



ESG Report 1Q23

Brazil
Boqueirão Wind Farm

Leading on ESG matters at EDP

Key highlights

The year kicked off with the reinforcement of our commitment to lead the energy transition to create superior value for all, as we presented to the market our strategy for 23–26. A leadership that will be driven by our investment in the energy transition, reaching €25bn over this period, where €21bn will be focused on renewables, clients & EM and €4bn on electricity networks, with an annual gross investment of ~€6.2bn.

Our ambition is bold, as we are working everyday towards becoming net zero by 2040 across all scopes and over the entire value chain (from clients to partners). This target has been validated by the Science Based Target Initiative (SBTi), recognizing EDP’s best practices in climate action in full alignment with the science based 1.5°C temperature mitigation target.

On the path to the energy transition, we continue to ensure that no one is left behind. In 2022, we launched a new social investment strategy under the umbrella of EDP Y.E.S. You Empower Society, to promote a Fair Energy Transition around the world and, in 2023, we will invest €35M in social impact projects, creating new initiatives and synergies to contribute to a global and integrated narrative.

Environment

In the first quarter, we made significant progress towards our goal of becoming all green by 2030 with 88% of our generation coming from renewable sources.

When talking about renewables, it is critical to mention solar and its growing presence at homes and offices around the

world. In fact, solar distributed generation is a key growth area for EDP in this decisive decade for the planet, and it is expected to be our fastest-growing business segment in our 2023–2036 business plan horizon. In this first quarter of the year, we already completed over 11 thousand new installations in our residential clients and secured major business deals, including our biggest Iberian solar contract to date which will contribute to the avoidance of over 160 thousand tons of yearly CO2 emissions.

When talking about a transition for families and companies, it is also worth mentioning that we have expanded our electric mobility footprint, as we have contracted over one thousand new public charging points, which will help drive e-mobility in Iberia and support a more comfortable experience to all EV drivers across Portugal and Spain.

Social

To make sure this transition is accessible to everyone, EDP outlined the 5th edition of the A2E Fund, with a budget allocation of €1M to support clean energy projects in Kenya, Malawi, Mozambique, Nigeria and Rwanda. Applications will open in the second quarter of 2023.

At the same time, in Portugal, Spain and Brazil, the Energia Solidária program was launched. Previously known as EDP Solidária and alternating support for social inclusion and health projects, the new program is now fully focused on energy inclusion and fighting energy poverty in these countries.

Governance

We are proud to continue our tradition of ethical behavior and look forward to maintaining our position as a leader in this area.

In the first quarter of 2023, EDP was once again recognized as one of the world’s most ethical companies. In fact, since 2012, EDP has been included in the international ranking of “The World’s Most Ethical Companies – WME” by the Ethisphere Institute, the world leader in the promotion of ethical business practice standards. The Ethisphere has recognized 135 organizations for their unwavering commitment to business integrity. This recognition comes at a time when the demand for transparency, accountability, and positive change is increasingly important for businesses.






Vera Pinto Pereira
Executive Board Member

A handwritten signature in black ink, appearing to read 'V. Pinto Pereira'.

As regulation evolves, we will continue to be proactive in the adoption of the most recognized reporting standards. The indicators included in this report are selected based on their relevance to investor communities and our business operations. For more sustainability information please see full-year EDP Sustainability report here.

Our annual sustainability report follows other voluntary regulatory reporting frameworks, namely the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB) and the Portuguese Securities Market Commission (CMVM).

ESG performance at a glance

Indicator	Unit	1Q23	1Q22	Δ %	Target			
					2026	2030		
 Environment	Renewables Generation	%	88%	77%	+12p.p.	85%	100%	●
	Capex aligned with EU taxonomy	%	97.4%	96.6%	+0.8p.p.	>98%	97%	
	Scope 1 & 2 Emissions Intensity	gCO ₂ /kWh	78	152	-49%	36	8	●
	Total recovered waste	%	87%	98%	-11p.p.	90%	>90%	●
 Social	Female Overall	%	28%	27%	+1p.p.	31%	35%	
	Global investment in communities ¹	€m	57.4	24.0		~€200	>€300	
	Accident Frequency Rate ²	Fr	2.66	1.40	90%	1.42	<1	
 Governance	Female on Leadership	%	29%	27%	+2p.p.	31%	35%	
	ESG & equity linked compensation for Top Management ³	.	✓	✓		✓✓	✓✓	
	Cybersecurity	bitsight rating	810	800	1%	Keep advanced ⁴		
	Top quartile in ESG rating Performance ⁴	.	✓	✓		✓	✓	

Renewables represented 88% of electricity generated by EDP in 1Q23, which compares with 77% in the same period last year.

Specific CO₂ emissions decreased in 1Q23 due to lower coal production, with the Pecém power plant in Brazil not operating, as well as lower gas production and an increase in hydropower production.

Gross investments decreasing to half vs 1Q22 to €1.2 bn in 1Q23, of which 98% allocated to renewables and electricity networks activities. This concurred for the **97.4% capex alignment with EU Taxonomy**.

Accident Frequency rate increased to 2.66 in 1Q23. EDP continues determined to strengthen the culture of Occupational Health and Safety, having started in 2021 a new program, “Playitsafe”, to raise awareness of the importance of building and adopting safe habits at EDP.

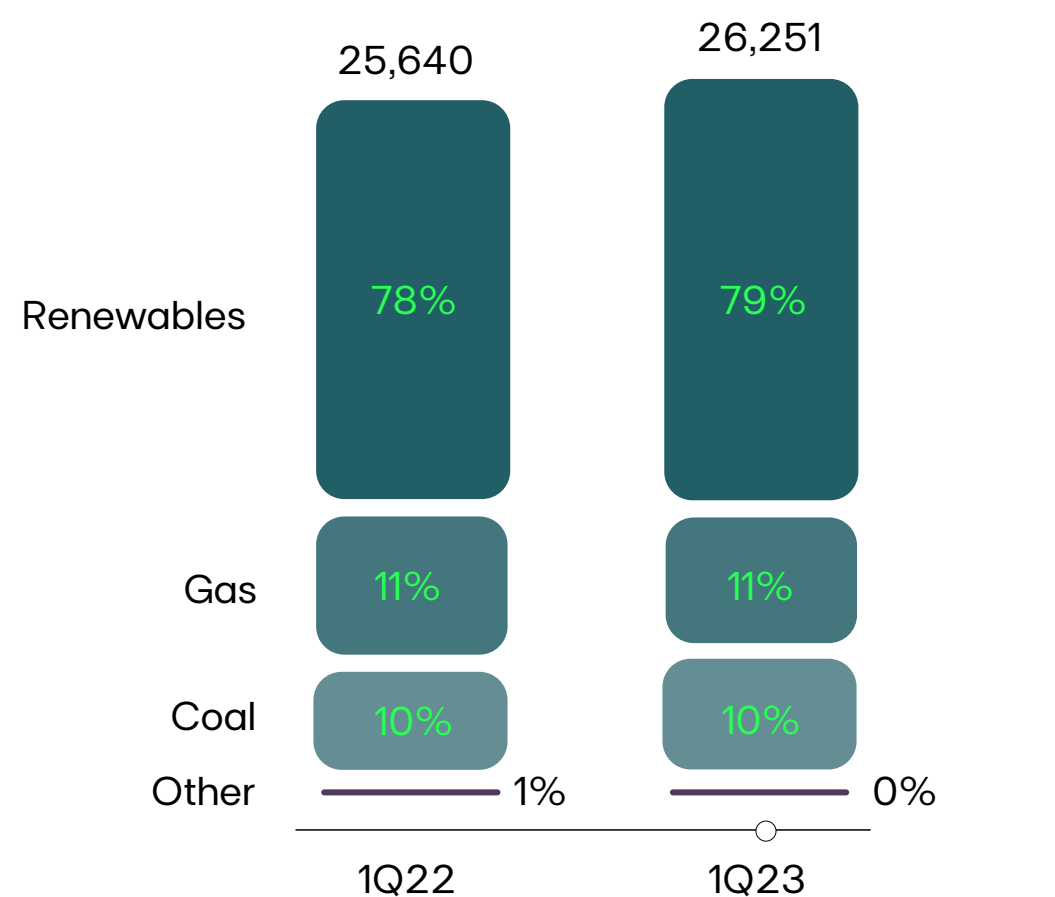
In 1Q23, female representation stood at 28% of EDP’s workforce representing 1p.p. increase versus 1Q22.

● Sustainable Finance Disclosure Regulation (SFDR) Indicator

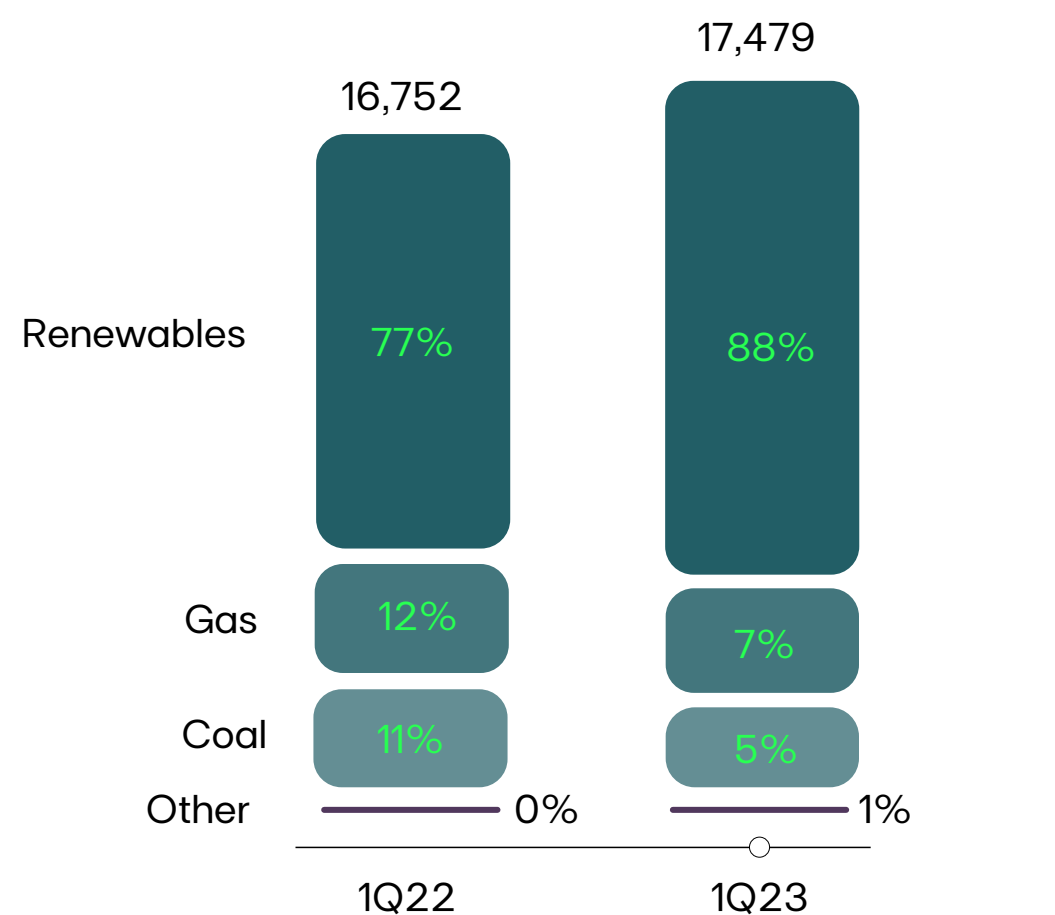
1. Accumulated OPEX 2021-2030. Includes voluntary & mandatory investment + management costs. 2. Number of accidents at work with absence/fatalities, per million hours worked (including employees and contractors); 3. Applicable to Board of Directors and top management; 4. >= 740; 5. Includes DJSI, FTSE4Good, MSCI and Sustainalytics.

Operational highlights committed to a renewables path

Installed Capacity (MW)^{1,2}



Electricity Generation (GWh)



HYDRO COEFFICIENT (%)	1Q23	1Q22	Δ %
Portugal	95%	30%	+65p.p.
Spain	100%	50%	+50p.p.
Brazil ³	105%	110%	-5p.p.

RENEWABLES INDEX ⁴ (%)	-2%	2%	-3.5p.p.
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ELECTRICITY DISTRIBUTED (GWH)	22 301	22 111	1%
Portugal	12 179	11 925	2%
Spain	3 255	3 431	-5%
Brazil	6 866	6 755	2%

CUSTOMERS CONNECTED (#TH)	11 634	11 459	2%
Portugal	6 439	6 384	1%
Spain	1 384	1 378	0%
Brazil	3 811	3 698	3%

TOTAL ENERGY CONSUMPTION	5 902	10 062	-41%
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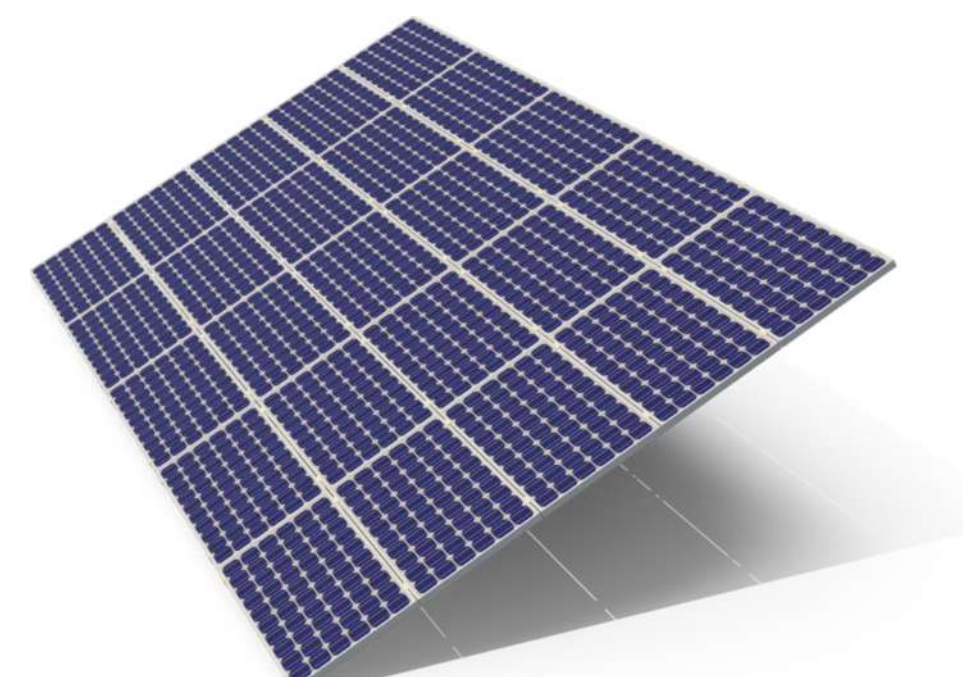
Total Renewable consumption (GWh)	84	546	-85%
Fuel	5	1	296%
Electricity	79	545	-85%
Self-generated non-fuel renewable energy	75	544	-86%
Total Non-Renewable consumption	5 818	9 516	-39%
Fuel	5 168	9 243	-44%
Electricity	650	273	138%
Energy consumption intensity (MJ/€)	4	6	-31%

● Sustainable Finance Disclosure Regulation (SFDR) Indicator

1. EBITDA MW; 2. Other includes Nuclear, Cogeneration & Waste; 3. Brazil hydro coefficient refers to ENA index; 4. Renewables Index (vs. LT avg. Gross Capacity Factor).

New services highlights committed to drive new client solutions and smarter networks

ENERGY EFFICIENCY	UNIT	1Q23	1Q22	Δ %
Energy Services Revenues / Turnover ¹	%	8.3%	9.7%	-1p.p.
Energy Efficiency Services Revenues	€ m	121	104	16%
DISTRIBUTED SOLAR				
As a service — Installed Capacity ²	MWac	752	438	72%
Portugal	MWac	113	54	112%
Spain	MWac	12	6	115%
Brazil	MWac	59	49	19%
US	MWac	185	71	161%
APAC	MWac	364	257	42%
Other	MWac	19	1	1967%
Secured Capacity ³	MWac	339	333	2%
E-MOBILITY				
Light fleet electrification	%	15%	12%	21%
Electric charging points ⁴	#	6 154	3 280	88%
Clients with electric mobility solutions	#	84 167	38 700	117%
SMART METERS				
Iberia	# m	6.2	5.5	13%
Brazil	# m	0.5	0.4	36%
ELECTRICITY GRID LOSSES				
Portugal	%	8.4%	8.7%	-0.3p.p.
Spain	%	5.8%	5.6%	+0.2p.p.
Brazil (São Paulo)	%	8.7%	9.2%	-0.5p.p.
Brazil (Espírito Santo)	%	13.9%	13.4%	+0.5p.p.
CUSTOMERS WITH SUSTAINABLE SERVICES⁵	%	39.5%	15%	+25p.p.



1. Energy service: Services provided under energy supply, installation of more efficient and/or building retrofit, and sustainable mobility, which generate revenues for the company; 2. As a service capacity installed at EDP, including inorganic capacity. 3. Cumulative secured capacity during business plan 21–25 (excludes EDPR). 4. Includes public, private and charging points inside EDP facilities installed; 5. Sustainability Services concept aligned with EU taxonomy. Excludes Health Insurance, Fatura Segura and Gas Certification. Includes only B2C electricity clients.

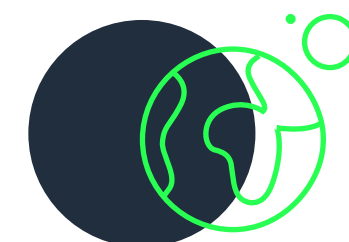
Environmental highlights committed to a carbon-free economy

	Unit	1Q23	1Q22	Δ %
GREENHOUSE GAS EMISSIONS (ktCO₂eq)				
Scope 1 & 2 Emissions Intensity	gCO ₂	78	152	-49% ●
Scope 1 & 2 Emissions Intensity (% vs 2020)	%	-51	-2	2104% ●
Scope 1 GHG Emissions	ktCO ₂ eq	1 236	2 345	-47% ●
Scope 2 GHG Emissions ¹	ktCO ₂ eq	125	228	-45% ●
Avoided emissions	ktCO ₂	7 358	6 881	7%
AIR QUALITY				
NOx emissions	kt	0.67	1.27	-47% ●
SO ₂ emissions	kt	0.27	0.52	-48% ●
Particulate matter emissions	kt	0.024	0.07	-64% ●
WATER MANAGEMENT (10³m³)				
Total freshwater withdrawn		1 194	2 738	-56%
Total freshwater consumed		1 138	2 361	-52%
Total water discharge		137 999	141 446	-2% ●
COAL & WASTE MANAGEMENT (t)				
Total waste	t	67 369	83 615	19%
Total waste disposal	t	60 304	69 902	-14%
Total coal combustion waste disposal	t	1 056	2 792	-62%
Average waste recovery rate (%)	%	87%	98%	- ●
Hazardous waste	t	3 190	1 590	101% ●
ENVIRONMENTAL MATTERS (€ m)				
Environmental CAPEX	€m	28.2	18.8	50%
Environmental Expenses ²	€m	113.3	211.8	-47%
Environmental fines and penalties	€th	0.1	1.0	94%
ISO 14001 Certification (%)	%	96%	85%	+12p.p.
LOW CARBON ECONOMY (%)				
EBITDA in Renewables	%	57%	57%	-0p.p.
CAPEX in Renewables	%	78%	80%	-2p.p.
Revenues from coal	%	5%	9%	-4p.p. ●
Revenues aligned with EU taxonomy	%	67%	53%	+14p.p.
CO ₂ / Revenues ³	tcCO ₂ eq/€m	0.30	0.47	-35% ●

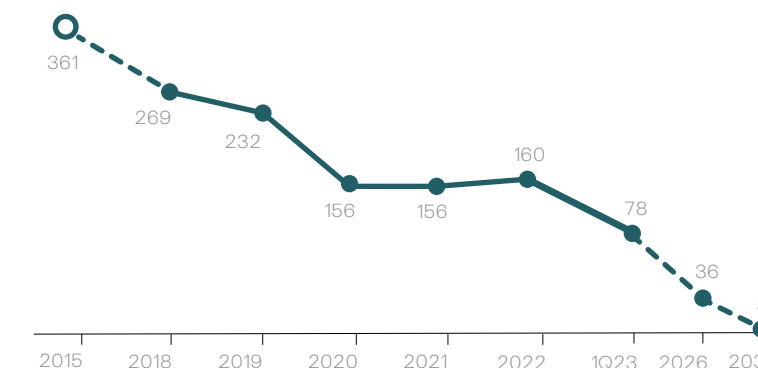
● Sustainable Finance Disclosure Regulation (SFDR) Indicator

1. Scope 2 emissions according with GHG Protocol based location methodology; 2. Includes CO₂ allowances.

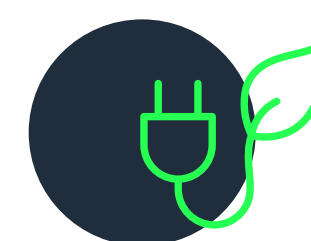
3. Defined as the company's annual GHG emissions (Scope 1 and Scope 2), expressed as metric tons of carbon dioxide equivalent (tCO₂eq) emissions, divided by revenues for the corresponding year, expressed in millions of euros.



-95% (vs. 2020) Scope 1 & 2 Emissions Intensity in 2030



Scope 1 & 2 Emissions Intensity



> 90% Total recovered waste in 2030



+98% CAPEX aligned with EU taxonomy in 2030



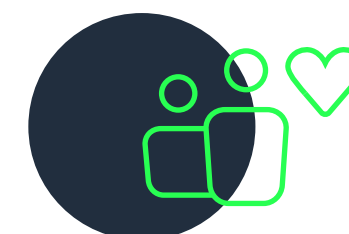
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BIODIVERSITY REPORT

Social highlights committed to provide a fair and safe workplace

	UNIT	1Q23	1Q22	Δ %
EMPLOYMENT				
Employees	#	13 252	12 899	3%
Female employees	%	28%	27%	+1p.p.
Female/Male fixed salary	x	1.05	1.10	-5% ●
Employee Engagement ¹	%	84%	76%	11%
Employee Empowerment ²	%	72%	71%	1%
Employee Turnover	%	2.9%	2.7%	+0p.p. ●
Absenteeism	%	4.7%	3.6%	+1p.p.
New Hires	#	425	1076	-61%
Disability Hires	#	11	5	+1p.p.
TRAINING				
Total hours of training	h	42 300	61 427	-31%
Employees with training	%	51%	65%	-13p.p.
Direct training investment	€ th	521	607	-14%
HEALTH AND SAFETY				
Accidents with lost workdays EDP	#	11	4	175%
Accidents with lost workdays contractors ³	#	38	20	90%
Fatal work-related injuries EDP	#	0	0	-
Fatal work-related injuries contractors	#	1	2	-50%
Frequency rate EDP	Fr	1.71	0.68	151%
Frequency rate contractors	Fr	3.15	1.73	82%
Total recordable injury rate	RFr	3.78	1.89	100% ●
Total recordable injury rate EDP	RFr	2.18	1.02	114% ●
Total recordable injury rate contractors	RFr	4.6	2.29	101% ●
SOCIAL INVESTMENT				
Beneficiary Entities	#	N/A	156	
EDP volunteers	#	515	564	-9%
EDP time used in volunteering	h	1397	732	91%
Total investment	€ th	2 931	1 486	97%



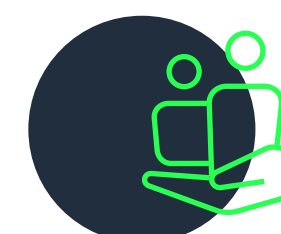
30% female employees by 2030



> 6,500 New Hires by 2030



Accident Frequency Rate <1 by 2030



Social Investment €300M until 2030

● Sustainable Finance Disclosure Regulation (SFDR) Indicator

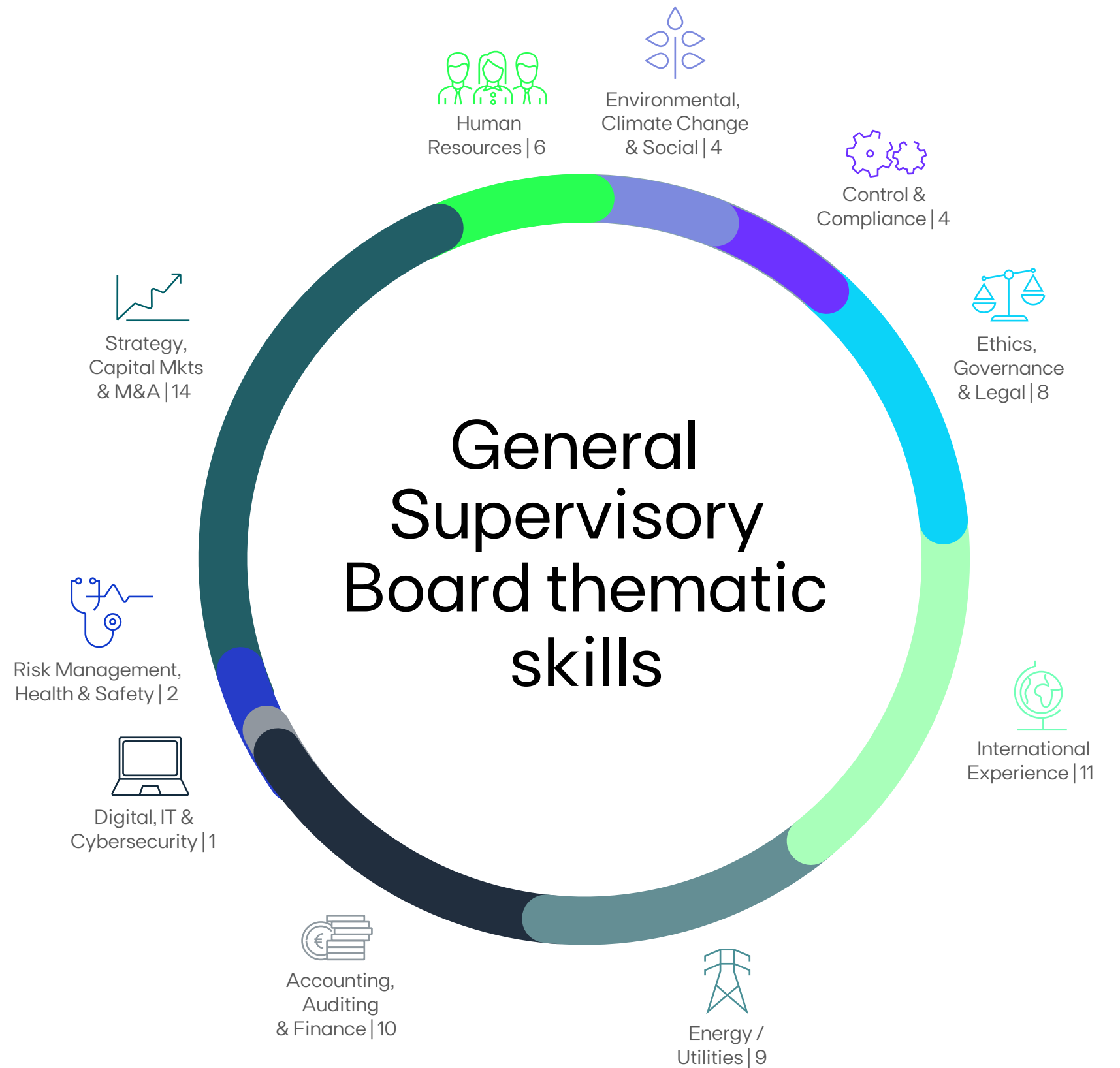
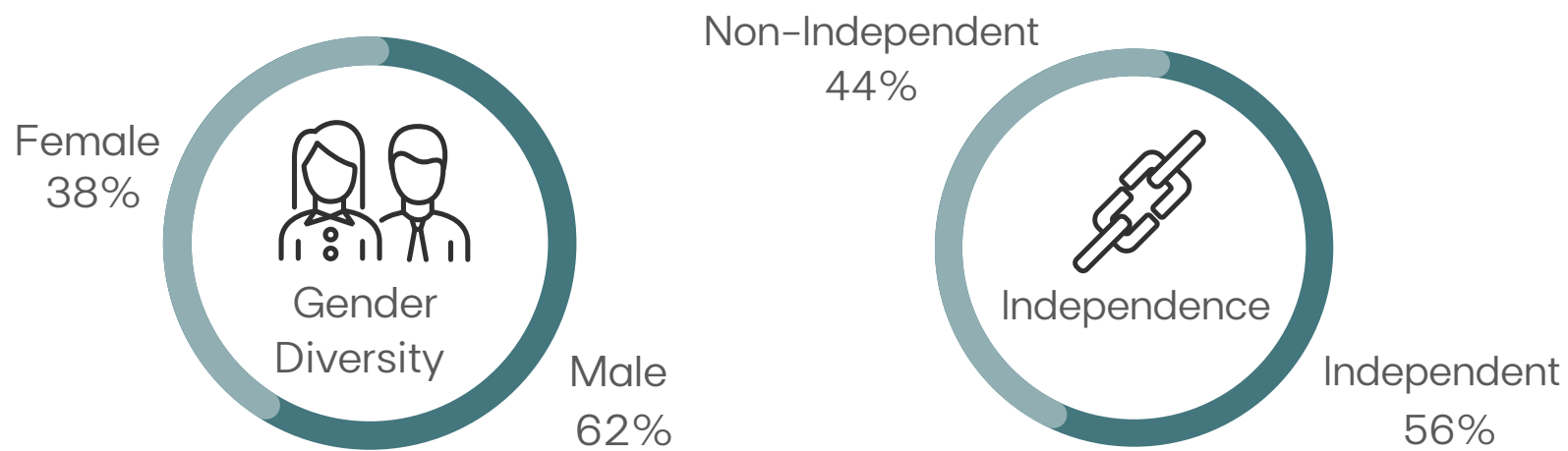
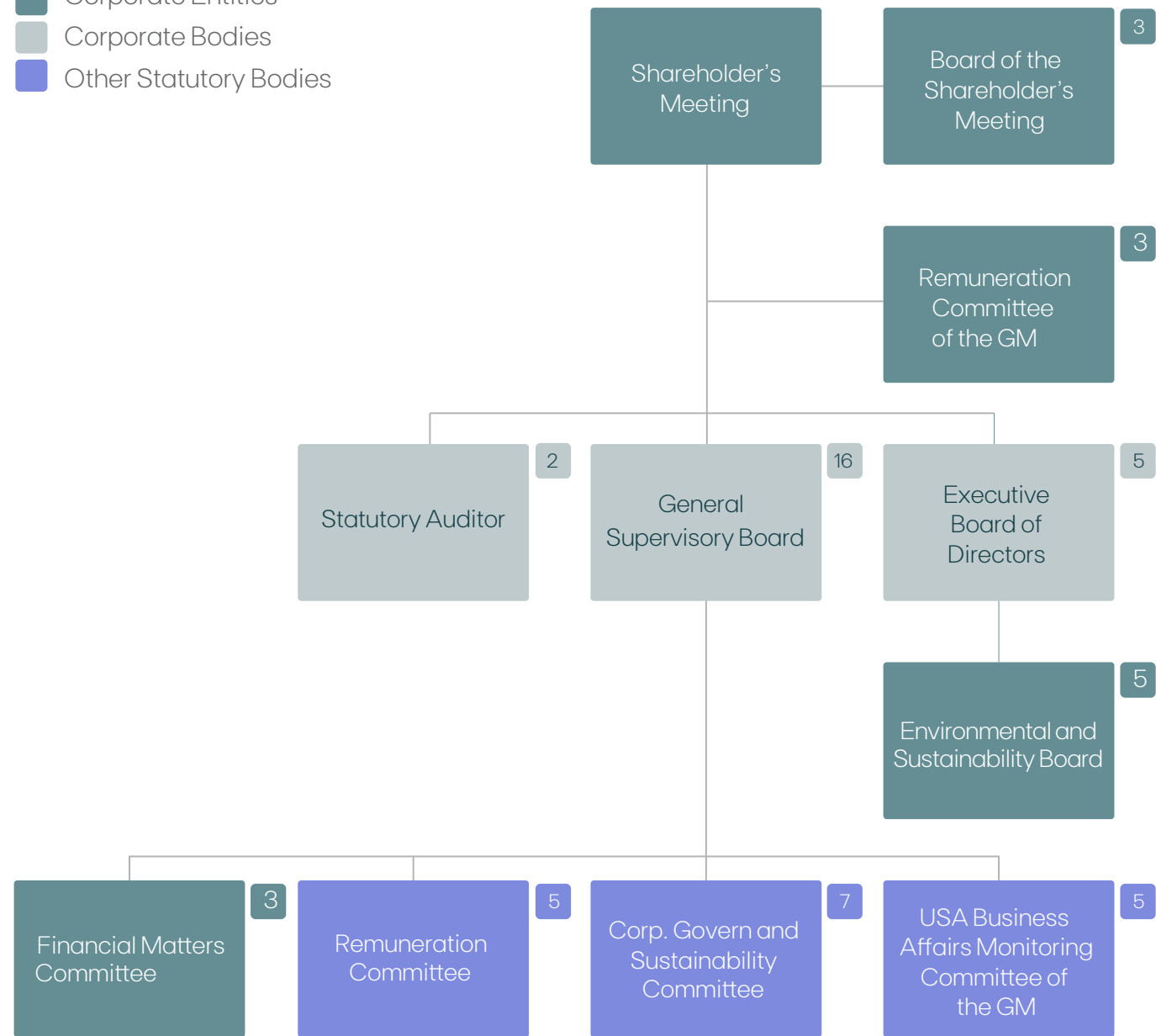
1. Engagement - reflects the involvement and commitment by employees. 2. Empowerment - reflects the perception of organizational support by employees. Within the scope of the Organizational Climate, the "Empowerment" dimension started to be evaluated in 2022, replacing the "Enablement" dimension previously evaluated, as part of the evolution of the employee consultation model at EDP 3.

Accidents occurred at the place and working time or on a journey, with 1 or more days of absence and fatal accidents.

Governance highlights committed to the best practices

General and Supervisory Board
 Elected on the General Shareholders' Meeting on the 14th April 2021
 Reduced number of members from 21 to 16

- Corporate Entities
- Corporate Bodies
- Other Statutory Bodies



Independent, diverse and experienced General Supervisory Board with a strengthened cohesion Chairman

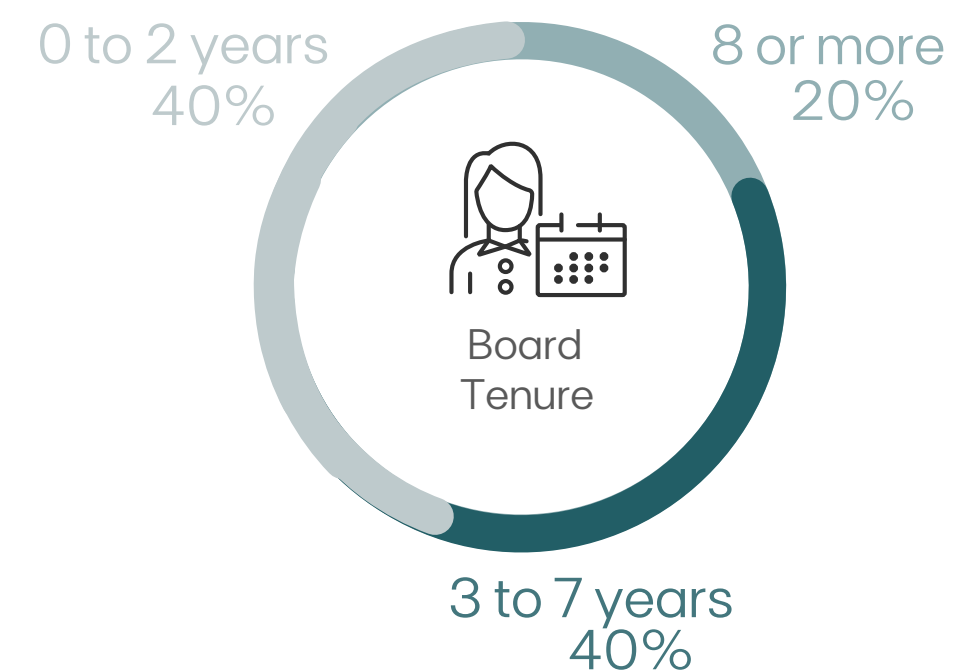
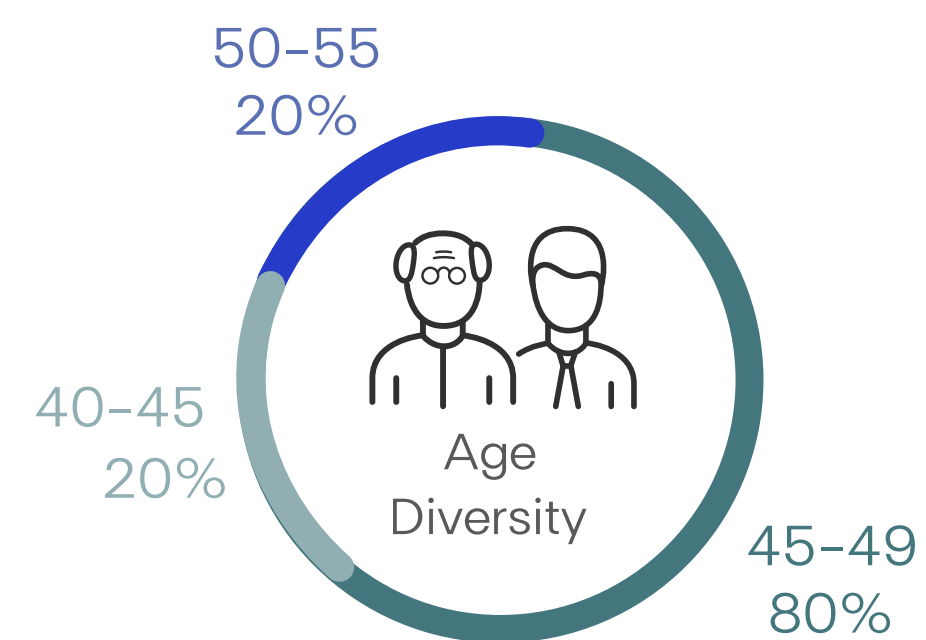
i ELECTION OF THE MEMBERS OF THE GSB (1/2)

i ELECTION OF THE MEMBERS OF THE GSB (2/2)

i ANNUAL REPORT OF THE GSB

Governance highlights committed to the best practices

Executive Board of Directors

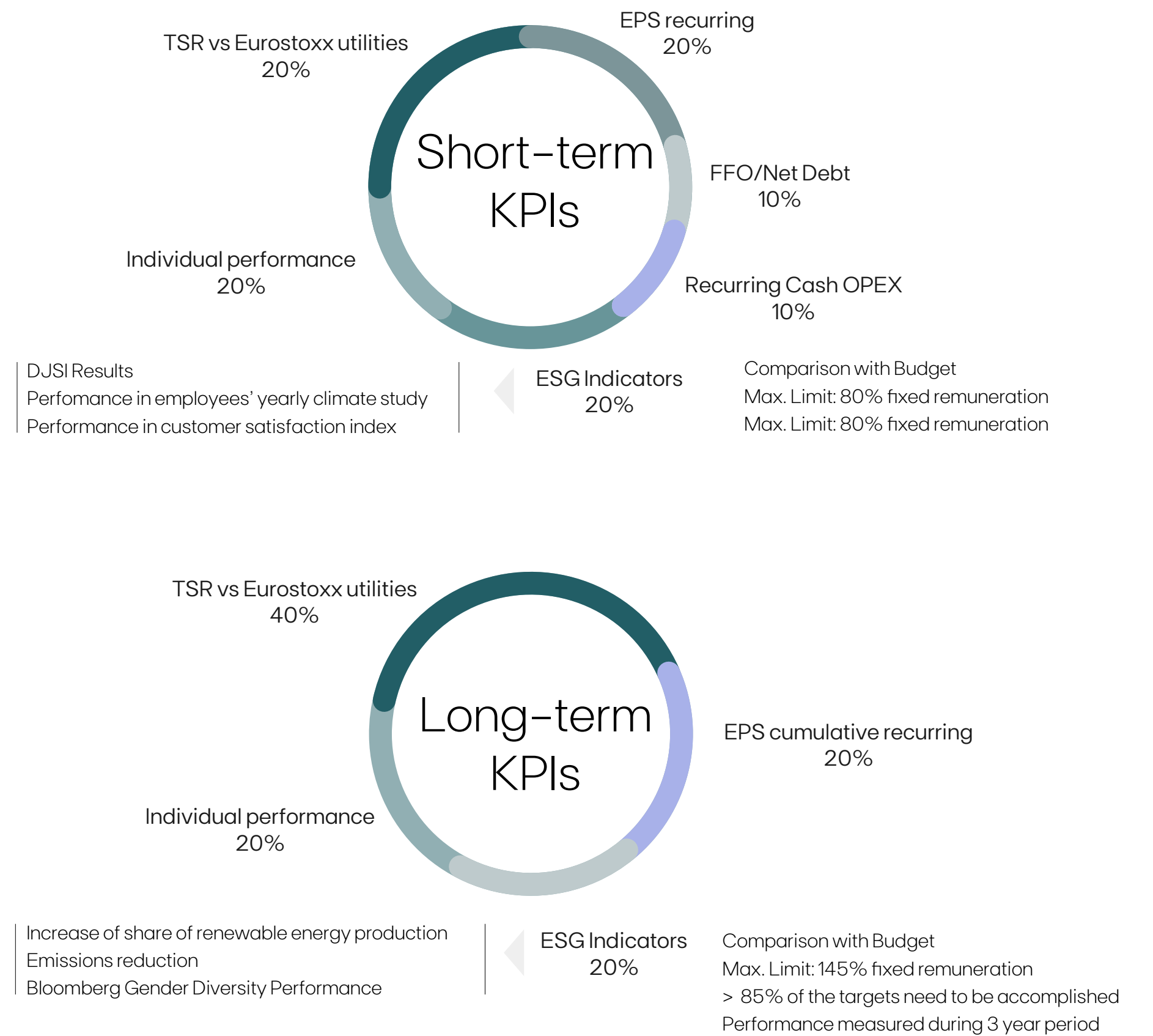
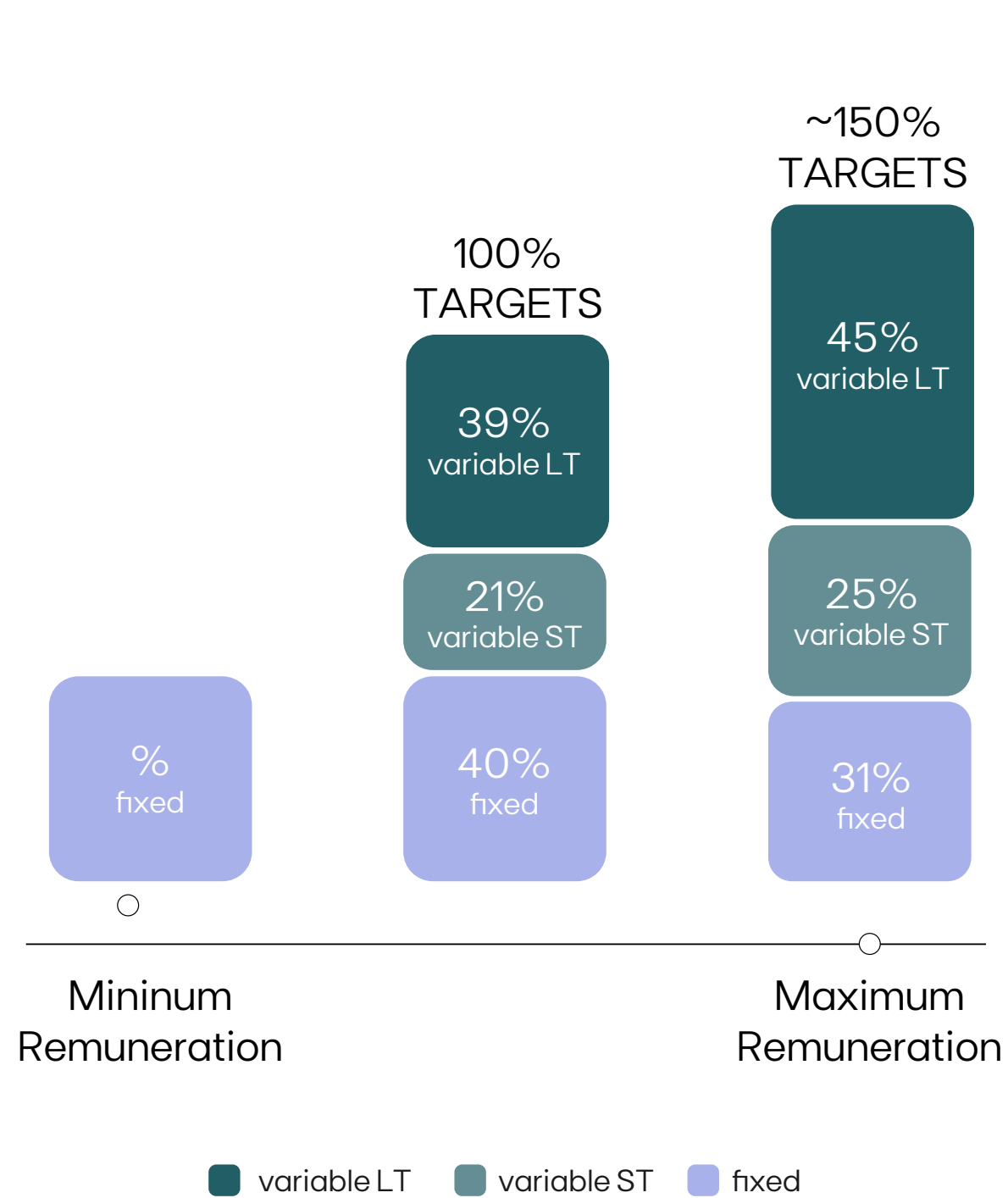


1. Pedro Vasconcelos was elected on 12th April in substitution of Miguel Setas

Governance highlights overview of the remuneration policy

New Remuneration Policy aligned with Best Practices

Approved on the General Shareholders Meeting on the 14th April 2021



CODE OF ETHICS

CORPORATE GOVERNANCE

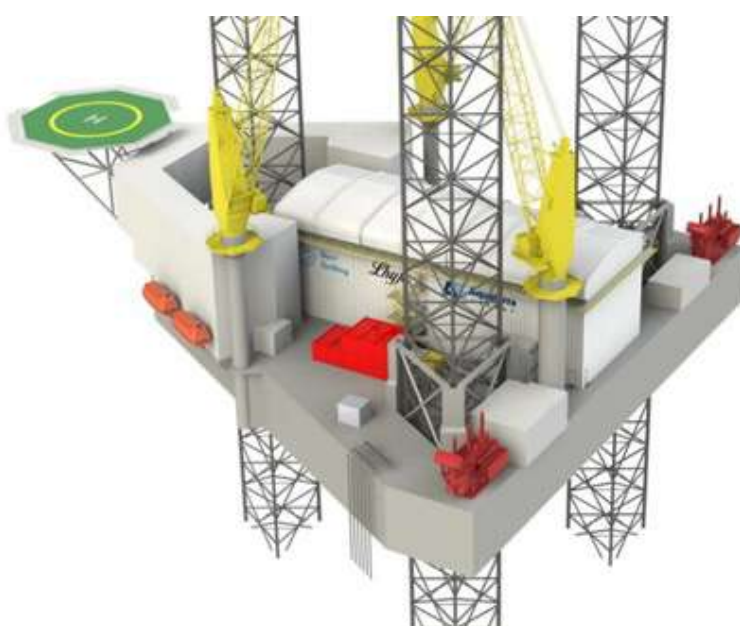
EBD REMUNERATION POLICY 2021 - 2023

Digitalization & innovation highlights committed to drive transformation

DIGITALIZATION			UNIT	1Q23	1Q22	Δ %
Global	Global	Digital CAPEX ¹	€m	327	273	
		Cybersecurity	bitsight rating	810	800	1%
Digital Business	Customer	Selfcare Interactions ²	%	76%	80%	-4p.p
		Electronic Invoices ²	%	43%	40%	+4p.p
	Assets & Operations	Predictive Maintenance ^{2,3}	%	66%	65%	+1p.p
Digital Enablers	Data & Technology	Systems in the cloud ²	%	64%	61%	+3p.p.
	People & Organization	Employees w/ digital training ²	%	88%	81%	+7p.p.
		Employees in Collaborative Initiatives ²	%	35%	26%	+0p.p.

INNOVATION

















Innovation Team	Total investment (TOTEX)	€ Mn	26	24	8%
	Employees ⁴	#FTE	459	340	35%
Investment Portfolio	Ongoing investments VC	#	43	38	13%
	VC investment	€ Mn	2.9	1.4%	103%
	VC investment cumulative ⁵	€ Mn	52.8	40.2%	31%




EDP is participating in the HOPE project, where the main objective is to provide a clear pathway to the deployment of large-scale offshore hydrogen production solutions between 2023 and 2028. To this end, the project will demonstrate the technical feasibility and economic viability of offshore hydrogen production through the design, construction and operation for 2 years of a 10 MW green hydrogen production unit located offshore, capable of producing around 4 tons of green hydrogen per day. EDP will lead the scalability studies for the deployment of even larger scale offshore hydrogen production units: a 300 MW system for shallower waters (<120 m) and a 500 MW system for far-shore, deep


1. Cumulative value since 2021; 2. Changes in scope of reporting limits comparability; 3. Generation (PT & SP), EDPR & EDP Brasil; 4. Only including extended scope of EDP Brasil employees since 1H22. 5. Net of divestments.

ESG ratings committed to excellence

rater	range	score	ranking	last assessment	
 <p>Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA</p>	0-100	90	1 st	 (TOP QUARTILE IN ESG RATING PERFORMANCE)	Dec-22
	0/5	4.5	Top 5%	 (TOP QUARTILE IN ESG RATING PERFORMANCE)	Sep-22
	0-100	72	3 rd	 (TOP QUARTILE IN ESG RATING PERFORMANCE)	May-22
	D--A+	B+	n.a.	 (TOP QUARTILE IN ESG RATING PERFORMANCE)	Jan-22
	100-0	19.7	n.a.	 (TOP QUARTILE IN ESG RATING PERFORMANCE)	Dec-22
	CCC-AAA	AAA	Top 13%	 (TOP QUARTILE IN ESG RATING PERFORMANCE)	Mar-23
	D--A	A	n.a.	 (TOP QUARTILE IN ESG RATING PERFORMANCE)	Dec-22
	D--A	A	n.a.	 (TOP QUARTILE IN ESG RATING PERFORMANCE)	Dec-22

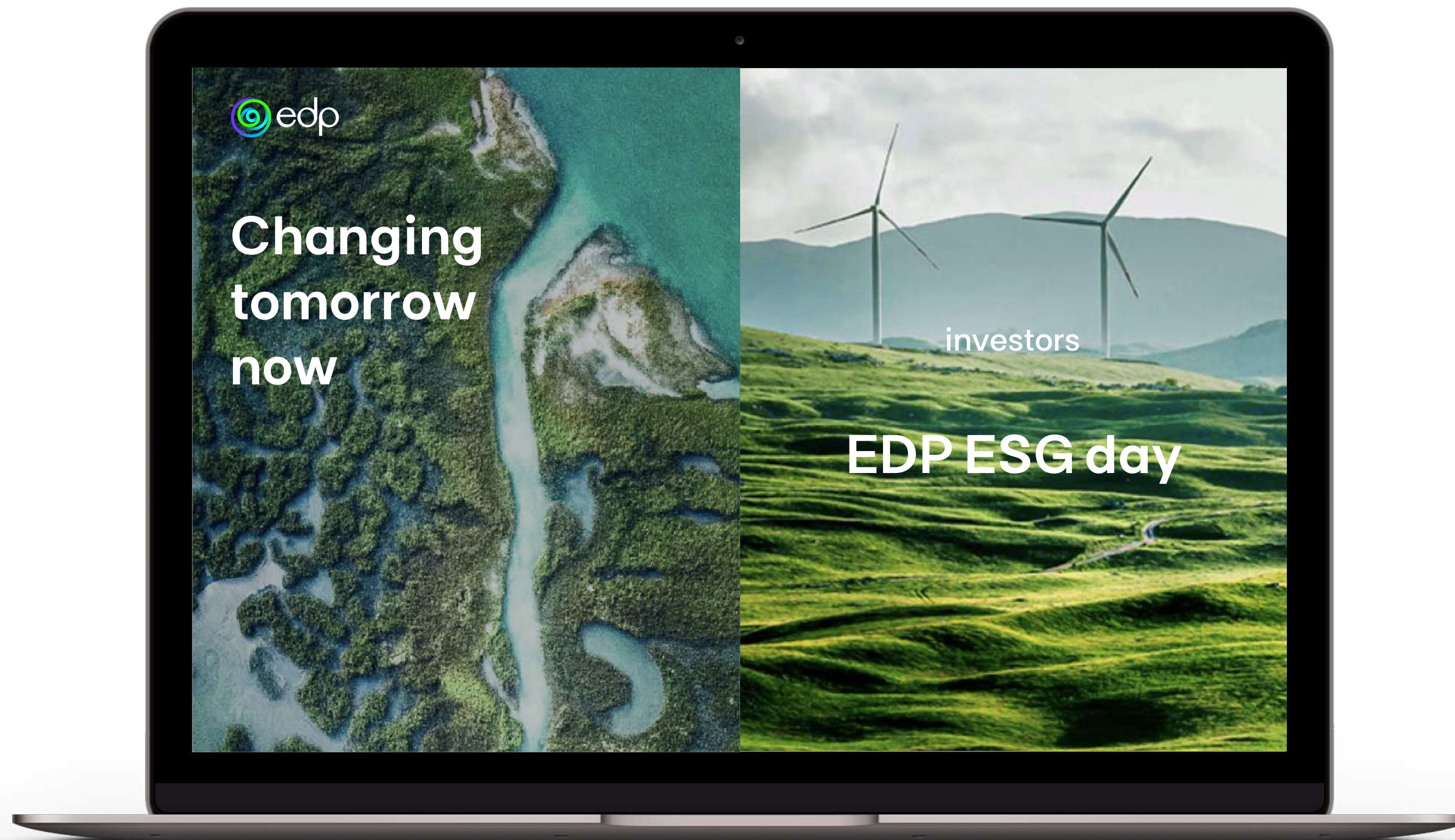



For more information on EDP's sustainability performance please visit our website



For more information on on indicators please visit our online glossary

1. The comparable peers exclude companies that manage transmission grids, only includes the ones that handle throughout the electricity value chain and electricity/gas supply. 2. The ESG Risk Rating measures a company's exposure to industry-specific material ESG risks and how well a company is managing those risks (opposed to a score). This rating distinguishes five levels ranging from 100 (Severe) to 0 (Negligible). EDP is considered to have a low level of risk.



For further information please visit our [sustainability report](#) and our ESG DAY page available in our [website](#)