

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 (SFDR) on sustainability-related disclosures in the financial services sector obliges financial market participants to disclose specific information on their approaches to financial services. It aims to reduce information asymmetry and increase transparency regarding the integration of sustainability risks into investment decisions and the consideration of adverse sustainability impacts.

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

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

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

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

Although EDP Ventures, as the venture capital arm of the EDP group, recognises the importance of environmental, social, governance and sustainability factors, gradually incorporating them into the investment decision-making process, it does not consider, for the moment, all the adverse impacts of investment decisions on sustainability factors.

In fact, EDP Ventures considers that not all the necessary conditions for a proper consideration of these adverse impacts have yet been met. The nature and type of the investment activity, particularly in sectors not considered high risk in terms of sustainability, make it difficult to

measure sustainability. On the other hand, the inadequacy of the information available in the market, the absence of uniform criteria, the non-disclosure of standardised information on sustainability factors by venture capital funds and, to that extent, the need to implement methodologies and metrics adapted to the nature of the investments made by the funds managed by EDP Ventures make it impossible to take these impacts adequately into account at this time.

Nevertheless, given the careful consideration of sustainability risks in the decision-making process and the very nature of the investments - aimed primarily at the technology sector linked to the environment and reducing environmental impact, with a particular focus on energy efficiency, energy transition and decarbonisation - EDP Ventures believes that any adverse impacts of its activities are significantly minimised.

EDP Ventures may review its position on this matter in the near future and nothing prevents, should the circumstances described change, a change of approach and the implementation of a specific policy. It will inform its stakeholders of such policy in a timely and appropriate manner.

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

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