average precipitation, namely hydro and some thermal power plants. The analysis is performed for 3 different scenarios (RCP 2.6, RCP 4.5 and RCP 8.5) and for a 30-year time horizon (until 2050) and based on the World Group Bank and Copernicus data sources, it is expected a structural reduction of average precipitation of ~10% to 15% in Portugal and ~10% to 40% in Brazil in 2050 (depending on the RCP scenario), which are geographies mostly affected by water availability reduction. In terms of analysis breakdown the following was used:

- (1) analysis of the potential of precipitation reduction on each geography where the Group detains hydro plants (Portugal reduction of 10-15% and Brazil 10-40% for 2050, which means an average of 5-7,5% in Portugal and 5-20% in Brazil for the 30 year period considered;
- (2) overview of average production in terms of TWh and potential reduction due to diminished precipitation volumes ( in 2050 of ~0.5-1TWh in Portugal and ~0-2TWh in Brazil, in period average of 0.25-0.5TWh in Portugal and 0-1TWh in Brazil) – in Brazil, there is also a potential increase in operational costs of a thermal plant in Brazil, however when looking to the aggregated period there is no expression as it will have impact only in 2025; and
- (3) pricing of reduction of production considering expected energy market prices, an average of the period of 50€/MWh (in Portugal and Brazil), which means in the scenario 2.6:  $0.25TWh * 50€ + \sim 0 TWh * 50€ = 12.5M€$ , and in the scenario 8.5  $0.5TWh * 50€/MWh + 1TWh * 50€/MWh = 75M€$ , the difference vs the reported value of 15M€ and 50M€ is explained by geographical diversification which in the scenario 2.6 increases the risk in 2.5M€ and in scenario 8.5 reduces the risk in 25M€. The reported values traduced the average financial impact from 15,000,000 to 50,000,000 euros, on a yearly basis. This impact is evaluated assuming (1) EDP's defined strategy for the different time horizons (closure of thermal power plants, investment in renewables and the end of some hydro concessions); and (2) incremental variation compared to today; and is the accumulative maximum loss at P95% for each year and scenario.

### **Cost of response to risk**

4,800,000,000

### **Description of response and explanation of cost calculation**

EDP manages the risk of water availability reduction through a diversified generation portfolio in terms of business, technologies and geographies. According to EDP's Strategic Update 2021-2025, the accumulated net expansion investment for that period in renewables is ~EUR 24 bn, i.e., ~EUR 4.8 bn per year, distributed across diversified markets and businesses (generation, networks and retail & services), distributed as followed 80% in renewable generation, 15% in networks and 5% in clients solutions and energy management. Additionally, in specific investments in new generation capacity (total of additional 20GW) are technologically diversified: 40% solar, 51% wind on-shore and offshore, 7% solar DG and 2% storage, as well as geographically diversified: 45% in North America, 35% in EU, 15% in Latin America and 5% in the rest of the world. In 2021 EDP entered in Asia-Pacific market through the acquisition of Sunseap (EDPR 's 87.4% stake, 540 MW of operational and under

construction solar projects and a sizeable portfolio at different stages of development, namely 5.5 GW of renewable projects). Diversification significantly reduces the risk, as structural reduction in precipitation is not likely to occur in all geographies and with same magnitude, and is not a risk for other businesses and technologies. Additionally, EDP Group has several periodic processes that allows to monitor this risk, namely:

- (1) Climate risk assessment process: annual exercise to assess and quantify the impact of a structural reduction on average precipitation within all BUs in EDP Group;
- (2) Business plan, budget and risk map processes: annual exercise, more focused in the short/ medium term, takes into account hydro productivity projections to define and shape EDP's hedging strategy;
- (3) Risk report and risk appetite dashboard: fortnightly and quarterly, respectively, gives an overview of hydro volumes, providing information on assets profitability/ precipitation vulnerability.

Case study:

(S) Water availability, namely hydro productivity is a critical risk for EDP. (T) If it is lower than expected (more common in recent years) there is a mismatch between the energy integrated position, i.e., lower hydro generation than contracted, (A) which requires to buy energy from the market with a higher price due to generation mix with more thermal. (R) As a result, financial accounts at the end of the year may have a significant gap vs projections.

### Comment

Case study (cont.): For example, 2017 was a very dry year in Iberia and recurring EBITDA declined 44% YoY, to €603m, due to: i) a more expensive generation mix (€34/MWh in 2017 vs. €20/MWh in 2016), stemming from the replacement of lower-cost hydro production (22% weight in generation mix in 2017 vs. 45% in 2016) by coal and CCGT's. More recently, EDP's financial performance in the 1Q2022 was strongly impacted by the extreme drought in Portugal in winter 2021/2022, the driest in the last 90 years, which resulted in a record shortfall of EDP's hydro production in the Iberian market of 2.6TWh compared to the historical average. This hydro shortfall resulted in the need to purchase electricity in the Iberian wholesale market, in order to satisfy the consumption of the customer portfolio, in a quarter of historical maximum prices (average electricity price €229/MWh in the 1Q22, a rise of 407% year-on-year). The strong increase in the cost of electricity sold, which did not impact our clients, implied a €0.4bn loss in 1Q22 in terms of EBITDA, which justifies the negative net result of -€76m recorded by EDP in the 1Q22 (a decrease of €256m year-on-year). The cost of response to this risk is related to the EDP's Group diversification strategy.

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### Identifier

Risk 2

### Where in the value chain does the risk driver occur?

Direct operations

### Risk type & Primary climate-related risk driver

Legal

Exposure to litigation

### **Primary potential financial impact**

Other, please specify

Policy and legal: Increased costs and/or reduced demand for products and services resulting from fines and judgments; Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

### **Company-specific description**

Decarbonization and joint efforts for a cleaner economy already introduced some legal and regulatory additional requirements to fulfil international commitments. As time goes by, it is expected a tightening of requirements, introducing more restrictive measures (incl. to renewable generation) and increasing exposure to litigation (i.e., leading to additional costs related with possible fines and other legal costs as well as higher compliance costs).

### **Time horizon**

Medium-term

### **Likelihood**

More likely than not

### **Magnitude of impact**

High

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

5,000,000

### **Potential financial impact figure – minimum (currency)**

### **Potential financial impact figure – maximum (currency)**

### **Explanation of financial impact figure**

Impact of transition risks, namely exposure to litigation is assessed within EDP Group, by considering the impact of additional costs related with possible fines and other legal costs, as well as higher compliance costs. The analysis is performed for 3 different scenarios (IEA SDS, IEA NPS and IEA CP) and for a 30-year time horizon (until 2050). As transition risks impacts short to medium term, the impact of this risk accounts for a 10-year time horizon. The financial impact was calculated given the following: (1) analysis of historical litigation costs; (2) definition of an estimate for aggravation of environmental litigation cost depending on the scenario assumed and the time horizon analysed (+0,05% v.s base case each time horizon analysed); and (3) analysis on the additional cost vs. current historical cost. The estimated average financial impact

(~5,000,000 EUR), on a yearly basis, considers how the historical exposure to litigation will evolve in the following years, assuming the IEA NPS scenario for different time horizons. Additionally, it also assumes (1) EDP's defined strategy for the different time horizons (closure of thermal power plants, investment in renewables and the end of some hydro concessions); and (2) incremental variation compared to today; and is the accumulative maximum loss at P95% for each year and scenario.

### **Cost of response to risk**

4,800,000,000

### **Description of response and explanation of cost calculation**

EDP manages exposure to litigation risk through a diversified generation portfolio in terms of technologies and geographies. According to EDP's Strategic Update 2021-2025, the accumulated net expansion investment for that period in renewables is ~EUR 24 bn, i.e., ~EUR 4.8 bn per year, distributed across diversified markets and businesses (generation, networks and retail & services), distributed as followed 80% in renewable generation, 15% in networks and 5% in clients solutions and energy management. Additionally, in specific investments in new generation capacity (total of additional 20GW) are technologically diversified: 40% solar, 51% wind on-shore and offshore, 7% solar DG and 2% storage, as well as geographically diversified: 45% in North America, 35% in EU, 15% in Latin America and 5% in the rest of the world. Recently, in 2021 EDP entered in Asia-Pacific market through the acquisition of Sunseap (EDPR 's 87.4% stake, 540 MW of operational and under construction solar projects and a sizeable portfolio at different stages of development, namely 5.5 GW of renewable projects). Diversification significantly reduces the risk, as laws and regulations change across geographies, businesses, and technologies, balancing portfolio litigation costs. Additionally, EDP Group has several periodic processes that allows to monitor this risk, namely:

- (1) Climate risk assessment process: annual exercise to assess and quantify the impact of policy and legal risks, namely exposure to litigation within all BUs in EDP Group;
- (2) Business plan, budget and risk map processes: annual exercise, more focused in the short/ medium term, takes into account legal and compliance costs associated with, among others, climate risks;
- (3) Risk appetite dashboard: follows, on a quarterly basis, legal and compliant risks for all EDP Group;
- (4) Specific follow up of legal departments on the evolution of existing and potential litigation, and semestral report.

Case study:

(S) 2017 heatwave and extreme wind boosted relevant fire events in Portugal, with human and financial costs. (T) A legal action against EDP, claimed EDP's liability in the fires. (A) Besides reputational damage, litigation lead to financial costs. (R) In response, EDP reviewed its governance model for the powerlines vegetation management lanes, to better address fire events prevention measures and early response.

### **Comment**

No further comments

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**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Acute physical

Other, please specify

Increased severity and frequency of extreme weather events such as cyclones and floods

**Primary potential financial impact**

Other, please specify

Increased capital costs (e.g., damage to facilities) and Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations

**Company-specific description**

Operational disruption of electricity distribution activities. Extreme weather events, such as storms, floods, wildfires and landslides – frequently associated also with extreme winds and precipitation – can have a negative impact in several EDP business activities, in particular electricity distribution, resulting in damage to assets in operation (overhead lines, poles and substations). To a lesser extent, damage can also occur during the company's hydro power plant construction phase, as cofferdams may be insufficient to hold large water inflows, causing flooding in some elements of the work.

As there is no academic consensus on the evolution of the frequency and intensity of extreme weather events (wind and rain), it was assumed a conservative approach, considering the estimation of IPCC SRES that the frequency of extreme weather events will pass from 1 in 20 years to 1 in 5 years in 2100. This trend, assuming a regression, is adjusted to 2025, 2030 and 2050. The increase in the frequency of these extreme events will impact EDP, increasing the risk of disruption in its energy distribution and/or supply activities, as well as increasing the operational and capital cost from damage recovery.

**Time horizon**

Long-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

1,000,000

**Potential financial impact figure – maximum (currency)**

10,000,000

**Explanation of financial impact figure**

Impact of physical variables, namely increase of frequency and severity of extreme events is assessed within EDP Group, by considering all assets which are impacted by this risk, namely in EDP Produção, E-Redes, EDP Comercial, EDP Spain, EDP Renewables and EDP Brasil. The analysis is performed for 3 different scenarios (RCP 2.6, RCP 4.5 and RCP 8.5) and for a 30-year time horizon (until 2050). As there is no academic consensus on the evolution of the frequency and intensity of extreme weather events (wind and rain), it was assumed a conservative approach, considering the estimation of IPCC SRES that the frequency of extreme weather events will pass from 1 in 20 years to 1 in 5 years in 2100. This trend, assuming a regression, is adjusted to 2025, 2030 and 2050. The estimated average financial range impact (from 1,000,000 to 10,000,000 EUR), on a yearly basis, considers the average and maximum financial impacts of historical damage to generation assets or distribution networks, based on the impacts experienced from historical events that occurred in EDP Produção, E-REDES and EDP Comercial, EDP Spain, EDP Renewables and EDP Brasil. The rationale of analysis is the following: (1) check historical data of storms or other extreme events, analysing frequency, average impact of the sample and worst case event as proxy for maximum impact – providing us the base case, (2) consider the additional of frequency of occurrence regarding the scenario and the time horizon analysed, inspired by the predictions on extreme events frequency by IPCC SRES report, and (3) taking into consideration statistical data of additional frequency, average and maximum impacts, calculate a loss distribution computing the annual expected and maximum losses. Additionally, this range impact also assumes (1) EDP's defined strategy for the different time horizons (closure of thermal power plants, investment in renewables and the end of some hydro concessions); and (2) incremental variation compared to today; and is the accumulative maximum loss at P95% for each year and scenario.

**Cost of response to risk**

16,000,000

**Description of response and explanation of cost calculation**

The risk of extreme events is firstly mitigated by the operational areas of BUs, who propose and implement best practices (e.g., regular inspections and preventive maintenance) and have specific plans for catastrophic events' crisis management and business continuity. EDP has Business Continuity Departments in strategic company areas and, in 2015, revised its crisis management and business continuity policies, in line with international best practices.

A significant part of the remaining risk is mitigated through a comprehensive range of insurance policies (property damage and civil and environmental responsibility) that

mitigate the financial impact of large-scale events (e.g., associated with extreme and comprehensive weather phenomena, non-availability of revenue generating assets or significant compensation to third parties) as well as much less frequent incidents with catastrophic impact (e.g., earthquakes). Yearly cost of risk transfer through insurance and costs associated with the company's Business Continuity Plan and structures is equivalent to 0.4% of EBITDA (c. 16 million euros in 2020), including specialized outsourced services. Additionally, EDP Group has several initiatives to follow this risk, namely:

- (1) In Spain, EDP takes part of the Compensation Insurance Consortium, a State-run initiative targeted at extreme events risk mitigation for the electricity sector;
- (2) In Brazil, EDP developed ClimaGrid to manage the physical risks of the grid, a system that automatically detects thunder storms, allowing real time intervention in the prevention of future grid shutdowns
- (3) Climate risk assessment process: annual exercise to assess and quantify the impact of extreme weather events within all BUs in EDP Group;
- (4) Aggregated operational risk map, periodically updated taking into consideration, among other risks, the damages in assets (generation power plants and distribution and transmission networks) resulting from extreme weather events.

Case study:

(S) In February 2021, the Polar Vortex in US, most significantly affecting the Ercot/Texas assets, froze energy operations, due to impossible temperatures for the operating range of physical assets. (T) Although the crisis management and business continuity actions were deployed, (A) it was impossible to contain costs of operations interruption. (R) As result, EDP accounted for a cost of 35M€ in its 2021 accounts.

### Comment

No additional comments

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### Identifier

Risk 4

### Where in the value chain does the risk driver occur?

Downstream

### Risk type & Primary climate-related risk driver

Market

Other, please specify

Market competitors

### Primary potential financial impact

Other, please specify

Decreased revenues due to new competitors

### Company-specific description

Decarbonisation lead to the rise of new competitors in green electricity markets, namely new technological providers (e.g., batteries, Demand Side Management solutions), as well as more interest on renewable generation by conventional electric utilities. This will lead to additional pressure on markets shares, namely regarding generation system services share – e.g., EDP may to lose ~50% of secondary and tertiary electric generation markets in Iberia.

**Time horizon**

Medium-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

0

**Potential financial impact figure – maximum (currency)**

10,000,000

**Explanation of financial impact figure**

With increasingly demanding actions for decarbonization, new solutions for energy management appear. Giving the lack of storage of wind and solar energy, the evolution of batteries and storage solutions has been prioritized. This event may constrain EDP's activity, reducing sales, and loosing ~50% of secondary and tertiary electric generation markets in Iberia. The analysis is performed for 3 different scenarios (IEA SDS, IEA NPS and IEA CP) and for a 30-year time horizon (until 2050). As transition risks impacts short to medium term, the impact of this risk accounts for a 10-year time horizon. The financial impact was calculated given the following: (1) analysis of current sales through secondary and tertiary markets in Iberia; (2) assumption of a sales reduction due to entrance of energy storage solutions of ~50%; and (3) analysis on the impact of sales reduction pricing it at the energy market price assumed for each scenario and time horizon. The estimated financial range impact (from 0 to 10,000,000) considers the IEA SDS, STEPS and CPS scenarios for a 10-year time horizon (2021-2030), assuming EDP's defined strategy for the different time horizons (closure of thermal power plants, investment in renewables and the end of some hydro concessions). The values presented, on a yearly basis, are the maximum loss at P95% (for different scenarios) and are calculated considering the accumulated estimates for the period of analysis.

**Cost of response to risk**

1,000,000,000

### **Description of response and explanation of cost calculation**

EDP manages the risk of revenues loss due to developments in storage solutions, through a close follow up on innovative solutions and being part of it, through EDP Inovação. The aim is to overcompensate it, and using innovation to explore and capture the flexibility value of its own assets. Currently, in Iberia, 2.4 GW (>40% of total capacity) of pumping provide storage and arbitrage from peak/off-peak prices and solar profiling, adjusting to consumption load, while in Brazil, largely PPA contracted capacity allows visible cash generation and value capture. Potential hybridization projects with solar and/or wind to unlock additional value are also in consideration. According to EDP's Strategic Update 2021-2025, the accumulated net expansion investment for that period in innovation is EUR 1Bn. Additionally, EDP periodically identifies innovation opportunities, with joint efforts between EDP Inovação and all BUs, trying to overcome business needs with innovation, inclusively transition climate related, launching several pilot projects within EDP Ventures, created in 2008, which have already invested about EUR 45M in 35 startups with innovative solutions interesting to EDP, inserted or related to the energy transition. Initiatives such as EDP Starter, Starter Acceleration Programs, Free Electrons, as well as hackathons & challenges, conferences and summits bring startups closer to the EDP Group, promoting projects, investments and roll outs of solutions. EDP's Climate Change Pitch has de-so-called entrepreneurs presenting their ideas or business in a minute, while they were faced with the impact climate change can have on our cities if nothing is done to stop them. In the event, 323 start-ups were auscultated, of which 93 passed the first screening. The 2021 edition was particularly because of the high number of start-ups focused on the theme of energy and sustainability that it brought.

Case study:

(S) The North American startup Yotta Energy, which developed a scalable and decentralized solar energy storage solution, was the winner of the second global edition of Starter Business Acceleration. (T) This startup acceleration program created and promoted by EDP, in partnership with the companies Verbund and TurningTables (Grupo Cuerva) and managed by the innovation consultant Beta-i, (A) aims to promote collaboration and support startups and small and medium-sized companies (SMEs) from around the world in creating relevant solutions for the energy industry.

### **Comment**

Case study (cont.): The final stage took place in a virtual ceremony, where the North American startup was awarded a prize of 50 thousand euros to invest in its business. EDP, through EDP Ventures, recently announced the investment in Yotta Energy, in which they are already working on a pilot project to test their innovative solution in the group's business. In addition to the winning startup, EDP already has 10 other pilot projects confirmed and another 22 to be evaluated with startups participating in this edition of the Starter Business Acceleration, which will bring new solutions to the various business areas of the company, in different geographies.

## C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

### C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

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**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Other, please specify

Access to new markets

**Primary potential financial impact**

Increased revenues through access to new and emerging markets

**Company-specific description**

Rise of renewable generation presence across new emerging markets, leading to an increase in revenues. This opportunity is motivated by an increase of interest in renewable generation, namely through the rise of partnership with local governments, companies or other institutions. In 2021 EDP was already present in almost all regions, excluding Asia-Pacific, i.e., ~6GW in North America, ~5GW in Europe, ~1GW in Brazil and others (mainly Latin America), and expects to increase its installed capacity across different geographies according to its Strategic Update 2021-2025 investments, with a capacity addition of 20GW until 2025.

**Time horizon**

Short-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

2,000,000

**Potential financial impact figure – maximum (currency)**

10,000,000

**Explanation of financial impact figure**

While renewable energy proves to be a valuable strategy for decarbonization of electric sector, more governments and markets are interested in accelerating renewable generation in its portfolio mix. This event results in the rise of new market opportunities, namely emerging countries, with potential of growth for EDP. The analysis is performed for 3 different scenarios (IEA SDS, IEA NPS and IEA CPS) and for a 30-year time horizon (until 2050). As transition opportunities impact short to medium term, the impact of this risk accounts for a 10-year time horizon, however with more visibility for 2025 as there are specific targets to accomplish. The financial impact was calculated given the following: (1) analysis of current EBITDA (EUR 1.760M in 2021) and installed capacity (12.5GW) in EDPR; (2) consideration of strategic commitments regarding renewables growth (gross additional capacity of 20GW up to 2025) and proxy of evolution of EBITDA considering the different scenarios and time horizons, specifically for EDPR a key platform of growth it is assumed a capacity growth of 250MW in a scenario 2.6 and of 100MW in a scenario 8.5; and (3) analysis of extra net revenue obtained from installing additional MWs priced at the energy market price assumed of 35€/MWh, leading to an extra revenue of  $250\text{MW} \times 35\text{€/MWh} = 8.8\text{M€}$  which for simplification assumed a ~10M€ opportunity in a SDS scenario and  $100\text{MW} \times 35\text{€/MWh} = 3.5\text{M€}$  which for simplification (and prudency as it is a less ambitious scenario) assumed a ~2M€ opportunity in a CPS scenario for 2025.

The estimated financial range impact (from 2 to 10,000,000) considers the IEA SDS, STEPS and CPS scenarios for a 5-year time horizon (2021-2025), assuming EDP's defined strategy for the different time horizons (closure of thermal power plants, investment in renewables and the end of some hydro concessions). The values presented, on a yearly basis, are the maximum gain at P95% (for different scenarios) and are calculated considering the accumulated estimates for the period of analysis.

**Cost to realize opportunity**

3,840,000,000

**Strategy to realize opportunity and explanation of cost calculation**

EDP intends to realize the opportunity of growth to new markets for renewables through a diversified generation portfolio in terms of technologies and geographies.

According to EDP's Strategic Update 2021-2025, the accumulated net expansion investment for that period in renewables is ~EUR 24 bn, i.e., ~EUR 4.8 bn per year, distributed across diversified markets and businesses (generation, networks and retail & services), distributed as followed 80% in renewable generation, 15% in networks and

5% in client solutions and energy management. Additionally, in specific investments in new generation capacity (total of additional 20GW) are technologically diversified: 40% solar, 51% wind on-shore and offshore, 7% solar DG and 2% storage, as well as geographically diversified: 45% in North America, 35% in EU, 15% in Latin America and 5% in the rest of the world. Recently, in 2021 EDP entered in Asia-Pacific market through the acquisition of Sunseap (EDPR 's 87.4% stake, 540 MW of operational and under construction solar projects and a sizeable portfolio at different stages of development, namely 5.5 GW of renewable projects). Diversification allows the exposure to different renewable incentives and the rise of opportunities to grow installed capacity and EBITDA of EDPR. Additionally, EDP Group has several periodic processes that allow to monitor this opportunity, namely:

- (1) Climate risk assessment process: annual exercise to assess and quantify the impact of transition opportunities within all BUs in EDP Group;
- (2) Business plan, budget and risk map processes: annual exercise, more focused in the short/ medium term, take into account expected capacity additions to define and shape EDP's strategy.

Case study (following the STAR approach):

(S) In 2021, EDP was already present in almost all regions, excluding Asia-Pacific, i.e., ~6GW in North America, ~5GW in Europe, ~1GW in Brazil and others (mainly Latin America). (T) According to the strategic plan 2021-2025, EDP will have a capacity addition of 20GW until 2025. (A) For that, in 2021 EDP acquired a company in Asia-Pacific (Sunseap) to also explore this region where good growth opportunities were identified. (R) As result, EDPR now detains 87.4% stake of Sunseap, with 540 MW of operational and under construction solar projects and a sizeable portfolio at different stages of development, namely 5.5 GW of renewable projects.

### **Comment**

No additional comments

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### **Identifier**

Opp2

### **Where in the value chain does the opportunity occur?**

Downstream

### **Opportunity type**

Resource efficiency

### **Primary climate-related opportunity driver**

Use of more efficient modes of transport

### **Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

### **Company-specific description**

Decarbonization of the economy lead to the rise of more efficient modes of transport, namely the rise of electric vehicles (EV) market. According to the IEA SDS scenario, it is expected that, in 10-years time, the EV market will evolve from 10M in 2020 to 200M in 2030. EDP aims to take advantage of this opportunity, investing in e-mobility and smart mobility services. For the next 5 years, EDP plans to increase the installation of public and private charging points from 1.9k to 40k. Internally, EDP committed to electrify 100% of its light-duty fleet and 50% of the heavy-duty fleet.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

5,000,000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

The emergence of new and more efficient modes of transport (namely EVs), as result of decarbonization, is an opportunity for EDP to create additional value and expand its Client Solutions and Energy Management portfolio as well as be part of the design of supporting infrastructure, namely charging points. The analysis is performed for 3 different scenarios (IEA SDS, IEA NPS and IEA CP) and for a 30-year time horizon (until 2050). As transition opportunities impacts short to medium term, the impact of this risk accounts for a 10-year time horizon. The financial impact was calculated given the following assumptions: (1) analysis of current value captured with EVs (EV fleet rise from 4M to 75M in 2030, approaching cost parity, also driven by customer preferences); (2) estimate of ambition of additional MWs to respond to EVs infrastructure needs; and (3) analysis of extra net revenue obtained from installing additional MWs priced at the energy market price assumed for each scenario and time horizon.

The estimated financial range impact (from 0 to 10,000,000) considers the IEA SDS, STEPS and CPS scenarios for a 10-year time horizon (2021-2030), assuming EDP's defined strategy for the different time horizons (closure of thermal power plants, investment in renewables and the end of some hydro concessions). The values presented, on a yearly basis, are the maximum gain at P95% (for different scenarios) and are calculated considering the accumulated estimates for the period of analysis.

### **Cost to realize opportunity**

26,670,000

### **Strategy to realize opportunity and explanation of cost calculation**

According to EDP's Strategic Update 2021-2025, in terms of CAPEX, EDP accumulated investment in e-mobility for the period 2021-2025 is ~ EUR 133 million, i.e. ~EUR 26.7 million per year.

EDP intends to realize the opportunity of electrification and growth of demand for electricity through an investment in Client Solutions and Energy Management, including energy efficiency products and services, e-mobility and distributed PV solar generation. According to EDP's Strategic Update 2021-2025, the accumulated net expansion investment for that period in Client Solutions and Energy Management is ~EUR 1.2 bn, i.e., ~EUR 240M per year, distributed as the following: 0.6Bn in solar DG and e-mobility, 0.3Bn in energy management, thermal and other client services, and remaining value to holding capex. The goal is to maximize value of existing portfolio, through a rise in gross margin from ~330M€ in 2020 to 590M€ in 2025, scaling up footprint on new services such as services contracts (from 0.9M in 2020 to 1.4M in 2021), Solar DG (from 0.2 in 2020 to 2.2 cumulative contracted PV GWP in 2025) and mobility (1.5k in 2020 to 40k in 2025 of public and private CP contracted cumulative). Additionally, EDP Group has several periodic processes that allow to monitor this opportunity, namely:

- (1) Climate risk assessment process: annual exercise to assess and quantify the impact of transition opportunities within all BUs in EDP Group;
- (2) Business plan, budget and risk map processes: annual exercise, more focused in the short/ medium term, take into account demand projections and sensitivities to define and shape EDP's strategy.

Case study:

(S) 2021 was the year with the greatest growth in the use of the public charging network operated by EDP. (T) More than 178,000 cars were charged in Portugal, 300% more than the previous year. (A) The chargers have been installed in more than 120 municipalities. These chargers provided vehicles with more than 2 GWh of electricity, four times more than in 2020 and enough to drive 15 million kilometers without using fossil fuels. Just using this energy, it would be possible to travel around the globe 375 times in an electric car, without any CO2 emissions, or to travel between Sagres in Portugal and Khasan in Russia more than 1,000 times.

(R) In 2021, EDP strengthened its commitment to electric mobility in Portugal and Spain, and significantly increased the number of solutions available on the public network.

### **Comment**

Case study (cont.)

In Portugal, the company extended its reach to more than 1,100 contracted locations, around 400 more than in the previous year, while in Spain it increased its presence to 478 contracted locations. In the company's Iberian network, almost 3 GWh was used to charge EVs, enough to travel more than 18 million kilometers using electricity. EV users saved more than 2 metric tons of CO2 in Portugal and Spain. In Brazil, where EDP is

also developing electric mobility solutions, more than 7,500 EVs were charged with power amounting to 121 MWh, an increase of 142% over the previous year. The company will continue to invest in this key sector of the energy transition in 2022, and in Portugal it has just opened its first electric mobility hub, near the Estádio da Luz in Lisbon. This charging hub has a number of different charging points, ranging from normal charging (22 kW), to fast charging (50 kW) and ultra-fast charging (160 kW). This is the very first ultra-fast charging point in the capital, which in just 10 minutes can provide enough energy to travel 100 kilometers. These seven charging points strengthen our partnership with Benfica, offering even more sustainable mobility solutions to visitors and staff at the soccer club and surrounding businesses.

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**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Other, please specify

Increase of electric power demand

**Primary potential financial impact**

Other, please specify

Increased revenues resulting from increased electric power demand

**Company-specific description**

Decarbonisation and joint efforts for a cleaner economy already introduced additional requirements to fulfil international commitments, namely regarding electric mobility and energy efficient solutions and services. These will likely lead to an increase on electricity demand through increased sectors electrification, as a means to substitute fuels fossils and other non-sustainable solutions.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

0

**Potential financial impact figure – maximum (currency)**

5,000,000

**Explanation of financial impact figure**

EDP is a decarbonization player for the world. Thus, opportunities of electrification of consumption rise a way to substitute solutions with emissions. This constitutes an opportunity for EDP, by the increase of electricity consumption by substitution of natural gas, for example. The analysis is performed for 3 different scenarios (IEA SDS, IEA NPS and IEA CP) and for a 30-year time horizon (until 2050). As transition opportunities impacts short to medium term, the impact of this risk accounts for a 10-year time horizon. The financial impact was calculated given the following:

- (1) analysis of current demand for electricity;
- (2) consideration of potential for growth in demand considering the different scenarios and time horizons; and
- (3) analysis of extra net revenue obtained from pool prices increase due to higher demand impacting EBITDA evolution.

The estimated financial range impact (from 0 to 5,000,000) considers the IEA SDS, STEPS and CPS scenarios for a 10-year time horizon (2021-2030), assuming EDP's defined strategy for the different time horizons (closure of thermal power plants, investment in renewables and the end of some hydro concessions). The values presented, on a yearly basis, are the maximum gain at P95% (for different scenarios) and are calculated considering the accumulated estimates for the period of analysis.

**Cost to realize opportunity**

240,000,000

**Strategy to realize opportunity and explanation of cost calculation**

EDP intends to realize the opportunity of electrification and growth of demand for electricity through an investment in Client Solutions and Energy Management, including energy efficiency products and services, e-mobility and distributed PV solar generation. According to EDP's Strategic Update 2021-2025, the accumulated net expansion investment for that period in Client Solutions and Energy Management is ~EUR 1.2 bn, i.e., ~EUR 240M per year, distributed as the following: 0.6Bn in solar DG and e-mobility, 0.3Bn in energy management, thermal and other client services, and remaining value to holding capex. The goal is to maximize value of existing portfolio, through a rise in gross margin from ~330M€ in 2020 to 590M€ in 2025, scaling up footprint on new services such as services contracts (from 0.9M in 2020 to 1.4M in 2021), Solar DG (from 0.2 in 2020 to 2.2 cumulative contracted PV GWp in 2025) and mobility (1.5k in 2020 to 40k in 2025 of public and private CP contracted cumulative). Additionally, EDP Group has several periodic processes that allow to monitor this opportunity, namely:

- (1) Climate risk assessment process: annual exercise to assess and quantify the impact of transition opportunities within all BUs in EDP Group;
- (2) Business plan, budget and risk map processes: annual exercise, more focused in the

short/ medium term, take into account demand projections and sensitivities to define and shape EDP's strategy.

Case study:

(S) 2021 was the year with the greatest growth in the use of the public charging network operated by EDP.

(T) More than 178,000 cars were charged in Portugal, 300% more than the previous year. The chargers have been installed in more than 120 municipalities.

(A) These chargers provided vehicles with more than 2 GWh of electricity, four times more than in 2020 and enough to drive 15 million kilometers without using fossil fuels. Just using this energy, it would be possible to travel around the globe 375 times in an electric car, without any CO2 emissions, or to travel between Sagres in Portugal and Khasan in Russia more than 1,000 times.

(R) In 2021, EDP strengthened its commitment to electric mobility in Portugal and Spain, and significantly increased the number of solutions available on the public network.

### Comment

Case study (cont.): In Portugal, the company extended its reach to more than 1,100 contracted locations, around 400 more than in the previous year, while in Spain it increased its presence to 478 contracted locations.

In the company's Iberian network, almost 3 GWh was used to charge EVs, enough to travel more than 18 million kilometers using electricity. EV users saved more than 2 metric tons of CO2 in Portugal and Spain. In Brazil, where EDP is also developing electric mobility solutions, more than 7,500 EVs were charged with power amounting to 121 MWh, an increase of 142% over the previous year.

The company will continue to invest in this key sector of the energy transition in 2022, and in Portugal it has just opened its first electric mobility hub, near the Estádio da Luz in Lisbon. This charging hub has a number of different charging points, ranging from normal charging (22 kW), to fast charging (50 kW) and ultra-fast charging (160 kW). This is the very first ultra-fast charging point in the capital, which in just 10 minutes can provide enough energy to travel 100 kilometers. These seven charging points strengthen our partnership with Benfica, offering even more sustainable mobility solutions to visitors and staff at the soccer club and surrounding businesses.

## C3. Business Strategy

### C3.1

**(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?**

Row 1

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#### Transition plan

Yes, we have a transition plan which aligns with a 1.5°C world

**Publicly available transition plan**

Yes

**Mechanism by which feedback is collected from shareholders on your transition plan**

Our transition plan is voted on at Annual General Meetings (AGMs)

**Attach any relevant documents which detail your transition plan (optional)**

**C3.2**

**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

Use of climate-related scenario analysis to inform strategy	
Row 1	Yes, qualitative and quantitative

**C3.2a**

**(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.**

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios IEA SDS	Company-wide		EDP has developed aggregated scenarios, based on physical and transition scenarios to assess the impact of climate risks and opportunities. Regarding transition scenarios, EDP uses IEA scenarios to assess climate-related transition risks, taking into consideration forecasts for demand, energy, capacity additions (renewable), commodity prices and technology realized prices evolution. EDP integrates IEA CPS (Current Policy Scenario) and NPS (New Policy Scenario) into the energy planning exercise (until 2050) and evaluates the impact on its business portfolio, taking into account EDP Group Business Plan. Internal assumptions are used regarding demand forecast and taxation and scenario analysis and stress tests are performed against current OTC (Over the Counter) scenario. In the annual Climate Risk Assessment process, and based on the transition variables projections for all SDS, NPS, and CPS scenarios, BUs assess and quantify major risks and opportunities (higher than 1M€). Though risks and opportunities are evaluated for all time horizon (until 2050), the focus of transition

		<p>risks and opportunities analysis is up to 2030 since regulatory scenarios are more concrete and tangible. Results show, for example, that a CO2 price increase does not have a significant negative effect on EDP operational results, given the decreasing importance of thermal generation in our overall electricity generation portfolio. Another example is the increase of electric mobility and energy efficient solutions and services (transition opportunity), with greater impact in the SDS scenario. EDP's business strategy is aligned with a low carbon energy system and has proven resilient under the different scenarios analysis. By the end of 2021, 80% of our electricity generation installed capacity was based on renewable sources and its strategic agenda is based on organic growth focused on renewables, aiming at 100% renewable generation by 2030. Additionally, new downstream retail:</p> <ul style="list-style-type: none"> <li>- focus on energy services (e.g. energy management solutions, energy efficiency improvement, demand side management and response), decentralized production (e.g., distributed solar PV generation) and sustainable mobility solutions;</li> <li>- and contribute to capturing the opportunity in transition. One good example is the Save to Compete program that EDP has developed to supports businesses in implementing integrated energy efficiency products.</li> </ul>
<p>Transition scenarios                  IEA STEPS                  (previously                  IEA NPS)</p>	<p>Company-wide</p>	<p>This scenario is consistent with a temperature increase of 2.6 °C by 2050. EDP has developed aggregated scenarios, based on physical and transition scenarios to assess the impact of climate risks and opportunities.</p> <p>Regarding transition scenarios, EDP uses IEA scenarios to assess climate-related transition risks, taking into consideration forecasts for demand, energy, capacity additions (renewable), commodity prices and technology realized prices evolution. EDP integrates IEA CPS (Current Policy Scenario) and STEPS (former NPS New Policy Scenario) into the energy planning exercise (until 2050) and evaluates the impact on its business portfolio, taking into account EDP Group Business Plan. Internal assumptions are used regarding demand forecast and</p>

		<p>taxation and scenario analysis and stress tests are performed against current OTC (Over the Counter) scenario. In the annual Climate Risk Assessment process, BUs assess and quantify major transition risks and opportunities (higher than 1M€). Though risks and opportunities are evaluated for all time horizon (until 2050), the focus of the transition risks and opportunities analysis is up to 2030 since regulatory scenarios are more concrete and tangible. Results show, for example, that a CO2 price increase does not have a significant negative effect on EDP operational results, given the decreasing importance of thermal generation in our overall electricity generation portfolio. Another example is the increase of electric mobility and energy efficient solutions and services (transition opportunity), with greater impact in the SDS scenario. EDP's business strategy is aligned with a low carbon energy system and has proven resilient under the different scenarios analysis. By the end of 2021, 80% of our electricity generation installed capacity was based on renewable sources and its strategic agenda is based on organic growth focused on renewables, aiming at 100% renewable generation by 2030. Additionally, new downstream retail:</p> <ul style="list-style-type: none"> <li>- focus on energy services (e.g. energy management solutions, energy efficiency improvement, demand side management and response), decentralized production (e.g., distributed solar PV generation) and sustainable mobility solutions;</li> <li>- and contribute to capturing the opportunity in transition. One good example is the Save to Compete programme that EDP has developed to supports businesses in implementing integrated energy efficiency products.</li> </ul>
Transition scenarios IEA CPS	Company-wide	<p>EDP has developed aggregated scenarios, based on physical and transition scenarios to assess the impact of climate risks and opportunities. Regarding transition scenarios, EDP uses IEA scenarios to assess climate-related transition risks, taking into consideration forecasts for demand, energy, capacity additions (renewable), commodity prices and technology realized prices evolution.</p>

		<p>EDP integrates IEA CPS (Current Policy Scenario) and NPS (New Policy Scenario) into the energy planning exercise (until 2050) and evaluates the impact on its business portfolio, taking into account EDP Group Business Plan. Internal assumptions are used regarding demand forecast and taxation and scenario analysis and stress tests are performed against current OTC (Over the Counter) scenario. In the annual Climate Risk Assessment process, and based on the transition variables projections for all SDS, NPS, and CPS scenarios, BUs assess and quantify major risks and opportunities (higher than 1M€). Though risks and opportunities are evaluated for all time horizon (until 2050), the focus of the transition risks and opportunities analysis is up to 2030 since regulatory scenarios are more concrete and tangible. Results show, for example, that a CO2 price increase does not have a significant negative effect on EDP operational results, given the decreasing importance of thermal generation in our overall electricity generation portfolio. Another example is the increase of electric mobility and energy efficient solutions and services (transition opportunity), with greater impact in the SDS scenario. EDP's business strategy is aligned with a low carbon energy system and has proven resilient under the different scenarios analysis. By the end of 2021, 80% of our electricity generation installed capacity was based on renewable sources and its strategic agenda is based on organic growth focused on renewables, aiming at 100% renewable generation by 2030. Additionally, our new downstream retail:</p> <ul style="list-style-type: none"> <li>- focus on energy services (e.g. energy management solutions, energy efficiency improvement, demand side management and response), decentralized production (e.g., distributed solar PV generation) and sustainable mobility solutions;</li> <li>- and contribute to capturing the opportunity in transition. One good example is the Save to Compete programme that EDP has developed to supports businesses in implementing integrated energy efficiency products.</li> </ul>
Physical climate	Company-wide	<p>EDP has developed aggregated scenarios, based on physical and transition scenarios to assess the impact of climate risks and opportunities.</p>

<p>scenarios RCP 2.6</p>			<p>Regarding physical scenarios, EDP uses IPCC scenarios to assess climate-related physical risks, taking into account forecasts for the long-term evolution of precipitation, wind patterns and temperature. EDP uses IPCC's RCP 8.5, RCP 4.5 and RCP 2.6 (aggressive CO2 emission reductions) scenarios, to identify the most relevant chronic and acute risks and evaluate potential impacts on its electricity generation and distribution activities from present time until 2050, as physical risks require a long-term analysis to identify any structural change in their pattern or frequency/severity of occurrence. Physical parameters are updated based on data sources aligned with RCP scenarios (e.g., World Bank Group, Copernicus, and some local data sources) and BUs access and quantify the impact of those changes in their businesses. Results highlighted two key risks (with higher impact for the RCP 8.5): - structural reduction of water availability in Iberia and Brazil, affecting the productivity of hydroelectric generation assets in Portugal, Spain and Brazil (chronic physical risk); - and increased occurrence and severity of extreme weather events (precipitation extremes, floods, wildfires, landslides and extreme winds), causing damage to our electricity distribution assets (acute physical risk).</p> <p>EDP's business strategy is shaped in order to mitigate chronic risk through a diversified generation portfolio in terms of technologies and geographies. Geographic diversification significantly reduces the risk, as structural reduction in precipitation is not likely to occur in all geographies and with the same magnitude. Example of this is the investment in other renewable sources besides hydro (i.e., solar and wind) in different markets (European markets, North and South America and APAC). To manage the acute risk, EDP has strengthened its business continuity and crisis management capabilities, implemented a set of preventive measures and defined a comprehensive range of insurance policies (property damage and civil and environmental responsibility).</p>
<p>Physical climate</p>	<p>Company-wide</p>		<p>EDP has developed aggregated scenarios, based on physical and transition scenarios to assess the impact</p>

<p>scenarios RCP 4.5</p>			<p>of climate risks and opportunities.</p> <p>Regarding physical scenarios, EDP uses IPCC scenarios to assess climate-related physical risks, taking into account forecasts for the long-term evolution of precipitation, wind patterns and temperature. EDP uses IPCC's RCP 8.5, RCP 4.5 and RCP 2.6 (aggressive CO2 emission reductions) scenarios, to identify the most relevant chronic and acute risks and evaluate potential impacts on its electricity generation and distribution activities from present time until 2050, as physical risks require a long-term analysis to identify any structural change in their pattern or frequency/severity of occurrence. Physical parameters are updated based on data sources aligned with RCP scenarios (e.g., World Bank Group, Copernicus, and some local data sources) and BUs assess and quantify the impact of those changes in their businesses. Results highlighted two key risks (with higher impact for the RCP 8.5): - structural reduction of water availability in Iberia and Brazil, affecting the productivity of hydroelectric generation assets in Portugal, Spain and Brazil (chronic physical risk);</p> <p>- and increased occurrence and severity of extreme weather events (precipitation extremes, floods, wildfires, landslides and extreme winds), causing damage to our electricity distribution assets (acute physical risk).</p> <p>EDP's business strategy is shaped in order to mitigate chronic risk through a diversified generation portfolio in terms of technologies and geographies. Geographic diversification significantly reduces the risk, as structural reduction in precipitation is not likely to occur in all geographies and with the same magnitude. Example of this is the investment in other renewable sources besides hydro (i.e., solar and wind) in different markets (European markets, North and South America and APAC). To manage the acute risk, EDP has strengthened its business continuity and crisis management capabilities, implemented a set of preventive measures and defined a comprehensive range of insurance policies (property damage and civil and environmental responsibility).</p>
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<p>Physical climate scenarios RCP 8.5</p>	<p>Company-wide</p>	<p>EDP has developed aggregated scenarios, based on physical and transition scenarios to assess the impact of climate risks and opportunities.</p> <p>Regarding physical scenarios, EDP uses IPCC scenarios to assess climate-related physical risks, taking into account forecasts for the long-term evolution of precipitation, wind patterns and temperature. EDP uses IPCC's RCP 8.5, RCP 4.5 and RCP 2.6 (aggressive CO2 emission reductions) scenarios, to identify the most relevant chronic and acute risks and evaluate potential impacts on its electricity generation and distribution activities from present time until 2050, as physical risks require a long-term analysis to identify any structural change in their pattern or frequency/severity of occurrence. Physical parameters are updated based on data sources aligned with RCP scenarios (e.g., World Bank Group, Copernicus, and some local data sources) and BUs assess and quantify the impact of those changes in their businesses. Results highlighted two key risks (with higher impact for the RCP 8.5): - structural reduction of water availability in Iberia and Brazil, affecting the productivity of hydroelectric generation assets in Portugal, Spain and Brazil (chronic physical risk);</p> <p>- and increased occurrence and severity of extreme weather events (precipitation extremes, floods, wildfires, landslides and extreme winds), causing damage to our electricity distribution assets (acute physical risk).</p> <p>EDP's business strategy is shaped in order to mitigate chronic risk through a diversified generation portfolio in terms of technologies and geographies. Geographic diversification significantly reduces the risk, as structural reduction in precipitation is not likely to occur in all geographies and with the same magnitude. Example of this is the investment in other renewable sources besides hydro (i.e., solar and wind) in different markets (European markets, North and South America and APAC). To manage the acute risk, EDP has strengthened its business continuity and crisis management capabilities, implemented a set of preventive measures and defined a comprehensive</p>
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			range of insurance policies (property damage and civil and environmental responsibility).
Transition scenarios IEA NZE 2050	Company-wide		EDP used the SBTi scenario based on the IPCC's Special Report on Global Warming of 1.5°C 's for setting its GHG reduction science-based target (SBT), using the Sectoral Decarbonisation Approach for the power sector. EDP's SBT updated ambition was voluntarily submitted and formally approved by the Science Based Target Initiative in 2021 (-98% scope 1+2 emissions intensity in 2030 from 2015 levels). This targets is aligned with the 1.5°C decarbonisation pathway. Already in 2022, EDP submitted new targets aligned with the new SBTi's Net-Zero standard, which are under validation.

## C3.2b

**(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.**

### Row 1

#### Focal questions

Focal Question 1 (FQ1),(Adaptation): How could climate change plausibly physically affect our different business areas in the markets where EDP operates and expect to continue in the future? With this 1st focal question, IPCC scenarios ((RCP 8.5, RCP 4.5 and RCP 2.6) were considered the broader and more consensual scenarios (scientific consensus) to be used to test the physical resilience of EDP's assets across different markets (geographies) and different technologies. These scenarios are already being downscaled in several regions, improving the level of certainty required for these analysis

Focal Question 2 (FQ2) - (Transition): Which policies may be in place and how will they impact the energy sector, i.e., market design, energy price, generation portfolio? The global and included in the list of the most credible IEA Scenarios, including the new NetZero, was used to frame different pathways, including the net-zero by 2050.This last one, highlighting key milestones for technologies, infrastructure, investment, and policies needed along the way and key to support decision making processes.

Focal Question 3 (FQ3) – (Integrated assessment): What is the overall exposure of EDP to the above risks/opportunities posed by climate change? A corporate EDP's Climate Risk Process was set in place by the company in 2021. EDP developed a climate value at Risk calculation process supported by a climate risk & opportunity taxonomy, aligned with TCFD recommendations. This process is framed under three integrated scenarios aggregating both physical and transition risks, from Paris Agreement compliance (IPCC RCP 2.6 and EIA NZE 2050) to a much slower movement towards the transition. (IPCC

RCP 8.5 and IEA CPS). The quantification methodology is based on individual analysis of the impact on EBITDA of each risk and opportunity (physical and transition), carried out by each Business Unit and for each geography. The quantification method depends on each risk and opportunity, using, whenever possible, the direct method (expected loss/ gain and maximum loss/ gain P95%), or alternatively the indirect method (probability/ frequency, average impact, and maximum impact P95%). The consolidation of losses and gains was made considering correlations between risks and opportunities and between geographies.

### **Results of the climate-related scenario analysis with respect to the focal questions**

FQ1: Main results highlight chronic water shortages as having significant risks in EDP's portfolio, due to its % of hydro installed capacity (~0.5%-1% of the consolidated EBITDA depending on the scenario). As an opportunity, water pumping will become increasingly important for the role in storage and in the provision of flexibility services, essential to secure the transition of the electricity systems. Today, EDP has a total of 2.4GW of installed capacity with pumped storage capacity.

For networks and all generation technologies, extreme events represent a risk with financial impact, although asset distribution among different regions and different technologies result in a resilient portfolio for these acute events. Nevertheless, the overall yearly cost of risk transfer through insurance and costs associated with the company's Business Continuity Plan is equivalent to 0.4% of EBITDA, ~16M€ in 2020. Equally, opportunities also arise. E.g. with heat and cold waves, electricity demand increases, constituting a business opportunity illustrated by the 3.5M€ of potential increase in electricity demand driven by extremes, with an internal study showing the increase of 2GWh/day for each °C decrease and 1.5GWh/day for each °C increase (RCP 2.6). Main actions to improve resilience: 1) increase effective emergency response, with EDP reviewing its energy continuity internal governance; 2) review in OPEX for O&M, to improve preventive measures such as forest management services (e.g. €420.000 for a 3 year plan to manage ~900ha in the surrounding wind farm infrastructures in the north of Portugal); 3) maintain the diversification strategy (technology and market based); 4) deep dive studies on how climate scenarios may impact locally, to improve decision making for networks planning in the future.

FQ2: The transition is a pathway with risks and opportunities well identified. Some examples: a) Retail: the increase of carbon prices will lead to an increase in energy prices when significantly produced by fossil fuels. E.g., Client solutions & Energy management platform recurring EBITDA decreased 73% YoY, penalized by the strong increase in wholesale energy prices. Nevertheless, the increase in carbon prices also represents opportunities to provide low-carbon services. Between 2021 and 2025 gross margin from energy services is expected to increase from ~330M€ to ~590M€. b) Technology: green electricity is key for the transition. Wind and solar are the most competitive technologies and EDP's will invest more than 80% of its CAPEX (€18b) until 2025 in the deployment of wind and solar, with storage (+1GW by 2026) and green H2 (+1.5GW by 2030) being new technologies under EDP scope and representing a growth opportunity.

FQ3: In an aggregated result, EDP Group presents a resilient portfolio with an annual

risk reduction of around 20%, when comparing its portfolio today and in the next 30 years, considering the current strategy and current set base unchanged.

### C3.3

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>EDP continues to promote new products and services and smart and efficient energy management solutions. The company aims to maximize the value of its existing portfolio exploring new services and becoming more efficient, increasing its gross margin from ~330M€ to ~590M€ in the period 2021-2025. The key drivers of growth are established across energy services (including energy efficiency services, solar decentralized generation and mobility) from 0.9M contracts in 2020 to 1.4M contracts in 2025. This strategy will be combined with increasing digitalization.</p> <p>In the residential segment, EDP reinforced its energy efficiency strategy in Iberia by introducing large efficient appliances within its range of equipment, a highly competitive market with a major impact on energy consumption. In the corporate segment, EDP supports companies in implementing integrated energy efficiency services, through the Save to Compete programme, also extended to SMEs. This programme identifies measures to reduce energy consumption, promoting its implementation and costing through the savings generated.</p> <p>The company's strategy for electric mobility involves reinforcing the number of customers with electric mobility solutions, and strengthening the electrical vehicle charging infrastructure, both in terms of the number of charging points (increasing from 1.9k in 2020 to 40k in 2025) and in terms of their geographical spread, so that electric mobility can increasingly reach more people.</p> <p>Additionally, EDP offers distributed generation solutions from renewable sources (PV) adapted to customers and local characteristics. In 2020, EDP Group has already provided its customers with 0.44 GW installed capacity in decentralized solar generation, and it is estimated to increase to 3.7 GW in 2030.</p>

		<p>Improving energy efficiency, together with the promotion of renewable energies, is critical for the decarbonisation of the electricity sector. EDP, focusing in generating economic value by investing in decarbonization, has defined a set of goals, namely 10+ GW centralised and distributed solar capacity, 15 MtCO<sub>2</sub> of cumulative avoided emissions (2015-2025) related to the products and services provided, 100% smart meters worldwide by 2030 and 100% light-duty fleet electrification by 2030.</p>
Supply chain and/or value chain	Yes	<p>Improving energy efficiency, together with the promotion of renewable energies, is critical for the decarbonisation of the electricity sector. EDP promotes energy efficiency throughout the value chain, both internally, from the generation of electricity, to distribution and consumption, and externally, providing its customers with low carbon products and services. This contributes to the reduction of primary energy upstream, and to greater efficiency in the end use of energy downstream, for customers in the various activity sectors.</p> <p>Supply chain-related risks and opportunities are considered of low impact for EDP's business. The largest risk is related to fossil fuel sourcing (natural gas and coal), which could be subject to disruption caused by extreme weather events (acute risks) and by reduced water availability (chronic risk). Nevertheless, EDP's commitment to fully decarbonize until 2030 highly reduces this risk.</p> <p>Renewables intermittency can also be a risk for business continuity, requiring flexibility services, in order to increase efficiency of generation. To minimize this risk, EDP is investing in storage technologies and plans to install around 400 MW of flexible capacity by 2025.</p> <p>The increasing exposure to renewable volumes is also affected by physical risks, posing additional challenges to renewable generation.</p>
Investment in R&D	Yes	<p>R&amp;D and innovation (RDI) are a priority for the EDP Group and are strongly rooted in its DNA, its vision and its culture, enabling it to anticipate the new challenges of the energy sector. In a context of transition for the sector, with the challenges of climate change, EDP has reinforced the need to adopt innovative strategies and technologies. 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. Under this model, EDP has been promoting and developing</p>

		<p>new technologies, products, services or business models, with the aim of providing the Group with competitive advantages and contributing to EDP's image as a leader in the development and implementation of innovative and creative solutions for value creation. Innovation at EDP is in line with the Company's strategy, with a focus on essential areas to the decarbonization of the economy, such as renewable energies, smart grids, customer focused efficient solutions, storage and digitalization as cross-cutting area encompassing the entire innovation process. EDP continues to focus on partnerships and the balance between its own financing and competitive public financing for its RDi activity. Seven domains were identified in accordance with EDP's business strategy, which positions itself at all stages of the energy industry value chain, particularly in the main pillars of growth (renewable energies, networks), new domains of growth (distributed energy systems, green hydrogen, energy storage and flexibility, and sustainable mobility) and main trends in the sector (decarbonization). Recently, EDP entered the green hydrogen business, currently with an installed electrolyzed capacity lower than 1 GW, and it is expected to rise to 80 GW in 2030. Moreover, EDP is planning to invest in its energy transition plan EUR 24Bn in the period 2021-2025, including EUR 2,000 million accumulated investment in R&amp;D+i and digitalisation by 2025 from 2020 level, aiming at becoming a more efficient and digital organization.</p>
Operations	Yes	<p>Climate-related physical risks, both chronic (structural reduction in precipitation) and acute (increased frequency and severity of extreme weather events) are expected to impact EDP's operations, causing a reduction in electricity output of our hydro generation assets and damage to electricity distribution networks, respectively. Impact is expected to be intensified in the long-term and have a medium-high impact on EDP's revenues from electricity generation as well as operational and capital cost from damage recovery.</p> <p>Ensuring the resilience of electricity generation and distribution infrastructures is a natural concern within EDP. With the effect of climate change already being felt, it is essential to carry out an internal and ongoing analysis of the physical risks to which the infrastructures may be subject. EDP has set a goal to have Adaptation Plans in place in its Business Units by 2022 which ensure the resilience of</p>

		infrastructures that may be exposed to extreme events of higher intensity and frequency.
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## C3.4

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets Liabilities	<p>1- Revenues:</p> <p>i) negative impact - reduction in hydro volume influenced by a structural reduction of precipitation, leading to a reduction in hydro electricity production. The magnitude of the impact on company revenues, associated with risk 2 identified in C2.3a (Changes in precipitation patterns and extreme variability in weather patterns), is medium, given that the reduction of hydro production is partially compensated by the increased value of such production;</p> <p>ii) positive impact – increase in electric mobility and in new energy solutions and services favours renewable sources, namely hydro, wind and solar, due to a higher electricity generation. The magnitude of the impact, associated with opportunity 3 identified in C2.4a (rise of power demand), is medium to high. This positive impact is further strengthened by the forecasted increase in the electrification of final energy consumption which is also driven by the enabling effect of electricity in the decarbonisation of energy consumption in other sectors.</p> <p>2- Operation (direct and indirect) costs:</p> <p>i) negative impact - reduced margins due to regulatory/policy penalization of carbon intensive fuels, leading to reduced thermal power plant margins;</p> <p>ii) positive impact –renewable (74% of EDP’s total electricity generation ) portfolio optimization resulting from higher CO2 prices, as well as higher e-mobility and efficient energy solutions and services, associated with opportunity 3 described in C2.4a (rise of power demand). The net balance between the above-mentioned positive and negative impacts is positive and the overall magnitude is medium to high.</p> <p>3-Capital expenditures/ allocation:</p> <p>i) negative impact - investment on additional features of the electricity distribution grid to increase resilience to extreme weather events, has described in risk 3 identified in C2.3a (Operational disruption of electricity distribution activities). The magnitude of this negative impact is low;</p> <p>ii) positive impact - focus on generation portfolio, leveraging current portfolio mix of the Group and internal know-how, motivated by renewable favourable regulatory frameworks. The magnitude of this</p>

		<p>positive impact, associated with opportunity 2 identified in C2.4a (access to new markets), is high.</p> <p>4- Acquisitions and divestments: Identified climate-related opportunities have the potential to impact EDP's acquisitions decisions, namely wind/solar generation pipeline projects as well as the acquisition of downstream businesses (energy efficiency, decentralized renewable generation). The magnitude of this impact, associated with opportunity 2 (access to new markets) and opportunity 3 (rise of power demand) identified in C2.4a, is high.</p> <p>5- Access to capital: Identified climate-related risks and opportunities (e.g. related to changing consumer behavior and/or investor interest) can, depending on positive or negative impacts on EBITDA and operational results (e.g., renewable volumes, regulation, extreme events), have an impact on capital structure and liquidity (improve/deteriorate) impacting cost of capital. These impacts cover a range of identified risks and opportunities, and therefore their magnitude can range from medium to high.</p> <p>6- Assets: Identified climate-related transition and physical risks can impact EDP's assets by causing damage to facilities, loss of value or impairment resulting from changing consumer behaviour or climate-related regulation. These impacts cover a range of identified risks (e.g., risk 3 - Operational disruption of electricity distribution activities - and 4 - Pressure on generation system services share driven by new competitors - described in C2.3a). The most exposed assets to damage are distribution assets.</p> <p>7- Liabilities: Identified climate-related risks can, depending on positive or negative impacts on EBITDA and operational results (e.g., renewable volumes, regulation, extreme events), have an impact (increase/decrease) on EDP's debt levels. These impacts cover a range of identified risks and opportunities, but the impact is mostly indirect, and the magnitude is considered low.</p> <p>The time horizon covered by revenues, operation costs (direct and indirect) and liabilities is the business plan horizon, i.e. from 1 to 5 years, while capital expenditures and capital allocation, acquisitions and divestments, access to capital and assets are covered for a longer and undetermined time.</p>
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### C3.5

**(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?**

Yes

## C3.5a

**(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's transition to a 1.5°C world.**

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### Financial Metric

Revenue

**Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)**

64

**Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)**

70

**Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)**

80

**Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world**

EDP used the European Union (EU) taxonomy regulation to identify the % of revenues aligned with this framework. The EU taxonomy regulation establishes the criteria for an activity to be qualified as environmentally sustainable and is the key instrument for achieving the path of carbon neutrality proposed by the European Commission and adopted in 2019 with the European Ecological Pact. In 2021, EDP disclosed eligibility information (amount and proportion) for its income, operating expenses (OPEX) and capital expenditures (CAPEX), and its alignment with the Taxonomy, anticipating the entry into force of the disclosure obligation by January 1st, 2023

([https://www.edp.com/sites/default/files/2022-](https://www.edp.com/sites/default/files/2022-05/EDP%20Sustainability%20Report%202021.pdf)

[05/EDP%20Sustainability%20Report%202021.pdf](https://www.edp.com/sites/default/files/2022-05/EDP%20Sustainability%20Report%202021.pdf), page258-263).

To demonstrate the alignment, EDP revisited the economic activities that, in 2021, contributed substantially to the mitigation of climate change, and assessed the possibility that they could cause significant damage to the other environmental objectives and comply with the minimum social safeguards. For 2025, the assessment was based on the Business Plan 2021-2025 and for 2030, on the commitments already made and disclosed through the Strategic Update 2021-25, namely the ambition to be 100% "green" by 2030.

We have excluded generation from gas plants (CCGT), as we consider this activities as not eligible. Even if the EU final decision will consider gas as an eligible activity, it will not be aligned since CCGT activity do not meet the criterion on the emissions threshold (below 270 gCO<sub>2e</sub>/kWh). Coal-fired power plants are excluded. The other eligible activities are:

- Low carbon activities: solar and wind power generation.

- Transitional activities: hydropower plants, as they contribute to reducing CO2 emissions.
- Enabling activities: a) electricity transmission and distribution (T&D) activities in Portugal and Spain as part of the European Electricity System. T&D activities in Brazil were considered eligible because they are networks that transport more than 67% of energy from renewable sources. b) Supply electricity activities in Portugal and Brazil. The regulation did not define the technical evaluation criteria for this type of activities, however EDP used the composition of the electricity consumption mix of each country as an eligibility criterion to assess the use of renewable resources, and to determine the importance that renewable energy sources represent in the consumption of each of the aforementioned geographical areas.

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### **Financial Metric**

CAPEX

#### **Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)**

94

#### **Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)**

96

#### **Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)**

97

#### **Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world**

EDP used the European Union (EU) taxonomy regulation to identify the % of CAPEX aligned with this framework. The EU taxonomy regulation establishes the criteria for an activity to be qualified as environmentally sustainable and is the key instrument for achieving the path of carbon neutrality proposed by the European Commission and adopted in 2019 with the European Ecological Pact. In 2021, EDP disclosed eligibility information (amount and proportion) for its income, operating expenses (OPEX) and capital expenditures (CAPEX), and its alignment with the Taxonomy, anticipating the entry into force of the disclosure obligation by January 1st, 2023

([https://www.edp.com/sites/default/files/2022-](https://www.edp.com/sites/default/files/2022-05/EDP%20Sustainability%20Report%202021.pdf)

[05/EDP%20Sustainability%20Report%202021.pdf](https://www.edp.com/sites/default/files/2022-05/EDP%20Sustainability%20Report%202021.pdf), page258-263).

To demonstrate the alignment, EDP revisited the economic activities that, in 2021, contributed substantially to the mitigation of climate change, and assessed the possibility that they could cause significant damage to the other environmental objectives and comply with the minimum social safeguards. For 2025, the assessment was based on the Business Plan 2021-2025 and for 2030, on the commitments already made and disclosed through the Strategic Update 2021-25, namely the ambition to be

100% "green" by 2030.

We have excluded generation from gas plants (CCGT), as we consider this activities as not eligible. Even if the EU final decision will consider gas as an eligible activity, it will not be aligned as CCGT activity do not meet the requirements on assessment of emissions below 270 gCO<sub>2</sub>e/kWh. Coal-fired power plants are excluded. The other eligible activities are:

- Low carbon activities: solar and wind power generation.
- Transitional activities: hydropower plants, as they contribute to reducing CO<sub>2</sub> emissions.
- Enabling activities: a) electricity transmission and distribution activities in Portugal and Spain as part of the European Electricity System. Activities in Brazil were considered eligible because they are networks that transport more than 67% of energy from renewable sources. b) Supplier electricity activities in Portugal and Brazil. The regulation did not define the technical evaluation criteria for this type of activities, however EDP used the composition of the electricity consumption mix of each country as an eligibility criterion to assess the use of renewable resources, and to determine the importance that renewable energy sources represent in the consumption of each of the aforementioned geographical areas.

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## Financial Metric

OPEX

### Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)

71

### Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)

82

### Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)

86

### Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world

EDP used the European Union (EU) taxonomy regulation to identify the % of OPEX aligned with this framework. The EU taxonomy regulation establishes the criteria for an activity to be qualified as environmentally sustainable and is the key instrument for achieving the path of carbon neutrality proposed by the European Commission and adopted in 2019 with the European Ecological Pact. In 2021, EDP disclosed eligibility information (amount and proportion) for its revenues, operating expenses (OPEX) and capital expenditures (CAPEX), and its alignment with the Taxonomy, anticipating the entry into force of the disclosure obligation by January 1st, 2023 (<https://www.edp.com/sites/default/files/2022->

05/EDP%20Sustainability%20Report%202021.pdf, page258-263).

To demonstrate the alignment, EDP revisited the economic activities that, in 2021, contributed substantially to the mitigation of climate change, and assessed the possibility that they could cause significant damage to the other environmental objectives and comply with the minimum social safeguards. For 2025, the assessment was based on the Business Plan 2021-2025 and for 2030, on the commitments already made and disclosed through the Strategic Update 2021-25, namely the ambition to be 100% "green" by 2030.

We have excluded generation from gas plants (CCGT), as we consider this activities as not eligible. Even if the EU final decision will consider gas as an eligible activity, it will not be aligned as CCGT activity do not meet the requirements on assessment of emissions below 270 gCO<sub>2</sub>e/kWh. Coal-fired power plants are excluded. The other eligible activities are:

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- Enabling activities: a) electricity transmission and distribution activities in Portugal and Spain as part of the European Electricity System. Activities in Brazil were considered eligible because they are networks that transport more than 67% of energy from renewable sources. b) Supplier electricity activities in Portugal and Brazil. The regulation did not define the technical evaluation criteria for this type of activities, however EDP used the composition of the electricity consumption mix of each country as an eligibility criterion to assess the use of renewable resources, and to determine the importance that renewable energy sources represent in the consumption of each of the aforementioned geographical areas.

## C4. Targets and performance

### C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**

- Absolute target
- Intensity target

### C4.1a

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

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**Target reference number**

Abs 1

**Year target was set**

2021

**Target coverage**

Company-wide

**Scope(s)**

Scope 3

**Scope 2 accounting method**

**Scope 3 category(ies)**

Category 1: Purchased goods and services

Category 2: Capital goods

Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Category 4: Upstream transportation and distribution

Category 6: Business travel

Category 11: Use of sold products

**Base year**

2015

**Base year Scope 1 emissions covered by target (metric tons CO<sub>2</sub>e)**

**Base year Scope 2 emissions covered by target (metric tons CO<sub>2</sub>e)**

**Base year Scope 3 emissions covered by target (metric tons CO<sub>2</sub>e)**

14,622,760

**Total base year emissions covered by target in all selected Scopes (metric tons CO<sub>2</sub>e)**

14,622,760

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

99.6

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

99.6

**Target year**

2030

**Targeted reduction from base year (%)**

50

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**

7,311,380

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)**

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**

**Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

10,303,817

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

10,303,817

**% of target achieved relative to base year [auto-calculated]**

59.0715159108

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, and this target has been approved by the Science Based Targets initiative

**Target ambition**

Well-below 2°C aligned

**Please explain target coverage and identify any exclusions**

Absolute target officially approved by SBTi in 2021.

Group-wide reduction target for the company's relevant upstream and downstream scope 3 emissions categories. Together, these categories represented 99,6% of total scope 3 emissions in base year.

**Plan for achieving target, and progress made to the end of the reporting year**

Target achievement is supported by the reduction of the Group's activities in the coal and gas sectors, focus on electrification rather than on gas supply and by supplier engagement activities focused on supply chain indirect emissions reduction.

**List the emissions reduction initiatives which contributed most to achieving this target**

---

**Target reference number**

Abs 2

**Year target was set**

2021

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

Scope 2

**Scope 2 accounting method**

Location-based

**Scope 3 category(ies)**

**Base year**

2015

**Base year Scope 1 emissions covered by target (metric tons CO<sub>2</sub>e)**

21,550,247

**Base year Scope 2 emissions covered by target (metric tons CO<sub>2</sub>e)**

981,772

**Base year Scope 3 emissions covered by target (metric tons CO<sub>2</sub>e)**

**Total base year emissions covered by target in all selected Scopes (metric tons CO<sub>2</sub>e)**

22,532,019

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

100

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

100

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**Target year**

2030

**Targeted reduction from base year (%)**

99

**Total emissions in target year covered by target in all selected Scopes (metric tons CO<sub>2</sub>e) [auto-calculated]**

225,320.19

**Scope 1 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)**

9,819,292

**Scope 2 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)**

790,733

**Scope 3 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)**

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO<sub>2</sub>e)**

10,610,025

**% of target achieved relative to base year [auto-calculated]**

53.4458016471

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, and this target has been approved by the Science Based Targets initiative

**Target ambition**

1.5°C aligned

**Please explain target coverage and identify any exclusions**

The target officially approved by SBTi in 2021 is on Scope 1 and 2 emissions intensity. This absolute target is the expression of the emissions intensity target, but in absolute terms, assuming average hydro and wind conditions. This target was updated from a previous target approved in 2020, which was aligned with well below 2°C trajectory.

Group-wide reduction target for combined scope 1 and scope 2 emissions, for all GHGs,

was set using the Sectoral Decarbonization Approach - Power Sector of the SBTi. Applies to all geographies and is fully aligned with our public commitment to reduced specific CO2 emissions from electricity generation by 98% in 2030, compared with 2015 levels. This goal was part of EDP's Strategic Update 2021-2025.

**Plan for achieving target, and progress made to the end of the reporting year**

In early 2021, EDP released its Strategic Update 2021-2025 with the following ambitious goals: 100% renewable installed capacity and electricity generation by 2030 and to reach carbon neutrality in 2030 (scope 1 and 2). As a consequence, EDP submitted to the SBTi a target ambition update (-98% emissions intensity vs. 2015 levels), which was validated and approved in June 2021.

Target achievement is supported by the strategic focus on renewable generation growth (scope 1 emissions reduction), phase-out of the coal -fired power plants before 2025 and CCGT before 2030, continued investment in distribution grids, thus reducing electricity losses (scope 2 emissions reduction) and sourcing renewable electricity for consumption in office buildings and power plants self-consumption.

So far, we have already achieved 53% of the target relative to the base year.

**List the emissions reduction initiatives which contributed most to achieving this target**

## C4.1b

**(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).**

---

**Target reference number**

Int 1

**Year target was set**

2021

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

Scope 2

**Scope 2 accounting method**

Location-based

**Scope 3 category(ies)**

**Intensity metric**

Metric tons CO<sub>2</sub>e per megawatt hour (MWh)

**Base year**

2015

**Intensity figure in base year for Scope 1 (metric tons CO<sub>2</sub>e per unit of activity)**

0.345

**Intensity figure in base year for Scope 2 (metric tons CO<sub>2</sub>e per unit of activity)**

0.016

**Intensity figure in base year for Scope 3 (metric tons CO<sub>2</sub>e per unit of activity)**

**Intensity figure in base year for all selected Scopes (metric tons CO<sub>2</sub>e per unit of activity)**

0.361

**% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure**

100

**% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure**

100

**% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure**

**% of total base year emissions in all selected Scopes covered by this intensity figure**

100

**Target year**

2030

**Targeted reduction from base year (%)**

98

**Intensity figure in target year for all selected Scopes (metric tons CO<sub>2</sub>e per unit of activity) [auto-calculated]**

0.00722

**% change anticipated in absolute Scope 1+2 emissions**

99

**% change anticipated in absolute Scope 3 emissions**

50

**Intensity figure in reporting year for Scope 1 (metric tons CO<sub>2</sub>e per unit of activity)**

0.163

**Intensity figure in reporting year for Scope 2 (metric tons CO<sub>2</sub>e per unit of activity)**

0.013

**Intensity figure in reporting year for Scope 3 (metric tons CO<sub>2</sub>e per unit of activity)**

**Intensity figure in reporting year for all selected Scopes (metric tons CO<sub>2</sub>e per unit of activity)**

0.176

**% of target achieved relative to base year [auto-calculated]**

52.2923850981

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, and this target has been approved by the Science Based Targets initiative

**Target ambition**

1.5°C aligned

**Please explain target coverage and identify any exclusions**

Intensity target officially approved by the Science Based Target initiative in 2021.

Group-wide reduction target for combined scope 1 and scope 2 emissions, for all GHGs, was set using the SBTi Sectoral Decarbonization Approach - Power Sector. Applies to all geographies and is fully aligned with our public commitment, to reduced specific CO<sub>2</sub> emissions from electricity generation by 98% in 2030, compared with 2015 levels. This is part of EDP's Strategic Update 2021-2025.

In early 2021, EDP released its Strategic Update 2021-2025 with the following ambitious goals: 100% renewable installed capacity and electricity generation in 2030 and to reach carbon neutrality in 2030 (scope 1 and 2). As a consequence, EDP submitted to the SBTi a target ambition update (-98% vs. 2015 levels), which was validated and approved in June 2021.

**Plan for achieving target, and progress made to the end of the reporting year**

Target achievement is supported by the strategic focus on renewable generation growth (scope 1 emissions reduction), phase-out of the coal-fired power plants before 2025 and

CCGT before 2030, continued investment in distribution (smart) grids, thus reducing electricity losses (scope 2 emissions reduction) and sourcing renewable electricity for consumption in office buildings and power plants self-consumption.

Emissions reduction in target year were calculated assuming average hydro and wind conditions. We anticipate a reduction of at least 50% in absolute scope 3 emissions by 2030, which is the reduction target formally approved by the SBTi (Abs2).

So far, we have already achieved 52% of the target relative to the base year.

**List the emissions reduction initiatives which contributed most to achieving this target**

## C4.2

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Target(s) to increase low-carbon energy consumption or production  
Net-zero target(s)

## C4.2a

**(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.**

---

**Target reference number**

Low 1

**Year target was set**

2019

**Target coverage**

Company-wide

**Target type: energy carrier**

Electricity

**Target type: activity**

Production

**Target type: energy source**

Renewable energy source(s) only

**Base year**

2019

**Consumption or production of selected energy carrier in base year (MWh)**

44,136,739

**% share of low-carbon or renewable energy in base year**

67

**Target year**

2030

**% share of low-carbon or renewable energy in target year**

100

**% share of low-carbon or renewable energy in reporting year**

76

**% of target achieved relative to base year [auto-calculated]**

27.2727272727

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

Target is not formally part of an emissions reduction target but EDP's strategic focus on renewable growth is essential for the achievement of our emissions reduction targets.

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain target coverage and identify any exclusions**

This is part of EDP's 2021-2025 Strategic Update targets: to ensure 100% of renewable installed capacity and electricity generation by 2030. It is a corporate-wide target and applies to all geographies where the Group operates. EDP joined the REscale LCTPi initiative, contributing to accelerate the deployment of renewables and the transition to a low-carbon electricity system, aiming at achieving an additional 1.5 TW of deployment by 2025.

**Plan for achieving target, and progress made to the end of the reporting year**

Target achievement is supported by the strategic focus on renewable generation growth, as announced in EDP's Strategic Update 2021-2025, phase-out of the coal-fired power plants before 2025 and CCGT plants before 2030.

In 2021, EDP increased its solar installed capacity by 467 MW and its wind farm installed capacity by 1,320 MW, when compared to the previous year.

**List the actions which contributed most to achieving this target**

## C4.2c

**(C4.2c) Provide details of your net-zero target(s).**

---

**Target reference number**

NZ1

**Target coverage**

Company-wide

**Absolute/intensity emission target(s) linked to this net-zero target**

Int1

**Target year for achieving net zero**

2030

**Is this a science-based target?**

Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

**Please explain target coverage and identify any exclusions**

This target covers 100% of EDP's scope 1 and 2 inventory, taking into consideration the consolidation method used (financial control)

**Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?**

Yes

**Planned milestones and/or near-term investments for neutralization at target year**

Scope 1 emissions reduction will be achieved through a strong focus on renewable power generation and progressive decommissioning of thermal power plants. Through the Strategic Update 2021-2025, EDP committed to be coal-free by 2025 and to generate 100% electricity from renewable sources by 2030. Also, EDP plans to add 20 GW of renewable capacity during the current business plan (BP 2021-2025) and more than 50 GW by 2030. For the current BP, EDP plans to invest €24b, 80% of which in renewables, 15% in smart grids and 5% in clients and energy management. These are the main near-term milestones and investment plan. Scope 2 emissions reduction will mainly be achieved through grid loss reduction and increased sourcing of renewable electricity to supply our office buildings as well as power plant self-consumption. At target year, the residual emissions that cannot be avoided will be compensated.

**Planned actions to mitigate emissions beyond your value chain (optional)**

EDP plans to compensate for residual emissions either through the voluntary carbon offset markets (mainly activities that remove and store greenhouse gases from the atmosphere) or, in the case of electricity consumption, through schemes such as guaranty of origin from renewable sources or Renewable Energy Certifications.

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**Target reference number**

NZ2

**Target coverage**

Company-wide

**Absolute/intensity emission target(s) linked to this net-zero target**

Abs1

**Target year for achieving net zero**

2040

**Is this a science-based target?**

Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

**Please explain target coverage and identify any exclusions**

This target covers almost all absolute scope 3 emissions (99%), taking into consideration the consolidation method used (financial control)

**Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?**

Yes

**Planned milestones and/or near-term investments for neutralization at target year**

For the period 2021-2025, we committed to reduce Scope 3 emissions 50 % by 2030 from 2015 base year and 90% by 2040. This will be achieved through: a) coal power plants shut down by 2025 and 100% renewable generation by 2030, thus reducing significantly scope 3 categories 2 and 3; b) consumption electrification, thus reducing gas supply and shift to renewable electricity supply (impact on categories 3 and 11); c) a more active supplier engagement and inclusion of mandatory climate change clauses for critical suppliers (impact on categories 1 and 2). At target year, the residual emissions that cannot be avoided will be compensated.

**Planned actions to mitigate emissions beyond your value chain (optional)**

EDP plans to compensate for residual emissions either through the voluntary carbon offset markets (mainly activities that remove and store greenhouse gases from the atmosphere) or, in the case of electricity consumption, through schemes such as guaranty of origin from renewable sources or Renewable Energy Certifications.

## C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

## C4.3a

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	158	
To be implemented*	67	2,830,000
Implementation commenced*	45	3,540,000
Implemented*	40	3,760,129
Not to be implemented	0	

## C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

### Initiative category & Initiative type

Low-carbon energy generation  
Wind

### Estimated annual CO2e savings (metric tonnes CO2e)

3,244,594

### Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

### Voluntary/Mandatory

Voluntary

### Annual monetary savings (unit currency – as specified in C0.4)

650,219,000

### Investment required (unit currency – as specified in C0.4)

1,769,500,000

### Payback period

1-3 years

### Estimated lifetime of the initiative

21-30 years

### Comment

Several wind farms that became fully operational in 2021: USA, Portugal, Spain, France, Belgium, Italy Greece, Brazil, Canada and Poland, totaling 1769 MW installed power.

Assumptions made:

- CO2 savings based on avoided thermal generation and respective 2021 emission intensity by geography.
- Monetary savings based on avoided thermal generation costs (coal and gas), assuming average renewables load factors over the past 5 years and on avoided CO2 emissions and assuming EU-ETS average price in 2021, i.e., 53,41 €/tCO2.
- Investment based on real or typical values of CAPEX for wind farms

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**Initiative category & Initiative type**

Low-carbon energy generation  
Solar PV

**Estimated annual CO2e savings (metric tonnes CO2e)**

503,532

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

132,918,000

**Investment required (unit currency – as specified in C0.4)**

402,500,000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

21-30 years

**Comment**

Several Solar PV parks that became fully operational in 2021: USA, Brazil and Viet Nam, totaling 503 MW installed power. Assumptions made:

- CO2 savings based on avoided thermal generation and respective 2021 emission intensity by geography.
- Monetary savings based on avoided thermal generation costs (coal and gas), assuming average solar PV load factors over the past 5 years and on avoided CO2 emissions and assuming EU-ETS average price in 2021, i.e., 53,41 €/tCO2.
- Investment based on real or typical values of CAPEX for solar PV parks

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**Initiative category & Initiative type**

Energy efficiency in production processes

Other, please specify

Distribution losses and power plant self-consumption reduction

**Estimated annual CO2e savings (metric tonnes CO2e)**

12,003

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

13,883,000

**Investment required (unit currency – as specified in C0.4)**

38,500,000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

21-30 years

**Comment**

Energy efficiency program – distribution grids loss reduction initiatives; backfeed power reduction in wind farms and solar parks; self-consumption hydropower reduction; PV in office buildings. Assumptions made:

- CO2 savings based on global (grid) emission factors by geography
- Monetary savings based on retail electricity prices and avoided CO2 emissions, assuming EU-ETS average price in 2021, i.e., 53,41 €/tCO2.
- Investment related to distribution grid losses reduction activities

## C4.3c

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Compliance with regulatory requirements/standards	Focus on renewable generation allows for reducing our exposure to risk of further regulatory restrictions on CO2 emissions.
Dedicated budget for low-carbon product R&D	EDP has a dedicated budget for R&D that is allocated to 7 main areas, in accordance with EDP's business strategy, which positions itself at all stages of the energy industry value chain: renewable energies, networks, distributed energy systems, green hydrogen, energy storage & flexibility, sustainable mobility and decarbonization. In 2021, R&D expenditure amounted to EUR 102.8 million.

Internal price on carbon	EDP uses internal price of carbon to assess the impact of current and future carbon regulation on energy prices and volumes, existing assets' value and to evaluate capital investments in new electricity generation assets.
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## C4.5

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?**

Yes

## C4.5a

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.**

### Level of aggregation

Group of products or services

### Taxonomy used to classify product(s) or service(s) as low-carbon

The EU Taxonomy for environmentally sustainable economic activities

### Type of product(s) or service(s)

Power

Other, please specify

Renewable electricity generation

### Description of product(s) or service(s)

Generation from wind, solar and hydropower plants. EDP's strategic focus on renewable generation growth led to a progressive decarbonization of the company' electricity generation portfolio. In 2021, EDP's installed capacity worldwide was 80% renewable and the share of renewables to the total electricity generation was 76% , thus delivering electricity with a significant low carbon content. In addition, 100% certified renewable electricity is also part of EDP's product portfolio. According to the most recent Strategic Update released, in 2025 EDP foresees its generation portfolio to be, at least, 84% renewable based and its emissions intensity to be 70% below 2015 levels, putting the company well on track to meet its 2030 commitment: 100% renewable capacity portfolio and reaching carbon neutrality in 2030 (scope 1 and 2). Furthermore, EDP submitted in 2021 to the Science Based Target initiative and got approval of a new reduction target: - 98% scope 1 and 2 CO2 emissions per TWh, compared to 2015.

**Have you estimated the avoided emissions of this low-carbon product(s) or service(s)**

Yes

**Methodology used to calculate avoided emissions**

Other, please specify

Pensar qual a metodologia mais adequada a este grupo de produtos

**Life cycle stage(s) covered for the low-carbon product(s) or services(s)**

Use stage

**Functional unit used**

1 MWh of electricity generated from renewable sources

**Reference product/service or baseline scenario used**

1 MWh of electricity generated by coal and gas power plants

**Life cycle stage(s) covered for the reference product/service or baseline scenario**

Use stage

**Estimated avoided emissions (metric tons CO<sub>2</sub>e per functional unit) compared to reference product/service or baseline scenario**

23,752,000

**Explain your calculation of avoided emissions, including any assumptions**

Avoided emissions are the CO<sub>2</sub>e emissions that would have occurred if the electricity generated by renewable energy sources were produced by thermal power plants. For each country where we operate and produce renewable power, the avoided emissions are obtained by multiplying the net renewable energy production by the emission factor of the thermoelectric mix of that country.

**Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year**

19

## C-EU4.6

**(C-EU4.6) Describe your organization's efforts to reduce methane emissions from your activities.**

Methane emissions are not relevant to EDP's operation. EDP does not extract, transport or distribute gas, which are the most significant sources of methane emissions. However, there are areas where we estimate and manage our methane emissions.

Stationary combustion in thermal power plants accounts for 99,6% of EDP's total scope 1 GHG emissions. The company monitors GHG emissions from its thermal generation assets according to the European Union Emission Trading System (EU ETS): The Monitoring and Reporting Regulation (MMR) – General guidance for installations. These guidelines do not contemplate CH<sub>4</sub> emissions, as they are immaterial in thermal electricity generation. According to official data from the Portuguese Environmental Agency, CH<sub>4</sub> emissions from fuel combustion in electricity generation account for 0,08% of total GHG emissions (expressed in CO<sub>2</sub>e) from that activity and, consequently, are not relevant. (Source: Portugal National

Inventory Report 2017. CRF Table 1.s1 - 1.a - Public Electricity and Heating. Five-year average for the most recent available years).

Mobile combustion in the company fleet represents less than 0,1% of EDP's total scope 1 GHG emissions and the company accounts for the immaterial methane emissions associated with this source. EDP is implementing a plan to renew its company fleet to more efficient vehicles, including electric and hybrid vehicles, having committed to achieve electrification of 100% of its light-duty fleet segment by 2030. Since 2010, the number of electric vehicles has grown more than 20-fold representing, by the end of 2021, 13.2% of the total light-duty fleet of about 2400 vehicles, a 20% increase relative to 2020. Methane emissions are incorporated into our absolute (Abs 1) and intensity (Int 1) GHG emissions reduction Science Based Targets, as they pertain only to our scope 1 and scope 2 emissions, including all GHGs.

## C5. Emissions methodology

### C5.1

**(C5.1) Is this your first year of reporting emissions data to CDP?**

No

### C5.1a

**(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?**

Row 1

**Has there been a structural change?**

Yes, an acquisition

Yes, a divestment

**Name of organization(s) acquired, divested from, or merged with**

EDP acquired VIESGO, an electric company in Spain with generation (coal and renewables) and distribution activity.

EDP sold Castejón, a CCGT power plant in Spain, and sold the b2c business (electricity and gas) in Spain

**Details of structural change(s), including completion dates**

With the acquisition of VIESGO, EDP increased its installed capacity in wind farms (+xxx MW) and included a new distribution grid in Spain. The coal power plants were shut down

With the sale of Castejón, EDP decreased its installed capacity in CCGT power plants (-847 MW)

## C5.1b

**(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?**

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology	A change in methodology for assessing scope 3 emissions, with impact on categories 1 and 2, and an update of emission factors impacting category 3. The new methodology for categories 1 and 2 is, in fact, a combination of two methodologies: a spend-based method using EEIO (Environmental Extended Input Output), when physical data of the supply is not available, and an average-data method using LCA data.

## C5.1c

**(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?**

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	No, because the impact does not meet our significance threshold	The acquisitions and divestments had a negligible impact on scopes 1 and 2 (less than 1%) and the change in methodology had an impact below 4% in the overall scope 3 emissions, and thus within our acceptable significance threshold

## C5.2

**(C5.2) Provide your base year and base year emissions.**

### Scope 1

#### Base year start

January 1, 2015

#### Base year end

December 31, 2015

#### Base year emissions (metric tons CO<sub>2</sub>e)

21,550,247

#### Comment

The base year for our active reduction targets is 2015 (science-based target for scope 1, scope 2 and scope 3).

## Scope 2 (location-based)

---

### Base year start

January 1, 2015

### Base year end

December 31, 2015

### Base year emissions (metric tons CO<sub>2</sub>e)

981,772

### Comment

The base year for our active reduction targets is 2015 (science-based target for scope 1, scope 2 and scope 3).

Scope 2 emission results are the same for location-based and market-based methods because almost all electricity consumed by EDP and included in this scope (electricity consumption in office buildings, renewable power stations self-consumption and electricity losses in distribution networks) was generated and supplied by the EDP Group and therefore emissions are accounted for under scope 1. Exceptions are markets where EDP distributes more electricity than it generates (Portugal and Brazil) and markets where EDP does not have supply activities and, therefore, consumes electricity supplied by third parties (North America and European countries other than Portugal and Spain).

In Brazil no country-wide Guarantees of Origin system is currently in place, therefore residual mix figures, used to calculate our scope 2 emissions in this markets according to the market-based method, is very similar to average grid emission factors, used in the location-based method. Markets where we don't distribute or supply electricity (North America and Rest of Europe) contribute only marginally to our electricity consumption and, therefore, even if we use RECs to certify 100% of our North America consumption, scope 2 global figures are the same calculated with the two methods.

## Scope 2 (market-based)

---

### Base year start

January 1, 2015

### Base year end

December 31, 2015

### Base year emissions (metric tons CO<sub>2</sub>e)

981,772

### Comment

The base year for our active reduction targets is 2015 (science-based target for scope 1, scope 2 and scope 3).

Scope 2 emission results are the same for location-based and market-based methods

because almost all electricity consumed by EDP and included in this scope (electricity consumption in office buildings, renewable power stations self-consumption and electricity losses in distribution networks) was generated and supplied by the EDP Group and therefore emissions are accounted for under scope 1. Exceptions are markets where EDP distributes more electricity than it generates (Portugal and Brazil) and markets where EDP does not have supply activities and, therefore, consumes electricity supplied by third parties (North America and European countries other than Portugal and Spain).

In Brazil no country-wide Guarantees of Origin system is currently in place, therefore residual mix figures, used to calculate our scope 2 emissions in this markets according to the market-based method, is very similar to average grid emission factors, used in the location-based method. Markets where we don't distribute or supply electricity (North America and Rest of Europe) contribute only marginally to our electricity consumption and, therefore, even if we use RECs to certify 100% of our North America consumption, scope 2 global figures are the same calculated with the two methods.

### Scope 3 category 1: Purchased goods and services

---

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO<sub>2</sub>e)**

53,042

**Comment**

Life Cycle Assessment (LCA) study performed with Simapro software. Scope and emissions categorization defined to comply with the requirements of The GHG Protocol Value Chain (Scope 3) Accounting and Reporting Standard. Activity data sources: EDP; Ecoinvent database when primary data was not available. Emission factors source: calculated from published data (national energy authorities and LCA studies). GWP source: IPCC Assessment Report 5 (2014).

### Scope 3 category 2: Capital goods

---

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO<sub>2</sub>e)**

250,776

**Comment**

Life Cycle Assessment (LCA) study performed with Simapro software. Scope and emissions categorization defined to comply with the requirements of The GHG Protocol Value Chain (Scope 3) Accounting and Reporting Standard. Activity data sources: EDP; Ecoinvent database when primary data was not available. Emission factors source: calculated from published data (national energy authorities and LCA studies). GWP source: IPCC Assessment Report 5 (2014).

### **Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)**

---

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO<sub>2</sub>e)**

7,636,341

**Comment**

Life Cycle Assessment (LCA) study performed with Simapro software. Scope and emissions categorization defined to comply with the requirements of The GHG Protocol Value Chain (Scope 3) Accounting and Reporting Standard. Activity data sources: EDP; Ecoinvent database when primary data was not available. Emission factors source: calculated from published data (national energy authorities and LCA studies). GWP source: IPCC Assessment Report 5 (2014).

### **Scope 3 category 4: Upstream transportation and distribution**

---

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO<sub>2</sub>e)**

384,705

**Comment**

Life Cycle Assessment (LCA) study performed with Simapro software. Scope and emissions categorization defined to comply with the requirements of The GHG Protocol Value Chain (Scope 3) Accounting and Reporting Standard. Activity data sources: EDP; Ecoinvent database when primary data was not available. Emission factors source: calculated from published data (national energy authorities, GHG Protocol Transport tool and LCA studies). GWP source: IPCC Assessment Report 5 (2014).

### **Scope 3 category 5: Waste generated in operations**

---

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO<sub>2</sub>e)**

0

**Comment**

Calculated (22,300 tCO<sub>2</sub>e) but not included. Emissions categories with less than 1% of the total scope 3 emissions were not included in the inventory

**Scope 3 category 6: Business travel**

---

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO<sub>2</sub>e)**

9,498

**Comment**

Although less than 0.1% of the total scope 3 emissions, this category was calculated and included in the inventory. Scope and emissions categorization defined to comply with the requirements of the GHG Protocol Value Chain (Scope 3) Accounting and Reporting Standard. Activity data sources: EDP. Emission factors source: calculated from published data (national energy authorities or default data from GHG Protocol Transport tool). GWP source: IPCC Assessment Report 5 (2014).

**Scope 3 category 7: Employee commuting**

---

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO<sub>2</sub>e)**

0

**Comment**

Calculated (22,736 tCO<sub>2</sub>e) but not included. Emissions categories with less than 1% of the total scope 3 emissions were not included in the inventory

**Scope 3 category 8: Upstream leased assets**

---

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO<sub>2</sub>e)**

0

**Comment**

EDP didn't have upstream leased assets

**Scope 3 category 9: Downstream transportation and distribution**

---

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO<sub>2</sub>e)**

0

**Comment**

Support activities (offices and stores) associated with electricity and gas retail. Categories that account for less than 1% of total scope 3 emissions or are not applicable to EDP are considered not relevant.

**Scope 3 category 10: Processing of sold products**

---

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO<sub>2</sub>e)**

0

**Comment**

This category is not applicable to EDP. EDP's products (electricity and gas) are supplied in their final consuming form, therefore they do not require further processing.

**Scope 3 category 11: Use of sold products**

---

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO<sub>2</sub>e)**

6,288,397

**Comment**

Scope and emissions categorization defined to comply with the requirements of the GHG Protocol Value Chain (Scope 3) Accounting and Reporting Standard. Activity data

sources: EDP. Emission factors source: calculated from published data (national energy authorities and LCA studies). GWP source: IPCC Assessment Report 5 (2014).

### Scope 3 category 12: End of life treatment of sold products

---

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO2e)**

0

**Comment**

This category is not applicable to EDP.

### Scope 3 category 13: Downstream leased assets

---

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO2e)**

0

**Comment**

EDP did not use downstream leased assets in the base year

### Scope 3 category 14: Franchises

---

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO2e)**

0

**Comment**

EDP did not have franchised activities in the reporting year

### Scope 3 category 15: Investments

---

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO2e)**

0

**Comment**

Calculated but not disclosed - emissions from EDP's participated companies (minority interests) were not relevant (less than 1% of total scope 3 emissions)

**Scope 3: Other (upstream)**

---

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO2e)**

0

**Comment**

EDP has no scope 3 upstream emissions other than the ones disclosed

**Scope 3: Other (downstream)**

---

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO2e)**

0

**Comment**

EDP has no scope 3 downstream emissions other than the ones disclosed

## C5.3

**(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

European Union Emission Trading System (EU ETS): The Monitoring and Reporting Regulation (MMR) – General guidance for installations

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

## C6. Emissions data

### C6.1

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO<sub>2</sub>e?**

#### Reporting year

---

##### **Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e)**

9,819,292

##### **Comment**

Includes emissions from stationary and mobile combustion, fugitive emissions and gas consumption

### C6.2

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

#### Row 1

---

##### **Scope 2, location-based**

We are reporting a Scope 2, location-based figure

##### **Scope 2, market-based**

We are reporting a Scope 2, market-based figure

##### **Comment**

Almost all electricity consumed by EDP and included in this scope (electricity consumption in office buildings, renewable power plants self-consumption and electricity losses in distribution networks) was generated and supplied by the EDP Group and therefore emissions are accounted for under scope 1. Exceptions are markets where EDP distributes more electricity than it generates (Portugal, Spain and Brazil) and markets where EDP does not have supply activities and, therefore, consumes electricity supplied by third parties (North America and European countries other than Portugal and Spain).

In Portugal, the Guarantees of Origin (GoO) system is not yet in place, therefore residual mix figures, used to calculate our scope 2 emissions according to the market-based method, are very similar to average grid emission factors, used in the location-based method. Markets where we don't distribute or supply electricity (North America and Rest of Europe) contribute only marginally to our electricity consumption. The total compensation of emissions through schemes like Renewable Energy Certificates (RECs) or GoO, in the USA, Spain and Brazil, result in a slight improvement of scope 2 emissions (-3%) calculated with the market-based method.

## C6.3

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO<sub>2</sub>e?**

### Reporting year

---

**Scope 2, location-based**

790,733

**Scope 2, market-based (if applicable)**

772,664

**Comment**

Includes emissions from T&D losses, power plant self-consumption and electricity consumption in office buildings

## C6.4

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

## C6.5

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

### Purchased goods and services

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO<sub>2</sub>e)**

721,485

**Emissions calculation methodology**

Average data method

Spend-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

Emissions related to products and services acquisition, using a hybrid method including spend-based data and average data (LCA)

## Capital goods

---

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

2,610,127

### Emissions calculation methodology

Average data method

Spend-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

Facilities construction (power plant, mainly wind and solar parks) and equipment acquisition, using a hybrid method including spend-based data and average data (LCA)

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

---

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

5,185,355

### Emissions calculation methodology

Average data method

Distance-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

Production (extraction and processing) of fuels (coal, natural gas, fuel oil and diesel) used by EDP for electricity generation. Generation/processing of electricity and natural gas purchased for retail.

## Upstream transportation and distribution

---

### Evaluation status

Not relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

66,395

### Emissions calculation methodology

Distance-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

50

**Please explain**

Categories that account for less than 1% of total scope 3 emissions or are not applicable to EDP are considered not relevant.

**Waste generated in operations**

---

**Evaluation status**

Not relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

17,633

**Emissions calculation methodology**

Waste-type-specific method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

Transport and disposal of waste generated in EDP's activities (mainly gypsum and ashes from coal power plants). Categories that account for less than 1% of total scope 3 emissions or are not applicable to EDP are considered not relevant.

**Business travel**

---

**Evaluation status**

Not relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

3,004

**Emissions calculation methodology**

Distance-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

EDP employee business travel (air, train and road travel). Categories that account for less than 1% of total scope 3 emissions or are not applicable to EDP are considered not relevant.

## Employee commuting

---

### Evaluation status

Not relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

11,782

### Emissions calculation methodology

Fuel-based method

Distance-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

EDP employee commuting, assessed through a survey involving all EDP Group companies included in the consolidation perimeter. Categories that account for less than 1% of total scope 3 emissions or are not applicable to EDP are considered not relevant.

## Upstream leased assets

---

### Evaluation status

Not relevant, explanation provided

### Please explain

Use of rented assets (especially machinery) in construction activities. Categories that account for less than 1% of total scope 3 emissions or are not applicable to EDP are considered not relevant.

## Downstream transportation and distribution

---

### Evaluation status

Not relevant, explanation provided

### Please explain

Support activities (offices and stores) associated with electricity and gas retail. Categories that account for less than 1% of total scope 3 emissions or are not applicable to EDP are considered not relevant.

## Processing of sold products

---

### Evaluation status

Not relevant, explanation provided

### Please explain

This category is not applicable to EDP. EDP's products (electricity and gas) are supplied in their final consuming form, therefore they do not require further processing.

## Use of sold products

---

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

1,688,039

### Emissions calculation methodology

Average data method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

Scope and emissions categorization defined to comply with the requirements of the GHG Protocol Value Chain (Scope 3) Accounting and Reporting Standard. Activity data sources: EDP. Emission factors source: calculated from published data (national energy authorities and LCA studies). GWP source: IPCC Assessment Report 5 (2014).

## End of life treatment of sold products

---

### Evaluation status

Not relevant, explanation provided

### Please explain

This category is not applicable to EDP. EDP's sold products (electricity and gas) do not generate waste, therefore no end of life treatment is required.

## Downstream leased assets

---

### Evaluation status

Not relevant, explanation provided

### Please explain

EDP did not use downstream leased assets in the reporting year

## Franchises

---

### Evaluation status

Not relevant, explanation provided

### Please explain

EDP did not have franchised activities in the reporting year

## Investments

---

### Evaluation status

Not relevant, explanation provided

**Please explain**

Emissions from EDP's participated companies (minority interests). Categories that account for less than 1% of total scope 3 emissions or are not applicable to EDP are considered not relevant.

**Other (upstream)**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

EDP had no emissions from upstream or downstream activities other than the ones reported in categories C1 to C15.

**Other (downstream)**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

EDP had no emissions from upstream or downstream activities other than the ones reported in categories C1 to C15.

## C6.7

**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No

## C6.10

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

---

**Intensity figure**

0.000708

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO<sub>2</sub>e)**

10,610,025

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

14,982,909,467

**Scope 2 figure used**

Location-based

**% change from previous year**

11

**Direction of change**

Decreased

**Reason for change**

Despite a 7% increase in scope 1+2, the total revenue increased by 25% from the previous year, which explain the direction of change.

---

**Intensity figure**

0.176

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

10,610,025

**Metric denominator**

megawatt hour generated (MWh)

**Metric denominator: Unit total**

60,165,930

**Scope 2 figure used**

Location-based

**% change from previous year**

12

**Direction of change**

Increased

**Reason for change**

A 7% scope 1+2 increase, together with a 5% decrease of EDP's net electricity generation explain the direction of change

## C7. Emissions breakdowns

### C7.1

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Yes

## C7.1a

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	9,808,261	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	33	IPCC Fifth Assessment Report (AR5 – 100 year)
SF6	10,786	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	212	IPCC Fifth Assessment Report (AR5 – 100 year)

## C-EU7.1b

**(C-EU7.1b) Break down your total gross global Scope 1 emissions from electric utilities value chain activities by greenhouse gas type.**

	Gross Scope 1 CO2 emissions (metric tons CO2)	Gross Scope 1 methane emissions (metric tons CH4)	Gross Scope 1 SF6 emissions (metric tons SF6)	Total gross Scope 1 emissions (metric tons CO2e)	Comment
Fugitives	0	0	0.459	10,786	Corresponds to SF6 fugitive emissions in gas insulated switchgears and transformers from generation and distribution activities
Combustion (Electric utilities)	9,794,364	0	0	9,794,364	CO2 emissions from thermal power plants, calculated according with the European Union Emission Trading System (EU ETS): The Monitoring and Reporting Regulation (MMR) – General guidance for installations. These guidelines do not contemplate the calculation of CH4 emissions, as they are immaterial in thermal electricity generation.

					According to official data from the Portuguese Environmental Agency, CH4 emissions from fuel combustion in electricity generation account for 0,08% of total GHG emissions (expressed in CO2e) from that activity. (Source: Portugal National Inventory Report 2017. CRF Table 1.s1 - 1.a - Public Electricity and Heating. Five-year average for the most recent available years).
Combustion (Gas utilities)	0	0	0	0	There are no combustion emissions associated with EDP's gas business as EDP only has gas supply activity.
Combustion (Other)	13,897	1.17		14,142	Emissions from stationary (natural gas consumption in office buildings) and mobile (company fleet) combustion in support activities. Total gross scope 1 emissions include additional 212 tCO2e corresponding to N2O emissions from fleet.
Emissions not elsewhere classified	0	0	0	0	All gross scope 1 emissions are accounted for in the previous categories.

## C7.2

### (C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Portugal	1,531,812.2
Spain	4,264,500.7
Brazil	4,021,995.1
North America	573.3

☞ <sup>1</sup>	
Other, please specify Rest of Europe (FR, BE, IT, PL, RO, GR, UK)	410.3

☞<sup>1</sup>North America includes activities in the USA, Canada and Mexico

## C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By activity

### C7.3c

**(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

Activity	Scope 1 emissions (metric tons CO <sub>2</sub> e)
Stationary combustion in thermal power plants	9,794,346
Fugitive emissions	10,786
Mobile combustion in company fleet	13,912
Natural gas consumption (office buildings)	230

## C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

**(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO<sub>2</sub>e.**

	Gross Scope 1 emissions, metric tons CO <sub>2</sub> e	Comment
Electric utility activities	9,819,292	Includes all the emissions associated with the value chain of EDP activity, namely thermal power plants emissions and fugitive emissions (generation and T&D).

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Increased

## C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO <sub>2</sub> e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	5,411	Decreased	0.05	Increased renewable energy consumption in office buildings and for self-consumption purpose, impacting scope 2: . This initiative amounted to emissions reduction of about 5.4 ktCO <sub>2</sub> e, which represents around 0.05% decrease in EDP's combined S1 + S2 emissions from 2020: $(5,411/9,898,540)100 = 0.05\%$ .
Other emissions reduction activities	1,603,242	Decreased	16.2	Emissions reduction initiatives impacting scope 1 and 2: new renewable generation capacity (wind and solar in several European, North America and APAC countries), grid loss reduction, power plant self-consumption reduction and distributed PV in office buildings. These initiatives amounted to emissions reduction of about 1.6 MtCO <sub>2</sub> e, which represents around 16% decrease in EDP's combined S1 + S2 emissions from 2020: $(160,3242/9,898,540)100 = 16.2\%$ .
Divestment	525,787	Increased	5.3	Divestment in wind and solar parks in the USA and Portugal, impacting scope 1 and 2. It was assumed that the corresponding loss of capacity was replaced by the marginal power plant (CCGT), resulting in increased emissions of about 0,53 MtCO <sub>2</sub> e. Thus, this divestment represents around 5% decrease in EDP's combined S1 + S2 emissions from 2020: $(525,787/9,898,540)100 = 5.3\%$ .
Acquisitions	0	No change	0	Impact included in other emissions reduction activities
Mergers	0	No change	0	No mergers

Change in output	554,530	Increased	5.6	The combined effect of increased generation from Coal (+1.77 TWh) and reduced generation from CCGT power plants (- 1.22 TWh) resulted in an increase of about 0.56 MtCO <sub>2</sub> e emissions, i.e., + 5.6% in EDP's combined scope 1 and 2 emissions from 2020: $(554,530/9,898,540)*100= 5.6\%$ .
Change in methodology	0	No change		No change in methodology
Change in boundary	0	No change	0	No change
Change in physical operating conditions	1,247,892	Increased	12.6	In 2021, there was a significant decrease in hydropower generation when compared to 2020. Assuming that the corresponding loss of production was replaced by the marginal power plant (CCGT), the increase in emissions amounted to about 1.25 MtCO <sub>2</sub> e, i.e., + 12.6% in EDP's combined scope 1 and 2 emissions from 2020: $(1,247,892/9,898,540)*100= 12.6\%$ .
Unidentified	0	No change	0	No unidentified change
Other	0	No change	0	No other change

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 90% but less than or equal to 95%

### C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

## C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	5,125.4	35,521,831.1	35,526,956.5
Consumption of purchased or acquired electricity		65,227	31,225	96,452
Consumption of self-generated non-fuel renewable energy		45,607,593.2		45,607,593.2
Total energy consumption		45,677,045.6	35,553,056.1	81,231,001.7

## C8.2b

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes

Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

## C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

### Sustainable biomass

#### Heating value

LHV

#### Total fuel MWh consumed by the organization

0

#### MWh fuel consumed for self-generation of electricity

0

#### MWh fuel consumed for self-generation of heat

0

#### MWh fuel consumed for self- cogeneration or self-trigeneration

0

#### Comment

EDP only consumed biomass (biofuels) for its fleet

### Other biomass

#### Heating value

LHV

#### Total fuel MWh consumed by the organization

1,179

#### MWh fuel consumed for self-generation of electricity

0

#### MWh fuel consumed for self-generation of heat

0

#### MWh fuel consumed for self- cogeneration or self-trigeneration

0

**Comment**

Biofuels for mobile combustion

**Other renewable fuels (e.g. renewable hydrogen)**

---

**Heating value**

LHV

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self- cogeneration or self-trigeneration**

0

**Comment**

EDP did not consume other renewable fuels

**Coal**

---

**Heating value**

LHV

**Total fuel MWh consumed by the organization**

19,752,406

**MWh fuel consumed for self-generation of electricity**

19,752,406

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self- cogeneration or self-trigeneration**

0

**Comment**

Fuel consumed in our coal-fired power plants

**Oil**

---

**Heating value**

LHV

**Total fuel MWh consumed by the organization**

25,091

**MWh fuel consumed for self-generation of electricity**

25,091

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self- cogeneration or self-trigeneration**

0

**Comment**

Fuel consumed in our thermal power plants

**Gas**

---

**Heating value**

LHV

**Total fuel MWh consumed by the organization**

12,592,858

**MWh fuel consumed for self-generation of electricity**

11,986,006

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self- cogeneration or self-trigeneration**

606,852

**Comment**

Fuel consumed in our CCGT power plants and CHP plants

**Other non-renewable fuels (e.g. non-renewable hydrogen)**

---

**Heating value**

LHV

**Total fuel MWh consumed by the organization**

3,156,273

**MWh fuel consumed for self-generation of electricity**

3,025,365

**MWh fuel consumed for self-generation of heat**

56,911

**MWh fuel consumed for self- cogeneration or self-trigeneration**

73,997

**Comment**

EDP consumed other non-renewable fuels for mobile combustion (Gasoline, diesel oil, LNG) and for power and heat generation (blast furnace gas and oxygen steel furnace gas)

#### **Total fuel**

---

##### **Heating value**

LHV

##### **Total fuel MWh consumed by the organization**

35,527,808

##### **MWh fuel consumed for self-generation of electricity**

34,788,868

##### **MWh fuel consumed for self-generation of heat**

58,090

##### **MWh fuel consumed for self- cogeneration or self-trigeneration**

680,850

##### **Comment**

No further comments

## **C-EU8.2d**

(C-EU8.2d) For your electric utility activities, provide a breakdown of your total power plant capacity, generation, and related emissions during the reporting year by source.

#### **Coal – hard**

---

##### **Nameplate capacity (MW)**

1,970.2

##### **Gross electricity generation (GWh)**

8,264.5

##### **Net electricity generation (GWh)**

7,568.6

##### **Absolute scope 1 emissions (metric tons CO<sub>2</sub>e)**

7,276,774

##### **Scope 1 emissions intensity (metric tons CO<sub>2</sub>e per GWh)**

961.4

##### **Comment**

Figures refer to coal power plants EDP owns in Spain and Brazil.

#### **Lignite**

---

**Nameplate capacity (MW)**

0

**Gross electricity generation (GWh)**

0

**Net electricity generation (GWh)**

0

**Absolute scope 1 emissions (metric tons CO2e)**

0

**Scope 1 emissions intensity (metric tons CO2e per GWh)**

0

**Comment**

EDP does not own lignite-fired power plants.

**Oil**

---

**Nameplate capacity (MW)**

0

**Gross electricity generation (GWh)**

0

**Net electricity generation (GWh)**

0

**Absolute scope 1 emissions (metric tons CO2e)**

0

**Scope 1 emissions intensity (metric tons CO2e per GWh)**

0

**Comment**

EDP does not own oil-fired power plants.

**Gas**

---

**Nameplate capacity (MW)**

2,885.6

**Gross electricity generation (GWh)**

6,600.5

**Net electricity generation (GWh)**

6,434.9

**Absolute scope 1 emissions (metric tons CO2e)**

2,407,736

**Scope 1 emissions intensity (metric tons CO<sub>2</sub>e per GWh)**

374.2

**Comment**

Figures refer to CCGT power plants EDP owns in Portugal and Spain.

**Sustainable biomass**

---

**Nameplate capacity (MW)**

0

**Gross electricity generation (GWh)**

0

**Net electricity generation (GWh)**

0

**Absolute scope 1 emissions (metric tons CO<sub>2</sub>e)**

0

**Scope 1 emissions intensity (metric tons CO<sub>2</sub>e per GWh)**

0

**Comment**

EDP does not own biomass power plants

**Other biomass**

---

**Nameplate capacity (MW)**

0

**Gross electricity generation (GWh)**

0

**Net electricity generation (GWh)**

0

**Absolute scope 1 emissions (metric tons CO<sub>2</sub>e)**

0

**Scope 1 emissions intensity (metric tons CO<sub>2</sub>e per GWh)**

0

**Comment**

EDP does not own other biomass power plants

**Waste (non-biomass)**

---

**Nameplate capacity (MW)**

0

**Gross electricity generation (GWh)**

0

**Net electricity generation (GWh)**

0

**Absolute scope 1 emissions (metric tons CO<sub>2</sub>e)**

0

**Scope 1 emissions intensity (metric tons CO<sub>2</sub>e per GWh)**

0

**Comment**

EDP does not own waste power plants

**Nuclear**

---

**Nameplate capacity (MW)**

0

**Gross electricity generation (GWh)**

0

**Net electricity generation (GWh)**

0

**Absolute scope 1 emissions (metric tons CO<sub>2</sub>e)**

0

**Scope 1 emissions intensity (metric tons CO<sub>2</sub>e per GWh)**

0

**Comment**

EDP, through Iberenegia, S.A.U., a subsidiary company of EDP España S.A.U., holds a 15.5% stake in the Trillo nuclear power plant. EDP is a minor shareholder and has no operational or financial control over this power plant, that's why this plant is outside our reporting boundary.

**Fossil-fuel plants fitted with CCS**

---

**Nameplate capacity (MW)**

0

**Gross electricity generation (GWh)**

0

**Net electricity generation (GWh)**

0

**Absolute scope 1 emissions (metric tons CO<sub>2</sub>e)**

0

**Scope 1 emissions intensity (metric tons CO<sub>2</sub>e per GWh)**

0

**Comment**

EDP does not own fossil-fuel plants fitted with CCS

**Geothermal**

---

**Nameplate capacity (MW)**

0

**Gross electricity generation (GWh)**

0

**Net electricity generation (GWh)**

0

**Absolute scope 1 emissions (metric tons CO2e)**

0

**Scope 1 emissions intensity (metric tons CO2e per GWh)**

0

**Comment**

EDP does not own geothermal plants

**Hydropower**

---

**Nameplate capacity (MW)**

7,126.7

**Gross electricity generation (GWh)**

15,421.4

**Net electricity generation (GWh)**

15,283.1

**Absolute scope 1 emissions (metric tons CO2e)**

45.6

**Scope 1 emissions intensity (metric tons CO2e per GWh)**

0

**Comment**

Figures refer to large and mini-hydro power plants EDP owns in Portugal, Spain and Brazil. Scope 1 emissions in hydroelectric power plants are related to SF6 fugitive emissions.

**Wind**

---

**Nameplate capacity (MW)**

11,845.1

**Gross electricity generation (GWh)**

29,675.7

**Net electricity generation (GWh)**

29,591.8

**Absolute scope 1 emissions (metric tons CO<sub>2</sub>e)**

325

**Scope 1 emissions intensity (metric tons CO<sub>2</sub>e per GWh)**

0.01

**Comment**

Figures refer to wind farms EDP owns in Portugal, Spain, Brazil, North America and several European countries. Scope 1 emissions in wind farms are related to SF6 fugitive emissions

**Solar**

---

**Nameplate capacity (MW)**

644.8

**Gross electricity generation (GWh)**

736.4

**Net electricity generation (GWh)**

732.7

**Absolute scope 1 emissions (metric tons CO<sub>2</sub>e)**

0

**Scope 1 emissions intensity (metric tons CO<sub>2</sub>e per GWh)**

0

**Comment**

Figures refer to solar parks EDP owns in Portugal, Romania, Brazil, Mexico, Vietnam and the USA.

**Marine**

---

**Nameplate capacity (MW)**

0

**Gross electricity generation (GWh)**

0

**Net electricity generation (GWh)**

0

**Absolute scope 1 emissions (metric tons CO<sub>2</sub>e)**

0

**Scope 1 emissions intensity (metric tons CO<sub>2</sub>e per GWh)**

0

**Comment**

EDP doe not own marine plants

**Other renewable**

---

**Nameplate capacity (MW)**

0

**Gross electricity generation (GWh)**

0

**Net electricity generation (GWh)**

0

**Absolute scope 1 emissions (metric tons CO<sub>2</sub>e)**

0

**Scope 1 emissions intensity (metric tons CO<sub>2</sub>e per GWh)**

0

**Comment**

EDP does not own other renewable power plants besides hydro, wind and solar.

**Other non-renewable**

---

**Nameplate capacity (MW)**

22.8

**Gross electricity generation (GWh)**

174.2

**Net electricity generation (GWh)**

173

**Absolute scope 1 emissions (metric tons CO<sub>2</sub>e)**

105,253

**Scope 1 emissions intensity (metric tons CO<sub>2</sub>e per GWh)**

189.7

**Comment**

Figures refer to gas-fired CHP (including LDG and coke oven gas). Denominator includes heat generation in CHP plants (381.95 GWh).

**Total**

---

**Nameplate capacity (MW)**

24,495.3

**Gross electricity generation (GWh)**

60,872.7

**Net electricity generation (GWh)**

59,784

**Absolute scope 1 emissions (metric tons CO<sub>2</sub>e)**

9,790,134

**Scope 1 emissions intensity (metric tons CO<sub>2</sub>e per GWh)**

162.7

**Comment**

Scope 1 emissions intensity includes 381.9 GWh from heat generation in CHP plants

## C8.2g

**(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.**

---

**Country/area**

Portugal

**Consumption of electricity (MWh)**

2,026,607

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

2,026,607

---

**Country/area**

Spain

**Consumption of electricity (MWh)**

417,012

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

417,012

---

**Country/area**

France

**Consumption of electricity (MWh)**

1,095

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

1,095

---

**Country/area**

Belgium

**Consumption of electricity (MWh)**

54

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

54

---

**Country/area**

Italy

**Consumption of electricity (MWh)**

2,627

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

2,627

---

**Country/area**

Poland

**Consumption of electricity (MWh)**

4,219

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

4,219

---

**Country/area**

Romania

**Consumption of electricity (MWh)**

7,439

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

7,439

---

**Country/area**

Brazil

**Consumption of electricity (MWh)**

381,551

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

381,551

---

**Country/area**

United States of America

**Consumption of electricity (MWh)**

46,210

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

46,210

---

**Country/area**

Canada

**Consumption of electricity (MWh)**

896

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

896

---

**Country/area**

Mexico

**Consumption of electricity (MWh)**

2,686

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

2,686

## **C-EU8.4**

**(C-EU8.4) Does your electric utility organization have a transmission and distribution business?**

Yes

## **C-EU8.4a**

**(C-EU8.4a) Disclose the following information about your transmission and distribution business.**

---

**Country/Region**

Brazil

**Voltage level**

Distribution (low voltage)

**Annual load (GWh)**

26,015.93

**Annual energy losses (% of annual load)**

10

**Scope where emissions from energy losses are accounted for**

Scope 2 (location-based)

**Emissions from energy losses (metric tons CO2e)**

227,842

**Length of network (km)**

94,986

**Number of connections**

3,680,442

**Area covered (km2)**

50,800

**Comment**

EDP, through their distribution companies EDP S. Paulo and EDP Espírito Santo, holds concession contracts for electricity distribution in the Brazilian States of S. Paulo and Espírito Santo. The loss figure includes both technical and commercial losses and represent the weighted average loss of both grids.

---

**Country/Region**

Portugal

**Voltage level**

Distribution (low voltage)

**Annual load (GWh)**

44,752

**Annual energy losses (% of annual load)**

8.2

**Scope where emissions from energy losses are accounted for**

Scope 2 (location-based)

**Emissions from energy losses (metric tons CO2e)**

526,831

**Length of network (km)**

230,676

**Number of connections**

6,370,147

**Area covered (km2)**

89,102

**Comment**

EDP, through its distribution company E-REDES, holds concession contracts for electricity distribution in Portugal mainland. E-REDES is also the Portuguese DSO (Distribution System Operator), holding the High and Medium Voltage networks. Data disclosed includes all the networks. The loss figure includes both technical and commercial losses.

---

**Country/Region**

Spain

**Voltage level**

Distribution (low voltage)

**Annual load (GWh)**

14,117

**Annual energy losses (% of annual load)**

4.7

**Scope where emissions from energy losses are accounted for**

Scope 2 (location-based)

**Emissions from energy losses (metric tons CO2e)**

11,282

**Length of network (km)**

52,493

**Number of connections**

1,376,478

**Area covered (km2)**

25,800

**Comment**

EDP España, through its distribution companies E-Redes, Viesgo and Begasay, holds concession contracts for electricity distribution in the Principality of Asturias (, Region of Cantabria, Autonomuos Community of Galicia (Lugo), Madrid Community, Castile & León (Burgos and Palencia), Valencian Community (Valence and Alicant), Aragón (Zaragoza and Huesca) and Catalonia (Barcelona and Tarragona). The loss figure includes both technical and commercial losses.

## C9. Additional metrics

### C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

---

#### Description

Other, please specify  
Renewable generation installed capacity

#### Metric value

0.8

#### Metric numerator

Renewable installed capacity in 2021: 19,617 MW

#### Metric denominator (intensity metric only)

Total installed capacity in 2021: 24,495 MW

#### % change from previous year

1

#### Direction of change

Increased

#### Please explain

Renewable power plant installed capacity as a percentage of the total generation installed capacity

---

#### Description

Other, please specify  
% of Smart meter installed in Iberia

#### Metric value

0.7

#### Metric numerator

Smart meters installed by the end 2021: 5,355,824

#### Metric denominator (intensity metric only)

Number of delivery points: 7,621,334

#### % change from previous year

16

#### Direction of change

Increased

**Please explain**

EDP continued the roll-out of smart meters in the Iberian Peninsula. The target publicly committed is to have 100% smart meters installed by 2025

---

**Description**

Other, please specify

Induced clients' savings (accumulated in the period 2015-2020)

**Metric value**

5.1

**Metric numerator**

Accumulated clients' savings since 2015: 5.1 TWh

**Metric denominator (intensity metric only)**

No metric denominator, this is an absolute target

**% change from previous year**

11

**Direction of change**

Increased

**Please explain**

EDP publicly committed to provide customers with ongoing energy efficiency products and services delivering more 5 TWh in accumulated savings in the period 2015-2022. This target has already been achieved. A new target was set in 2021: to provide customers with ongoing products and services avoiding 15 MtCO<sub>2</sub>e by 2025, accumulated since 2015. The mentioned products and services include energy efficiency solutions, distributed solar PV, sustainable mobility and renewable electricity supply.

## C-EU9.5a

**(C-EU9.5a) Break down, by source, your organization's CAPEX in the reporting year and CAPEX planned over the next 5 years.**

**Coal – hard**

---

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

34,696,927.4

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0.9

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0.4

**Explain your CAPEX calculations, including any assumptions**

This figures include all investment made in coal-fired power plants EDP owns in Brazil and Spain, and the CAPEX planned corresponds to the current business plan 2021-2025

**Lignite**

---

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

0

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**Explain your CAPEX calculations, including any assumptions**

EDP does not have lignite-fired power plants

**Oil**

---

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

0

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**Explain your CAPEX calculations, including any assumptions**

EDP does not have oil-fired power plants

**Gas**

---

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

25,295,746.5

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0.7

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0.3

**Explain your CAPEX calculations, including any assumptions**

This figures include all investment made in CCGT and CHP powered by natural gas EDP owns in Portugal and Spain, and the CAPEX planned corresponds to the current business plan 2021-2025

### **Sustainable biomass**

---

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

0

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**Explain your CAPEX calculations, including any assumptions**

EDP does not have biomass-fired power plants

### **Other biomass**

---

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

0

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**Explain your CAPEX calculations, including any assumptions**

EDP does not have other biomass-fired power plants

### **Waste (non-biomass)**

---

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

0

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**Explain your CAPEX calculations, including any assumptions**

EDP does not have waste-fired power plants

## **Nuclear**

---

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

0

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**Explain your CAPEX calculations, including any assumptions**

The nuclear power plant in Spain in which EDP has a minority stake is not included in our consolidation perimeter.

## **Geothermal**

---

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

0

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**Explain your CAPEX calculations, including any assumptions**

EDP does not have geothermal power plants

## Hydropower

---

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

39,731,490.3

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

1.1

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

1

**Explain your CAPEX calculations, including any assumptions**

This figures include all investment made in hydro power plants EDP owns in Portugal, Spain and Brasil and the CAPEX planned corresponds to the current business plan 2021-2025

## Wind

---

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

3,014,162,778.5

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

80.1

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

57.5

**Explain your CAPEX calculations, including any assumptions**

This figures include all investment made in EDP's wind farms and the CAPEX planned corresponds to the current business plan 2021-2025

## Solar

---

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

647,242,704.5

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

17.2

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

40.8

**Explain your CAPEX calculations, including any assumptions**

This figures include all investment made in EDP's solar parks and the CAPEX planned corresponds to the current business plan 2021-2025

**Marine**

---

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

0

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**Explain your CAPEX calculations, including any assumptions**

EDP does not own marine plants

**Fossil-fuel plants fitted with CCS**

---

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

0

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**Explain your CAPEX calculations, including any assumptions**

EDP does not own fossil-fuel plants fitted with CCS

**Other renewable (e.g. renewable hydrogen)**

---

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

0

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**Explain your CAPEX calculations, including any assumptions**

EDP does not own renewable plants other than the ones mentioned above

**Other non-renewable (e.g. non-renewable hydrogen)**

**CAPEX in the reporting year for power generation from this source (unit currency as selected in C0.4)**

0

**CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year**

0

**CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years**

0

**Explain your CAPEX calculations, including any assumptions**

EDP does not own non-renewable plants other than the ones mentioned above

## C-EU9.5b

**(C-EU9.5b) Break down your total planned CAPEX in your current CAPEX plan for products and services (e.g. smart grids, digitalization, etc.).**

Products and services	Description of product/service	CAPEX planned for product/service	Percentage of total CAPEX planned products and services	End of year CAPEX plan
Smart grid	Investment in smart grids in Portugal, Spain and Brazil, including roll-out of smart meters in the low voltage delivery points, grid digitalization, quality, capacity and resilience. This investment impacts all economic sectors and potentially all EDP electricity customers (8.65 million in Portugal, Spain and Brazil). Investment in smart grids has several benefits: improving the grid quality and management and increasing	3,200,000,000	78	2025

	operational efficiency and reliability of supply, while allowing for higher integration of distributed generation from renewable sources, electric mobility, demand side management and demand response schemes.			
Other, please specify Energy end-use efficiency product and services and energy management	<p>EDP has a diversified portfolio of energy efficiency products and services targeted at the specific needs of the different customer segments (residential, tertiary, industry, transport and public sector) in Portugal, Spain, Brazil and, more recently, in the USA, Italy, Poland and APAC. The investment in these products and services impact all EDP's electricity and gas customers (9.3 million). Our portfolio includes: distributed generation (solar PV generation solutions), prosumer services, home storage systems, smart appliances, heat pumps, compact smart energy management devices, integrated energy management solutions, fuel switching projects, energy audits, electric mobility solutions, education projects and awareness campaigns.</p> <p>For the new Business Plan 2021-2025, EDP committed to provide sustainable products and services to its customers, including energy efficiency, electric mobility and distributed generation solutions, together with the increasing supply of green electricity. We expect to induce around 15 million tons of CO2 avoided emissions accumulated in the period 2015-2025.</p>	900,000,000	22	2025

## C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	R&D and innovation at EDP identified seven domains in accordance with EDP's business strategy, which positions itself at all stages of the energy industry value chain, particularly; <ul style="list-style-type: none"> <li>- in the main pillars of growth (renewable energies, networks),</li> <li>- new domains of growth (distributed energy systems, green hydrogen, energy storage and flexibility, and sustainable mobility)</li> <li>- and main trends in the sector (decarbonization).</li> </ul>

## C-CO9.6a/C-EU9.6a/C-OG9.6a

(C-CO9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
Distributed energy resources	Small scale commercial deployment	21-40%	25	Distributed energy resources (eg. self-consumption PV systems, development of the "Barrio Solar" concept, Yotta energy), PV floating System, Windfloat, Green hydrogen, efficient solutions for wind and solar, generation and storage of renewable energies)
Smart grids	Large scale commercial deployment	21-40%	22	European and Brazilian smart grid and smart meters deployment; several projects such as: Innovgrid 20-30, Integrid, Mars Network, Flash BT, DYNELEC, Interconnect and EUniversal; dynamic monitoring, digitalization

				of grid assets, artificial vision monitoring, fire detection systems, drone inspection.
Digital technology	Small scale commercial deployment	≤20%	7	IT innovative projects along EDP value chain (generation, distribution, supply, digital global unit and support activities); start-up investments (Amperio, Solshare, Defined Crowd, DotGis, Energyworx, Ydata, Probely, Locr, NGen, Vyntelligence, Delfos, Blue Solar, Voltbras, Clark, Plexigrid)
Energy storage	Applied research and development	≤20%	3	Energy storage and flexibility projects ( V2G, Redox, Akkurate, Yotta Energy, Smart4RES, 2nd life batteries)
Other, please specify Sustainable mobility and other efficient solutions for customers	Small scale commercial deployment	21-40%	32	Electric mobility: development of EV apps - EV.Charge, development of EV charging stations. Energy management solutions, distributed solar solutions for households and condominium, energy efficiency and demand response projects (efficient lighting systems, Save2Compete programme, new functionalities for the Re:dy device, building energy management systems, DOMINOES, Sharing cities, InterConnect, Re:dy, energy efficiency program in Brazil)
Other, please specify Innovation operational costs	Applied research and development	≤20%	11	Operational costs to support RDi activities, New downstream and CNET (Centre for New Energy Technologies) structures

## C10. Verification

### C10.1

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

### C10.1a

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

---

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

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**Page/ section reference**

Page 4

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

### C10.1b

**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

---

**Scope 2 approach**

Scope 2 location-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

 Energy Consumption and Atmospheric Emissions Report 2021 - EN\_0.pdf

**Page/ section reference**

Page 4

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

---

**Scope 2 approach**

Scope 2 market-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

 Energy Consumption and Atmospheric Emissions Report 2021 - EN\_0.pdf

**Page/ section reference**

Page 4

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

## C10.1c

**(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

---

**Scope 3 category**

Scope 3: Purchased goods and services

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

 EDP Sustainability Report 2021.pdf

 Energy Consumption and Atmospheric Emissions Report 2021 - EN\_0.pdf

**Page/section reference**

Pages 303-304 of the EDP Sustainability Report 2021

Page 2 of the Energy Consumption and Atmospheric Emissions Report 2021

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Capital goods

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

 EDP Sustainability Report 2021.pdf

 Energy Consumption and Atmospheric Emissions Report 2021 - EN\_0.pdf

**Page/section reference**

Pages 303-304 of the EDP Sustainability Report 2021

Page 2 of the Energy Consumption and Atmospheric Emissions Report 2021

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

 EDP Sustainability Report 2021.pdf

 Energy Consumption and Atmospheric Emissions Report 2021 - EN\_0.pdf

**Page/section reference**

Pages 303-304 of the EDP Sustainability Report 2021

Page 2 of the Energy Consumption and Atmospheric Emissions Report 2021

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Upstream transportation and distribution

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

 EDP Sustainability Report 2021.pdf

 Energy Consumption and Atmospheric Emissions Report 2021 - EN\_0.pdf

**Page/section reference**

Pages 303-304 of the EDP Sustainability Report 2021

Page 2 of the Energy Consumption and Atmospheric Emissions Report 2021

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Waste generated in operations

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

 EDP Sustainability Report 2021.pdf

 Energy Consumption and Atmospheric Emissions Report 2021 - EN\_0.pdf

**Page/section reference**

Pages 303-304 of the EDP Sustainability Report 2021

Page 2 of the Energy Consumption and Atmospheric Emissions Report 2021

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Business travel

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

 EDP Sustainability Report 2021.pdf

 Energy Consumption and Atmospheric Emissions Report 2021 - EN\_0.pdf

**Page/section reference**

Pages 303-304 of the EDP Sustainability Report 2021

Page 2 of the Energy Consumption and Atmospheric Emissions Report 2021

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Employee commuting

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

 EDP Sustainability Report 2021.pdf

 Energy Consumption and Atmospheric Emissions Report 2021 - EN\_0.pdf

**Page/section reference**

Pages 303-304 of the EDP Sustainability Report 2021  
Page 2 of the Energy Consumption and Atmospheric Emissions Report 2021

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Use of sold products

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

 EDP Sustainability Report 2021.pdf

 Energy Consumption and Atmospheric Emissions Report 2021 - EN\_0.pdf

**Page/section reference**

Pages 303-304 of the EDP Sustainability Report 2021

Page 2 of the Energy Consumption and Atmospheric Emissions Report 2021

**Relevant standard**

ISAE 3410

**Proportion of reported emissions verified (%)**

100

## C10.2

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

Yes

## C10.2a

**(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

 EDP Sustainability Report 2021.pdf

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1)	ISAE3000	Verification under third party independent assurance of EDP Sustainability Report 2021. Annual verification of corporate-wide data. C6.1 – Scope 1 emissions.  1
C6. Emissions data	Year on year change in emissions (Scope 2)	ISAE3000	Verification under third party independent assurance of EDP Sustainability Report 2021. Annual verification of corporate-wide data. C6.2 e C6.3 – Scope2 emissions.  1
C6. Emissions data	Year on year change in emissions (Scope 3)	ISAE3000	Verification under third party independent assurance of EDP Sustainability Report 2021. Annual verification of corporate-wide data. C6.5 – Scope 3 emissions.  1
C9. Additional metrics	Renewable energy products	ISAE3000	Verification under third party independent assurance of EDP Sustainability Report 2021. Annual verification of corporate-wide data. C9.1 – % of renewable electricity generation installed capacity  1

C4. Targets and performance	Emissions reduction activities	ISAE3000	Verification under third party independent assurance of EDP Sustainability Report 2021. Annual verification of corporate-wide data. C4.3 - GHG reduction from emissions reductions initiatives in the reporting year.  1
C4. Targets and performance	Year on year emissions intensity figure	ISAE3000	Verification under third party independent assurance of EDP Sustainability Report 2021. Annual verification of corporate-wide data. C4.1 – Scope 1 and scope 2 emissions intensity.  1
C4. Targets and performance	Financial or other base year data points used to set a science-based target	ISAE3000	Verification under third party independent assurance of EDP Sustainability Report 2021. Annual verification of corporate-wide data. C4.1b – Emissions and electricity generation data used in setting EDP Science-based target and reporting year % of achievement.  1
C8. Energy	Energy consumption	ISAE3000	Verification under third party independent assurance of EDP Sustainability Report 2021. Annual verification of corporate-wide data. C8.2a – Energy consumption totals. C8.2c – Energy consumption

			by fuel type.  1
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 1EDP Sustainability Report 2021.pdf

## C11. Carbon pricing

### C11.1

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Yes

#### C11.1a

**(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**

EU ETS

#### C11.1b

**(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.**

##### EU ETS

**% of Scope 1 emissions covered by the ETS**

59

**% of Scope 2 emissions covered by the ETS**

0

**Period start date**

January 1, 2021

**Period end date**

December 31, 2021

**Allowances allocated**

8,188,270

**Allowances purchased**

5,521,185

**Verified Scope 1 emissions in metric tons CO<sub>2</sub>e**

5,780,943

**Verified Scope 2 emissions in metric tons CO<sub>2</sub>e**

0

### **Details of ownership**

Facilities we own and operate

### **Comment**

Includes only the facilities (power plants under the EU-ETS) we own and operate in Europe (Portugal and Spain). In Brazil, there are no emissions trading systems in place so far.

## **C11.1d**

### **(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

EDP's compliance strategy for the EU-ETS is based on emission reduction as well as in allowances purchase. The allocation of emissions allowances for the 2013-2020 period is made partially in auction, in accordance with Directive 2009/29/EC, which regulates the 3rd phase of the EU ETS - European Emission Trading Scheme. EDP's carbon credit management follows a hedging strategy, as in previous years, aiming at minimizing its exposure to market risk. The purchase of allowances is made on the secondary market and through over-the-counter transactions. In 2021, only one CHP plant in Portugal got allowances allocated for free (~43kt). The power plants covered by the EU ETS emitted about 5.8 Mton of CO<sub>2</sub> in 2021, 22% less than in 2020. To comply with EU-ETS, EDP has used allocated allowances, allowances purchased and banked allowances (allowances that EDP did not use in the past years).

## **C11.2**

### **(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

Yes

## **C11.2a**

### **(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.**

---

#### **Credit origination or credit purchase**

Credit purchase

#### **Project type**

Forests

#### **Project identification**

The main objective of the Agrocortex REDD+ project is to prevent illegal deforestation of about 186,219 ha in the Amazon biome. The project is located on the border between the states of Acre and Amazonas, southwest of the Amazon, within the expansion

frontier of agribusiness. The company responsible for managing the credits developed a Sustainable Management Plan certified by the Forest Stewardship Council (FSC), considered an important tool for the preservation of the Forest and reduction of deforestation numbers in the project region. In addition, the project seeks to promote alternative sources of income for local communities, and thus contributing to the sustainable development of the region.

**Verified to which standard**

VCS (Verified Carbon Standard)

**Number of credits (metric tonnes CO<sub>2</sub>e)**

7,142

**Number of credits (metric tonnes CO<sub>2</sub>e): Risk adjusted volume**

7,142

**Credits cancelled**

Yes

**Purpose, e.g. compliance**

Voluntary Offsetting

## C11.3

**(C11.3) Does your organization use an internal price on carbon?**

Yes

## C11.3a

**(C11.3a) Provide details of how your organization uses an internal price on carbon.**

---

**Objective for implementing an internal carbon price**

Navigate GHG regulations  
Stakeholder expectations  
Change internal behavior  
Drive energy efficiency  
Drive low-carbon investment  
Stress test investments  
Identify and seize low-carbon opportunities

**GHG Scope**

Scope 1

**Application**

A carbon price is used company-wide to assess the impact of current and future carbon regulation—namely ETS and carbon taxes—on energy prices, energy volumes, and existing assets' value, as well as to evaluate capital investments in building or acquiring

new electricity generation assets across the globe. Meaningful carbon prices strongly benefit EDP's business strategy, fully align with the Paris Agreement, and contribute decisively to its commitment to be carbon neutral well before 2050.

**Actual price(s) used (Currency /metric ton)**

85

**Variance of price(s) used**

Price ranges are set by the Energy Planning Department and are updated yearly. Price forecasts depend on the scenario, year and geography. For instance, in Europe, CO2 price forecast range from EUR50 to EUR120 per ton of CO2 (2035), from EUR100 to EUR250 (2050); and in the USA, from USD30-USD70 in 2035 and USD80-USD200 in 2050. For the timeframe 2020 to 2030, the price that has the greatest impact on EDP is the ETS price. The price considered in the table was an average price for the base scenario and for the timeframe 2021-2035, i.e., 85€/tCO2e.

**Type of internal carbon price**

Shadow price

Implicit price

**Impact & implication**

EDP uses internal shadow and implicit carbon prices to assess the impact of regulation on energy prices, energy volumes and existing asset's value, as well as to evaluate capital investments.

GHG regulation considered include the EU-ETS, which applies to our thermal power generation assets in Europe (Portugal and Spain), as well as possible future ETS in the only other geography where we currently own thermal power plants (Brazil).

Use of internal carbon price in investment evaluation is applied on building or acquiring new electricity generation assets in all geographies where we currently operate, taking into account the specifics of the markets, namely in what concerns regulation.

## C12. Engagement

### C12.1

**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, our customers/clients

### C12.1a

**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

---

**Type of engagement**

Information collection (understanding supplier behavior)

### **Details of engagement**

Collect climate change and carbon information at least annually from suppliers

### **% of suppliers by number**

8

### **% total procurement spend (direct and indirect)**

24

### **% of supplier-related Scope 3 emissions as reported in C6.5**

45

### **Rationale for the coverage of your engagement**

For the purpose of the sustainable management of EDP's supply chain, the number of suppliers under scope is the total number of ongoing suppliers that were procured. As for the Procurement Function, the number of suppliers is 1476, representing about 95 % of total purchase spend. Every supplier under procurement, i.e. under a tender process, is invited to answer a CO2 emissions questionnaire, which is applicable for tenders with potential or real environmental impacts. Tenders for supplies of services or products that are internationally, by law or by performance, identified as having environmental impacts or that are exposed to environmental risks, are classified as Environmental Critical. Therefore, the tender includes environmental threshold criteria that any bidding supplier must accomplish in order to be included in the negotiation stage. These tenders are environmentally segmented: emissions, waste, dangerous waste, dangerous chemicals, biodiversity or any combination of these criteria. As a consequence, applicants must answer a questionnaire disclosing:

- a valid Environmental Certification (policies, systems, managers, goals, targets) and the extent of their scope
- performance in the previous 3 years (accidents, fines, emissions, consumption, improvements ...)
- Special criteria/technological devices

In 2021, about 8 % of our suppliers under procurement were classified as environmental critical, representing 24 % of the total procurement spend.

### **Impact of engagement, including measures of success**

The impact of this engagement is supported by a KPI system, which stands as a measure of success and where some indicators are directly linked to procurement teams' annual prizes. For the reporting year 2021, KPIs include:

- % of Suppliers under Procurement exposed to Environmental risks with ISO certification: 63%
- % Environmental Critical Suppliers performance annually appraised: 100%
- % Direct coal contracts made in 2020 with Bettercoal clause: 100%

A good example is the engagement initiative EDPR developed with its suppliers on climate issues. Through meetings with its suppliers, the company shares its strategy and Business Plan 21-25 priorities and also its climate change targets. In this way, both parties can align their long-term decarbonization and neutrality objectives. Further growth in EDP's business during the next years and also future scenarios are accompanied by a higher volume of suppliers, and it is therefore essential for EDP to

align its supply chain climate performance with the company's objectives. Another good example is the Supplier Development Index (IDF) through which EDP promotes sustainability in the supply chain in Brazil. IDF is the methodology used by EDP to monitor and evaluate the performance of its suppliers (adherence to the Value Proposal), composed of a set of KPIs, defined from contractual requirements and technical specifications customized for each type of contracted supply, besides sustainability requirements (social, environmental and economic), Health and Safety, Compliance and good management practices. The sustainability dimension of IDF encompasses the management of Climate Change by assessing aspects such as: management and reduction of GHG emissions, compensation of GHG emissions, verification of inventories and promotion of Climate Change management initiatives in the supply chain. This approach covers the critical suppliers (7% of suppliers in Brazil). In 2021, the IDF rating was 74% (72% in 2020), which means that EDP in Brazil has been engaging and improving the performance of its suppliers in general and particularly on climate change issues.

#### **Comment**

N/A

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#### **Type of engagement**

Information collection (understanding supplier behavior)

#### **Details of engagement**

Collect climate change and carbon information at least annually from suppliers

#### **% of suppliers by number**

20

#### **% total procurement spend (direct and indirect)**

42

#### **% of supplier-related Scope 3 emissions as reported in C6.5**

62.4

#### **Rationale for the coverage of your engagement**

EDP collects information on any supplier exposed to Environmental Risks. International companies that are also EDP's suppliers, are key to leveraging Climate Change combat as they are supply chain integrators. When partnering with those companies, EDP promotes a higher level of commitment and Climate Change disclosure through promoting CDP Climate Change methodology as well as engagement with international organizations such as WBCSD, SEE4ALL, Bettercoal, SBTi, among others. EDP monitors the success of this approach by evaluating the share of the total procurement spend that is directed to companies that are engaged with CDP. In 2021, 20% of our suppliers classified as environmental critical responded to CDP and represented 42% of the total procurement spend.

#### **Impact of engagement, including measures of success**

We evaluate the impact of this engagement through the share of the total procurement spend that is directed to companies that respond to CDP Climate Change questionnaire. The % of the total value spend with suppliers engaged with CDP's Climate Change annual assessment increased to 42.0% in 2021 vs. 40.7% in 2020.

**Comment**

N/A

## C12.1b

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

---

**Type of engagement & Details of engagement**

Education/information sharing

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

**% of customers by number**

100

**% of customer - related Scope 3 emissions as reported in C6.5**

52

**Please explain the rationale for selecting this group of customers and scope of engagement**

Engagement activity applies to all customers in the markets where EDP has electricity and gas supply activities (Portugal, Spain and Brazil). It covers natural gas customers, that account for 16% of our scope 3 emissions, as well as electricity customers, that account for 36% of our scope 3 emissions. EDP actively promotes energy efficiency improvement, demand-side management, sustainable mobility and distributed generation by developing and offering its customers innovative products and services (P&S), including:

- i) regular awareness campaigns targeted at energy and GHG reduction on the use of its products and services. Examples of awareness campaigns are available on EDP's supply companies' websites: [www.edp.pt](http://www.edp.pt) (in Portugal, for the liberalised market); [www.edpenergia.es](http://www.edpenergia.es) (in Spain); and [www.edp.com.br](http://www.edp.com.br) (in Brazil).
- ii) Energy efficiency improvement projects: supply of more efficient equipment and lighting (LED bulbs, street lighting, high performance engines, variable speed drives, heat pumps, water heaters, other high efficiency large appliances);
- iii) Integrated energy services: e.g. the Save to Compete (S2C) programme in Portugal and Spain, the Cuota Ahorro programme in Spain and the E:efficient programme in Brazil. The S2C programme applies to the business sector in the Iberian Peninsula and consists of identifying measures to reduce energy consumption, promoting its implementation and costing through the savings generated. In 2021, S2C was updated with charging solutions.

- iv) Energy audits, energy certification systems for buildings and energy management systems;
- v) Distributed generation projects: EDP provides solar energy solutions to all types of consumers - residential, commercial or industrial - through distributed generation and self-consumption PV schemes.
- vi) Electric mobility: EDP promotes electrification of transports to its customers through commercial solutions, including public and private electric vehicle charging infrastructures, awareness campaigns, simulators, app-based system for monitoring and managing electricity consumption of households and electric vehicle.
- vii) Regulatory programs, either voluntary (Plan for the Promotion of Electricity Consumption Efficiency - PPEC – in Portugal), or mandatory schemes (in Spain and Brazil).
- viii) EE education and awareness-raising projects in schools

### **Impact of engagement, including measures of success**

The impact of engaging with our customers is measured by the savings generated by our initiatives as well as the corresponding CO<sub>2</sub> emissions avoided. All energy efficiency, sustainable mobility and distributed generation initiatives carried out in 2021 led to an estimated energy savings of 513 GWh, avoiding the emission of 267 ktCO<sub>2</sub>e. Since 2015, the total accumulated savings from our sustainable services have avoided about 8.9 MtCO<sub>2</sub>e, more than half the 2025 target - 15 MtCO<sub>2</sub>e.

In particular, it is worth mentioning the following company-specific initiatives:

- the Electric House program, aimed at b2c customers, which aims to promote the change of consumption of butane or propane gas for electricity, with an impact on energy consumption and safety and in alignment with the Group's strategy of electrification of consumption.
  - the Plan for Promoting Efficiency in Electricity Consumption (PPEC), managed by the Portuguese regulator is a voluntary project based on national tenders, encouraging the implementation of measures for the adoption of more efficient habits and equipment by the different segments - residential, commercial and services, industry and agriculture. The programme considers either tangible or intangible measure. Since 2015, the measures carried out by EDP have already avoided about 1 MtCO<sub>2</sub>e.
  - the Save to Compete programme that has led to accumulated saving of more than 600 GWh, avoiding about 170 ktCO<sub>2</sub>e.
  - Distributed generation, both in the transactional model, with a customized installation service tailored to each customer, and in the "as-a-service" model, in which the investment and operation of the system is ensured by EDP during a certain contracted period of time with the customer. So far, EDP has already installed 436 MW of PV solar systems on its customers' houses or facilities. The target is to reach 3.7 GW by 2025.
- The impact of engaging with our customers is also measured by the number of customers with value-added services, which includes all the above mentioned P&S: energy efficiency, sustainable mobility or decentralized solar energy services. In 2021, 16% of our b2c customers in the liberalised market had such sustainable services. The goal is to ensure that we offer these services to 25% of our customers in 2025 and 50% in 2030.

## C12.2

**(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?**

Yes, climate-related requirements are included in our supplier contracts

### C12.2a

**(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.**

---

#### **Climate-related requirement**

Complying with regulatory requirements

#### **Description of this climate related requirement**

The EDP Group's procurement process is developed in the framework of the Sustainable Procurement Policy, which include an adoption of a responsible environmental policy that respects the environment by mitigating the adverse impact of the business activities.

In this way, all purchasing processes are subject to the supplier's acceptance of the mains EDP group's documents, namely:

- General purchasing conditions, determine that the supplier must ensure the adoption of all environmental and sustainability practices required by law, by general regulation or by any specific rules of EDP Group or the Client Company that are transmitted by the Client Company;
- Supplier's code of conduct, include an Environmental commitments, for example, with the identification, monitor and mitigate the environmental risks and impacts of their activities, products, materials and means of transport, promoting continuous improvement and protecting the environment.
- Specific clauses, depending on the risk identified in the supply provided by the supplier

**% suppliers by procurement spend that have to comply with this climate-related requirement**

**% suppliers by procurement spend in compliance with this climate-related requirement**

**Mechanisms for monitoring compliance with this climate-related requirement**

**Response to supplier non-compliance with this climate-related requirement**

Exclude

## C12.3

**(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?**

Row 1

**Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate**

Yes, we engage directly with policy makers

Yes, we engage indirectly through trade associations

Yes, we engage indirectly by funding other organizations whose activities may influence policy, law, or regulation that may significantly impact the climate

**Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?**

Yes

**Attach commitment or position statement(s)**

EDP Commitment to Climate transition 2030 - page 3

 Renewable Energy Directive\_Position RFNBO.pdf

 business\_letter\_on\_the\_fit\_for\_55\_package\_update.pdf

 letter\_signatories\_updates\_150622\_REPowerEU Plan.pdf

 EDP Commitment to Climate Transition 2030.pdf

**Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy**

1. EDPs' corporate strategy is focus on the decarbonization commitments and climate change, leading the energy transition to create superior value on a path aligned with the ambition of the Paris Agreement to limit the increase of the global average temperature to 1,5°C and to accomplish the European Union's obligations. The visibility of EDP's climate strategy was further reinforced with: i) the company's direct participation, at CEO level, in COP21 Climate Conference (December 2015) and subsequent COPs; ii) the announcement of five ambitious climate-related targets addressing emissions reduction, renewable electricity generation, smart grids expansion, energy services for clients and clean technologies R&D (December 2015); iii) the announcement of a GHG reduction science-based target validated by the Science Based Target Initiative; iv) the Strategic Update 2021-2025 with a bold and ambitious commitment, an unprecedented acceleration of growth in renewables building on EDP track record as a leader in the energy transition to become an all-green company by 2030.

2. Based on the Strategic Update 2021-2025 and to support the climate transition, EDP plans to invest €24 billion, of which 80% in renewables. Therefore, for a sustainable business growth, EDP aims to ensure that, by 2025, 70% of its turnover is aligned with

the new EU Taxonomy, rising this figure to over 80% by 2030.

3. This position has been stressed in all the fora and trade associations in which the company participates, as well as with all regulatory bodies EDP interacts with. EDP has dedicated structures in each geography that manage the relation with the supervisory bodies of the energy sector:

- Portugal: Competition and Energy Policy Global Unit, , Stakeholder Relations Department

- Spain: Regulation Management Department

- EDP Renewables (Europe and North America): Regulations & Markets, Global Risk Strategy and Investor Relations and Sustainability Departments

- Brazil: Regulatory Issues Department, Environmental Department and Sustainability Department

These structures ensure the overall alignment of EDP's climate policy engagement activities with the corporate climate strategy.

4. In 2022, EDP held several meetings with European and national policy makers within the scope of energy transition, decarbonization and climate change. EDP regularly contributes with specific inputs to the association's common position papers and answers to consultation processes.

## C12.3a

**(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?**

---

### **Focus of policy, law, or regulation that may impact the climate**

Other, please specify

Package includes: Emission Trading Scheme, Effort Sharing Regulation, Renewable Energy Directive, Energy Efficiency Directive, Energy Taxation Directive, Alternative Fuels Infrastructure Regulation, CO2 standards for cars and vans, Gas Package

### **Specify the policy, law, or regulation on which your organization is engaging with policy makers**

EU Green Deal - Fit for 55 package

### **Policy, law, or regulation geographic coverage**

Regional

### **Country/region the policy, law, or regulation applies to**

EU28

### **Your organization's position on the policy, law, or regulation**

Support with minor exceptions

### **Description of engagement with policy makers**

The EU aims to lead the worldwide emissions reduction effort, with a strong emissions reduction by 2030 and achieving carbon neutrality by 2050. The EU Green Deal includes a set of actions to support the transition to a low carbon economy while promoting economic growth. During 2021, EDP engage with European institutions and European associations to follow the evolution of the legislative proposals within the EU Green Deal, namely, the “Fit for 55” package, that includes the revision of the EU ETS, Effort Sharing Regulation (ESR), Renewable Energy Directive (REDII), Energy Efficiency Directive (EED), Energy Taxation Directive (ETD), Alternative Fuels Infrastructure Regulation (AFIR), CO2 standards for cars and vans, Gas Package as well new legislative proposals for a Carbon Border Adjustment Mechanism (CBAM) and a Social Climate Fund. At the mid and end of 2021, the European Commission launched various public consultations within this scope.

**Details of exceptions (if applicable) and your organization’s proposed alternative approach to the policy, law or regulation**

EDP supports the revision of the Fit for 55 legislative package to drive emissions reduction in a cost-effective manner, but it needs to provide stable upwards long-term trends, a more ambitious renewable target and a stable framework and a proper regulation that creates a favorable investment environment and ensure the appropriate price signals for decarbonization.

**Have you evaluated whether your organization’s engagement is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

---

**Focus of policy, law, or regulation that may impact the climate**

Low-carbon, non-renewable energy generation

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

REPowerEU Plan

**Policy, law, or regulation geographic coverage**

Regional

**Country/region the policy, law, or regulation applies to**

EU28

**Your organization’s position on the policy, law, or regulation**

Support with minor exceptions

**Description of engagement with policy makers**

EC proposes to develop a REPowerEU plan that will increase the resilience of the EU-wide energy system in face of rising prices and Russia’s unjustified attack on Ukraine based on a massive scaling-up and speeding-up of renewable energy in power generation, industry, buildings and transport and reducing fossil fuel consumption. Within this scope, EDP held several meetings with European and national policy makers

identifying the most relevant issues bearing not neglecting the energy transition, decarbonization and climate change topics.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

EDP supports the REpowerEU Plan in order to accelerate clean energy transition, diversification of energy sources and saving energy.

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

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**Focus of policy, law, or regulation that may impact the climate**

Mandatory climate-related reporting

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

EU Taxonomy for Sustainable Activities

**Policy, law, or regulation geographic coverage**

Regional

**Country/region the policy, law, or regulation applies to**

EU28

**Your organization's position on the policy, law, or regulation**

Support with major exceptions

**Description of engagement with policy makers**

Em falta

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

EDP clearly opposed to the inclusion of natural gas and nuclear activities as sustainable activities. Our position regarding this issue is:

- The draft complementary delegated act is not in line with the scientific evidence-based approach under the EU Taxonomy Regulation, as it considers sustainable activities to be those with carbon emission thresholds above the value that enables a substantial contribution to climate mitigation objectives (100 gCO<sub>2</sub>e/kWh).
- The draft complementary delegated act is inconsistent with other items of legislation in the sustainable financial package, particularly the EU Green Bond standard. There is no space for financing activities related to electricity generation using nuclear energy or electricity generation from natural gas (because they are not considered sustainable investments), unless the GHG emissions in the life cycle of the natural gas technology are less than 100 gCO<sub>2</sub>e/kWh.

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

## C12.3b

**(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.**

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**Trade association**

Eurelectric

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

Eurelectric's mission is to contribute to the development and competitiveness of the electricity industry, to provide effective representation for the industry in public affairs and to promote the role of a low-carbon electricity mix in the advancement of society. In this regard, Eurelectric's main objectives are:

- Achieving a carbon-neutral electricity mix in Europe well before mid-century
- Ensuring a cost-efficient, reliable supply through an integrated market
- Developing energy efficiency and the electrification of the demand-side to mitigate climate change.

Eurelectric's positions are available at its website [www.eurelectric.org/publications/](http://www.eurelectric.org/publications/) EDP has one representative in Eurelectric Board of Directors and participates in all the association's committees as well: i) Electrification & Sustainability, ii) Generation & Environment, iii) Markets and Investments, iv) Distribution & Market Facilitation and v) Customers and Retail Services. EDP regularly contributes with specific inputs to the association's common position papers and answers to consultation processes. In 2021, two landmark publications of Eurelectric were the "Connecting the dots: Distribution grid investment to power the energy transition" and "Electric Decade: Policy actions & recommendations".

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

227,500

**Describe the aim of your organization's funding**

The funding is an annual membership fee, It can include contributions to specific technical publications. EDP is a member of Eurelectric to contribute, through public position papers, with its expertise for the design of the power sector European policies. Through Eurelectric EDP supports and influences the energy transition in Europe, helps promoting electrification through renewable energy as a key driver to achieve the Paris agreement and supports the development of technical information to inform decision making processes, mainly new regulations and their impact on the climate transition needs.

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify  
AELEC

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

AELEC is an electric sector organization aiming to represent, promote, manage and defend the general and common interests of its members. The entity was created in 2018 (before was UNESA) and focuses on various activities of this industry, developing studies and analyses of the various aspects of electrical activity, such as transportation or regulation, pricing and tariffs, economic and financial aspects, international and institutional relations, quality of service, research and social communication. The AELEC represents and coordinates the activities of the sector, developed by representatives of power companies in various international organizations, such as EURELECTRIC.

EDP Spain is one of the energy companies that is part of this association and member of the Board of Directors

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

839,800

**Describe the aim of your organization's funding**

The funding is an annual membership fee, It can include contributions to specific technical publications. EDP is a member of AELEC to contribute to support its activity on

the dissemination, disclosure and promotion of the technical and regulated aspects of electricity activities, helping to develop an appropriate energy transition in Spain.

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify  
ELECPOR

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

ELECPOR represents and defends the common interests of its associates, currently the five main national companies in the sector, including EDP. As a business sectoral association, it acts as an intermediary and instrument of such companies in the development and discussion of policies, guidelines and regulation of the electricity sector to the Portuguese and international entities. ELECPOR is a member of EURELECTRIC, whose positions are described above.  
EDP chairs the Board of Directors.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

210,100

**Describe the aim of your organization's funding**

The funding is an annual membership fee, EDP is a member of ELECPOR to contribute to support its activity on the dissemination, disclosure and promotion of the technical and regulated aspects of electricity activities, helping to develop an appropriate energy transition in Portugal.

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify

APREN

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

APREN is a non-profit association, founded in October 1988, that promotes the development of renewable energy generation in Portugal. Its associates are companies holding permits to explore power plants for electricity production from renewable sources, representing more than 90% of all renewable installed capacity in Portugal. APREN develops its work together with official authorities and other similar entities, either national or international, being an important key player in the development of energy policies for Portugal. The Association privileges the coordination and permanent contact with the Portuguese Government, the ministries responsible for energy and environmental issues and their official agencies, as well as a fruitful dialogue with the crucial national stakeholders related to the production of electricity from renewable sources and representatives from the civil society.

APREN has also a strong involvement at European level, through the participation in European projects and through its partnership with several European Associations. This enables the monitoring of European Energy Policy. EDP supports APREN's position on all subjects related to renewable energy.

EDP Renewables (EDP Group's subsidiary for renewable energy generation) is a member of the Board of Directors (deputy chairman).

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

79,200

**Describe the aim of your organization's funding**

The funding is an annual membership fee, EDP is a member of APREN to support its activity on the dissemination and promotion of the technical and regulated aspects that can accelerate the deployment of renewable energy in Portugal

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

WindEurope

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

WindEurope, is the voice of the wind industry, actively promoting the use of wind power in Europe and worldwide and representing the wind sector development before the European Commission.

The association defends wind generation support. WindEurope participated in the European Commission stakeholder consultation on the new renewable energy directive (REDII). EDP supports WindEurope position on climate change legislation.

EDP Renewables (EDP Group's subsidiary for renewable energy generation) is a leading member of the Board of Directors.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

78,296

**Describe the aim of your organization's funding**

The funding is an annual membership fee, EDP is a member of PWEA to support its activity on the dissemination and promotion of the technical and regulated aspects that can accelerate the deployment of renewable energy in Europe, in particular wind energy.

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify

AEE

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

AEE is the voice of the wind sector in Spain. It promotes the use of wind energy in Spain, Europe and worldwide. It represents and defends the interests of the sector. With about 200 member companies, it represents more than 90% of the sector in Spain which includes promoters, wind generator and component manufacturers, national and regional associations, organizations connected with the sector, consultants, lawyers and financial entities, among others. AEE coordinates research into the areas surrounding wind energy and provides services to its members, meeting their different needs. It contributes to the formulation of the normative framework with a view to the sector developing under the best possible conditions. It disseminates the reality of wind energy and endeavours to raise awareness in society.

EDP Renewables (EDP Group's subsidiary for renewable energy generation) is a member of the Board of Directors (chairman).

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

72,632

**Describe the aim of your organization's funding**

The funding is an annual membership fee, EDP is a member of AEE to support its activity on the dissemination and promotion of the technical and regulated aspects that can accelerate the deployment of renewable energy in Spain.

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

American Wind Energy Association (AWEA)

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

American Clean Power Association (former AWEA) is a national association in the United States representing the players in the wind power industry. With hundreds of members, ranging from utilities, researchers, parts manufacturers and energy

companies, AWEA promotes wind energy as a clean source of electricity for American consumers. The wind force is creating a major impact on combating climate change and reducing greenhouse gases. Through sustainable initiatives, the association hopes to change attitudes and improve the environment.

EDP's subsidiary EDP Renewables is one of the partner companies and member of the Board of Directors.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

369,904

**Describe the aim of your organization's funding**

The funding is an annual membership fee, EDP is a member of AWEA to support its role in providing up-to-date information about the wind energy industry; contribute to the discussion around renewable energy policies and promote knowledge sharing to the general public.

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify  
PWEA

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

The PWEA is a non-governmental organisation established in 1999 (previously known as "VIS VENTI Association for Supporting Wind Energy"). It is one of the most effective organisations lobbying for the establishment of a relevant legal framework allowing for the development and operation of renewable energy sources, in particular wind energy, in Poland. PWEA is an association of the leading companies active on the wind energy market in Poland: investors, developers, turbine and component manufacturers, both from Poland and abroad.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

15,868

**Describe the aim of your organization's funding**

The funding is an annual membership fee, EDP is a member of PWEA to support its activity on the dissemination and promotion of the technical and regulated aspects that can accelerate the deployment of renewable energy in Poland.

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify  
RWEA

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

The RWEA was founded in Bucharest in 2008 and is a professional association serving as a non-governmental organization. The association is a voluntary organisation for participants in the wind energy industry in Romania. It exists to promote the proper role of wind energy in the energy mix in Romania and, consequently, to promote clean, safe and effective energy for Romania.

EDP Renewables (EDP Group's subsidiary for renewable energy generation) is a member of the Board of Directors.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

19,896

**Describe the aim of your organization's funding**

The funding is an annual membership fee, EDP is a member of RWEA to support its activity on the dissemination and promotion of the technical and regulated aspects that can accelerate the deployment of renewable energy in Romania.

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

**Trade association**

Other, please specify  
ABEEOLICA

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

Established in 2002, ABEEólica, the Brazilian Wind Energy Association, is a non-profit institution that brings together and represents the wind energy in this country. Members come from all links in the wind energy chain. Since it was created, ABEEólica has effectively contributed to the development and recognition of wind energy as a competitive, clean, renewable, low-impact source of energy, and a strategic element of this country's energy matrix.

EDP Renewables (EDP Group's subsidiary for renewable energy generation) is a member of the Board of Directors.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

16,616

**Describe the aim of your organization's funding**

The funding is an annual membership fee, EDP is a member of ABEEólica to support its activity on the dissemination and promotion of the technical and regulated aspects that can accelerate the deployment of renewable energy in Brazil.

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify  
MAREC

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

The Mid-Atlantic Renewable Energy Coalition (MAREC) was formed in September 2009 as a non-profit Pennsylvania corporation. Currently MAREC's membership consists of wind developers, solar developers, wind turbine manufacturers, service companies, and non-profit organizations dedicated to the growth of renewable energy technologies to improve our environment, diversify our electric generation portfolio, and boost economic development in the region. Its mission is to improve and enhance the opportunities for renewable energy development in the nine jurisdictions in the Mid-Atlantic region. The primary areas of focus of MAREC are to provide education and expertise on the environmental sustainability of wind and solar energy; offer technical expertise and advice to assist in understanding the operating and environmental impacts of integrating wind and solar into the electrical power system; and promote fair policies, rules and regulations to expand the region's electric transmission system to accommodate the growth of renewable energy generation.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

24,886

**Describe the aim of your organization's funding**

The funding is an annual membership fee, EDP is a member of MAREC to support its activity on provide education and expertise on the environmental sustainability of wind and solar energy; offer technical expertise and advice to assist in understanding the operating and environmental impacts of integrating wind and solar into the electrical power system; and promote fair policies, rules and regulations to expand the region's electric transmission system to accommodate the growth of renewable energy generation.

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

## C12.3c

**(C12.3c) Provide details of the funding you provided to other organizations in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.**

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**Type of organization**

Non-Governmental Organization (NGO) or charitable organization

**State the organization to which you provided funding**

#### United Nations Global Compact

The UN Global Compact is a voluntary initiative created under the United Nations auspices.

UN Global Compact is a call to action for Businesses to align their strategies and operations with human rights, labour, environment and anti-corruption as well as in taking actions to advance on the UN Sustainable Development Goals.

#### **Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)**

16,512.55

#### **Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate**

The UN Global Compact is a voluntary initiative. Upon joining the UN Global Compact, larger companies are required to make an annual contribution to support their engagement in the UN Global Compact. These contributions support both global and country-level operations and, by agreement, are split between the global secretariat and Local Networks.

UN Global Compact develops a strong line of action regarding the climate and environment, such as the Business Ambition for 1.5° to showcase business leadership on climate action aligned with limiting global temperature rise to 1.5°C and involves members in policy dialogues that can positively influence international standards.

EDP subscribed the UN Global Compact 10 principles in 2004 and reports on progress annually.

In 2022 EDP subscribed the Sustainable Ocean Principles, that provide a framework for responsible business practices across sectors and geographies. They build upon and supplement the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption.

#### **Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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#### **Type of organization**

Non-Governmental Organization (NGO) or charitable organization

#### **State the organization to which you provided funding**

World Business Council for Sustainable Development (WBCSD)

WBCSD is a global, CEO-led community of over 200 businesses working collectively to accelerate the system transformations needed for a net zero, nature positive, and more equitable future.

#### **Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)**

128,669

**Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate**

The funding is an annual membership fee.

The WBCSD facilitates the sharing of knowledge, enables and accelerates the adoption of standards and tools and create advocacy inputs for common policy asks from businesses members taking action on sustainability.

EDP is a member of the WBCSD, actively participating in the association's programs, namely Climate and Energy, and regularly taking part in some of its high-level initiatives.

**Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Type of organization**

Non-Governmental Organization (NGO) or charitable organization

**State the organization to which you provided funding**

Business Council for Sustainable Development Portugal

BCSD is the local branch of WBCSD.

**Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)**

4,000

**Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate**

The funding is an annual membership fee.

The work of BCSD comprises mainly:

- Working groups (WG), which favour collaboration between companies to create innovative solutions, mechanisms and tools that allow responding to business challenges in the transition to sustainability;
  - Training – open to professionals and employees of companies and organizations, whatever the sector, stage of the journey to sustainability, level of knowledge and maturity in terms of sustainability;
  - Communication, events and publications – to set the national agenda with regard to sustainability issues and raise awareness among the business community and society.
- Miguel Setas, member of EDP's Executive Board, is a member of BCSD's Direction since 2021. EDP participates in several working groups of BCSD, namely the Carbon Neutrality Working Group.

**Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

**Type of organization**

Non-Governmental Organization (NGO) or charitable organization

**State the organization to which you provided funding**

Transport Decarbonisation Alliance (TDA)

The TDA brings together countries, cities, regions and companies, as the major drivers in sustainable, low carbon mobility.

**Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)**

10,000

**Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate**

The funding is an annual membership fee.

The TDA brings together countries, cities, regions and companies, as the major drivers in sustainable, low carbon mobility. The TDA seeks to achieve a substantiated, scaled-up ambition for the transport sector, with tangible action: through 'Communities of Interest' and advocacy by influencing political decision-makers in key international fora on climate change (e.g. UNFCCC), sustainable development (e.g. UN High Level Political Forum – SDGs), international political processes (e.g. EU, G7, G20, B20) and through bilateral dialogues.

EDP joined TDA in 2018 as founder members, reflecting its intention to move forward in transport decarbonisation and improve quality of life in cities. EDP participated in the works of several communities of interest, such as "fast track decarbonisation of transports" and "urban freight". EDP is committed to electrify 100% of the Group's light-duty vehicle fleet and 50% of its heavy-duty fleet, by 2030.

**Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Type of organization**

Non-Governmental Organization (NGO) or charitable organization

**State the organization to which you provided funding**

Global Alliance for Sustainable Energy - independent global alliance open to all actors recognizing the urgency of tackling the climate emergency according to the 'just transition' principles and the need to promote and embed sustainability and social responsibility in the renewable energy industry: NGOs, associations and civil society representatives, utility companies, material suppliers and equipment manufacturers, renewable project developers and plant builders and technological partners.

**Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)**

10,000

**Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate**

Renewable energy will power the world's development and the aim of the Alliance is to make sure the renewable sector is fully sustainable and respects human rights across our entire value chain. The Alliance's foremost priority is to tackle climate change and reach net-zero for the Planet, while boosting livelihoods and improving people's quality of life. This is done by defining sustainability standards and KPIs, achieving ambitious targets together and fostering collaboration.

The Global Alliance for Sustainable Energy was created to drive progress towards the full sustainability of the renewable energy industry.

Renewable energy sources are already the cleanest and most sustainable solutions available for power generation and, through the alliance, members commit to upholding innovation and sustainability as guiding principles.

By promoting sustainability across the entire value chain, the alliance will work to improve transparency, accountability, inclusivity, resource efficiency and responsibility throughout the renewable energy industry's operations and supply chain.

The Alliance's goal is a just transition to net-zero and socially responsible energy production, achieving the ambition of The Paris Agreement to avoid the harshest impacts of climate change on people and the Planet. The initial efforts will focus on four key themes: net-zero & CO2 footprint; circular design & international guidelines; human rights; and water footprint.

**Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

## C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

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**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

 EDP Annual Report 2021.pdf

**Page/Section reference**

Governance - pp. 98-130  
Strategy - pp. 44-45  
Risks & Opportunities - pp. 48-54  
Emissions figures - pp- 46-47  
Emission targets - pp. 46-47

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets

**Comment**

N/A

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**Publication**

In voluntary sustainability report

**Status**

Complete

**Attach the document**

 EDP Sustainability Report 2021.pdf

**Page/Section reference**

pp 23-30 (Governance of the company); pp 32-37 (Sustainability organization); pp 44-57 (Strategy and Risk management; Risks & Opportunities); pp 58-63 (EDP positioning and strategy); pp 66-88 (Performance, including Climate Change, Renewable Energies, Distributed Generation, Sustainable Mobility, Energy Efficiency, Sustainable Consumption); pp 108-117 (Digital Transformation and Innovation); pp 213-309 (ESG, GRI, EU Taxonomy, SASB, TCFD, Green Bonds and Independent Limited Assurance Report)

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets  
Other metrics

**Comment**

N/A

**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

 EDP Strategic Update 21-25\_WEBSITE.pdf

**Page/Section reference**

pp 10-18 (commitments); 25-30 (innovation, digital transformation, ESG leadership, CO2 targets); 33-59 (platforms)

**Content elements**

- Strategy
- Emission targets
- Other metrics

**Comment**

The Strategic Update 2021-2025 is the reference document presented to the market with the business plan for the period 2021-2025, also highlighting the ambition for 2030

## C15. Biodiversity

### C15.1

**(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?**

	<b>Board-level oversight and/or executive management-level responsibility for biodiversity-related issues</b>	<b>Description of oversight and objectives relating to biodiversity</b>
Row 1	Yes, both board-level oversight and executive management-level responsibility	A Director on EDP's Corporate Executive Board has formal responsibility over sustainability issues (CSO), including biodiversity issues. The Director currently in charge is assigned with all the company's cross-cutting critical themes of sustainability, namely environment, climate change, biodiversity and social.  This Director is responsible for submitting to the Board's approval the company's strategy related to biodiversity.

## C15.2

**(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?**

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to Net Positive Gain Commitment to No Net Loss Adoption of the mitigation hierarchy approach Commitment to not explore or develop in legally designated protected areas Commitment to respect legally designated protected areas Commitment to avoidance of negative impacts on threatened and protected species Commitment to no conversion of High Conservation Value areas Other, please specify Commitment to No Net Deforestation	SDG Other, please specify Act4Nature and Finance4Nature

## C15.3

**(C15.3) Does your organization assess the impact of its value chain on biodiversity?**

	Does your organization assess the impact of its value chain on biodiversity?
Row 1	No, but we plan to assess biodiversity-related impacts within the next two years

## C15.4

**(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management

		Species management Education & awareness
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## C15.5

**(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?**

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	State and benefit indicators Pressure indicators

## C15.6

**(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Impacts on biodiversity Risks and opportunities Biodiversity strategy Other, please specify Good practices/case studies	- Content of biodiversity or commitments: pages 13-14 - Impacts on biodiversity: page 18 - Risks and opportunities: page 20 - Biodiversity strategy: pages 17-21) - Other, good practices/case studies description: pages 35-60)  📎 1

📎 1EDP Sustainability Report 2021.pdf

## C16. Signoff

### C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

## C16.1

**(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	Job title	Corresponding job category
Row 1	Member of EDP's Executive Board of Directors with formal responsibility over sustainability, risk and other company's crosscutting critical themes	Board/Executive board

## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

## The European Climate Pact Submission

**Please indicate your consent for CDP to showcase your disclosed environmental actions on the European Climate Pact website as pledges to the Pact.**

Yes, we wish to pledge to the European Climate Pact through our CDP disclosure

**Please confirm below**

I have read and accept the applicable Terms