

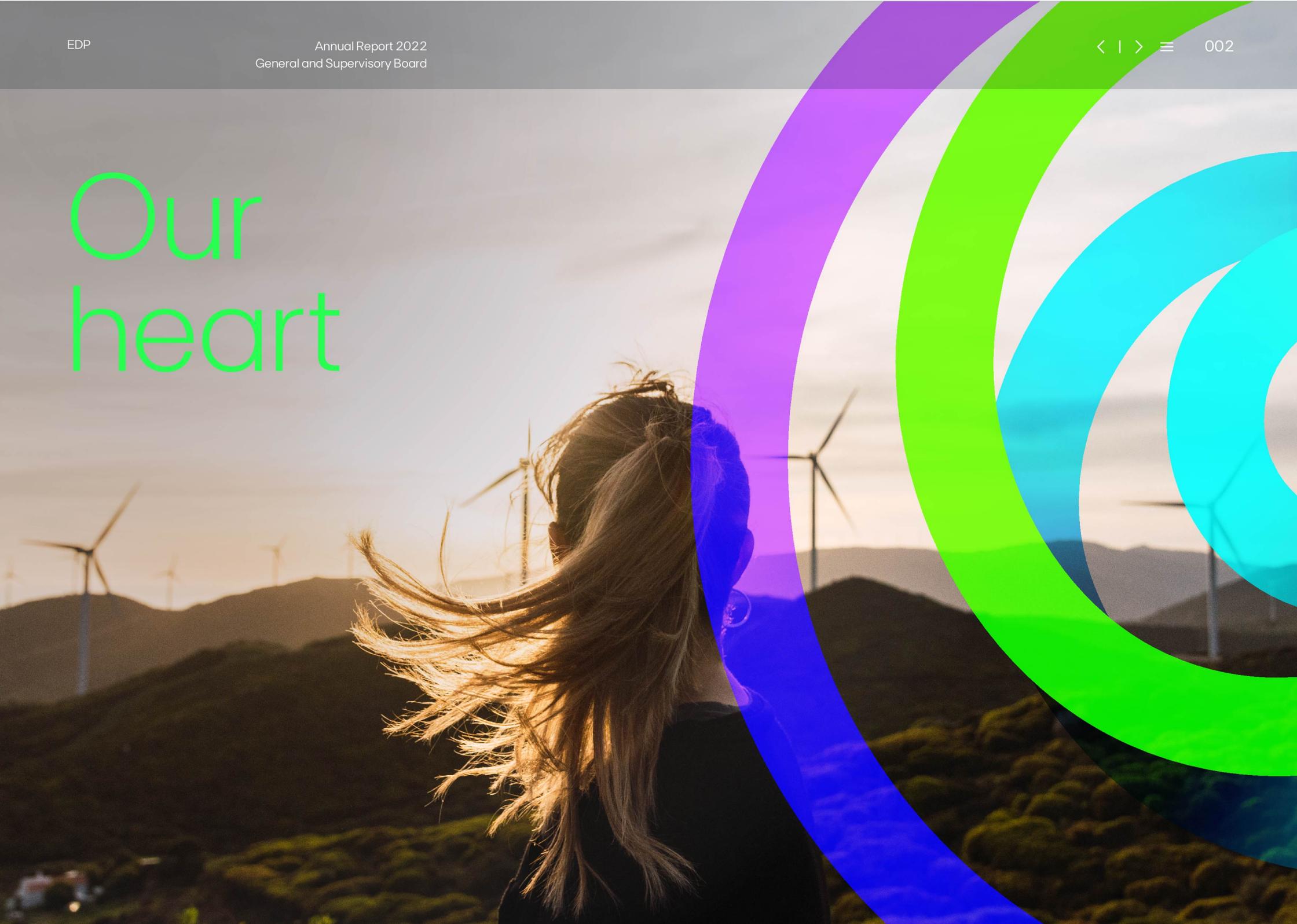
An aerial photograph of a lush green forest with a river winding through it. The river has a rocky bed and clear, turquoise water. Overlaid on the right side of the image is a large, stylized logo consisting of several concentric, curved bands in shades of blue and green. The logo partially obscures the forest and river.

edp

Annual Report 2022
General and Supervisory Board

We Choose Earth

Our heart



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01. Message from the Chairman



João Talone Chairman of the General and Supervisory Board

In April 2021, EDP's Shareholders' General Meeting elected new Corporate Bodies, including a **new General and Supervisory Board** ("GSB" or "Board").

Since then, this Governing Body includes a deep diversity in terms of profile and professional experience, gender and nationalities. The GSB's activity in 2022 has confirmed a significant broadening of the scope of skills and views in this Board.

Its structure consists of 16 Members, 9 of whom are independent. They all have extensive professional experience in the private and public sectors. The working model of the GSB was further improved in 2022 after a collective evaluation supported by individual discussions with each of its Members. These improvements were approved by consensus at the Board meeting of 7 April 2022.

This improved the new forms of collective work adopted at the beginning of the current GSB mandate and deepened its relationship with the Executive Board of Directors (or "EBD"). The activity of the GSB continues to be governed by its Internal Regulations, supported by its four Specialised Committees:

- Financial Matters/Audit Committee (or "FMC/AUDC")
- Remuneration Committee (or "REMC")
- Corporate Governance and Sustainability Committee (or "CGSC")
- United States of America Business Affairs Monitoring Committee (or "USA BAMC")

The central and fundamental issues of Corporate Governance remain reserved for debate by the Board plenary, namely:

- **Strategy:** control of the progress of the Strategic Plan and its update; sense of urgency in execution; periodic dialogue with the EBD.
- **Finance:** approval and control of the Financial Plan; analysis and approval of investments and their funding; dynamic analysis of profitability in relation to the cost of capital; monitoring the evolution of debt, its cost and maturity; analysis of individual and consolidated accounts and deviations from approved budgets.
- **Risk:** analysis, discussion and approval of the updated risk strategy in the new context of international volatility; approval of the limits proposed by the EBD for sector and global value at risk; analysis of the risk taxonomy – periodic control of the development of exposures; monitoring of the risk governance model throughout the Group.
- **Sustainability:** environmental sustainability; reassessment of social sustainability policies; energy transition; Human Resources policies, namely talent search, job satisfaction, leadership profile, safety policy, human and professional development.
- **Reputation:** perception of EDP's reputation among various stakeholders (customers; employees; regulators; investors, authorities; media; public opinion, etc.), in the various countries, comparing with the objective of positioning the Group as: an efficient, dynamic, innovative, ethical, compliant and human Organization.

In all these areas, the GSB's analysis is based on permanent dialogue with the EBD, which suggests, discusses and reacts to the GSB's requests in a dynamic of great mutual respect, collaboration and independence, with a clear recognition of the role and scope of each body.

EDP continues to consolidate the significant developments made over the last two decades, pioneering clean energy production, adding to hydro energy (where it has always been traditionally strong), wind (on-shore and off-shore), and solar, starting with Portugal and Spain. Today, it is a true multinational, with activities in 29 countries and positioned as one of the world leaders in the energy transition. This commitment was renewed this year, exemplified by the acquisition of the Kronos solar platform in Germany, which will enable EDP Renováveis to grow in very stable European markets with high growth ambitions, such as Germany, France, the Netherlands and the United Kingdom. The year was also marked by the confirmation of the focus on South Asia, geographic pole of the world's largest growth in renewable energies, where EDP was a pioneer through the purchase of Sunseap, a company with assets and pipeline in 9 countries.

This progress is essentially due to the management's vision and Shareholder support, carried out in an exemplary manner by young, dynamic, technically very well-prepared and rigorous teams from the various countries where EDP operates.

This growing footprint has been a huge challenge for the entire company. Including, of course, for the General Supervisory Board in its scope of activity.

We consider it essential that this evolution takes place in a balanced way: combining accelerated growth with risk management; investment with adequate profitability and funding; rigorous management with the necessary skilled and satisfied human resources; ambition with reliability and humility; geographical dispersion with organisation and accountability; profitability for the shareholder with respect for stakeholders and social responsibility.

In this context, in dialogue with the EBD and under its responsibility, the GSB continued to monitor the action plans stem-

ming from specific evaluations on strengths and weaknesses carried out by, or with the support from, independent entities in 2021, covering the following areas:

- **Reputation** among the various stakeholders and geographical areas.
- **Risk management** and certification of the current model.
- Certification of the **Anti-corruption Management System** and the **Compliance Management System** to bring these activities up to best practices.
- Evaluation of **Environment, Social and Governance** (or "ESG") activities and results in light of best practices.
- **Safety at work** and protection of employees.
- Consequences in terms of **stress and personal equilibrium**, given the impact of Covid's new ways of working and their preventive measures on each employee.
- **Ethical depth** of the Organisation at different levels.

The implementation of corrective or improvement plans is the responsibility of the EBD. All actions were presented to the GSB in a timely manner and jointly discussed and will continue to be pursued in future.

The external recognition of the advances of EDP in these domains has been evident, exemplified by the following distinctions:

- **First place** in integrated utilities in the international reference index for sustainability, the **Dow Jones Sustainability Index**.
- Renewal of the statute of one of the **global companies with the best ethical standards by the Ethisphere Institute** (World's Most Ethical Companies)
- Maintenance in the **Bloomberg Gender Equality Index**, improving the results of previous years in recognition of **good practices in terms of inclusion and equal professional opportunities** between genders.
- Certification by the **Top Employer Institute** as one of the **best companies to work for in the world**, recogniz-

ing its excellence in people management practices at a global level.

This Report will make some references to these issues, but they will be duly addressed in the 2022 Report and Accounts.

Here we present the aspects that most concerned us in 2022 and, at the same time, the main guidelines of what will be our priorities as a Governing Body of this Company in 2023.

A final word of gratitude to the EBD for its competence and availability for interaction with us; the employees who gave substance to this experience, including the GSB support team; the Shareholders, namely those who are directly represented on the GSB and who contributed to its functioning as a united team whose objectives are always aligned with what we collectively think is best for the Company; and the external bodies who supported us.

João Talone

02. Structuring pillars followed by the General and Supervisory Board

Main highlights

- **International crisis** – EDP's ability to respond and regularly monitor the dimensions of people, markets, energy management, finance, investor relations, supply chain, asset operations, regulation, cybersecurity, humanitarian support and internal and external communication
- **Energy management** – focus on an increasingly critical area of EDP and support for organizational changes that optimize the management model
- **Investments** – efficiency and transparency in a context of increasing complexity that implies a robust decision-making process
- **Update of the Business Plan** – renewal of ambition with focused growth after a process of deep internal discussion
- **Operating model of the General and Supervisory Board** – commitment to the continuous improvement of the supervisory function
- **People first** – guarantee the well-being, security and a rich and balanced journey in an organization that reinforces ethical principles year after year

International crisis – EDP's response capacity in all dimensions

The year, 2022, was marked by the context of **deepening international crisis**. After a post-pandemic start to global economic recovery, the war in Ukraine has put the global economic and social landscape under increased pressure in the very first months of the year. The crisis has had a **particular impact on the energy sector**, requiring States and companies to adapt quickly.

EDP had to adapt quickly to this new context. From the outset, **the General and Supervisory Board has made the monitoring of EDP's reaction to the crisis a central part of its activity**. The immediate priority shared by the General and Supervisory Board and the Executive Board of Directors was to ensure the safety and well-being of EDP Group employees working in geographical regions close to the epicentre of the war. At the beginning of March, the General and Supervisory Board organised an extraordinary plenary meeting to analyse the EDP Group's response strategy in all dimensions and to understand the impacts of this crisis on the different businesses and geographical regions. The Executive Board of Directors presented the main risks that would be monitored throughout the Group, namely i) the increase in energy and raw material prices and possible restrictions to supply chains, ii) the possibility of an increase in sophisticated cyber-attacks, iii) increased volatility and restrictions in financial markets and iv) security in critical assets that justified the reinforcement of security procedures. The General and Supervisory Board was also made aware of the monitoring and contingency plans created at EDP that involved the areas of people, markets, energy management, finance, investor relations, supply chain, asset operations, regulation, cybersecurity, humanitarian support and internal and external communication.

Throughout the year, the General and Supervisory Board's monitoring of EDP's action in the face of the crisis was continuous, meeting to discuss the related topics of risk, customer protection, energy management, financing, investments, and regulation.

The Board was pleased to note the resilience shown by all these areas of the EDP Group and the leadership capacity of the Executive Board of Directors during this period of great volatility. The Group's solidity, flexibility and adaptability to the most demanding circumstances were once again demonstrated.

Energy management – focus on an increasingly critical area

The global, disruptive context of the energy sector has deepened the need for the General and Supervisory Board to monitor more intensively EDP's energy management activity. The Executive Board of Directors, in anticipation of **the growing demands of EDP's performance in the various global energy markets, has profoundly altered EDP Group's energy management model**.

It was particularly important for the General and Supervisory Board to monitor the **creation of EDP's new Global Energy Management platform** throughout 2022. This combines the energy management capabilities previously distributed by the Energy Management Unit that managed the integrated wholesale margin and market risk in the Iberian Peninsula by EDP Renováveis and EDP Trading Brasil. A single entity was thus created for the management of the Group's market positions.

It was clear to the General and Supervisory Board that this transformation, led by the Executive Board of Directors, will allow EDP **to optimise further its global portfolio**, due to the diversification effect between different markets. It will also

allow a scale-up of this activity's digitalisation and the implementation of best market practices across the board.

Given the centrality of this issue, the General and Supervisory Board was also pleased to note the **Executive Board of Directors' more detailed reporting when approving the quarterly accounts and budget**, and when monitoring the execution of the business plan.

Investments – efficiency and transparency in an increasingly complex environment

EDP's current business plan is based on an ambitious €24B investment plan between 2021 and 2025. The increasingly wide geographical application of this capital creates the need for the General and Supervisory Board to have **robust and transparent information for the investment decisions it makes and for monitoring the implementation of the overall investment plan**.

The EDP Group's investments were highlighted in 7 of the 10 plenary meetings of the General and Supervisory Board. In particular, there was a meeting in which the measures implemented in EDP were systematised in order to maximise the information provided to the General and Supervisory Board for investment decisions. In addition to the detailed prior opinions of the Executive Board of Directors on investment decisions to be taken by the General and Supervisory Board, the supervisory body is also informed of the EDP Investment Committee's opinion. The latter is a relevant consultative body in the EDP capital allocation decision process. Subsequently, the investment opinions of the Executive Board of Directors are based on a holistic view that considers not only the views of the Investment Committee, but also the views of other key stakeholders, such as: i) conclusions of the Business Units and strategic rationale, ii) overall assessment of the business platform, iii)

capital market and shareholders and iv) macro/political/regulatory context.

EDP thus has a sound **institutional process for the investment decisions** that will meet the Group's growth ambitions.

Business Plan update – renewed ambition with focused growth

The preparation of the update EDP's Business Plan drew a significant part of the General and Supervisory Board's attention throughout the last quarter of 2022. The exercise required not only **a deepening of the ambition previously announced for 2025 but also a new reflection on EDP's vision for the second half of the decade**.

To launch this exercise, in June 2022 a two-day offsite was organised, **bringing together the GSB and the EBD**, with the support of external specialists, to think about strategic alternatives in complete freedom.

Thus, the Executive Board of Directors began by presenting the General and Supervisory Board with a strategic **vision of the Group's coming years** before introducing various restrictions. This exercise allowed the General and Supervisory Board and the Executive Board of Directors to share a common vision on the main guidelines of this business plan update. In the remaining meetings until the end of the year, the General and Supervisory Board analysed in detail the Executive Board of Directors' plans for each EDP platform and business unit: Renewables, Grids, Customer Solutions, Conventional Generation and New Growth Avenues. We also looked at cross-cutting topics that are crucial to the delivery of the Business Plan, such as People and Talent, Digital and Innovation.

The **detailed sector vision allowed the General and Supervisory Board and the Executive Board of Directors, already at the beginning of 2023, to have a joint reflection on updating the Business Plan**, introducing the necessary restrictions that allow balancing EDP's growth ambition, the ability to finance that 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 Environment, Social and Governance (ESG) policies of excellence as a strategic pillar of the Business Plan.

This in-depth discussion work allowed EDP to present an update of the EDP Business Plan to the market at the Capital Markets Day on 2 March 2023.

Functioning model of the General and Supervisory Board – commitment to continuous improvement of the supervisory function

In the beginning of 2022, based on the main insights shared by the members during the evaluations that took place at that time, **the General and Supervisory Board identified opportunities improvement in the functioning of the Board and corresponding actions to be implemented during the year**.

As an example of the improvements implemented, **more time in plenary meetings was devoted in 2022 to analyse the Group's subsidiaries' activities**, in particular EDP Brasil and EDP Renováveis (EDPR). EDPR's performance in the recently acquired Asian platform also deserved more frequent updates to track the growing relevance of this business to the Group. Along these lines, meetings of the General and Supervisory Board and its Specialised Committees (namely the Financial Matters Committee and the United States Business Affairs Monitoring Committee)

were organised away from EDP's headquarters in Lisbon. In particular, meetings were held in Oviedo (Spain) and Houston (United States of America). **A deepening of the General and Supervisory Board's connection to EDP's global reality is planned for 2023.**

The link between the Specialised Committees and the General and Supervisory Board was also deepened in 2022. Whenever the Committees met, there was a report at the following General and Supervisory Board meeting that enabled the sharing of the most relevant themes analysed throughout the year.

All improvements were introduced to make the General and Supervisory Board more informed, in a logic of optimised cooperation with the Executive Board of Directors, so that there is effective and efficient supervision of EDP's activity.

People first – ensuring well-being, safety and a rich and balanced journey

In order to reach the high levels of excellence that EDP proposes, it develops its **activity with people at the heart of its concerns**, guaranteeing their well-being and safety, investing in their professional journey and promoting a rich and balanced experience. Furthermore, this institution assumes itself as an organization that reinforces its ethical principles year after year, acting to respond to the needs identified by its people and guaranteeing a correct succession of the positions of highest responsibility. In this sense, the General and Supervisory Board has been monitoring and encouraging the management of these issues, through the Corporate Governance and Sustainability Committee, whose activity is described in more detail in chapter 3.3. of this Report.

03. Relevant matters addressed by the Committees of the General and Supervisory Board

3.1 Financial Matters Committee/Audit Committee

Main highlights

- **Financial Reporting** – ability to identify business risks and the correct application of applicable accounting regulations and regulations, in order to ensure the preparation and disclosure of reliable financial information to the Company's stakeholders
- **Internal Control System** – focus on monitoring the implementation of internal audit recommendations and non-conformities and improvement actions of the Internal Control System for Financial Reporting and Compliance Management System, and on the supervision of risk indicators, framework of risk appetite, regulatory issues, climate change and ESG matters
- **Meeting of Audit Committees** – greater interaction in the relationship between the Committees and sharing of best practices in the development of their activities

Within the scope of its activities, the Financial Matters /Audit Committee (or "FMC/AUDC" or "Committee") sought at all times to strengthen its knowledge of the mechanisms and procedures instituted by EDP to prevent or detect situations that may affect the capacity to produce, analyse and disclose information that adequately and faithfully represents the economic and financial situation, and to minimise the risk of errors in financial information and the misappropriation or misuse of the Company's own resources.

On the other hand, considering the current external context of international instability and transformation of the markets where EDP operates, the Committee has been giving increasing attention and relevance to the monitoring of work developed within the scope of financial reporting and internal control systems, in liaison with the GSB, the EBD and the Group's corporate management areas.

Taking into consideration these concerns, the FMC/AUDC has been strengthening its supervision of the following major issues discussed throughout 2022:

Financial Report

The Committee participated in the EBD meetings where the interim and annual accounts were examined. In this context, it periodically monitored, discussed and supervised i) the process of preparation and disclosure by EDP of financial information, ii) the activity and opinions issued by the Audit Committees of EDP Renováveis 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 "SAC", or "SA" or "PwC") on the interim information and the audit/ statutory audit of the Group's accounts. As a result of the effort to improve the performance of these duties, the FMC/AUDC sought to produce, with increasing quality

and consistency, the reports and opinions on EDP's interim financial information and annual report and accounts, the annual report and accounts of EDP Finance BV and the assessment of the activity and independence of the EDP Group's SA/SAC.

Also, within the scope of the accounts analysis, the Committee followed, with special attention, the information produced by EDP's service managers and by the SA, on the process of carrying out impairment tests on the most relevant assets and on 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 longer standing. The same happened with the regular follow-up of test results from the ICFR (Internal Control System of Financial Reporting) controls, both through the analysis of the information received from EDP's internal services and based on the reports delivered by the Statutory Auditor, having monitored the regularisation of the non-compliance and the implementation of opportunities for improvement identified. Both heads of Internal Audit and ICFR participated in meetings of this Committee on a recurrent basis, explaining their main challenges and sharing the strategic execution of their activity.

Regarding risk management, the Committee reinforced the monitoring of the activity developed and reported by the risk management area, namely, the main projects in progress, the risk indicators and the framework for risk appetite. In this context, it analysed in detail the mitigation plans for the main risks, especially those arising from the impacts of the

pandemic, the war in Ukraine, drought, climate change, regulation and ESG matters, among others. The greater interaction between the Committee and the *Risk – Corporate Global Unit* also resulted in the Chairman of the FMC/AUDC periodically attending the EDP Group Risk Committee meetings, where the most relevant and technical risk issues affecting EDP's geographical areas are analysed and discussed. Additionally, given the relevance that information technology risks assume in the current context, the FMC/AUDC also accompanied the strategic planning of mitigation of technological risks and cybersecurity events, reported by the EDP Group's Digitalisation area, having monitored the effectiveness of its implementation, particularly those resulting from the attacks that have been occurring on EDP's information and communication systems. At the end of 2022, based on the documentation received and discussed with the Risk – Corporate Global Unit and with a view to incorporating best practice in this area, the Committee assessed positively the Strategic Guidelines defined and the Corporate Risk Management Policy presented by EDP.

With regard to Compliance activity, the Committee supervised and monitored the execution of the work envisaged in the annual activity plan, with particular emphasis on the integrity and anti-corruption, separation of activities and personal data protection programmes. He also monitored and participated in the ongoing certification process of EDP ASPEC to Standard SO 3-301 – Systems for the Management of Complaints and IS- 37001 – Systems for Anti-Corruption Management, having verified the alignment of internal systems with the requirements of the respective standards and verified the reduction of delays in the implementation of actions to remedy non-conformities and opportunities for improvement.

Meeting of the Audit Committees

The FMC/AUDC has paid great attention to and improved the relationship and coordination mechanisms with its subsidiaries' Audit Committees with the aim of sharing best practices regarding the monitoring and supervision of the most relevant themes of its activity, namely financial reporting, the internal control system, transactions with related parties and other current concerns, which include emerging risks and ESG issues.

As part of the strengthening of this relationship and liaison, the Committee organised the ninth Meeting of the Audit Committees of the EDP Group in Oviedo, on 3 and 4 October 2022, which, in addition to the members of these Committees (EDP/EDP Finance BV, EDP Renováveis and EDP Energias do Brasil), was also attended by the Chairman of the General and Supervisory Board of EDP, the Chairman of the Board of Directors of EDP Renováveis, other Directors and Officers of EDP (Internal Audit, Compliance & Internal Control, Risk and Consolidation, FRS Reporting –and Tax – Corporate Global Units) and representatives of an external guest (McKinsey). The participants contributed to a wide-ranging exchange of views on matters related to corporate governance, particularly in terms of the organisational model of the control functions, and new challenges for the supervisory bodies on the operation of internal control systems (internal audit, internal control of financial reporting, compliance and risk) and the production and disclosure of financial information, including issues related to compliance with accounting, legal and tax regulations in the different countries where the EDP Group operates. The geographical distribution and complexity of the organisational structures of certain Group companies were also highlighted, as is the case of those whose presence of minority shareholders is relevant, the increasing scrutiny of regulated business and the fact that the EDP Group holds listed entities with fiduciary duties and a diversified focus on risk management, requiring

increased attention from the Audit Committees to supervise these matters.

In view of the challenges posed, great importance was given to the need to require from the members of the Audit Committees increasingly robust technical knowledge and to further reinforce compliance with independence requirements, taking into account not only the reinforcement of supervision over financial reporting and ESG, but also the changes in the adverse regulatory and geopolitical environment in which we find ourselves,

3.2 Remuneration Committee

Main highlights

- **Application of the new EBD Remuneration Policy to the annual variable remuneration** – aligning the company with the best international practices, both inside and outside the energy sector, thus strengthening EDP's positioning as a Governance benchmark in what concerns Executive remuneration
- **Strong relevance of ESG indicators for the calculation of EBD remuneration** – namely the Results of the Dow Jones Sustainability Index, performance in the annual employee climate study and performance in the customer satisfaction index
- **Greater transparency** – disclosure of the criteria and calculation methods in the Annual Remuneration Report, this year autonomized for the first time

Implementation of the new Remuneration Policy of the EBD

The Remuneration Policy of the Executive Board of Directors (or “EBD”), approved in the 2021 General Meeting, ensures a base (fixed) remuneration, whose payment is not dependent on measured performance, and a variable remuneration, with an annual and a multi-annual component. The purpose of this variable remuneration is to reward and encourage good individual and collective performance by the EBD members and to 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 2022 the variable annual remuneration was calculated for the first time based on EDP's new EBD Remuneration Policy. The annual variable component is linked to financial and non-financial objectives established in accordance with the EDP budget, assessed annually, reflected in the year under evaluation and with consequent repercussion on those following. This annual variable remuneration is determined after approval of the EDP accounts at the ordinary General Meeting each year, with reference to the previous year's financial year.

The application of the new policy to variable annual remuneration brought the company in line with international best practices, both in and out of the energy sector, thus strengthening transparency on the calculation of remuneration and the resulting amounts. Among the most significant changes now applied to annual variable remuneration are the **key indicators of quantitative nature**, common to all members of the EBD, and those of **a qualitative nature** that are based on the individual performance of each of the members of the EBD. With regard to quantitative indicators, which impact 80% of the total annual variable remuneration, the following criteria are now

considered: **Growth** – Earnings per share recurring (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 annual employee climate study and Performance in the satisfaction of customers (20%). In what concerns the **qualitative indicators**, which impact the remaining 20% of the total annual variable remuneration, are now based on the following indicators: the **implementation of the Business Plan** in the year (25%), **team Management** (25%), **teamwork** (25%) and **stakeholders management** (25%).

This change in procedures and the consequent disclosure of its results in the Group's Annual Remuneration Report, which this year is separate from the other reports, is a relevant improvement on the previous Remuneration Policy of the company.

The Remuneration Committee also discussed and approved the hiring of an independent external consultant to analyse the progression of EDP's peer remuneration policies.

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 in the substance and not in the form** – reinforcing a strong ethical culture to ensure sustained development in all geographies

- **People at the heart of decisions** – ensuring the well-being, safety and a rich and balanced journey of employees
- **Generating a positive impact on society** – actively contribute to communities' more sustainable lives

Ethics in the substance and not in the form

Recent years have been marked by high-impact changes that pose serious challenges to society and businesses such as worsening climate risk, the digital revolution, a global pandemic and, most recently, the war in Eastern Europe that triggered a crisis in the energy sector. The response to these challenges has required, and now imposes in a more decisive way, that organisations strengthen their values and ethical culture to ensure their sustained development, respecting all those with whom they relate, both internally and externally. **EDP today has a strong ethical culture that has been one of its fundamental assets, decisive in the success of its business.**

In fact, the General and Supervisory Board, through the Corporate Governance and Sustainability Committee, has been addressing this issue, **highlighting its importance in terms of substance rather than form**. In 2022, the Committee regularly received the Group's Ethics Ombudsman to take stock of the various initiatives undertaken within the scope of the Ethics Plan 2022-2024, whose motto is to give priority to the "substance" of Ethics in the sense of: "Making Ethics Real". Also this year, the CGSC followed the results of the survey on the ethical environment carried out at the end of 2021 and the recognition by the Ethisphere Institute of EDP as one of the World's Most Ethical Companies for the 11th time. It also analysed the opinions issued by the Ethics Committee, reported on a quarterly basis; the annual report of the Ethics Ombudswoman; and

followed up the changes made to the EDP Group's Code of Ethics, which is now an improved, simpler, more user-friendly, and useful version for all stakeholders.

The members of this Specialised Committee thus had the opportunity to contribute with regular feedback to the various issues presented to them throughout the year. We should highlight the concern expressed by this Committee regarding the low number of reported and substantiated complaints, fearing that this number does not reflect the reality of the EDP Group but rather the lack of information on existing channels or lack of knowledge of the complaints processing process. **Thus, the members, together with the Ombudswoman, concluded on the need to invest in promoting Speak-up**, with the revision of the Whistleblowing process and systems in Portugal, Spain and EDP Renováveis, in communication and training actions to strengthen the ethical culture in all of the Group's countries. A lot of work was delivered to meet these objectives, namely the large-scale launch of training activities on Ethics and Compliance topics, namely the training for managers "Approaching Ethics", with excellent reception by the participants, and the design of online training and continuation of smart learning maps for EDP Group suppliers. Furthermore, the Ethics Office participated in the organisation of conversations on ethics with the Executive Board of Directors, the Boards of Directors of EDP Group companies and Ethics partners and implemented new processes and channels that promote Speak up in the EDP Group and simplify previous reporting. These actions were promoted ensuring a global alignment with the Ethics and Compliance teams of EDP Renováveis and EDP Energias do Brasil, and a common and concerted action in all parts of the world where EDP operates.

People at the heart of decisions

As a socially responsible company, EDP incorporates the principles of Diversity & Inclusion in its values and practices. The company knows that to achieve its global objectives of excellence it is essential to embrace diversity as an enabler of innovation. Additionally, the Group believes that the well-being of its employees is fundamental for the good performance of the organisation, the teams, and each individual. Therefore, EDP has been developing actions that promote a balanced and healthy work environment, **having implemented a global strategy aimed at promoting physical, emotional, social, professional, and financial well-being**. Finally, it should be noted that the safety and security of employees and service providers are of paramount importance to the company. EDP is aware that it has a growing global presence and activity, and to grow healthily, a strong safety culture is required. EDP also seeks 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.

In order permanently to monitor and supervise matters related to internal procedures and the relationship between the EDP Group and its employees in particular, the GSB, through the Corporate Governance and Sustainability Committee, invited the People & Organization Development team -- Corporate Global Unit, in order to analyse the results of the climate study 2021, discuss the global strategy for people and organization and the initiatives developed to attract talent, recruit and retain employees. The members of the CGSC also decided to approve the Plan for gender equality, having recognised the excellent work developed by the area to design and implement diversity and inclusion best practice. **In particular on the gender axis, members challenged management to i) reduce the pay gap between men and women**, and it was explained that a 3-year plan has been outlined to reduce this gap, for which a

specific budget is associated and **ii) make visible and quantifiable the impacts of diversity in the organization**, i.e. demonstrate, for example, that better decisions can be made if there is diversity on the Boards of Directors.

In mid-2022, the CGSC approved the Succession Plan that year and, for the first time, included the mapping of potential movements and successors in the senior management segment (290 positions), in addition to top management (with 71 positions). On this subject of leadership selection and evaluation, **the members of this Committee challenged the management to carry out a specific survey to the direct reports of the middle management segment**, to assess the impact of this segment on the achievement of the Human Resources strategic plan objectives, the results of which will be analysed in 2023.

At the end of the year, the CGSC familiarised themselves with the plan devised to increase the digitalisation of human resources processes and make the EDP Group a future-proof organisation. Finally, the Committee monitored the main actions arising from the evaluation of psychosocial risk at EDP, raising as a particular concern the level of employee stress, an issue that has a relevant impact on mental health. In this regard, members **recalled the importance of mitigating the risk of burnout and of promoting a healthy working environment by leading by example**.

Generating a positive impact on society

EDP's Strategic Plan 2021-2025 is an ambitious plan which includes an unprecedented acceleration of growth in renewables, supported by a history of success as leaders of energy transition. For EDP, **it is not just a matter of bringing energy to communities, but of contributing so that these communities can lead more sustainable lives**. In this sense, several EDP Group teams are implementing concrete measures to protect the planet's sustainability, starting by

committing to the goal of becoming a 100% green company by 2030. Delivering clean energy and continuing to expand its portfolio along this path, with attractive returns and excellence in ESG (Environment, Social and Governance) indicators, are the commitments that EDP has made.

The GSB members, through the CGSC, have accompanied the work developed by the EDP Group in this area with a doubled focus on the analysis and supervision of ESG risks and opportunities, actively contributing, at each meeting, with their know-how and experience. In 2022 these issues deserved relevance due to the challenging and highly volatile context, motivated by the conflict in Ukraine and the energy crisis.

The ESG excellence roadmap 2030 and the company's global vision for a fair energy transition were analysed and monitored by the Committee during 2022, reinforcing the importance of articulating a clear, organised, and focused strategy, and of each Business Unit knowing in detail its plan and main objectives. The members of this Committee also noted with satisfaction that **EDP has been a good example of leadership within the European Union, pioneering green solutions and the energy transition.**

Under the Environmental axis, the members of the CGSC met **to monitor CO₂ emissions, analyse the evolution of the share of renewable generation, and accompany, throughout the year, the preparation of the EDP Group's Decarbonisation Plan** to be presented and voted on at the General Shareholders' Meeting of 2023.

In the Social axis, the **CGSC evaluated the new strategy for social impact and gave an update on the EDP Foundation's joint efforts with the Serralves Foundation.** Also in the social dimension, the CGSC placed great emphasis on the safety of EDP Group employees and the service providers with whom it works. An increase in serious

work accidents in recent years, and in particular fatalities, led to a strengthening of the safety culture throughout the EDP Group, which was based on an organisational restructuring of this area. In order to scrutinise the issue, members reinforced the intolerance shown by management with any easing of occupational safety standards and questioned the weight of safety in the management teams' KPIs and requested a benchmark comparing the weights with key peers in the utilities sector.

In the Governance area, the CGSC appreciated the 2021 Corporate Governance Report and **analysed the feedback from investors, ESG evaluators and other stakeholders, continuously monitoring the issues and analysing the points for improvement identified, especially those related to the model and composition of the company's governance.** Lastly, the CGSC monitored EDP's ratings and indexes at ESG level, where it is worth highlighting the first places achieved, during 2022, in the Dow Jones Sustainability Index in the integrated utilities sector, in the GRESB with E-Redes in Spain, and in the Stock Exchange Sustainability Index with EDP Energias do Brasil.

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 the area of renewables
- **EDPR NA** – Reorganization of management committed to achieving its objectives and maintaining the high standard of quality in the company's businesses

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 – Policy and regulatory boost for renewables development in the USA

After a long period of negotiation and uncertainty regarding its outcome, President Joe Biden signed the Inflation Reduction Act (IRA) on 16 August 2022, following its approval in the United States Senate and House of Representatives. The IRA is a simplified but still transformative version of the Build Back Better legislative package debated during the previous year. With the provision of an unprecedented level of funding, almost \$369 billion in direct investment to ensure energy security, increase energy innovation and achieve environmental justice goals with direct support to disadvantaged communities, the IRA aims to **stimulate the development of low-carbon energy technologies**, while supporting the

creation of well-paid jobs and bringing domestic manufacture back into the country – all while reducing carbon emissions by around 40% by 2030. This new legislation not only creates a 10-year window for many tax incentives targeting the clean energy sector, but also revises the tax code by creating a technology-neutral approach to encourage the development of low carbon technologies. Additionally, the IRA gives stability and visibility to investments, besides presenting an unbureaucratic and easy process of raising finance, allowing the market to decide the best investment to make. Having analysed the political and regulatory framework and the numerous benefits that the IRA will bring to energy transition, **the Committee notes with appreciation the regulatory stability it creates, which is relevant for the development of investment in companies fully committed to energy transition in the USA**, such as EDP Renewables North America.

The November 2022 mid-term elections led to Republicans controlling the House of Representatives, albeit with a greatly reduced majority, and Democrats controlling the Senate with one more seat than in 2020. On the one hand, against the initial expectation of defeat for the Democratic Party, the final result of these elections has strengthened support for energy transition and climate change policies, reinforcing stability and visibility in the implementation of the major goals outlined for decarbonisation in the USA. A divided Congress, however, could potentially limit access to IRA funding.

On the other hand, a **series of trade policy proposals have caused** strong pressure and anxiety in obtaining the necessary material for the construction of energy generation parks specifically solar panels, causing **difficulties for operators in the development and delivery of projects, delaying the start of operations at some**. Examples include the threat of retroactive anti-circumvention tariffs demanded by US solar PV manufacturers to be extended to

other countries in Southeast Asia, which has largely obstructed the import of solar panels from large Southeast Asian suppliers, and the implementation of the Uyghur Forced Labor Prevention Act, which requires stricter supply chain documentation for solar panel imports, causing delays and additional difficulties in accessing solar panels.

Given the great diversity and dynamics of political and regulatory developments over the last year and the great ambition and weight that this platform has in achieving the growth objectives set out in the Business Plan, the **United States of America Business Affairs Monitoring Committee considered it essential to dedicate an exclusive meeting to monitor this issue in greater depth**. The meeting monitored the main current regulatory and commercial policy issues relevant to EDP Renewables North America's business in the USA and other geographical regions where the company is present. **The current situation and the expected evolution of the main policies, their possible impacts on the business and the corresponding actions to be taken were analysed**.

The ambitious goal of the White House to achieve 30 GW of offshore wind energy by 2030 triggered, in 2022, the existence of new concession auctions of offshore areas for the development of wind farms at sea. In this area, **the United States of America Business Affairs Monitoring has accompanied the participation of EDP Renováveis, in strategic partnership with Engie, in the offshore wind auctions held in the USA**, such as the New York Bight auction and the floating offshore in California, assessing the opportunities, risks and investment potential in these projects.

The Committee has also paid particular attention to regulatory and commercial policy issues in assessing other investment analyses, notably of solar and wind farms, ensuring that the company is aware of the challenges and

opportunities in that market and able to maximise its return on investment. Additionally, this attention was also central in monitoring the execution of the business plan in force that year and in the process of reflection that culminated in the recent update of the strategic plan.

In this scenario of a potential marked transformation of the energy sector in the USA and the high ambition of growth and value creation enshrined in the new version of the Business Plan, the Committee identified the **need to continue to actively monitor the development of public policies in the area of clean energies currently in progress in the USA and other countries where EDP Renewables North America operates**.

Pipeline – Development of the growth plan in the USA

At EDP Renewables North America, the Strategic Plan translates into a significant growth ambition, imposing on the company the **need to deliver new projects efficiently, on time and on budget**. Responding to potential rapid and solid growth in the US renewables sector, driven by the IRA, may place even greater demands on its delivery capacity. To meet these objectives, it is necessary to accelerate its growth while implementing energising activities throughout the organisation. This includes **accelerating the pipeline of projects, identifying and leveraging improvement opportunities in existing assets** such as hybridisation and repowering, **preparing the organisation to handle growth, being effective in securing power purchase agreements (PPA), optimising access to and use of transmission lines and constantly assessing opportunities for future growth**.

Notwithstanding the return of some uplift in the world economy, the outbreak of war in Ukraine in February 2022, in a context still marked by the Covid-19 pandemic, and the **worsening of the international crisis in logistics and**

distribution chains caused severe restrictions on access to products and raw materials, with strong volatility and increases in their prices due to the global inflationary environment. In the US, despite a favourable political context, there are some **local constraints that pose additional challenges to delivery capacity in the renewable energy sector** where EDP Renewables North America operates. One such challenge is the restriction on access to transmission and interconnection lines, which is recognised as the key element to President Biden's goal, but which will not be fully implemented in the short term. Also, the anti-circumvention investigation has created some uncertainty in the solar industry with the potential risk of coming to significantly reduce the number of solar panels in the US supply chain, where demand already exceeds current supply and delivery capacity. Labour shortage, coupled with high demand for renewables skills, is one of the other challenges in the US.

Aware of the potential impact of these challenges on the development of EDP's growth plan in this geographical platform, namely on the capacity to develop and start new projects, potential delays in the entry into commercial operation of the parks under construction and potential cost increases, which put pressure on the budget execution of Capex and Opex and on the profitability of its activity, the United States of America Business Affairs Monitoring Committee has closely followed EDP's business in North America, especially in the discussion of EDP Renewables North America's budget for 2023, in the monitoring of the execution of the Business Plan and in the reflection of the new strategic plan, in the risk analysis of the business in the USA and in the analysis of investments in this geographical area, among others.

Due to the importance of this topic, the United States of America Business Affairs Monitoring Committee held a meeting where **the development of EDP Renewables North America's pipeline of projects was analysed in greater**

depth, its alignment with the growth objectives set out in the 2021–2025 Business Plan, **the main global and local challenges that impact its development, as well as the suitability of the pipeline development teams to the growth objectives of the new strategic plan.**

Talent management – Retaining talent in a context of Great Resignation in the USA

The year 2022 was marked by an intensification of the labour market crisis in the United States of America, known as the Great Resignation, which began in 2021. The crisis has been reinforced by **high turnover rates and a shift in employee values**, which demand increasingly creative and innovative reward and benefits solutions. In addition, **strong competition for renewables skills in a liquid labour market** has further exacerbated the context, especially in the energy sector.

Given this disruptive scenario, the United States of America Business Affairs Monitoring Committee identified the **need to monitor more intensively the talent management activity at EDP Renewables North America**. Aware of the fundamental role that attracting, retaining and developing talent plays for an organisation that is prepared for the future and has the desire to see itself as a leader in a sector undergoing profound change, the Committee held a meeting with the aim of **analysing and going into greater detail on the main challenges faced by the company in the labour market and its strategy for attracting, retaining and developing talent in this post-Covid context in the USA.**

The United States of America Business Affairs Monitoring Committee also had the opportunity to travel to the USA, where it was able to meet and interact openly with the technical and management teams of EDP Renewables North America, noting categorically its employees' high motivation levels.

Knowing that a work environment that motivates employees and is a source of personal fulfilment far beyond the professional aspect is fundamental for the success of the company, the United States of America Business Affairs Monitoring Committee has **encouraged the creation of concrete solutions to the reality of the US labour market and will continue to closely monitor the situation in 2023**. In such a demanding context, it is crucial that EDP Renewables North America is prepared to deal with the challenges and remain a leader in an industry undergoing profound transformation.

EDPR NA – Reorganization of company management

At the end of 2021, EDP Renewables North America underwent **a significant change in its management structure, headed by the appointment of a new CEO and a new CFO**. Aware of the business challenges that this subsidiary faces in its Business Plan implementation, in early 2022 the United States of America Business Affairs Monitoring Committee and the Executive Board of Directors, represented by its chairmen, travelled to Houston to meet the new management team locally.

During this visit, and the subsequent ones carried out during the year to EDP Renewables North America, USA BAMC had a **very open and frank interaction with top management, which demonstrated a high commitment to transparency and to a change in the company for the better**. The USA BAMC also found a **motivated team at EDPR NA with new managers**, including strong support for the new CEO and satisfaction with the way EDP dealt with the management team succession process. It was also found that the organization is well structured, with clarity about the attributions of each area, which is fundamental to the success of the company in fulfilling its objectives.

In addition to the Committee's positive impressions of EDP Renewables North America's new management team, it is important to highlight the **relevancy and greater involvement in the Solar DG area** with the appointment of a new manager from within the EDP Group as CEO at EDPR NA Distributed Generation. This action reinforces not only EDPR NA's current relationship and alignment with the founders of the company acquired in the previous year, but also the goal of ensuring that the distributed solar business unit has the ability to build and deliver the commitments made in its Business Plan.

The **visit to EDPR NA in Houston thus allowed a deeper view of the organizational structure and strengthened confidence in the new management team**, which demonstrates commitment to achieve its goals and maintain a high standard of quality in the company's business.

04. 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 33 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 2022, 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 Council 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 Oviedo, 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 4.3 million, a deviation of 3% from the budget. In terms of structure, staff costs relating to members and support office staff represent around 87% 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 particular matter.

Finally, in accordance with the internal GSB regulations and the external commitments of the EDP Group, 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.

Our energy



Annexes



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01. 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) Impacts of the international crisis, to monitor EDP's action plans in a global context of volatility; (b) EDP's Group companies, to deepen its knowledge of the different EDP Group companies by Members; (c) Quarterly and annual accounts, review and approval by the GSB; (d) Execution of the Business Plan and its updating, with regular monitoring of the implementation of the plan for 2021–2025 and active participation in its development; (e) Budget 2023, assessment and approval of the EDP Group's Budget for 2023; (f) Investments, approval and monitoring of the EDP Group's main investments
- **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 point 5 of the Annex 1 of the 2022 Annual Report of the General and Supervisory Board

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 2022, and had the following composition and participation:

NAME	17-02	11-03	07-04	05-05	21-06	28-07	29-09	27-10	30-11	15-12	%
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	P	P	P	P	P	P	P	R	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	R	P	P	P	P	P	100%
Ignacio Herrero ²	P	P	P	P	P	P	P	P	P	P	100%
João Carvalho das Neves ¹	P	P	P	P	P	P	R	P	A	P	90%
Hui Zhang ^{2,**}	-	-	-	-	-	-	-	-	-	P	100%
Laurie Fitch ¹	P	P	P	P	P	P	R	P	P	P	100%
Li Li ^{2,**}	R	P	R	P	R	R	-	-	-	-	100%
Luis 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	A	P	P	R	90%
Shengliang Wu ²	P	P	P	P	P	P	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	R	P	P	P	100%

(1) = Independent; (2) = Not independent; (*) = New Member; P = Present; A = Absent; R = Represented

Average Participation: 99% (includes present and represented)

(**) Ms. Li Li tendered her resignation on 5 August 2022 and was replaced by Ms. Hui Zhang with effect from 2 December 2022.

The average total participation in 2022 is 99%, with some members participating remotely.

Main highlights

- **Impacts of the international crisis** - monitoring of EDP's action plans in a global context of volatility
- **Knowledge of the companies of the Group** - deepening of the knowledge of the global business of EDP
- **Quarterly and annual accounts** – assessment approval of the quarterly and annual accounts of EDP Group
- **Execution and update of the Business Plan**- regular monitoring of the implementation of the plan for 2021–2025 and active participation in its update
- **Budget 2023** - assessment and approval of the Budget of EDP Group for 2023
- **Group Investments** – approval and monitoring of main investments of EDP Group

Activities Carried Out

Similar to what was defined in the first year 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 very beginning of the year.** Namely, i) four were coincident with the approval of the **quarterly and annual accounts**, ii) three with the purpose of assessing and monitoring **the degree of execution of the Strategic Plan**, updating and assessing risks, ways of creating value for shareholders, stakeholder satisfaction, evolution of the industry and its players, etc. and iii) one meeting for the **analysis and approval of the annual Budget**.

The General and Supervisory Board began the year 2022 with the analysis and subsequent issue of a **favourable opinion on the EDP Group's Annual Report and Accounts for 2021**. At the same time, the volatility of the energy markets due to the imminent war in Ukraine and the period of drought in the Iberian Peninsula justified a request to the Executive Board of Directors for **an update of EDP's risk map** and a detailed analysis of the Group's regulatory and liquidity risks. Risk analysis has been one of the General and Supervisory Board's central themes since the beginning of this mandate and it was on this continuum that these themes were once again analysed by this Board.

Throughout the first quarter, the **increase in tension in Eastern Europe led to constant monitoring by the General and Supervisory Board** of its possible impacts on EDP's activity. Immediately after the start of the war, an extraordinary meeting of the General and

Supervisory Board was called to systematise the impacts on EDP. In particular, the security risks of people and critical assets, energy markets, supply chain and cybersecurity were analysed. The General and Supervisory Board also closely monitored the contingency plans created by the Executive Board of Directors for the different scenarios of conflict development.

The General and Supervisory Board also **created wide fora to deepen its knowledge of the different EDP Group** companies in meetings throughout the year. One example was the detailed presentation on EDP Renováveis containing its initiatives to deliver the objectives defined in the Business Plan, the description of its **global business present in 29 countries and its operating and governance model**. EDP Energias do Brasil and the Asian platform of EDP Renováveis were also presented. Cross-cutting and transformational areas of business support, such as digital and innovation, also received the Board's dedicated attention.

Throughout 2022, as usual, the General and Supervisory Board analysed and issued an opinion on the investment or divestment operations that were most material or strategic for the Group. The most prominent transaction of 2022 was the acquisition of the Kronos solar platform in Germany. This acquisition, with a very significant renewables development pipeline, will allow EDP Renováveis to grow in very stable and ambitious European markets such as Germany, France, the Netherlands and the UK.

The **rebranding of the EDP Group** was also prepared and executed by the Executive Board of Directors in 2022. The General and Supervisory Board monitored the process, sharing with the Executive Board of Directors the same vision of the need for the new brand to ensure alignment with EDP's culture and values and, at the same time, project the Group's commitment to leading the energy transition. The General and Supervisory Board has also always stressed the importance of there being a common narrative for EDP people to feel part of a global, agile and efficient team. This Executive Board exercise culminated with the launch of the new brand in June. The EDP stakeholder reputational study carried out in 2021, led by the Executive Board of Directors with the support of the General and Supervisory Board, was resumed in a meeting to provide a status report on the implementation of EDP's priority measures in this area.

After a first approach to risk management at EDP as early as February, the General and Supervisory Board once again focused on this central theme of its activity in September. The Board appreciated the risk management governance model at EDP, the whole **risk management process** and the strategic activities that Risk - Corporate Global Unit had underway during the year.

In the last quarter of 2022, the General and Supervisory Board had a sharp **focus on updating EDP's Business Plan**. The discussion was anchored in a preliminary meeting in which EDP's vision for the 2030 horizon was renewed. The following meetings were dedicated to a bottom-up, unrestricted analysis of EDP's growth opportunities in its different areas: Renewables, Grids, Customer Solutions, Conventional Generation and New Business. The analysis was subsequently completed with EDP's means of financing, and the final version of the updated Business Plan and its respective communication to the market were subject to favourable prior opinion from the Board as early as the first quarter of 2023.

Also in late 2022, the Board reviewed and approved the EDP Group's Budget for 2023. Based on a consolidated view of the assumptions for the Budget and analysing the proposed actions for 2023, the General and Supervisory Board considered that the Budget was fully aligned with the Group's strategy as set out in the ambitions established in the 2021-2025 Business Plan.

During the 2022 financial year, the General and Supervisory Board was called to issue several opinions and prior opinions, all of which were favourably received. These served not only to respond to its usual annual responsibilities regarding the accounts, the budget and regulatory changes, but also to issue a prior opinion on eight investment or divestment operations with an average value of more than 350 million Euros, and four financing operations with an average value of approximately 1.6 billion Euros. Regarding the use of the expedite prior opinion mechanism, two financing operations and six operations relating to investments or divestments were submitted to the General and Supervisory Board, with an average value of 345 million Euros. The Kronos Solar Projects GmbH solar generation portfolio was acquired for the amount of 663 million euros, and was the highest value transaction, approved under this mechanism during 2022.

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. Self-assessment is based on two essential objectives: (i) to provide each of the members and the GSB as a whole a space for reflection 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) to allow the GSB 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 evaluation process are included in point 5 of Annex 1 of the Annual Report of the General and Supervisory Board.

Lisbon, 1 March 2023

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 2022 EDP's Integrated Annual Report, notably resulting from the Companies Code, the Portuguese Securities Code, the CMVM Regulation no. 5/2008 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 2022 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 2022 Annual Report (enclosed):
 - i. "2022 Results Presentation";
 - ii. "2022 Budget Scorecard";
 - iii. "Financial Statements– December 2022";
 - iv. EDP's 2022 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 2022 (which copies are herewith attached);
- e. The Legal Certification Accounts and the Audit Report made available by the Statutory Auditor on the 2022 consolidated financial information (attached);
- f. The AUDC report and opinion on EDP's 2022 Integrated Annual Report (attached);
- g. The detailed presentation on the EDP's 2022 Integrated Annual Report, highlighting the main financial indicators of EDP and EDP Group as follows:

INDICADOR (€ M)	EDP SA	EDP GROUP
Gross Profit	318	6 121
Operating Costs	-283	-1874
Other Income/(Expenses)	1	38
Joint Ventures & Associates	0	239
EBITDA	35	4 524

INDICADOR (€ M)	EDP SA	EDP GROUP
EBIT	-1	2 530
Financial Results	792	-910
Net Profit*	849	679
Net Profit – Recurring*	849	871
Net Investments (€ B)	0.4	4.7
Net Debt (€ B)	6.2	13.2

*Attributable to equity holders of EDP

In the March 1, 2023 meeting, the GSB:

2. Has registered:

- a. The presentation made by the EBD on EDP's 2022 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 2022 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

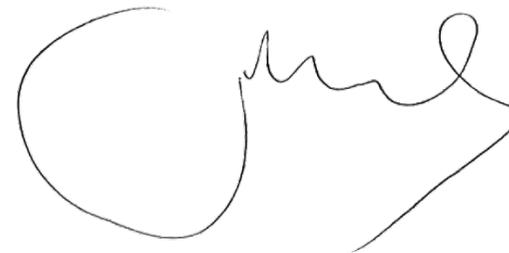
report appropriate and efficient with reference to 31st December 2022, in accordance with the criteria set out by the rule framework of internal control issued by Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013) regarding the business processes and global controls and by Control Objectives for Information and Related Technologies (COBIT) referent to general control of information technologies.

- d. The 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 2022.

3. Has resolved:

- a. To issue a favorable opinion and to express its agreement in relation to the EDP's Integrated Annual Report 2022.
- 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 2022 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 2022 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 2022 there were no:
 - i. Transactions between related parties that have affected significantly EDP's financial situation or performance.
 - ii.
 - iii. 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.
 - iv. Evidence that all the 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 2022 individual and consolidated accounts, as well as the EBD' proposal for results allocation.



João Talone

The Chairman of the General and Supervisory Board

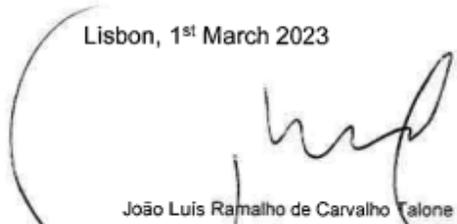
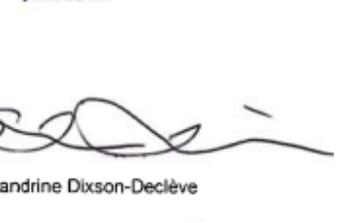
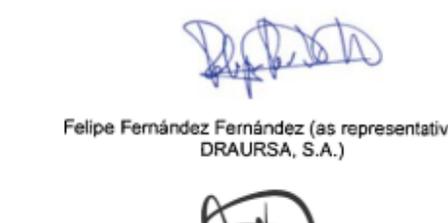
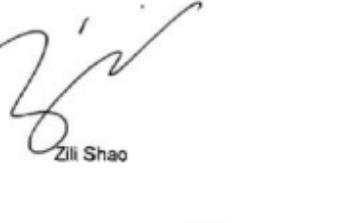
Lisbon, March 1, 2023

1.3 Statement on the Annual Report & Accounts

STATEMENT

Pursuant article 29-G, (1), paragraph c) of Portuguese Securities Code (CVM), 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 2022 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 2022 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, 1st March 2023

 João Luis Ramalho de Carvalho Talone - 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 Dixson-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	 Luis Maria Viana Palha da Silva

1.4 Assessment of the Executive Board of Directors

In 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 the pursuit of EDP's interests, the General and Supervisory Board has put into practice a principle of great exigency and responsibility, which has special significance in terms of the evaluation of the activity and performance of the Executive Board of Directors.

EDP has voluntarily instituted a formal and objective process to evaluate the activity of the Executive Board of Directors. This year the GSB decided once again to optimise the evaluation process regarding the activities carried out in 2022, in order to gather robust and detailed information on the different themes 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 themes of the EBD's activity on which the GSB has more robust information to evaluate.

The process of evaluating the EBD that relates to the 2022 financial year began at the beginning of January 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 evaluation questionnaire and quantitative and qualitative analysis of the different points addressed. Each interview sought to gauge the GSB members' personal perceptions of the EBD's activity and performance, namely in terms of its composition and functioning, and its relationship with the GSB and other interlocutors. The perception of the evolution of each theme evaluated was also measured in relation to the previous year. This year there was also an individual evaluation of each member of the EBD. After the interview phase, Mercer carried out the statistical and qualitative analysis of the data received, and finally certified the entire evaluation process, as documented in the annex to this report.

As part of this evaluation process, fourteen individual interviews were conducted with GSB members.

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 evaluation of the EBD focused on the themes 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 capacity to deal with change. An overall assessment of the EBD's performance was also made.

GSB members rated all the items as "Above expectations". The following items stand out with the highest scores: "Strategic Orientation", "Institutional Image", "Quality of Leadership" and "Capacity to deal with change". 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 members of the EBD may become too small for the complexity and diversity of EDP's business.

Regarding the comparison with 2021, GSB members perceived that, in relation to the items 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 items in which a considerable percentage (36% to 50%) of GSB members perceived an improvement in relation to the previous year: "Overall Results", "Strategic Orientation", "Institutional Image" and "Quality of Leadership".

As mentioned, in this assessment process, each GSB member individually assessed the five EBD members. This assessment focused on the themes 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 member of the EBD was also made.

This individual assessment was rated as "Above Expectations" for each of the members of the Executive Board of Directors, with slight differences between them depending on the competence under analysis. Regarding the comparison with 2021, members perceived that, in relation to the items in the questionnaire, the performance of EBD members is mostly the same as in the previous year, with all items being classified as "Equal" by 56% to 94% of members. The remaining perceptions of change were all seen as improvements on 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 evaluation process.

At the beginning of 2023, 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 analyzed: 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 (Below Expectations) to 4 (Excellent), 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 Evaluation	Strategic Orientation, Adaptation Capacity, Results and Execution Leadership and Institutional Image Transparency and Cooperation with other Government Bodies 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 "Above Expectations", resulting in an overall assessment of the EBD that was also "Above Expectations".

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

February 24th, 2023

Mercer (Portugal) Lda
Represented by:

Rodrigo Simões de Almeida
CEO Mercer Portugal

* THIS IS A FREE TRANSLATION OF THE ORIGINAL DOCUMENT PRODUCED IN PORTUGUESE

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 2022, in order 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 concerning the 2022 financial year began in early January 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 points 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 the other corporate bodies of EDP. In this process, the measurement of the perception of each evaluated theme's progress was introduced, for the first time, in relation to the previous year. After the interview phase, Mercer carried out a statistical and qualitative analysis of the data received, and finally issued a certificate on the entire evaluation process, which is attached to this report.

As part of this evaluation 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.

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 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", being marked by a perception of progress of the Board. The quality of leadership, supported by even better interaction and management of meetings by the Chairman, was highlighted. Overall, GSB members also considered that the Council was able to deal effectively with the volatility of the external context, which was significantly higher in 2022, taking into account its impact. 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 the majority of the items as "Above Expectations". The following items stand out with the highest scores: "Quality of Leadership" "Support from the GSB Staff", "Adaptation to emerging situations", "Information / Learning Resources" and "Engagement with the EBD".

From a perspective of continuous improvement, the items "Quality of Meetings" and "Number of meetings" stand out, evaluated as "according to expectations", with members mentioning that meetings tend to be long and that sometimes they exceed the set time.

Regarding the comparison with 2021, members perceived that, in relation to the items in the questionnaire, the GSB is mostly the same as the previous year. Thirteen of the seventeen items were classified as "Equal" by 51% to 93% of the members. It is worth highlighting the items in which a considerable percentage (51% to 57%) of members perceived an improvement on the previous year: "Overall Assessment" and "Quality of Leadership". Finally, we would like to highlight the classification obtained in the item "Number of meetings", where 79% of members considered it the same as the previous year, 14% said it had improved and 7% noted that it had worsened.

Financial Matters Committee/Audit Committee

The overall self-assessment of the FMC/AUDC was "Excellent". FMC/AUDC members rated the majority of the individual items as "Above expectations", with this assessment occurring in twelve of the twenty items that comprised the questionnaire.

It is important to highlight that a set of items received an "Excellent" rating, namely: "Quality of Leadership"; "Support GSB Staff" and "Relationship and cooperation of the FMC/AUDC with the CEO and CFO".

From a perspective of continuous improvement, a set of items assessed as "In line with expectations" stand out: "Adequacy of the Activity Plan", "Reactive or proactive action" and "Monitoring the activity of the most important subsidiaries and their supervisory bodies".

Regarding the comparison with 2021, members perceived that the majority of the items (16 out of 20) show an improvement compared to the previous year. It is important to highlight a number of items where the majority of FMC/AUDC members perceived an improvement in relation to the previous year: "Mission and Responsibilities"; "Monitoring internal control systems relating to financial reporting, risk management and compliance management"; "Monitoring the Organisation's risk management policy"; "Monitoring information security and control activity, namely cybersecurity" and "Overall Evaluation".

Remuneration Committee

The overall self-assessment of the REMC was "Above Expectations". The members of the RC evaluated the majority of the items as "Above Expectations", with this assessment occurring in nine of the fourteen items that comprised the questionnaire.

The following items stood out with the highest scores: "Quality of documentation" and "Support from the GSB Staff".

From a perspective of continuous improvement, a set of items assessed as "In line with expectations" stand out: "Engagement with the EBD", "Adequacy of the Activity Plan", and "Number of meetings".

Regarding the comparison with 2021, members of the REMC perceived that most of the items showed an improvement compared to the previous year. It is important to highlight the items in which the members of the RC perceived a greater improvement than in the previous year: "Quality of meetings" and "Quality of Leadership".

Corporate Governance and Sustainability Committee

The overall self-assessment of the CGSC was "Above Expectations". members of the CGSC assessed the majority of individual items as "Above expectations", with such assessment occurring in thirteen of the sixteen items that comprised the questionnaire.

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

From a perspective of continuous improvement, a set of items assessed as "In line with expectations" stand out: "Quality of Meetings", "Number of meetings" and "Adequacy of the Plan of Activities".

Regarding the comparison with 2021, members of the CGSC perceived that most of the items remained the same compared to the previous year. It is important to highlight the items 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".

USA Business Affairs Monitoring Committee

USA BAMC's overall self-assessment was "Above Expectations". USA BAMC members rated the majority of the individual items as "In line with expectations", with this assessment true for ten of the seventeen items in the questionnaire.

The following items stood out with the highest scores: "Engagement with the EBD", "Adaptation to emerging situations" and "Quality of documentation".

From a perspective of continuous improvement, a set of items with slightly lower scores still assessed as "In line with expectations" stand out: "Number of meetings" and "Monitoring of strategic alliances/partnerships".

Regarding the comparison with 2021, USA BAMC members perceived that most of the items show an improvement compared to the previous year. It is worth highlighting the items in which a very significant percentage of USA BAMC members perceived an improvement on the previous year: "Quality of documentation" and "Alignment of the USA BAMC with EDP's management structure for the USA".



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 2023, 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 (Below Expectations) to 4 (Excellent), 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 Evaluation	Strategic Orientation, Adaptation Capacity, Results and Execution
FMC Evaluation	Leadership and Institutional Image
REMC Evaluation	Transparency and engagement between the EBD and the Committee's
CGSC Evaluation	Quality of Meetings, Information and Timing
BAMC Evaluation	Adherence to Internal Regulations Number of Members, Skills and Experience

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 evaluation between "Expected" and "Above Expectations", resulting in an overall assessment of the GSB of "Above Expectations".

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

February 24th, 2023

Mercer (Portugal) Lda
Represented by


Rodrigo Simões de Almeida
CEO Mercer Portugal

* THIS IS A FREE TRANSLATION OF THE ORIGINAL DOCUMENT PRODUCED IN PORTUGUESE

02. Financial Matters Committee /Audit Committee

2.1 Annual Activity Report

Main highlights

- **Meetings and participants** – in the year 2022 the Committee formally met sixteen times and its three Members had an average participation rate of 100%
- **Activities carried out** – the meetings held covered the themes set out in the Activity Plan for 2022, highlighting the following: (a) the supervision of financial and business information; (b) the monitoring of the internal audit activity, the Internal Control System for Financial Reporting, the compliance activity, 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 and the communications of irregularities; (c) issue of reports and opinions on the calculation of the Key Performance Indicators ("KPI") for the annual variable remuneration of GSB Members, the interim information and the annual report and accounts; (d) relationship with the Audit Committees of controlled companies; (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 of EDP
- **Process of evaluation of the activity and independence of the Statutory Auditor (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 SA
- **Conditions under which the Commission performs its functions** – there were no circumstances that affected or restricted the Commission's freedom of analysis, judgment, inquiry and investigation or its freedom to dialogue and inquire, at all levels, on matters which it considered worthy of its best attention
- **Self-assessment of the activity carried out by the Committee and its Members** – the main conclusions of this self-assessment process are included in the 2022 Annual Report of General and Supervisory Board

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 28 July 2022, 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 2022, the Committee formally met sixteen times, in person and/or by videoconference, on the dates indicated below:

NAME	26-01	11-02	17-02	03-03	17-03	29-03	07-04	28-04	05-05	30-06	25-07	28-07	27-09	24-10	27-10	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	P	P	P	P	P	P	P	P	P	P	R	P	P	100%

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

In addition to these sixteen ordinary meetings, the members of the Committee 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 2022, 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, inflation and the Covid-19 pandemic, highlighting the following:

- Supervision of the financial and business information for the year ended 31 December 2021 and for the 1st and 3rd quarters and 1st half of 2022** – monitoring the process of preparation and disclosure of financial reporting by EDP's accounting and tax consolidation services, including supervision of the accounting 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;
- Monitoring of Internal Audit (IA) activity** – approval of the draft IA Activities Plan for 2022; 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 longer duration. The FMC/AUDC also assessed the activity and performance of the Internal Audit function in EDP for the calendar year 2021;

- Monitoring the operation of the Internal Control System for Financial Reporting ("ICFR")** – approval of the proposed ICFR Activity Plan for 2022; supervision of the management of the ICFR 2022 cycle and compliance with the respective activities and regulations, both through analysis of the periodic reporting of the work carried out by EDP's internal services and based on the reports issued by the Statutory Auditor; monitoring the resolution of Non-Conformities and the implementation of the Opportunities for Improvement identified, the recommendations arising from the review of the ICFR Project and the measures to be adopted in situations of significant non-compliance. The Committee also approved the ICFR Standard, in coordination with the Executive Board of Directors (EBD);
- Monitoring of Compliance activity** – approval of the proposed Plan of Activities of the Compliance Management System ("CMS") for 2022 and 2023; supervision of the execution of Compliance work envisaged in the plan of activities, with particular emphasis on the integrity / anti-corruption programmes; prevention of money laundering and combating the financing of terrorism; competition, separation of activities and protection of personal data; monitoring the resolution of Non-compliance and the implementation of Opportunities for Improvement identified; and recommendations on the measures to be adopted in situations of significant non-compliance. The Committee

also approved the proposed revision of the Compliance Standard, in coordination with the EBD.

At the beginning of 2022, the FMC/AUDC also assessed the activity and performance of the Compliance function (ICFR and CMS) in the EDP Group, for the calendar year 2021;

- e. **Monitoring Risk Management activity** – 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, as well as the relationship methodology with the corporate areas and the risk areas of the main subsidiaries. At the end of 2022, the Committee, based on the documentation and presentation made by Risk – Corporate Global Unit, positively assessed the Strategic Guidelines defined and the proposed review of EDP's corporate risk management policy, with the aim of incorporating the best practice identified in the work carried out by EY.

Within the scope of greater interaction of the FMC/AUDC with the risk management area of the EDP Group, the Committee Chairman participated in meetings of the EDP Risk Committee, which also included the risk area of EDP Renováveis, whose topics analysed and discussed were of a highly technical level, namely, the work in progress on strategic, financial, operational and climate risks;

- f. **Monitoring the activity of the Digital Global Unit** – supervision of the governance model of information and communication technologies (ICT), ICT policies and standards and information security and control mechanisms (Cybersecurity and technological risks), from a perspective of evaluating the effectiveness of the plans to mitigate the main risks, in particular those related to the attacks that have been made on EDP's information systems;
- g. **Monitoring of the "Litigation in progress" process** – supervision of information and documentation on litigation and other contingencies ongoing, with reference to 31 December 2021 and the first half of 2022. 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 International Accounting Standard 37 – Provisions, Contingent Liabilities and Contingent Assets;

- h. **Monitoring of ongoing investments** – supervision of the execution of ongoing investment projects and major divestments and half-yearly reporting to the GSB of the main conclusions, alerts and concerns, with special focus on the analysis of deviations from what was planned;

- i. **Monitoring of transactions with related parties** – supervision of the information and documentation reported by the EBD on relevant transactions carried out between EDP and shareholders with a minimum qualifying holding of 2% and between the Company and its subsidiaries, with reference to the year 2021 and the 1st and 3rd quarters and 1st half of 2022. In this context, the Committee considered and approved, at the end of 2022, the proposed revision of the Policy on Transactions with Related Parties presented by the EBD;

- j. **Issuance of an opinion on the calculations of Key Performance Indicators (KPI)** for the annual variable remuneration defined in the Remuneration Policy for the members of the EBD, at the request of the Remuneration Committee (RC) of the GSB, with respect to the 2021 financial year;

- k. **Monitoring customer debt in Portugal, Spain and Brazil** – monitoring current and overdue debt and the ageing of debt, debt with 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;

- 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 Renováveis and EDP Energias do Brasil, on the Accounts for the year ended 31 December 2021 and the Financial Statements for the 1st and 3rd quarters and 1st half of 2022.

As part of this relationship and liaison, the FMC/AUDC held the 9th Meeting of the Audit Committees of the EDP Group in Oviedo on 3 and 4 October 2022, which was attended, in addition to the members of EDP's Audit Committees, by the Chairman of EDP's General and Supervisory Board, the Chairman of the Board of Directors of EDP Renováveis, Directors of the Board of Directors of EDP, other internal managers of the EDP Group (Internal Audit, Compliance & Internal Control, Risk and Consolidation, FRS Reporting and Tax – Corporate Global Units) and representatives of an external guest (McKinsey), who presented and contributed to a wide-ranging exchange of views on matters related to

corporate governance, particularly in terms of the organisational model of the control functions, and new challenges for the supervisory bodies on the operation of internal control systems (internal audit, internal control of the financial report, compliance and risk) and the production and disclosure of financial information, including issues related to compliance with accounting, legal and tax regulations in the various countries where the EDP Group operates.

In this Meeting, great relevance was also given to the need for an ever greater robustness of technical knowledge and an increased reinforcement in the fulfilment of the independence requirements by the members of the Audit Committees with a view to improving the quality of the performance of the function. On the other hand, it was stressed that internal control systems should not only be concerned with the process of reviewing and analysing the past, but should also have a proactive attitude of identifying and addressing the main challenges for the future;

- m. **Supervision of the contractual relationship and the activity and independence of the Statutory Auditor** – discussion and supervision of the conclusions and opinion on the report and accounts of EDP and EDP Finance BV and the opinion on the operability of the Internal Control System for Financial Reporting (ICFR) of the EDP Group, for the year ending 31 December 2021; appraisal and discussion of the methodology and approach to the external audit process in EDP for the year 2022; appraisal and approval of the proposals for the provision of audit and statutory audit services and other audit and non-audit services (interim audit of accounts, ICFR, sustainability, regulated accounts and others permitted by law) for 2022; discussion of the reports of conclusions and opinions on EDP's interim information for the 1st and 3rd quarters and 1st semester of 2022, and supervision of the activity and independence of the SA/SAC, on an ongoing basis, in calendar year 2022;
- n. **Monitoring of Reports of Irregularities** – in 2022, in Portugal, the FMC/AUDC closed the report that was carried over as pending at the end of the previous year, relating to possible irregularities in labour relations at EDP Spain, and the report received in the first quarter of 2022, relating to the practice of possible irregular acts in the contracting process at E-Redes, as the reported irregularities were not confirmed.

In compliance with the Regulation on Procedures to be Adopted on Reporting of Irregularities, approved by the GSB on 9 April 2020, the Committee issued a stand-alone report on this matter, with reference to calendar year 2022, which is included in the GSB Annual Report;

- o. **Participation in Executive Board of Directors meetings** – the Committee took part in EBD meetings in which the preliminary accounts for 2021 and the interim financial statements for the 1st and 3rd quarters and 1st half of 2022 were assessed and discussed;

Within the scope of its activities, the FMC/AUDC has always sought to strengthen knowledge of the mechanisms and procedures instituted to prevent or detect the occurrence of situations that may affect the EDP Group's capacity to act, in: (i) Producing, analysing and disclosing 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 the misappropriation or misuse of the company's own resources.

With regard to the matters subject to monitoring and supervision referred to above, and taking into account the compliance with the rights and duties defined in the articles of association and regulations, the Committee invited the directors of the EBD and subsidiaries and other management personnel with duties and responsibilities at a high level of seniority, as well as representatives of the EDP Group's Statutory Auditor, to intervene in its meetings, whenever it deemed necessary and appropriate.

It should also be noted that at the end of 2022, the FMC/AUDC approved the 2023 Activities Plan – a working tool that contains the main activities to be carried out by this Committee during each meeting of that calendar year. This document not only contributes to greater effectiveness and efficiency in the functioning of the Committee, but also places its performance in line with the current and internationally accepted corporate governance best practice. It also approved, on 28 July 2022, the proposed amendments to its Rules of Procedure.

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

The Committee paid special attention to the nature and scope of the services provided by the company that provides the Audit / Statutory Audits to the EDP Group, in order to assess compliance with the laws, principles and good practice governing its work and that of its representatives to EDP, as well as to assess its work and independence objectively.

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 the EDP Group.

It should also be noted that the assessment of the SA on its activity and independence, with reference to the year 2022, 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 tasks

The conclusions drawn from the activities and tasks performed allowed the FMC/AUDC adequately to support the issue of opinions on the report and accounts of EDP and EDP Finance BV for the financial year 2021, EDP's interim information, with reference to the 1st and 3rd quarters and 1st half of 2022, 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 members of the Committee.

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

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

Within the scope of the collective evaluation of the GSB and its specialised committees, carried out by an independent external entity, the members of the FMC/AUDC carried out, once again, their self-assessment exercise for the year 2022, 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 how they addressed the topics that make up its Annual Plan of Activities, as well as regarding the duties it is required to perform, by law, the By-Laws of the Company, the Regulations on its functioning and other internal instruments of EDP which provide on 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 findings of this evaluation process are included in the Annual Report of the General and Supervisory Board 2022, in point 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 evaluation 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 it has of generally accepted best practice. The Committee considers 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 the creation of value for the company.

Acknowledgements

In concluding this activities report, the FMC/AUDC expresses its satisfaction for the way the work was carried out throughout the calendar year 2022 and thanks the General and Supervisory Board (GSB) and the Executive Board of Directors (EBD), for the availability always shown to this Committee, the corporate officers and other managers of the companies of the EDP Group, with whom the Committee worked throughout this period; the Audit Committees of the subsidiaries, with whom fruitful institutional relationships were established; the Statutory Auditor, for the availability always shown and for the work developed; and, finally, the employees of the GSB Support Office, for the professional way in which they 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 (“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, 2022.

During this period, the Committee regularly met with:

- a. The The Executive Board of Directors, to monitor the interim and financial information for the period (IFRS financial statements, budget scorecard, results and integrated annual report) and other relevant information to the Committee;
- b. The corporate heads of the Consolidation, IFRS Reporting and Tax services (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 (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;
- d. The corporate heads of the Compliance and Internal Control services (C&IC), to monitor and supervise the conclusions of the tests carried out on the controls of the Internal Control System for Financial Reporting and the work carried out on the Compliance Management System, as well as the monitoring and resolution of non-conformities and the effectiveness of the opportunities for improvement identified and implemented;
- e. The corporate heads of Risk services (RISK), to monitor the company’s governance and risk policy and supervise the effectiveness of the 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 services, in order to monitor the most relevant conclusions (i) of the “litigation” process, with regard to the main litigations and other contingencies in progress and of the constituted provisions, based on the risk assessment carried out in accordance with International Accounting Standard 37 – Provisions, Contingent Liabilities and Contingent Assets; (ii) of the information and performance of the Pension Funds in the different geographies and (iii) of the functioning and robustness of the control and information security systems in EDP Group, considering, namely, technological risks and cybersecurity.

Also, with reference to the period ended December 31, 2022, the Financial Matters Committee/Audit Committee met periodically with the heads of the Audit Committees’ subsidiaries, to monitor the main issues of those Subsidiaries with the greatest impact in the consolidated financial statements of EDP Group, having received from:

- a. The Audit, Control and Related Parties Committee of EDP Renováveis (or “EDP R”), the information and documentation supporting the favorable opinion issued on the approval of the 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 2022 financial year, the FMC/AUDC met periodically with EDP Group’s Statutory Auditor (PwC), to monitor and discuss the conclusions of audit and reliability assurance works carried out, namely:

- 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 the audit work carried out on the impairment tests of goodwill, concession rights and other relevant fixed assets recorded in the accounts;

- d. The matters and information presented in the Additional Report to the Financial Matters Committee/Audit Committee;
- e. The conclusions of the evaluation of the 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); (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 at December 31, 2022.

Based on the monitoring carried out to the main aspects of the Company's activity and business performance and on the analysis and supervision of the information and documentation provided by the Executive Board of Directors and Heads of corporate services, the EDP Subsidiaries' Audit Committees and by the Statutory Auditor, and not being aware of any material events which may affect the accuracy and integrity of the financial information prepared and disclosed by the Company or the appraisal of the quality of the work performed by the Statutory Auditor or its independence, for the financial year ended December 31, 2022, the Financial Matters Committee/Audit Committee issue a favorable opinion on the integrated annual report, the financial statements and the results (individual and consolidated) of EDP's operations on that date, of which stands out,

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, 1 March 2023.

The Financial Matters Committee/Audit Committee


 (João Carvalho das Neves – Chairman)


 (Maria del Carmen Rozado)


 (Sofia Salgado Pinto)

(Million Euros)

DESCRIPTION	EDP SA	EDP GROUP
Total Asset	29.922	58.816
Total Liabilities	21.639	44.982
Total Equity ⁽¹⁾	8.283	8.883
Net Income for the Period ⁽¹⁾	849	679
Sales and Service Provision	9.084	20.651

(1) - Attributable to EDP shareholders

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

During the financial year 2022, the Financial Matters Committee/Audit Committee (or "FMC/AUDC" or "Committee") has paid particular attention to the quality of the work and the scope of the statutory audit services and other audit, and non-audit services provided by *PricewaterhouseCoopers & Associates – Sociedade de Revisores Oficiais de Contas, Lda.* (or "PwC-SROC", or "PwC" or "SA") to EDP Group ("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 2022, was 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 auditing and statutory auditing services and other permitted auditing services, signed 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, within the framework of the reporting requirements defined in the Legal Regime of Audit Supervision and the Internal Regulations of the Audit Committee, namely: (i) Legal and governance structure; (ii) Internal control system; (iii) Declaration on the independence practices and confirmation of the completion of an internal review of the compliance of such practices; (iv) Mechanisms used to evaluate whether any service provided to EDP is a threat to their independence; (v) Description of the services provided and the amount of remuneration received; (vi) PwC Portugal's annual revenues from the provision of audit and non-audit services; (vii) Confirmation of independence and declaration on potentially conflicting services with independence and (viii) Expenses incurred by PwC-SROC employees, in the framework of the execution of the 2022 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 2022. 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 the PwC network, in the different geographies of the EDP Group, were 10,286 thousand euros. Of this amount, the statutory audit services (8,089 thousand euros) represent about 78.6%, quarterly reviews (362 thousand euros) represent 3.5% and the non-audit services (1,835 thousand euros), this is, about 17.9% of the total;
- b. The fees owed by EDP SA and its subsidiaries in Portugal to PwC-SROC amount to 4,399 thousand euros, distributed by the provision of statutory audit services (2,608 thousand euros), quarterly reviews (160 thousand euros), non-audit services required by law (49 thousand euros) and non-audit services not required by law (1,582 thousand euros), the latter representing around 36% of statutory audit services;
- c. The fees earned by PwC (4,399 thousand euros) at EDP SA and its subsidiaries in Portugal represent around 4% of PwC Portugal's turnover (108,653 thousand euros), with reference to the previous year (in this geography, the amounts earned by PwC in 2022 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 2022 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, rigour, exemption and with an acceptable degree of independence.

Lisbon, 1 March 2023.

The Financial Matters Committee/Audit Committee



(João Carvalho das Neves – Chairman)



(Maria del Carmen Rozado)



(Sofia Salgado Pinto)

2.4 Report of Whistleblowing Communications

In compliance with the provisions of the Regulation on the Procedures to be Adopted in the Matters of Reporting Irregularities, the Financial Matters Committee/Audit Committee (or “FMC/AUDC” or “Committee”) of EDP prepared this report, which presents the results of the investigations carried out on the complaints received by the Committee.

During 2022, in Portugal, the FMC/AUDC closed the complaint that became pending at the end of the previous year, related to possible irregular actions in labor relations at EDP Spain and the complaint received in the first quarter of 2022, related to the practice of any irregular acts in the ongoing contracting process at E-Redes, as the communicated irregularities were not confirmed.

The details of the relevant information on both received and handled communications are shown in the following Table:

DATE	SUBJECT	ORIGIN	CLASSIFICATION	COMMENTS	STATE OF COMMUNICATION
21.12.2021	Irregular actions in labour relations at EDP España.	EDP Internal: I.C. Channel	Dismissed	Issued to EDP’s L&G on 03.01.2022, for analysis and reporting of conclusions	Closed on 21.02.2022.
25.03.2022	Irregularities in the continuous contracting process at E-Redes, in Portugal.	EDP External: I.C. Channel	Dismissed	Remitted to EDP’s IA on 22.04.2022, to carry out an audit and report the conclusions.	Closed on 24.10.2022.

In view of the above, the two communications were closed and archived, as no irregularities were confirmed, and their authors were informed accordingly, through the respective receiving Irregularity Communication Channel.

Finally, it should be mentioned that on 29 November 2022, were approved by EDP Group, a new Whistleblowing Management Regulation, available [here](#) and a new “Speak Up” complaint channels, available [here](#), which frame and define the rules applicable to the procedure for receiving, processing, resolving and recording the complaints received by EDP Group companies.

Lisbon, 1 March 2023.

The Financial Matters Committee/Audit Committee

(João Carvalho das Neves – Chairman)

(Maria del Carmen Rozado)

(Sofia Salgado Pinto)

03. Remuneration Committee

3.1 Annual Activity Report

Main highlights

- **Meetings and participants** – the REMC met 6 times throughout the year, with an average total attendance of 97%.
- **Activities carried out** – the meetings held covered the topics set out in the Activity Plan for 2022, with emphasis on the following: (a) definition of KPIs and respective weights for calculating the variable annual remuneration of the Executive Board of Directors (EBD), (b) hiring of external consultants for calculating the EBD's variable compensation, (c) approval of the REMC 2021 Activity Report, (d) Analysis of Audit Committee Opinion of 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 point 5 of Annex 1 to the Annual Report of the General and Supervisory Board 2022.

This document discloses the mission and main responsibilities of the Remuneration Committee (or "REMC"), reporting on the activities undertaken during the year 2022.

Responsibilities and Duties

The Remuneration Committee is a Specialised Committee of the General and Supervisory Board (or "GSB"). The responsibilities of the REMC 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 Meeting of Shareholders in that the latter is responsible for determining the remuneration policy of all the governing bodies, except for the Executive Board of Directors (or "EBD"). The competences of the REMC, as well as its mission and attributions, are set out in the

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

Meetings and Participants

The REMC met 6 times, with the following composition and participation:

NAME	13-01	10-02	01-04	05-04	22-04	27-10	%
CHAIRMAN							
MIGUEL PEREIRA LEITE ²	P	P	P	P	P	P	100%
Esmeralda Dourado ¹	R	P	P	P	P	R	100%
Felipe Fernández Fernández ²	P	R	P	P	P	A	83%
João Carvalho das Neves ¹	P	P	P	P	P	P	100%
Zili Shao ¹	P	P	P	P	P	P	100%

⁽¹⁾ Independent; ⁽²⁾ Not independent
P = Present; A = Absent; R = Represented
Average Participation: 100%

The average total attendance at Committee meetings in 2022 was 97%.

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 Chairman of the Remuneration Committee has always kept the Chairman of the General and Supervisory Board informed of the Committee's activities and the content of its meetings.

Activities Carried Out

The new EDP EBD Remuneration Policy has provided answers to all the questions identified by the EDP Group's stakeholders as still being worthy of reinforcement. The policy update strengthened EDP's alignment with international Governance best practices of executive remuneration, both in and out of the energy sector. This year the variable annual remuneration was calculated for the first time under the new Policy and the calculation factors and final

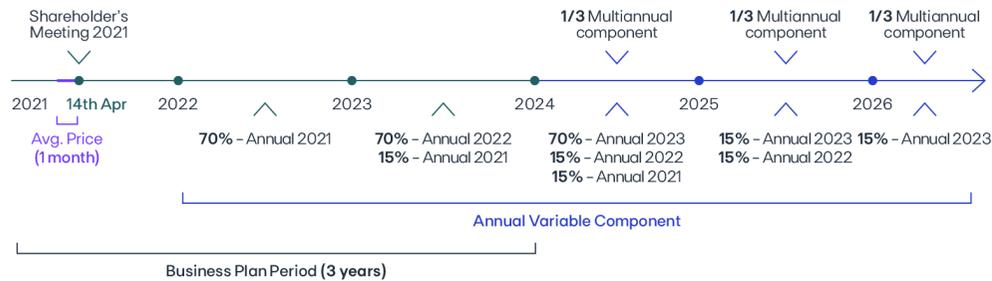
figures for this remuneration for each EBD member are now available with additional transparency in the annual remuneration report.

Annual fixed remuneration

- CEO: €800,000
- Other members of the EBD: €560,000
- Paid in 14 monthly instalments

Multiannual variable component

- Multiannual component – payment in Shares: no holding period, by payment of remuneration spread in time
- # shares = $\frac{\text{Amount of remuneration determined after performance evaluation}}{\text{Avg quote of EDP shares in the last month prior 2021SGM}}$



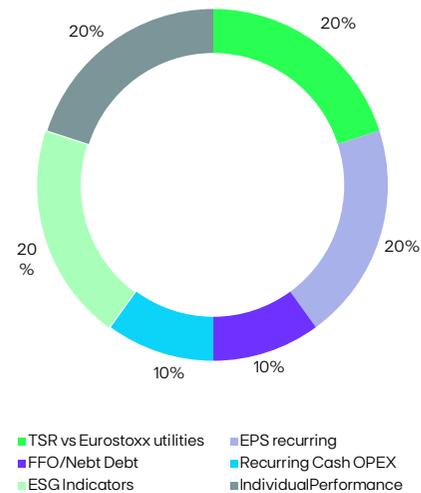
Among the most significant changes now applied to annual variable remuneration are the **key indicators of quantitative nature**, common to all members of the EBD, **and those of a qualitative nature** that are based on the individual performance of each of the members of the EBD. Regarding quantitative indicators, which represent 80% of the total variable annual remuneration, the following criteria are now considered:

- **Growth** – Earnings per share recurring (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 annual employee climate study and Performance in the satisfaction of customers (20%).

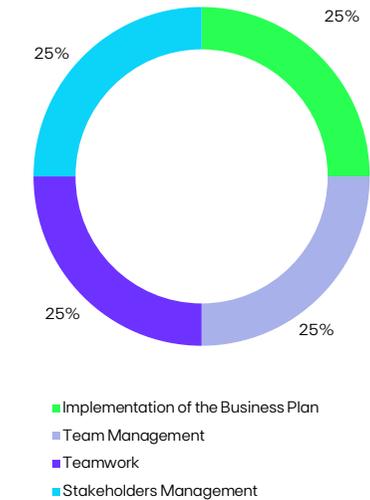
In what concerns the qualitative indicators, which represent the remaining 20% of the total variable annual remuneration, are now based on the following criteria:

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

Annual Performance Indicators (%)



Qualitative Component(%)



Main changes in the implementation of the Remuneration Policy of the Executive Board of Directors

Among the range of changes already applied to the calculation of the remuneration of the Executive Board of Directors of EDP, some of the most significant are worth highlighting:

- **Greater Transparency** by defining clear and quantifiable criteria, the evaluation of which can consequently be scrutinised.
- **Use of risk mitigators** through the implementation of mechanisms **such as malus and clawback clauses** to cancel or recover the amounts assigned or settled in the event of wrongful acts.
- **Strong influence of ESG indicators**, namely: Dow Jones Sustainability Index results, annual employee climate survey performance, customer satisfaction index performance, increased penetration of renewables, emissions reduction, and performance in the Bloomberg Gender Equality Index.
- Application of a **partial deferral of the payment of the annual variable remuneration** (which, in future, will also be applied to the multi-annual component).
- **Disclosure of quantified targets and level of achievement** of the variable component of the annual remuneration in the Remuneration Report.
- **Hiring an independent Consultant** to carry out an analysis of the development of EDP's peer remuneration policies.

The calculations of the annual variable remuneration were certified by an independent external Consultant, in accordance with the provisions of point 1.18 of EDP's 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 the official EDP website.

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

Within the scope of its regulatory obligations, the Remuneration Committee must carry out an annual self-assessment of its activity. In this sense, through interviews conducted by an external entity, Mercer, the members of the Committee once again carried out a self-assessment exercise, the results of which were certified by this entity. Self-assessment is based on two essential objectives: (i) to provide each of the members 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 Plan of Activities, as well as regarding 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 evaluation process are included in point 5 of Annex 1 of the Report of the General and Supervisory Board.

Lisbon, 1 March 2023

The Remuneration Committee:

Miguel Pereira Leite (Chairman)

Esmeralda Dourado

Felipe Fernández Fernández

João Carvalho das Neves

Zili Shao

04. Corporate Governance and Sustainability Committee

4.1 Annual Activity Report

Main highlights

- **Meetings and participants** – the CGSS met 5 times throughout the year, with an average participation rate of 94%
- **Activities carried out** – the meetings held included the subjects foreseen in the Plan of Activities for 2022, highlighting the following thematic groups: (a) Ethics in substance and not in form, with the aim of reinforcing a strong ethical culture in order to ensure sustained development in all geographies; (b) People at the heart of decisions, in order to guarantee the well-being, safety and a rich and balanced journey of its employees; (c) Generate a positive impact on society, actively contributing to communities leading more sustainable lives; among others, whose detail is explained below
- **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 point 5 of Annex 1 of the Annual Report of the General and Supervisory Board 2022

Responsibilities and Duties

The Corporate Governance and Sustainability Committee ("CGSC") is a Specialised Committee of the General and Supervisory Board ("GSB"). Its mission is permanently to monitor and supervise matters related specifically to Corporate Governance, strategic Sustainability, internal Codes of ethics and conduct, internal Procedures and the 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 the use of natural resources, as well as the social ruptures and challenges to cohesion resulting from new technologies, whose development seriously impacts all aspects of sustainability, particularly in the energy sector, EDP, as an organisation that assumes to have the know-how, expertise and instruments to respond to these challenges, has a strategic plan that assumes this option in its entirety. Thus, this Committee's mission is to embody part of the growth of this internal position, following its progress and challenging the various internal interlocutors. Seeks the adoption of a proactive attitude, with an ethical and solidarity concern in the actions that the organisation develops, 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 2022 the CGSC met 5 times and had the following composition and participation:

NAME		16-02	04-05	27-07	26-10	14-12	%
CHAIRMAN	JOÃO TALONE ¹	P	P	P	P	P	100%
	Fernando Masaveu Herrero ²	P	R	A	P	P	80%
	Ignacio Herrero ²	P	P	P	P	P	100%
	Laurie Fitch ¹	P	P	P	P	P	100%
	LI LI ^{2,**}	P	P	R	-	-	100%
	María del Carmen Rozado ¹	P	P	P	P	P	100%
	Sandrine Dixson- Declève ¹	P	P	P	P	A	80%

⁽¹⁾ Independent; ⁽²⁾ Not independent; ^(*) New Member; P = Present; A = Absent; R = Represented
Average Participation: 94% (includes present and represented)

(**) Ms. Li Li served on the Corporate Governance and Sustainability Committee until 5 August 2022, when he resigned as a representative of a member of the General and Supervisory Board. At the meeting of the General and Supervisory Board of 15 December 2022, this Board approved the change in the composition of the Committee, which will now include Mrs. Hui Zhang, as representative of China Three Gorges Brasil Energia, S.A.

The average total participation in 2022 was 94%, with some members participating remotely.

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 members of the General and Supervisory Board informed about the content and main decisions taken in the meetings of this Committee, through a short presentation in plenary.

Activities Carried Out

The following are the most significant issues addressed at the meetings of the Corporate Governance and Sustainability Committee during 2022:

- **Ethics in the substance and not in the form** – In the year 2022, the Committee regularly received the Group's Ethics Ombudsman to report on the status of the various initiatives developed under the Ethics Plan 2022-2024, whose motto is to give priority to the "substance" of Ethics in the sense of: "Making Ethics Real". Also this year, the CGSC followed the results of the survey on the ethical environment carried out at the end of 2021 and the recognition by the Ethisphere Institute of EDP as one of the World's Most Ethical Companies for the 11th time. It also analysed the opinions issued by the Ethics Committee, reported on a quarterly basis; the annual report of the Ethics Ombudsman; and followed up the changes made to the EDP Group's Code of Ethics, which is now an improved, simpler, more user-friendly and useful version for all stakeholders.
- **People at the heart of decisions** – In order to monitor and supervise permanently matters related to internal procedures and the relationship between the EDP Group and its employees, the Corporate Governance and Sustainability Committee invited the People & Organisation Development – Corporate Global Unit team to a meeting to learn the results of the climate survey, discuss the global strategy for people and organisation and the initiatives developed to attract talent, recruit and retain employees. The CGSC members also deliberated on approving the Gender Equality Plan 2022-2023 and the Succession Plan which this year, for the first time, included the mapping of potential movements and successors in the senior management segment (290 positions), in addition to top management (with 71 positions). At the end of the year, the CGSC familiarised themselves with the plan devised to increase the digitalisation of human resources processes and followed up the main actions resulting from the evaluation of

psychosocial risk at EDP, recalling the importance of promoting a healthy work environment, leading by example.

- **Generating a positive impact on society** – The ESG (Environment, Social and Governance) excellence roadmap 2030 and the company's global vision for a fair energy transition were analysed and monitored by the Committee during 2022, reinforcing the importance of defining a clear, organised and focused strategy, and of each Business Unit knowing in detail its plan and main objectives. Under the Environment axis, the members of the CGSC met to monitor CO₂ emissions and the evolution of the weight of renewable generation in the Group. In the Social axis, the CGSC evaluated the new strategy for social impact and gave an update on the EDP Foundation's joint efforts with the Serralves Foundation. Also in the social dimension, the CGSC placed great emphasis on the safety of EDP Group employees and the service providers with whom it works. In the Governance area, the CGSC appreciated the 2021 Corporate Governance Report and analysed the feedback from investors, ESG evaluators and other stakeholders, regularly following up on the issues and analysing the points for improvement identified. Lastly, the CGSC monitored EDP's ratings and indexes at ESG level, where it is worth highlighting the first places achieved, during 2022, in the Dow Jones Sustainability Index in the integrated utilities sector, in the GRESB with E-Redes in Spain, and in the Stock Exchange Sustainability Index with EDP Energias do Brasil.
- **Customer relations** – In the year 2022, the CGSC, as usual every year, hosted the Customer Ombudsman to discuss the challenges of customer management.
- **Compliance certification** – The CGSC noted that EDP obtained internationally recognised compliance certifications in Portugal, Spain and EDP Renewables, and renewed its certification at EDP Energias do Brasil. These certifications mainly cover compliance management systems, anti-corruption management systems and criminal compliance management systems.
- **Internal procedures** – The CGSC approved the activity plan for the following year, which is subject to possible proposals by members throughout the year, and the activity report for the previous year, which was included in the GSB Annual Report 2021.

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. In this sense, through interviews conducted by an external entity, Mercer, the members of the Committee once again carried out a self-assessment exercise, the results of which were certified by this entity. Self-assessment is based on two essential objectives: (i) to provide each of the members 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 Plan of Activities, as well as regarding 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 evaluation process are included in Annex 1, point 5 of the Annual Report of the General and Supervisory Board.

Lisbon, 28 February 2023

The Corporate Governance and Sustainability Committee:

João Talone (Chairman)

Fernando Masaveu Herrero

Ignacio Herrero

Laurie Fitch

María del Carmen Rozado

Sandrine Dixson-Declève

05. 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 2022.

Main highlights

- **Meetings and participants** – the USA BAMC met 6 times throughout the year, with an average total participation of 97%
- **Activities carried out**– the meetings held included the issues foreseen in the Activity Plan for 2022, standing out in the following thematic groups: (a) strategic plan; (b) investments and disinvestments; (c) regulatory strategy; (d) pipeline development; (e) talent and people; (f) sustainability; (g) risk management; (h) financial report; among others, whose detail is explained below
- **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 point 5 of Annex 1 to the Annual Report of the General and Supervisory Board 2022

Responsibilities and Duties

The United States of America Business Affairs Monitoring Committee is a Specialised Committee of the General and Supervisory Board ("GSB"), with specific delegation of powers approved 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 (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 2022, the USA BAMC met 6 times, twice 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	16-02	06-04	24-05	27-07	18-10	13-12	%
CHAIRMAN							
JOÃO TALONE ¹	P	P	P	P	P	P	100%
Esmeralda Dourado ¹	P	P	P	P	P	P	100%
Felipe Fernández Fernández ²	P	A	P	P	P	P	83%
Laurie Fitch ¹	P	P	P	P	P	P	100%
Sofia Salgado Pinto ¹	P	P	P	P	P	P	100%

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

The average total participation in 2022 was 97%, with some members participating remotely.

Access to Information and Reporting to the General and Supervisory Board

The Committee always obtained, in a timely manner, all the information requested, therefore praising the availability and collaborative spirit of the entire company structure. It should also be noted that the Chairman of the USA BAMC always kept the members of the General and Supervisory Board informed of the Committee's activity in the meetings, without prejudice to the restrictions on access to information for members in a conflict-of-interest situation, through a short presentation in the plenary session.

Activities Carried Out

The following were the most significant issues addressed at the meetings of the United States of America Business Affairs Monitoring Committee during 2022:

- **Strategic Plan** – As part of its duties and responsibilities, USA BAMC monitored the implementation of the strategy of the Business Plan 2021–2025 and the execution of the 2022 budget, relating to the activity of the companies wholly or majority held by and/or subsidiary of EDP Group in the United States of America. The Committee also followed up the process of reflection and preparation of the new strategic plan regarding the activity of the companies wholly or majority held by and/or subsidiary of EDP Group in the United States of America.
- **Investments and divestments** – As part of its functions and responsibilities, USA BAMC monitored and adopted resolutions regarding investment, divestment and strategic business partnership projects of significant value, such as the investment in the Headwaters III wind farm, and the 200MWac solar farm with 150 MW of battery storage capacity in California, among others. The Committee also monitored EDP Renováveis' strategic partnership with Engie in the offshore wind segment in the US, namely the offshore auctions in which it participated (the New York Bight and the floating offshore in California).
- **Regulatory strategy** – USA BAMC analysed EDP Renewables North America's regulatory strategy and followed the political, legislative and regulatory developments, in the field of renewable energy, namely the evolution of the Build Back Better Act proposed last year by the US Government and which culminated in the Inflation Reduction Act (IRA) approved in August 2022, the implementation of the Infrastructure Package released by the US Government, the tariffs on the import of solar panels to the US, the implementation of the Uyghur Forced Labor Prevention Act, the possible impact on support for

renewables after the mid-term elections in November 2022 and the process of amending the Electricity Market Act in Mexico.

- **Pipeline development** – USA BAMC monitored the development of EDP Renewables North America's pipeline of projects and its alignment with the growth objectives set out in the Business Plan 2021–2025, analysing the main challenges, global and local, that impact its development as well as the adequacy of the pipeline development teams to the growth objectives of the new strategic plan.
- **Talent and people** – USA BAMC followed 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 in the post-Covid context.
- **Sustainability** – USA BAMC reviewed the sustainability strategy in the US and its alignment with the Group's ESG (Environment, Social and Governance) sustainability strategy. The analysis discussed the main challenges and the action plan outlined for the health and safety area and for each ESG area, namely the circular economy, biodiversity, people, communities and suppliers.
- **Risk management** – USA BAMC analysed the risk profile of the EDP Renewables North America 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 counterparty risk, among others, were monitored and analysed.
- **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 2023 activity budget of the companies wholly or majority owned and/or held by the EDP Group in the United States of America for 2023.
- **Compliance** – USA BAMC monitored the implementation of measures and compliance procedures for the obligations assumed by EDP as part of the business development of the companies 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 Rules of Procedure 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. As such, note should be made of the intervention of the United States of America Business Affairs Monitoring Committee in eight operations during 2022, divided between issuing a prior opinion at a meeting and issuing a prior opinion by an expedited mechanism. Seven 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.

Laurie Fitch

Sofia Salgado Pinto

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

As part of its regulatory obligations, this Committee must annually carry out a self-assessment of its activity. In this sense, through interviews conducted by an external entity, Mercer, the members of the Committee once again carried out a self-assessment exercise, the results of which were certified by this entity. Self-assessment is based on two essential objectives: (i) to provide each of the members 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 Plan of Activities, as well as regarding 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 evaluation process are included in point 5 of Annex 1 of the Annual Report of the General and Supervisory Board.

Lisbon, 28 February 2023

The United States of America Business Affairs Monitoring Committee:

João Talone (Chairman)

Esmeralda Dourado

Felipe Fernández Fernández

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 Renováveis) – EDP Renováveis, 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.

