

edp

edpartners

WORKSHOP

Global procurement activity



Execution in 2021

> 13 000 Total Suppliers

~ 4,6 bi€ Total spend

#650 Processes (>150k)



#156

Suppliers with ESG assessment



#498

Suppliers with performance evaluation

Our Ambition in 2030 ESG Targets



Purchase with new sustainable criteria

75%

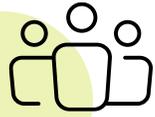
Criteria: Gender Diversity, low carbon emissions, and reporting transparency.

Suppliers Compliant with ESG

100%

Criteria: Human and labor Rights, certification from suppliers exposed to high risks

Our Sustainable Procurement Goals can only be achieved through action priorities focused on our partners



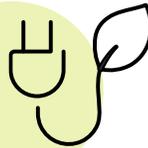
Ensure
**Human and
Labor Rights**

Promote
**Diversity and
Gender
Equality**



Endorse
Transparency

Ensure
**Integrity and
Compliance**



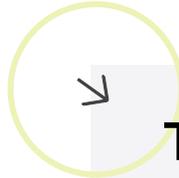
**Decarbonize
the Supply
Chain**

Promote
**Circular
Economy and
Biodiversity**

Action Priorities

- **Improve the supply chain visibility**
Collect reliable data from our supply chain
- **Invest in suppliers' engagement**
Promote the alignment of our partners with EDP's 2030 targets
- **Purchase from sustainable suppliers**
Include sustainable criteria in the procurement function

The edpartners journey is comprised of 5 steps



Topic for Today

Registration



Brings all the information in a **single platform** - aggregating general, economic, environmental and social data, to **obtain a risk profile of its suppliers in real time.**



Qualification



Designed to assess the **profile, capacity and suitability of the supplier for the acquisition needs** of the EDP Group, fully in accordance with the regulatory standards.



Negotiation



The **negotiation process is carried out digitally** using solutions that enable the management of all processes in a **secure and transparent** way for our stakeholders.




Performance Evaluation



Measure and quantify the **contractual performance of critical supplies** in a structured and systematic way, where criteria related to the **sustainability aspect** are included.



ESG Assessment

Designed to evaluate the ESG (**Environmental, Social & Governance**) maturity of our partners, promoting the alignment with EDP's strategic vision.



ESG Assessments is a tool to...

Interact with our partners

Dialogue with partners to know them beyond the available public information

Share the Vision

Alignment of our partners with current sustainability practices to achieve a **sustainable supply chain**.



Recognize the Risks

Identification and monitoring of our **supply chain bottlenecks**.

Grow Together

Collaborate in the development of our partners **by identifying non-conformities and improvement opportunities**.

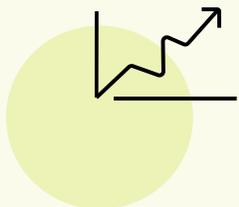
During the last 3 years, our **critical partners** were part of this process

During the Assessment, **non-conformities and Areas of Improvement are identified** and communicated to our partners **in a tailored action plan.**



Non-conformities

Non-compliance with a contractual requirement or legislation



Areas of Improvement

Actions to make processes with a positive impact on society

#680 **ESG Assessments**
2016 - 2021

>900 **Non-conformities identified**
2016 - 2021

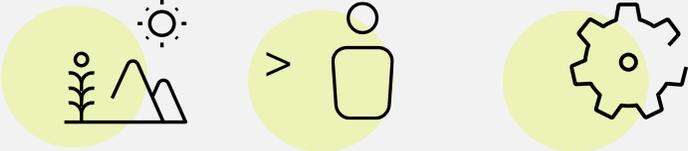
~85% **Average Score**
2016 - 2021

This year, we are starting a new **ESG Assessments Cycle** and implementing a new approach

A

Criteria

Aligned with market standard



B

Survey segmentation

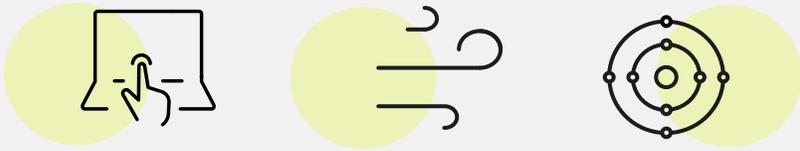
Focus on key aspects



C

Proactive and objective approach

Advance collection of information



A Criteria | Simplified and aligned with best practices

Previously

7 Criteria

Strategic alignment | Quality | Social | Occupational Risks | Environment | Technical Requirements | Human resources

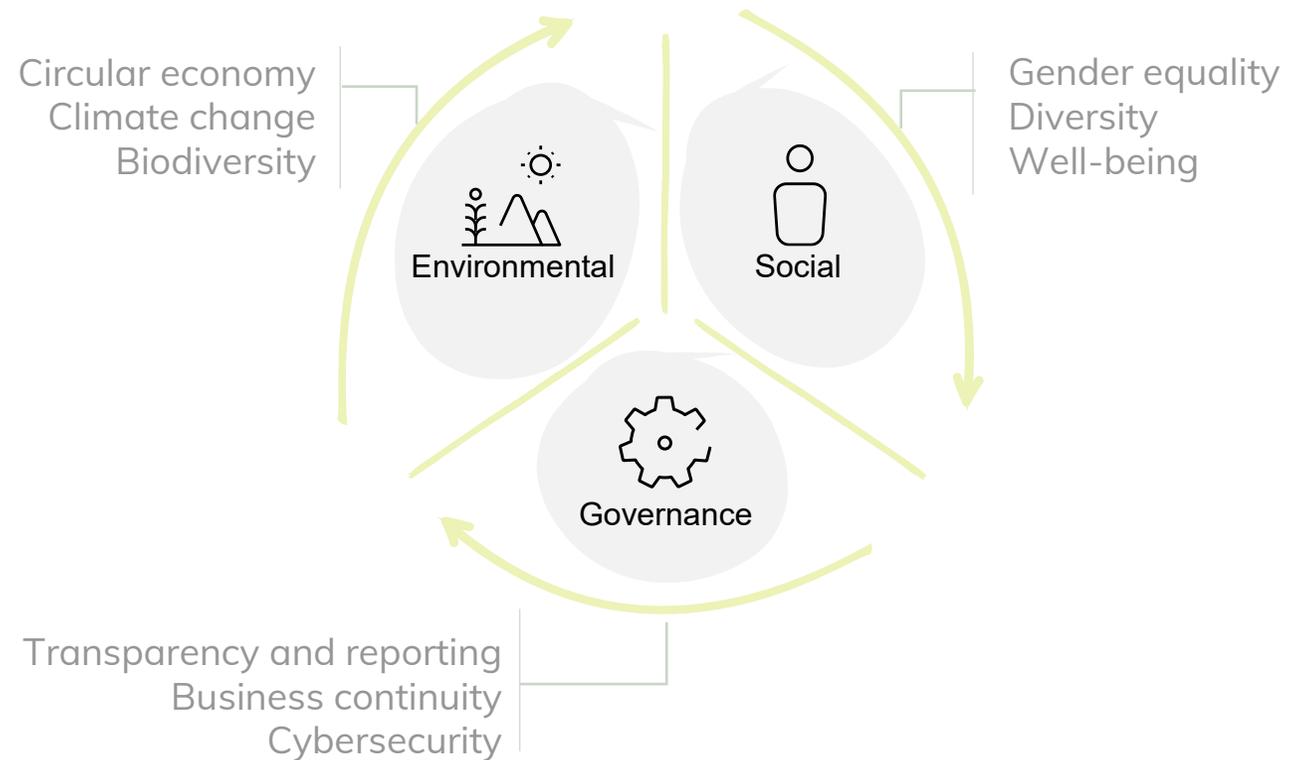


New Approach

3 Main Criteria

Environmental | Social | Governance

Including new sustainability trends



B Survey segmentation | Focus on key aspects

Previously

Common Survey
~250 questions for all suppliers

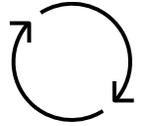


New Approach

Segmented Survey
The questionnaire vary according to identified supply risks

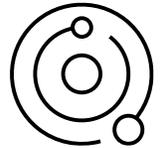
~50

Common questions
Scored



~50

Questions depending on supply risks
Scored



~50

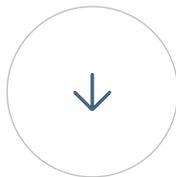
Additional Questions
Support information - Non scored



C Proactive and objective approach

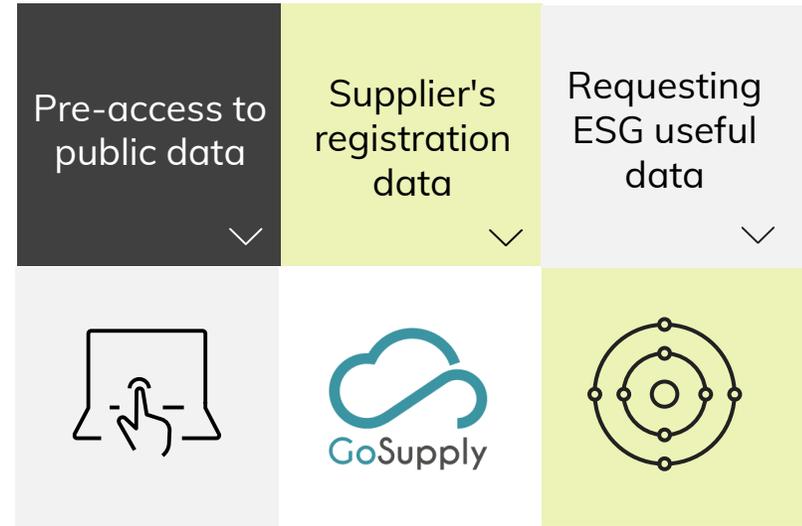
Previously

In-depth interview approach
Supplier as the only information source



New Approach

Advanced data collection
Interested in ESG useful and objective data



Assessment fully aligned with best practices that reinforces EDP's leadership in sustainability

Let's work together on **this ESG journey**

1. **Open the door** for this initiative
2. **Shape** your ESG targets based on the developed Action Plan
3. **Implement** positive changes
4. **Share** your best practices to influence your own supply chain

Changing Tomorrow Now
with our partners



edpartners

WORKSHOP