

General and Supervisory Board Annual Report 2023



We
Choose
Earth

Our energy

Speaks of our stamina, our track record and what drives us to continuously deliver green energy

and heart

Highlights our people and their key role in delivering our commitment to our clients, partners and communities

drive a better

Reflects our ambition and leadership in making change happen

tomorrow

The reason why we work every day

Why we choose ocean

Moray East Offshore Wind Farm, Scotland

Because We Choose Earth

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Message from the Chairman

João Talone



Dear Shareholders,

The term of office for the governing bodies of EDP (2021–2023) is now coming to an end and, at the upcoming General Meeting to be held in April 2024, we will have new teams to face a new three-year cycle.

In my specific case, as Chairman of EDP leading the General and Supervisory Board, my collaboration with the Company and the joint work developed with my colleagues from the Board, both in plenary and in the different Committees, as well as the strong interaction with the Chairman of the Executive Board of Directors and his excellent team, including the elements which compose the management, namely those responsible for the geographies in which EDP is present, comes to an end.

These three years were an opportunity to immerse myself in the different organizations that contribute to EDP's business, in the various countries and different aspects of that same business, gaining insight into the people – one of EDP's main assets – their enthusiasm and motivation, their skills and development, and even the effectiveness of integrating various cultures, due to diverse geographic origins, generational differences, and distinct professional backgrounds. In my opinion, the success of the Group is not dependent on creating a monolithic culture that overrides and suppresses diversity and individual spirit, but rather on innovative forms of collaboration, benefiting from that diversity and respecting the desires for personal fulfilment and happiness of everyone. This will continue to be a strong driving force for future development.

Thus, I have been a direct witness to the immense effort being made in this area and the progress already achieved, although it remains a priority and an ongoing dynamic.

These past three years have been intense, marked by significant volatility in the environment, coinciding with a dramatic and almost unanimous need to accelerate the energy transition, along with the outbreak of military conflicts with terrible and unexpected consequences for the lives, safety, and integrity of citizens, whose prioritized protection often conflicted and conflicts with the previous objective.

The General and Supervisory Board sought to closely follow the sustainable development of EDP, through intense and continuous interaction with the Executive Board of Directors, motivating, challenging, controlling, supporting, questioning, suggesting, and evaluating. Setting limits and promoting ambitions. Ultimately, fulfilling our mission.

Throughout the term of office, we held 28 plenary meetings and 91 meetings of the 5 Specialized Committees.

The most frequently addressed and debated topics in plenary were (in descending order of frequency):

- Investments and divestments
- Strategy and Strategic Plan
- Finance and financial control
- Monitoring of the overall business and by geographies
- Sustainability (Energy transition; Environment; People)
- Risks and Energy Management
- Monitoring of Subsidiaries
- Analysis and approval of individual and consolidated accounts
- Corporate reputation and stakeholder satisfaction, especially customers

In this message, I will not address the excellent results achieved by the collective effort of all those who work at EDP under the competent leadership of the members of the Executive Board of Directors. They are available to you, Shareholders, in the various reports presented, accompanied and certified by independent assessments.

I conclude with a feeling that we would have liked to have done more and better, especially better, and with the satisfaction of having worked with people of great value and ethical sense.

A promising future is thus ensured for EDP.

Lisbon, February 2024

João Talone

2. Structuring pillars followed by the General and Supervisory Board

Main highlights

- **Business Plan update** – growth ambition supported by transformative operations that initiated the execution of the revised Business Plan for the years 2023 to 2026
- **Risk management** – core area of supervision confirmed as a priority during the 2021–2023 term of office
- **Investments** – efficiency and transparency in a context of increasing complexity that requires close monitoring
- **EDP Stakeholders** – attention devoted to EDP’s wider universe
- **Global supervision** – broad scope of supervision activity with a focus on local realities

Business Plan update – growth ambition supported by transformative operations

The update of EDP’s Business Plan was the centre of a significant part of the General and Supervisory Board’s attention throughout the first quarter of 2023. The exercise resulted in an **increase of the previously announced ambition for 2025 and an in-depth vision of EDP for the second half of the decade.**

The preparatory work for this update began in 2022 with the development of a detailed **sectorial vision entirely shared by the General and Supervisory Board and the Executive Board of Directors. In early 2023, the joint reflection on updating the Business Plan** followed, introducing the necessary restrictions that balance EDP’s growth ambition, the ability to finance this growth and a dividend policy that meets investors’ expectations. The General and Supervisory Board and the Executive Board of Directors also reinforced the need to have excellent Environment, Social and Governance (ESG) policies as a strategic pillar of the Business Plan.

This in-depth discussion enabled EDP to present an update of EDP’s Business Plan to the market at the Capital Markets Day on March 2, 2023. On the same day, three transformative operations were launched that were the basis for relaunching the Business Plan: a 1B€ capital increase at EDP Group level, a 1B€ capital increase at EDP Renewables level and the announcement of the offer to buy EDP Brazil’s entire share capital with the subsequent start of the process of delisting the company from the Brazilian stock exchange.

The Board noted with satisfaction the excellence with which the Executive Board of Directors carried out these operations, paving the way for the future success of the Business Plan, now with a horizon of 2026.

The approval of the Business Plan in 2021, the monitoring of its execution in 2022 and its update in 2023 were, thus, a fundamental axis of the General and Supervisory Board’s activity during the 2021–2023 term of office.

Risk management – core area of supervision

The continuation of the war in Ukraine, the emergence of the war in the Middle East, the instability in supply chains and the sharpened volatility of international markets have justified keeping risk management **supervision at the centre of the General and Supervisory Board’s attention.**

Risk management was the topic of 3 of the 10 meetings of the General and Supervisory Board in 2023. The Group’s exposure to business risks was monitored, with an in-depth look at supply chain and financial risks. The exchange rate risk policy was also revised. Finally, the evolution of the Group’s risk appetite was also monitored by the General and Supervisory Board.

Risk management supervision was, in fact, one of the topics that garnered the most attention during the 2021 to 2023 term of office. Its monitoring enabled the identification of critical areas of the company to be supervised and the anticipation of the most strategic discussions for EDP Group.

Investments – efficiency and transparency in a context of increasing complexity

EDP business plan's update is based on an ambitious 25B€ investment plan between 2023 and 2026. The application of this capital in an increasingly wider geographical scope creates the need for the General and Supervisory Board to have **robust and transparent information to support its investment decisions and to monitor the implementation of the overall investment plan.**

In 2023, EDP Group's investments were highlighted in 7 of the 10 plenary meetings of the General and Supervisory Board. There was a meeting in which the annual post-mortem analysis of investments commissioned three years ago was covered, as well as a status report on EDP's important asset rotation program.

EDP's major investments and divestments were also individually approved by the General and Supervisory Board. Of particular note were the operations that support the Coal Free by 2025 and All Green by 2030 objectives, in which the sales of the last coal assets and new investments in renewable energies in the Group's different geographies were finalized. Major network operations, such as the transmission asset rotations in Brazil and participation in auctions in the same country, were also approved by the Board in 2023.

The monitoring and approval of investments and divestments by EDP Group was a constant throughout the 2021 to 2023 term of office. There was an improvement and consolidation of approval processes and a rigorous monitoring of investments made throughout the three-year period. This Board activity becomes even more fundamental given the Group's strong growth ambitions, which are enshrined in its business plan.

EDP Stakeholders – attention devoted to EDP's wider universe

Since the beginning of this General and Supervisory Board's term of office, a **high priority has been given to monitoring the relationship with EDP Group's various stakeholders.** A key element in the management of these relations was the update of the stakeholder study that was presented to the Board in December. The study concludes that the action plan defined by the Executive Board of Directors in 2021 resulted in a significant improvement in EDP Group's reputation with the different stakeholder segments. The reputational assessment carried out again in 2023 lays the foundations for deepening the Group's relationships with all its stakeholders.

One of the stakeholder groups to which the General and Supervisory Board has always given special importance is EDP's employees. In 2023, the Board analysed the work that the Executive Board of Directors has developed to transform EDP into a Future Proof Organization. **The involvement of EDP's people will be fundamental to deliver the ambitious objectives of its business plan.** It was with great satisfaction that the General and Supervisory Board noted that every effort is being made to ensure that the Group has an agile organization in which its people feel involved and motivated.

Global supervision – broad scope of supervisory activity with a focus on local realities

Throughout the 2021 to 2023 term of office, the General and Supervisory Board was concerned with maximizing its scope of action at a geographic and business level, within the functions statutorily assigned to it. This deepening of knowledge of EDP's activity across the globe becomes increasingly relevant as the Group definitively establishes itself as a large multinational.

As an example of this increasingly broad supervision, throughout 2023, time was dedicated in plenary meetings to analyse the activity of the Group's subsidiary companies, in particular EDP Brasil and EDP Renewables (EDPR). There was particular focus on monitoring one of EDPR's main growth vectors in Europe, achieved with the acquisition in 2022 of the German company Kronos. EDPR's performance in the Asian platform also required more frequent updates, including the analysis of entry into new markets.

In the same vein, meetings of the General and Supervisory Board and its Specialized Committees (namely the Financial Matters Committee and the United States of America Business Affairs Monitoring Committee) were organized outside EDP's headquarters in Lisbon. There were, in particular, meetings in Madrid (Spain) and Houston (United States of America). **This deepening of the General and Supervisory Board's connection to EDP's global reality was a permanent feature of the 2021 to 2023 mandate.**

The connection between the Specialized Committees and the General and Supervisory Board was also maintained in depth in 2023. Whenever the Committees met, there was a report at the following General and Supervisory Board meeting that allowed sharing the most relevant topics that were analysed throughout the year.

The General and Supervisory Board is very pleased with the logic of optimised cooperation that it has always maintained with the Executive Board of Directors, a fundamental aspect for effective and efficient supervision of EDP's activity.

3.Relevant topics of the General and Supervisory Board Committee's

3.1 Financial Matters Committee/Audit Committee

Main highlights

- **Financial Reporting** – ability to consistently monitor the application of accounting, tax and regulatory standards and the preparation of financial information to ensure its reliable disclosure to the Company's stakeholders.
- **Internal Control System** – focus on monitoring the execution of activity plans and the implementation of Internal Audit recommendations and non-conformities and opportunities for improvement identified in the operation of Compliance & Internal Control and in the risk management process.
- **Transactions with Related Parties** – the review of the Related Parties Transactions Policy and the existing procedures have helped to improve the quality of the information reported to the Committee, to issue opinions on the transactions carried out.
- **Statutory Auditor** – permanent monitoring of the activity and conditions of independence, whose conclusions of the assessment carried out, together with the Audit Committees of the subsidiaries, allowed the approval of a proposal to the GSB for the reappointment of EDP Group's Statutory Auditor (or "PwC") for a third term (2024-2026), to be presented at the next General Shareholder's Meeting.
- **Meeting of the Audit Committees** – strengthening the interaction and relationship between the Audit Committees and sharing best practices in the development of their activities, including topics on new legal requirements in terms of monitoring non-financial reporting (ESG and Sustainability information).

As part of its activities, the Financial Matters /Audit Committee (or "FMC/AUDC" or "Committee") has always sought to reinforce its knowledge of the mechanisms and procedures put in place by EDP to prevent or detect the occurrence of situations that may affect the ability to produce, analyse and disclose information that adequately and

faithfully represents the economic and financial situation and to minimise the risks of errors in financial information and of misappropriation or misuse of the Company's own resources.

On the other hand, taking into account the current external context of great geopolitical instability and transformation of the markets in which EDP operates, the Committee has given increasing attention and importance to monitoring the work carried out within the scope of financial reporting, the review of regulations and procedures on tax and transfer pricing matters and internal control systems, in conjunction with the GSB, the EBD and the Group's corporate management areas.

Taking these concerns into account, the FMC/AUDC has been reinforcing its supervisory action on the following major to, which have been monitored and discussed throughout 2023:

Financial Report

The Committee took part in the EBD meetings where the interim and annual accounts were analysed. In this context, it periodically monitored, discussed, and supervised (i) the process of preparation and disclosure of financial information by EDP, (ii) the activity and opinions issued by the Audit Committees of EDP Renewables and EDP Energias do Brasil on the financial statements of these subsidiaries and (iii) the reports and opinions issued by PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. (or "PwC", or "SA") on the Group's interim information and annual audit/ statutory audit. As a result of its efforts to improve the performance of these duties, the FMC/AUDC has endeavoured to produce, with increasing quality and consistency, the reports and opinions on EDP's interim financial information and the annual report and accounts, the annual report and accounts of EDP Finance B.V., the annual report and accounts of EDP Servicios Financieros España, S.A. (Sociedad Unipersonal) and the assessment of the activity and independence of EDP Group's SA.

Also, as part of its analysis of the accounts, the Committee paid particular attention to the information produced by EDP's corporate services directors and by the Statutory Auditor on the impairment tests of the most significant assets and the risk assessment of the main ongoing litigation identified in each geography.

Internal Control System

Throughout the year, the FMC/AUDC supervised the internal audit function through increasingly demanding monitoring of the execution of the activity plan, the audit work carried out and the implementation of the recommendations issued, particularly those of higher risk and greater seniority. The same happened with the periodic monitoring of the tests carried out on the ICSFR (Internal Control System of Financial Reporting) controls, both by analysing the information received from EDP's internal services and on the basis of the reports delivered from EDP's internal services and on the basis of the reports delivered by the Statutory Auditor, having monitored the regularisation of non-compliance and the implementation of the opportunities for improvement identified. Both the heads of Internal Audit and ICSFR participated in meetings of this Committee on a recurring basis, explaining their biggest challenges and sharing the strategic execution of their activity.

Regarding the Compliance activity, the Committee supervised and monitored the execution of the work provided for in the annual activity plan, with particular emphasis on the integrity and anti-corruption, separation of activities and protection of personal data programmes. It also accompanied and participated in EDP SA's ongoing certification process under the ISO 37301 – Compliance Management Systems standards, noting the alignment of internal systems with the requirements of the respective standards and verifying the reduction of delays in implementing actions to remedy non-compliances and opportunities for improvement.

In relation to risk management, the Committee stepped up its monitoring of the activity carried out and reported on by the risk management area, in particular the main projects underway, the risk indicators and the risk appetite framework. In this context, it analysed in detail the mitigation plans for the main risks, especially those arising from impacts, the war in Ukraine, drought, climate change, regulation and ESG issues, among others. The greater interaction between the Committee and the Risk Corporate Global Unit also resulted in the continued regular participation of the Chairman of the FMC/AUDC in meetings of the EDP Group's Risk Committee, where the most important high-level technical risk issues affecting EDP's geographies are analysed and discussed. In addition, given the importance of technological information risks in the current context, the FMC/AUDC has also monitored the strategic planning for mitigating technological risks and cybersecurity events reported by EDP Group's Digital area, and has monitored the effectiveness of its implementation, especially those resulting from the attacks that have been taking place on EDP's information and communication systems.

Transactions with Related Parties

The Committee's various interactions with the EBD in this area have made it possible to (i) improve the quality of the information processed and strengthen the control procedures at the different levels of EDP Group's companies and (ii) issue more sustained opinions on the operations carried out, in accordance with the principles defined in the new Related Parties Transactions Policy.

Also, with reference to this matter, the Committee monitored and discussed with the Statutory Auditor the conclusions of the audit work carried out, with the aim of finding out whether there were any potential conflicts of interest associated with transactions between related parties, considering the requirements and obligations laid down in IAS 24 – Related Party Disclosures and ISA 550 – Related Parties.

Statutory Auditor

During 2023, the Committee regularly followed up and monitored the activity and independence of the Statutory Auditor, namely the proposals for the provision of audit and non-audit services, the conclusions of the audit of the financial statements and annual report and the respective opinions, and the conclusions and opinion on the adequacy and effectiveness of the internal control system for financial reporting. The Committee also continually assessed the respective performance and independence, based on which it proposed to the GSB that the Statutory Auditor be reappointment for a third term of office (2024–2026) at EDP Group. Although the conclusions of this assessment process are satisfactory, the FMC/AUDC has emphasised to the Statutory Auditor that there is still room for improvement in his interaction and communication with the Committee.

Meeting of the Audit Committees

The FMC/AUDC has paid great attention to and improved its relationship mechanisms and interaction with the Audit Committees of its subsidiaries, with the aim of sharing best practices in terms of monitoring and supervising the most important topics in its activity, namely financial reporting, the internal control system, transactions with related parties and other current concerns, including emerging risks and ESG and sustainability issues.

In order to strengthen this relationship and coordination, the Committee organised the tenth Meeting of EDP Group's Audit Committees on 12 and 13 September 2023 in Oporto, which was attended, in addition to the members of these Committees (EDP/EDP Finance BV, EDP Renewables and EDP Energias do Brasil), by the Chairman of EDP's General and Supervisory Board, the Chairman of EDP Renewables' Board of Directors, other EDP's Directors and Officers (Internal Audit, Compliance & Internal Control, Risk and Consolidation, ICSFR Reporting and Tax) and representatives of two external guests (WBCSD and PwC) who presented, respectively, the evolution and status of relevant sustainability information in EDP Group and the challenges and opportunities required by the new CSRD (Corporate Sustainability Reporting Directive), which establishes an European legal framework aligned with ICSFR standards and the EU Taxonomy Regulation. These presentations allowed for a wide-ranging exchange of views on the matter and on the need to make efforts to (i) define and implement sustainability reporting that takes into account the new requirements (ii) strengthen the quality and consistency of information on ESG risks and (iii) review the governance model for these matters.

3.2 Remuneration Committee

Main highlights

- **Application of the EBD's Remuneration Policy to annual variable remuneration** – ensuring the company is aligned with international best practices, both inside and outside the energy sector.
- **Strong relevance of ESG indicators in the calculation of EBD remuneration** – namely the Results of the Dow Jones Sustainability Index, performance in the annual employee climate survey and performance in the customer satisfaction index
- **Transparency in reporting** – disclosure of the criteria and calculation methods in the Annual Remuneration Report, again autonomized

Application of the EBD's Remuneration Policy

The Remuneration Policy of the Executive Board of Directors (or "EBD"), approved at the 2021 General Meeting, ensures a base (fixed) remuneration, the payment of which is not dependent on performance assessment, and a variable remuneration, with an annual and a multi-annual component. This variable remuneration is intended to reward and encourage the good individual and collective performance of EBD members and promote good conduct, considering EDP's short, medium, and long-term financial and non-financial objectives and the way in which these objectives are achieved (pay for performance).

In 2023 the annual variable remuneration was calculated based on EDP's EBD Remuneration Policy in force for the 2021–2023 mandate. The annual variable component is linked to financial and non-financial objectives established in accordance with EDP's budget, assessed annually, reflected in the year subject to assessment and with consequent repercussions in the following years. This annual variable remuneration is determined after approval of EDP's accounts at the ordinary General Meeting each year, by reference to the previous year's financial year.

The application of the new policy to annual variable remuneration has brought the company in line with international best practices, both inside and outside the energy sector,

thus reinforcing transparency about the calculation of remuneration and the resulting amounts. The calculation of annual variable remuneration is based on **key indicators of a quantitative nature**, common to all EBD members, and those of **a qualitative nature** based on the individual performance of each the EBD members. With regard to quantitative indicators, which impact 80% of the total annual variable remuneration, the following criteria are now considered: **Growth** – Recurring earnings per share (20%), **Shareholder remuneration** – Total Shareholder return vs Eurostoxx utilities (20%), **Balance Sheet Solidity** – Funds from Operations/Net Debt (10%), **Operational efficiency** – Recurring CASH OPEX (10%), **ESG Indicators** – Dow Jones Sustainability Index Results, Performance in the annual employee climate survey and performance in the customers satisfaction (20%). As for the **qualitative indicators**, which impact the remaining 20%, the following criteria are now considered: **implementation of the Business Plan** in the year (25%), **team management** (25%), **teamwork** (25%) and **stakeholders management** (25%).

The application of these calculation criteria and the consequent disclosure of their results in the Group's Annual Remuneration Report, again this year separate from the other reports, is a measure of transparency for the market about the remuneration of the Executive Board of Directors.

The Remuneration Committee also decided to hire an independent external consultant to analyse the evolution of EDP's peer remuneration policies. This study will be one of the key elements in drafting a proposal for the Remuneration Policy of the Executive Board of Directors for the 2024-2026 mandate, which will be presented to the Shareholders at the General Shareholders Meeting in April 2024.

The Annual Remuneration Report can be consulted [here](#), and the full version of the Remuneration Policy can be found [here](#), both on the official EDP website.

3.3 Corporate Governance and Sustainability Committee

Main highlights

- **Ethics: a reality, not just a formality** – cultivating solid and shared ethics in all geographies
- **People as the pillars of success** – EDP's employees are the source of the company's strength, creativity and excellence
- **Pioneering ESG** – EDP at the forefront of sustainable transformation

Ethics: A Reality, not Just a Formality

Facing unprecedented global challenges, EDP has performed exemplarily in terms of integrity and responsibility. Ethics at EDP is not just a formality, but a lived reality in all its operations. In 2023, the Ethics Committee continued to implement the 2022-2024 Ethics Plan, with the aim of "Make Ethics Real". This commitment was recognized by Ethisphere for the 12th consecutive year, where EDP was ranked as one of the most ethical companies in the world, standing out as the only Portuguese company on the list. This recognition is a testament to solid management practices and a consistent corporate ethics policy.

It is, therefore, important to highlight the significance of ethics as a fundamental pillar in the corporate governance and sustainability of our organization. In this context, the Ethics Committee, which encompasses the entire EDP Group, plays a crucial role.

Chaired by the Chairman of the General and Supervisory Board, the Ethics Committee includes the participation of the President of EDP Renewables and an independent member from Brazil, as well as the heads of the following corporate units: Compliance & Internal Control (C&IC), Legal & Governance (L&G), and People & Organizational Development (P&OD). This diverse and highly qualified group ensures a comprehensive and balanced approach to ethical issues.

We would like to highlight and praise the excellent work and participation of the Ombudswoman, Manuela Silva, whose support has been invaluable for the effective functioning of the Committee. The Committee meets four times a year to evaluate the main

complaints received, whether anonymous or identified, through the Speak Up channel, which covers the entire Group.

The main objective of the Ethics Committee is to identify potential weaknesses and establish a common policy for the prevention and resolution of problems. This commitment to ethics and integrity not only strengthens our corporate governance but also contributes to the long-term sustainability of EDP.

In fact, the General and Supervisory Board, through the Corporate Governance and Sustainability Committee ("CGSC" or "Committee"), has played an active role in promoting ethics at EDP.

In 2023, the Committee worked closely with the Group's Ethics Ombudswoman to monitor the implementation of EDP Group's Code of Ethics. This code, now in a simpler and more user-friendly version, serves as a compass for EDP and its stakeholders, guiding them towards ethical and responsible business practices. The CGSC was able to confirm, from the results achieved, that it is an improved version, simpler, user friendly and useful to all stakeholders.

Also, this year, the CGSC **analysed the results of the survey on the ethical environment** carried out at the end of 2022, as well as the **Ethics Ombudswoman's Annual Report**.

The members of this Specialised Committee had the opportunity to provide regular feedback on the various issues that were presented to them throughout the year.

Over the three years of this term of office, EDP has given increasing importance to the themes of ethics and integrity, with the aim of ensuring that the working environment is healthy, the decisions are fair, the relationships between people are supportive and correct, there is no discrimination of any kind, there is freedom of expression and internal and external communication is truthful and reflects what really happens.

People as Pillars of Success

EDP is a socially responsible company that incorporates the principles of Diversity & Inclusion into its culture and management. Diversity is considered a strategic factor for competitiveness and excellence, enabling the company to achieve its global goals. The Committee had the opportunity to analyse the company's significant investment in employee well-being, recognising it as a determining factor for the performance of the organization, the teams, and each employee. It was also noted that EDP promotes a

balanced and healthy working environment, where employees can maximise their physical, emotional, social, professional, and financial skills.

The GSB, through the Corporate Governance and Sustainability Committee, met with the People & Organizational Development – Corporate Global Unit (P&OD) team to learn about the results of the 2022 climate survey, which reflect employee's commitment and satisfaction. The meeting also discussed the global strategy for people and organization, which aims to enhance the talent, development, and retention of employees, who are recognized as EDP's greatest asset.

Additionally, the Committee had the opportunity during 2023 to evaluate: (i.) **the Global Remuneration Framework**, which establishes the principles and criteria for the remuneration and benefits of EDP's employees, and its alignment with market benchmarks and best practices, (ii.) **the 2023 People and Organization Plan**, (iii.) **the Succession Plan** for EDP's senior and top management and (iv.) the implementation of **gender equality plans and policies** across the group.

EDP also endeavours to be a future-proof company, looking at development in a holistic way that allows it to define a flexible path adapted to personal and business needs.

The CGSC provided feedback and recommendations to EDP Group's P&OD and encouraged continuous improvement and innovation in people management and development strategies and processes.

Finally, it should be emphasised that **the safety and protection of employees and service providers is extremely important to the company**. Thus, it is important to highlight that this is a priority for both the General and Supervisory Board (GSB) and the Executive Board of Directors (EBD). Both share the same concern about the need to improve the incident indicators that were recorded, reinforcing our commitment to the safety of everyone involved in EDP operations. The CGSC monitored the PlayitSafe Programme, which is a global programme aimed at improving the safety culture and performance of EDP and its employees, suppliers, and partners, as well as preventing and reducing accidents and incidents in the workplace.

The Committee also had the opportunity to analyse the **Protection and Business Continuity policies** throughout the Group, which define the rules and procedures for the protection of EDP's people, assets, and information, and for the management of risks and crisis situations that may affect the continuity of the company's operations and services. In this context, the reports of EDP Group's Security and Business Continuity team were also

analysed, including indicators and actions to improve security and business continuity management systems and practices.

ESG Pioneering: EDP at the Forefront of Sustainable Transformation

EDP has demonstrated an enduring commitment to ESG (Environmental, Social and Governance) practices, which is reflected in its operations and strategies.

The GSB members, through the CGSC, have accompanied the work carried out by EDP Group in this area, with a special focus on analysing and supervising ESG risks and opportunities, actively contributing their know-how and experience at each meeting. In 2023, these issues were once again particularly relevant due to the challenging and highly volatile context, motivated by the conflict in Ukraine, the Middle East and the crisis in the energy sector.

In the Environment axis, EDP increased its decarbonization ambition and announced its **commitment to be net-zero by 2040**. An ambitious strategy included in the company's Climate Transition Plan presented at the last annual shareholders' meeting and which received 99% of approval. The Committee had the opportunity to monitor the implementation of the Decarbonization Plan, a central element in the Group's strategy to build a better future, today. The CGSC received regular reports from EDP Group's Sustainability team and evaluated performance indicators and alignment with international standards and frameworks, such as the UN Sustainable Development Goals and the Paris Agreement,

The GSB also had the opportunity to monitor, through the Committee's work, the activity of the Environment and Sustainability Committee and the internal structures that support it. At the end of the year, the CGSC also analysed **the Ecosystem of European Directives relating to new non-financial reporting obligations**.

In the Social axis, the Committee evaluated the action with Stakeholders in local communities, which aims to create shared value and positive impact for the communities where EDP operates, and foster trust and loyalty among stakeholders. The CGSC analysed and provided feedback on reports from SICO (Social Impact Coordination Office), EDP Group's Social Impact coordination office, and analysed the results and best practices of projects and initiatives supported by EDP, in the areas of education, health, social inclusion, culture, environment and access to energy.

Additionally, the CGSC was informed of the Group's activities, projects, and strategy for each of its Foundations, namely in Portugal, Spain, and Brazil.

Throughout the year, it also had the opportunity to examine the relationship with suppliers, which seeks to ensure the quality, efficiency and sustainability of goods and services provided by EDP suppliers, as well as promoting ethical, social, and environmental standards and respect for rights humans in the supply chain. Finally, reports from EDP Group's Procurement team were also analysed and compliance with good practices and supplier performance were verified, as well as the results of audits, assessments, and certifications.

In the Corporate Governance axis, EDP once again secured leadership in the S&P Dow Jones Sustainability Index (DJSI). With a final rating of 88 points (out of 100) and above the average for the Electrical Utilities sector. In fact, EDP is the best among the eight DJSI Utilities companies.

The CGSC assessed the 2022 Corporate Governance Report and analysed feedback from investors, ESG evaluators and other stakeholders, continuously monitoring the topics and analysing the identified topics for improvement, especially those related to the model and composition of the company's Corporate Governance.

In this context, the CGSC discussed the convenience of proceeding with **the preparation of a set of suggestions to be integrated in a plan to obtain even better results in areas where it does not yet have a good rating**, namely regarding the **composition of the GSB, a crucial aspect of corporate governance**. It was considered important that the Board maintains an increasing percentage of independent members and that its total size is adequate to ensure that decisions are taken in a fair and balanced way. The referred suggestions were presented at the Committee, in a meeting occurred in July 2023. However, as no consensus on the matter was obtained, the process did not evolve.

Looking to the future, the Chairman of the General and Supervisory Board, who also presides over the CGSC, understands that EDP must seriously consider suggestions for improvement and that concrete measures must be taken to improve the composition of the Board and ensure that it is aligned with best international practices and standards. To this end, EDP must work closely with shareholders and other stakeholders to ensure that the composition of the Board is fair, balanced, and transparent.

The CGSC recognizes EDP's efforts and achievements in pursuing its sustainability objectives and strengthening its corporate governance practices, as well as the collaboration and support of the various teams and areas involved in matters under its supervision.

3.4 USA Business Affairs Monitoring Committee

Main highlights

- **Inflation Reduction Act** – political and regulatory boost for renewables development in the USA and regular monitoring of the main regulatory and commercial policy issues relevant to EDP's activity in the USA
- **Pipeline** – focus on the USA growth plan in a context of restrictions on access to products and raw materials and of strong volatility and price increases
- **Talent management**– Retaining talent in the USA context of Great Resignation and strong competition for talent in renewables

The United States of America Business Affairs Monitoring Committee is a Specialised Committee of the General and Supervisory Board, with delegated powers, resolved by the GSB as a result of the compliance mechanisms adopted within the scope of the EDP Group's activity in the United States of America. Its mission is to monitor and autonomously issue resolutions concerning the activity carried out by the companies wholly or majority owned and/or held by the EDP Group in the United States of America.

Inflation Reduction Act – Navigating the Regulatory Challenges of Green Energy in the USA

EDP Renewables North America has been one of the main drivers of EDP's growth in recent years, and its pace of expansion is expected to be even more significant in the coming years. According to the new Business Plan, EDP plans **a gross investment of 25 billion euros for the period from 2023 to 2026, of which North America will represent 40%.**

During its mandate, the United States of America Business Affairs Monitoring Committee valued **the Inflation Reduction Act (IRA) as a crucial source of momentum and regulatory stability for the development of investments in companies fully committed to the energy transition in the USA.** IRA aims to stimulate the development of low-carbon energy technologies, increase energy innovation, and achieve environmental justice objectives with direct support for disadvantaged communities. In addition, it provides

stability and visibility to investments, in addition to reducing bureaucracy and facilitating in the process of attracting financing, allowing the market to decide the best investment to make. The commitment of President Biden's plan, signed in 2022, **is an important step towards the energy transition in the USA and is aligned with EDP's commitment to the country.**

On the other hand, a series of **commercial policy proposals have caused difficulties in obtaining materials**, hampering the development of projects and **causing delays in the entry into operation of generating parks.** Challenges faced include the threat of the extension of **retroactive anti-circumvention tariffs**, which apply to the import of solar panels to the USA, to other countries in Southeast Asia, as well as the possibility of the potential elimination of the exemption from tariffs in force, that last year caused a notorious obstruction to the import of solar panels from large suppliers in Southeast Asia. **The implementation of the Uyghur Forced Labour Prevention Act** requires more rigorous documentation in the supply chain for solar panel imports, also causing delays and additional difficulties in accessing these materials. Furthermore, it is essential to highlight that, in addition to these specific challenges, the renewable energy sector in the USA faces other **operational obstacles of a regulatory and administrative nature that hinder the expansion of renewables in the short term**, such as large grid connections, interconnections, licensing and authorizations, and complexities and potential negative reactions from local communities.

Given the diversity and dynamism of political and regulatory developments over the last year, combined with the ambition of this platform to achieve the growth objectives outlined in the new strategic plan, the United States of America Business Affairs Monitoring Committee considered it essential to hold **an exclusive meeting to deepen the main regulatory and commercial policy topics relevant to EDP Renewables North America's business in the USA and other geographies where the company is present.** At the meeting, the current situation and expectations for the evolution of the main policies were analysed, considering their possible impacts on the business, and the corresponding actions to be taken were discussed.

The Executive Board of Directors' constant attention to the relationship with local communities was also carefully monitored by the Committee. This aspect was especially deepened in the meetings dedicated to analyse the sustainability and the stakeholder management strategy. **The Committee dedicated time to analyse initiatives that aim to strengthen involvement and cooperation with communities,** ensuring mutual benefits. This approach highlights the company's ongoing commitment to establishing constructive and sustainable partnerships. This strategic focus is **vital to ensure transparent communication, build solid relationships and ensure that EDP NA**

projects have a positive impact on local communities. The Committee highlights the Board of Directors' ongoing commitment to integrating social and environmental considerations into its operational and business practices, thereby fostering a sustainable and responsible approach to project development.

The Committee has also paid special **attention to political and regulatory developments, both in investment decisions**, focusing on solar and wind farms, and **in assessing the risks inherent to EDP's business in North America**. This approach also played an important role in **monitoring the execution of the current business plan** and in the reflective process that culminated in **the recent update of the strategic plan for the period 2023–2026**.

The Committee recognizes the dedication of the Executive Board of Directors and highlights the efficient collaboration between both parties to face challenges and explore opportunities in a challenging regulatory and political environment. Given the prospects for transformation in the US energy sector and the ambition of the new Business Plan, the Commission highlights the importance of **maintaining active monitoring of public policies, especially in an election year and in an environment that is expected to continue to be marked by geopolitical turbulence**.

Pipeline & Supply – Ambition for growth in the face of logistical challenges in the USA

The significant investment in the USA, as outlined in the 2023–2026 Strategic Plan, requires Renewables North America to have a **pressing need to deliver new projects efficiently, respecting established deadlines and budgets**. To meet these objectives, it is essential to accelerate growth while promoting dynamic initiatives throughout the organization. This includes accelerating the project pipeline, identifying opportunities to **increase the capacity of existing parks, preparing the organization to handle growth, being effective in obtaining power purchase agreements (PPA) optimizing access and use of transmission lines and constantly evaluate opportunities for future growth**.

During its term of office, continuous analysis of the development of EDP Renewables North America's project pipeline was a central concern. In 2023, the United States of America Business Affairs Monitoring Committee promoted a meeting dedicated to a more in-depth analysis of the pipeline, where aspects such as its alignment with the growth objectives established in the new Business Plan, the prospecting strategy and pipeline evolution, as well as the exploration of complementary technologies and project structures, such as storage, hybrid plants and repowering plants.

On the other hand, in recent years, despite signs of recovery in the global economy, events such as the COVID–19 pandemic, the war in Ukraine, recent conflicts in the Middle East, and growing geopolitical tensions have contributed to the **worsening of the international crisis in logistics and distribution chains, causing significant restrictions on access to products and raw material and generating volatility in prices in a global inflationary environment**. In the USA, although the political environment is favourable, **local restrictions**, such as difficulties in accessing transmission lines and trade barriers to importing solar panels, **have presented additional challenges to the supply chain and delivery capacity of the renewable energy sector in the USA**, indirectly impacting EDP Renewables North America's operations, especially in the solar segment.

Aligned with the Executive Board of Directors in its concern about the possible impact of these challenges on the development of EDP's growth plan on this geographic platform, especially with regard to possible delays in the entry into commercial operation of the parks under construction and a potential increase in costs — which puts pressure on the budget execution of Capex and Opex, as well as on the profitability of operations —, the United States of America Business Affairs Monitoring Committee maintained a priority focus on these challenges during its mandate.

The Committee maintained close surveillance over EDP's operations in North America, paying particular attention to the potential impacts of these logistical challenges on business development. This includes participation in monitoring the execution of the Business Plan, reflecting on the new strategic plan, analysing the management and risk profile of the business in the USA, evaluating investments in this geography, analysing the budget of EDP Renewables North America for 2024, among other responsibilities.

With special emphasis on the potential impacts of these logistical constraints on the company's operations, in 2023, the United States of America Business Affairs Monitoring Committee **promoted a meeting dedicated to the analysis of the supply chain management strategy for EDP Group's projects in the USA**, examining aspects such as the equipment acquisition strategy, the current status of photovoltaic module deliveries and the diversification of the supplier base, in addition to the design and implementation of plans to mitigate possible impacts.

Talent management – Adaptation and innovation in a context of Great Resignation

Despite some improvements identified in the labour market in the United States, the characteristics of the crisis that began in 2021, known as the Great Resignation, persisted in 2023, maintaining **high turnover rates, changes in worker values, and a shortage of labour in the sector in a context of high demand for renewable skills.**

Aware that a work environment that motivates employees and is a source of personal fulfilment, in addition to the professional aspect, is crucial to the company's success, **the United States of America Business Affairs Monitoring Committee in the supported, throughout its term of office, the Executive Board of Directors in creating concrete solutions for the reality of the job market in the USA.**

In 2023, the Committee, aware of the importance of attracting, retaining and developing talent for the organization's preparation and future leadership in a sector undergoing profound transformation, **promoted a meeting to analyse the main challenges faced by the company in the labour market and its strategy to attract, retain and develop talent** in the context of the 'Great Resignation' in the USA. As a result, the Committee supported the efforts of the Executive Board of Directors in implementing, at EDPR NA, **a talent management strategy that aims to respond to employee challenges and expectations, as well as to create a culture of sustainability and ESG values.**

For the second year in a row, the United States of America Business Affairs Monitoring Committee **visited the USA, openly interacting with the technical and management teams of EDP Renewables North America.** During these interactions, the Committee maintained a frank relationship with top management, which demonstrated a commitment to transparency and continuous improvement. The visit **provided a more in-depth view of the organizational structure, reinforcing confidence in the new management team, committed to achieving objectives and maintaining a high standard of business quality.**

4. Formal aspects of the functioning of the General and Supervisory Board

This section focuses on the formal aspects of the GSB members' actions, given their relevance to the best governance practices.

Firstly, it should be noted that this Board not only carried out its activity in strict compliance with the law, the EDP Articles of Association, the resolutions of the General Meeting and its Internal Regulations, but also complied with recommendations on corporate governance, namely those contained in the IPCG's Corporate Governance Code.

The Chairman of the General and Supervisory Board and the Chairman of the Executive Board of Directors work together on a weekly basis, with the GSB receiving all relevant information for the exercise of its functions, developing a proactive relationship of transparency and trust between the two Boards. In fact, the GSB followed up, monitored and gave several opinions on the most important issues dealt with by the EBD, closely monitoring its performance through 10 plenary meetings and 37 meetings of its Committees.

The General and Supervisory Board has an annual budget to manage its costs, which include the remuneration of its members and its support office, travel, accommodation, and consulting services. During 2023, this Body managed its costs efficiently in the context of the end of the pandemic, which meant resuming travel, accommodation and complementary services normally used by the Board members to physically participate in plenary meetings and the respective Specialised Committees. This year, in addition to the meetings that took place at EDP's headquarters in Lisbon, the members met in Madrid, Spain, and Houston, USA, with the aim of bringing together and making known to this body the places where the Group does business. Thus, the total costs of the General and Supervisory Board were EUR 4.5 million, a deviation of 1% from the budget. In terms of structure, staff costs relating to members and support office staff represent around 77% of the total expenditure of this body, with the remainder attributed to external supplies and services.

Additionally, all relevant transactions between EDP and Related Parties were analysed by the Financial Matters Committee/Audit Committee, and there were no relevant transactions to report under the terms of the Corporate Governance Code regarding this matter.

Finally, in accordance with the internal GSB regulations and the external commitments of EDP Group, the GSB improved the information barriers established in the past year to address circumstances in which conflict of interest could affect its members. The General and Supervisory Board did not register any conflicts between the duties of its members towards EDP and their other responsibilities outside EDP and verified that its independent members are, indeed, independent.

Why we choose sun

Pereira Barreto Solar Park, Brazil

Because
We Choose
Earth

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1. General and Supervisory Board

1.1 Annual Activity Report

Main highlights

- **Meetings and participants** – the GSB met 10 times throughout the year, with an average total attendance of 99%
- **Activities carried out** – the meetings held in plenary were organized around the following structural themes: (a) Knowledge of the Group’s companies; b) Approval of quarterly and annual accounts; (c) Update of the Business Plan; (d) Approval of the Budget for 2024; (e) Risk monitoring; (f) Monitoring of the Group’s investments and divestments
- **Self-assessment of the activity carried out by the Board and its Members** – the members once again carried out a self-assessment exercise, through interviews conducted by an external entity, Mercer, whose results were certified by this entity and are included in item 5 of the Annex 1 of the 2023 General and Supervisory Board’s Annual Report

Responsibilities and Duties

The EDP General and Supervisory Board is the body that permanently monitors and supervises the activity of the company's management, liaising with the Executive Board of Directors and the other corporate bodies in pursuit of the company's interests, under the terms of the Portuguese Companies Code and the Articles of Association, and is elected by the shareholders at the General Meeting.

Without prejudice to maintaining responsibility for the exercise of its powers as a corporate body, under the terms of the law and the Articles of Association, and as explained above, the General and Supervisory Board creates Specialised Committees composed of some of its members, delegating the exercise of certain specific functions to these Committees.

For more details on the functioning, competences and responsibilities of this Body, please consult its Internal Regulations, the latest version of which, approved on 16 December 2021, can be consulted [here](#) on EDP's official website.

Meetings and Participants

The GSB met 10 times in 2023, and had the following composition and participation:

NAME		26-01	15-02	01-03	11-04	04-05	20-06	27-07	28-09	02-11	14-12	%
CHAIRMAN	JOÃO TALONE ¹	P	P	P	P	P	P	P	P	P	P	100%
	Dingming Zhang ²	R	R	R	R	R	R	R	R	R	R	100%
	Esmeralda Dourado ¹	R	P	P	P	P	P	P	P	P	P	100%
	Felipe Fernández Fernández ²	P	P	P	P	P	P	P	P	P	P	100%
	Fernando Masaveu ²	P	P	P	P	P	P	P	P	P	R	100%
	Hui Zhang ²	P	P	P	P	P	P	P	P	P	P	100%
	Ignácio Herrero ²	P	P	P	P	P	P	P	P	P	P	100%
	João Carvalho das Neves ¹	P	P	P	P	P	P	P	P	P	P	100%
	Laurie Fitch ¹	P	P	P	P	P	P	P	P	P	P	100%
	Luís Palha da Silva ¹	P	P	P	P	P	P	P	P	P	P	100%
	María del Carmen Rozado ¹	P	P	P	P	P	P	P	P	P	P	100%
	Miguel Pereira Leite ²	P	P	P	P	P	P	P	P	P	P	100%
	Sandrine Dixson-Declève ¹	P	P	P	P	P	P	P	A	P	P	90%
	Shengliang Wu ²	P	R	P	R	R	R	P	P	R	R	100%
	Sofia Salgado Pinto ¹	P	P	P	P	P	P	P	P	P	P	100%
	Zili Shao ¹	P	P	P	P	P	P	P	P	P	P	100%

¹ = Independent; ² = Not independent; P = Present; A = Absent; R = Represented
Average Participation: 99% (includes present and represented)

The average total participation in 2023 is 99%, with some members participating remotely.

Activities Carried Out

Main highlights

- **Knowledge of the Group’s companies** – deepening knowledge of EDP’s global business
- **Quarterly and annual accounts** – assessment and approval of EDP Group’s quarterly and annual accounts
- **Update of the Business Plan**– coordination with the Executive Board of Directors in updating the Business Plan for the 2023–2026 horizon
- **Budget for 2024** – assessment and approval of EDP Group’s Budget for 2024
- **Risk monitoring** – permanent monitoring of the different risk aspects of EDP Group’s activity
- **Investments and divestments of the Group** – approval and monitoring of EDP Group’s main investments and divestments

Similar to what was defined for the first two years of the mandate of the current composition of the General and Supervisory Board, the structural activity of the Board was organised around meetings on a monthly basis, some of which had their priorities defined at the beginning of the year. In particular, (i) four coincided with the approval of the quarterly and annual accounts, (ii) three with the purpose of updating the Group’s Business Plan and evaluating its level of execution and iii) one meeting for the analysis and approval of the annual Budget.

The General and Supervisory Board began the year 2023 with the analysis and subsequent issuance of a **favourable opinion on EDP Group's Annual Report and Accounts for 2022**. The approval of the most significant financial operations also began in January with the favourable opinion to the issuance of a Hybrid Green Bond. Financial matters continued to attract the Board’s attention throughout the year, with the approval of a new Revolving Credit Facility, the issuance of Eurobonds and the sale and securitization of the tariff deficit. In June, the Executive Board of Directors also presented the **Group’s financing policy** to the General and Supervisory Board.

In the first quarter of 2023, the General and Supervisory Board had a **strong focus on updating EDP's Business Plan**. The discussion was anchored on previous discussions on EDP's vision for the 2030 horizon and bottom-up and unrestricted analyses of EDP's growth opportunities in its different areas: Renewables, Networks, Customer Solutions, Conventional Generation and New Business. These analyses were subsequently complemented with EDP's forms of financing, and the final version of the updated Business Plan and its communication to the market were subject to a prior favourable opinion from the Board at the end of the first quarter of 2023.

Risk analysis also continued to be one of the central topics of this term of office of the General and Supervisory Board and it was in this line of continuity that this area was analysed in depth in three Board meetings throughout the year.

Throughout the year, the General and Supervisory Board also deepened **its knowledge of the different companies in the Group at a global level**. In preparation for the update of the Business Plan, the strategy for each Group's geographies was reviewed. At an individual level, a new review was carried out of the activity of the Kronos platform acquired in 2022, operating in Germany, the Netherlands, Belgium, the United Kingdom, and France. In addition to the involvement of the General and Supervisory Board in the tender offer process for the buyback of EDP Brasil, the Group's different businesses in that country were also the subject of dedicated attention. Finally, the decision to enter the Australian market, through the Asian platform based in Singapore, was also monitored by the General and Supervisory Board.

Throughout 2023, as usual, the General and Supervisory Board analysed and issued an **opinion on investment or divestment operations that were more material or strategic for the Group**. The most prominent operations of 2023 were the buyback offer for the entirety of EDP Brasil, the divestment in the last coal assets in the Iberian Peninsula and the renewable asset rotation in the Iberian Peninsula.

The global context of market volatility led the General and Supervisory Board to monitor other issues of emerging importance for the Group. One example was the attention given to supply chain strategy analysis. At a time when commercial tensions continue to increase in various parts of the world, the General and Supervisory Board considered it essential to analyse the changes that are being made in the way the Group contracts the assets necessary for its investments. The same international volatility also required the Board to analyse, more than once, regulatory developments in different geographies given that the political and regulatory situation is increasingly decisive for the global development of renewable energies.

Other central areas of EDP's business were also monitored by the Board throughout the year, an example of which was the **updated analysis of the Group's energy management and digital strategy activities**. **New business areas**, such as hydrogen, were also discussed by the Board.

At the end of 2023, the Board **analysed and approved EDP Group's Budget for 2024**. Based on a consolidated view of the assumptions for the Budget and analysing the proposals for action in 2024, the General and Supervisory Board considered that the Budget was fully aligned with the Group's strategy reflected in the ambitions established in the 2023–2026 Business Plan.

During the 2023 financial year, the General and Supervisory Board was called upon to issue several opinions and prior opinions, all of which were favourable. These were used not only to meet its usual annual responsibilities with regard to accounts, budget and regulatory changes, but also to issue prior opinions regarding eleven investment or divestment operations with an average value exceeding 350 million Euros, and six financing operations with an average value of approximately 1.4 billion Euros. Regarding the use of the expedited mechanism for issuing a prior opinion, two operations for financing were submitted to the General and Supervisory Board, with an average value of approximately 930 million Euros, and five operations relating to investments or divestments, with an average value of approximately 430 million Euros. The issuance of senior green debt securities in the amount of 1,350 million Euros is the highest value operation approved under this mechanism during 2023.

Self-assessment of the Activity carried out by the Committee and its Members

As part of its regulatory obligations, the General and Supervisory Board must carry out an annual self-assessment of its activity. In this sense, through interviews conducted by an external entity, Mercer, GSB members once again carried out a self-assessment exercise, the results of which were certified by this entity. The self-assessment is based on two essential objectives: (i) to provide each GSB member and the GSB as a whole with a space to reflect on their performance, namely regarding the way they have addressed the topics that comprise its Annual Plan of Activities, as well as the functions they are responsible for performing, and (ii) allowing the GSB to adopt measures to improve its procedures and means of action, with a view to making it more efficient in the future.

The results of this collective assessment process are included in item 5 of Annex 1 of the Annual Report of the General and Supervisory Board.

Lisbon, 29 February 2024

The General and Supervisory Board:

João Talone (Chairman)	Dingming Zhang
Esmeralda Dourado	Felipe Fernández Fernández
Fernando Masaveu	Hui Zhang
Ignacio Herrero	João Carvalho das Neves
Laurie Fitch	Luís Palha da Silva
María del Carmen Rozado	Miguel Pereira Leite
Sandrine Dixson-Declève	Shengliang Wu
Sofia Salgado	Zili Shao

1.2 Opinion on the Annual Report & Accounts

1. Taking into consideration:

- a. The legal and regulatory obligations concerning the elaboration, assessment and publication of 2023 EDP’s Integrated Annual Report, notably resulting from the Companies Code, the Portuguese Securities Code, the CMVM Regulation no. 1/2023 and Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, of 19 July;
- b. The activity developed by the General and Supervisory Board (GSB) and its Specialized Committees during 2023 as recorded in the Annual Report in terms of monitoring, supervision and advise of the management of the Company and its subsidiaries;
- c. The documentation made available by the Executive Board of Directors (EBD) on the EDP’s 2023 Annual Report (enclosed):
 - i. “2023 Results Presentation”;
 - ii. “2023 Budget Scorecard”;
 - iii. “Financial Statements– December 2023”;
 - iv. “EDP Monthly Flash KPI – December 2023”;
 - v. EDP’s 2023 Integrated Annual Report.
- d. The information presented by the Financial Matters Committee/Audit Committee (AUDC) related to operations reported by the EBD within the scope of “Transactions with Related Parties Policy”, regarding 2023 (which copies are herewith attached);
- e. The Legal Certification Accounts and the Audit Report made available by the Statutory Auditor on the 2023 consolidated financial information (in attachment);
- f. The AUDC report and opinion on EDP’s 2023 Integrated Annual Report (in attachment);
- g. The detailed presentation on the EDP’s 2023 Integrated Annual Report, highlighting the main financial indicators of EDP and EDP Group as follows:

INDICATOR (€ M)	EDP SA	GRUPO EDP
Gross Profit	448.5	6 997
Operating Costs	-304.1	- 1 995.2
Other Income/(Expenses)	-65.3	- 59.5
Joint Ventures & Associates	0	77.7
EBITDA	79.1	5 020
EBIT	38.6	2 798.2
Financial Results	764.7	-910.2
Net Profit*	823.6	952.3
Net Profit – Recurring*	823.6	1 289.8
Net Investments (€ B)	1.2	4.1
Net Debt (€ B)	5.9	15.3

*Attributable to equity holders of EDP

In the February 29, 2024 meeting, the GSB:

2. Has registered:

- a. The presentation made by the EBD on EDP’s 2023 Integrated Annual Report;
- b. The Legal Certification Accounts and the Audit Report conclusions, based on work performed, stating that:
 - The consolidated and the individual financial statements present fairly, in all material aspects, the financial position of EDP, as of the 31st of December 2023 and its financial performance and cash flows, regarding the year ended on that date, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.
 - The management report was prepared in accordance with the applicable legal and regulatory requirements in force, the information of the same is consistent with the audited financial statements and, considering the knowledge and appreciation of the Group, no material inaccuracies were identified.
 - The corporate governance report includes the elements demanded under article 29-H of the Portuguese Securities Code (CVM), and it were not identified material inaccuracies on the information disclosed in it, complying with the contents of paragraph c), d), f), h), i) and l) of the said article.

- c. The conclusions of PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. (PwC) Independent Report on the Evaluation of the Financial Information Report Control System of EDP Group, stating that the Group maintained, in all relevant aspects, a system of internal control over the financial report appropriate and efficient with reference to 31st December 2023, in accordance with the criteria set out by the rule framework of internal control issued by Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013) regarding the business processes and global controls and by Control Objectives for Information and Related Technologies (COBIT) referent to general control of information technologies.
- d. The Independent Assurance Report issued by PwC conducted in accordance with the International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE) 3000 (Revised), issued by the International Auditing and Assurance Standards Board of International Federation of Accountants and in accordance with other standards and technical guidelines of the Association of External Auditors (OROC – Ordem dos Revisores Oficiais de Contas).
- e. The AUDC’s opinion on the Accounts, which states that the AUDC appreciates favorably the Management Report and the individual and consolidated IFRS accounts of Group EDP for the exercise ended 31st December 2023.

3. Has resolved:

- a. To issue a favorable opinion and to express its agreement in relation to the EDP’s Integrated Annual Report 2023.
- b. To declare, under terms of article 29–G, no. 1, section c) of the Portuguese Securities Code (CVM), that to its best knowledge the information referred to 31st December 2023 and foreseen in article 29–G, no.1 section a) of such code (annual report and accounts, legal certification of the accounts and all other financial documents) has been prepared in accordance with the applicable accounting rules, giving a true and appropriate image of assets and liabilities, financial situation and financial results of EDP and of companies in control or group relationship with EDP, and that the 2023 annual report presents fairly the business evolution, the position and the performance of EDP and of companies in control or group relationship with EDP, and describes the main risks and uncertainties faced.
- c. To confirm that the report on EDP corporate governance includes the elements required by article 29–H of the CVM and CMVM Regulation No. 4/2013.
- d. To declare that given the information provided by the EBD in the course of 2023 there were no:

- i. Transactions between related parties that have affected significantly EDP’s financial situation or performance.
 - ii. Transactions between EDP and related parties that must be communicated in the management report, due to its material relevance or because they were concluded outside normal market conditions.
 - iii. Evidence that all potential conflicts of interest derived from operations identified by the EBD, have been resolved in ways contrary to the company’s interests.
- e. To express its agreement to the AUDC’s opinion on the Statutory Auditor performance and independence, according to which the AUDC has assessed positively the work done by PwC, considering that it has carried out its professional duties with quality, competence, accuracy, impartiality and with a degree of reasonable independence.
 - f. To recommend to the EDP Annual General Shareholders’ Meeting the approval of the 2023 individual and consolidated accounts, as well as the EBD’ proposal for results allocation.



João Talone

The Chairman of the General and Supervisory Board


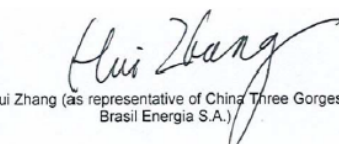












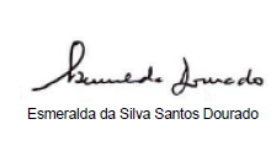

Lisbon, February 29, 2024

1.3 Statement on the Annual Report & Accounts

STATEMENT

Pursuant article 29-G, (1), paragraph c) of the Portuguese Securities Code, to the best knowledge of each of the signatories, as Members of the General and Supervisory Board of EDP – Energias de Portugal, S.A. (EDP), the information referred in article 29-G (1), paragraph a) of CVM (annual management report, annual accounts, legal certification of the accounts and remaining account documents), regarding 2023 exercise, has been prepared in accordance with the accounting standards applicable, gives a true and fair view of the assets and liabilities, financial position and results of EDP and subsidiaries included in the consolidation perimeter, and that the 2023 annual management report faithfully states the trend of the business, the performance and position of EDP and subsidiaries included in the consolidation perimeter, and contains a description of the principal risks and uncertainties faced.

Lisbon, 29 February 2024

 João Luís Ramalho de Carvalho Taborne - Chairman	 Hui Zhang (as representative of China Three Gorges Brasil Energia S.A.)	 João Carvalho das Neves	 Helena Sofia Silva Borges Salgado Fonseca Cerveira Pinto
 Dingming Zhang (as representative of China Three Gorges Corporation)	 Miguel Espregueira Mendes Pereira Leite (as representative of China Three Gorges (Portugal), Sociedade Unipessoal, Lda.)	 Maria del Carmen Fernández Rozado	 Sandrine Dixon-Declève
 Shengliang Wu (as representative of China Three Gorges International Limited)	 Felipe Fernández Fernández (as representative of DRAURSA, S.A.)	 Laurie Lee Fitch	 Zili Shao
 Ignacio Herrero Ruiz (as representative of China Three Gorges (Europe), S.A.)	 Fernando Maria Masaveu Herrero	 Esmeralda da Silva Santos Dourado	 Luís Maria Viana Palma da Silva

1.4 Assessment of the Executive Board of Directors

As part of the exercise of its powers and without prejudice to the principle of institutional cooperation that guides the relationship with the Executive Board of Directors in pursuit of EDP's interests, the General and Supervisory Board has put into practice a principle of great demand and responsibility, which has special significance in terms of the evaluation the activity and performance of the Executive Board of Directors.

EDP voluntarily established a formal and objective process for assessing the activity of the Executive Board of Directors. This year, the GSB decided once again to optimise the assessment process regarding the activities carried out in 2023, to gather robust and detailed information on the different topics under analysis and obtain, from the members, their comments, and suggestions for improvement. This year's process had a greater focus on the most relevant topics of EBD's activity on which the GSB has more robust information to assess.

EBD's assessment process for the 2023 financial year began at the end of December 2023, in conjunction with the self-assessment process of the Board and its Specialised Committees, through a set of individual face-to-face/online interviews conducted with members by Mercer consultants, for the guided completion of an assessment questionnaire and quantitative and qualitative analysis of the different topics addressed. Each interview sought to gauge each GSB members' personal perceptions of EBD's activity and performance, namely in terms of its composition and functioning, relationship with the GSB and other interlocutors. The perception of evolution of each topic assessed was also measured in relation to the previous year. This year there was also an individual assessment of each EBD member. After the interview phase, Mercer carried out the statistical and qualitative analysis of the data received, and finally certified the entire assessment process, as documented in the annex to this report.

As part of this assessment process, fourteen individual interviews were conducted with GSB members, with two Members choosing to respond in writing to the assessment questionnaire.

Finally, the Chairman of the General and Supervisory Board decided to share the full conclusions drafted by Mercer with the Members, for the sake of transparency and so that each member could make his or her own judgement of the aggregate conclusions of the EBD's self-assessment.

The EBD's assessment focused on the topics of strategic orientation, efficient execution, institutional image, quality of leadership, overall results, transparency, cooperation with the

GSB, quality of information and timing, number of members and experience and ability to deal with change. An overall assessment of the EBD's performance was also made.

GSB members rated most topics as "Above expectations". The following topics stand out with the highest scores: "Global Results", "Strategic Orientation" and "Quality of Leadership". Overall, the EBD is seen as a coherent and diverse team in terms of knowledge and experience. The main concern of GSB members is that the number of EBD members may become too small for the complexity and diversity of EDP's business.

Regarding the comparison with 2022, GSB members perceived that, in relation to the topics present in the questionnaire, the EBD is mostly at the same quality standard as the previous year. It is important to highlight a set of topics in which a considerable percentage (33% to 53%) of GSB members perceived an improvement in relation to the previous year: "Ability to deal with change", "Global results", "Efficient Execution", "Institutional Image", "Knowledge and Experience" and "Quality of Leadership".

As mentioned, in this assessment process, each GSB member individually assessed the five EBD members. This assessment focused on the topics of integration with the rest of the EBD team, autonomy, specific skills for the function, recognition from peers and direct reports, integration with the GSB, quality of information provided, perception of problems and opportunities, and potential to acquire higher responsibilities. An overall assessment of the performance of each EBD member was also made.

This individual assessment was rated as "Above Expectations" for each Executive Board of Directors' member, with slight differences between them, depending on the competence under analysis. Regarding the comparison with 2022, members perceived that, in relation to the topics in the questionnaire, the performance of EBD members is mostly the same as in the previous year, with all topics being classified as "Equal" by 67% to 87% of members. The remaining perceptions of change were all seen as improvements compared to the previous year.



DECLARATION*
INTERNAL EVALUATION PROCESS OF EDP'S EXECUTIVE BOARD OF DIRECTORS

In light of the best practices of corporate governance and aiming the continuous improvement of the internal evaluation process applied voluntarily in EDP to its Executive Board of Directors (EBD) by the General and Supervisory Board (GSB), Mercer proceeded to analyze the current assessment process.

At the beginning of 2024, each GSB member was interviewed by a team of specialized senior consultants from Mercer, with the purpose of completing an assessment questionnaire where two types of approach were analysed: qualitative and quantitative, with the purpose of assessing their personal perception on the performance of the EBD and its Members. The questionnaire covers the assessment of a diversified set of analysis dimensions (as presented in the table below), on a quantitative scale – 1 (Lower than expected) to 4 (Way above the expectations), with the qualitative analysis resulting from the individual interview, being poured into a Qualitative Report.

Detail on the dimensions analyzed

QUESTIONNAIRE	DIMENSIONS ANALYZED
EBD's Assessment	Strategic Orientation, Adaptation Capacity, Results and Execution Leadership and Institutional Image Transparency and Cooperation with General and Supervisory Board Quality of Information and Timing Number of Members, Knowledge and Experience Individual Evaluation of the Members

From the analysis of the results of the questionnaires of the GSB evaluation of the EBD, all the dimensions evaluated obtained an average evaluation of "Higher than expected", resulting in an overall assessment of the EBD that was also "Higher than expected".

Mercer considers that the GSB's evaluation process on EBD performance adopted by EDP, is a good practice of corporate governance.

February 7th 2024

Mercer (Portugal) Lda
Represented by:

Rodrigo Simões de Almeida
CEO Mercer Portugal

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1.5 Self-assessment of the General and Supervisory Board and Specialized Committees

EDP is distinguished by being one of the few listed companies at national and international level that voluntarily institutes a formal and objective process to assess the activity of the General and Supervisory Board and its Specialised Committees. Given this internal EDP obligation, the Board decided this year to optimise the self-assessment process for the activities carried out in 2023, to gather robust and detailed information on the different topics under analysis and obtain from the members their comments and suggestions for improvement, in order continuously to improve its performance.

The self-assessment process for the 2023 financial year began at the end of December 2023, through a set of individual face-to-face/online interviews held with GSB members by Mercer consultants, for the guided completion of an assessment questionnaire and qualitative analysis of the different topics addressed. Each interview sought to gauge the GSB members’ personal perceptions of the Board itself, namely in terms of its composition, organisation, and functioning; efficiency of its activity; relationship with the Specialised Committees and relationship with other EDP’s corporate bodies. In this process, the perception of evolution of each topic evaluated compared to the previous year was maintained. After the interview phase, Mercer conducted a statistical and qualitative analysis of the data received, and finally issued a certificate on the entire assessment process, which is attached to this report.

As part of this assessment process, fourteen individual interviews were conducted with GSB members. They saw the interviews as an opportunity to reflect on the activities undertaken so far, identify strengths and needs for improvement and reflect on priorities and opportunities for development. There were also two members who responded in writing to the assessment questionnaires.

Finally, the General and Supervisory Board’s Chairman decided to share the full conclusions drafted by Mercer with the members, for the sake of transparency and so that each member can make his or her own judgement of the aggregate conclusions of the self-assessment. Furthermore, priorities for action were listed for the GSB and each of its Specialised Committees, taking into account the opportunities for improvement identified, in order to provide a gradual and consolidated improvement that does not damage the progress seen so far.

The following are the summary conclusions of the assessment of the General and Supervisory Board and its Specialised Committees.

General and Supervisory Board

The GSB’s overall self-assessment was "Above Expectations", once again marked by the Board’s perception of progress. The quality of leadership, supported by excellent interaction and management of meetings by the Chairman, was highlighted. Overall, GSB members also considered that the Board was able to deal effectively with the volatility of the external context that occurred throughout the mandate. The Board's agile and efficient decision-making process was also highlighted. GSB members considered that the Board was effective in its role of supervision, challenge, and interaction with the EBD, having always underpinned a remarkable critical spirit and strategic orientation.

Members rated most of the topics as "in line with expectations". The following topics stand out with the highest scores: "Adaptation to emerging situations" and “Quality of Leadership”.

From a perspective of continuous improvement, the topics "According to expectations”, “Quality of meetings” and "Number of meetings" are highlighted.

Regarding the comparison with 2022, members perceived that, in relation to the topics in the questionnaire, the GSB is evaluated as mostly equal to the previous year, and it can be seen that all topics were classified as "Equal" by 60% to 93% of the Members. It is worth highlighting the topics in which a considerable percentage (40% to 54%) of Members perceived an improvement compared to the previous year: "Overall Assessment of the Term of office" and "Adaptation to emerging situations". Finally, we highlight a set of topics that 7% of Members perceived as worse compared to last year: “Focus on key issues”, “Engagement with the EBD”, “Quality of meetings” and “Number of meetings”.

Regarding the overall assessment of the mandate, members concluded that the performance was “Above expectations”. The majority of members also considered that the Board’s performance improved during the current mandate.

Financial Matters Committee/Audit Committee

The FMC/AUDC’s overall self-assessment was "Above Expectations". FMC/AUDC members rated the majority of the individual topics as "Above expectations", with this assessment occurring in twelve of the nineteen topics that comprised the questionnaire.

The following topics stood out with the highest scores: “Adaptation to emerging situations”; “Quality of leadership”; “Proactive Action” and “AUDC’s relationship and cooperation with the CEO and CFO”.

From a perspective of continuous improvement, a set of topics assessed as "In line with expectations" stand out: "Substance/bureaucracy ratio"; "Adequacy of the Activity Plan", "Monitoring of internal control systems for financial information, risk management and compliance management"; "Monitoring the activity of the most important subsidiaries and their supervisory bodies"; "Monitoring security activity and information control, particularly cybersecurity".

Regarding the comparison with 2022, Members perceived that most of the topics (12 out of 19) remained the same compared to the previous year. It is important to highlight a number of topics in which FMC/AUDC Members perceived an improvement in relation to the previous year: "Alignment and commitment with the mission and responsibilities"; "Focus on key issues"; "Engagement with the EBD"; "Monitoring of internal control systems for financial information, risk management and compliance management"; "Monitoring the Company's risk management policy"; "Monitoring security and control activity information, namely cybersecurity" and "Overall Assessment".

Regarding the overall assessment of the term of office, Members concluded that the performance as "Above expectations". Members also considered that the Committee's performance improved during the current mandate.

Remuneration Committee

The REMC's overall self-assessment was "According to expectations". The REMC members evaluated most of the topics as "In line with expectations", with this assessment occurring in ten of the fourteen topics that comprised the questionnaire.

The following topics stood out with the highest scores: "Adaptation to emerging situations"; "Compliance with the Committee's Internal Regulations", and "Quality of leadership".

From a perspective of continuous improvement, a set of headings assessed as "According to expectations" stand out: "Quality of meetings" and "Quality of documentation".

Regarding the comparison with 2022, REMC members perceived that most of the topics showed an improvement compared to the previous year. It is important to highlight the topics in which a very significant percentage of REMC members perceived an improvement compared to the previous year: "Adaptation to emerging situations"; "Proactive action" and "EBD Remuneration Policy and components (fixed or variable)".

Regarding the overall assessment of the term of office, Members concluded that performance was "In line with expectations". Members further considered that the Committee's performance was equal compared to the previous term of office.

Corporate Governance and Sustainability Committee

The CGSC's overall self-assessment was "In line with Expectations". The CGSC members assessed most individual topics as "According to expectations", with such assessment occurring in twelve of the sixteen topics that comprised the questionnaire.

The following topics stood out with the highest scores: " Quality of Leadership". "Company's ESG policies and strategies and their implementation", "Compliance with good governance practices" and "Quality of documentation".

From a perspective of continuous improvement, a set of topics with slightly lower classifications stand out, but are still evaluated as "According to expectations"; "Compliance with good governance practices"; "Adequacy of the Activity Plan" and "Focus on issues-key".

Regarding the comparison with 2022, the CGSC members perceived that most of the topics remained the same compared to the previous year. It is important to highlight the topics in which most CGSC members perceived an improvement in relation to the previous year: "Quality of documentation" and "Talent Management and Succession Plans for EDP's top management".

Regarding the overall assessment of the mandate, Members concluded that the performance was "Above expectations". Most Members also considered that the Committee's performance was equal compared to the mandate.

USA Business Affairs Monitoring Committee

USA BAMC's overall self-assessment was "Above Expectations". USA BAMC members rated most of the individual topics as "According to expectations", with this assessment occurring for nine of the seventeen topics in the questionnaire.

The following topics stood out with the highest scores: "Engagement with the EBD", "Quality of leadership", "Substance/bureaucracy ratio" and "Quality of documentation".

From a perspective of continuous improvement, a set of topics with slightly lower scores still assessed as "According to expectations" stand out: "Proactive Action", "Monitoring of

strategic alliances/partnerships" and "Efficiency and adequacy of EDP's corporate business model for the USA.

Regarding the comparison with 2022, USA BAMC members perceived that most of the topics show an improvement compared to the previous year. It is worth highlighting the topics in which a very significant percentage of USA BAMC members perceived an improvement on the previous year: "Focus on key issues", "Quality of meetings", "Alignment of BAMC with EDP's management structure for the USA".

Regarding the overall assessment of the mandate, Members concluded that the performance was "Above expectations". Members also considered that the Committee's performance improved during the current mandate.



DECLARATION*

INTERNAL EVALUATION PROCESS OF EDP'S GENERAL AND SUPERVISORY BOARD (GSB) AND SPECIALIZED COMMITTEE'S

In light of the best practices of corporate governance and aiming the continuous improvement of the internal evaluation process applied voluntarily by EDP to its General and Supervisory Board (GSB) and the different Specialized Committee's, Mercer prepared and proceeded with to analyze the current evaluation process.

At the beginning of 2024, each GSB member was interviewed by a team of specialized senior consultants from Mercer, in order to complete an assessment questionnaire where two types of approach were analyzed: qualitative and quantitative, with the purpose of assessing their personal perception on the performance of the GSB and its Specialized Committees. The questionnaire covers the assessment of a diversified set of analysis dimensions (as presented in the table below), on a quantitative scale – 1 (Lower than expected) to 4 (Way above the expectations), with the qualitative analysis resulting from the individual interview, being poured into a Qualitative Report..

Detail on the dimensions analyzed in each questionnaire

QUESTIONNAIRE	DIMENSIONS
GSB Assessment	Strategic Orientation, Adaptation Capacity, Results and Execution
FMC Assessment	Leadership and Institutional Image
REMC Assessment	Transparency and engagement between the EBD and the Committee's
CGSC Assessment	Quality of Meetings, Information and Timing
BAMC Assessment	Adherence to Internal Regulations
	Adequacy of the Activity Plan

GSB: General and Supervisory Board | FMC: Financial Matters Committee/Audit Committee | REMC: Remuneration Committee | CGSC: Corporate Governance and Sustainability Committee | BAMC: United States Business Affairs Monitoring Committee

From the analysis of the results of the GSB evaluation questionnaires, all dimensions evaluated obtained an average evaluation between "As expected" and "Higher than expected", resulting in an overall assessment of the GSB of "Higher than expected".

Mercer considers that the assessment process of the GSB and each Specialized Committee adopted by EDP, is a good practice of corporate governance principles.

February 7th, 2024

Mercer (Portugal) Lda
Represented by

Rodrigo Simões de Almeida
CEO Mercer Portugal

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2. Financial Matters Committee / Audit Committee

2.1 Annual Activity Report

Main highlights

- **Meetings and participants** – in the year 2023 the Committee formally met sixteen times and its three Members had an average attendance of 100%
- **Activities carried out** – the meetings held covered the topics set out in the Activity Plan for 2023, highlighting the following: (a) the supervision of accounting, financial and tax information; (b) the monitoring of the internal audit activity, the Internal Control System for Financial Reporting, the Compliance Management System, the risk management activity, the technological and digitization activity, the ongoing litigation process, the ongoing investments, the customer debt in Portugal, Spain and Brazil, the transactions with related parties; (c) issue of opinions on the calculation of the Key Performance Indicators (“KPIs”) for the annual variable remuneration of EBD Members, the interim information and the annual report and accounts; (d) relationship and coordination with the Audit Committees of subsidiaries; (e) supervision of the contractual relationship and the activity and independence of the Statutory Auditor and (f) participation in the Executive Board of Directors’ meetings to assess interim and annual accounts.
- **Process of evaluation of the activity and independence of the Statutory Auditor (or “SA”)** – the analysis of the information collected and treated by FMC/AUDC, in this regard, did not indicate the existence of conflicts of interest or situations that objectively affect the independence of the Statutory Auditor. In this context, the Committee also approved a proposal to the GSB for the reappointment of EDP Group’s Statutory Auditor (or “PwC”) for a third term (2024–2026), to be presented at the next General Shareholder’s Meeting.

Conditions in which the Committee performs its functions – there have been no circumstances that have affected or restricted the Committee’s freedom of analysis, judgment, enquiry and investigation or its freedom to dialogue and inquire, at all levels, into the matters that it felt deserved its best attention.

Introduction

Within the scope of the powers delegated by the General and Supervisory Board (or “GSB”), the Financial Matters / Audit Committee (or “FMC/AUDC” or “Committee”) has the mission to permanently monitor and supervise:

- Financial matters and accounting practices;
- Internal audit practices and procedures;
- The internal mechanisms and procedures of the Internal Control over Financial Reporting (ICFR);
- Matters relating to the risk management and control system;
- The activities and mechanisms of the Compliance management system;
- The activity and independence of the Company’s Statutory Auditor (SA)/ Statutory Audit Company (SAC);
- The systems for evaluating and resolving conflicts of interest, particularly with regard to the Company’s relations with shareholders.

The Committee must also monitor the implementation of ongoing investment projects.

The competences, as well as the mission and attributions of this Specialised Committee are set out in its Internal Regulations, the latest version of which was approved by the GSB on 25 January 2024, available [here](#), on EDP’s official website.

Meetings and participants

The FMC/AUDC was given a new constitution by a resolution of the GSB on 15 April 2021 and is currently composed of three independent members. During calendar year 2023, the Committee formally met sixteen times, in person and/or by videoconference, on the dates indicated below:

NAME		24-01	17-02	01-03	21-03	27-04	04-05	27-06	24-07	27-07	12-09	25-09	10-10	30-10	02-11	21-11	12-12	%
CHAIRMAN	JOÃO CARVALHO DAS NEVES ¹	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100%
	MARIA DEL CARMEN ROZADO ¹	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	100%
	SOFIA SALGADO PINTO ¹	P	P	P	R	P	P	P	P	P	P	P	P	P	P	P	P	100%

¹ = Independent; P = Present; A = Absent and R = Represented.
Average Participation: 100%

In addition to these sixteen ordinary meetings, the Committee members held, as usual, frequent informal working meetings and exchanged information on the most relevant or urgent matters.

Activities Carried Out

The meetings framed the topics set out in the FMC/AUDC Activity Plan for the calendar year 2023, and their main objective was to obtain information and the analysis and supervision of EDP's most relevant matters, relating to the activity carried out in the current context of war, geopolitical instability and inflation, highlighting the following:

- a. **Supervision of the financial and business information for the year ended 31 December 2022 and for the 1st and 3rd quarters and 1st half of 2023** – monitoring of the process of preparation and disclosure of financial reporting by EDP's Consolidation, ICFR Reporting and Tax (or “CR&T”) corporate services, including supervision of the accounting and tax policies and criteria adopted, individual and consolidated financial statements, changes in the consolidation perimeter, unusual or significant transactions, situation of the Pension Fund, subsequent events and other matters deemed relevant to the FMC/AUDC. As part of its supervision of EDP Group's financial and tax information, the Committee monitored the reorganization of the financial function and the review of the Governance model for the tax area and the Tax and Transfer Pricing Policies carried out in EDP Group;

- b. **Monitoring the Internal Audit (or “IA”) activity** – approval of the IA Activities Plan proposal for 2023; supervision of the activity developed by the Internal Audit corporate services during the year, through periodic monitoring of the execution of the respective activities plan, the audit work performed and information on the implementation of the recommendations issued as a result of the internal audit actions carried out, in particular those related to high risk and with greater seniority. The FMC/AUDC also assessed the activity and performance of the Internal Audit function in EDP Group for the calendar year 2022;
- c. **Monitoring the operation of the Internal Control System for Financial Reporting (or “ICFR”)** – supervision of the management of the ICFR 2023 cycle and compliance with the respective activities and regulations, both by analysing the periodic report on the work carried out by the area and on the basis of the reports issued by the Statutory Auditor, within the scope of the provision of consultancy services contracted specifically for this purpose; monitoring the resolution of Non-Compliances and the implementation of the Opportunities for Improvement identified, the recommendations arising from the review of the ICFR Project by an external organisation and the measures to be adopted in situations of significant non-compliance and approval of the proposed ICFR Activity Plan for 2023;
- d. **Monitoring of Compliance activity** – supervising the execution of compliance work set out in the business plan, with particular emphasis on maintaining ISO 37001 and 37301 and UNE 19601 certifications, integrity/anti-corruption programmes, prevention of money laundering and combating the financing of terrorism,

competition, separation of activities and protection of personal data, and outside the plan, namely Corporate Due Diligence – due diligence on sustainability in the value chain (EU: CSRD – Corporate Sustainability Reporting Directive); monitoring the resolution of Non-Compliances and the implementation of identified Opportunities for Improvement and recommendations on the measures to be adopted in situations of significant non-compliance and approval of the proposed Compliance Management System (or "CMS") Activity Plan for 2024.

At the beginning of 2023, the FMC/AUDC also assessed the activity and performance of the Compliance & Internal Control function (SGC and ICFR), for the calendar year 2022;

- e. **Monitoring Risk Management activity (or “RISK”)** – supervision of relevant risk projects, key risk indicators (“KRI”) and control mechanisms for the risk management measures adopted and their effectiveness, monitoring the risk map, the risk appetite framework, the implementation of the ERM roadmap, the integration process for counterparty risk management and the ESG risk framework, which increasingly occupies an important place in EDP Group’s concerns, as well as the relationship methodology with the corporate areas and the risk areas of the main subsidiaries.

As part of the FMC/AUDC's greater interaction with EDP Group's risk management area, the Committee Chairman took part in meetings of EDP's Risk Committee, which also brought together the risk areas of EDP's relevant subsidiaries, whose topics were analysed and discussed at a high technical level, namely the work in progress on strategic, financial, operational, climate and ESG risks. The other members of the Committee were informed of the relevant information;

- f. **Monitoring the activity of the Digital Global Unit (or “DGU”)** – supervising the information and communication technology (or "ICT") governance model, ICT policies and standards and information security and control mechanisms (cybersecurity and technological risks), with a view to assessing the effectiveness of plans to mitigate the main risks, especially those related to the attacks that have occurred on EDP's information and communication systems. The Committee also took note of the definition of the main themes planned for 2024, in which the focus will be on consolidating the IT and OT Road Maps and solidifying the global organisational model and consolidating the DGU team, with the aim of improving EDP Group's defences;
- g. **Monitoring of the "Litigation in progress" process** – Monitoring of information and documentation on litigation and other contingencies in progress, with reference to 31 December 2022 and the 1st half of 2023. The FMC/AUDC paid special attention to the classification of litigation and other materially relevant contingencies, taking into

account the risk assessment carried out under the terms of International Accounting Standard 37 – Provisions, Contingent Liabilities and Contingent Assets;

- h. **Monitoring ongoing investments** – supervision of the execution of ongoing investment projects and major divestments, with special focus on the analysis of deviations from what was planned (start-up dates and values);
- i. **Monitoring transactions with related parties and potential conflicts on interest** – supervising and issuing Opinions on the information and documentation reported by the EBD regarding relevant transactions between Related Parties, with reference to the 4th quarter of 2022 and the 1st, 2nd, and 3rd quarters of 2023. In this context, in the 1st half of 2023, the Committee analysed and approved the proposal to revise the Policy on Transactions with Related Parties presented by the PPA, which had a significant impact on improving the information reported to the Committee for the purposes of issuing opinions on the operations carried out and the existence or not of possible conflicts of interest;
- j. **Issuance of an opinion on the calculations of the Key Performance Indicators ("KPI")** for the annual variable remuneration defined in the Remuneration Policy for Members of the Executive Board of Directors, at the request of the GSB Remuneration Committee (or "REMC"), for the 2022 financial year;
- k. **Monitoring customer debt in Portugal, Spain and Brazil** – monitoring current and overdue debt and the ageing of debt, with and without payment agreements, doubtful debts (debts in pre-litigation, litigation and others), bad debts (including time-barred debts), the main debt indicators and the procedures and actions developed and in progress for the recovery of overdue debts with reference to 30 June 2023;
- l. **Relationship with the Audit Committees of subsidiaries** – monitoring of the activity, agendas and minutes of meetings and reports/opinions issued by the audit committees of EDP Renewables and EDP Energias do Brasil, on the Accounts for the year ended 31 December 2022 and the interim Financial Statements for the 1st and 3rd quarters and 1st half of 2023.

As part of this relationship and coordination,, the FMC/AUDC held the 10th Meeting of EDP Group’s Audit Committees on 12 and 13 of September, 2023 in Porto, which was attended not only by EDP’s Audit Committees’ Members, but also by EDP’s General and Supervisory Board’s Chairman, the Board of Directors’ Chairman, in addition to the members of EDP's Audit Committees, by EDP's General and Supervisory Board Chairman, EDP Renewables’ Board of Directors Chairman, other EDP Group’s internal directors (Internal Audit, Compliance & Internal Control, Risk, Sustainability and Consolidation, FRS Reporting and Tax) and representatives of two external guests (WBCSD and PwC), who presented to the Committees, respectively, the evolution and status of sustainability reporting in EDP Group and the challenges and opportunities

required by the new CSRD (Corporate Sustainability Reporting Directive), which establishes a European legal framework aligned with ICFRs standards and the EU Taxonomy Regulation. These presentations allowed for a wide-ranging exchange of views on the subject and on the need to make efforts to (i) define and implement sustainability reporting that considers the new requirements, (ii) strengthen the quality and consistency of information on ESG risks and (iii) review the governance model for these issues.

The meeting also placed great emphasis on the need to provide both the internal control areas and the Audit Committees with increasingly robust technical knowledge in non-financial matters (ESG and Sustainability), with a view to improving the quality of the performance of management and supervisory bodies.

- m. **Supervision of the contractual relationship and the activity and independence of the Statutory Auditor** – discussion and supervision of the reports of conclusions and Legal Certifications of Accounts and Audit Reports drawn up by PwC on the report and accounts of EDP and EDP Finance BV and of the opinion on the operability of EDP Group's Internal Financial Reporting Control System (ICFR), for the methodology and approach of the proposals for the provision of audit and statutory audit services and other non-audit services (interim reviews of accounts, ICFR, sustainability, regulated accounts and others permitted by law) for the financial year 2023; discussion of the conclusion reports and opinions on EDP's interim information, reported to the 1st and 3rd quarters and 1st half of 2023, and supervision of the activity and independence of the SA/SAC, on an ongoing basis, in the calendar year 2023. Taking into account the evolution of the results obtained in the assessment of the performance and independence of EDP Group's Statutory Auditor, the FMC/AUDC, in conjunction with the Audit, Control and Related Parties Committee (or "ACRPC") of EDP Renewables Group (or "EDPR") and the Audit Committee (or "AUDC") of EDP Energias do Brasil Group (or "EDPB") and the Corporate Departments (CR&T; IA; C&IC; RISK and SUST) of EDP, coordinated, discussed and approved the process of appointment / re-election of the Statutory Auditor of EDP Group, for the 2024 – 2026 mandate, which it submitted to the appraisal and approval of the GSB, for the latter to propose to the General Meeting of EDP – Energias de Portugal, S. A., for approval the reappointment of PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. (or "PwC") as EDP Group's statutory auditor for the period in question;
- n. **Participation in Executive Board of Directors' meetings** – the Committee took part in EBD meetings in which the preliminary accounts for 2022 and the interim financial statements for the 1st and 3rd quarters and 1st half of 2023 were assessed and discussed.

As part of its activities, the FMC/AUDC has always endeavoured to strengthen its knowledge of the mechanisms and procedures put in place to prevent or detect the

occurrence of situations that may affect the EDP Group's ability to act, in order to: (i) producing, analysing and disseminating information that adequately and faithfully represents EDP's economic and financial situation and (ii) minimising the risks of intentional or unintentional errors in financial information and misappropriation or misuse of the company's own resources.

Considering the compliance with the defined statutory and regulatory rights and duties, the Committee invited the EBD and controlled companies Directors and other management personnel, with duties and responsibilities at a higher level of seniority, and the representatives of EDP Group's Statutory Auditor.

It should also be noted that at the end of 2023, the FMC/AUDC approved the Activity Plan for 2024, a working instrument that contains the main actions to be carried out by this specialized Committee in each meeting of that calendar year. This document not only contributes to greater effectiveness and efficiency in the Committee's functioning, but also places its actions in line with the best current and internationally accepted corporate governance practices.

Process of assessment of the activity and independence of the Statutory Auditor

The Committee paid special attention to the nature and scope of the services provided by PwC, the company that provides the Audit/Legal Review of Accounts and Other Services to EDP Group, to assess compliance with the laws, principles and good practices that govern its actions and those of its representatives at EDP, as well as an objective assessment of its activity and independence.

The analysis of the information collected and processed by the FMC/AUDC, in this regard, did not indicate the existence of conflicts of interest or situations that objectively affect the independence of the Statutory Auditor in the provision of professional services (audit and permitted non-audit) to EDP Group.

It should also be noted that the assessment of the SA on its activity and independence, with reference to the year 2023, will be the object of an autonomous report and opinion by the FMC/AUDC, which is included in the GSB Annual Report.

Conditions under which the Committee carries out its duties

The conclusions drawn from the activities and duties performed allowed the FMC/AUDC to support adequately the issue of opinions on the report and accounts of EDP and EDP Finance BV for the financial year 2022, EDP's interim information, with reference to the 1st and 3rd quarters and 1st half of 2023, the assessment report on the activity and independence of the SA, for the financial year 2022, and other relevant information for the

GSB and EBD, namely the reports on transactions with related parties and other reports and/or information required by the GSB or its Specialised Committees.

There were no circumstances that affected or restricted the FMC/AUDC's freedom of analysis, judgement, fact-finding and investigation or its freedom to engage in dialogue and inquiry at all levels on matters that it felt deserved its full attention.

Likewise, no circumstances conditioned the independence or freedom of action of the Committee members.

It should also be noted that the FMC/AUDC's Chairman, periodically informed the General and Supervisory Board members about the content and main opinions issued at this Committee's meetings, through presentations in plenary.

Self-assessment of the activity carried out by the Committee and its Members

As part of the collective assessment of the GSB and its specialised committees, carried out by an independent external entity, the FMC/AUDC's members once again carried out their self-assessment exercise for the year 2023, based on two essential objectives: (i) to provide each member and the Committee as a whole with a space to reflect on its performance, particularly regarding the way in which it has addressed the topics that make up its Annual Activities Plan, as well the duties it is required to perform, by law, the Company's Articles of Association, the Regulations on its functioning and other internal instruments of EDP which provide for the matters to which the FMC/AUDC should pay attention and (ii) to allow the Committee to adopt, where appropriate, measures to improve its procedures and forms of action, with the aim of making it more efficient in the future.

The main conclusions of this assessment process are included in the Annual Report of the General and Supervisory Board 2023, in item 5 of Annex 1, certified by the independent external entity that accompanied the process, conducted the interviews, and produced the reports with the results of the assessment questionnaires.

Without prejudice to the assessment obtained, it is FMC/AUDC's intention to continue to introduce continuous improvements in its performance, taking into consideration the knowledge of generally accepted best practices. The Committee also believes that its guiding standards of conduct are high and that it remains committed to acting with rigour, transparency, and independence, at the service of stakeholders in creating value for the company.

Acknowledgements

In concluding this activities report, the FMC/AUDC expresses its satisfaction with the way in which the work was carried out during the calendar year 2023 and thanks the General and Supervisory Board (GSB) and the Executive Board of Directors (EBD), for their constant availability to this Committee, the corporate officers and other managers of EDP Group's companies, with whom the Committee has worked throughout this period; to the Audit Committees of the subsidiaries, with whom fruitful institutional relationships were established; to the Statutory Auditor, for the availability always shown and for the work developed; and, finally, to the GSB Support Office's employees, for the professional manner in which they have contributed to the good functioning and performance of this Committee.

The Financial Matters/Audit Committee:

João Carvalho das Neves (Chairman)
Maria del Carmen Rozado
Sofia Salgado Pinto



2.2 Opinion on the Annual Report & Accounts

Under the terms of the legal, statutory and regulatory requirements, specifically as set in the Articles of Association and internal terms of reference, the Financial Matters Committee/Audit Committee (or “FMC/AUDC” or “Committee”) prepared this Report and Opinion based on its understanding about the activity and business performance and its conclusions of the analysis and supervision of the information and supporting financial documentation received from the Executive Board of Directors (or “EBD”) and the Heads of the Company’s Corporate Services, the Audit Committees of the Subsidiaries and of the PwC–Statutory Auditor (or “PwC–SA” or “PwC” or “SA”) of EDP Group (or “EDP”), with reference to the financial year ended on December 31, 2023.

During this period, the Committee regularly met with:

- a. The Executive Board of Directors, to monitor the interim and financial information for the period (IFRS financial statements, budget scorecard, results and EDP’s 2023 integrated annual report) and other relevant information to the Committee;
- b. The corporate heads of the Consolidation, IFRS Reporting and Tax services (or “CR&T”) to supervise the integrity of the process of preparing and disclosing financial information and compliance with accounting and tax standards, policies and practices, including unusual or significant transactions, subsequent events and changes within the consolidation perimeter;
- c. The corporate heads of the Internal Audit services (or “IA”), to monitor and supervise the main conclusions of the internal audit work carried out, as well as the evolution and effectiveness of the issued and implemented recommendations, namely those at higher risk and greater antiquity;
- d. The corporate heads of the Compliance and Internal Control services (or “C&IC”), to monitor and supervise the conclusions of the work on the Compliance Management System and the tests carried out on the controls of the Financial Reporting Internal Control System, as well as the monitoring and resolution of recommendations and non-conformities and the effectiveness of the opportunities for improvement identified and implemented;
- e. The corporate heads of the corporate Risk services (or “RISK”), to monitor the company’s governance and risk policy and supervise the effectiveness of internal risk management systems, with a view to anticipating and minimizing the risks inherent to the activity carried out, including regulatory issues, climate change and ESG matters;
- f. The corporate heads of other corporate services, to monitor the most relevant conclusions: (i) the “litigation” process, with regard to the main litigations and other

contingencies in progress and the provisions made, taking into account the risk assessment carried out in accordance under International Accounting Standard 37 – Provisions, Contingent Liabilities and Contingent Assets; (ii) the transactions with related parties; (iii) the information and performance of the Pension Funds in the different geographies and (iv) the functioning and robustness of the information control and security systems, in order to prevent, in particular, technological and cybersecurity risks.

Also, with reference to the period ended December 31, 2023, the FMC/AUDC met periodically with the heads of the Audit Committees’ subsidiaries, to monitor the main issues of those Subsidiaries with the greatest impact in EDP Group’s consolidated financial statements, having received from:

- a. The Audit, Control and Related Parties Committee of EDP Renewables (or “EDP R”), the information and documentation supporting the favorable opinion issued on the approval of the company’s interim and annual financial statements;
- b. The Audit Committee of EDP–Energias do Brasil (or “EDP B”), the information and documentation supporting the favorable opinion issued on the approval of the management accounts and the interim and annual financial statements, of the company and its subsidiaries.

Also, during the 2023 financial year, the FMC/AUDC met periodically with PwC – Sociedade de Revisores Oficiais de Contas, Lda., to monitor and discuss:

- a. The conclusions of the audit work carried out on the interim and annual financial statements of the main companies included in the consolidation;
- b. The conclusions of the limited review reports of the interim financial statements (individual and consolidated) issued in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted in the European Union;
- c. The conclusions of audit work on impairment tests of goodwill, concession rights and other relevant tangible fixed assets recorded in the accounts;
- d. The topics, matters and information presented in the Additional Report to the Financial Matters Committee/Audit Committee;
- e. The conclusions of the evaluation of the functioning of Internal Control System for Financial Reporting;
- f. The conclusions on the key audit matters and the report on other legal and regulatory requirements, namely (i) the individual and consolidated directors’ report; (ii) the corporate governance report; (iii) the European Single Electronic Format (ESEF)

report; (iv) the individual and consolidated non-financial statement; (v) the remuneration' report and (vi) the additional information required in article No. 10 of the Regulation (EU) No. 537/2014, included in the Statutory Audit Report and Auditors' Report (individual and consolidated); and

- g. The Statutory Audit Report and Auditors' Report on the individual and consolidated Financial Statements issued, without reservation or emphasis, for the financial year ended as of December 31, 2023.

Based on the monitoring of the main aspects of the activity and business and on the analysis and supervision of the information and documents provided by the Executive Board of Directors and Heads of the Company's corporate services, by the Subsidiaries' Audit Committees and by the Statutory Auditor, and not being aware of any materially relevant issues or situations that could affect the accuracy and integrity of the financial information prepared and disclosed by the Company, or the appraisal of the quality of the work or the independence of PwC-SROC, for the financial year ended December 31, 2023, the Financial Matters Committee/Audit Committee issues a favorable opinion on Integrated Annual Report, the Financial Statements and the Profit and Losses (individual and consolidated) of EDP's operations on that date, of which stands out:

(Million Euros)		
DESCRIPTION	EDP SA	EDP GROUP
Total Asset	24.590	56.697
Total Liabilities	14.674	40.040
Total Equity ¹	9.916	11.553
Net Income for the Period ¹	824	952
Sales and Service Provision	2.900	16.202

(1) – Attributable to EDP shareholders

as it considers that they are in accordance with the applicable accounting standards and principles and with the legal and statutory provisions in force.

Lisbon, 29 February 2024.



(João Carvalho das Neves – Chairman)



(Maria del Carmen Rozado)



(Sofia Salgado Pinto)

The Financial Matters Committee/Audit Committee

2.3 Opinion on the Assessment of the Activity and Independence of the Statutory Auditor

During the financial year 2023, the Financial Matters Committee/Audit Committee (or "FMC/AUDC" or "Committee") paid particular attention to the scope and quality of work in the provision of statutory audit services, and non-audit services by PricewaterhouseCoopers & Associates – Sociedade de Revisores Oficiais de Contas, Lda. (or "PwC-SROC", or "PwC" or "SA") to EDP Group (or "EDP"), to assess its activity and independence, in compliance with the legal, regulatory, and contractual provisions in force and the principles and best practices that governed the actions of PwC and its representatives with EDP.

The activity and independence evaluation process of the PwC – Statutory Auditor by the Committee, with reference to the financial year 2023, was essentially based on the following:

- a. Monitoring the work developed and the relationship of PwC-SROC with FMC/AUDC;
- b. Analysis of the execution of contracts for the provision of statutory audit services and non-audit services between the PwC network and the EDP Group;
- c. Analysis of the responses of the Committee Members to the Internal Questionnaire on the evaluation of the activity and independence of PwC-SROC;
- d. Analysis of the information received from PwC-SROC, taking into account the reporting requirements set out in the Legal Framework for Audit Supervision and the Internal Regulations of the Audit Committee, namely: (i) Legal and governance structure; (ii) Internal control system; (iii) Statement on independence practices and confirmation that an internal review of compliance with these practices has been carried out; (iv) Mechanisms used to assess whether any service provided to EDP constitutes a threat to its independence; (v) Description of services provided and amount of remuneration earned; (vi) PwC Portugal's annual revenues from the provision of audit and non-audit services; (vii) Confirmation of independence and statement on services potentially conflicting with independence and (viii) Expenses incurred by PwC-SROC employees, in the execution of the 2023 audit contract.

The conclusions of the analysis of the documentation and information referred to above do not indicate the existence of conflicts of interest or situations affecting PwC's independence in the provision of professional services to the EDP Group, with reference to

the financial year ended 31 December 2023. As part of the evaluation process of activity and independence of the Statutory Auditor, it should be noted that:

- a. The overall fees earned by PwC's network, in the different geographies of the EDP Group, totaled 11,590 thousand euros. Of this amount, the statutory audit services (9,463 thousand euros) represent about 82%, quarterly reviews (601 thousand euros) represent 5% and the non-audit services (1,526 thousand euros), i.e. around 13% of the total;
- b. The fees owed by EDP SA and its subsidiaries in Portugal to PwC-SROC amount to 4,204 thousand euros, broken down into the provision of statutory audit services (2,839 thousand euros), quarterly reviews (198 thousand euros), and non-audit services not required by law (1,167 thousand euros), the latter two amounts 1,365 thousand euros, representing around 48% of statutory audit services;
- c. The fees earned by PwC (4,204 thousand euros) at EDP SA and its subsidiaries in Portugal represent around 4% of PwC Portugal's turnover (118,642 thousand euros), with reference to the previous year (in this geography, the amounts earned by PwC in 2023 were not yet available);
- d. PwC confirmed, in writing, the independence of the Statutory Auditors under the terms and in accordance with the independence rules of the Order of Chartered Accountants (Code of Ethics and Statute), the International Ethics Standards Board of Accountants ("IESBA") and the PwC network itself;
- e. EDP and PwC complied with paragraph 2 of Article 4 of Regulation (EU) No. 537/2014, of the European Parliament and the Council, and in the CMVM-FAQ on the Statute of the Order of Statutory Auditors and the Audit Supervisory Legal Regime, updated on 18 February 2022, regarding the limit of the audit services that the PwC may provide, this is, the fees due for the provision of permitted non-audit services not exceeding 70% of the average of the fees of the latter three consecutive years, for the provision of statutory audit services to the audited entity.

In view of the conclusions drawn from the Statutory Auditor evaluation process and a broad exchange of views between the Audit Committee Members, it notes with satisfaction that there has been a good relationship with PwC representatives, responding to a very intervening dynamic of the Committee, which has resulted in an improvement in the mechanisms and information flows and a more efficient way of working.

Furthermore, the interaction that FMC/AUDC developed with the Statutory Auditor, throughout the 2023 financial year, both in work meetings and through the provision of the most varied contributions and clarifications, allowed the collection of information about its action, availability, and attitude.

Therefore, the Financial Matters Committee/Audit Committee is of the opinion that EDP's Statutory Auditor has performed its functions with quality, competence, rigor, exemption and with an acceptable degree of independence.

Lisbon, 29 February 2024

The Financial Matters Committee/Audit Committee



(João Carvalho das Neves – Chairman)



(Maria del Carmen Rozado)



(Sofia Salgado Pinto)

3. Remunerations Committee

3.1 Annual Activity Report

This document discloses the mission and main responsibilities of the Remuneration Committee (or “REMC”), reporting on the activities undertaken during the year 2023.

Main highlights

- **Meetings and participants** – the REMC met 9 times throughout the year, with an average total attendance of 96%.
- **Activities carried out** – the meetings held covered the topics set out in the Activity Plan for 2023, with emphasis on the following: (a) the results of the KPIs for calculating the variable annual remuneration of the Executive Board of Directors (EBD), (b) hiring external consultants to calculate the EBD's variable remuneration, (c) approval of the REMC 2022 Activity Report, (d) Analysis of the Audit Committee Opinion on EBD KPIs and (e) hiring an external consultant to analyze the evolution of EDP's peer remuneration policies.
- **Self-assessment of the activity carried out by the Committee and its Members** – the members carried out once again a self-assessment exercise, through interviews conducted by an external entity, Mercer, whose results were certified by this entity and are included in item 5 of Annex 1 to the Annual Report of the General and Supervisory Board 2023.

Responsibilities and Duties

The Remuneration Committee is a Specialised Committee of the General and Supervisory Board (or “GSB”). REMC’s responsibilities include proposing the policy and corporate objectives for setting the remuneration of the Chairman of the Executive Board of Directors and that of its other Directors, as well as monitoring and evaluating their performance for the purpose of determining the variable remuneration. The Remuneration Committee of the General and Supervisory Board differs from the Remuneration Committee elected by the General Shareholders’ Meeting in that the latter is responsible for determining the remuneration policy for all the governing bodies, except for the Executive Board of Directors (or “EBD”). REMC’s competences, as well as its mission and duties, are set out in the Internal

Regulations of this Committee, the latest version of which was approved on 4 November 2021, available [here](#) on EDP’s official website.

Meetings and Participants

The REMC met 9 times, with the following composition and participation:

NAME		05-01	01-03	11-04	25-04	22-09	22-11	28-11	07-12	14-12	%
CHAIRMAN	MIGUEL PEREIRA LEITE ²	P	P	P	P	P	P	P	P	P	100%
	Esmeralda Dourado ¹	P	P	P	P	P	P	P	P	P	100%
	Felipe Fernández Fernández ²	P	A	P	R	P	P	P	P	P	89%
	João Carvalho das Neves ²	P	P	P	P	P	R	A	P	P	89%
	Zili Shao ¹	P	P	P	P	P	P	P	P	R	100%

¹Independent; ²Not independent
P = Present; A = Absent; R = Represented
Average Participation: 96%

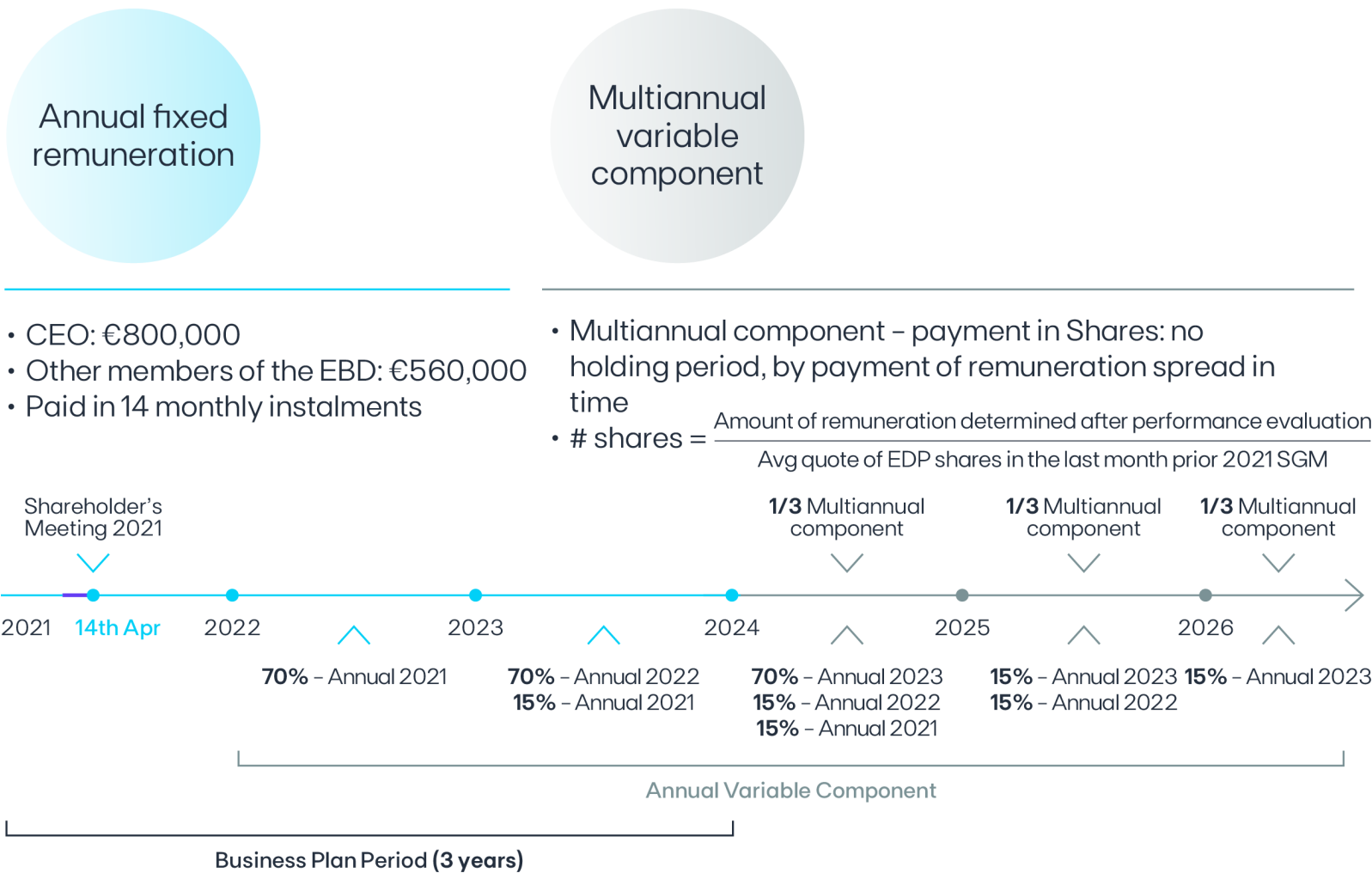
The average total attendance at Committee meetings in 2023 was 96%.

Access to Information and Reporting to the General and Supervisory Board

It should be noted that the REMC always obtained, in a timely manner, all the information requested for the performance of its duties, praising the availability and collaborative spirit of the entire structure of the company. It should also be noted that the Remuneration Committee Chairman has always kept the General and Supervisory Board Chairman informed of the Committee’s activities and the content of its meetings.

Activities Carried Out

EBD’s Remuneration Policy aligns EDP with the best international governance practices in terms of executive remuneration, both in and out of the energy sector. As in the previous year, in 2023 the annual variable remuneration was calculated one again under the Policy in force for the 2021-2023 mandate, with the calculation factors and final values of this remuneration for each EBD member to be included again in the annual remuneration report.



The Policy is based on key indicators of a quantitative nature, which are common to all EBD members, and those of a qualitative nature based on the individual performance of each EBD member. With regard to the quantitative indicators, which account for 80% of the total annual variable remuneration, the following criteria are taken into account:

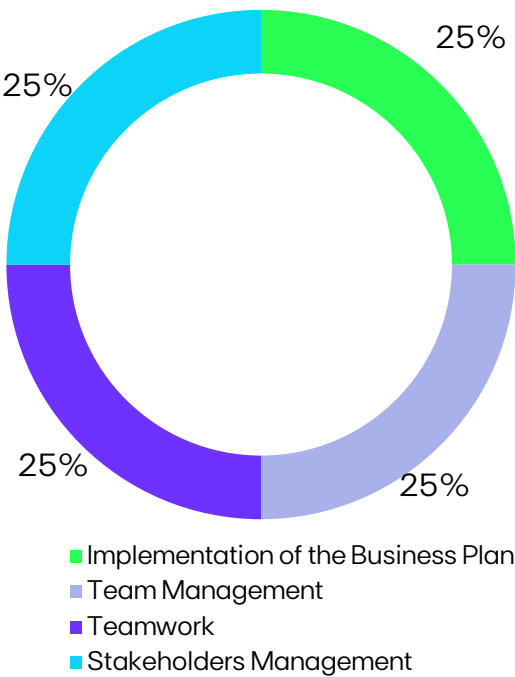
- **Growth** — Earnings per share recurring (20%);
- **Shareholder remuneration** — Total Shareholder return vs Eurostoxx utilities (20%);
- **Balance sheet strength** — Funds from Operation/Net Det (10%);

- **Operational efficiency** – recurring Cash OPEX (10%); and
- **ESG Indicators** — Dow Jones Sustainability Index Results, Performance in annual employee climate survey and Performance in the customer satisfaction (20%).

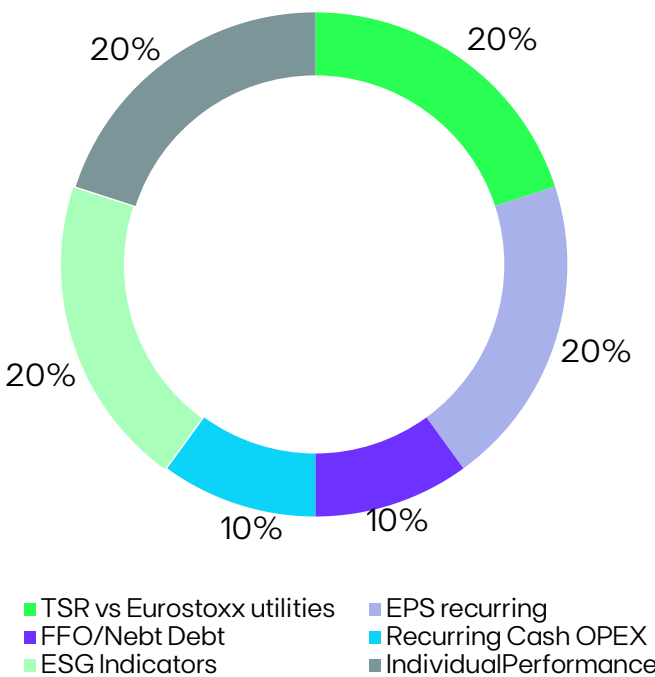
In what concerns the qualitative indicators, which represent the remaining 20% of the annual variable remuneration, are now based on the following criteria:

- Implementation of the Business Plan in the year (25%);
- Team Management (25%);
- Teamwork (25%); and
- Stakeholder management (25%).

Qualitative Component(%)



Annual Performance Indicators (%)



Implementation of the Remuneration Policy for the Executive Board of Directors

The Remuneration Committee calculated the annual variable remuneration for 2022 in accordance with the Remuneration Policy of the Executive Board of Directors.

The calculations of the annual variable remuneration were certified by an independent external Consultant, in accordance with the provisions of item 1.18 of EDP's EBD Remuneration Policy, who certified that they were made in accordance with the provisions of EDP's new Remuneration Policy. The Remuneration Report can be found [here](#), , and the full version of the new Remuneration Policy can be found [here](#), both on EDP’s official website.

Self-assessment of the Activity carried out by the Committee and its Members

As part of its regulatory obligations, the Remuneration Committee must carry out an annual self-assessment of its activity. To this end, through interviews conducted by an external entity, Mercer, the Committee members once again carried out a self-assessment exercise, the results of which were certified by this entity. The self-assessment is based on two essential objectives: (i) to provide each member and the Committee as a whole with a space to reflect on their performance, particularly regarding the way they address the topics that make up its Annual Activity Plan , as well as the functions they are responsible for undertaking, and (ii) to enable the Committee to adopt measures to improve its procedures and means of action, with a view to making it more efficient in the future.

The results of this collective assessment process are included in item 5 of Annex 1 of the Report of the General and Supervisory Board.

Lisbon, 27 February 2024

The Remuneration Committee:

Miguel Pereira Leite (Chairman)
Esmeralda Dourado
Felipe Fernández Fernández
João Carvalho das Neves
Zili Shao

4. Corporate Governance and Sustainability Committee

4.1 Annual Activity Report

Main highlights

- **Meetings and participants** – the CGSC met 5 times throughout the year, with an average participation rate of 97%.
- **Activities carried out** – the meetings held included the subjects foreseen in the Plan of Activities for 2023, highlighting the following thematic groups: (a) Ethics: a reality, not just a formality – cultivating solid and shared ethics in all geographies; (b) People as pillars of success – EDP’s employees are the source of the company’s strength, creativity and excellence; (c) ESG pioneering – EDP at the forefront of sustainable transformation.
- **Self-assessment of the activity carried out by the Committee and its Members** – Members once again carried out a self-assessment exercise, through interviews carried out by an external entity, Mercer, whose results were certified by this entity and are included in item 5 of Annex 1 of the Annual Report of the General and Supervisory Board 2023.

Responsibilities and Duties

The Corporate Governance and Sustainability Committee ("CGSC") is a Specialised Committee of the General and Supervisory Board ("GSB"). Its mission is to permanently monitor and supervise matters relating in particular to Corporate Governance, Strategic Sustainability, internal Codes of Ethics and Conduct, and internal Procedures and relationship between the Company and its subsidiaries or Group Companies and its employees, customers, suppliers, and other stakeholders.

Considering the critical global challenges caused by climate change, loss of biodiversity and use of natural resources as well as social disruptions and challenges to cohesion resulting from new technologies, the development of which seriously impacts all aspects of sustainability, particularly in the energy sector, EDP, as an organisation that assumes it has the know-how, expertise and instruments to respond to these challenges, it has a strategic plan that assumes this option in its entirety. Therefore, this Committee’s mission is to

provide a dynamic factor for this internal stance, monitoring its progress and challenging the various internal interlocutors. It seeks to adopt a proactive attitude, with an ethical and supportive concern in the organisation’s actions, under the leadership of the Executive Board of Directors.

For more details on the functioning, competences and functions of this Committee, please consult its Internal Regulations, the latest version of which was approved on 16 December 2021, available [here](#) on the official EDP website.

Meetings and Participants

In 2023 the CGSC met 5 times and had the following composition and participation:

NAME		28-02	03-05	26-07	27-09	13-12	%
CHAIRMAN	JOÃO TALONE ¹	P	P	P	P	P	100%
	Fernando Masaveu Herrero ²	R	P	R	P	P	100%
	Hui Zhang ²	R	R	P	P	A	80%
	Ignácio Herrero ²	P	P	P	P	P	100%
	Laurie Fitch ¹	P	P	P	P	P	100%
	María del Carmen Rozado ¹	P	P	P	P	P	100%
	Sandrine Dixson-Declève ¹	P	P	P	R	P	100%

¹ Independent; ² Not independent; P = Present; A = Absent; R = Represented
Average Participation: 97% (includes present and represented)

The average total participation in 2023 was 97%, with some members participating by telematic means.

Access to Information and Reporting to the General and Supervisory Board

The Corporate Governance and Sustainability Committee always obtained all the information requested in good time, praising the availability and spirit of collaboration from

the entire company structure. It should also be noted that the Chairman of the CGSC, João Talone, kept the General and Supervisory Board’s members informed of the content and main decisions taken at each of the meetings of this Committee, through a short presentation in plenary session.

Activities Carried Out

The following are the most significant issues addressed at the meetings of the Corporate Governance and Sustainability Committee during 2023:

- **Ethics: A reality, not just a formality** – In 2023, the Committee worked closely with the Group's Ethics Ombudswoman to monitor the implementation of EDP Group’s Code of Ethics. It also analysed the results of the survey on the ethical environment carried out at the end of 2022, as well as the Ethics Ombudswoman’s annual report.
- **People at the heart of decisions** – In order to permanently monitor and supervise matters relating to internal procedures and the relationship between EDP Group and its employees, the Corporate Governance and Sustainability Committee had the opportunity during 2023 to analyse: (i) the Global Remuneration Framework, which establishes the principles and criteria for the remuneration and benefits of EDP’s employees, and its alignment with market benchmarks and best practices; (ii) the 2023 People and Organization Plan; (iii) the Succession Plan for EDP’s senior and top management and (iv) the implementation of gender equality plans and policies across the group. The CGSC provided feedback and recommendations to EDP Group’s P&OD and encouraged continuous improvement and innovation of people management and development strategies and processes.
- **Generating a positive impact on society** – In 2023, the CGSC once again played a central role, namely by: (i) Monitoring the implementation of the Decarbonization Plan, a central element in the Group’s strategy to build a better future, already today; (ii) Receiving periodic reports from EDP Group’s Sustainability team and assessing performance indicators and alignment with international standards and frameworks, such as the UN Sustainable Development Goals and the Paris Agreement; (iii) Analysing the Ecosystem of the European Directives relating to the new non-financial reporting obligations; (iv) Evaluation of action with Stakeholders in local communities, which aims to create shared value and positive impact for the communities where EDP operates; (v.) Analysing and giving feedback on the reports of the SICO (Social Impact Coordinator Office), EDP Group's Social Impact Coordination Office, and examining the results and best practices of the projects and initiatives supported by EDP in the areas of education, health, social inclusion, culture, the environment and access to energy. (vi.) Information

on the Group's activities, projects, and strategy for each of its Foundations, namely in Portugal, Spain and Brazil.

- **Customer relations** – In 2023, like every year, the CGSC hosted the Customer Ombudsman to discuss the challenges of customer management.
- **Internal procedures** – The CGSC approved the activity plan for the following year, which is subject to any proposals from the members throughout the year, and the previous year’s activity report, which was included in the GSB’s 2022 Annual Report.

Self-assessment of the activity carried out by the Committee and its Members

Within the scope of its regulatory obligations, the Corporate Governance and Sustainability Committee must carry out an annual self-assessment of its activity. To this end, through interviews conducted by an external entity, Mercer, the Committee members once again carried out a self-assessment exercise, the results of which were certified by this entity. The self-assessment is based on two essential objectives: (i) to provide each member and the Committee as a whole with a space to reflect on their performance, particularly regarding the way they address the topics that make up its Annual Activity Plan, as well as the functions they are responsible for undertaking, and (ii) to enable the Committee to adopt measures to improve its procedures and means of action, with a view to making it more efficient in the future.

The results of this collective assessment process are included in Annex 1, item 5 of the Annual Report of the General and Supervisory Board.

Lisbon, 28 February 2024

The Corporate Governance and Sustainability Committee:

João Talone (Chairman)
Fernando Masaveu Herrero
Hui Zhang
Ignacio Herrero
Laurie Fitch
Maria del Carmen Rozado
Sandrine Dixson-Declève

5. USA Business Affairs Monitoring Committee

5.1 Annual Activity Report

This document discloses the mission and main responsibilities of the USA Business Affairs Monitoring Committee ("USA BAMC"), reporting on the activities carried out during the year 2023.

Main highlights

- **Meetings and participants** – the USA BAMC met 7 times throughout the year, with an average total participation of 97%
- **Activities carried out**– the meetings held covered the topics set out in the Activity Plan for 2023, with emphasis on the following thematic groups: (a) strategic plan; (b) investments and divestments; (c) regulatory strategy; (d) risk management; (e) pipeline development; (f) supply chain; (g) talent and people; (h) sustainability; (i) Stakeholders; (j) financial report.
- **Self-assessment of the activity carried out by the Committee and its Members** – the members once again carried out a self-assessment exercise, through interviews conducted by an external entity, Mercer, the results of which were certified by this entity and are included in item 5 of Annex 1 to the Annual Report of the General and Supervisory Board 2023

Responsibilities and Duties

The United States of America Business Affairs Monitoring Committee is a Specialised Committee of the General and Supervisory Board ("GSB"), with delegated powers, decided by the GSB, as a result of the compliance mechanisms adopted within the scope of EDP Group's activity in the United States of America (USA). Its mission is to monitor and autonomously adopt resolutions on matters relating to the activity carried out by companies wholly or majority held by and/or subsidiary of EDP Group in the USA, particularly with regard to strategic/business plans, assessing the different developing scenarios in which they rest and their implementation, including the resources required to its execution (human and financial), the annual budget, investment, divestment, merger, acquisition and business restructuring projects of significant value, financing operations,

strategic alliances/partnerships entered into, the concrete actions resulting from them and the evolution of counterparty risks, the issuing of prior opinions, including in cases of urgency following requests submitted by the Executive Board of Directors ("EBD"), compliance with commitments assumed with regard to public safety and the performance, risk assessment, value at risk and its management.

The Committee is further responsible for determining compliance procedures for the obligations assumed by EDP within the scope of the business development of companies wholly or majority held by and/or subsidiary of EDP Group in the USA with respect to the activity of the General and Supervisory Board.

For more details on the functioning, competences and responsibilities of this Specialised Committee, please consult its Internal Regulations, the latest version of which was approved on 16 December 2021, available [here](#) on EDP's official website.

Meetings and Participants

In 2023, the USA BAMC met 7 times, once at EDP Renewables North America's headquarters in Houston and the remainder at EDP's headquarters in Lisbon, and had the following composition and participation:

NAME	28-02	12-04	30-05	26-07	27-09	02-11	12-12	%
CHAIRMAN JOÃO TALONE ¹	P	P	P	P	P	P	P	100%
Esmeralda Dourado ¹	P	P	P	P	P	P	P	100%
Felipe Fernández Fernán- dez ²	P	P	P	A	P	P	P	86%
Laurie Fitch ¹	P	P	P	P	P	P	P	100%
Sofia Salgado Pinto ¹	P	P	P	P	P	P	P	100%

¹Independent; ² Not independent; P = Present; A = Absent; R = Represented
Average participation: 97%

The average total participation in 2023 was 97%, with some members participating by telematic means due to constraints caused by the pandemic.

Access to Information and Reporting to the General and Supervisory Board

It is noted that the Committee always obtained, in a timely manner, all the information necessary to carry out its functions, praising the availability and collaborative spirit of the entire company structure. It should also be noted that the USA BAMC's Chairman always kept the General and Supervisory Board members informed about the Committee's activity at meetings, without prejudice to restrictions on access to information regarding members who find themselves in a conflict-of-interest situation, through a short presentation in the plenary session.

Activities Carried Out

The following are the most significant topics covered in the meetings of the United States of America Business Affairs Monitoring Committee during 2023:

- **Strategic Plan** – As part of its duties and responsibilities, the BAMC monitored the process of reflection, preparation and execution of the new Business Plan 2023–2026, as well as the execution of the 2023 budget, relating to the activity of the companies wholly or majority owned and/or participated by EDP Group in the United States of America.
- **Investments and divestments** – As part of its duties and responsibilities, the BAMC monitored and adopted resolutions regarding investment projects, divestments, and strategic business partnerships of significant value, such as the investment in the 198 MW wind farm in Indiana, the investment in the 180 MWac solar farm in Texas, the sale of an 80 per cent stake in a 340 MWac solar portfolio in the USA, among others. The Commission also monitored EDP Renewables' strategic partnership with Engie in the US offshore wind segment and the development of EDP Renewables North America's distributed generation platform.
- **Regulatory strategy** – The BAMC analysed EDP Renewables North America's regulatory strategy and followed political, legislative and regulatory developments in the field of renewable energies, namely the implementation of the Inflation Reduction Act (IRA), trade and tariff policies such as the Uyghur Forced Labour Prevention Act or the anti-circumvention tariffs on imports of solar panels into the USA, the licensing reform bills tabled in the US Congress, the possible impact on climate policy and support for renewables after the November 2024 elections in the USA and the process of amending the Electricity Market Law in Mexico.

- **Risk management** – The BAMC analysed the risk profile of EDP Renewables North America's business, the improvement actions underway, the strategy and risk management activity of this company, and its integration with the Group's global risk model. Project execution risk, energy market risk and EDP Renewables North America's counterparty risk, among others, were monitored and analysed.
- **Pipeline development** – The BAMC monitored the development of EDP Renewables North America's pipeline project and its alignment with the growth objectives set out in the Business Plan 2023–2026, analysing the prospecting and pipeline development strategy.
- **Supply Chain** – The BAMC monitored the supply chain management strategy for EDP Group's projects in the USA, analysing the logistical constraints in the supply chain for operations in the USA and the strategy for mitigating their impact on EDP Renewables North America's activity.
- **Talent and people** – The BAMC monitored the talent management process at EDP Renewables North America, analysing the main challenges the company faces in its labour market, as well as its strategy for attracting, retaining, and developing talent.
- **Sustainability** – The BAMC reviewed the sustainability strategy in the USA and its alignment with the new ESG (Environment, Social and Governance) objectives of the 2023–2026 business plan. The analysis discussed the main challenges and the action plan outlined for each area of intervention, namely local communities, the planet, partners and the company's ESG culture.
- **Stakeholders** – The BAMC monitored the stakeholder management strategy at EDP Renewables North America, analysing projects developed in partnership with communities, customers, investors and suppliers, and the main activities and events held within the scope of stakeholder management.
- **Financial Report** – As part of its duties and responsibilities, the USA BAMC monitored and analysed on a quarterly basis the financial information of the activity of the companies wholly or majority held by and/or subsidiary of EDP Group in the United States of America.
- **Budget** – As part of its duties and responsibilities, the USA BAMC monitored and analysed the budget for the activity of companies wholly or majority owned and/or held by EDP Group in the United States of America for 2024.
- **Compliance** – The BAMC monitored the implementation of compliance measures and procedures for the obligations assumed by EDP in connection with the companies' business development wholly or majority held by and/or subsidiary of EDP Group in the United States of America.

- **Internal procedures** – The Committee approved the activity plan for the following year and the activity report for the previous year.

In accordance with Article 10(1)(f) of the Internal Regulation of the United States of America Business Affairs Monitoring Committee, the Committee is responsible for issuing opinions on matters relating to the activity carried out by companies wholly or majority held by and/or subsidiary of EDP Group in the United States of America. In this context, it is worth noting that during 2023, the United States of America Business Affairs Monitoring Committee intervened in nine operations, divided between issuing a prior opinion at a meeting and issuing a prior opinion by an expedited mechanism. Eight operations were submitted for prior opinion, all concerning investment and divestment projects, and all requests received a favourable opinion from the Committee. The expedited prior opinion issue mechanism was used by the Executive Board of Directors in an operation in relation to an investment project, with the Committee having granted the request after verifying the respective procedures.

Self-assessment of the Activity undertaken by the Committee and its Members

As part of its regulatory obligations, the Committee must annually carry out a self-assessment of its activity. In this sense, through interviews conducted by an external entity, Mercer, the Committee members once again carried out a self-assessment exercise, the results of which were certified by this entity. The self-assessment is based on two essential objectives: (i) to provide each member and the Committee as a whole a space for reflection on their performance, particularly regarding the way they address the topics that make up its Annual Activity Plan, as well as the functions they are responsible for undertaking, and (ii) to enable the Committee to adopt measures to improve its procedures and means of action, with a view to making that more efficient in the future. The results of this collective assessment process are included in item 5 of Annex 1 of the Annual Report of the General and Supervisory Board.

Lisbon, 28 February 2024

The United States of America Business Affairs Monitoring Committee:

João Talone (Chairman)
Esmeralda Dourado
Felipe Fernández Fernández
Laurie Fitch
Sofia Salgado Pinto



List of Acronyms

For ease of explanation and without prejudice to the timely use of the designations and expressions that they are intended to replace, throughout this report, the following acronyms and abbreviations are used:

- EBD** – Executive Board of Directors
- USA BAMC** – United States of America Business Affairs Monitoring Committee
- GSB** – General and Supervisory Board
- CGSC** – Corporate Governance and Sustainability Committee
- FMC/AUDC** – Financial Matters Committee / Audit Committee
- RC** – Remuneration Committee (from GSB)
- CMVM** – Portuguese Securities Market Commission
- EDP** (or Company) – EDP – Energias de Portugal, S.A.
- EDP Energias do Brasil** – EDP Energias do Brasil, S.A.
- EDPR** (or EDP Renewables) – EDP Renewables, S.A.
- EDPR NA** – EDP Renewables North America, S.A.
- ESG** – Environmental, Social and Governance
- IRA** – Inflation Reduction Act
- SA** – Statutory Auditor
- Subsidiaries** – Companies in a control or group relationship with EDP under the terms of article 21 of the Securities Code

NOTE: The identification of corporate bodies, without any other mention, should be interpreted as referring to EDP's corporate bodies.

