



United Nations
Global Compact

CFO TASKFORCE FOR THE SDGs

Blueprint for CFO Principles implementation

Industry Case Studies
Electric Utility



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1 Introduction

EDP is a multinational, vertically integrated utility company with operations in 22 countries across Europe, the Americas, Africa and Asia and with a focus on renewable energy generation.

As of 30 June 2021, EDP had a renewable energy installed capacity of 18.9 GW consisting of 7.1 GW of hydro power (in Iberia and Brazil) and 11.7 GW of wind and solar power (mostly in Europe and the United States).

In June 2021, 81 per cent. of EDP's generated electricity came from renewable sources of energy compared to 20 per cent. in 2005, and the Group develops and operates renewable energy generation in 17 different countries across Europe, North and Latin America and more recently in the Asia-Pacific region.

The Group has integrated operations across energy generation, distribution and supply operations mainly in Iberia and Brazil.

With a total installed capacity in Iberia of 13 GW and a distribution network spanning 282 thousand kilometres as of 30 June 2021, EDP believes that it is the largest generator, distributor and supplier of electricity in Portugal in terms of gigawatt hours (GWh) and the third largest electricity generator in the Iberian Peninsula in terms of installed capacity.

EDP also believes that it is one of Brazil's largest private generators, distributors and suppliers of electricity in terms of GWh and one of the largest onshore wind power operators worldwide in terms of GWh, with operations spanning across Europe, North America and Latin America. EDP also generates solar photovoltaic energy in several countries in Europe and the United States.

Overall, globally EDP has a total installed capacity of 24 GW and distribution networks of 376 thousand kilometres as of 30 June 2021.

The Group's revenues for the years ended 31 December 2020 and 2019 amounted to €12,488 million and €14,333 million, respectively.

As of 30 June 2021, the EDP Group employed 12,147 people and had total assets of €44,129 million and total equity of €14,347 million.

The most significant shareholdings in EDP's share capital as of 30 June 2021 were: China Three Gorges Corporation, owning 19.03 per cent.; Oppidum Capital S.L., owning 7.20 per cent.; BlackRock, Inc., owning 7.12 per cent.; Norges Bank, owning 3.13 per cent.; Qatar Investment Authority, owning 2.27 per cent.; Sonatrach SpA, owning 2.19 per cent.; Canada Pension Plan Investment Board, owning 2.17 per cent; and Bank of America Corporation, owning 2.02 per cent..

Given its portfolio, EDP is well positioned to lead the challenges of the energy transition.

2 Historical Drivers and Evaluation

In the historical analysis of the industry drivers and company business model towards sustainability integration we distinguish the following periods:

1991-2002: Strategy "safe" - the predominant sustainability factor is related to both environmental and social management systems.

External driver: legal & compliance.

Period with strong environmental and social responsibility. Focus on developing environmental and social in-house capabilities to implement the procedures of EDP's environmental policy and prevention and safety policy. For example, the safety concerns are expressed in the Declaration of Safety Policy with the view to the pursuance of the "Zero accidents goal" and the implementation of the certification of EDP's activities according to OSHAS 18 001. In 1994, the Declaration on Environmental Policy publication represented an essential milestone in the progressive integration of environmental concerns into the company's strategic objectives.

2003-2005: Strategy "credible" - EDP starts to talk about the triple bottom line, i.e. environment, society and economy the three pillars of sustainable development¹. **The predominant sustainability factor** is the "license to operate".

External driver: efficient use of resources.

The Board of directors recognized 2003 as the "year zero" in EDP's commitment towards sustainability. EDP defined its first strategic environmental and sustainability plan and follows an energy efficiency strategy based on two main lines of intervention: 1) making energy systems more efficient on the supply side and promoting efficient end use of electricity and rationalizing consumption by EDP customers in the different sectors of economic activity. It was also recognized transparency and partnerships as drivers of the success of the company in the long term. For example, in 2003, EDP joined to Global Compact² and decided to be member and participate in the World Business Council for Sustainable Development (WBCSD), Eurelectric and Business Council for Sustainable Development (BCSD). In 2004, the Executive Board of Directors approved EDP Group's Principles of Sustainable Development and assumed the commitment to carry on its business while seeking a balance between the three pillars of sustainable development. Also approved the internal adoption to the carbon emissions market, and in 2005 approved EDP's Code of Ethics and a Sponsorship Policy for supports projects focused on culture, social innovation, science and education which the main responsible is the EDP Foundation created in 2004.

2006–2015: Strategy "transformative"- EDP sets as a vision to be driven by renewables. **The predominant sustainability factor** is the engagement with stakeholders to have energy at the service of sustainability.

External driver: The energy transition and ESG investing.

EDP pursues the objective of corporate sustainability with the implementation of a sustainable strategy to supply energy at lower cost, ensuring the security of supply while also reducing the dependence on fossil fuels and fostering the use of renewables energies. EDP set up the commitment to achieve 70% of energy produced by renewable sources by 2020 and, in 2009, the company has also committed to Eurelectric's pledge to achieve a carbon-neutral power supply in Europe before 2050. This cultural change was an essential driver to turn EDP's competence into competitiveness. The company also recognizes the need to change the governance of sustainability efforts across the Group and starts to improve the governance structure at the sustainability level. A good example is, in 2006, the adoption of the two-tier model of governance and the assumption that sustainability management is intrinsic to the Group's management

¹ In 1993 John Elkington coined the concept of triple bottom line (TBL) in the sustainability framework to include the environmental and social dimensions into the traditional economic measures.

² www.edp.com/sites/default/files/Sustainability%20Report%202003.pdf#page=10

model. The previous Environment Board, created in 1991, was transformed into the Environment and Sustainability Board. For overseeing matters such as governance, ethics was created the Corporate Governance and Sustainability Committee of the General and Supervisory Board, and for supporting the Executive Board of Directors was created the Environmental and Sustainability Committee. In 2007, EDP's General Meeting approval of the new remuneration policy which includes parameters for the variable component of the EBD's remuneration, namely the Group's performance in terms of its sustainability index (DJSI) is another example. Another significant milestone was, in 2015, the announcement of EDP's commitment with eight of the Sustainable Development Goals of the UN Agenda 2030, namely SDG 5, SDG 7, SDG 8, SDG 9, SDG 11, SDG 12, SDG 13 and SDG 15.

2016-2020: Strategy "innovative" - EDP aims to lead the energy transition by creating superior value. The predominant sustainability factor is the generation of value for customers and partners.

External driver: decarbonization, decentralization and digitalization

EDP sets up a commitment to have 75% of renewable installed capacity until 2020 and is committed to a 2030 science-based greenhouse gas reduction target, approved by the Science Based Targets in 2017. This target aims at reducing combined scope 1 and 2 emissions from electricity generation per TWh by 55% by 2030 versus 2015 levels, and at decreasing absolute scope 3 emissions in 25% over the same period. The company also starts to rethink its strategy from a service-based model to one that emphasizes customer solutions, the customer experience and offering solutions to meet customer needs. The objective is to create value through the presentation of innovative service and customer solutions. EDP see decarbonization solutions as an opportunity to expand its business providing new products and services and foster smart and efficient energy management solutions in the areas of distributed generation, electric vehicles, energy efficiency.

Another milestone of this period is the start of developing a comprehensive and integrated model for EDP's corporate SDG finance. In 2018, the issuance of a Green Bond has begun, which is interconnected with SDG 7 and follows the rules of the ICMA's Green Bond Principles 2018. Most of EDP Groups generation assets are green (in 2020 74% of its installed capacity is renewable), however through issuance of green bonds EDP shows the positive impact on society and economy based on three indicators: the renewable installed capacity, the renewable generation and the annual CO2 emissions avoided. EDP disclose annually the impact report of their use of proceeds in the EDP's Annual Sustainability Report and EDP's website.

2021-2025: Strategy "purpose" - EDP aims to become all green by 2030, coal-free by 2025, while delivering superior value to all stakeholders. The predominant sustainability factor is organizational governance with positive impact on society.

External driver: climate change. The society is demanding clean, sustainable, and affordable energy sources and a road to net zero emissions.

EDP wants to deliver in every dimension of ESG strategic direction with the focus on a renewable future and promoting a just transition. EDP is committed to mobilizing renewable energy investments in coal phase-out regions and support workers and communities in a sustainable and economically inclusive way.

In February 2021, EDP announced a new strategic update for the period of 2021-2025. The plan is underpinned by three strategic axes: (i) accelerated and sustainable growth; (ii) future-proof organization; and (iii) ESG excellence and attractive returns. This strategy is further supported by EDP's commitment to decarbonization and sustainability pursuant to its 2030 vision of having 100% electricity generated from renewable sources, including a €24 billion investment plan for the next 5 years, reinforcing its position as a leader of the energy transition (80% in renewables, 15% in grids with a focus on digitalization and innovation, and 5% for services solutions to customers).

The company also expand its finance through the issuance of green bonds and empower its impact strategy to capital markets. Since 2018, EDP issued €5.1Bn in green bonds, in line with EDP's strategy focus to being all green by 2030.

Finally, the recent update of the Human and Labor Rights Policy, in July 2021, is another milestone that supports the EDP Group's global growth strategy, enabling the company to operate in new markets, geographically distant and outside OECD, (Chile, Colombia, Vietnam) ensuring the application of international standards. This policy reinforces the commitments and procedures for respecting human rights in all decision-making spheres, especially in new investments and in contracting and managing suppliers. Human Rights are now directly assigned to a member of the Executive Board of Directors and a senior corporate manager who ensures operational management. A Working Committee specializing in human rights was also created. The obligation to apply the UN Framework on business and Human Rights was reinforced, with greater specification of due diligence criteria, risk maps, consultation, impact assessment, reporting, and monitoring.

3 Sustainability Disruption

EDP's governance was the internal drive that pushed the company to change, towards a more sustainable business model.

In 2006, EDP's Board decided that the company would be driven by renewables³. So, sustainability disruption occurred in 2006 when EDP recognized that the energy sector is going through a revolution.

Since 2006, the company's board has encompassed a wide range of changes in the organization on a path towards the energy transition, namely on developing the company's culture of sustainability, extending company values defined in 2005 (EDP's Code of Ethics) and translating them into several policies, procedures and business practices.

Going forward, "the energy transition", as an external driver, shaped EDP's sustainable business model.

EDP is focused on pursuing a business model oriented towards decarbonisation and is positioned to contribute to the debate of a just and efficient energy transition, actively engaged with key stakeholders: policy makers (national governments and regulators), associations and think tanks. The key activities of EDP's engagement are related to the most material issues for EDP, namely: 1) climate change; 2) promotion of renewable energy and 3) decarbonization solutions.

These activities can be summarized as follows:

- a) Engage with key stakeholders sharing EDP's main positioning.
- b) Contribute to open consultations on policies, regulations and plans.
- c) Collaborate in working groups of EU's main associations and think tanks.
- d) Support studies on relevant topics.
- e) Publish position statements with like-minded companies.
- f) Participate in public conferences and events; and
- g) Adhere/become member of international agreements and initiatives and defined commitments in order to build a low-carbon future.

Moreover, these topics are at the TOP3 of material issues according to EDP's published materiality matrix.

As an external driver, sustainable investing was also key (which appeared with more emphasis between 2016-2020), given that it positioned EDP to benefit from this trend of increasing sustainability focus on financial markets, with ESG investors increasing its appetite for EDP's share capital. According to a Nasdaq analysis prepared for EDP in February 2021, 18% of EDP's Share Capital belong to active SRI shareholders.

³ However, the journey started with 1. the creation of ENERNOVA in 1994, a specialized company in the development of renewable projects in Portugal; 2. the development of the Brazilian (1996) and Spanish markets (2001, with the acquisition of Hidrocantábrico); 3. the acquisition of Horizon Wind Energy (2007).

Table 1 SDGs impacts perceived by stakeholders based on SASB's material issues

| SASB issue | EDP material issue | SDG impact | EDP initiatives |
|-----------------------------|---------------------------------------|---|--|
| Greenhouse gas emissions | Climate change | SDG 7 and SDG13. EDP recognizes the major concerns of the society around the change in climate patterns and the need to reduce carbon emissions and limit the increase of global average temperature. | EDP enhances multi-stakeholder partnerships around a common interest and set up commitments to be carbon-neutral in 2030 |
| Energy resource planning | Promotion of renewable energy | SDG 7. EDP understands that society wants to decarbonize its economy to mitigate the effect of Climate Change. Additionally, the emphasis on renewables makes electrification of consumption, especially in the transport, building, and industrial sectors, the most efficient way to reduce CO ₂ emissions in these activity sectors | EDP is working with several stakeholders, such as customers, to increase Renewable Energy's penetration as a clear and effective response to Climate Change and an opportunity for the company to expand its business. |
| End-use efficiency & demand | Decarbonizations solutions | SDG 7, SDG 9 and SDG11. EDP since a long time ago understood the concerns of stakeholders regarding the demand side management as a natural response to invert climate change and which leads to costs savings for clients, and an opportunity for the company to provide energy solutions to different segments of clients. SDG9. | EDP sees the offer of Decarbonization Solutions to its clients, combined with renewable energy-based Electrification and innovation, as a critical vector in the path to decarbonization |
| End-use efficiency & demand | Innovation and digital transformation | | |

4 Strategic Response

Sustainability disruption occurred in 2006 when EDP recognized that the energy sector is going through a revolution.

In that period, EDP's board positioned the company in the journey to anticipate of the energy transition. Early on, EDP understood clearly the need to scale up of renewables and to become a global player.

Since then, EDP pursues a strategy as a leader in the energy transition.

In the strategic update 21-25, we announced ESG excellence and attractive returns as one of three pillars of our decision-making processes. Alongside the financial goals, EDP has also set concrete ESG goals as part of the sustainable strategy attending the most material issues.

The most important topics identified by EDP, such as climate change, promotion of renewable energies, decarbonization solutions, and innovation and digital transformation anticipate the challenges and opportunities for the power sector.

In addition, the correspondent KPIs of those material issues have measured the progress of our path to transition to a low carbon economy and reinforce our sustainable business model to become a company pursuing balance between economic, social, environmental and ethical performance.

The SDGs presented in the table below (SDG 7;9;11;13), which supports our strategy, represents the actual link with the investment program of €24 billion in CAPEX over 2021-2025. Besides those four main SDGs, EDP pursues a strategy that has impact in other SDGs, such as 5, 7, 8, 12. In the appendix, there are more details about all SDGs to which EDP is committed and which are relevant to value-creation for EDP's business.

Table 2 Key performance indicators alongside strategic goals for SDG impact

| EDP strategic topic issue | EDP Strategic goal | #SDGs impacted and detail | # of targets impacted and detail 2025 | # of targets impacted and detail 2030 |
|-------------------------------|-------------------------|--|---|---|
| Climate change | Clean generation | #2; SDG7 Affordable and Clean Energy and SDG 13 Climate Action | #4 A) Become coal free B) To reduce specific CO ₂ emissions (scope 1 and 2) by 70% (compared to the levels of 2015); C) To reduce indirect CO ₂ emissions (scope 3) by 30% D) To increase storage capacity up to 2.3 GW | #2 E) To reduce specific CO ₂ emissions (scope 1 and 2) by 98% (compared to the levels of 2015) F) To reduce indirect CO ₂ emissions (scope 3) by 50% |
| Promotion of Renewable energy | Clean generation | #1; SDG7 Affordable and Clean Energy | #6 A) To implement a renewable CAPEX plan of € 19bn 2025 B) To add 20 GW of new capacity C) To achieve >70% of revenues aligned with EU Taxonomy (Turnover green) D) To achieve 7 GW of solar capacity | #2 E) To achieve 100% of renewable capacity F) To achieve energy transition EBITDA 100% |
| Decarbonization solutions | Sustainable consumption | #2; SDG7 Affordable and Clean Energy; SDG 11 | #6 | #2 |

| | | | | |
|---|---------------------------------------|--|--|---|
| | | Sustainable cities and communities | <p>A) To achieve 26% penetration of B2C electricity clients with sustainable services</p> <p>B) To achieve 180k customers with mobility services</p> <p>C) To achieve the installation of 40k electric vehicles charging points</p> <p>D) To achieve 3.7 GW of distributed solar on customers</p> <p>E) To increase EDP's Electric Fleet up >40%</p> <p>F) To reduce 15 million tons CO2eq emissions in EDP's clients</p> | <p>G) To achieve the installation of 100k electric vehicles charging points</p> <p>H) To have 100% of light fleet electric</p> |
| Digital transformation and infrastructure | Innovation and digital transformation | #1; SDG9 Industries, Innovation and Infrastructure | <p>#2</p> <p>A) Clear investment in networks (3Bn€) related with grid digitalization, quality, capacity, and resilience</p> <p>B) To accelerate the roll-out of smart meters, covering 100% of EDP's low-voltage delivery points in Iberia</p> <p>C) To invest €2 billion€ in R&D+I and Digitalization</p> | <p>#1</p> <p>C) To Accelerate the roll-out of smart meters, covering 100% of EDP's low-voltage delivery points in Brazil</p> |

5 SDG Investments

At the strategic update 2021-25, EDP stepped up to the challenge and presented a strong investment plan to lead the energy transition.

- 80% of CAPEX (19 bn€) to deploy in ~20 GW renewables additions in 2021-25 to be carbon neutral by 2030, always complying with the group's strict investment criteria.
- 15% of CAPEX (3 bn€) will be invested in networks for further grid digitalization and resilience and with quality to support our path to lead the energy transition.
- And 5%, will be invested in client solutions and energy management to promote the decarbonized consumption and promote low carbon and energy efficiency products and services.

As EDP's strategy has long been focused on sustainability, the issuance of Green Bonds by the company has been promoting a greater alignment of the financial policy with our sustainability strategy while the market's awareness to this topic is increasing. EDP was the first company in Portugal to issue Green Bonds (and is still the largest to the moment), with a first issuance in 2018, and has so far completed 7 issuances, raising €5.1Bn in total. This issuance is interconnected with SDG 7 and follows the ICMA's principles 2018.

We also commit to drive digital transformation with ~€1Bn investment in Digital Capex and ~€1Bn in Innovation Capex

- On track to doubling the number of people dedicated to innovation by 2025
- Digital first approach specially to enable new businesses

Out of the €24bn investment plan, up to June 2021, EDP has already invested €1.6 Bn in CAPEX of which 94% in RES + Networks, enabling EDP to secure 6.7GW or 34% of the targeted 20 GW by 2025.

6 Assessing Sustainability Outcomes and Financial Results

In the strategic update 21-25, we announced ESG excellence and attractive returns as one of three pillars of our decision-making processes. Alongside the financial goals, EDP has also set concrete ESG goals as part of the sustainable strategy.

To assess sustainable outcomes and financial results, we have enhanced sustainable reporting as we believe it promotes best practices and is key to properly evaluating related risks and opportunities as we work to materialize our strategic goals (with both a quarterly and annual report). The public reporting of the progress of our sustainability strategy towards the SDGs is also made in our website (www.edp.com/en/sustainability/sustainability-strategy).

The table below summarizes the several types of measures used by EDP for measuring sustainability outcomes. They are a combination of indicators and indices, but we would like to highlight that only one of them fits perfectly into the SDG framework - model of governance of the issuance of the green bonds which follows the rules of ICMA Green Bond Principles.

Table 3 Sustainability outcomes

| Sustainable Development Goal | Outcomes (impact measurement) | Target progress towards to the SDGs |
|--|--|---|
| SDG7; SDG 9; SDG 11; SDG 13 | Business Plan - EDP set up goals and metrics in order to go towards the path of decarbonization | Yes. Tracking the goals and metrics in the quarterly and annual report and sustainability report. EDP also discloses the progress in its website. |
| SDG 5; SDG 7; SDG 8; SDG 9; SDG 11; SDG 12; SDG 13; SDG 15; SDG 17 | Sustainability Strategy | Yes. Tracking the goals and metrics in the quarterly annual report and sustainability report. EDP also discloses the progress in its website. |
| SDG7 | - Installed capacity of renewable energy - Annual production of renewable energy - CO ₂ emissions avoided | Yes. Annual Impact Reporting in accordance with EDP Green Bond Framework (follow rules of the ICMA 2018) ⁴ . |
| SDG 5; SDG 7; SDG 8; SDG 9; SDG 11; SDG 12; SDG 13; SDG 15; SDG 17 | Objectives and targets 2022 | Yes. Annual Sustainability Report. |
| SDG 12 | Disclosure of EDP's sustainability results | Yes. ESG ratings report are disclosed in the annual sustainability report and website ⁵ . |

In addition, as a result of EDP's SDG strategy and investments, EDP has benefitted from a pricing advantage – "Greenium" – on its Green Bonds. Over time, we have seen that Green, Social & Sustainability bonds can achieve a pricing benefit (lower NICs⁶) due to higher degree of oversubscription and at times better execution in difficult markets. EDP's April 2020 Green Bond (issued in "pandemic impacted" market conditions) gave evidence of such Greenium, whereby EDP was the only issuing Green and EDP's NIC was ~10 bp while average for similar rated issuers was around 50 bp.

Finally, in terms of governance, EDP has also recently updated the ESG Criteria into the variable remuneration of the Executive Board of Directors, including Dow Jones Sustainability Index Results; Performance in employees' yearly climate study; Performance in customer satisfaction index; Increase of share of Renewable Energy production; Emissions reduction; and Bloomberg Gender Diversity Performance.

We would also like to stress that EDP has a two-tier model. It pertains to the Executive Board of Directors to set the aims and management policies for the company and the General and Supervisory Board to permanently monitor, advise, and supervise the company's management.

⁴ www.edp.com/en/investors/financial-income/green-funding

⁵ www.edp.com/en/sustainability-performance#sustainability-indexes

⁶ New Issue Concession

The sustainability strategy⁷ is driven for several commitments through 12 objectives gathered under four categories:

1) Leading the energy transition (four goals):

- 1.1 Clean generation: decarbonize generation achieving carbon neutrality and compensating residual CO2 emissions
- 1.2 Sustainable consumption: Decarbonize consumption and promote low carbon and energy efficiently product and services
- 1.3 Innovation and digital transformation: Strengthen the focus on four innovation pillars: cleaner energy, smarter grids, storage and flexibility and client solutions, enhanced by a strong digital culture
- 1.4. Just transition: Promote a just transition by mobilizing renewable energy investments in coal phase-out regions and support workers and communities in a sustainable and economically inclusive way

2) Protecting the environment (three goals);

- 2.1 Circular economy: Accelerate circularity of our assets and business models, with a particular concern on water management
- 2.2 Natural Capital: Assess and integrate Natural Capital into our decision-making processes, having biodiversity protection as a main driver
- 2.3 Adaptation and resilience: Mitigate climate risks and reinforce EDP's resilience to medium and long-term climate effects

3) Engagement with stakeholders with a positive impact (three goals)

- 3.1 Diversity and wellbeing: Provide a fair and safe workplace at EDP and build upon strong principles of Diversity and Inclusion
- 3.2 Sustainable business partnership: Apply decarbonization, gender equality and reporting criteria in the selection of materials and services and in the choice of suppliers
- 3.3. Inclusive communities: Contribute to a better society and local communities' development through continuous social investment

4) A strong governance structure (two goals)

- 4.1 Ethical behavior: Continue to enhance a strong ethical culture internalized in all principles and internal policies
- 4.2 ESG governance structure: Clearer link of variable compensation to ESG standards and shareholder value, and best practices in remuneration policy

⁷ www.edp.com/en/ambition-2030-targets-2025

The table⁸ below presents the key performance indicators which describes our sustainability strategy, and which are embedded in the business plan announced in February 2021.

| ESG categories | Sustainability objectives goals | Sustainable Development Goal (SDG) | 2025 | 2030 |
|------------------------------|---|--|--|--|
| 1 Leading energy transition | 1.1 Clean generation | SDG7 Affordable and Clean Energy; SDG11 Sustainable cities and communities; SDG12 Responsible consumption, SDG13 Climate Action and SDG15 Life on land | To be totally coal-free ⁹ | - |
| 1 Leading energy transition | 1.1 Clean generation | SDG7 Affordable and Clean Energy; SDG11 Sustainable cities and communities; SDG12 Responsible consumption, SDG13 Climate Action and SDG15 Life on land | To add 20 GW of new capacity (EBITDA and equity ⁹). | To achieve 100% of renewable capacity |
| 1 Leading energy transition | 1.1 Clean generation | SDG7 Affordable and Clean Energy; SDG11 Sustainable cities and communities; SDG12 Responsible consumption, SDG13 Climate Action and SDG15 Life on land | To implement a renewable CAPEX plan of € 19bn ⁹ | - |
| 1 Leading energy transition | 1.1 Clean generation | SDG7; SDG11 SDG12 SDG13 and SDG15 | | To achieve energy transition EBITDA 100% ⁹ |
| 1 Leading energy transition | 1.1 Clean generation | SDG7 Affordable and Clean Energy and SDG11 | To achieve >70% of revenues aligned with EU Taxonomy (Turnover green) | - |
| 1. Leading energy transition | 1.1 Clean generation | SDG7 Affordable and Clean Energy | To achieve 7 GW of solar capacity | - |
| 1. Leading energy transition | 1.1 Clean generation | SDG7 Affordable and Clean Energy and SDG13 | To reduce specific CO ₂ emissions (scope 1 and 2) by 70% (compared to the levels of 2015), | To reduce specific CO ₂ emissions (scope 1 and 2) by 98% (compared to the levels of 2015), |
| 1. Leading energy transition | 1.1 Clean generation | SDG7 Affordable and Clean Energy and SDG13 | To reduce indirect CO ₂ emissions (scope 3) by 30% | To reduce indirect CO ₂ emissions (scope 3) by 50% |
| 1. Leading energy transition | 1.1 Clean generation | SDG7 Affordable and Clean Energy and SDG9 | To increase storage capacity up to 2.3 GW | - |
| 1. Leading energy transition | 1.1 Clean generation/ Innovation and digital transformation | SDG9 Industry, Innovation and Infrastructure ¹⁰ | To accelerate the roll-out of smart meters, covering 100% of EDP's low-voltage delivery points in Iberia | To Accelerate the roll-out of smart meters, covering 100% of EDP's low-voltage delivery points in Brazil |

⁸ Source: <https://www.edp.com/en/sustainability/sustainability-strategy> and <https://www.edp.com/en/sustainability/now-or-never>

⁹ The interconnection with the SDG is mentioned in the strategic update 2021-2015 on page 29.

¹⁰ The interconnection with the SDG is made in the website of EDP: <https://www.edp.com/en/sustainability/now-or-never>

| ESG categories | Sustainability objectives goals | Sustainable Development Goal (SDG) | 2025 | 2030 |
|-------------------------------|---|---|--|---|
| 1. Leading energy transition | 1.2 Sustainable consumption | SDG 11 Sustainable cities and communities | To achieve 26% for the ratio between B2C electricity clients with sustainable services (#) and total B2C electricity clients (#) | - |
| 1. Leading energy transition | 1.2 Sustainable consumption | SDG 11 Sustainable cities and communities | To achieve 180k customers with mobility services | - |
| 1. Leading energy transition | 1.2 Sustainable consumption | SDG 11 | To achieve the installation of 40k electric vehicles charging points | To achieve the installation of 100k electric vehicles charging points |
| 1. Leading energy transition | 1.2 Sustainable consumption | SDG 11 | To increase EDP's Electric Fleet up >40% | To have 100% of light fleet electric |
| 1. Leading energy transition | 1.2 Sustainable consumption | SDG7 Affordable and Clean Energy and SDG13 | To achieve 3.7 GW of distributed PV on customers | - |
| 1. Leading energy transition | 1.2 Sustainable consumption | SDG7 Affordable and Clean Energy and SDG13 | To reduce 15 million tons CO2eq emissions in EDP's clients | - |
| 1. Leading energy transition | 1.2 Sustainable consumption | SDG 11 Sustainable cities and communities | To sustain high levels of customer's satisfaction >75% | - |
| 1. Leading energy transition | 1.3 Innovation and digital transformation | SDG9 Industry, Innovation and Infrastructure | To invest 2,000 M€ in R&D+I and Digitalization | - |
| 1. Leading energy transition | 1.3 Innovation and digital transformation | SDG11 Sustainable cities and communities and SDG 13 | To achieve a BitSight rating >=740 in order to improve resilience in IT Infrastructures | - |
| 1. Leading energy transition | 1.4 Just transition | SDG8 Decent work and economic growth ¹¹ | To implement just transition plans in all EDP's phase-out coal power plants | - |
| 2. protecting the environment | 2.1 Circular economy | SDG8 Decent work and economic growth and SDG 12 | To achieve >80% for the recovery of operational waste and dismantlement of solar and wind farms | - |
| 2. protecting the environment | 2.1 Circular economy | SDG12 Responsible consumption | To reduce the total operational waste by 85% | - |
| 2. protecting the environment | 2.1 Circular economy | SDG12 Responsible consumption | To achieve 85% for the total waste recycled from operations | - |
| 2. protecting the environment | 2.1 Circular economy | SDG12 Responsible consumption | To reduce the freshwater consumption by 78% | - |
| 2. protecting the environment | 2.2 Natural Capital | SDG11 Sustainable cities and communities and SDG15 | Reduce air pollutant emissions (Nox) by 90% | - |

¹¹ Not mentioned the interconnection with the SDG in the website of EDP.

| ESG categories | Sustainability objectives goals | Sustainable Development Goal (SDG) | 2025 | 2030 |
|--|---------------------------------|---|--|------------------------------------|
| 2. protecting the environment | 2.2 Natural Capital | SDG11 Sustainable cities and communities and SDG15 | Reduce air pollutant emissions (SO2) by 85% | - |
| 2. protecting the environment | 2.2 Natural Capital | SDG11 Sustainable cities and communities and SDG 15 | Reduce air pollutant emissions (particulate) by 75% | - |
| 2. protecting the environment | 2.2 Natural Capital | SDG15 Life on land | - | No net loss in all new projects |
| 2. protecting the environment | 2.3 Adaptation and resilience | SDG11 and SDG13 | Implement plans to adapt to climate change (CC) in all business units (BU) | - |
| 3. engagement with stakeholders with a positive impact | 3.1 Diversity and wellbeing | SDG5 Gender Equality | To achieve 30% of gender diversity | To achieve 35% of gender diversity |
| 3. engagement with stakeholders with a positive impact | 3.1 Diversity and wellbeing | SDG5 Gender Equality and SDG8 Decent work and economic growth | To achieve 2% of Employees with disabilities | - |
| 3. engagement with stakeholders with a positive impact | 3.1 Diversity and wellbeing | SDG5 Gender Equality and SDG8 Decent work and economic growth | To achieve 5% of diversity employees' cultural backgrounds | - |
| 3. engagement with stakeholders with a positive impact | 3.1 Diversity and wellbeing | SDG8 Decent work and economic growth | To maintain employees' level of motivation at 80% | - |
| 3. engagement with stakeholders with a positive impact | 3.1 Diversity and wellbeing | SDG8 Decent work and economic growth | To have a total severity rate <150 | - |
| 3. engagement with stakeholders with a positive impact | 3.1 Diversity and wellbeing | SDG8 Decent work and economic growth | To have 0 fatal accidents | To have 0 fatal accidents |
| 3. engagement with stakeholders with a positive impact | 3.2 Sustainable partnerships | SDG8 Decent work and economic growth | To achieve 1.55 for the number of work accidents per million hours worked - employees and contractors) | - |
| 3. engagement with STH with positive impact | 3.2 Sustainable partnerships | SDG8 Decent work and economic growth | To have 100% Suppliers compliant with ESG | - |
| 3. engagement with STH with a positive impact | 3.2 Sustainable partnerships | SDG8 Decent work and economic growth | To achieve 100% for environmental and occupational H&S certification from | - |

| ESG categories | Sustainability objectives goals | Sustainable Development Goal (SDG) | 2025 | 2030 |
|--|---------------------------------|---|---|--|
| | | | suppliers exposed to high risks | |
| 3. engagement with STH with a positive impact | 3.2 Sustainable partnerships | SDG8 Decent work and economic growth | To achieve 100% in the process of select, audit and evaluate critical suppliers through sustainability criteria performance | - |
| 3. engagement with stakeholders with a positive impact | 3.2 Sustainable partnerships | SDG8 Decent work and economic growth | To have 100% of purchases compliant with Integrity and Human and Labor Rights | - |
| 3. engagement with stakeholders with a positive impact | 3.3 Inclusive communities | SDG 8; SDG 11; SDG 13; SDG 15 | To achieve 50M€ for invest in communities aligned with SDG. | To achieve 100M€ for invest in communities aligned with SDG. |
| 3. engagement with stakeholders with a positive impact | 3.3 Inclusive communities | SDG7 Affordable and Clean Energy and SDG17 Partnerships for the goals | To invest 20M€ in electrical networks/micro-networks for populations without access to energy | - |
| 4. a strong governance structure | 4.1 Ethical behaviour | | To maintain EDP's recognition by Ethisphere | - |
| 4. a strong governance structure | 4.2 ESG governance structure | | To have compensation aligned with ESG standards | - |