



ESG 2023 Report

Lisbon, February 29th

Transmission Aliança Line
Santa Catarina, Brazil

Leading on ESG matters at EDP

Dear Stakeholders,

I am pleased to present to you EDP's annual Environmental, Social, and Governance (ESG) report for the year 2023. As stakeholders in our journey towards sustainability, your support and engagement are integral to our success.

Year of Commitment and Progress: In 2023, EDP reaffirmed its dedication to sustainability and decarbonization by unveiling an updated 2023-2026 Business Plan. With an additional €25 billion investment earmarked to bolster renewables and fortify our electricity networks, we are steadfast in our mission to support global decarbonization efforts.

We are proud to reaffirm our commitment to achieving net-zero carbon emissions by 2040, as verified by the Science-based Targets Initiative and being coal-free by 2025. During 2023 we agreed to Corporación Masaveu the sale of 50% of Aboño II and its conversion to co-firing natural gas and steel blast furnace gases, a case study of circular economy in Europe. We also requested permission to the system operator (Red Eléctrica) to close our last remaining coal plants in Spain and sold 80% of Pecém coal plant in Brazil where we'll support the buyer with studies for the conversion to other sources of fuel, such as natural gas and blends with hydrogen or biomass.

Driving Sustainable Growth: Throughout 2023, we made significant strides in our decarbonization journey. Notably, our thermal generation decreased by 54% compared to the previous year, with coal's contribution expected to become immaterial by 2024. Our renewable energy capacity reached 86%, underscoring our commitment to clean energy solutions.

Empowering Communities, Protecting the Planet: Beyond operational achievements, we are deeply committed to creating positive social impact and protecting our planet. Through initiatives like Solidarity Solar and Energy Inclusion, we are empowering communities and ensuring a fair energy transition for all. Additionally, our Close the Loop Program promotes circular economy principles, minimizing waste and optimizing resource use.

Recognition of Excellence: I am proud to share that EDP has been recognized as the most sustainable electric utility by S&P Global CSA, a testament to our unwavering commitment to sustainability. Furthermore, our leadership in transparency and climate change performance has been acknowledged by CDP, reinforcing our global leadership in ESG practices.

Looking Ahead: As we reflect on our achievements in 2023, we remain steadfast in our commitment to driving positive change and delivering sustainable growth. With your continued support, we are confident in our ability to navigate the evolving ESG landscape and create long-term value for all stakeholders.

I invite you to explore the pages of this report to learn more about our ESG initiatives and achievements in 2023. Together, we will continue to build a more sustainable and resilient future.

Warm regards,



Rui Teixeira

ESG Performance at a glance

| | INDICATOR | Unit | 2023 | 2022 | Δ % | Target 2026 | Target 2030 |
|---|--|-----------------------|------|------|---------|----------------------------|-------------|
|  Environment | Renewables generation | % | 87% | 74% | +13p.p. | 93% | 100% ● |
| | Capex aligned with EU taxonomy | % | 96% | 96% | +0p.p. | >98% | 100% |
| | Scope 1 & 2 Emissions intensity | gCO ₂ /kWh | 81 | 160 | -50% | 36 | 8 ● |
| | Total recovered waste materials | % | 96% | 95% | +2p.p. | 90% | >90% ● |
|  Social | Female overall | % | 29% | 27% | +1p.p. | 31% | 35% |
| | Global investment in communities ¹ | € m | 34 | 32 | 8% | ~€200 | >€300 |
| | Accident Frequency Rate ² | Fr | 2.07 | 1.84 | 13% | 1.42 | <1 |
|  Governance | Female on Leadership | % | 29% | 28% | +1p.p. | 31% | 35% |
| | ESG & equity linked compensation for Top Management ³ | | √ | √ | | √ | √ |
| | Cybersecurity | bitsight rating | 810 | 810 | 0% | Keep advanced ⁴ | |
| | Top quartile in ESG rating Performance ⁵ | | √ | √ | | √ | √ |

Renewables represented 87% of electricity generated by EDP in 2023, which compares with 74% in the same period last year.

Gross investments, including consolidated capex and financial investments, amounted to €6.1Bn in 2023, of which 96% allocated to renewables and electricity networks activities, fully aligned with the energy transition.

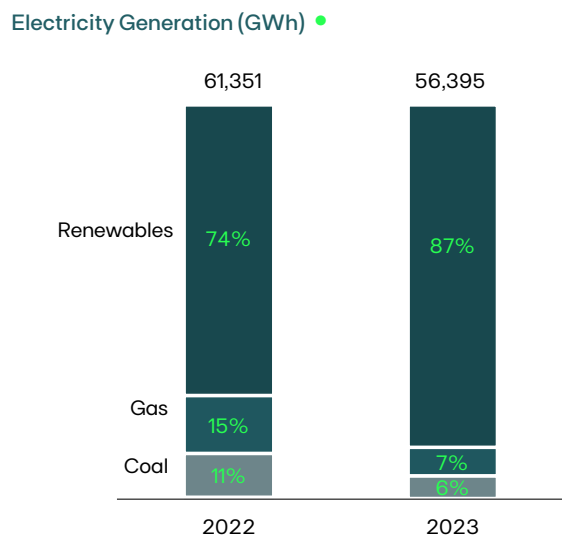
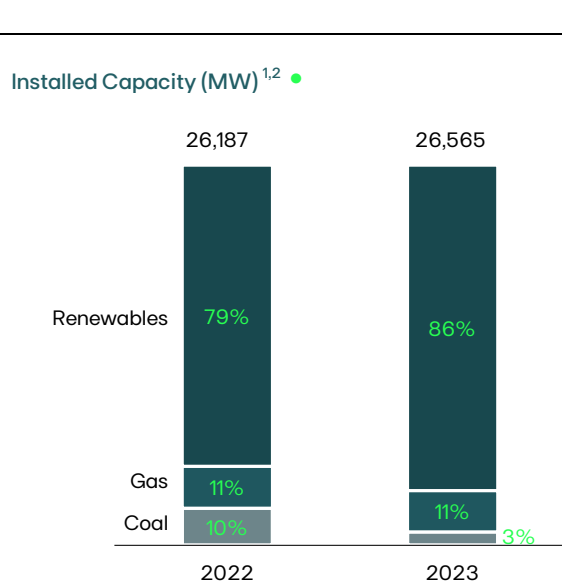
Specific CO₂ emissions decreased in 2023 together with increased hydropower generation, after the severe drought that occurred in 2022.

Accident frequency rate increased to 2.07 in 2023. 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.

● Sustainable Finance Disclosure Regulation (SFDR) Indicator

1. For 2026 target, the value corresponds to the accumulated OPEX starting 2021. 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 S&P CSA, FTSE4Good, MSCI and Sustainalytics.

Operational highlights committed to a renewables path



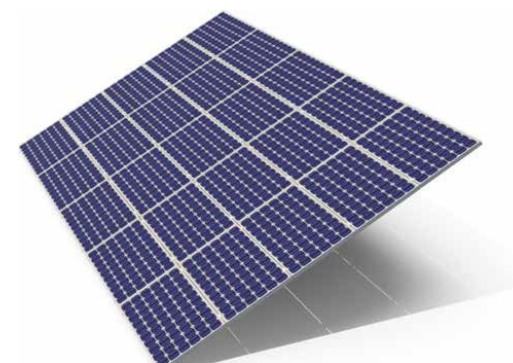
| | Unit | 2023 | 2022 | Δ % |
|--|------|---------------|---------------|---------------|
| HYDRO COEFFICIENT | | | | |
| Portugal | % | 99% | 63% | +36p.p. |
| Spain | | 90% | 70% | +20p.p. |
| Brazil ³ | | 102% | 97% | +4p.p. |
| RENEWABLE INDEX ⁴ | | | | |
| | % | -6% | -2% | -4p.p. |
| ELECTRICITY DISTRIBUTED | | | | |
| | GWh | 86,438 | 85,272 | 1% |
| Portugal | | 45,978 | 45,494 | 1% |
| Spain | | 12,682 | 13,286 | -5% |
| Brazil | | 27,778 | 26,491 | 5% |
| CUSTOMERS CONNECTED | | | | |
| | # th | 11,758 | 11,583 | 2% |
| Portugal | | 6,484 | 6,425 | 1% |
| Spain | | 1,391 | 1,383 | 1% |
| Brazil | | 3,883 | 3,775 | 3% |
| TOTAL ENERGY CONSUMPTION | | | | |
| | | 20,710 | 39,925 | -48% ● |
| Total Renewable consumption | | | | |
| | GWh | 1,946 | 1,743 | 12% ● |
| Fuel | | 5 | 5 | -1% |
| Electricity | | 1,941 | 1,738 | 12% |
| Self-generated non-fuel renewable energy | | 1,891 | 1,687 | 12% |
| Total Non-Renewable consumption | | | | |
| | GWh | 18,764 | 38,182 | -51% ● |
| Fuel | | 16,137 | 36,889 | -56% |
| Electricity | | 2,628 | 1,294 | 103% |
| Energy consumption intensity | | | | |
| | MJ/€ | 5 | 7 | -34% ● |

● Sustainable Finance Disclosure Regulation (SFDR) Indicator

1. EBITDA MW; 2. Other includes 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

| | Unit | 2023 | 2022 | Δ % |
|--|-------------------|---------------|---------------|---------------|
| ENERGY EFFICIENCY | | | | |
| Energy Services Revenues / Turnover ¹ | % | 12.2% | 9.9% | +2p.p. |
| Energy Efficiency Services Revenues | € m | 571 | 491 | 16% |
| DISTRIBUTED SOLAR | | | | |
| As a Service – Installed Capacity² | MWac | 1,126 | 700 | 61% |
| Portugal | MWac | 169 | 103 | 64% |
| Spain | MWac | 23 | 11 | 97% |
| Brazil | MWac | 104 | 57 | 83% |
| US | MWac | 262 | 186 | 41% |
| APAC | MWac | 528 | 338 | 56% |
| Other | MWac | 40 | 5 | 658% |
| Additions Ytd³ | MWac | 596 | 707 | -16% |
| E-MOBILITY | | | | |
| Light fleet electrification | % | 29% | 15% | +15p.p. |
| Electric charging points ⁴ | # | 8,510 | 6,010 | 42% |
| Clients with electric mobility solutions | # | 106,991 | 76,455 | 40% |
| SMART METERS | | | | |
| Iberia | # m | 7.0 | 6.0 | 17% |
| Brazil | # m | 0.6 | 0.5 | 25% |
| ELECTRICITY GRID LOSSES | | | | |
| Portugal | % | 7.8% | 8.7% | -0.9p.p. |
| Spain | % | 4.8% | 4.8% | -0.1p.p. |
| Brazil | | | | |
| São Paulo | % | 7.2% | 7.9% | -0.7p.p. |
| Espírito Santo | % | 11.8% | 11.9% | -0.1p.p. |
| CUSTOMERS WITH SUSTAINABLE SERVICES⁵ | % | 46% | 38% | +7p.p. |
| CO₂ SAVINGS DOWNSTREAM⁶ | ktCO ₂ | 12,967 | 11,901 | 9% |

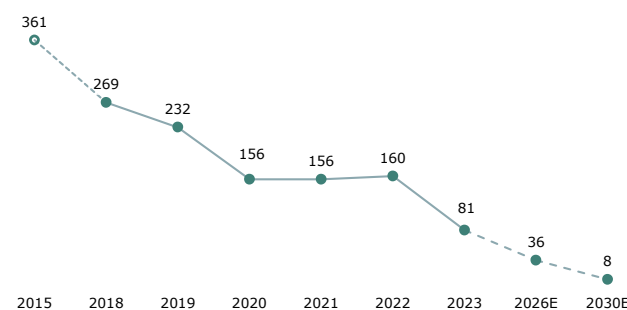


1. Energy service: Services provided under energy supply, installation of more efficient and/or building retrofit, and sustainable mobility, which generate revenues for the company; 2. As a service capacity installed at EDP, including inorganic capacity; 3. Including As-a-Service and Transactional Installations; 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; 6. CO₂ avoided by carrying out efficiency improvement measures that lead to a reduction in customer consumption, as well as measures to replace energy sources with other less CO₂-emitting ones, namely replacing fossil fuels with renewable energy sources or sustainable mobility - annual value.

Environmental highlights committed to a carbon-free economy

| | Unit | 2023 | 2022 | Δ % | |
|---|--------------------------------|---------|---------|----------|---|
| GREENHOUSE GAS EMISSIONS | | | | | |
| Scope 1 & 2 Emissions Intensity | gCO ₂ /kWh | 81 | 160 | -50% | ● |
| Scope 1 & 2 Emissions Intensity (% vs 2020) | % | -49 | 3 | -52p.p. | ● |
| Scope 1 GHG Emissions | ktCO ₂ eq | 4,276 | 9,405 | -55% | ● |
| Scope 2 GHG Emissions ¹ | ktCO ₂ eq | 288 | 469 | -39% | ● |
| Scope 3 GHG Emissions ² | ktCO ₂ eq | 8,063 | 9,279 | -13% | ● |
| Avoided emissions | ktCO ₂ | 25,841 | 22,749 | 14% | |
| AIR QUALITY | | | | | |
| NO _x emissions | kt | 2.49 | 4.79 | -48% | ● |
| SO ₂ emissions | kt | 1.04 | 2.35 | -55% | ● |
| Particulate matter emissions | kt | 0.09 | 0.23 | -61% | ● |
| WATER MANAGEMENT | | | | | |
| Total freshwater withdrawn | 10 ³ m ³ | 5,659 | 11,275 | -50% | |
| Total freshwater consumed | 10 ³ m ³ | 4,091 | 9,964 | -59% | |
| Total water discharge | 10 ³ m ³ | 538,244 | 661,362 | -19% | ● |
| WASTE MANAGEMENT | | | | | |
| Total waste materials | t | 266,138 | 383,634 | -31% | |
| Total waste | t | 238,591 | 335,157 | -29% | |
| Total recovered waste materials | % | 96% | 95% | +2p.p. | ● |
| Hazardous waste | t | 6,921 | 5,019 | 38% | ● |
| ENVIRONMENTAL MATTERS | | | | | |
| Environmental CAPEX | € m | 107.1 | 105.5 | 1% | |
| Environmental Expenses ³ | € m | 418.0 | 1,006.1 | -58% | |
| Environmental Fines and Penalties | € th | 62.6 | 99.1 | -37% | |
| ISO 14001 Certification | % | 89% | 87% | +3p.p. | |
| LOW CARBON ECONOMY | | | | | |
| EBITDA in Renewables | % | 58% | 56% | +2p.p. | |
| CAPEX in Renewables | % | 77% | 76% | +0.5p.p. | |
| Revenues from coal | % | 4.3% | 9.8% | -5p.p. | ● |
| Revenues aligned with EU taxonomy | % | 43% | 49% | -6p.p. | |
| CO ₂ /Revenues ⁴ | tCO ₂ eq/€ m | 0.08 | 0.48 | -83% | ● |

Scope 1 & 2 Emissions Intensity



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



> 90% Total recovered waste in 2030



100% CAPEX aligned with EU taxonomy in 2030

● Sustainable Finance Disclosure Regulation (SFDR) indicator

1. Scope 2 emissions according with GHG Protocol based location methodology; 2. Annual Indicator; 3. Includes CO₂ allowances; 4. 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.

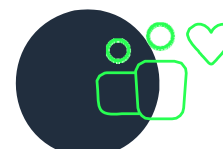
Social highlights committed to provide a fair and safe workplace

| | Unit | 2023 | 2022 | Δ % |
|-----------------------------------|------|--------|--------|----------|
| EMPLOYMENT | | | | |
| Employees | # | 13,041 | 13,211 | -1% |
| Female employees | % | 29% | 27% | +1p.p. |
| Female/Male fixed salary | x | 1.04 | 1.05 | -1% ● |
| Employee Engagement ¹ | % | 80% | 84% | -4p.p. |
| Employee Empowerment ² | % | 75% | 72% | +3p.p. |
| Employee Turnover | % | 13.4% | 11.8% | +2p.p. ● |
| Absenteeism | % | 3.3% | 3.0% | +0.3p.p. |
| New Hires | # | 1,425 | 1,048 | 36% |
| Disability Hires | # | 21 | 18 | 17% |



35% female employees by 2030

| | | | | |
|----------------------------|------|---------|---------|--------|
| TRAINING | | | | |
| Total hours of training | h | 376,717 | 309,935 | 22% |
| Employees with training | % | 100% | 100% | +0p.p. |
| Direct training investment | € th | 5,190 | 3,788 | 37% |



> 6 500 new hires by 2030

| | | | | |
|---|-----|------|------|-------|
| HEALTH AND SAFETY | | | | |
| Accidents with lost workdays EDP | # | 37 | 28 | 32% |
| Accidents with lost workdays contractors ³ | # | 140 | 105 | 33% |
| Fatal work-related injuries EDP | # | 0 | 0 | - |
| Fatal work-related injuries contractors | # | 5 | 5 | 0% |
| Frequency rate EDP | Fr | 1.47 | 1.13 | 30% |
| Frequency rate contractors | Fr | 2.32 | 2.18 | 6% |
| Total recordable injury rate | RFr | 3.11 | 2.82 | 10% ● |
| Total recordable injury rate EDP | RFr | 2.38 | 2.07 | 15% ● |
| Total recordable injury rate contractors | RFr | 3.41 | 3.19 | 7% ● |



Accident frequency rate <1 by 2030

| | | | | |
|-------------------------------|------|--------|--------|------|
| SOCIAL INVESTMENT | | | | |
| Beneficiary Entities | # | 604 | 634 | -5% |
| EDP volunteers | # | 4,426 | 4,121 | 7% |
| EDP time used in volunteering | h | 21,591 | 10,551 | 105% |
| Total Investment | € th | 34,175 | 31,630 | 8% |



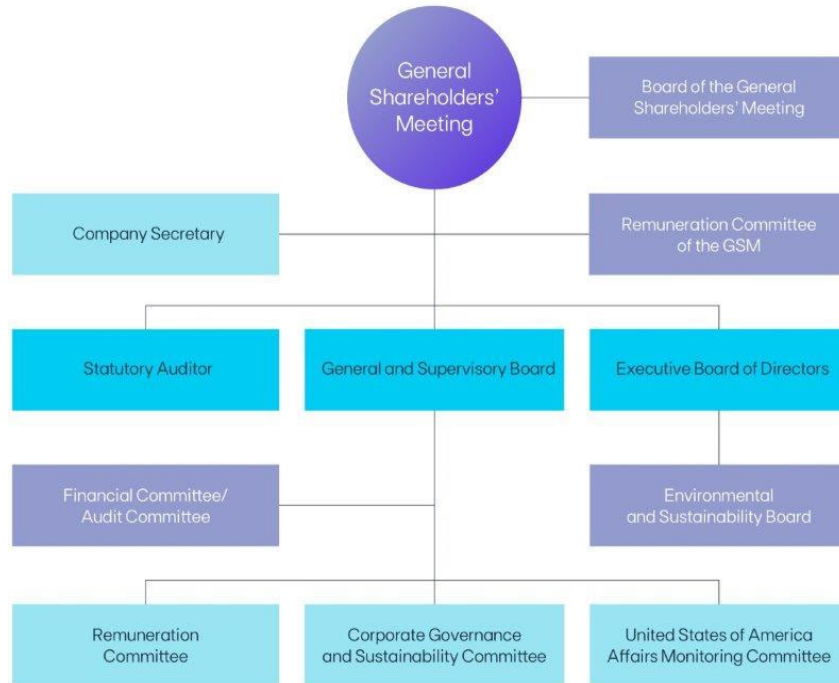
Social investment >€300M until 2030

● 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.

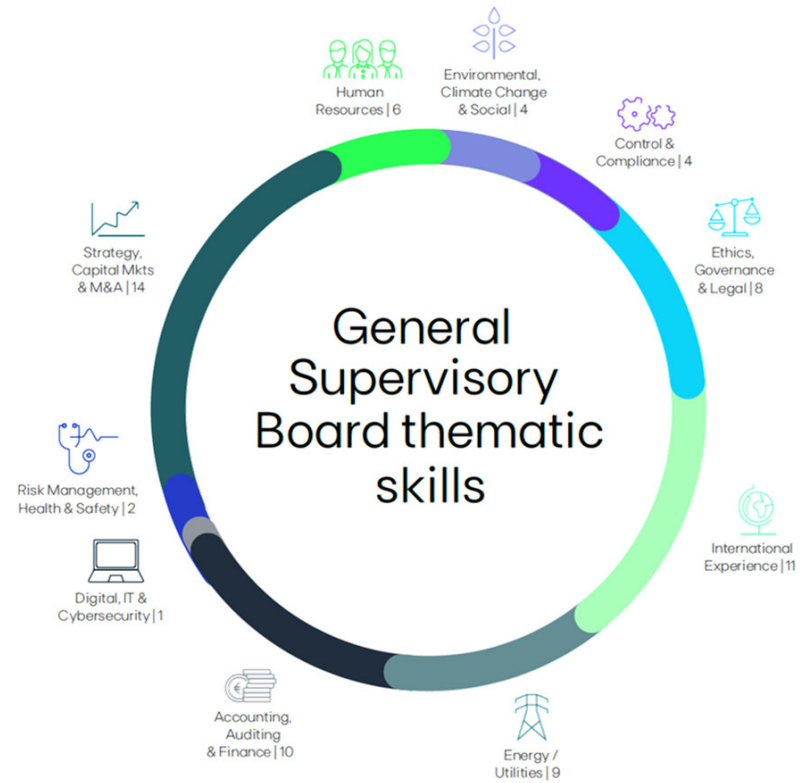
Governance highlights committed to the best practices

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

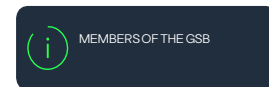
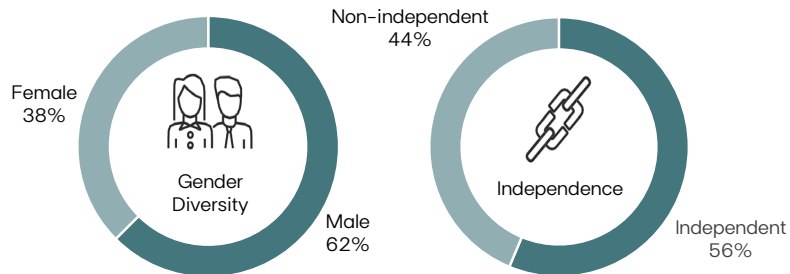


- Corporate Entities¹
- Corporate Bodies
- Other Statutory Bodies

¹ Corporate Entities are also Corporate Bodies, pursuing the article 8(4) of EDP's Articles of Association.



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



Governance highlights committed to the best practices

Executive Board of Directors



Ana Paula Marques



Miguel Stilwell d'Andrade
(CEO)



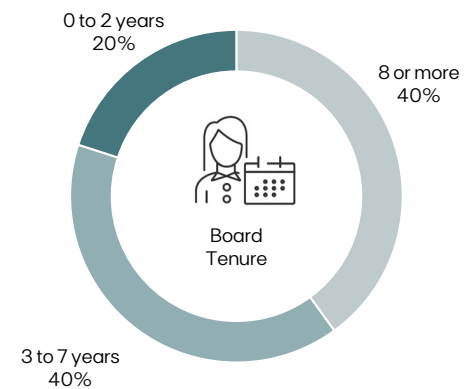
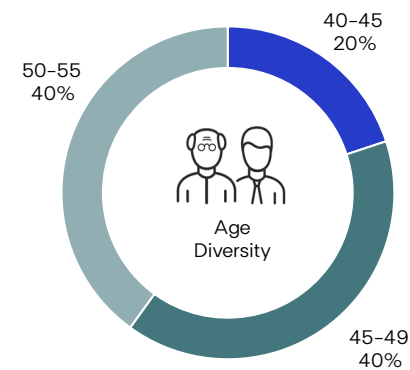
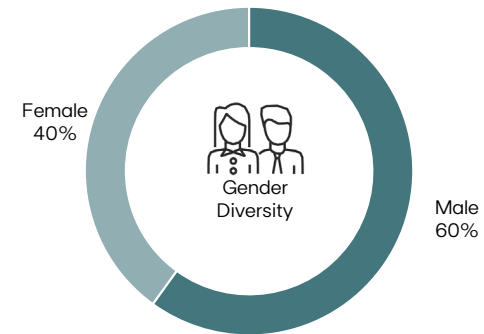
Rui Teixeira
(CFO)



Pedro Vasconcelos¹



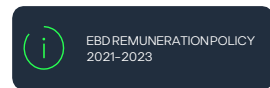
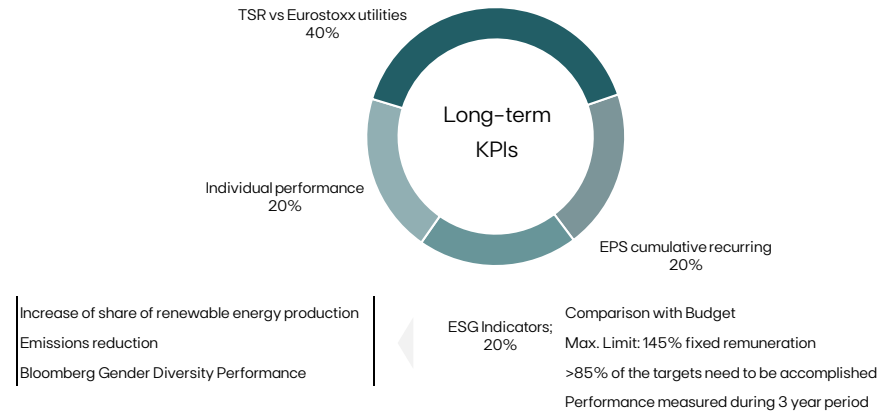
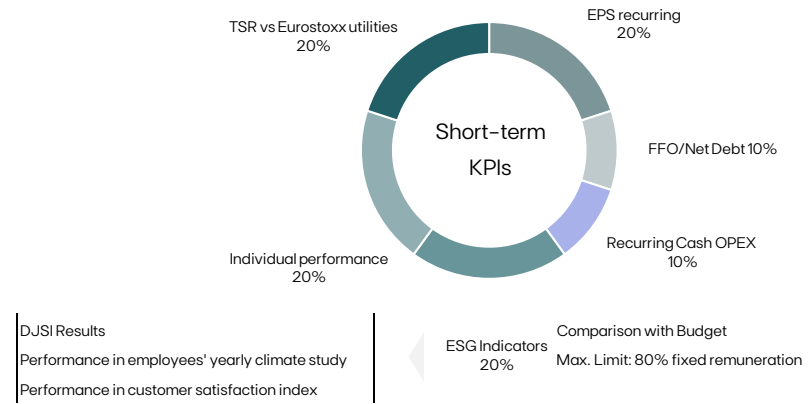
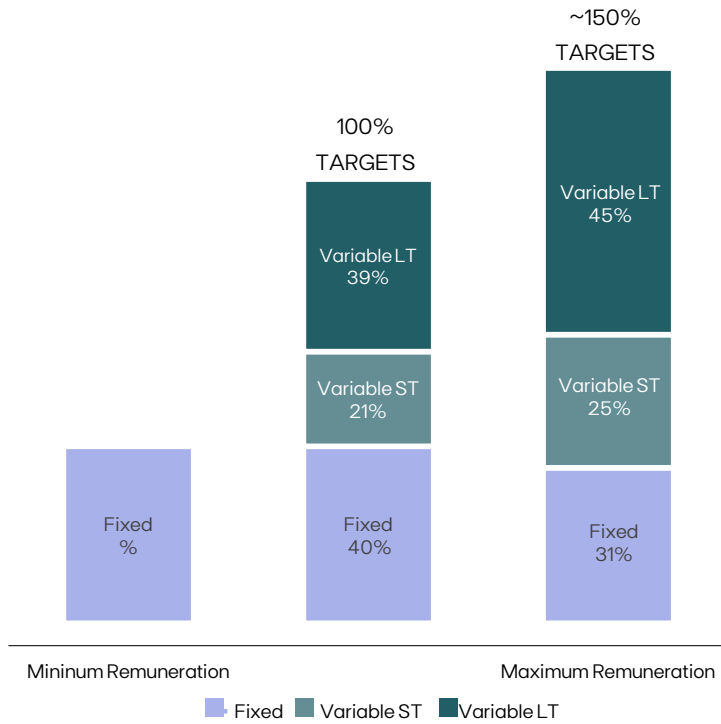
Vera Pinto Pereira



¹ Pedro Vasconcelos was elected on 12th April 2023 in the Annual General Shareholders' Meeting of EDP.

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



Digitalization & innovation highlights committed to drive transformation

| | | | Unit | 2023 | 2022 | Δ % |
|-----------------------|-----------------------|---|-----------------|------|------|---------|
| DIGITALIZATION | | | | | | |
| Global | Global | Digital TOTEX ¹ | € m | 540 | 310 | |
| | | Cybersecurity | bitsight rating | 810 | 810 | 0% |
| Digital Business | Customer | Selfcare Interactions ² | % | 81% | 72% | +9p.p. |
| | Assets & Operations | Electronic Invoices ² | % | 45% | 43% | +2p.p. |
| | | Predictive Maintenance ^{2,3} | % | 77% | 65% | +12p.p. |
| Digital | Data & Technology | Systems in the cloud ² | % | 67% | 63% | +4p.p. |
| | People & Organization | Employees w/ digital training ² | % | 71% | 85% | -14p.p. |
| | | Employees in Collaborative Initiatives ² | % | 41% | 36% | +5p.p. |
| INNOVATION | | | | | | |
| Innovation Team | | Total investment (TOTEX) | € m | 206 | 175 | 18% |
| | | Employees ⁴ | #FTE | 563 | 591 | -5% |
| Investment Portfolio | | Ongoing investments VC | # | 42 | 42 | 0% |
| | | VC investment | € m | 16.0 | 10.7 | 50% |
| | | VC investment cumulative ⁵ | € m | 48.5 | 46.1 | 5% |










Source: Fraunhofer CSP


EDP's involvement in the APOLLO project highlights its commitment to advancing sustainability in the renewable energy sector. As a key partner in APOLLO, EDP is dedicated to developing innovative solutions for circular PV recycling, aligning with the European Union's goals for environmental stewardship and resource efficiency. By focusing on Life Cycle Assessment Analysis, Life Cycle Cost Analysis, and Circular Business Models, EDP aims to drive sustainable practices throughout the lifecycle of photovoltaic materials, ultimately contributing to a more sustainable and circular economy. Through its participation in the APOLLO project, EDP is at the forefront of driving positive environmental impact and shaping the future of renewable energy innovation.


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 | 88 | 1 st | Oct-23 |
|  <p>FTSE4Good</p> | 0/5 | 4.4 | Top 3% | Jul-23 |
|  <p>EURONEXT</p> | 0-100 | 72 | 3rd | May-22 |
|  <p>Corporate ESG Performance RATED BY ISS ESG Prime</p> | D--A+ | B+ | n.a. | Sep-23 |
|  <p>Rated SUSTAINALYTICS</p> | 100-0 | 19.6 | n.a. | Jan-24 |
|  <p>MSCI ESG RATINGS AAA ccc B BB BBB A AA AAA</p> | CCC-AAA | AAA | Top 12% | Mar-23 |
|  <p>CDP A LIST 2023 CLIMATE</p> | D--A | A | n.a. | Jan-24 |

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


For more information on indicators please visit our online glossary



For further information please visit our [Transparency and Reporting page](#) and our [Capital Markets Day page](#) available in our website