



ESG Report 9M23

Lisbon, November 2nd

Leading on ESG matters at EDP

General

Our 9M performance shows our continued progress towards becoming a world energy leader. Amidst a summer of record high temperatures and an increasingly uncertain global outlook, we remain focused on growing our clean energy capacity and accelerating our sustainable growth.

EDP remains deeply committed to carbon neutrality – indeed it was the only company invited to speak at the UN Climate Ambition Summit in New York on carbon neutrality targets, regulation and the credibility of decarbonization and sustainability strategies.

The company is taking important steps in 2023 to ensure the delivery of its coal free commitment by the end of 2025 while ensuring a just transition.

In Brazil, we reached an agreement to sell 80% of Pecém while continuing to manage the 1.25 MW renewable hydrogen project in its complex. We will keep assessing the potential to develop larger scale renewable hydrogen projects in the region.

In Spain, we are converting the Aboño II thermal plant, from coal to natural gas, and have established a new partnership with Corporación Masaveu, through the sale of a 50% stake in Aboño. We also requested authorization from the electricity system operator to close the Aboño I coal plant, as well as EDP's last remaining coal plants in Spain (Soto 3 and Los Barrios). EDP will retain full ownership and development of the Just Transition projects in Aboño, which include hydrogen and renewables projects.

Environment

EDP's ESG work has been recognized for its digital excellence. The E-REDES' Analytics4Vegetation project won the 'Digital with Purpose Global Award' at the Digital with Purpose Global Summit in October. Analytics4Vegetation enables interventions to reduce the risk of contact between power networks and surrounding forestry.

EDP's commitment to innovation and sustainability has also been recognized by the European Commission, which selected two of its hydrogen projects for the European Union Innovation Funds (among the 13 supported projects in the 'Industry Electrification and Hydrogen' category):

- The GreenH2Atlantic project, which will install approximately 100 MW of electrolyzers in Sines in Portugal.
- And the Asturias H2 Valley project, which will transform Spain's Aboño thermal power plant and include 150 MW of electrolyzers.

On biodiversity, EDP Generation launched 'Nature for Tomorrow' which is focused on the preservation and recovery of natural ecosystems. The project covers four key areas: prioritizing climate-positive actions, ensuring a biodiversity plan, incorporating the valuation of natural capital, and making a positive contribution to official bodies and Institutes. It includes 10 initiatives across areas such as CO₂ capture and storage, water management services and soil conservation.

Social

EDP's commitment to the environment and local communities is further demonstrated by the Volunteering Program's 'Go Green: Together for a Better Planet!' environmental campaign. Volunteers from all over the world took part in beach and ocean cleaning activities, from Chile to Singapore, including in Brazil, Portugal, and Spain. This initiative brought together volunteers from three continents to transform the planet into a greener and more sustainable place.

Governance

During the third quarter, we made significant progress in promoting gender equality by presenting our 'Plan for Gender Equality 2023-2024', which will enable us to align our initiatives across our global business. Additionally, we held the EDP's General Assembly of the Alliance for Cybersecurity focused on promoting a national cybersecurity culture and a safer and more resilient national cyberspace.

To strengthen our relationships with the communities where we operate, we have adopted the UN's Protect, Respect and Remedy Approach as a key pillar of our local stakeholder engagement policy. By integrating local communities into our operations, we aim to create value for all stakeholders involved.



Ana Paula Marques

ESG Performance at a glance

	INDICATOR	Unit	9M23	9M22	Δ %	Target 2026	Target 2030
 Environment	Renewables generation	%	85%	72%	+13p.p.	93%	100% ●
	Capex aligned with EU taxonomy	%	97%	95%	+2p.p.	>98%	100%
	Scope 1 & 2 Emissions intensity	gCO ₂ /kWh	89	182	-51%	36	8 ●
	Total recovered waste materials	%	97%	96%	+0p.p.	90%	>90% ●
 Social	Female overall	%	28%	27%	+1p.p.	31%	35%
	Global investment in communities ¹	€ m	19.49	16.50	18%	~€200	>€300
	Accident Frequency Rate ²	Fr	2.10	1.72	22%	1.42	<1
 Governance	Female on Leadership	%	29%	28%	+1p.p.	31%	35%
	ESG & equity linked compensation for Top Management ³		√	√		√	√
	Cybersecurity	bitsight rating	810	810	0%	Keep advanced ⁴	
	Top quartile in ESG rating Performance ⁵		√	√		√	√

Renewables represented 85% of electricity generated by EDP in 9M23, which compares with 72% in the same period last year.

Gross investments amounted to €4.3Bn in 9M23, of which 98% allocated to renewables and electricity networks activities. This concurred for the 97% capex alignment with EU Taxonomy.

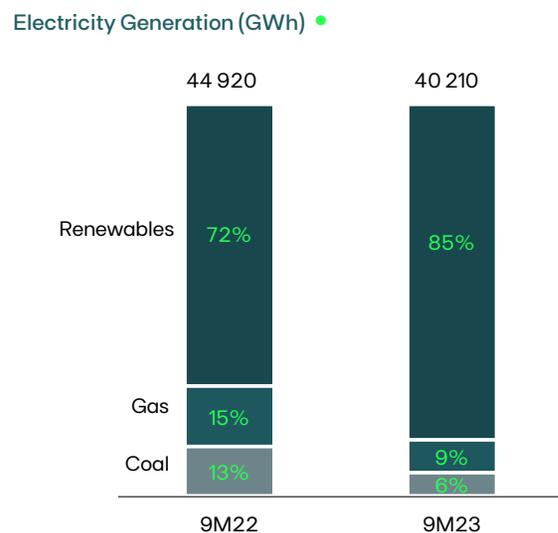
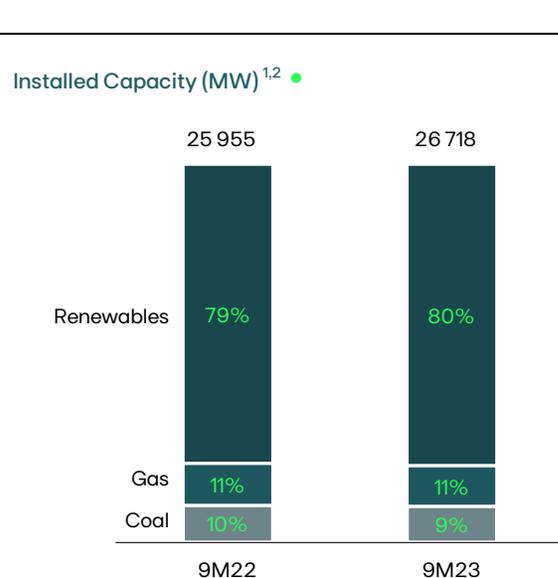
Specific CO₂ emissions decreased in 9M23 together with increased hydropower generation, after the severe drought that occurred in 2022.

Accident Frequency rate increased to 2.10 in 9M23. EDP continues determined to strengthen the culture of Occupational Health and Safety, having started in 2021 a new program, "Playitsafe", to raise awareness of the importance of building and adopting safe habits at EDP.

● Sustainable Finance Disclosure Regulation (SFDR) Indicator

1. For 2026 target, the value corresponds to the accumulated OPEX starting 2021. Includes voluntary & mandatory investment + management costs. 2. Number of accidents at work with absence/fatalities, per million hours worked (including employees and contractors); 3. Applicable to Board of Directors and top management; 4. >= 740; 5. Includes DJSI, FTSE4Good, MSCI and Sustainalytics.

Operational highlights committed to a renewables path



	Unit	9M23	9M22	Δ %
HYDRO COEFFICIENT				
	%			
Portugal		79%	37%	+42p.p.
Spain		70%	50%	+20p.p.
Brazil ³		98%	98%	+0p.p.

RENEWABLE INDEX ⁴	%	-6%	0%	-6p.p.
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	Unit	9M23	9M22	Δ %
ELECTRICITY DISTRIBUTED				
Portugal	GWh	34 141	34 013	0%
Spain		9 473	10 129	-6%
Brazil		20 314	19 881	2%

	Unit	9M23	9M22	Δ %
CUSTOMERS CONNECTED				
Portugal	# th	11 711	11 545	1%
Spain		1 388	1 382	0%
Brazil		3 848	3 751	3%

	Unit	9M23	9M22	Δ %
TOTAL ENERGY CONSUMPTION				
Total Renewable consumption	GWh	1 533	3 185	-50% ●
Fuel		8	4	124%
Electricity		1 525	999	53%
Self-generated non-fuel renewable energy		1 517	948	60%
Total Non-Renewable consumption	GWh	14 400	30 853	-53% ●
Fuel		13 838	29 547	-53%
Electricity		562	1 307	-57%
Energy consumption intensity	MJ/€	4	7	-44% ●

● Sustainable Finance Disclosure Regulation (SFDR) Indicator

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

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

	Unit	9M23	9M22	Δ %
ENERGY EFFICIENCY				
Energy Services Revenues / Turnover ¹	%	11.8%	7.8%	+4p.p.
Energy Efficiency Services Revenues	€ m	400	339	18%
DISTRIBUTED SOLAR				
As a Service – Installed Capacity²	MWac	998	556	79%
Portugal	MWac	159	88	80%
Spain	MWac	20	9	126%
Brazil	MWac	74	56	31%
US	MWac	261	105	147%
APAC	MWac	460	293	57%
Other	MWac	24	4	508%
Additions Ytd³	MWac	417	459	-9%
E-MOBILITY				
Light fleet electrification	%	28%	15%	+13p.p.
Electric charging points ⁴	#	7 748	4 272	81%
Clients with electric mobility solutions	#	97 295	60 700	60%
SMART METERS				
Iberia	# m	6.7	5.8	16%
Brazil	# m	0.6	0.4	27%
ELECTRICITY GRID LOSSES				
Portugal	%	7.7%	8.9%	-1.2p.p.
Spain	%	4.5%	4.7%	-0.1p.p.
Brazil				
São Paulo	%	7.6%	8.0%	-0.3p.p.
Espírito Santo	%	11.7%	12.0%	-0.3p.p.
CUSTOMERS WITH SUSTAINABLE SERVICES⁵	%	44%	35%	+9p.p.
CO₂ SAVINGS DOWNSTREAM⁶	ktCO ₂	-	11 901	-



1. Energy service: Services provided under energy supply, installation of more efficient and/or building retrofit, and sustainable mobility, which generate revenues for the company; 2. As a service capacity installed at EDP, including inorganic capacity; 3. Including As-a-Service and Transactional Installations; 4. Includes public, private and charging points inside EDP facilities installed; 5. Sustainability Services concept aligned with EU taxonomy. Excludes Health Insurance, Fatura Segura and Gas Certification. Includes only B2C electricity clients; 6. CO₂ avoided by carrying out efficiency improvement measures that lead to a reduction in customer consumption, as well as measures to replace energy sources with other less CO₂-emitting ones, namely replacing fossil fuels with renewable energy sources or sustainable mobility - 2022 annual value.

Environmental highlights committed to a carbon-free economy

	Unit	9M23	9M22	Δ %	
GREENHOUSE GAS EMISSIONS					
Scope 1 & 2 Emissions Intensity	gCO ₂ /kWh	89	182	-51%	●
Scope 1 & 2 Emissions Intensity (% vs 2020)	%	-43	16	-60p.p.	●
Scope 1 GHG Emissions	ktCO ₂ eq	3 242	7 557	-57%	●
Scope 2 GHG Emissions ¹	ktCO ₂ eq	350	677	-48%	●
Scope 3 GHG Emissions ²	ktCO ₂ eq	-	9 279	-	●
Avoided emissions	ktCO ₂	16 710	18 041	-7%	●
AIR QUALITY					
NOx emissions	kt	1.83	3.92	-53%	●
SO ₂ emissions	kt	0.74	1.92	-61%	●
Particulate matter emissions	kt	0.06	0.19	-67%	●
WATER MANAGEMENT					
Total freshwater withdrawn	10 ³ m ³	4 213	8 904	-53%	●
Total freshwater consumed	10 ³ m ³	2 980	7 819	-62%	●
Total water discharge	10 ³ m ³	425 160	235 209	81%	●
WASTE MANAGEMENT					
Total waste materials	t	197 006	294 711	-33%	●
Total waste	t	176 576	255 415	-31%	●
Total recovered waste materials	%	97%	96%	+0.01p.p.	●
Hazardous waste	t	4 911	3 640	35%	●
ENVIRONMENTAL MATTERS					
Environmental CAPEX	€ m	80.3	72.9	10%	●
Environmental Expenses ³	€ m	331.5	634.8	-48%	●
Environmental Fines and Penalties	€ th	1.1	2.1	-48%	●
ISO 14001 Certification	%	94%	85%	+10p.p.	●
LOW CARBON ECONOMY					
EBITDA in Renewables	%	37%	53%	-16p.p.	●
CAPEX in Renewables	%	78%	77%	+0.4p.p.	●
Revenues from coal	%	4.3%	6.7%	-2p.p.	●
Revenues aligned with EU taxonomy	%	69%	47%	+22p.p.	●
CO ₂ /Revenues ⁴	tCO ₂ eq/€ m	0.29	0.52	-44%	●

Scope 1 & 2 Emissions Intensity



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



> 90% Total recovered waste in 2030



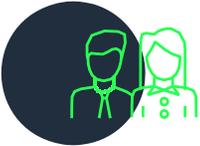
100% CAPEX aligned with EU taxonomy in 2030

i FOR MORE INFORMATION PLEASE CHECK OUR CLIMATE TRANSITION PLAN

● Sustainable Finance Disclosure Regulation (SFDR) indicator

1. Scope 2 emissions according with GHG Protocol based location methodology; 2. Annual Indicator - 2022 value; 3. Includes CO₂ allowances; 4. Defined as the company's annual GHG emissions (Scope 1 and Scope 2), expressed as metric tons of carbon dioxide equivalent (tCO₂eq) emissions, divided by revenues for the corresponding year, expressed in millions of euros.

Social highlights committed to provide a fair and safe workplace

	Unit	9M23	9M22	Δ %		
EMPLOYMENT						
Employees	#	13 235	12 992	2%	 <p>35% female employees by 2030</p>	
Female employees	%	28%	27%	+1p.p.		
Female/Male fixed salary	x	0.97	0.98	-1%		
Employee Engagement ¹	%	-	84%	-		
Employee Empowerment ²	%	-	72%	-		
Employee Turnover	%	8.3%	9.9%	-2p.p.		
Absenteeism	%	3.8%	3.3%	+0.4p.p.		
New Hires	#	910	1 048	-13%		 <p>> 6 500 new hires by 2030</p>
Disability Hires	#	19	9	111%		
TRAINING						
Total hours of training	h	184 295	191 080	-4%	 <p>Accident frequency rate <1 by 2030</p>	
Employees with training	%	96%	97%	-1p.p.		
Direct training investment	€ th	3 284	2 175	51%		
HEALTH AND SAFETY						
Accidents with lost workdays EDP	#	30	15	100%	 <p>Social investment >€300M until 2030</p>	
Accidents with lost workdays contractors ³	#	101	73	38%		
Fatal work-related injuries EDP	#	0	0	-		
Fatal work-related injuries contractors	#	2	5	-60%		
Frequency rate EDP	Fr	1.60	0.87	84%		
Frequency rate contractors	Fr	2.31	2.13	8%		
Total recordable injury rate	RFr	3.25	2.72	20%		
Total recordable injury rate EDP	RFr	2.67	1.91	40%		
Total recordable injury rate contractors	RFr	3.50	3.11	12%		
SOCIAL INVESTMENT						
Beneficiary Entities	#	339	262	29%		
EDP volunteers	#	2 226	1 907	17%		
EDP time used in volunteering	h	8 479	3 849	120%		
Total Investment	€ th	19 490	16 499	18%		

¹ Sustainable Finance Disclosure Regulation (SFDR) Indicator

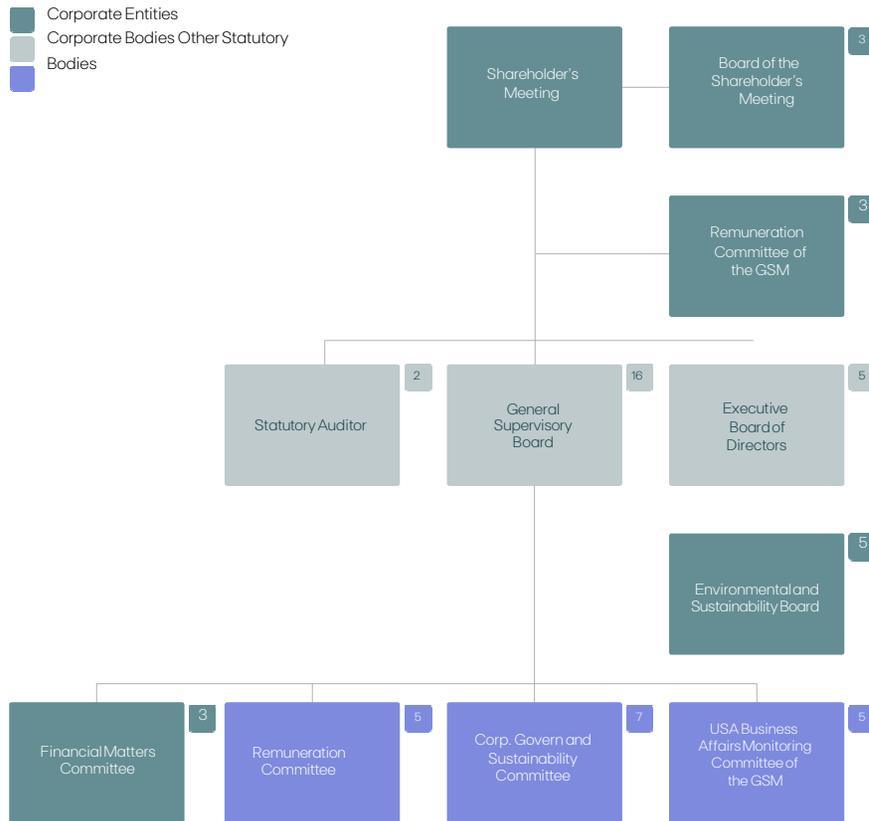
1. Engagement - reflects the involvement and commitment by employees. 2. Empowerment - reflects the perception of organizational support by employees. Within the scope of the Organizational Climate, the "Empowerment" dimension started to be evaluated in 2022, replacing the "Enablement" dimension previously evaluated, as part of the evolution of the employee consultation model at EDP. 3. Accidents occurred at the place and working time or on a journey, with 1 or more days of absence and fatal accidents.

Governance highlights committed to the best practices

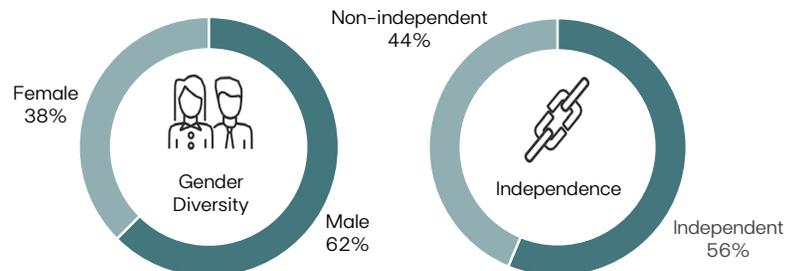
General and Supervisory Board

Elected on the General Shareholders' Meeting on the 14th April 2021

Reduced number of members from 21 to 16



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



- [ELECTION OF THE MEMBERS OF THE GSB \(1/2\)](#)
- [ELECTION OF THE MEMBERS OF THE GSB \(2/2\)](#)
- [Annual Report of the GSB](#)

Governance highlights committed to the best practices

Executive Board of Directors



Ana Paula Marques



Miguel Stilwell d'Andrade
(CEO)



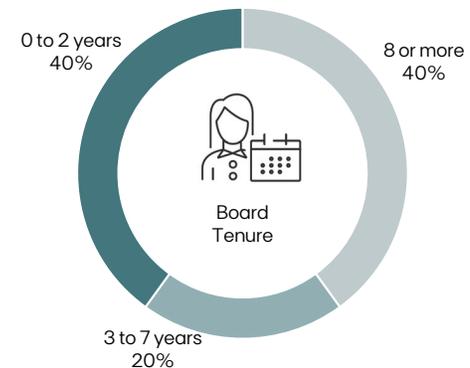
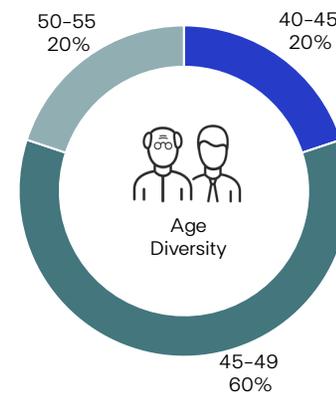
Rui Teixeira
(CFO)



Pedro Vasconcelos¹



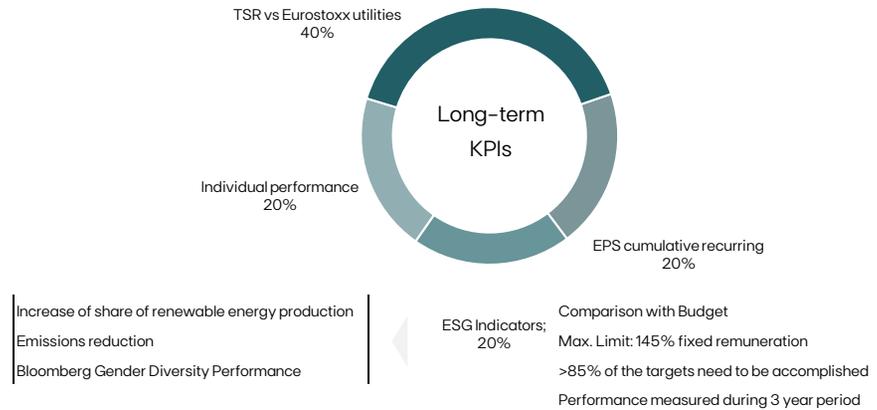
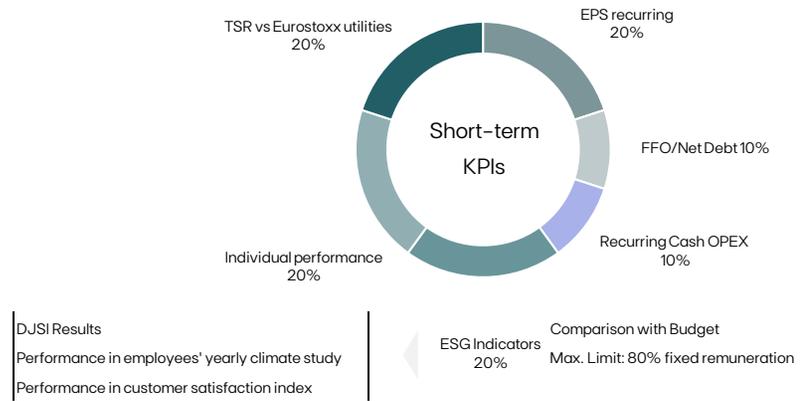
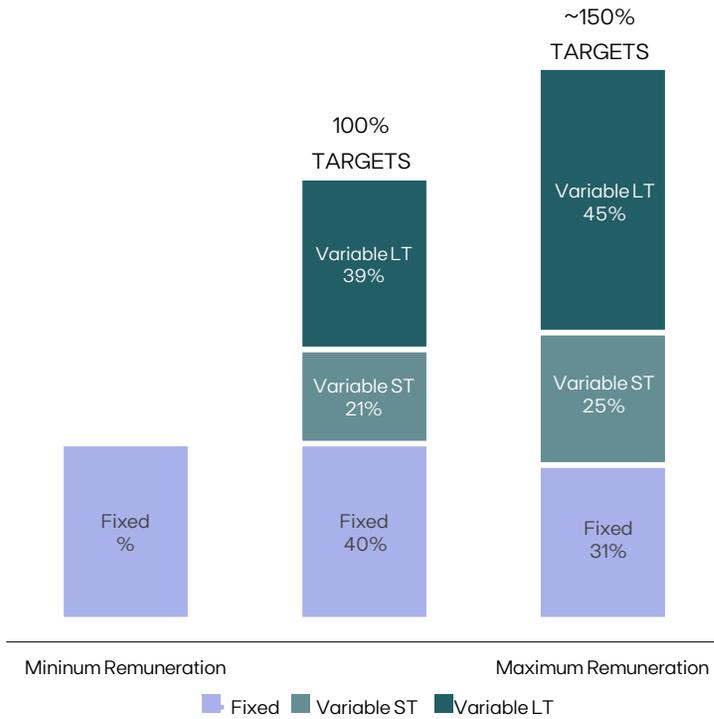
Vera Pinto Pereira



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

Governance highlights overview of the remuneration policy

New Remuneration Policy aligned with Best Practices
 Approved on the General Shareholders Meeting on the 14th April 2021



Digitalization & innovation highlights committed to drive transformation

			Unit	9M23	9M22	Δ %
DIGITALIZATION						
Global	Global	Digital TOTEX ¹	€ m	319	310	3%
		Cybersecurity	bitsight rating	810	810	0%
Digital Business	Customer	Selfcare Interactions ²	%	77%	75%	+2p.p.
	Assets & Operations	Electronic Invoices ²	%	44%	42%	+2p.p.
		Predictive Maintenance ^{2,3}	%	75%	68%	+7p.p.
Digital	Data & Technology	Systems in the cloud ²	%	66%	62%	+4p.p.
	People & Organization	Employees w/ digital training ²	%	76%	82%	-6p.p.
		Employees in Collaborative Initiatives ²	%	42%	29%	+0p.p.
INNOVATION						
Innovation Team		Total investment (TOTEX)	€ m	121	77	56%
		Employees ⁴	#FTE	546	481	13%
Investment Portfolio		Ongoing investments VC	#	41	41	0%
		VC investment	€ m	7.6	6.9	10%
		VC investment cumulative ⁵	€ m	42.4	44.7	-5%



EDP plays a crucial role in the EU-SCORES project, which aims to unlock the potential of large-scale offshore renewable energy in European sea basins. EDP's contributions focus on addressing constraints related to offshore renewable farms' scale-up, optimizing mainland interconnections for efficient energy distribution, reducing O&M costs through innovative robotized solutions, leveraging the complementarity of wind and wave energy, and evaluating the feasibility of offshore green hydrogen production. The demonstrators of this project include an offshore solar PV system in Belgium co-located with a bottom-fixed offshore wind farm and a wave energy array in Portugal co-located with Windfloat Atlantic. The project will showcase the benefits of offshore renewables hybridization, contributing to a more resilient power system, higher capacity factors, and a lower cost per MWh, while also maximizing the space for other marine activities.

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

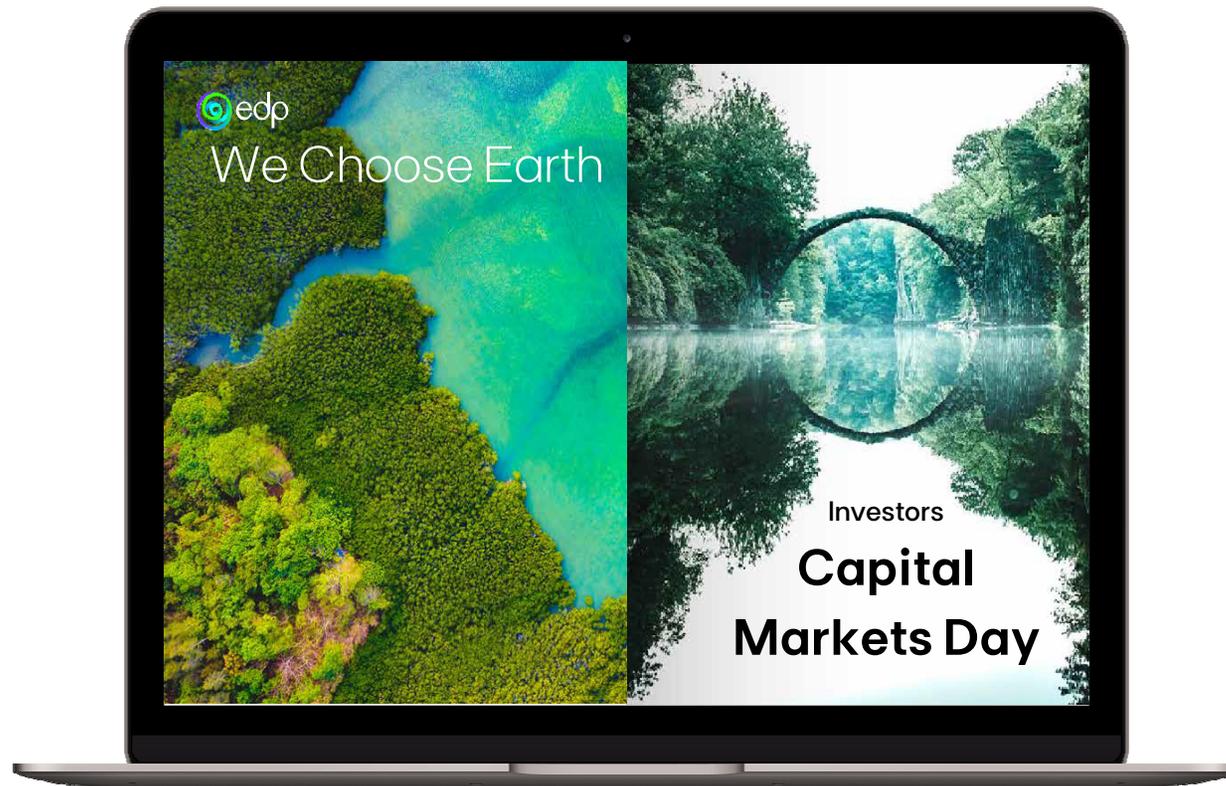
ESG ratings committed to excellence

RATER	RANGE	SCORE	RANKING	LAST ASSESSMENT
 <p>Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA</p>	0-100	90	1 st	Dec-22
 <p>FTSE4Good</p>	0/5	4.4	Top 3%	Jul-23
 <p>EURONEXT</p>	0-100	72	3rd	May-22
 <p>Corporate ESG Performance RATED BY ISS ESG Prime</p>	D--A+	B+	n.a.	Sep-23
 <p>Rated SUSTAINALYTICS</p>	100-0	19.4	n.a.	Apr-23
 <p>MSCI ESG RATINGS AAA CCC B BB BBB A AA AAA</p>	CCC-AAA	AAA	Top 13%	Mar-23
 <p>CDP A LIST 2022 CLIMATE WATER</p>	D--A	A	n.a.	Dec-22

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


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


For more information on indicators please visit our online glossary



For further information please visit our [Integrated Annual Report](#) and our [Capital Markets Day page](#) available in our website