



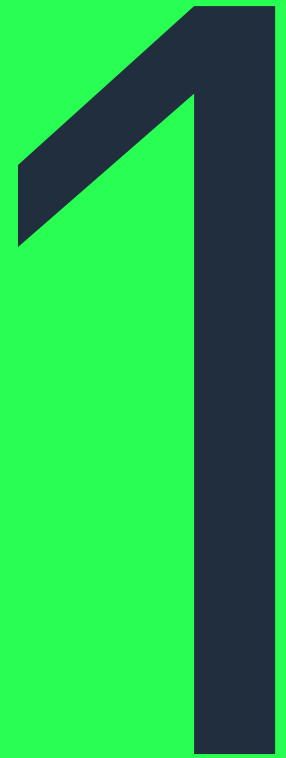
EDP Brasil
Annual Report 2022
ESG Report

We choose Earth

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Foreword



Materiality Matrix

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About this report GRI 2-2, 2-3

EDP Brasil's Annual Sustainability Report is composed of this ESG (Environmental, Social and Governance) Report and a Case Studies section. Together, they showcase the most significant events related to the Company's value creation between January 01 and December 31, 2022 – the same period covered by the financial report, both being published annually.

The report was based on the contents of the Global Reporting Initiative (GRI) in 2021 and includes indicators from the Sustainability Accounting Standards Board (SASB), highlighted throughout the chapters. Furthermore, the Company's Business Model was prepared in accordance with the International Integrated Reporting Framework's (IIRC) recommendations.

The report covers all EDP Brasil units and assets in joint ventures with other companies, with the exception of non-controlling interests, such as Celesc (Santa Catarina Power Company).

Any queries, suggestions or requests for information regarding the Report can be sent to sustentabilidade.edp@edpbr.com.br.



Materiality Matrix

GRI 2-29, 3-1, 3-2

The report's content was defined based on EDP Brasil's materiality matrix, which considers the most important sustainability topics for society according to the Company's different stakeholders. In addition to being based on the Global Reporting Initiative (GRI) methodology, it also adheres to the AccountAbility AA1000 standard.

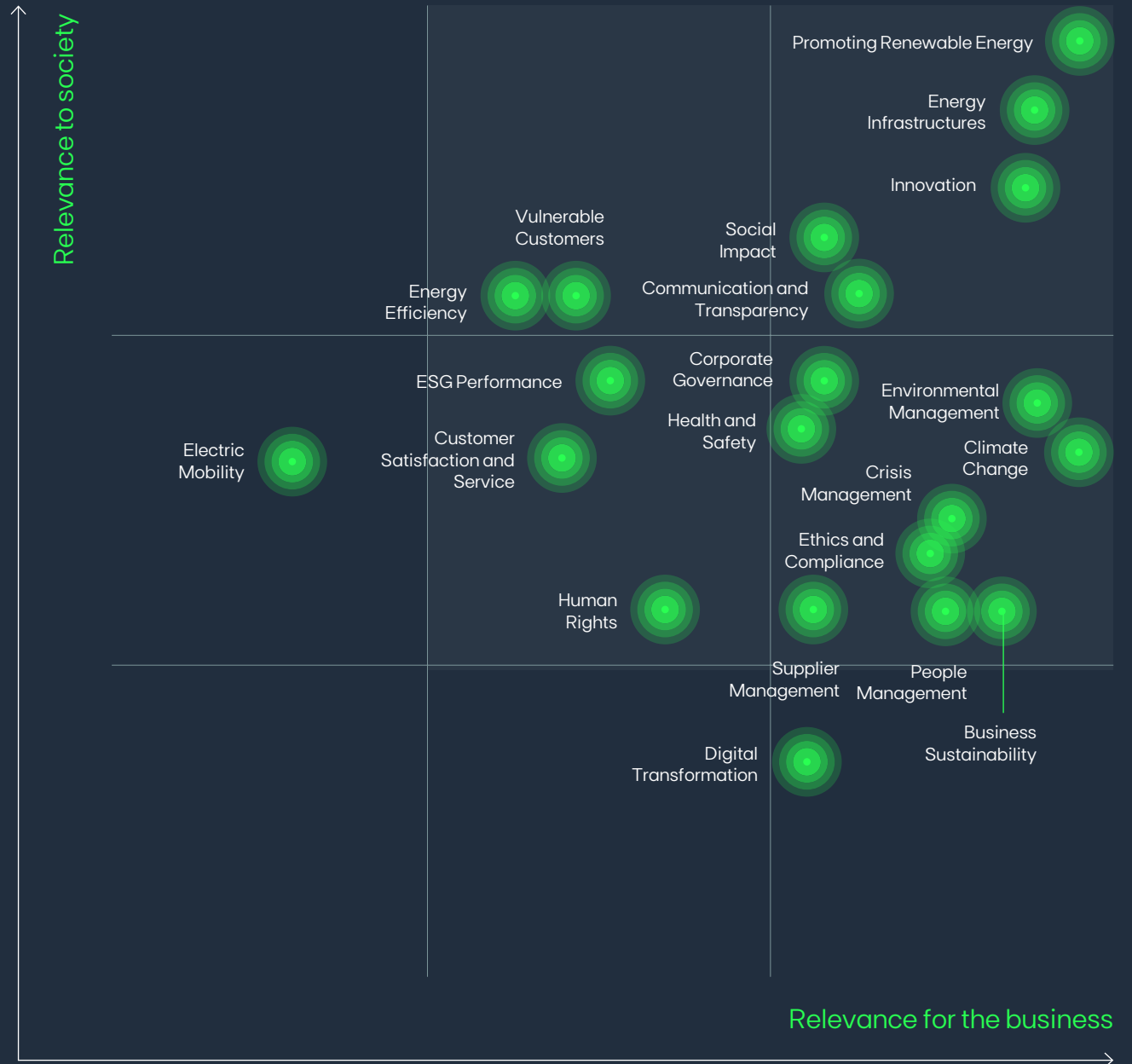
The development of the materiality matrix was supported by an internal tool of the EDP Group, stakeholder interviews, sector studies and relationship channels analysis. We also reviewed company documents to take into account our internal situation – which involves factors such as strategic objectives, goals, corporate risk matrix and Executive Board outlook. The boundaries of each material topic take into account the business segments of EDP Brasil and the most relevant external and internal stakeholders at the interface between the Company and society. The creation process of our materiality matrix is carried out every two years and the current matrix was updated considering the 2022 context.

CONSULTED AUDIENCES:

- **Shareholders & investors**
- **Local Authorities**
- **Customers**
- **Employees**
- **Scientific community**
- **Local communities**
- **Competition**
- **Suppliers**
- **Government**
- **Government agencies**
- **Regulatory bodies**
- **International institutions**
- **Media**
- **Opinion leaders**
- **NGOs**
- **Financial institutions**

Materiality Matrix

Material topic GRI 3-2	Indicators
Climate Change	305-1; 305-2; 305-3
Vulnerable Customers	Customers registered for the Social Rate
Communication and Transparency	2-12; 2-29
ESG Performance	ISE Performance
Human Rights	406-1
Energy Efficiency	302-1
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Environmental Management	303-3; 304-3; 305-7
Crisis Management	Crisis committee description
Supplier Management	2-6; 414-2
People Management	405-2
Corporate Governance	2-9; 2-22
Social impact	EU25
Energy Infrastructures	EU12
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Message from management



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Message from the CEO

GRI 2-22



The year 2022 was marked by important achievements culminating in the delivery of good results and excellent operational business performance, despite a challenging macroeconomic panorama. This effort is reflected in the delivery of BRL 5.3 billion in EBITDA in 2022, representing a BRL 953 million increase from 2021, and BRL 1.021 million in Net Income, consistent with EDP Brasil's sustainable growth in the past two years, as EBITDA was up 56% in this period.

This performance is the product of daily business construction and the dedication of all of our teams, some of which I am pleased to single out.

Security

The safety of all our people is non-negotiable. Over the last few years, this topic has been a concern for everyone, especially the company's management and suppliers. But we still have to improve so at the end of each day everyone can return to their families without accidents. Each risk event serves as a profound learning tool for reviewing processes and lessons on how to concretely prevent these events from happening again. For that I always reinforce and count on the effort and engagement of all, whether internal or from our partners and suppliers.

Operational efficiency in Distribution and Generation

Like 2021, the outgoing Fiscal Year was marked by increased investment in the distribution segment. Out of the funds allocated, it is worth underscoring a focus on reinforcing distribution lines by means of the construction of 10 substations that were started up in 2022 alone in the concession areas of EDP SP and EDP ES. The purpose, beyond improving the quality of electric energy supply, is to reach the reference values for the technical indicators set forth by the regulator, a goal already achieved for the losses index, as the distribution company now lies below the limit set for the indicator.

Furthermore, completion of the tariff review process formally placed EDP ES at the lowest level of refusals ever, 0.18%, a value that has become an industry benchmark, bearing witness to the Company's efficiency and technical capability. These results show that the investments made have been key to better operation of the asset, as well as to the Company's ability to manage its investments efficiently and responsibly.

The generation segment was also marked by substantive deliveries, including ANEEL's recognition of the Enerpeixe and Lajeado plants as the best generation plants in Brazil in 2022. As for the goal of building a more balanced generation portfolio, in December we completed the disposal of Mascarenhas to reduce the Company's hydro exposure.

Another important landmark was the production of Latin America's first molecule of green hydrogen in Pecém, a choice that the Company has made to provide and accelerate a fair energy transition. We must not, however, fail to mention the recognition of impairment in connection with the asset. As 2022 was the first year in which Pecém could take part in the backup capacity auction, and given that the auction has been cancelled, the fact that these assumptions had been made for the impairment test led to an impact in the amount of BRL 1.2 billion. The Company's decision to recognize this impairment at this point is based on the fact that EDP Brasil has always prized reliability, caution and transparency in all of its activities..

Execution excellence in transmission

The outgoing Fiscal Year was marked by the completion of the acquisition of EDP Goiás in a record-setting time. A clear and coordinated transition process conducted in less than 100 days enabled integrating the asset with the Company's systems, guaranteeing important synergies and adding agility to processes.

As one of EDP Brasil's trademarks, we also achieved early completion of important lots in our portfolio, such as EDP Transmissão Aliança SC and EDP Transmissão SP-MG. Energization of these lines represents 90% of the portfolio's total RAP, anticipation of which directly reflects on margins and shareholder value generation. As for new investments, we were the winning bidders for lot 2 in the latest auction, an asset that has synergies with another lot previously acquired in northern Brazil in 2021.

Focus on the EDP Distributed Solar Generation model

One of the Fiscal Year's most important achievements was the validation of the EDP Distributed Solar Energy model. We launched a new product, remote shared energy solar farms, to bring clean energy and savings to small and medium businesses. With the market's rapid and positive response, we will this year expand production units and regions served. The target is to reach 1 GW in solar generation in Brazil by 2025, offering solutions to contribute to keeping climate change in check and provide additional efficiency and savings to our customers. We further announced, in partnership with EDP Renováveis, a new large-scale photovoltaic project with 255 MWac in capacity and slated to commence operations in 2024. With these actions, we reached yearend with 450 MWac in our portfolio.

Financially Solid

Amid an adverse scenario of high inflation and interest rates, financial soundness and efficiency become more and more necessary. EDP Brasil maintained a constant focus on keeping

appropriate financial levels in line with the Company's policies. As a fruit of our people's hard work and commitment, we once again showed our effectiveness in this area, with a balanced leverage at 2.4x Net Debt-to-Adjusted EBITDA.

ESG Leadership

Last, but not least, FY 2022 also led to a strengthening of our culture and commitment to sustainability, something that we implement daily in each of our activities, and ascertain by means of an internal metrics system. For the second consecutive year, we were the leaders of the B3 ISE sustainability rankings, with scores above the industry average on five dimensions, in addition to standing as a portfolio benchmark on the Human Capital dimension.

On the Inclusion and Diversity front, another priority agenda, we made progress on significant accomplishments, such as the graduation of the first two classes of the Affirmative Electrician School for Trans Individuals, a pioneering initiative in Brazil, as well as the adherence to the Dignified Wage Movement, a component of the United Nations' Global Compact. In the face of a devastating social situation, another noteworthy initiative has been Iluminando Oportunidades ("Lighting Up Opportunities"), whose purpose has been to provide opportunities, training and employability to the most vulnerable.

With so many gains and accomplishments, I would like to thank each of the almost 12 thousand people who make up EDP Brasil for their commitment, dedication and daily work. I am confident that 2023 will be even more important for the Company's history and the realization of our growth strategy, which is constantly based on sustainability and excellence.

Thank You,

João Marques da Cruz
CEO of EDP Brasil

Statement from the Board of Directors

GRI 2-22



2022 was very important for EDP Brasil in terms of its positioning in the ESG (Environmental, Social and Governance) Agenda. A part of the Sustainability Index of B3 (Brazilian Stock Exchange) for 16 years, we were recognised with first place in this important benchmark for the second consecutive year, after the ranking of all participants began to be disclosed. This is a strong testament to our commitment to the three dimensions of this strategic Agenda.

Aligned with the international vision of EDP Group, EDP Brasil's openly states that its main ambition is to spearhead the energy transition process in the competitive Brazilian market. With its clean energy matrix, Brazil has a head start in this urgent race for energy transition, considered crucial for the economy's decarbonization and for mitigating climate change.

EDP Brasil wants to be part of this movement by adding to its Strategic Plan an unprecedented acceleration of growth in renewable energies. This development will mainly happen through solar generation, a segment that has been expanding every day, following the growth of private investments in distributed generation systems in homes, businesses and companies, which increased by 41% in Brazil in the first half of 2022.

In addition, new technologies such as green hydrogen, energy storage through batteries, the development of energy efficiency solutions and the expansion of smart grids are also essential within our strategy.

In 2022, we provided evidence of our commitment to the Brazilian electricity sector and our contribution to the energy transition. I highlight: (1) in the Generation segment, the production of the first molecule of green hydrogen in Brazil at the Pecém thermal power plant; (2) in Distributed Generation, strengthening our own projects and partnership with EDP Renováveis; (3) in Electricity Transmission, the acquisition of EDP Goiás, as well as the completion of construction of four lots and winning a new one in an auction, with a total investment of R\$ 449 million; in Distribution, a 40% increase in investment to R\$ 1.5 billion, alongside the best quality service in our history in this segment.

Our commitment to the economy's decarbonization is clearly reflected in the goal of achieving a completely renewable generation mix by 2030, resulting in carbon neutrality (type 1 and 2 emissions), as well as the goal of no longer having coal-based electricity generation on our books after 2025.

But the ESG Agenda includes other topics of great importance to EDP Brasil beyond the Environmental dimension, particularly in the Social area. At this point, I highlight and commend the strong commitment of all our employees. We believe that promoting diversity was one of the factors that most contributed to this engagement and to seek innovation and new solutions for our business growth. We invest in equity and inclusion to increase the participation of underrepresented groups in society. In addition, we prioritise the well-being of our employees, implementing internally and at contractors and partners initiatives that seek to eliminate accidents, especially severe injuries and fatalities. Unfortunately in 2022 we recorded the death of a third-party employee – a safety culture with zero fatalities and serious accidents is a priority for everyone at EDP and we are working towards that goal.

We urge our suppliers to act sustainably on a daily basis, involving them in topics such as climate change, gender equality, workplace safety, circular economy, biodiversity, human rights and ethics. This concern is part of a larger movement which in December 2022 led EDP Brasil to join the Decent Wage Movement, an initiative of the United Nations (UN) Global Compact. This membership reaffirms EDP Group's commitment to human rights and the 2030 Agenda, as well as contributing to engaging partner companies in this vital purpose.

Throughout our history, with particular emphasis after going public in 2005, EDP Brasil has always invested in the robustness of its Corporate Governance. Our Board of Directors, publicly recognised as one of the most gender-diverse in Brazil, has always boasted excellent and highly

experienced Independent Directors, to whom we thank for their paramount contribution in managing the Company, always in close and fluid collaboration with our competent Executive Board.

We also express sincere gratitude to all our Shareholders, who have always trusted the Company and laid the foundation for our growth over time. We also extend a word of gratitude to our Customers and Business Partners for their loyalty. Finally, a word of gratitude to the more than 3,000 EDP Brasil employees, who bring our purpose to life and make our business happen every day with professionalism and dedication.

Thank you all for your commitment to our ESG excellence.

Miguel Nuno Simões Nunes Ferreira Setas
Chairman of the Board of Directors.

Changing Tomorrow Now



New brand signature

We believe that transforming the future in a concrete way requires effective actions in the present. Therefore, EDP Group has developed a new brand signature: Changing Tomorrow Now. Aligned with this new positioning, we are creating a new energy on the planet. A more inclusive, shared and greener energy.

Following the maturing of the EDP brand, its graphic identity evokes the curves of nature, the planet and the various renewable energy sources. It also reflects EDP's ambition for a more sustainable circular economy and reinforces the importance of innovation, which is so necessary in the energy sector to respond to the challenge of energy independence and to reduce fossil fuels use.

Similarly, the chosen colours – green, blue and purple – depict the sustainability of nature, clean energy, technology and people, and align with EDP's goal of becoming carbon neutral by the end of this decade.

OUR INITIATIVES IN LEADING THE ENERGY TRANSITION

- Eliminate installed coal capacity
- Increase customers' decentralised installed solar capacity
- Increase installed capacity for photovoltaic solar energy
- Reduce CO₂eq emissions intensity in scopes 1, 2 and 3
- Invest in grid innovation and digitisation



Highlights 2022



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Highlights 2022

Operational

+ 100 MWp

(megawatts-peak) in distributed solar power generation.

EDP Goiás

seamlessly integrated, it started operating the transmission lines on the borders between Santa Catarina and Rio Grande do Sul and between São Paulo and Minas Gerais states.

188 km

of transmission lines to be built from the auction of Lot 2, located in Rondônia state and successfully bid for in December 2022.

Loss reduction

total losses dropped by 0.39 p.p in EDP São Paulo and 0.50 p.p. in EDP Espírito Santo

Financial performance

R\$ 5,265.63 million

EBITDA

R\$ 1,021.44 million

net income

R\$ 2.3 billion

in capital expenditure (CAPEX)

0.18%

was EDP Espírito Santo's disallowance rate¹, the lowest in the market.

ESG

3,337

employees, with **23% being women**

94.5%

increase in **operational waste-to-value** in Distribution.

33%

of the Board of Directors are women

R\$ 16.8 million

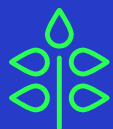
in social investment

1st place

in the B3 Corporate Sustainability Index for the **second consecutive year**

ESG Highlights

The results of all ESG indicators disclosed quarterly in the ESG Performance Reports are in the appendices, page 114.



Environmental

Indicator	Unit	2021	2022	Change	2025 Target	2030 Target
EBITDA in Renewables	%	64.8*	62	-4%	-	100
Scope 1 + 2 Emissions	tCO ₂ /MWh	0.39	0.07	-82%	-25%	-85%**
Renewable Generation	%	70	100	42%	-	100



Social

Indicator	Unit	2021	2022	Change	2025 Target	2030 Target
Women in our workforce	%	23	23	0.5%	30	35
Accident frequency rate	Fr	1.31	1.12	-15%	0	0



Corporate Governance

Indicator	Unit	2021	2022	Change	2025 Target	2030 Target
Women in leadership positions	%	19	21	10%	30	35
Cybersecurity	%	790	799	1%	> 740	"Keep Advanced"

* The 2021 historical data has been adjusted to align with the disclosure assumptions of the 2022 Results. Data excluding GSF (Generation Scaling Factor). GRI 2-4

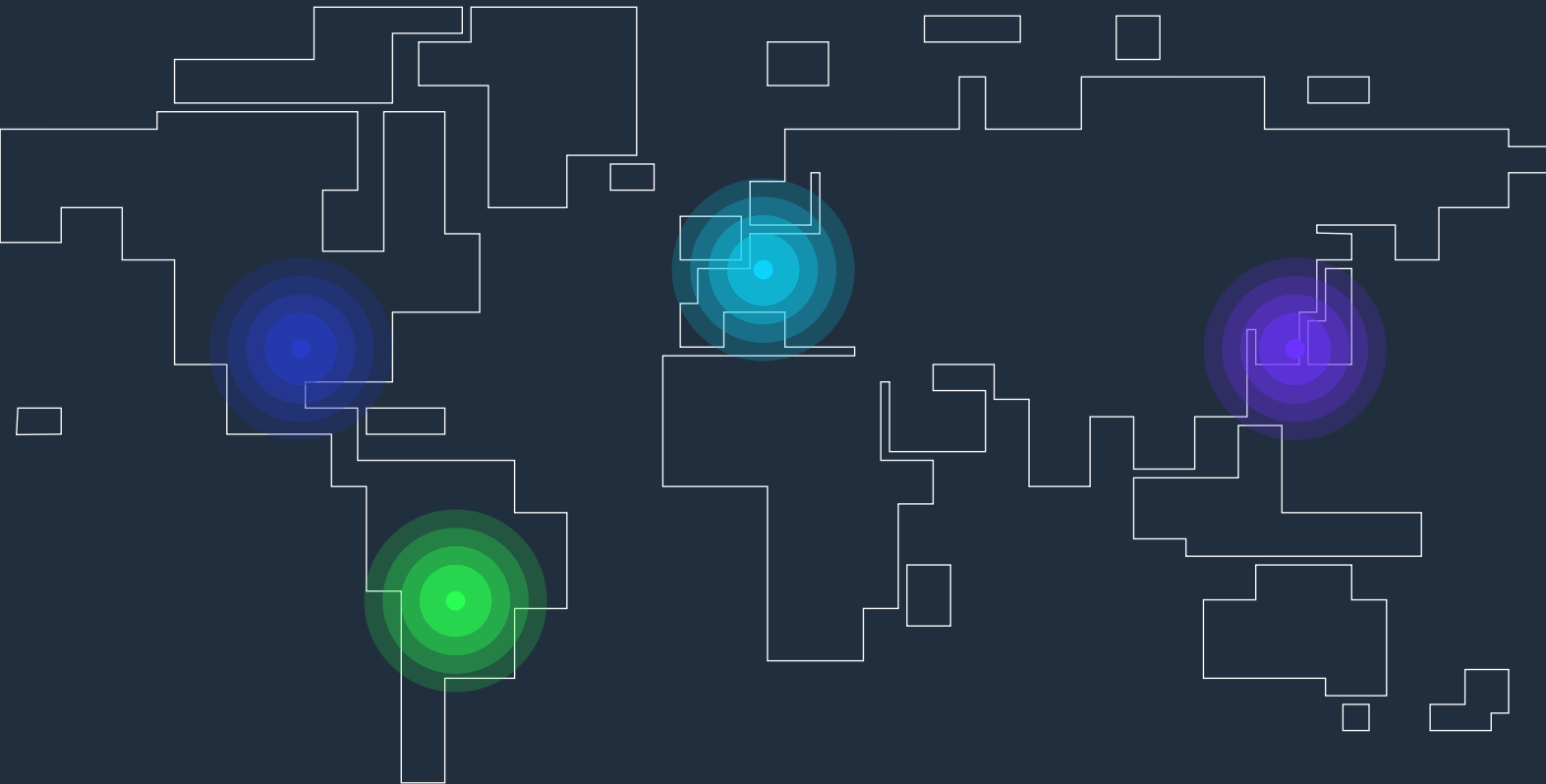
** Target approved by the Science Based Targets (SBTi) initiative with a horizon of 2032, the target value refers to performance compared to 2017.

Ambitions for tomorrow



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MATERIAL ISSUES
ESG PERFORMANCE
ENERGY INFRASTRUCTURES



EDP across the world

GRI 2-1

This page portrays EDP Group's activities around the world. The total considers only the companies controlled by EDP (own employees), as well as the employees of EDP Renováveis who work in Brazil.

Europe	●	Lisbon, Porto, Oviado, Madrid
	11,187	5,540
	285	8,311
Asia-Pacific	●	Singapore
	726	531
North America	●	Houston
	7,242	1,041
South America	●	São Paulo
	3,066	3,586
	98	3,328

- Solar generation capacity (MW)
- Wind generation capacity (MW)
- Hydro generation capacity (MW)
- Transmission grids (000 km)
- Customers ('000 #)
- Employees (#)
- Main offices



EDP Brasil GRI 2-1, 2-6

In Brazil since 1996, EDP – Energias do Brasil S.A. – is an integrated company in the electric sector. Operating in generation, distribution, trading, transmission and solutions aimed at the B2B* segment, our activities are present in 19 Brazilian states: Acre, Amapá, Bahia, Ceará, Distrito Federal, Espírito Santo, Goiás, Maranhão, Mato Grosso, Minas Gerais, Pará, Paraná, Pernambuco, Rio de Janeiro, São Paulo, Santa Catarina, Rio Grande do Sul, Rondônia and Tocantins. Both our distributed generation projects and our energy trading and solutions activities are spread throughout Brazil’s territory.

Headquartered in São Paulo, we are connected to EDP – Energias de Portugal – meaning we are part of one of the largest European companies in the electric sector, with operations in 29 countries.

* B2B is an acronym for "Business to Business," an English term used to refer to companies that offer products and services to other businesses, in a business model where one is the supplier and the other is the customer.

Generation

5

hydroelectric generation units, three of which are in joint ventures*

2.7 GW

installed capacity**

1

thermal power plant

73%

made of renewable energy sources

*The Mascarenhas HPP was sold at the end of 2022.

** Refers to EDP Brasil's interest in the assets.

Transmission

2,713.86 km

transmission lines

Acquisition

of a new transmission lot in Rondônia

6

transmission lots in the states of Acre, Maranhão, Minas Gerais, Rondônia, Santa Catarina, São Paulo and EDP Goiás.

Distribution

+2 million

Customers in 28 municipalities of São Paulo state

26,491.31 GWh

of total volume of energy distributed

+1.7 million

customers in 70 municipalities in Espírito Santo state

Trading & Services in energy (EDP B2B)

184.66 GWh

of energy traded in I-RECs (International Renewable Energy Certificates)

Largest

trader in the retail market

2,331.84 MWh

in energy savings from energy efficiency projects

+100 MWp

in distributed solar generation

1	AC	Transmission – Lot 1	327 km
2	AP	Generation – Cachoeira Caldeirão HPP*	109.5 MW
3	AP/PA	Generation – Santo Antônio do Jari HPP*	196.48 MW
4	BA	EDP B2B – Distributed Generation	3.45 MWp
5	CE	Generation – Pecém TPP	720.27 MW
		EDP B2B – Distributed Generation	3.00 MWp
6	Federal District	EDP B2B – Distributed Generation	3.90 MWp
7	ES	Distribution – EDP Espírito Santo	1,656,624 customers
		EDP B2B – Distributed Generation	1.34 MWp
8	GO	Transmissão EDP Goiás (former CELG-T)	756 km
9	MA	Transmission – Mata Grande Transmissão	112 km
10	MG	EDP B2B – Distributed Generation	34.83 MWp
11	PA/MT	Generation – São Manoel HPP*	245.28 MW
12	PE	EDP B2B – Distributed Generation	0.56 MWp
13	RJ	EDP B2B – Distributed Generation	3.93 MWp
14	RS	EDP B2B – Distributed Generation	7.08 MWp
15	RO	Transmission – Lot 2	188 km
16	SC	Transmission – Lot 21	434 km
17	SC/RS	Transmission – Lot Q	157 km
18	SP	Distribution – EDP São Paulo	2,023,814 customers
		EDP B2B – Distributed Generation	27.39 MWp
19	SP/MG	Transmission – Lot 18	740 km
20	TO	Generation – Peixe Angical HPP	498.75 MW
		Generation – Luis Eduardo Magalhães HPP	902.5 MW

* Data solely for EDP Brasil's interest.

In addition to the installed capacities mentioned in the table, there is another 0.61 MWp installed in B2C customers and 24.62 MWp installed by Blue Sol (a company in which EDP holds a 40% interest).



Our presence

EDP Culture

Created by cherishing our legacy and building our future, EDP's culture is the result of engaging our employees and other stakeholders, the transparency of our actions and the efficiency of our processes and business.

Values

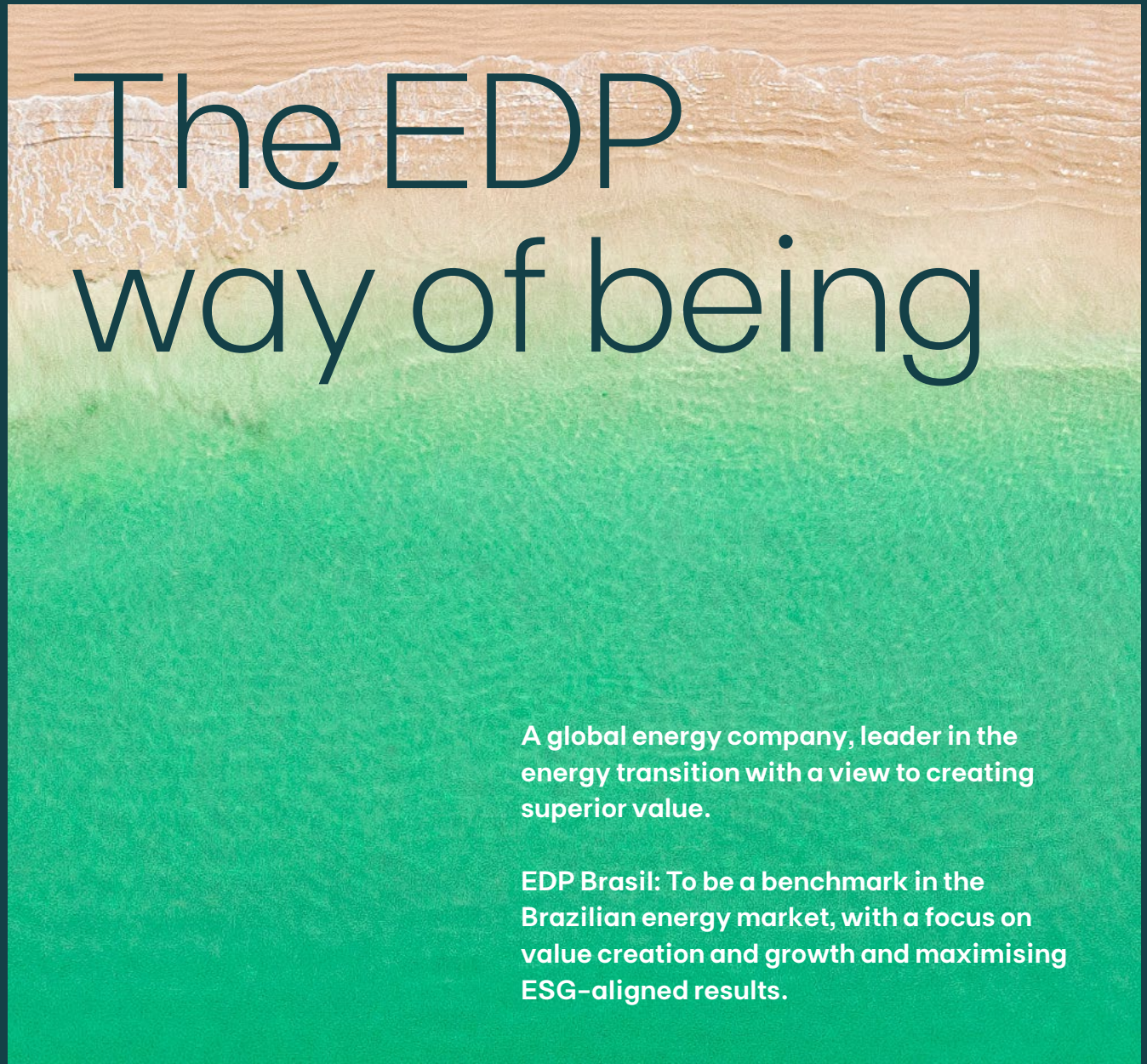
Adding is building with others, valuing inclusion and diversity. It is taking care of people and getting closer to them, adding up in a way that promotes balance and a more sustainable society.

Looking at oneself and at society, providing well-being and health for present and future generations. Looking at the whole, cultivating ethical relationships and building values with our customers and other stakeholders.

Change is being open to what is new, recognising risks to be taken to create value and innovate in the various actions that EDP carries out for people, society and the environment.

Organising our processes to promote efficiency and focus on results – ensuring safety, consistency and transparency as well.

Simplifying the journey towards new businesses, learnings, processes and results through digitalisation and the use of new technologies.



The EDP way of being

A global energy company, leader in the energy transition with a view to creating superior value.

EDP Brasil: To be a benchmark in the Brazilian energy market, with a focus on value creation and growth and maximising ESG-aligned results.

Strategic Plan 2021-2025

GRI 2-23

EDP Brasil is committed to excellence in the ESG pillars and believes in sustainability as the main principle of a seamless business strategy. We know that in order to change tomorrow, we need to act in the present (as supported by the global positioning of EDP Group, Changing Tomorrow Now – which can be seen in more detail on page 13).

The 2021-2025 Strategic Plan guides our vision for the future and is guided by four main requirements, as highlighted below. It is a bold commitment that entails an unprecedented acceleration of our growth in renewable energy, notwithstanding our history of success as leaders in energy transition.



Leadership in a just energy transition

In order for us to continue leading this front, we are investing in the reduction of our CO₂ emissions by increasing the installed capacity of clean energy and divesting from our coal portfolio.

At the same time, we are also working to develop technologies that allow us to increase renewable capacity and energy storage, as well as provide other initiatives to reduce emissions.

In addition, our customers are also part of this journey towards more sustainable consumption, which is why we offer them distributed solar generation services, electric mobility solutions and energy services sales.



Commitment to environmental protection

At EDP Brasil, environmental protection is sustained by integrating the principles of natural capital preservation and circular economy into the decision-making processes.

Guided by the reduction, recovery and recycling of materials used in our activities, these processes reduce environmental impacts. The Company simultaneously implements action plans to protect biodiversity near its operations. We also strive to adapt our infrastructure and operations to the scenario of climate change that we are experiencing.



Positive impacts on society

We seek to generate positive social impact both within and outside the company. To achieve this – and to ensure an engaging career experience for our employees – we invest in diversity, equity and inclusion, seeking to increase the participation of underrepresented groups, such as women, people with disabilities, LGBTQIAP+ individuals and black people at all occupational levels.

We prioritise the well-being of our employees, implementing initiatives to reduce the number of fatalities and accidents. Moreover, we encourage our suppliers and partners to act sustainably, involving them in topics such as management of climate change, gender equality, workplace safety, circular economy, biodiversity, human rights and ethics.

On another front, EDP Brasil has a social investment policy in order to positively impact the communities with which it relates. Implemented by Instituto EDP, this policy aims to contribute to a just energy transition, promote initiatives for inclusive education and culture and implement programs that increase general social well-being.



Strong governance structure

Recognised for its excellence by various market institutions, our governance framework is guided by compliance and the assurance of the best ethical principles. Furthermore, the ESG control framework of EDP Brasil constantly works to promote a healthy and sustainable relationship between variable compensation, ESG practices and added-value to our shareholders. In order to meet all these ambitions in governance, we have a team of top-notch employees who have a set of goals to be achieved by 2025.

Understand the categories where our goals are divided and the highlighted goals of each category on page 27.

COMMITMENT TO THE 2030 AGENDA

EDP Brasil committed in 2015 to the United Nations' (UN) Sustainable Development Goals (SDGs) with the objective of engaging organisations worldwide in goals to be achieved by 2030 related to issues such as gender equality, climate change mitigation and natural resources conservation. Consequently, both our strategy and business plans are aligned with the SDGs and other global sustainability agendas. Throughout the two sections that make up our Annual Sustainability Report, you will find information on how our initiatives and performance are related to the SDGs.

Our business model



Natural capital

Renewable natural resources

- Water (hydroelectric generation)
- Solar energy

Nonrenewable natural resources

- Coal (thermal power plants)
- Minerals used in the production of photovoltaic panels and energy storage batteries



Intellectual Capital

- Humanistic digisation of our business with generation of patents, copyrights, software and licences
- Teams' technical knowledge
- Innovation focusing on the Robotics Excellence Centre; Electric Mobility; EDP Ventures; and Innovation Factory



Social and Relationship Capital

- B2B and B2C Clients
- Local community engagement;
- Regulatory agencies



Manufactured Capital (Infrastructure)

- Installed Generation, Transmission and Distribution Capacity
- Energy solutions
- Service stores and branches



Human Capital

- Direct employees
- Contractors



Financial Capital

- Revenue
- Third-party capital and financing

Our businesses

Strategy

- Oriented growth
- Controlled risk
- Maximum efficiency

Corporate policies

- Stakeholder engagement
- Human development
- Business Management
- Sustainability and management system
- Corporate risk management

Products and services

- Generation
- Transmission
- Distribution
- Sales
- Solar Generation

Goals Triangle
ESG as a part of results

Purpose
Our energy and heart drive a better tomorrow

Vision
A global energy company, leader in the energy transition with a view to creating superior value.

Key impacts

● Positives ● Negatives

- Natural capital**
- Emissions avoided by Energy Efficiency projects
 - Initiatives to convert and reclaim natural habitats
 - Offsetting GHG
 - GHG Emissions
 - Waste generated by burning coal

- Intellectual Capital**
- R&D Projects and
 - Innovation Knowledge management
 - Developing technologies and solutions for society
 - Investments in startups

- Social and Relationship Capital**
- Social license to operate
 - Partner Development
 - Volunteerism
 - Customer satisfaction
 - Developing local communities
 - Plant safety
 - Transportation of people

- Manufactured Capital (infrastructure)**
- Maintaining installed capacity
 - Distribution and transmission grid length
 - Energy generated, transmitted and distributed for society
 - Energy saved by energy solutions
 - Risk of accidents involving company assets

- Human Capital**
- Employee engagement
 - Nurturing employee skills
 - Employee and partner safety and well-being
 - Creating job vacancies
 - Accidents

- Financial Capital**
- EBITDA
 - Employee compensation
 - Interest on equity and borrowed capital
 - Added value distributed
 - Taxes and contributions

Strategy, ESG performance and results

GRI 3-3

In EDP Brasil, the concept of excellence goes beyond financial performance, which is why many of the goals relate to ESG issues such as safety regarding both our own and third-party workforce, environment, supplier development, diversity, inclusion, climate change, social and environmental initiatives, compliance and risk management.

The results obtained in the Goals Triangle are linked to the performance of all employees, including leadership and also impact our Profit-Sharing Plan (PLR). In addition, the monitoring and governance of the goals occur through a monthly critical and an annual assessment, both carried out together with the leadership and the Board of Directors. A virtuous cycle of improvement and learning was thus established.

The goal assessment system was designed to achieve the company's strategic objectives and measures the performance of Business Units and their respective Platforms (grouping of Business Units for standard evaluation in all of the company's geographies). It is structured in three dimensions, with defined weights and goals.

Added Value

Financial indicators showing the Company's performance based on financial information. This set represents 60% of the performance management system.

Future-ready People & Organisation






Monitors indicators related to employees, such as well-being, diversity, inclusion and safety – as well as tracking the development of innovation initiatives and new skills for increased productivity. The purpose of the indicators in this dimension is to ensure that employees are treated equitably within the processes in which they are involved and that their needs are aligned with those of the business. This set represents 20% of the performance management system.

ESG Excellence

This dimension monitors indicators related to the environment, supplier development, climate change, social and environmental initiatives, compliance and risk management, all of which are linked to EDP Brasil's initiatives in environmental management and combating climate change, among other sustainability topics. These actions are monitored through indicators and goals and the set represents 20% of the total performance management system, including metrics such as performance in ISE and CDP.



Goals for the Strategic Plan 2021-2025

Axis	Goals for 2025	Status in 2022
Leadership in a just energy transition   	Reduce Greenhouse Gas (GHG) emissions <ul style="list-style-type: none"> 20% reduction in emissions intensity* in Scope 1 compared to 2017** 25% reduction in emissions intensity* in Scope 1+2 compared to 2017** 30% reduction in emissions intensity* in Scope 1+2+3 compared to 2017**. 	<ul style="list-style-type: none"> -93.1% -90.2% -79.8%
	Increase renewable capacity 1 GWp of installed capacity of photovoltaic solar energy (PV);	<ul style="list-style-type: none"> 86.11 MWp
	Increase internal electric fleet EDP's light electric fleet to account for 30% of the total fleet;	<ul style="list-style-type: none"> 2%
	Strengthening Innovation Invest annually 2.5% of Net Operating Revenue (NOR) in innovation;	<ul style="list-style-type: none"> 1.63%
	Improve IT infrastructure resilience BitSight rating > 740 (Advanced level)	<ul style="list-style-type: none"> 799.17
	Commitment to environmental protection  	Maintain high recycling rates <ul style="list-style-type: none"> 85% of operational waste sent for recovery at Pecém TPP, with ashes sent for co-processing; 95% of operational waste sent for recovery in Distribution – Operational Waste (excluding tree trimmings);

*Considering (a) EDP Brasil has a 100% interest in Pecém TPP (b) unfavourable hydrological scenario where Pecém will be used for 75% of the year; (c) Emission Factor of the grid as the average from 2017-2020 and (d) compliance with specific targets; *Emissions intensity is measured in tCO_{2e}/MWh. For intensity considering Scope 1 or 1+2, the denominator used was the net centralised generated energy in MWh for our subsidiaries. For Scopes 1+2+3 the denominator now includes both energy sold (including solar and the free market) and distributed energy;

**Baseline for our Science Based Target (SBT).

Goals for the Strategic Plan 2021-2025

Axis

Commitment to environmental protection



Goals for 2025

All business units with climate adaptation plans implemented

100% implementation and disclosure of action plans in each business unit;

Establishing an ecological ceiling

Develop an economic valuation tool for biodiversity to promote the ecological ceiling of the main aspects that directly impact the activities of EDP Brasil.

Status in 2022

- **20%**
The Climate Adaptation plans are in the process of being implemented in the companies that make up EDP Brasil Group.
- Currently, EDP Brasil is in the process of evaluating means to develop a reliable and robust tool for valuing biodiversity within the deadline established for the goal.

Positive impacts on society



Increase gender diversity

- 30% of women employees;
- 30% of women employees in leadership positions;

- **23.1%**
- **20.6%**

Improve health and safety

No fatalities;

- Until 2022, unfortunately, there were 6 fatal accidents, 5 in 2021 and 1 in 2022 – which shows our trajectory of improving safety practices and culture.

Sustainable procurement

- 40% of procurement volume from suppliers with sustainability goals;
- 40% of procurement volume from suppliers with gender diversity goals;
- 40% of procurement volume from suppliers with decarbonization goals;

- The phase 1 diagnosis and phase 2 of structuring the Sustainable Procurement project have been completed. In 2023, the intention is to start implementing the practices through a pilot in the Company.

Suppliers compliant with ESG

- 100% compliant suppliers;
- 100% of main suppliers audited and assessed;

- In 2022, 100% of strategic suppliers were assessed based on the IDF (more information on page 92).

Goals for the Strategic Plan 2021-2025

Axis

Positive impacts on society



Goals for 2025

Investing in communities in line with the SDGs

- R\$ 100 million invested in the period (21-25);
- R\$ 8.2 million in social return from social inclusion projects;
- R\$ 3.6 million income;
- R\$ 6.2 million of leveraged resources by qualified organisations (access to credit and fundraising);
- 5.7 average score of IDEB (Elementary Education Development Index) of schools participating in the EDP in Schools program.

Invest in a just energy transition

R\$ 4 million investment in energy solutions for vulnerable customers;

Reduce customers' carbon emissions

An accumulation of 162,260 tCO₂eq. of CO₂eq. emissions avoided (2021-2025);

Keep service satisfaction high

> 75% satisfaction rate of our customers.

Status in 2022

- **R\$ 39.89 million**
- **R\$ 1.3 million**
- **R\$ 1.71 million**
- **R\$ 1.4 million**
- **4.9**
- **R\$ 326,000.00**
- **106,635 tCO₂ eq**
- **EDP SP: 69.5%**
EDP ES: 74%

Strong governance framework

Leadership in ESG performance

Be in the top quartile in ESG rating performance: ISE and CDP – Keep advanced

- **ISE: 1st place in overall ranking**
- **CDP: A-**

EDP Brasil in ESG indices

EDP Brasil's performance:

- **First place in the overall ranking of ISE B3**
- **Grade A- in Carbon Disclosure Project (CDP)**
- **Grade B in Carbon Disclosure Project (CDP Water)**
- **Selected, for the third consecutive time, to be part of the Climate Resilience Index (ICDPR70) portfolio of the CDP Index**
- **A member since 2021 of ICO₂, the B3 Carbon Efficient Index**

ISE EXCELLENCE GRI 2-2, 2-3

EDP Brasil has maintained its position in the 17th consecutive year in the portfolio of the Corporate Sustainability Index (ISE) of B3 and for the second time has achieved the first place in the overall ranking. In comparison to 2021, the Company increased its score by 2.13 points, with scores above the sector average in five evaluated dimensions – human capital, where it was also considered a benchmark, corporate governance and senior management, social capital, environment and climate change.

The performance in this important ranking, which contributes to guiding investors in making decisions based on ESG practices, reaffirms the recognition of EDP's leadership as a reference in the environmental, social and corporate governance pillars worldwide.

External commitments

In addition to the commitments and goals assumed internally, EDP Brasil also adds external commitments in order to do its part in addressing major challenges such as poverty, social inequality and climate change.

In yet another demonstration of our ambition to remain a benchmark in ESG, we have joined in recent years several external initiatives and various groups (*see list below*).

- **Business Ambition for 1.5°C** is an initiative of the Global Compact consisting of a group of more than 9,000 companies that have pledged to reduce their emissions to ensure that global warming does not exceed 1.5°C. EDP Brasil is among these organisations and has committed to ensuring that by 2030, 100% of the energy generated by the Company will be from renewable sources;
- **Science Based Targets Initiative**, an initiative of CDP, Global Compact, World Resources Institute (WRI) and World Wide Fund for Nature (WWF), which has the participation of companies that define their climate target based on science.
- **Brazilian Business Commitment to Biodiversity**: proposed by the Brazilian Business Council for Sustainable Development (CEBDS), this initiative aims to emphasise the importance of biodiversity and ecosystem services for companies, as well as the fundamental role they can play in their conservation and sustainable use;
- **Coalition for Racial and Gender Equity**, of the Ethos Institute, Brazilian Centre for Research on Labour Relations and Inequality (CEERT) and the Institute for Human Rights and Business (IHRB);
- **Commitment Letter of the Business Movement for Integrity and Transparency**, from the Ethos Institute;
- **Coordination of the Climate Action Platform**, of the Global Compact Network Brazilian;
- **Business Pact for integrity and combating corruption (Instituto Ethos)**
- **Women's Empowerment Principles**, from UN Women;
- **Brazilian GHG Protocol Program**, an enterprise initiative for greenhouse gas (GHG) accounting;
- **UN Global Compact Brazil Network**;
- **Women On Board**, an initiative aimed at recognising organisations with at least two women on the Board of Directors;
- **Women's 360 Movement**;
- **UN Global Compact and UN Women's Decent Wage Movement**.

Performance 2022



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MATERIAL ISSUES

CLIMATE CHANGE
POWER INFRASTRUCTURE
PROMOTING RENEWABLE ENERGY
CUSTOMER SATISFACTION AND SERVICE
BUSINESS ECONOMIC SUSTAINABILITY

Regulatory and industry overview

A recent survey conducted by Empresa de Pesquisa Energética (EPE), as part of the Energy and Environment Studies for preparing the Ten-year Energy Plan 2032, indicates that the Brazilian energy sector contributed only 18% of the total greenhouse gas (GHG) emissions in the country in 2021.

Thus, from a macro perspective, the highly renewable aspect of the Brazilian energy matrix places the country in an advantageous position to achieve the targets established in the Paris Agreement. However, it should be noted that in the recent past its high dependence on hydro and thermal sources subjected Brazil to considerable stress during the most severe drought in the last 91 years. Therefore, Brazil faces the challenge of increasingly diversifying its energy mix without losing sight of its fundamentally renewable nature.

The diversification of energy sources – especially towards solar and wind sources – demands massive investments in transmission systems to transport the electrical power from the Northeast to the major consumption hubs located in the Southeast. The expansion of the transmission network requires attention to the clearance of native vegetation and the conservation of biodiversity. The same can be said regarding the exploration of new hydroelectric potential, which are already located near or within environmentally sensitive areas – which requires complex assessments that seek to reconcile the conservation of the environment with the expansion of the power grid.

The additional opportunities for maintaining Brazil's renewable energy matrix involve exploring the hybridisation of sources with existing ventures and the repowering and modernisation of existing hydropower plants, which has already been regulated by the National Electricity Regulatory Agency (Aneel).

Still, a more direct response towards diversification has been given in recent years with the expansion of photovoltaic solar energy. In 2022, there was an increase in this growth. According to a survey conducted by Elgin (a photovoltaic equipment distributor) based on data from the Brazilian Association for Photovoltaic Solar Power (Absolar), private investments in distributed solar energy generation systems in homes, businesses and companies grew 41% in the first half of 2022, from R\$ 4.2 billion to R\$ 59.5 billion.

The aforesaid EPE study points out that in 2021, solar distributed generation outperformed all centralised sources, with 3.9 GW of installed capacity (compared to 3.7 GW of wind), accounting for 3.2% of the captive market's consumption and 10% of some distributors. It is forecast that in the next decade, distributed solar generation should reach the 37 GW mark.

Much of this boost is explained by the introduction of Law nº 14.300/22 in early 2022, which set up the legal framework for mini and micro distributed generation and provided greater clarity regarding the duration of rate subsidies to be enjoyed by those who installed photovoltaic panels until the beginning of January 2023. As the regulation of the systemic benefits of distributed generation is still pending, the growth of this market may prove to be even greater.

The challenges in the solar energy business

The main challenge in solar generation concerns the cost and availability of equipment, which currently has between 80% and 90% of its total production taking place in China. In the case of solar panels, production is practically only done in that country.

With the Chinese government's Covid-zero policy and the consequent lockdowns, there has been a problem in the supply of these inputs, whose prices have had a sharp increase. Additionally, it is necessary to take into account the growing demand,

since solar energy production is increasing all over the world. This situation affects all players in the market, albeit to different extents, ultimately increasing capital investment and resulting in less competitive prices for customers.

Another challenge is the high inflation worldwide, which has been particularly strong in the costs of equipment transportation due to the remaining bottlenecks resulting from pandemic control measures. Although they have shown a slight decrease, these costs are expected to remain stable at a high level.



Operational performance

Generation

EDP Brasil's generation portfolio currently consists of five hydroelectric plants and one thermal power plant, totalling 2,672.78 MW of installed capacity (amount that includes EDP Brasil's participation in joint venture assets), with 2,213 MW average physical guarantee. The Mascarenhas HPP, whose sale was completed in 2022, is not included in this list and these numbers. All plants are centrally dispatched by the National System Operator (ONS).

In hydro generation, the accumulated availability reached the historical value of 93.8%, 2.1% above the equivalent benchmark availability predicted by the regulator.

The two best plants in Brazil

One of the great highlights of 2022 in Generation was the recognition, once again, of the Peixe Angical and Lajeado hydroelectric plants, both located in Tocantins, as the two best hydroelectric plants in Brazil according to Aneel's ranking that evaluated 148 plants in the year. Peixe Angical HPP received the maximum score in all assessed requirements – which include operation and maintenance management, as well as issues related to environment and safety. Lajeado HPP, in turn, received the maximum score in five out of six requirements, scoring 99.95 in the overall rating.

The highlight of the year in thermal generation was the availability of 97.5% at the Pecém TPP, which resulted in a cumulative result (over 60 months) of 89.3% – against a reference of 83.7%, representing a Availability Factor (AF) of 106.6%. Another historic achievement of the plant was the failure rate, which reached the mark of 0.0 failures/year.

Generation by plant

Net energy output	Unit	2020	2021	2022
Pecém TPP	GWh	1,627.75	3,416.62	5.82*
Energest **	GWh	759.83	820.73	864.22
Enerpeixe	GWh	2,098.90	1,904.01	2,088.68
Investco	GWh	2,684.74	2,753.47	2,867.32
Cachoeira Caldeirão HPP	GWh	384.91	550.05	493.24
São Manoel HPP	GWh	959.10	1,087.30	1,061.63
Santo Antônio do Jari HPP	GWh	634.05	1,008.00	991.59

* The net production of Pecém TPP in 2022 refers to the load test that occurred in May. Pecém TPP was not dispatched for power generation throughout the year, except for the load test.

** The Mascarenhas Hydroelectric Plant, controlled by Energest, was sold in 2022.

Distribution GRI 3-3

EDP São Paulo

The year 2022 saw significant improvements in the quality of energy delivered by EDP São Paulo. One measure of this effort was the company's performance in the DEC¹, which improved from 6.35 hours in 2021 to 6.11 in 2022 – compared to the national average of 12 and the regulator's requirement of 7.05, putting EDP São Paulo among the top companies in the national ranking.

In the FEC², EDP São Paulo improved from 4.3 hours in 2021 to 3.28 hours in 2022.

An important indicator in the sector, losses are a particularly challenging issue in a country with Brazil's social complexity. After all, in addition to the technical losses inherent to the activity, there are also the so-called non-technical losses, which are invariably linked to energy theft. In 2022, EDP São Paulo recorded total losses of 7.9%, compared to 8.3% in 2021.

1 Equivalent Outage Duration per Consumer, an index that describes how long a consuming unit was without electricity supply.

2 Equivalent Outage Frequency per Consumer, an index that measures the number of times a consumer unit was without electricity in a given period.



In 2022, EDP São Paulo shined at the 24th edition of the Abradee Award in the category of Management Quality and Operational Management.

Transmission and distribution losses as a percentage of total energy EU12

EDP São Paulo	Unit	2020	2021	2022
Transmission losses / national grid	%	2.14	2.07	2.13
National grid losses	MWh	193,524.15	185,875.40	193,220.35
Overall electrical losses	%	8.59	8.30	7.91
Technical losses	%	5.54	5.76	3.57
Non-technical losses (commercial)	%	3.05	2.54	4.33
Technical losses	MWh	910,724.74	993,300.08	625,168.95
Non-technical losses (commercial)	MWh	502,027.47	437,801.40	758,712.97
Global Electrical Losses	MWh	1,412,752.21	1,431,101.49	1,383,881.92

Power outage frequency EU28

EDP São Paulo	Unit	2020	2021	2022
FEC – Amount determined	Times	4.62	4.13	3.27
FEC – Limit (Aneel target)	Times	6.03	5.79	5.22

Average duration of energy outage EU 29

EDP São Paulo	Unit	2020	2021	2022
DEC – Amount determined	Hours	7.18	3.35	6.07
DEC Limit (Aneel target)	Hours	7.71	7.38	7.05

EDP Espírito Santo

The year 2022 was a record-breaking performance year for EDP Espírito Santo – and on several fronts. The company was chosen by Abradee Award as the 7th best distributor in the country in the national category, the 3rd best distributor in the Southeast region in the regional category and in the Social and Environmental Responsibility category and the 2nd best distributor in the Performance Improvement category (learn more about this and other awards on page 5 of the Case Studies).

Average duration of energy outage (in hours) EU 29

EDP Espírito Santo	2020	2021	2022
DEC – Amount determined	7.85	7.56	6.87
DEC Limit (Aneel target)	9.45	9.31	9.05

In DEC, for example, the company went from 7.56 in December 2021 to 6.98 in October 2022 – compared to the 9.05 established by the regulator. Moreover, in FEC the EDP Espírito Santo performance was 3.36 in October 2022 – compared to 3.92 at the end of 2021 and the benchmark of 6.41 established by the regulation.

In the losses department (*see table beside*), the Company achieved for the first time in its history an index lower than that required by Aneel, a positive performance considering the economically challenging situation that the country is going through.

Transmission and distribution losses as a percentage of total energy EU12

EDP Espírito Santo	Unit	2020	2021	2022
Transmission losses / national grid	%	1.49	1.48	1.62
National grid losses	MWh	108,371.08	109,803.47	123,972.73
Overall electric losses	%	13.36	12.45	11.95
Technical losses	%	8.19	7.78	6.99
Non-technical losses (commercial)	%	5.17	4.67	4.96
Technical losses	MWh	910,408.35	907,195.29	823,176.75
Non-technical losses (commercial)	MWh	574,578.31	543,997.68	584,007.04
Overall Electric Losses	MWh	1,484,986.65	1,451,192.97	1,407,183.79

Power outage frequency EU28

EDP Espírito Santo	Unit	2020	2021	2022
FEC – Amount determined	Times	4.01	3.92	3.25
FEC – Limit (Aneel target)	Times	6.86	6.54	6.41

RECORD INVESTMENT

EDP Espírito Santo had a Capex of R\$ 690 million in 2022, the highest since the beginning of its operation. Most of this amount was directed towards meeting market demands and, subsequently, combating losses. Among the other allocations of the investment are new substations, readjustments in already existing substations, a new connection point between the state's supply network and the Brazilian system and the replacement of end-of-life equipment.



EDP Espírito Santo has become a national benchmark in the area of disallowances, registering only 0.18% in this indicator in 2022.

Transmission

2022 was marked by the delivery and start of commercial operation of three important transmission lines in the Transmission segment of EDP Brasil. These are:

- The final section of EDP Aliança SC, a partnership between EDP and Celesc Geração S.A., in the proportion of 90% and 10%, respectively. The delivery occurred six months before the schedule agreed with Aneel.
- Final section of EDP Transmissão SP-MG S.A., with delivery made three months ahead of the schedule agreed with Aneel. This section consists of two transmission lines whose 1,533 towers pass through 30 municipalities, interconnecting the Estreito (MG) and Cachoeira Paulista (SP) substations.
- Start of operations of Mata Grande Transmissão de Energia LTDA (MGTE). Located in the state of Maranhão, MGTE consists of a 230-kV transmission line with a length of 113 km.

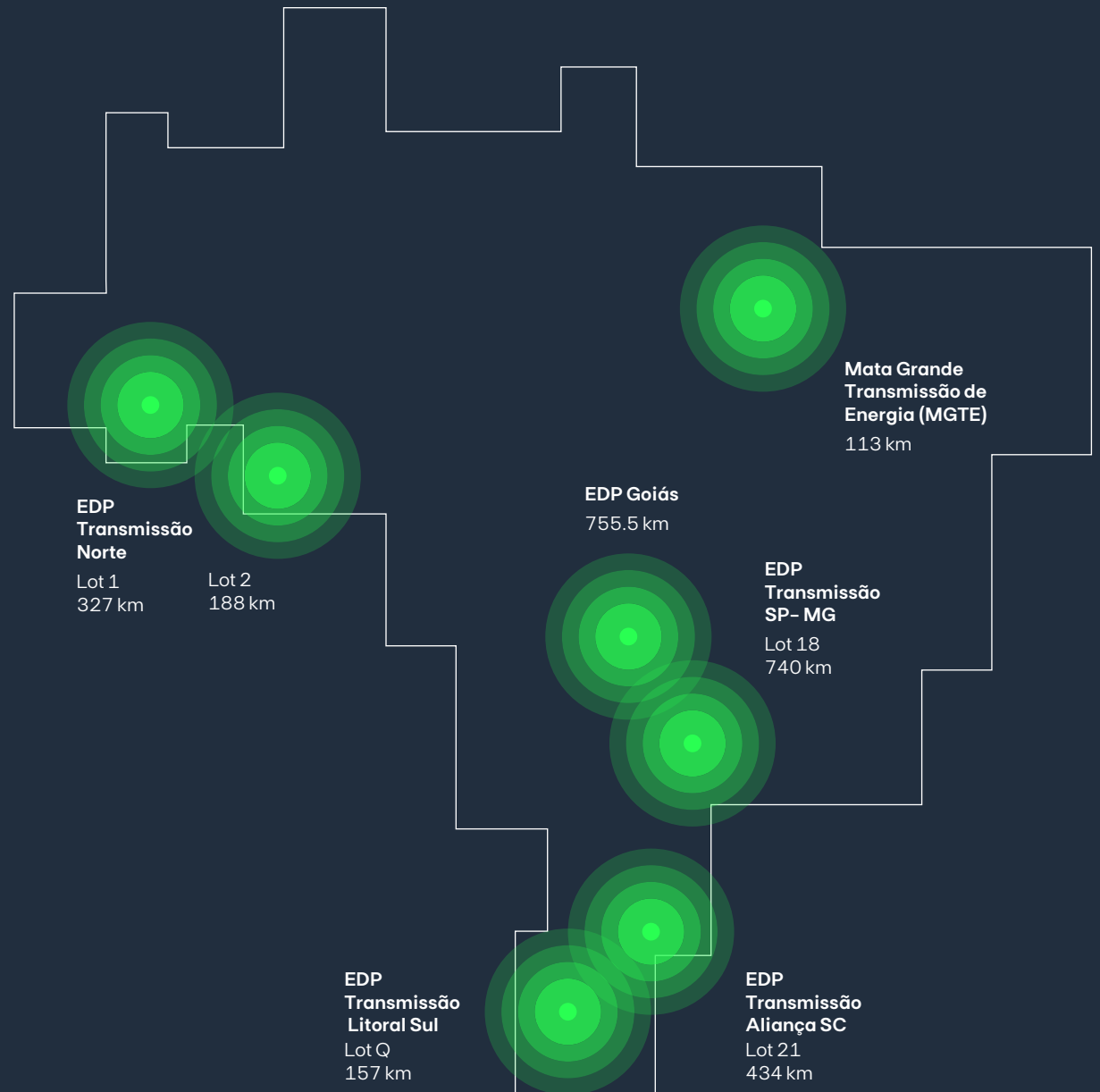
In addition, EDP won the auction for Lot 2 in December 2022, located in the state of Rondônia. This lot has 188 km of transmission lines and great synergy with EDP Transmissão Norte, which is located in the same region and is already over 20% complete in construction works.

2,198.96 km

Transmission grid in operation

514.90 km

Transmission grid under construction





EDP B2B GRI 3-3

EDP B2B, formerly known as EDP Smart, was created in 2019 to accelerate the growth of energy solutions and services and today lies at the heart of our energy transition strategy, with a focus on solar generation projects.

In addition to solar generation projects for large companies such as Arcos Dourados, Drogaria Araujo, TIM, Farmácia São João, Intermédica, Claro and Banco do Brasil, our first Shared Generation projects are already being marketed and will soon be offsetting clean and cheaper energy for several SMEs (small and medium-sized enterprises) in the states of Rio de Janeiro and Minas Gerais. In 2022 alone, we added over 50 MWp in this modality through new contracts, amendments to existing contracts and plants aimed at Shared Generation, which shows our commitment to the energy transition in Brazil and worldwide.

By 2025, another 467 MWac will be added to the installed capacity of the farms, thanks to the operation of two projects carried out in partnership with EDP Renováveis in the Solar Utility Scale segment: the Monte Verde Solar and Novo Oriente solar farms.

With an expected start of operation in 2024, the Monte Verde Solar Farm will have an installed capacity of 212 MWac and will be located in the state of Rio Grande do Norte, in the municipalities of Pedro Avelino, Lajes and Jandaíra.

The Novo Oriente farm, in turn, will be built in Ilha Solteira (SP) and will have 254 MW of installed capacity. Just like in the case of Monte Verde Solar, the Novo Oriente power plant has already been granted and should start operating in 2024, with a 120 MWac PPA.

Besides solar energy, EDP B2B also operates in the electric mobility and energy efficiency sectors – in addition to supporting EDP Brasil in preparing for the energy trading business after the expected opening of the free market (including retail trading), as well as other services for the final consumer (*read about shared energy generation in the Casebook on page 13*).

+100 MWp

in solar distributed generation and with the goal of exceeding 250 MWp in 2023

45,282.94 tCO₂eq

avoided in 2022 through energy efficiency projects and solar energy



Energy transition: clean power GRI 3-3

The year 2030 has been established by several international climate agreements as a decisive milestone for limiting global temperature increase to 1.5°C. Among EDP Brasil's internal ambitions is the commitment to being 100% green by 2030, which will be possible through significant investments towards the energy transition, that is, generating clean, accessible and reliable energy. As a consequence, we aim to be a standard setter in energy transition and take the reins of this global change.

We understand that the magnitude of the climate challenge the world faces today is such that it requires an ambitious commitment from the entire electricity sector to the energy transition.

Because of all of this, our growth will be sustained by a differentiated and resilient portfolio in the generation of renewable energy, with an increase in solar energy capacity and deepening the smart networks business and solutions for our customers. We also invest in new technologies such as green hydrogen, electric energy storage through batteries and the creation of energy efficiency solutions.

The decarbonization of our operation is also a central point within these plans. Our goal – to reduce the intensity of our direct and indirect greenhouse gas (GHG) emissions by 85% by 2032 – was set taking into account science's recommendation to limit global warming to 1.5°C and approved by the Science Based Targets Initiative (SBTi). In addition, we are setting intermediate goals to better design the paths that will lead us to this objective (*learn about the goals on page 27*).

¹ The concept of neutrality may involve the elimination of emissions, their compensation, or a combination of both. Emissions can be offset by purchasing carbon credits, where a company acquires a credit corresponding to a given amount of emissions avoided by a third party.

Financial performance

The year 2022 was marked by instability in the global economy, influenced by the war in Ukraine, inflation in the US and cases of Covid-19 in China. Despite external effects, Brazil's economy showed resilience as it rolled out its Covid-19 vaccination program, providing improvements in industry and commerce.

The Gross Domestic Product (GDP), which is the sum of final goods and services produced in the country, grew 3.2% in the year-to-date until September, with an emphasis on the services sector (+4.4%) and industry (+1.3%), while agriculture contracted (-1.5%). Fears caused by the war in Ukraine, the emergence of new strains of the coronavirus and the electoral period in Brazil raised concerns about the country's future prospects and, as a result, the possible changes to economic policies, causing a reduction in growth.

The company presented operational performance based, essentially, on five fronts: (1) Operational improvement of Distribution, with emphasis on the rate revision of EDP Espírito Santo; (2) Investment strategy in Transmission, with excellence in execution and early project delivery; (3) Operational excellence of hydro assets; (4) Increased presence in distributed solar energy; and (5) Leadership and commitment to sustainability.

In Distribution, R\$ 1.5 billion was invested in expansion works, network improvement and supply continuity indicators, loss reduction projects and investments in telecommunications, IT and infrastructure, which provided operational improvement for the concession operators. In terms of volume, the Company distributed 26.5 TWh, an increase of 1.8% compared to the

previous year. Also in this segment, it is worth highlighting the tariff revision of EDP Espírito Santo, which presented a regulatory EBITDA of R\$ 691 million.

In Transmission, it is worth highlighting the conclusion of EDP Goiás and the full operation start of the EDP Transmissão Aliança SC, EDP Transmissão SP-MG, EDP Transmissão Litoral Sul and Mata Grande Transmissão de Energia lots, which represented an annual RAP of R\$ 635.4 million and regulatory EBITDA of R\$ 536.1 million. In addition, it is worth highlighting the acquisition of Lot 2, located in the state of Rondônia, in the Auction for the Concession of Public Electric Power Transmission Service No. 2/2022, held by Aneel.

In Hydro Generation, once again the Company presented a successful portfolio management strategy. The year was marked by a favourable hydrological situation, reflecting an increase in reservoir levels. The low growth in energy demand and the increasingly significant growth in capacity by renewable sources reduced the need for hydroelectric generation, directly impacting the GSF, which was lower than expected and the Difference Settlement Price (PLD), which was close to the floor throughout the year. To counter the effects of this, the Company adopted the strategy of energy allocation and hedging of 23.8% in the year. The mitigating measures adopted protected the portfolio from the effects of the average GSF of 85.4%, in addition to the drop in PLD of R\$ 59.0/MWh (Southeastern/Midwest Submarket). In relation to the progress towards building a more balanced generation portfolio, we completed the sale of Mascarenhas for R\$ 1.2 billion to reduce our hydro exposure.

In Solar, aligned with the global objectives of the EDP Group to lead the energy transition and have a 100% green portfolio by 2030, the Company evolved in its growth strategy in this segment, with the fulfilment of the remote shared generation model, in which the available energy was sold in record time. We also announced a new large-scale photovoltaic project in partnership with EDP Renováveis, the Novo Oriente solar plant

in Ilha Solteira (SP), with a capacity of 255 MWac, scheduled to start operating in 2024, ending the year with 215 MWac in the solar portfolio.

EDP Brasil is committed to anticipating industry trends such as decarbonization, digitisation and decentralisation to encourage energy transition in the country. Innovation plays a strategic role in this process and the trends mentioned earlier are pillars that guide the Company's actions, helping in the search for solutions. In 2021, the EDP Group once again consolidated its commitment to innovation and announced to the market that it planned to invest globally around € 1 billion by 2025. In 2022, approximately R\$ 256 million were invested in innovation in Brazil, representing around 1.6% of Net Revenue, an increase of 17% compared to the previous year. By 2025, EDP Brasil plans to invest 3% of its Net Revenue.

The company closed the year with an EBITDA of R\$ 5.3 billion, an increase of 22.1% and a Net Income of R\$ 1.021 billion, maintaining its balanced leverage at 2.4x Net Debt/Adjusted EBITDA, meeting the parameters established by the Dividend Policy and allowing the company to distribute a dividend of R\$ 1.42 per share, with a payout ratio of 50%.

Key events in the period

Key events in the period	Unit	2021	2022	Change
Gross Margin	R\$ thousand	5,461,028	6,699,699	22.7%
PMTO ¹	R\$ thousand	-1,228,749	-1,414,347	15.1%
Recurring PMTO ²	R\$ thousand	-1,171,150	-1,249,171	6.7%
EBITDA	R\$ thousand	4,313,072	5,265,625	22.1%
Adjusted EBITDA ³	R\$ thousand	2,924,516	4,125,107	41.1%
Net Income	R\$ thousand	2,159,838	1,021,438	-52.7%
Capex ⁴	R\$ thousand	2,431,926	2,266,943	-6.8%
Net Debt ⁵	R\$ thousand	7,880,504	10,065,173	27.7%

1. PMTO excludes provisions.

2. Recurring PMTO excludes Transmission, EDP Ventures, EDP Smart Serviços + EDP Smart Energia.

3. Adjusted by non-recurring and non-cash effects.

4. Capex considers consolidated assets.

5. Net debt as of 12/31/2022 and 12/31/2021. Cash considers cash and cash equivalents, marketable securities and an escrow deposit associated with transmission financing.

Direct economic value generated and distributed GRI 201-1

STATEMENTS OF ADDED VALUE	UNIT	2020	2021	2022
1 – REVENUE	R\$ thousand	21,148,745	26,891,761	23,979,533
1.1) Sales of goods, products and services	R\$ thousand	18,090,950	22,715,006	20,382,575
1.2) – Other revenue	R\$ thousand	2,694,000	3,949,769	3,480,866
1.3) Revenue relating to construction of company assets	R\$ thousand	509,950	362,144	275,906
1.4) Allowance for doubtful accounts – Reversal (creation)	R\$ thousand	-146,155	-135,158	-159,814
2 – INPUTS ACQUIRED FROM CONTRACTORS (Including the taxes – ICMS, IPI, PIS and COFINS)	R\$ thousand	-12,400,304	-16,306,453	-12,657,106
2.1) Cost of goods, merchandise and services sold	R\$ thousand	-9,646,668	-13,079,605	-9,279,392
2.2) Material, electricity, outsourced services and other	R\$ thousand	-695,905	-809,341	-1,030,180
2.3) Loss/Recovery of assets	R\$ thousand	0	0	0
2.4) Other (specify)	R\$ thousand	-2,057,731	-2,417,507	-2,347,534
3 – GROSS ADDED VALUE (1-2)	R\$ thousand	8,748,441	10,585,308	11,322,427
4 – DEPRECIATION, AMORTISATION AND DEPLETION	R\$ thousand	-670,370	-765,102	-2,060,461
5 – NET ADDED VALUE PRODUCED BY THE ENTITY (3-4)	R\$ thousand	8,078,071	9,820,206	9,261,966
6 – TRANSFERRED ADDED VALUE	R\$ thousand	550,585	628,582	967,751
6.1) Equity in income of associates	R\$ thousand	79,960	242,416	213,964
6.2) Finance revenue	R\$ thousand	470,625	386,166	753,787
6.3) Other	R\$ thousand	0	0	0
7 – Total Added Value to be Distributed (5+6)	R\$ thousand	8,628,656	10,448,788	10,229,717
8 – DISTRIBUTION OF ADDED VALUE	R\$ thousand	8,628,656	10,448,788	10,229,717
8.1) Personnel	R\$ thousand	464,631	476,905	583,753
8.1.1 – Direct compensation	R\$ thousand	336,159	334,570	414,244
8.1.2 – Benefits	R\$ thousand	100,674	111,869	127,045
8.1.3 – F.G.T.S.	R\$ thousand	27,798	30,466	42,464
8.2) Taxes, charges and contributions	R\$ thousand	5,329,278	6,105,631	6,277,405
8.2.1 – Federal	R\$ thousand	2,787,882	3,021,491	3,971,007
8.2.2 – State	R\$ thousand	2,529,398	3,070,062	2,290,860
8.2.3 – Municipal	R\$ thousand	11,998	14,078	15,538

STATEMENTS OF ADDED VALUE	UNIT	2020	2021	2022
8.3) Interest on third-party capital	R\$ thousand	1,120,827	1,498,707	2,155,833
8.3.1 – Interest	R\$ thousand	1,115,830	1,493,185	2,149,827
8.3.2 – Rent	R\$ thousand	4,997	5,522	6,006
8.3.3 – Other	R\$ thousand	0	0	0
8.4) Interest on Equity	R\$ thousand	615,196	826,598	873,610
8.4.1 – Interest on capital	R\$ thousand	162,366	454,811	651,239
8.4.2 – Dividends	R\$ thousand	220,143	126,372	144,025
8.4.3 – Non-controlling interest in retained earnings (just for consolidation)	R\$ thousand	232,687	245,415	191,289
8.4.4 – Statement of Added Value – Founder Shares	R\$ thousand	0	0	31,082
9 – Retained earnings / Loss for the year	R\$ thousand	1,098,724	1,540,947	339,116

Distribution of Added Value

	Unit	2020	2021	2022
Government	%	62	58	61
Contractors	%	13	14	21
Staff	%	5	5	6
Shareholders	%	7	8	9
Retained	%	13	15	3

Innovation



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MATERIAL ISSUES
BUSINESS ECONOMIC SUSTAINABILITY
PROMOTING RENEWABLE ENERGY
INNOVATION

Strategic axes for innovation

Leading the energy transition and transforming the energy sector in Brazil means promoting new ways of thinking and doing. And for this innovation to happen, it is necessary to have consistency when establishing good partnerships and encouraging diversity in ideas and relationships. After all, innovation is something made by and for people.

In 2021, EDP Brasil established a new structure in the Innovation Board, which began to unfold into two strategic axes: "Business Management and Development, both of which are supported by a strategy focused on promoting Culture and Communication (see more details in the table below). GRI 3-3

MANAGEMENT	<p>1. Integrated platform</p> <p>Seeks to expand the reach of programs and events by creating a pioneering innovation <i>hub</i> in the country, through four objectives:</p> <ul style="list-style-type: none"> • Innovation strategy; • Innovation program; • Internal culture; • Communication and reputation. 	<p>1</p> <p>Integrated platform</p> <p>Assessment and integration of current initiatives on innovation.</p>	<p>2</p> <p>Results management</p> <p>Integrated innovation management with a focus on results and project prioritisation.</p>	<p>2. Innovation management system</p> <p>Seeks to implement a systemic solution to streamline innovation management from both qualitative and quantitative perspectives, through three objectives:</p> <ul style="list-style-type: none"> • Profit or loss management; • Metrics; • Innovation data base.
	<p>3. Innovation Factory</p> <p>Seeks to give traction and agility to internal innovation with results and strategic support for Business Units through four pillars:</p> <ul style="list-style-type: none"> • <i>Experts</i> in innovation; • Strategic solutions; • Agility and focus; • Communication. 	<p>3</p> <p>Innovation Factory</p> <p>Expansion of the structure's scope and support for Business Units.</p>	<p>4</p> <p>High-impact Transformation</p> <p>Active involvement in the development of new businesses.</p>	<p>4. High-impact Transformation</p> <p>Seeks to participate in the creation of new business models, establish own distribution channels in partnership with companies of recognised innovation potential, aligned with knowledge of competitors' activities and trends, through three objectives:</p> <ul style="list-style-type: none"> • New business; • Strategic partnerships; • Market intelligence.
CONSTANT CULTURE AND COMMUNICATION				

A culture of innovation

To ensure that innovation happens end-to-end and brings tangible results to the business, we promote investment in startups and small businesses and value ideas that arise internally. At EDP Brasil, employees are encouraged to learn methodologies and tools that facilitate the application of different levels of innovation in their daily work and are recognised when they dedicate themselves to building an innovative environment. It is in this context that Somos Play comes in, a new innovation journey that embraces the internal ecosystem and promotes everything from innovation training to the development of intrapreneurial projects.

In the Case Studies section of this report, you can learn about some of EDP Brasil's innovation projects, starting on page 14.

Research & Development

EDP Brasil's investment in Research & Development is part of our commitment to promoting innovation throughout the Company's value chain and takes place in various topics:

Investment in Research & Development (former EU8) DMA activity and expenditure aimed at providing reliable electricity and promoting sustainable development

	Unit	2020	2021	2022
Alternative sources	R\$ thousand	2,386	2,923	1,247
Thermal Power Generation	R\$ thousand	1,545	617	0
Watershed and Reservoir Management	R\$ thousand	0	0	0
Environment	R\$ thousand	548	14	0
Safety	R\$ thousand	2,983	3,245	1,647
Energy Efficiency	R\$ thousand	0	0	0
Electric Power Systems Planning	R\$ thousand	1,547	1,186	933
Electric Power System Operation	R\$ thousand	7,320	2,832	898
Electric Power System Supervision, Control and Protection	R\$ thousand	2,796	2,454	4,865
Electric Power Supply Quality and Reliability	R\$ thousand	1,282	1,119	4,388
Metering, billing and loss reduction	R\$ thousand	193	5	1,157
Other	R\$ thousand	6,546	21,089	9,685
Total	R\$ thousand	27,146	35,484	24,821

Protection of the environment



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MATERIAL ISSUES
CLIMATE CHANGE
ENVIRONMENTAL MANAGEMENT

Environmental management

GRI 3-3

The pressures to which natural ecosystems are exposed are a constant concern for EDP Brasil. For this reason, we have developed a series of initiatives and made commitments to protect the environment, integrating the principles of sustainable development into the processes of all areas of the Company. In this way, we are able to control, mitigate and compensate for the environmental impacts of our activities throughout the entire value chain, ensuring environmentally responsible operations that consider their possible effects on biodiversity and natural resources – as well as climate change.

All of our businesses have some type of interface with the environment. However, the greatest impacts are associated with the operation of the Pecém Thermal Power Plant and the process of implementing new assets – such as transmission lines, for example. For this reason, we have a Policy on Management Systems and Sustainability and Environmental Management Systems (EMS) – the latter being third-party certified. Both of these instruments ensure that the activities carried out by the local Environmental departments of our business units remain aligned with ISO 14001 Standard.

Currently, all power plants controlled and partially controlled by EDP Brasil are certified in ISO 14001 (EMS) and 45001 (Occupational Health and Safety Management System), due to the recent certification of the São Manoel Hydroelectric Power Plant. EDP Brasil's two distribution companies in São Paulo and Espírito Santo also have their substations certified in both standards since 2021.

EDP Brasil's Executive Board is directly involved in defining the environmental strategy and accountability regarding our performance on this issue, closely monitoring the EMS and

discussing environmental issues that are periodically presented to the Sustainability Committee. In addition, the Goal Triangle, which guides the strategy of EDP Brasil, also promotes the integration of business performance with environmental aspects management and impact mitigation. Thus, the main ESG indicators and goals are discussed at the Monthly Forum (a meeting that involves all Company leadership).

Water and effluents

GRI 3-3

EDP Brasil's water withdrawal is mainly carried out in hydro and thermal power generation activities.

To activate the operation of hydroelectric power plant turbines, water is captured upstream of the plants, while full restitution is carried out downstream. However, this withdrawal is passive and it varies greatly depending on the hydrological conditions at each moment.

EDP Brasil measures its progress in managing water consumption through objectives and goals that cover all business units and are linked to the commitments made in the Company's Environmental Policy.

At the Pecém Thermal Power Plant, water is supplied by the local concession operator upon payment of the consumption fee. As the plant is located in a region of water stress, it competes for water consumption with other local uses, such as water supply for the population. For this reason, the government of Ceará has established that in the event of droughts in the state hydroelectric projects must bear an additional fee called the Emergency Water Fee (EHE), which consists of an extra charge for each m³ consumed by the plant during these periods.

With the goal of minimising water consumption at the Pecém Thermal Power Plant, EDP Brasil implemented the PURATE project, which increases the cycles of the cooling tower

– reducing the need for water in the process. In addition, we have created processes for the reuse of wastewater generated by the Pecém Thermal Power Plant, which have guaranteed a reuse of 40%.

As for the impacts caused by the disposal of wastewater, the Pecém Thermal Power Plant has an Effluent Treatment Station with efficient control mechanisms that guarantee compliance with legislation regarding pollutant emission limits – respecting the limit allowed in its licensing process, under penalty of fines and halting of activities in the event of non-compliance with these conditions.

Wastewater

Hydropower dams don't emit pollutants. However, as dams can contribute to the worsening of problems resulting from the accumulation of wastewater in the reservoir (such as variations in the oxygen level of the water and the presence of higher levels of heavy metals), EDP Brasil constantly monitors a series of quality parameters in its operating power plants. In addition, our facilities meet all legal requirements to prevent contamination from accidental leaks of chemicals and oils and have emergency response programs.

Total water withdrawal by source in 2022 GRI 303-3

	UNIT	ALL AREAS	AREAS WITH WATER STRESS
Surface water (total)	ML	30.16	0.00
Freshwater (total dissolved solids ≤1,000 mg/L)	ML	30.16	0
Other types of water (total dissolved solids >1,000 mg/L)	ML	0	0
Total groundwater	ML	5.68	0.00
Freshwater (total dissolved solids ≤1,000 mg/L)	ML	5.68	0
Other types of water (total dissolved solids >1,000 mg/L)	ML	0	0
Seawater (total)	ML	0.00	0.00
Freshwater (total dissolved solids ≤1,000 mg/L)	ML	0	0
Other types of water (total dissolved solids >1,000 mg/L)	ML	0	0
Produced water (total)	ML	0.00	0.00
Freshwater (total dissolved solids ≤1,000 mg/L)	ML	0	0
Other types of water (total dissolved solids >1,000 mg/L)	ML	0	0
Third-party water (total)	ML	278.14	213.43
Freshwater (total dissolved solids ≤1,000 mg/L)	ML	278.14	213.43
Other types of water (total dissolved solids >1,000 mg/L)	ML	0	0
Total	ML	313.98	213.43

Note: Tool used for identifying water stress areas: According to the Aqueduct Water Risk Atlas from the World Resources Institute (WRI), the only operating plant in an area classified as high risk for water stress is currently Pecém TPP, which corresponds to 100% of the reported value in the table for this classification.

Water withdrawal by source

EDP Brasil consolidated	Unit	2020	2021	2022
Surface water consumption, including water from wetlands, rivers, lakes and oceans	m ³	67,092.64	39,091.89	30,164.56
Underground water consumption	m ³	54,543.76	54,168.06	5,684.11
Consumption of rainwater collected directly and stored by the organisation	m ³	762.40	0.00	0.00
Wastewater consumption by other organisations	m ³	0.00	0.00	0.00
Water consumption for municipal water supply or other supply companies	m ³	4,316,947.50	9,099,117.53	278,135.88

Total water discharge GRI 303-4

EDP Brasil consolidated	Unit	2020	2021	2022
Total water discharge	m ³	418,015.29	998,238.58	35,368.63
Wastewater treated and disposed of in the ocean	m ³	41,801.52	99,823.86	2,756.56
Returned cooling water	m ³	376,213.77	898,414.72	158,475.00
Rejected wastewater that don't require treatment	m ³	0	0	0.00
Sewage sent to municipal sewage treatment	m ³	ND	ND	63.00

Water recycled and reused

EDP Brasil consolidated	Unit	2020	2021	2022
Percentage of water recycled and reused out of total water withdrawal	%	2.3%	1.4%	1.5%
Total volume of water recycled or reused (m ³)	m ³	101,562.40	131,830.90	168,923.12

Materials and Waste GRI 3-3

At EDP Brasil, we segregate, store, treat and dispose of waste in an environmentally appropriate manner. To do so, all of the Company's business units have an updated Solid Waste Management Program that is in compliance with applicable legal requirements, most of which are certified under the ISO 14001 standard.

Hazardous waste undergoes temporary storage in locations that meet applicable legal requirements and are then transported to licensed locations in compliance with current legislation to minimise the likelihood of environmental impacts. To date, there have been no records of environmental accidents related to waste generation at EDP Brasil.

To reduce the environmental impact of our operations, we have developed the Circular Economy Program, which is based on a systemic approach to conserving the circular flow of materials and resources. In this sense, we carry out equipment refurbishments to extend their useful life, sell scrap to recycling companies and properly dispose of other waste in accordance with applicable legislation. In Distribution, in turn, we have a used transformer recovery contract and use transformers powered by vegetable oil (something that increases the lifespan of the equipment). In addition, at Pecém TPP we carry out the revaluation of ashes, which are sent for use as raw material by the local cement industry.

Waste generated GRI 306-3

	Unit	2020	2021	2022
Total non-hazardous waste	t	84,645	149,001	121,842
Total hazardous waste	t	1,801	2,417	3,260

The most common types of waste, separated by activity:



DISTRIBUTION

Bulbs, items contaminated with paints and solvents, mineral insulating oil, items and equipment contaminated with mineral insulating oil, herbicide and pesticide residues, lead-acid batteries, equipment (such as semi-fabricated, meters and reclosers), glass and porcelain insulators, tree pruning residues, wood waste and scrap.



TRANSMISSION

Construction waste (RCC), lubricating oil, items contaminated with oil (workshop waste) and wood waste.



HYDRO GENERATION

Oil, materials contaminated with oil and other chemicals, lamps (fluorescent and sodium vapor), metal scrap and wood.



THERMAL POWER GENERATION

Ashes generated in the coal combustion process, lubricating oil, wood and scrap.

NO SINGLE-USE PLASTICS

One of the commitments established by EDP Brasil's Circular Economy Program was to eliminate, by 2022, in all of our business units, single-use plastics used in administrative activities. With an educational character, this initiative focused on eliminating plastic disposable cups. It included information and awareness-raising actions among employees and will avoid the use of approximately 3.5 million disposable plastic cups per year.

89%

of the waste generated by EDP Brasil in 2022 was directed towards recovery operations.

Chemical products consumption – EDP Brasil Consolidated GRI 301-1

	Unit	2020	2021	2022
Sodium hydroxide	kg	54,456.00	135,981.00	18,842.20
Hydrochloric acid	kg	52,837.92	112,550.08	5,197.50
Sodium hypochlorite	kg	129,440.00	198,486.00	43,674.00
Ammonia	Kg	3,780.00	4,380.00	1,100.00
Consumed hydrazine	kg	7,200.00	8,225.00	3,200.00
Sulphuric acid	Kg	168,004.00	414,872.00	15,922.00
Aluminium Polychloride (PAC)	kg	65,032.50	154,832.50	57,810.90

Materials used in operations – Pecém TPP

	Unit	2020	2021	2022
Chemicals	kg	480,750.42	1,029,326.58	145,746.60
Diesel	m ³	2,375.70	1,909.55	284.20
Coal	t	691,402.46	1,514,667.08	8,476.65

Materials used in operations from recycling and/or reuse GRI 301-2

	2020	2021	2022
Transformers	45%	17%	3%*

In 2022, due to contractual issues, the refurbishment of transformers was reduced, but activities have already resumed in São Paulo and it is expected that they will resume in Espírito Santo.

More indicators on Materials and Waste can be found in the Appendices, on page 129.



Biodiversity

We know that our operations can generate various impacts on the biodiversity in our geographies. Therefore, we seek in our business an engagement that recognises and protects ecological limits. The guidelines for biodiversity management in all activities and business segments of EDP Brasil are included in the Company's Environmental Policy, which includes activities such as aerial and river monitoring of the reservoirs of power plants and monitoring of fauna and flora in our geographies.

The impacts of our activities on biodiversity are concentrated in the Generation, Transmission and Distribution segments and the risks are individually mapped and mitigated since the planning of the projects. The greatest risks occur in the flooded areas of the power plants – but no generating unit of this type is being built or purchased in this reporting cycle. In transmission and distribution, on the other hand, access and clearing of line strips are the major sources of impact, with distribution also requiring attention to medium and low voltage power grids and the consequent need to manage neighbouring trees to ensure the maintenance of power supply.

The Forest Restoration Program of the São Manoel Hydroelectric Power Plant deserves to be highlighted within the Generation segment (an asset in joint venture). This initiative provides for the planting of 1,174.85 hectares in Permanent Preservation Areas (APP) in the Teles Pires River basin, which corresponds to the amount expected for reforestation and the area of compensation for intervention in APP. Of this total, 695.03 hectares had already been reforested by the end of 2022, meeting the established goal of 100 hectares per year.

In Distribution, we use geoprocessing and field visits to support the analysis that takes place during the line implementation projects planning. This allows us to evaluate the presence of conservation units, legal reserves, APPs and native vegetation, so that we can find alternatives that cause the least possible impact – or solutions to mitigate these impacts, including

the use of structures higher than conventional ones and the use of drones to launch conductor cables in areas of native vegetation and legal reserve without the need for vegetation suppression. Regarding urban tree canopy and pruning maintenance, since 2020, EDP Brasil has been using penetrometers to evaluate the health and wood quality of trees, factors that greatly influence the risk of falling. Based on this type of diagnosis, we can evaluate which trees are most suitable for coexistence with the power grid, which significantly reduces the occurrence of power outages, accidents with the population, constant pruning and suppression.

Going beyond compliance with applicable local legislation by the EDP Group, we have committed to the No Net Loss (NNL) initiative – an approach that proposes that biodiversity losses are always balanced by gains obtained through mitigation measures. EDP Brasil's goal is to apply NNL to all new projects with potential residual impacts by 2030.



There are four dimensions around which biodiversity management is organised at EDP Brasil:



MITIGATING IMPACTS

EDP Brasil has a hierarchical sequence of actions to anticipate and prevent possible environmental impacts, minimise them when they occur, restore the damage caused and compensate for these damages when residual impacts still remain.



INNOVATION, RESEARCH & DEVELOPMENT

We seek to develop and encourage studies, research projects, educational projects, technology and innovative actions that are based on nature – and that contribute to the conservation of biodiversity and ecosystem services.



VOLUNTARY INITIATIVES

Several of our nature conservation actions occur independently of EDP Brasil's legal obligations. In addition, these actions can involve the voluntary participation of our employees.



COMMUNITIES ENGAGEMENT

We are committed to promoting human and social development. Regarding biodiversity, this implies in community engagement in our geographies in order to strengthen their engagement around conservation efforts.

BRAZILIAN BUSINESS COMMITMENT TO BIODIVERSITY

In 2020, EDP Brasil joined the Brazilian Business Commitment to Biodiversity proposed by the Brazilian Business Council for Sustainable Development (CEBDS). The initiative aims to emphasise the importance of biodiversity and ecosystem services for companies, as well as the fundamental role they can play in the conservation and sustainable use of natural resources. Conservation and sustainable use of natural resources are precisely the fundamental principles behind the nine goals that are part of the commitment. Learn more [here](#).

Location and size of operational units in protected areas and areas of high biodiversity value GRI 304-1

TRANSACTION NAME	GEOGRAPHICAL LOCATION	LOCATION IN RELATION TO THE PROTECTED AREA	SIZE OF AFFECTED AREA (km ²)	SIZE OF FLOODED AREA INSIDE PROTECTED AREA (km ²)	SIZE OF AREA CLASSIFIED AS APP (km ²)	TYPE OF PROTECTED AREA / BIODIVERSITY VALUE
ESD Mirim			0.0004			Rio Tietê Headwater Protection Areas
ESD Amazonas			0.0020			Rio Tietê Headwater Protection Areas
ETD Biritiba			0.0048			Rio Tietê Headwater Protection Areas
ETD Ussu			0.0013			Rio Tietê Headwater Protection Areas
ETD Santa Branca	SP	Partially	0.0034			Paraíba do Sul River Headwaters
ETD Barra do Una			0.0020			Ribeirão Silveira
ETD César de Souza			0.0077			Rio Tietê floodplain
ETD Skol			0.0043			Rio Tietê Headwater Protection Areas
SD Bento Ferreira		Partially inside	0.0021	Not applicable	Not applicable	Morro Bento Ferreira AVE
SD Conceição da Barra		Partially inside	0.0047			Parque Estadual de Itaúnas Buffer Zone
SD Goiabeiras		Partially inside	0.0000			Mata de Goiabeiras Ecological Reserve
SD Industrial	ES	Partially inside	0.0005			ZPA PDM Serra
SD Itapemirim		Partially inside	0.0022			APA Centro – Lagoa do Belvederes
SD Pitanga		Within	0.0021			ZPA PDM Serra
SD Xuri		Within	0.0039			Parque Estadual Paulo César Vinha Buffer Zone
SD Juncado		Within	0.0956			Rebio Sooretama buffer zone
Mcdonald's Cotia	SP	Within	0.04			Environmental Protection Area for Sustainable Use
UFV ITAI and ITAI	MG	Within	0.24			Parque Nacional Buffer Zone
Peixe Angical HPP	TO	Partially	294.1	ND	97.23	Environmental Protection Area with high biodiversity value
Santo Antonio do Jari HPP	AP/PA	Partially	53.49	0	17.1876	Priority area for conservation
Cachoeira Caldeirão HPP	AP	Partially/Adjacent	45.51	0	ND	FLOTA, priority area for conservation, RPPN Seringal Triunfo
São Manoel HPP	MT/PA	Within	63.96	0	40.96	Priority area for conservation

TRANSACTION NAME	GEOGRAPHICAL LOCATION	LOCATION IN RELATION TO THE PROTECTED AREA	SIZE OF AFFECTED AREA (km ²)	SIZE OF FLOODED AREA INSIDE PROTECTED AREA (km ²)	SIZE OF AREA CLASSIFIED AS APP (km ²)	TYPE OF PROTECTED AREA / BIODIVERSITY VALUE
EDP Transmissão SP- MG S.A. – Lot 18	SP/MG	Partially inside	Rio Machado APA 6.708 km ² 3 Bacia do Paraíba do Sul APA 0.276 km ² Serra da Mantiqueira APA 3.07 km ² 3	Not applicable	0.84	<p>The Environmental Protection Area of the Rio Machado River Basin, a state conservation unit of sustainable use, was created on September 30, 1999, through State Law 13.373/1999. Its boundaries are defined by the perimeter of the Rio Machado river basin, with an area of 101,600 hectares, encompassing 11 municipalities in Minas Gerais state. The protected area (APA) has no management plan. A 55.9 km section of the transmission line crosses this conservation unit (UC) in the municipalities of Espírito Santo state Dourado, Ipuiuna and Poço Fundo, in a region characterised by the predominance of agricultural crops, pastures and forestry.</p> <p>The Serra da Mantiqueira Environmental Protection Area, a federal conservation unit of sustainable use, created on June 03, 1985 by Federal Decree n° 91.304/1985, has 431,040.73 hectares, covering 27 municipalities in the states of Minas Gerais, São Paulo and Rio de Janeiro. The Management Plan for the Serra da Mantiqueira APA is currently being developed in accordance with the principles established in the SNUC – Law n° 9.985/2000 and Decree 4.340/2002. A 25.6 km section of the transmission line crosses this protected area in the municipalities of Delfim Moreira, MG and Wenceslau Braz, MG, in a region of highly rugged terrain with the presence of escarpments and peaks that exceed 1,900 meters in altitude, amidst areas dominated by Dense and Mixed Ombrophylous Forest.</p> <p>The Paraíba do Sul River Basin Environmental Protection Area, a federal conservation unit of sustainable use, was created on September 13, 1982 by Federal Decree n° 87.561/1982, with the objective of assisting in the protection of important water sources in the Paraíba do Sul river basin. According to article 6 of the creation Decree, the protected area (APA) also includes protection areas for springs defined in the maps mentioned in article 1, as well as slopes, ridges and valleys of the Paraibana valley slope of the Mantiqueira Mountains, forming a set of isolated areas along the São Paulo stretch of the Paraíba do Sul basin, some of them overlapping with other conservation units. A 2.3 km section of the transmission line (LT) cuts through one of the areas of this conservation unit (UC) that overlaps with the protected area (APA) of Serra da Mantiqueira, in the municipality of Guaratinguetá, SP, in a region occupied by Dense Ombrophylous Forest.</p>

TRANSACTION NAME	GEOGRAPHICAL LOCATION	LOCATION IN RELATION TO THE PROTECTED AREA	SIZE OF AFFECTED AREA (km ²)	SIZE OF FLOODED AREA INSIDE PROTECTED AREA (km ²)	SIZE OF AREA CLASSIFIED AS APP (km ²)	TYPE OF PROTECTED AREA / BIODIVERSITY VALUE
EDP Transmissão Aliança S.A. – Lot 21	SC	Adjacent	ND		0.80	ND
EDP Transmissão Litoral Sul	SC/RS	ND	ND	Not applicable	0.18	ND
EDP Goiás	GO	Non-incident	ND		1.50	Environmental function of preserving water resources, landscape, geological stability and biodiversity, facilitating gene flow of fauna and flora, protecting soil and ensuring the well-being of populations (Forest Code).
EDP Transmissão Norte	AC/RO	Partially inside	PN Mapinguari – 8.4776 km ²³ APA Lago do Amapá – 38.3544 km ²³		0.38	Preserve natural ecosystems of great ecological relevance and scenic beauty, with emphasis on important savannah enclaves of the Purus-Madeira Interfluve, enabling scientific research and the development of environmental education activities, recreation in contact with nature and ecotourism. Preserve and restore the remnants of the local biota, protect and recover the Amapá lake and other watercourses and their surroundings, regulate the occupation of the areas of influence of the Seringal Amapá, as well as promote environmental education, ecotourism, scientific research and conservation of environmental, cultural and historical values.
EDP Transmissão Mata Grande	MA	Adjacent	ND		ND	Environmental function of preserving water resources, landscape, geological stability and biodiversity, facilitating gene flow of fauna and flora, protecting soil and ensuring the well-being of populations (Forest Code).

Habitats protected or restored GRI 304-3

TRANSACTION NAME	SIZE OF HABITAT AREAS PROTECTED OR RESTORED (km ²)	GEOGRAPHICAL LOCATION (MUNICIPALITY)	MEASURES TAKEN TO PROTECT OR RESTORE HABITATS AND USED METHOD	RESULTS ACHIEVED
EDP São Paulo	0.024	Mogi das Cruzes, Jacareí, Guarulhos, São Sebastião, Guararema, Caçapava, Jambéiro and Roseira	The guidelines and directives established in SMA 32/2014 and SMA 07/2017 and other applicable municipal legal requirements were followed for each action taken. To summarise, three types of actions were carried out for the protection and restoration of Aneel, which are (i) planting of native and exotic seedlings, (ii) annotation of vegetated area in registration and (iii) donation of tree seedlings.	To sum up, the soil restoration and planting/donating of native species will contribute to the restoration of local biodiversity, provide greater protection for watercourses, sequester CO ₂ and conserve standing forests in the future.
EDP Espírito Santo	0.056	Municipalities of Santa Teresa, Cariacica, Jerônimo Monteiro, Linhares, Bacia do Rio Jucu	The project followed the guidelines established in the IDAF Instruction No. 27/07 and the IEMA Instruction No. 17/06, which establish a Reference Term for the preparation of Reforestation and Area Recovery Projects. Following IN IDAF 10/2016, which establishes Ecological Compensation.	Soil rehabilitation and restoration, preservation and recovery of springs and watercourses, providing a habitat for wildlife.
EDP B2B	0.001	Pedra/PE	The Environmental Offsetting Program for Vegetation Clearance was developed in compliance with the provisions set forth in Normative Directive CPRH 04/2021.	Restoration of vegetation cover and creation of Aneel for wild animals in the region. Increase in the tree planting of a municipal park open to the community.
	0.005	São Francisco de Sales/MG	The guidelines given by Normative Decision COPAM n° 114, of April 10, 2008, were followed, carrying out the properties' Legal Reserve Flora Restoration.	Restoration of vegetation cover and creation of Aneel for wild animals in the region.
Enerpeixe	97.230	TO	Inspection visits and execution of administrative procedures; recovery and stabilisation of marginal slopes of the reservoir through bioengineering. The patrimonial and environmental monitoring of the APP area of the reservoir is carried out by the company's own team with the support of the Environmental Military Police Battalion.	Prevent the invasion of preservation areas and the deforestation of native vegetation. Stabilising the reservoir's marginal slopes.
Sto Antonio do Jari	1718.760	AP/PA	Planting of native seedlings using the clustered planting technique with spaced groups to protect water resources.	Monitoring current DLRP
Cachoeira Caldeirão	54.880	AP	Recovery of degraded areas through seeding and planting of native species.	Planting completed.
São Manoel	46.320	MT/PA	Implementation of the Permanent Preservation Area (APP of Teles Pires River Basin).	Acquisition of 100% of the area for the future APP.
EDP Transmissão SP-MG S.A. – Lot 18	ND	SP/MG	The Program for Recovery of Disturbed Land is being carried out, which includes actions such as Identification and Mapping of all areas subject to recovery under the program, monitoring, prevention and control of erosive processes in 100% of areas directly affected by the project and revegetation of 100% of areas directly affected by the project where intervention was deemed necessary and that will no longer be used after the implementation phase.	So far, recovery measures (topographic reformation, installation of drainage systems, planting of vegetation cover and/or natural regeneration) have been implemented in 98% of the areas identified as recoverable.

TRANSACTION NAME	SIZE OF HABITAT AREAS PROTECTED OR RESTORED (km ²)	GEOGRAPHICAL LOCATION (MUNICIPALITY)	MEASURES TAKEN TO PROTECT OR RESTORE HABITATS AND USED METHOD	RESULTS ACHIEVED
EDP Transmissão Aliança S.A. – Lot 21	0.016	SC	Disassembly of access, slope conformation, landscape restoration and natural regeneration. Revegetation with top soil spreading for landscape restoration. Recomposition through manual seeding of seed mix and natural regeneration. Implementing drainage devices.	Recovering the areas used in the works is part of Disturbed Land Rehabilitation Program (DLPR), which is one of the programs of the Environmental Program (PBA) of Lot 21. These activities are ongoing, with a planned delivery date of 02/15/22 and continued monitoring and corrective actions for five years.
EDP Transmissão Litoral Sul	ND	SC/RS	The implementation of degraded areas recovery actions was started, including vegetation fixation on the slopes of the earthmoving area, as well as sowing of grass species in an area adjacent to the aforementioned location. Subsequently, the fixation of grass plates was carried out in a flat area adjacent to the plateau.	-
EDP Transmissão Norte	0.224	AC/RO	Implementing reforestation projects to increase the native vegetation cover in the region of the project, promoting the connection of remaining forest fragments, facilitating the flow of genetic material of fauna and flora and rehabilitating revegetated areas to restore the natural soil-water-plant relationships and scenic aspects.	-

IUCN red list species and national conservation list species with *habitats* in areas affected by operations GRI 304-4

	VULNERABLE	ENDANGERED	IN CRITICAL DANGER	NEAR THREATENED	OF LITTLE CONCERN
EDP São Paulo	0	0	0	0	0
EDP Espírito Santo	0	0	0	0	0
EDP B2B	0	0	0	0	0
Energest	0	0	0	0	0
Investco	0	0	0	0	0
Enerpeixe	1	1	0	0	0
Pecém	0	0	0	0	0
Sto Antonio do Jari	8	1	0	17	22
Cachoeira Caldeirão	1	0	0	10	0
São Manoel	18	5	0	12	348
EDP TRANSMISSÃO SP-MG S.A. – Lot 18	36	23	10	33	0
EDP TRANSMISSÃO Aliança S.A. – Lot 21	16	3	1	3	45
EDP Transmissão Litoral Sul	7	0	0	17	470
Mata Grande	ND	ND	ND	ND	ND
EDP Transmissão Norte	6	2	0	0	267
EDP Goiás	ND	ND	ND	ND	ND

Climate change GRI 3-3

EDP Brasil started the development of its Climate Strategic Plan 2021-2025 (PEC 21-25) in 2021, which is currently being implemented. The PEC 21-25 follows the first plan that covered the years 2020 and 2021 (*learn more on page 63*).

The PEC originated from the recognition by the Company that climate change can significantly impact the well-being of all humanity and represent a real risk to EDP Brasil's business. In this context, we have designed a series of measures to mitigate the risks associated with climate change, adapting our business model and reducing our emissions.

The PEC 20-21 had been anchored on the strategic pillars: Mitigation, Adaptation and Transition to a low-carbon economy (*learn more on page 63*). PEC 21-25, in turn, seeks to highlight the mitigation initiatives to be taken by the Company to achieve its climate goals, deepen climate and strategic scenarios for managing climate risks and opportunities and develop action plans to improve performance on climate-related indices.

Emissions GRI 3-3 | 305-1 | 305-2 | 305-3

EDP Brasil calculates its Greenhouse Gas (GHG) emissions using an internally developed tool that not only allows monthly emission calculations but also optimises control and management of this information. EDP Brasil's emissions are published in Brazil's Public Emissions Register. Furthermore, EDP Brasil has been awarded the Gold Seal by the Brazilian GHG Protocol Program since 2010, which represents the highest recognition by the organisation for companies that present a complete and audited balance of their emissions.

This year was particularly significant for EDP Brasil regarding emissions. In 2022, the Pecém TPP was not dispatched for electricity generation by the National System Operator (ONS) due to a favourable water situation. In May, a load verification test was carried out on the two Generating Units, which started up with the goal of verifying their generation capacity. The test lasted around 14 hours and the units were turned off afterwards. The testing period is not sufficient to parameterise the systems and compile actual emissions under standard operating conditions, therefore, NO_x, SO₂ and Particulate Matter emissions are not available for the current year.

Emissions of Scopes 1, 2 and 3* GRI 305-1, GRI 305-2, 305-3

	Unit	2020	2021	2022
Direct emissions – Scope 1	tCO ₂ e	1,875,717.97	4,087,065.83	261,233.54
Biogenic emissions	tCO ₂ e	99,921.67	211,569.04	129,093.26
Indirect emissions – Scope 2	tCO ₂ e	202,752.80	407,045.68	133,740.22
Other indirect emissions – Scope 3	tCO ₂ e	2,266,714.43	4,083,809.78	1,345,022.02

* The numbers presented were collected, organized and reported according to the methodology of the Brazilian GHG Protocol Program, having as a parameter the operational control EDP Energias do Brasil. The data may undergo minor changes after the completion of the audit of EDP Energias do Brasil's greenhouse gas inventory, and may be confirmed in <https://registropublicodeemissoes.fgv.br/>. The 2020 and 2021 emissions have been adjusted to reflect the data presented in the Public Emissions Register.

Variations were observed between 2021 and 2022, as per the analysis below:

Scope 1: 93.61% reduction, from 2021 to 2022, impacted by UTE Pecém not being activated.

Scope 2: 38.98% reduction, from 2021 to 2022, impacted by the reduction of the national electric system emissions factor.

Scope 3: 67.06% reduction, from 2021 to 2022, impacted by the reduction of the national electric system emissions factor and there are no emissions related to the transport of coal to UTE Pecém.

Emissions intensity rate GRI 305-4

	Unit	2020	2021	2022
GHG emissions by hydro energy generated	tCO ₂ e/ GWh	0.05	0.05	0.03
GHG emissions by thermal energy generated	tCO ₂ e/ GWh	1,127.72	1,181.55	1789.49
GHG emissions by energy distributed	tCO ₂ e/ GWh	14.63	30.45	10.17
GHG emissions by net revenue	tCO ₂ e/ R\$ thousand	0.11	0.24	0.02

Nitrogen oxides (NO_x), sulphur oxides (SO_x) and other significant air emissions GRI 305-7

EDP Brasil	Unit	2020	2021	2022
NO _x emissions (total)	t	1,502.85	4,688.66	ND
SO ₂ emissions	t	5,953.92	10,518.57	ND
Dust emissions (total)	t	808.52	1,100.01	ND

Energy intensity GRI 302-3

	Unit	2020	2021	2022
Energy consumption by hydro energy generated	MWh	0.03	0.05	0.01
Energy consumption by thermal energy generated	MWh	0.15	0.13	ND*
Energy consumption by energy distributed	MWh	0.01	0.02	0.01
Energy consumption by energy traded	MWh	0.01	0.03	3.71
Energy intensity rate (total electricity consumption/revenue)	MWh/R\$ thousand	0.017	0.022	0.005

* There was no standard generation from the thermal power plant in 2022.

Direct energy consumption (within the organisation) GRI 302-1

Direct energy consumption EDP Brasil consolidated	Unit	2020	2021	2022
Renewable sources	GJ	725,323.80	1,523,357.34	1,161,477.50
Ethanol	GJ	7,123.65	7,925.31	7,719.20
Share of Ethanol in Gasoline	GJ	2,276.12	2,798.83	2,690.10
Share of Biodiesel in Diesel	GJ	13,891.64	13,524.83	7,259.96
Biodiesel	GJ	0.00	0.00	0
Biomass	GJ	702,032.40	1,499,108.38	1,143,808.25
Nonrenewable sources	GJ	16,636,312.70	36,267,288.06	147,857.27
Gasoline	GJ	8,873.13	10,910.85	10,486.97
Diesel	GJ	129,075.42	113,278.73	61,830.14
Coal	GJ	16,496,862.70	36,139,956.43	75,468.94
GLP	GJ	42.97	3,142.04	71.21
Natural gas	GJ	1,458.47	0.00	0
Electricity				
Power consumption	MWh	247,783.11	435,615.70	68,418.85
Electricity consumption from the grid in administrative buildings	MWh	5,022.23	5,442.30	7,880.06
Electricity consumption from the grid in non-administrative buildings	MWh	21,885.15	27,084.35	17,082.02
Company's own electricity consumption in administrative buildings	MWh	62.51	60.64	69.55
Company's own electricity consumption in non-administrative buildings	MWh	209,585.26	393,200.52	40,352.99
Inverted Flow	MWh	11,227.96	9,827.90	3,034.23



SCIENCE-BASED GOALS AND PIONEERING

EDP Brasil was the first energy company in Latin America and the first large Brazilian company to have its emissions reduction target approved by science. Established by a joint initiative of the Carbon Disclosure Project (CDP), the UN Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), these parameters seeks to offer companies resources and guidance. The idea is to get governments, companies and civil society to focus their efforts in the same direction against the atmosphere's and oceans' increasing temperatures.

Deconsolidation of thermal power generation

We still have, among our assets, a low Variable Unit Cost (VUC) coal-fired power plant that will be deconsolidated by 2025. With an installed capacity of 720 MW, it has played a crucial role in ensuring energy security in the Northeast subsystem, being activated only when requested by the National System Operator (ONS). We will continue as technical operators of the power plant until the end of the contract with the government in 2027. In addition, in the same Pecém complex, we will install a green hydrogen project (learn more about it on page 17), with the goal of expanding the use of clean energy.



In 2022, EDP Brasil maintained its Leadership level in the CDP (Carbon Disclosure Project) with an A- performance.

Strategic Climate Plan

EDP Brasil's Climate Strategic Plan encompasses all activities related to the reduction or compensation of Greenhouse Gas (GHG) emissions generated directly or indirectly by the Company. As previously explained, the Climate Strategic Plan 2021-2025 is in effect, which has the following three strategic pillars:

Mitigation

Brings together all activities related to the reduction or compensation of GHG emissions generated directly or indirectly by the company, through actions such as:

- Control and definition of GHG reduction targets
- Partial offset of GHG emissions through the acquisition of carbon credits
- Foster mitigation criteria in the development and selection of critical suppliers.
- Promotion, through the ANEEL R&D program, of projects focused on energy efficiency and GHG emissions reduction.

Adaptation

The opportunities and risks associated with changes in climate patterns and the transition to a low-carbon economy, considering different future scenarios, are included in this pillar. Among the planned and ongoing actions are:

- Assess the impacts of the carbon pricing mechanism in Brazil
- Identify vulnerabilities of the company's operations in light of climate change
- Management of risks and opportunities – Opportunities Associated with Climate Emergencies (GROEC), which happens through five stages.
 - 1) Division of risks and opportunities between physical (chronic and extreme) and transition (market, legal, regulatory and technological), verifying how they impact or have impacted EDP Brasil
 - 2) Mapping and prioritising risks and opportunities. Our climate risk matrix was simplified and updated in 2021 in order to provide a more detailed assessment of the 152 risks (22 of them considered critical)
 - 3) Financial valuation of the risks and opportunities (or cost of climate change) mapped as critical, carried out together with the business areas
 - 4) Risk management and response. In 2021, the development of the Climate Adaptation Plan was initiated so that operational units can develop measures to reduce the physical impacts of climate change. This stage also includes internal carbon pricing in order to mitigate transition risks (which is being implemented)
 - 5) Communication and transparency: we must absorb the risks identified as critical in EDP Brasil's Global Matrix and communicate them publicly to both employees and the external public
- Creating the Climate Adaptation Plan

Transition

This pillar focuses on actions aimed at a low-carbon economy – through which we can maximise opportunities, reduce risks and monitor global decarbonization trends. Examples include:

- Internalise the internal carbon price to anticipate carbon pricing in the Brazilian market
- Value the ecosystem services provided by the production units and communicate emissions in a more tangible way. In other words, monetise GHG emissions in order to subsidise the reduction of GHG emissions
- Produce energy through renewable sources through EDP B2B
- Encourage models for new businesses (such as electric mobility) that can make use of low GHG emissions products and services
- Encourage emissions reduction in customers through incentivised targets (and through EDP B2B projects)






Risks and opportunities

Climate change poses a significant global challenge. Caused by Greenhouse Gas (GHG) emissions, climate change increases the frequency of extreme weather events and undermines natural resources, threatening the survival and health of entire populations and generating pernicious effects in various sectors of the economy.





The power sector is greatly impacted by threats arising from climate change, especially due to changes in rainfall patterns that cause prolonged droughts and, consequently, increase pressure on water resources – affecting the operation of assets and the price of energy.

Therefore, investments in clean and efficient technologies, R&D projects in the fields of solar energy, distributed generation, smart grids and the promotion of energy efficiency and loss reduction programs are part of EDP Brasil's business strategy (*learn more about these initiatives on page 38*). In parallel, we also work to cultivate the resilience of our operations, in order to technically enable our capacity to meet the increasing demand for energy resulting from economic and population growth.

Today, the three most material risks which we deal with are:

- 
Water shortage in the region of Pecém TPP
- 
Higher frequency and intensity of storms in distribution assets
- 
Carbon pricing

Regarding opportunities, the items below represent what EDP Brasil considers to be the most relevant in this scenario of climate change:

- 
Solar portfolio expansion
- 
Construction of transmission lines
- 
Green Hydrogen (*learn more on page 12 of Case Studies Report*)
- 
New businesses such as electric mobility

Task Force on Climate Related Financial Disclosures (TCFD)

In 2019, EDP Brasil committed to internalising the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD), an initiative whose recommendations serve as tools to guide companies to inform their investors about climate-related risks and opportunities and how they are managed. The goal of completing this work by the end of 2022 was achieved and EDP Brasil has incorporated nine of the 11 recommendations from the initiative.

These recommendations are structured by TCFD around four topics: governance, strategy, risk management, metrics and targets. These pillars represent the core elements of organisations' operations regarding climate management.

Governance

- EDP Brasil's Governance and responsibilities disclosure regarding the topic of Climate Change

Strategy

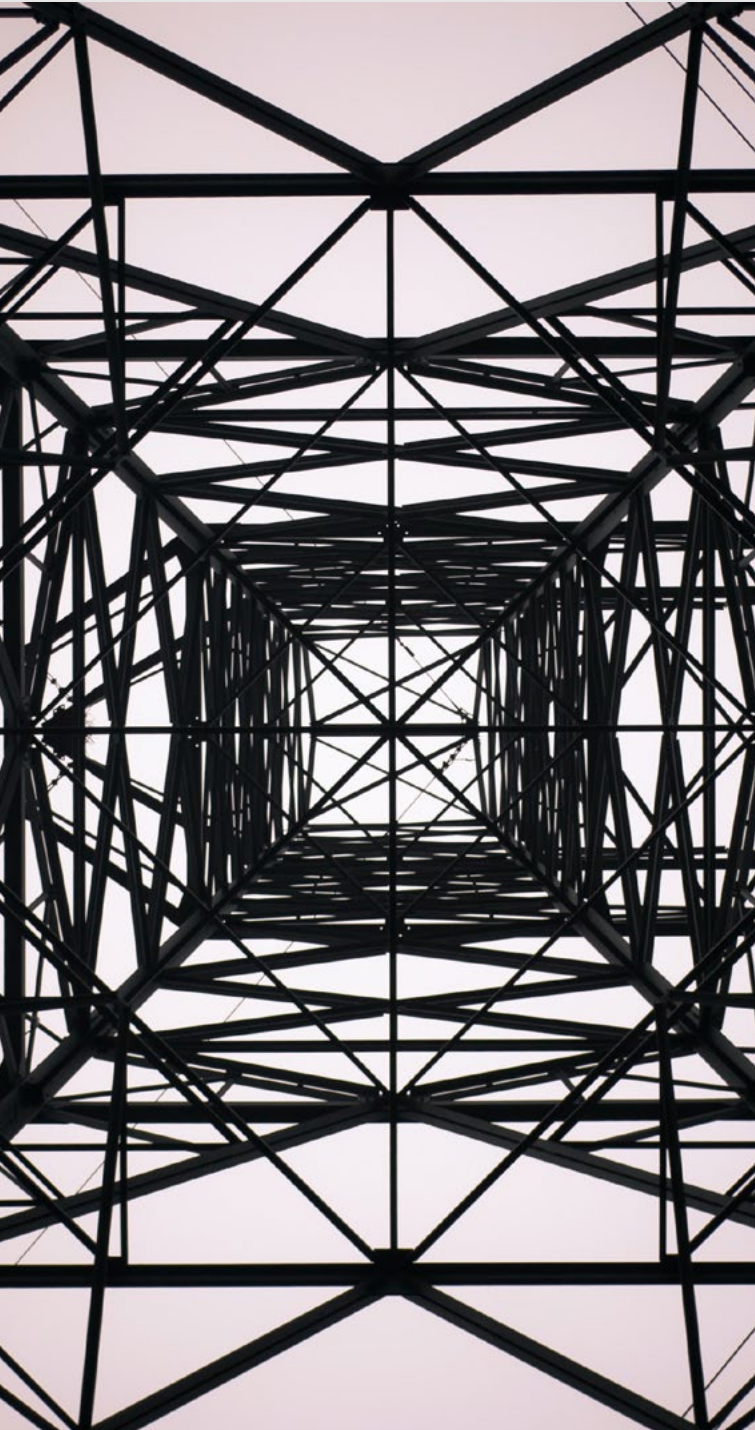
- Coordination of the Global Compact's Climate Action Platform
- Expansion of the sustainability strategy through the New Business Ethics
- Adherence to global commitments Recover Better and Business Ambition for 1,5°C
- Conducting the Climate Vulnerability Study with climate scenarios
- Development of the Climate Strategic Plan (*learn more on page 63*).

Risks and opportunities

- Assessment of the potential climate risks of EDP Brasil
- Creation of the procedure for Risk and Opportunity Management Associated with the Climate Emergency (GROEC)
- Internal structuring for the completion of the CDP and monetisation of climate risks and opportunities

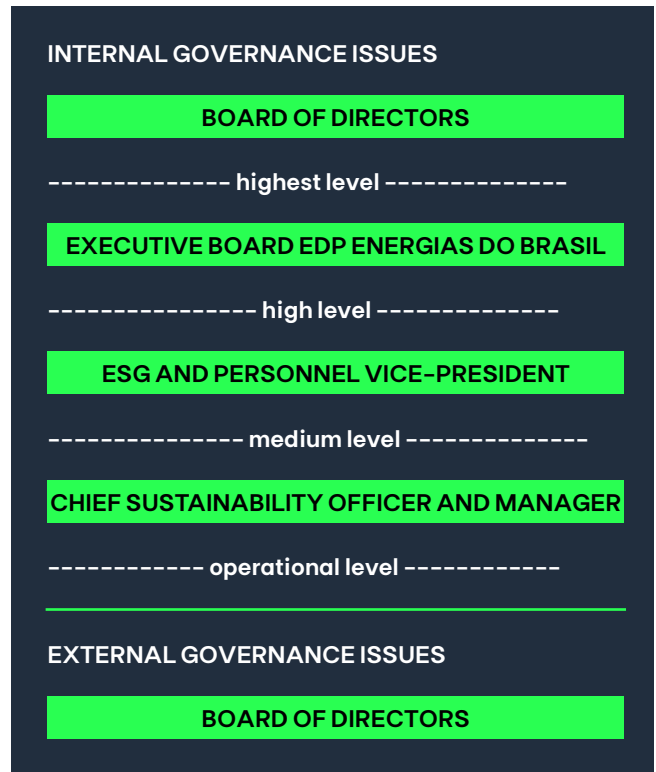
Metrics and targets

- Definition of targets related to the Company's performance in the Carbon Disclosure Project (CDP) and B3 ISE
- Creation of Greenhouse Gas Emissions Inventory (scopes 1, 2 e 3)
- Creation of targets based on science of reducing emissions to contain global warming to 1,5°C



Governance

We have a formally established sustainability committee, in which climate change-related issues are discussed annually. The Company also has a Vice-Presidency in ESG and Personnel, to which the issue is brought more frequently, since this board meets on a weekly basis. At the Executive Board level, all vice presidents and the CEO meet weekly to discuss critical topics, including climate change, which is included whenever necessary.



Strategy

The Strategy Plan 2021–2025 presents strategic targets related to climate change mitigation and adaptation. One of the most relevant technical recommendations within the TCFD methodology is the assessment of exposure to climate risks in different strategic scenarios. During the period from 2020 to 2021, we conducted internal studies to assess EDP Brasil's exposure to climate risks, using different scenarios for this evaluation. The main data is disclosed in the CDP.

- **Climate Vulnerability Study (2020).**
Using the Representative Concentration Pathway (RCP) 8.5 scenario, this study focused solely on physical risks to operating units (Generation, Distribution, Transmission) and had a local approach and more refined models for the EDP Brasil's business typology.
- **TCFD Study with EDP Group (2021)**
Using various climate scenarios from IPCC (RCP 2.6, RCP 4.5 and 8.5) and IEA (International Energy Agency) to measure the company's exposure and monetise the costs of EDP's major risks. This study generated the following summary of the Climate Scenarios:

Physical scenarios narratives
Transition scenarios narratives


IEA SDS

(with internal adjustments)

+

RCP 2.6

- Adherence to the Paris Agreement
- The energy system reaches carbon neutrality by 2070
- Temperature rise between 1.5°C and 2°C
- Average sea levels rise by 0.4m and ocean acidification begins to recover by 2050.

- Economic growth and job creation related to sustainable energy
- A cleaner and more resilient energy system
- Total international cooperation for sustainable development
- Reduction of fuel prices and renewable generation
- Very high CO₂ prices.



IEA STEPS

(with internal adjustments)

+

RCP 4.5

- The Paris Agreement isn't fulfilled
- Temperature rise between 2°C and 3°C
- Extreme temperatures become more frequent
- Average sea levels rise by 0.5m and many species are unable to adapt.

- The announced policies are generally fulfilled
- Although policies are adapted to reduce the use of fossil fuels, demand is still high.
- Increase in fossil fuel prices, but renewables became cheaper, with CO₂ priced on average renewable.
- Very high CO₂ prices.



IEA CP

(with internal adjustments)

+

RCP 8.5

- The Paris Agreement isn't fulfilled
- Temperature increase of more than 3°C
- Extreme events become more frequent
- Great variations in rainfall
- Average sea levels rise 0.7m.

- No additional efforts are made to sustainable development
- Limited policies for reducing fossil fuels and promoting sustainable sources
- High demand and high prices for fossil fuels
- The quota for fossil fuels and CO₂ emissions remains unchanged.
- CO₂ price remains low.
- CO₂ price remains high.

Risks and opportunities

The risk assessment process involves a sequence of steps that aim to identify, analyse, assess and adequately address the threats and risks that may affect the activities carried out within the environment in which we operate. From the perspective of the global risk process of EDP Brasil, the risks related to the Climate Emergency were characterised as strategic from an Environmental standpoint (external). Within the Climate Emergency category, physical (Chronic and Acute) and transition risks to a low-carbon economy are considered. The methodology for Managing Risks and Opportunities Related to the Climate Emergency (GROEC) was updated in 2021 to provide more technical robustness in prioritising the main climate threats in our operations. The analysis of climate physical risks is conducted for all four segments in which we

operate, namely (1) Electricity Generation, (2) Transmission, (3) Distribution and (4) Energy Trade and Services. Thus, climate risks/threats can be evaluated from the perspective of a typology and in granularity considering the different segments.

CLIMATE THREAT	CLIMATE TAXONOMY	THERMAL GENERATION	HYDRO GENERATION	SOLAR GENERATION	TRANSMISSION	DISTRIBUTION	TRADING
Heat waves	Acute						
Temperature Increase	Acute						
Severe Storms	Acute						
Fire	Acute						
Prolonged Cloudiness	Chronic						
Droughts and water availability	Chronic						
Increase in extremely hot days and extremely cold nights.	Chronic						

Except for legal and regulatory risks, climate transition risks to a low-carbon economy are divided into different taxonomies and treated in a corporate manner by EDP Brasil.

CLIMATE THREAT	CLIMATE TAXONOMY	THERMAL GENERATION	HYDRO GENERATION	SOLAR GENERATION	TRANSMISSION	DISTRIBUTION	HOLDING
Legislative Changes	Legal						
Obligation to report emissions	Legal						
Operational boundaries based on environmental criteria	Legal						
Stakeholders pressure and change in consumption patterns	Market						
Entry of new players in the market	Market						
Access to investment capital	Market						
International agreements and emissions reduction to achieve goals	Regulatory						
Lack of climate regulations	Regulatory						
Carbon and/or energy and fuel taxes	Regulatory						
Uncertainties in market signals	Regulatory						
Regime Cap & Trade	Regulatory						
Regulation on renewable energy	Regulatory						
Regulations and standards on product efficiency	Regulatory						
Induced changes in human environments and cultures	Reputational						
Social and climatic vulnerability (compared to Brazil as a whole)	Reputational						
Company's position regarding climate issues	Reputational						
Fulfillment of established climate targets	Reputational						
Late investment in new technologies	Technological						
A fast transition to low-carbon technologies	Technological						

Time horizons used by EDP Brasil for climate risk management

HORIZONTE	TIMEFRAME (years)	TIME HORIZON JUSTIFICATION
SHORT TERM	1-5	The EDP business plan is typically treated with a time horizon of up to 5 years.
MEDIUM TERM	5-10	Climate Scenarios with a time horizon up to 2030 to support the planning of immediate adaptation measures
LONG TERM	10-50	Long-term climate impacts (climate scenarios) that have modified the business

The climate risks prioritised for the Company are presented in this document and also disclosed in detail in the CDP Climate questionnaire in section “C2. Risks and opportunities”. In order to mitigate potential climate risks that affect our operation, we have initiated the process of building the Climate Adaptation Plan – which is a fundamental step in GROEC to address the main climate threats among the 152 identified. In addition, internal studies on carbon pricing and climate vulnerability have helped EDP Brasil identify the main climate risks that affect its business.

Threats

CLIMATE THREAT	TYOLOGIES	KEY IMPACTS	QUANTIFICATION OF THE IMPACT ¹ (R\$ MILLION) <76	QUANTIFICATION OF THE IMPACT ¹ (R\$ MILLION) > 76	MITIGATION MEASURES
SEVERE STORMS (PHYSICAL ACUTE)	Distribution	Increase in compensation for customers due to Distribution line stops Damage to assets Quality loss (DEC and FEC)			Operação Verão (tree trimming) Pole replacement Replacement of conventional grids with compact grids Installation of grid protection devices
CARBON PRICING OR TAX (REGULATORY TRANSITION)	Thermal Power Plants	Tax on Greenhouse Gas (GHG) emissions, resulting in an increase in energy prices			Deconsolidation Strategy by 2025 Green Hydrogen Project Decarbonization targets in line with science
DROUGHTS AND WATER AVAILABILITY (PHYSICAL CHRONIC)	Thermal Power Plants	Payment for water fees In extreme cases, the plant's activities could be halted			Internal targets for water efficiency Projects for consumption reduction (for example, increase consumption efficiency in refrigeration towers) Participation in the region's Basins Committee
DROUGHTS AND WATER AVAILABILITY (PHYSICAL CHRONIC)	Hydropower Plant	Reduction of average rainfall in reservoir, decreasing water availability and potential energy generated			Renewable portfolio diversification with the entry of Solar Plants Participation in crisis committee and collaboration with academia Water quality and biodiversity monitoring

Opportunities

CLIMATE OPPORTUNITY	TYOPOLOGY	DESCRIPTION OF POTENTIAL IMPACT AND APPLICATION	QUANTIFICATION OF THE IMPACT ¹ (R\$ MILLION) <76	QUANTIFICATION OF IMPACT (R\$ MILLION) > 76
Solar portfolio expansion	Solar Generation	Solar Generation Utility Scale		
		Decentralised Solar Generation		
		On-site Power Generation		
Market development related to electrical vehicles	New markets	Installation of charging stations		
		Development of strategic R&D		
Expansion of Transmission lines	Transmission	Construction of new Transmission lines		
		Acquisition of assets through portfolio rotation		
		Acquisitions of consolidated assets (CELG-T)		
Green Hydrogen (H2V)	Generation and new markets	Partial fuel replacement		
		H2V exportation to the European market		
		R&D studies to achieve technological maturity		

1. Not Evaluated (NE) – With the Green Hydrogen R&D project, there is a potential market assessment phase for EDP Brasil.

Metrics and Targets SASB IF-EU-110a.3

We have been accounting and disclosing our emissions since 2008, through the Public Emissions Registry of the Getúlio Vargas Foundation (FGV) and our inventory has been audited by a third party (Gold Seal) since 2009. In addition, within the Climate Strategic Plan, the management of Scopes 1, 2 and 3 emissions and the emissions offset strategy were considered during this period. Within the EDP Brasil's business plan, the main strategic goals are:



85% reduction in emissions intensity (tCO₂/MWh) by 2032, compared to 2017 levels (this is a science-based target);



Emissions neutrality by 2030;



Deconsolidation of Pecém thermal power plant in 2025;



Decarbonization in the core business with the 2021–2025 Business Plan (PN21–25);



EDP Group Strategy of being 100% renewable by 2030;



Short-term targets (2021–2025) for reducing emissions (*Learn more on page 60*).

The science-based targets (or any reduction targets established by EDP Brasil) do not consider the carbon offset mechanism for their achievement. The only exception are the neutrality targets, which include compensation mechanisms. See opposite other goals associated with climate management and followed by the Company.

The Company's performance metrics in Sustainability indices and the percentage of total losses are used to compose the financial compensation of employees, including the C-level and executive officers. The main metrics of EDP Brasil related to the topic of Climate Change are disclosed in the quarterly ESG Reports, as well as in the Annual Report and in CDP Climate.



Performance in Sustainability Indices (ISE and CDP);



Percentage of EBITDA coming from renewable sources;



Avoided emissions in clients through energy efficiency projects, solar energy generation, or use of biomass for steam generation.



Percentage of total losses.



Investment in renewable energy;

THE TCFD RECOMMENDATIONS TABLE

DIMENSION	RECOMMENDATION	ONGOING INITIATIVE BY EDP BRASIL	EXTERNAL REFERENCES
1. Governance	a) Describe the Board's oversight of climate-related risks and opportunities	<p>Two members of EDP Brasil's Board of Directors are part of the Sustainability Committee, one of whom is independent and the other is the Company's CEO. In addition, the Board of Directors oversees Climate Change-related issues when identified as critical. (Ex. approving science-based targets)</p> <hr/> <p>Additionally, we have decarbonization goals, action plans for improvement and climate risk and opportunity management are addressed by the Board of Directors and Sustainability Committee.</p>	<p>CDP Clima</p> <p>C1.1a and C1.1b</p>
	b) Describe the Board's role in assessing and managing climate-related risks and opportunities	<p>The Board is responsible for approving long-term decarbonization goals that may imply significant modifications to the business strategy, generating risks and opportunities</p>	<p>CDP Clima</p> <p>C1.1a and C1.1b</p>

THE TCFD RECOMMENDATIONS TABLE

DIMENSION	RECOMMENDATION	ONGOING INITIATIVE BY EDP BRASIL	EXTERNAL REFERENCES
2. Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	<ul style="list-style-type: none"> • Water Scarcity in Pecém region (short term); • Higher frequency and intensity of storms in Distribution (short term); • Carbon pricing (medium term); • Water Scarcity in Tocantins basin (long term); <p>EDP Brasil's risks and opportunities are managed through the GROEC and three priority risks and opportunities are disclosed in the CDP Clima.</p>	<p>CDP Clima C2.3a and C2.4a and page 49 of RA 2022</p>
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	<ul style="list-style-type: none"> • Solar portfolio expansion (medium term); • Construction of Transmission Lines (short term); • New Business: Electric Mobility (long term); • New Business: Green Hydrogen (long term); <p>Under the scope of GROEC, climate threats are identified as well as the cost of their mitigating measure. The main climate opportunities are directly connected to the 21-25 Business Plan (e.g. expansion in the adoption of solar energy).</p>	<p>CDP Clima C2.3a and C2.4a and Presentation of PN21-25</p>
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<p>In 2021, EDP Brasil conducted an internal study to identify the company's main exposures to different climate scenarios from the IPCC (RCP 2.6, 4.5 and 8.5) and IEA.</p> <p>The EDP Brasil's Business Plan strategy shows that we are moving towards reducing our exposure to climate risks in generation, whether they are transition or physical risks. However, we will need greater efforts to mitigate our risks in Transmission and Distribution. These efforts will be structured through our Climate Adaptation Plan.</p>	<p>CDP Clima C3.2a</p>

THE TCFD RECOMMENDATIONS TABLE			
DIMENSION	RECOMMENDATION	ONGOING INITIATIVE BY EDP BRASIL	EXTERNAL REFERENCES
3. Risk Management	a) Describe the organisation's processes for identifying and assessing climate-related risks	<p>In our Climate Strategic Plan, we established the GROEC (Risk and Opportunity Management associated with the Climate Emergency) to assess our exposure to risks from the perspective of Climate Change, which has five stages:</p> <ol style="list-style-type: none"> 1. Sharing risks and opportunities 2. Mapping and prioritising risks and opportunities 3. Financial valuation of risks and opportunities 4. Risk management and response 5. Communication and transparency. 	<p>CDP Clima C2.2 PEC 20-21 and page 60 of RA 2022</p>
	b) Describe the organisation's processes for managing climate-related risks	GROEC is the company's process for managing critical Climate Threats. The Climate Adaptation Plan, a goal for 2022 that is under the governance of GROEC, will consolidate the main actions to respond to climate risks.	<p>CDP Clima C2.2 PEC 20-21 and page 60 of RA 2022</p>
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	In its procedures, the Corporate Risk area has defined 50 risk categories, one of which is Climate Emergency. The GROEC, in turn, manages the risks of Climate Emergency. Thus, both processes were integrated.	<p>CDP Clima C2.2 PEC 20-21 and page 60 of RA 2022 EDP Brasil's risk process</p>
4. Metrics and Targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	<ul style="list-style-type: none"> • Scope 1, 2 and 3 GHG Emissions • Performance in Sustainability Indices (ISE and CDP) • Emissions avoided by customers through energy efficiency, solar and biomass projects • % of total losses • DEC and FEC. 	<p>Annual Report page 60</p>
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 Greenhouse Gas (GHG) Emissions and the related risks	Greenhouse Gas (GHG) emissions from EDP Brasil are internally calculated and disclosed in the GHG Protocol Public Emissions Registry, Annual Report, ESG Quarterly Report and CDP Clima.	<p>CDP Clima Public Register Quarterly Report</p>
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	The performance related to the goals is presented as a whole in the Climate Change section of this Report. In 2022 we had performance A in CDP Clima.	<p>Annual Report page 60</p>

People



We embrace diversity	76
Health and Safety	82
Engagement & well being	85
Research and development	86

MATERIAL TOPICS
HUMAN RIGHTS
PEOPLE MANAGEMENT
HEALTH AND SAFETY

We embrace diversity

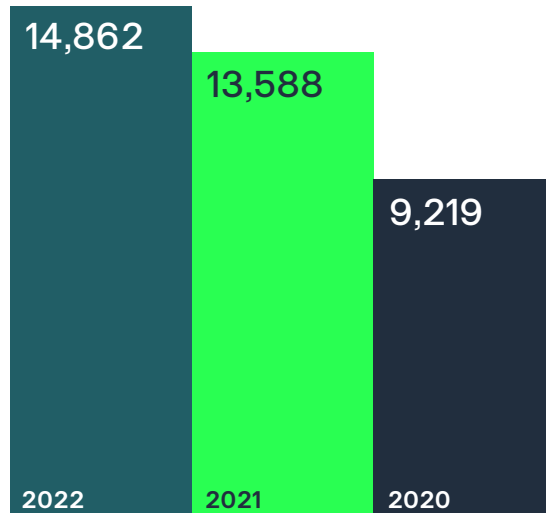
At EDP Brasil, changing tomorrow now necessarily means including and reflecting the existing diversity in Brazilian society. Whether in our business, our organisational culture, or our relationship with society, we believe in the power that well-structured affirmative actions have to improve the present and future of various groups that are underrepresented to this day.

Both in our strategic and operational activities, we have Human Rights as fundamental and universal guiding principles. That is also why we believe that occupational safety is not only a duty to our internal stakeholders, but a mission that the Company embraces daily and that includes a wide range of partners.

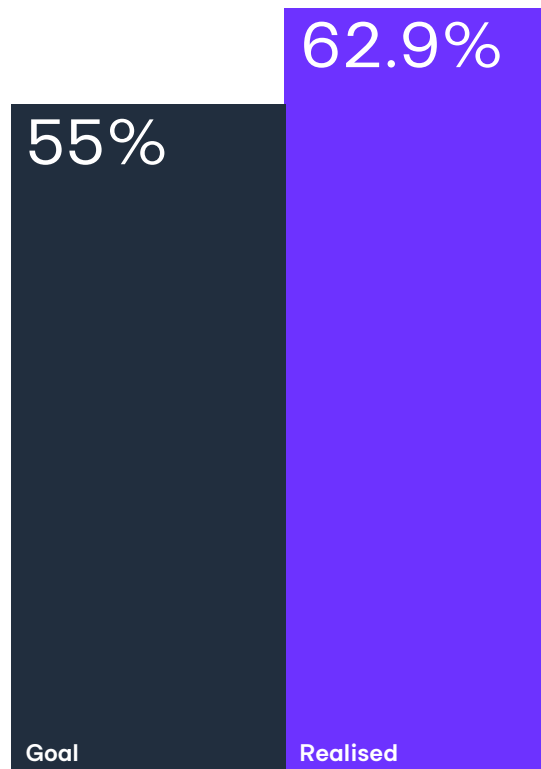
GRI 3-3

Created in 2019, EDP Brasil's Inclusion and Diversity Program has as its main objective to increase opportunities for under-represented groups through a strategy of goals and affirmative actions that range from professional training to employability and career development. *(Learn more about these initiatives on page 20 of the Case Studies Report).* Among our diversity goals are:

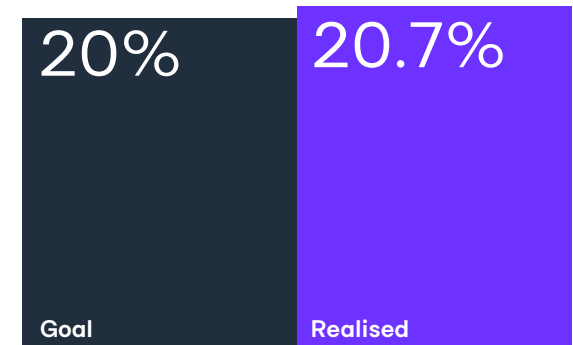
Composition of outsourced workers GRI 2-8



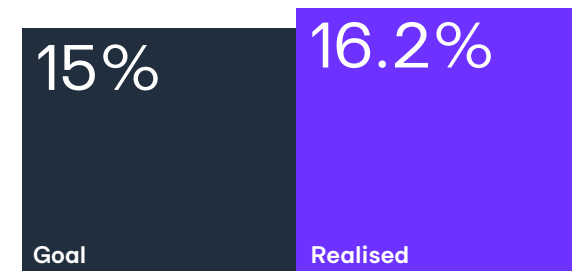
Diversity in recruitment.



Women in leadership



Black people in leadership



Diversity of governance bodies and employees GRI 405-1

Total number of direct employees by gender

	Unit	2020	2021	2022
Women	Qty	747	752	770
Men	Qty	2,584	2,522	2,567

Total number of partner employees

	Unit	2020	2021	2022
Number of outsourced workers	Qty	14,862	13,588	9,219*

* The number of outsourced workers has significantly increased in previous years due to the more intense period of Transmission works, as these data include workers from contractors. With the completion of most of the works, a decrease in this number is expected.

Workers' diversity – gender

Women	Unit	2020	2021	2022
Management Board	Qty	0	1	1
Senior Management	Qty	3	5	6
Management	Qty	26	31	34
Specialists	Qty	442	456	482
Administrative	Qty	181	153	139
Operational	Qty	95	106	108
Interns	Qty	45	78	75
Apprentices	Qty	12	35	22
Men				
Management Board	Qty	4	4	3
Senior Management	Qty	27	24	20
Management	Qty	189	133	135
Specialists	Qty	611	668	689
Administrative	Qty	108	83	79
Operational	Qty	1,645	1,610	1,641
Interns	Qty	57	68	80
Apprentices	Qty	14	33	23

Workers' diversity – education level

	Unit	2020	2021	2022
Women				
Workers with low levels of education	Qty	0	0	0
Incomplete primary education	Qty	0	0	0
Complete primary education	Qty	2	2	0
Incomplete high school	Qty	1	1	1
Complete high school	Qty	93	111	120
Incomplete higher education	Qty	62	58	55
Complete higher education	Qty	472	465	468
Graduate (specialist, master's degree, PhD)	Qty	117	115	126
Men				
Workers with low levels of education	Qty	0	0	0
Incomplete primary education	Qty	4	4	3
Complete primary education	Qty	60	55	49
Incomplete high school	Qty	25	21	14
Complete high school	Qty	1,096	1,125	1,172
Incomplete higher education	Qty	200	182	189
Complete higher education	Qty	998	951	936
Graduate (specialist, master's degree, PhD)	Qty	201	184	204

Workers' diversity – age level

	Unit	2020	2021	2022
Women				
Below 30	Qty	183	177	191
30 to 50	Qty	503	513	528
Over 50	Qty	61	62	51
Men				
Below 30	Qty	460	437	401
30 to 50	Qty	1,807	1,793	1,875
Over 50	Qty	317	292	291

Workers' diversity – minorities and vulnerable groups

	Unit	2020	2021	2022
Women				
White	Qty	604	598	550
Black*	Qty	130	142	198
Asian	Qty	11	11	20
Indigenous people	Qty	1	1	2
Not stated	Qty	1	0	0
Men				
White	Qty	1,923	1,833	1,666
Black*	Qty	617	647	859
Asian	Qty	26	25	29
Indigenous people	Qty	3	3	3
Not stated	Qty	15	14	10

* The category "Black" includes black and brown people, as defined by the Brazilian Institute of Geography and Statistics (IBGE).

Diversity in management roles

	Unit	2020	2021	2022
Black women in management roles	Qty	1	3	5
Women with disabilities in management roles	Qty	0	0	0
Foreign women in management roles	Qty	2	1	0
Black men in management roles	Qty	22	21	27
Men with disabilities in management roles	Qty	0	0	0
Foreign men in management roles	Qty	6	6	5

Employees with Disabilities by gender

	Unit	2020	2021	2022
Women	Qty	25	32	34
Men	Qty	28	34	36

Diversity in Governance bodies GRI 405-1

Organisation's governance

Number of members of the Board of Directors.



Percentage of independent members of the Board of Directors.



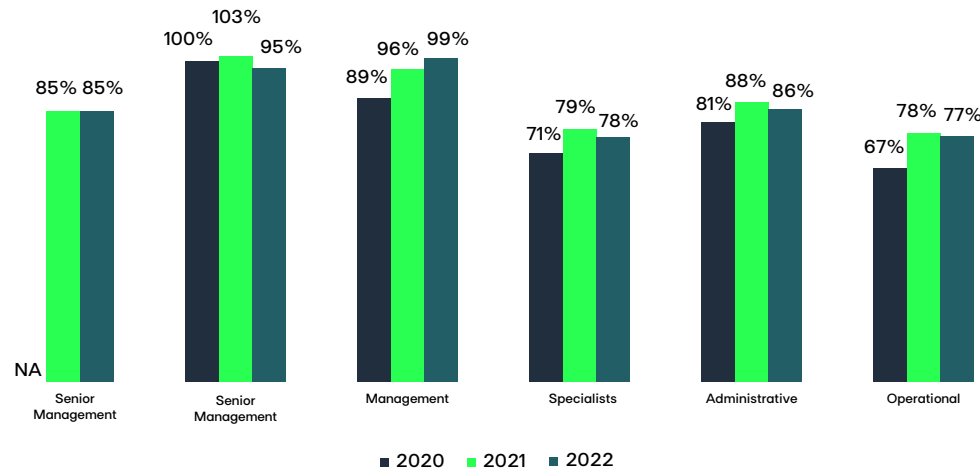
3 members of the Board represent underrepresented social groups; 1 company executive serves on the Board of Directors.

Board of Directors composition by gender and age group

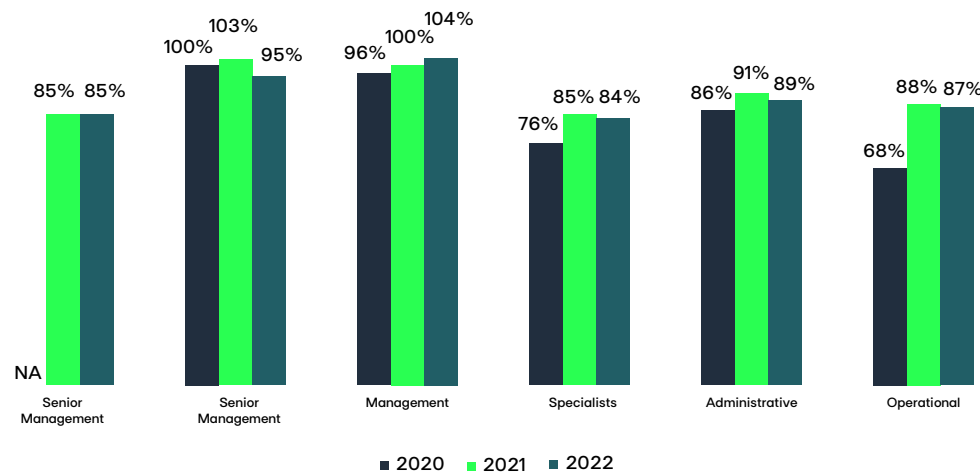
		Unit	2020	2021	2022
Women	Number of female board members	Qty.	1	3	3
	Below 30	Qty.	0	0	0
	30 to 50	Qty.	1	3	3
	Over 50	Qty.	0	0	0
Men	Number of male board members	Qty.	7	6	6
	Below 30	Qty.	0	0	0
	30 to 50	Qty.	2	1	1
	Over 50	Qty.	4	5	5

Male and female remuneration

Ratio of basic salary and remuneration of women to men (M/H) GRI 405-2



Ratio of basic salary of women to men (M/H)



For the calculation of the “ratio of women's to men's remuneration (M/H)” indicator, we consider “important operational units” to be all companies consolidated by EDP Brasil Group. Regarding equal pay, the Human Resources department has structured a multidisciplinary committee dedicated to building a diagnosis and action plan to address the main gaps that still exist in this area. Based on an in-depth study that includes specialised literature and consultations with other companies and market best practices, this committee developed a monitoring panel of basic salary and remuneration KPIs that includes gender and race perspectives. This tool allows EDP Brasil to make real-time comparisons segmented by areas and positions, which has increased our agility in evaluating scenarios and consequently in implementing concrete measures. In addition, we reaffirm our commitment to equity through affirmative actions that value professionals from underrepresented groups in career development programs, internal movements and promotions.

Other indicators related to remuneration are in the Appendices, on page 124.



Health and safety

EDP Brasil works tirelessly to achieve the goal present in its Strategic Plan 2021–2025 of reducing the number of fatalities in its operations to zero.

To achieve this, the Risk and Safety Senior Management has created its own Strategic Plan that covers the period between 2023 and 2025 and is full of initiatives whose objective is to make all managers, employees and partners live and breathe the topic of occupational safety, in a constant flow of cultural assimilation on the subject. The Company's biggest challenge in this area today is to translate the existing technical knowledge about the business needs in Occupational Safety into processes.

Our Occupational Health and Safety guidelines are contained in the Management Systems and Sustainability Policy, which is approved by the Board of Directors.

During the year 2022, EDP Brasil had a decrease in the number of no-lost-time injuries. And if, on one hand, there was an increase in lost-time injuries, the severity rate associated with these incidents decreased. Another important highlight is the fact that the Company has started measuring its accidents by considering own and third-party employees as a single workforce. This creates a sense of shared responsibility that has already brought results.

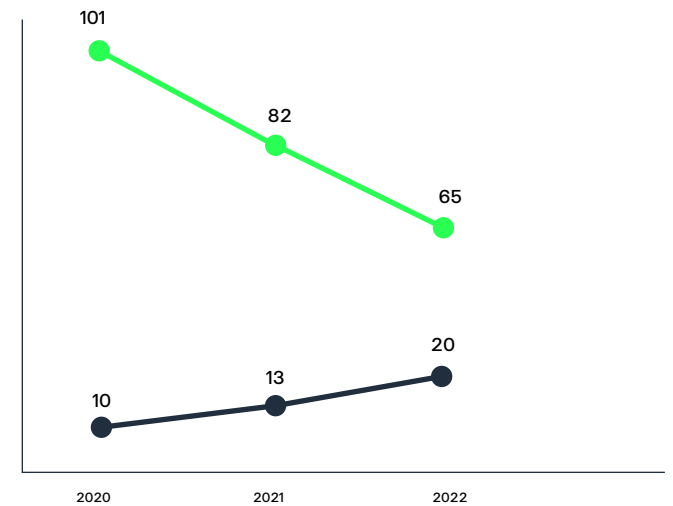
Unfortunately, in 2022, there was a fatal workplace accident involving a third-party employee – a number that, once again, EDP Brasil is working to reduce to zero, but already represents an improvement compared to the five deaths of third-party employees registered the previous year. In addition, 11 deaths occurred in accidents involving people from communities near the distribution lines – compared to 12 of the same type in 2021.

Looking at the future of EDP Brasil, which will be increasingly focused on solar energy, the Occupational Health and Safety area has already identified the two main sources of risk in this segment: incidents during the construction of solar power plants and, especially, accidents that occur in homes, businesses and small industries where the customer is installing the solar panels themselves. This audience will be the target of safety education campaigns and standards related to this activity.

Injuries GRI 403-9

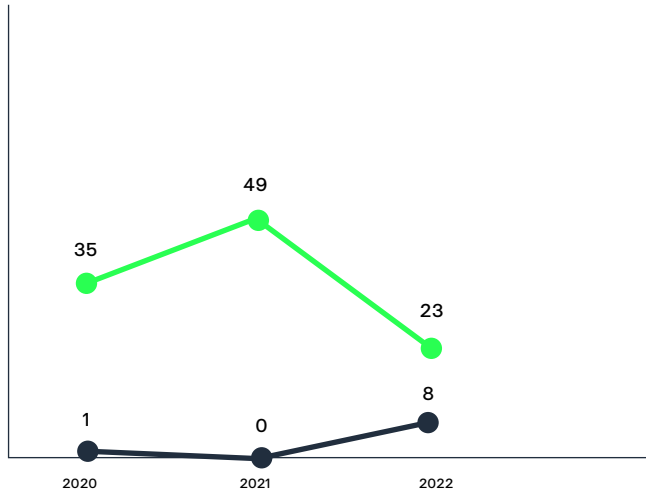
No-lost-time injuries

■ direct employees ■ contractors



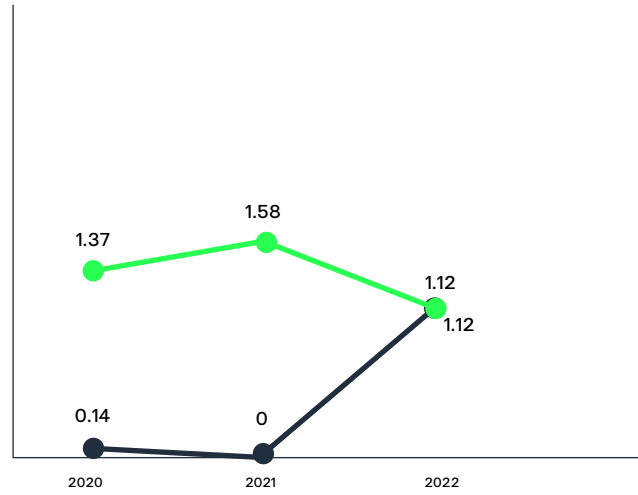
Lost-time injuries

■ direct employees ■ contractors



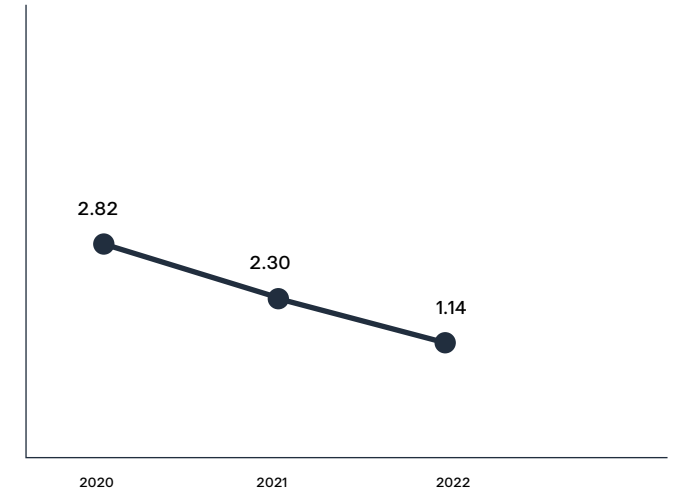
Frequency rate

■ direct employees ■ contractors



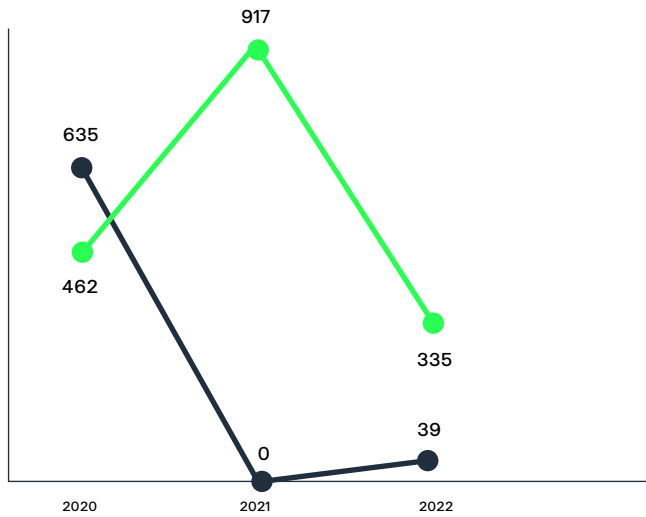
Absentee rate (direct employees)

■ direct employees



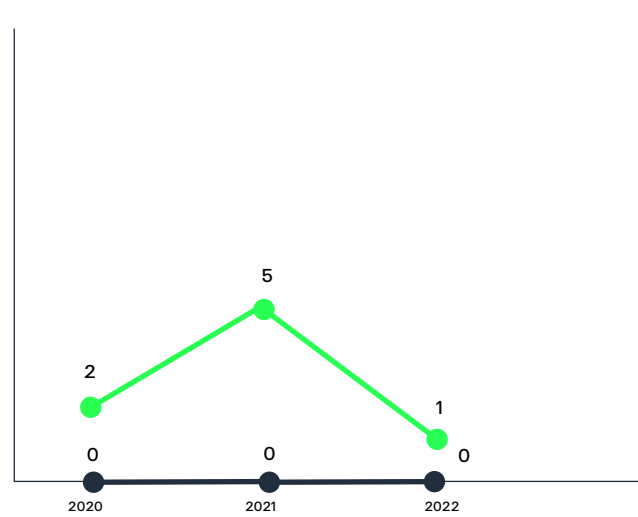
Severity rate

■ direct employees ■ contractors



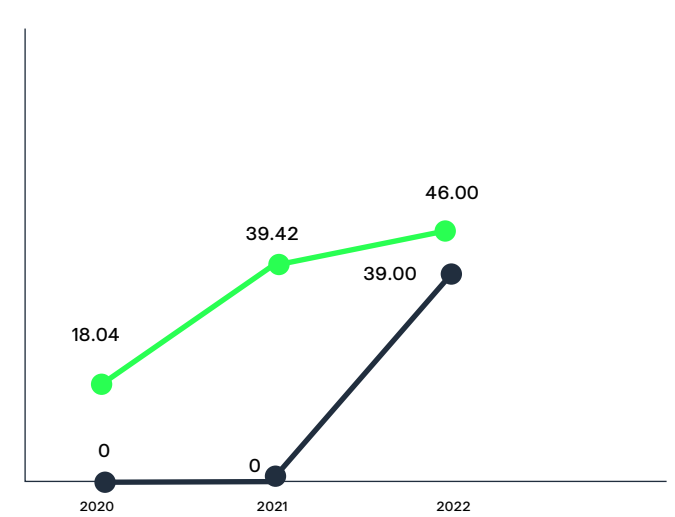
Absolute number of fatalities

■ direct employees ■ contractors



Days lost rate

■ direct employees ■ contractors



RULES THAT SAVE LIVES

The eight rules we have chosen are related to our most critical risks, situations where failures can cause serious or fatal accidents. Two specific rules for the distribution units are added to them.

- 1) **Electrical safety**
- 2) **PPE for shock and arc flash**
- 3) **Working at heights**
- 4) **Load handling and work**
- 5) **Lockout/Tagout and grounding**
- 6) **Machinery protection**
- 7) **Road safety**
- 8) **Confined spaces**

Live Line: Safety Distance

Live Line: Erecting power poles.

The definition of these rules led to the formation of Work Groups (GTs) dedicated to the development of activities related to them, as well as the inclusion of roles and responsibilities for employees involved in investigations and in defining sanctions.

Health care

Covid-19 monitoring

Since the beginning of the COVID-19 pandemic, we have adopted a preventive approach, maintaining daily monitoring of all employees with any symptoms of the disease. Throughout the entire period, we monitored 2,843 employees, 850 of them only in 2022. Out of the total, 1,778 cases were positive.

We carried out more than 50,000 COVID-19 tests on our own and third-party employees.

To establish protocols and behavioural rules to bring even more safety to our team, we revamped the Life-Saving Rules – Covid and by July 2022 we had around 99% of our employees vaccinated against COVID-19 with the booster shot.

Health team initiatives

About 86% of employees were vaccinated against the flu.

In March, we organised a blood donation campaign which had the participation of about 300 volunteers, out of which 210 were blood donors potentially impacting up to 840 lives, in addition to 47 bone marrow donor volunteers.



Engagement & well being

Already around 2017 – i.e., before the pandemic – EDP Brasil made the decision to shift the focus of its Health policies from a purely occupational plan to the concept of Health as care and support. The Company has its own physicians who dedicate themselves to primary care for employees, while an external consultant manages more delicate cases – such as hospitalisations, chronic illnesses and pregnancies, for example.

EDP Brasil believes in the importance of nurturing an organisational human-centred culture that values quality of life and well-being, creating value for employees and engaging our teams even more. Therefore, we have created a best practices guide with the motto “Our Well-Being Starts With You”, which strengthens the work environment in its various formats (in the office, in the field, at home, or in the hybrid model) by addressing topics such as responsible consumption and organising the workday.

Within this context, we put into practice a series of initiatives that encourage a healthy, balanced and productive work environment. These initiatives are actually connected to the EDP Group's global Well-being strategy, which prioritises striking a balance between employees' work and personal lives.

Golden Rules

Whether in EDP Brasil's workspaces, in the field, or working from home, our employees must stay mindful of two basic rules called Golden Rules – which we created to promote better balance between work and personal life routine. The first of the two golden rules prioritises the lunch break, while the second states that meetings or external commitments must

take place between 9am and 5pm – with exceptional cases (such as those involving field teams) being outlined and analysed individually.

Wide benefits

Paternal leave, marriage leave, adoption or legal guardianship leave, birthday off, medication insurance, occupational gymnastics and a program to assist with COVID-19 recovery are just a few of the many benefits offered by EDP Brasil to its employees.

See other well-being initiatives, such as Flex Friday and the hybrid working model, on page 23 of the Case Studies Report.

The Volunteering initiatives can also be found in the Case Studies Report on page 24.

Career and development

GRI 3-3

Human capital is one of the essential factors for business sustainability – after all, it is people who generate the greatest value in the long term. For our human capital to fully develop their personal and professional potential, EDP Brasil invests in people development, creating an environment of continuous learning and growth for our 3,325 employees.

The Company's commitment to developing each individual who dedicates their talent to building the present and future of EDP Brasil is a central part of our culture. The development and learning initiatives that we carry out are decided based on diagnostics that assess the business and people's learning needs and strengthening of competencies.

The training offered by the Company is done through Campus Online, EDP Brasil's digital learning platform. Promoted by EDP University, it concentrates all the mandatory and elective courses on topics such as Compliance, Safety and Sustainability, for example.

In addition, we also have another tool, Degreed, which is a kind of "Netflix of learning" that offers an exclusive content catalogue of over 30,000 providers in various formats. Degreed also features artificial intelligence and enables skills' self-assessment, as well as providing managers with tools to assess skills by position and team.

Lastly, EDP Brasil pays for courses, conferences, events, lectures, workshops, seminars and external extension courses that provide knowledge of the Company's strategies to the employee. In 2022, over R\$ 4.25 million were invested in training for employees.

Leadership development

GRI 404-2

Our leadership development programs are continuously assessed based on our strategy and internal needs. The main initiatives in 2022 were:

- **Humanised Leader Program**, which aims to understand and strengthen leadership practices that make a difference in the "Responsible Business" landscape. In this scenario (which has become an important macro trend for leaders and companies), the companies' results are assessed through a holistic program, which involves environmental, social and economic matters. The Humanised Leader Program was aimed at executive officers and executive and operational managers who were interested in the topic. The training consisted of six online sessions, each lasting for an hour and a half. The six chosen topics were approached through content, reflections and experience exchanges and the sessions were conducted by a subject specialist, who has extensive experience and expertise in Leadership and Sustainability topics.
- **Exponential Leader Program**, created to meet contemporary management challenges in order to foster a more humane, conscientious, empathetic, agile and innovative leadership. Through intensive exchanges with facilitators, operational managers and coordinators went through an immersive learning journey. Conducted in partnership with the specialised consulting firm Crescimentum, the Exponential Leader Program took place entirely online and lasted for five consecutive days, totalling a workload of 40 hours. Managers participated in 2 two-hour live sessions per day, along with online interaction activities. The main topics broached during the immersion included: Self-awareness, Modern Leadership Principles, Delegation and Empowerment, Behavioural profiles and Developing Leader.
- **Coaching** In 2022, a coaching program was carried out as a pilot project using a specialised platform on

the subject. The goal is to enhance the development of Company leaders and increase their self-awareness so they can own their careers, focusing on sustaining superior performance connected to the challenges and strategies of EDP Brasil.

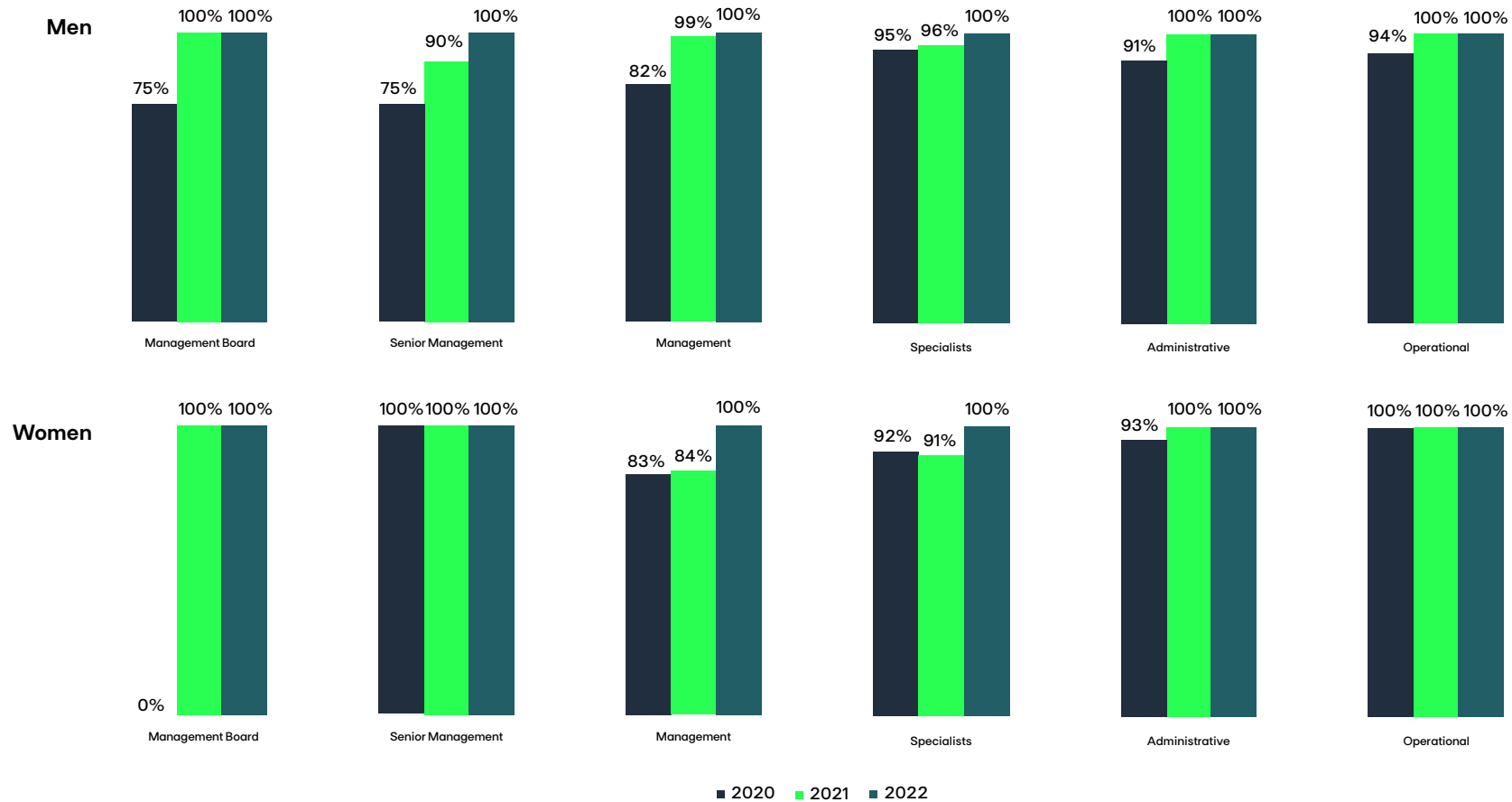
More indicators about development and training can be found in the Appendix on page 131.

Performance assessment

At EDP Brasil, performance evaluations do not only consider the employee's individual performance, but also the results of the EDP Group, its companies and business units. The weight given to these collective factors increases with the employee's hierarchical level. In 2022, 100% of employees received performance assessment.

The so-called Goals Triangle, mentioned on page 26, is also part of the performance assessment. With the purpose of expressing the ESG metrics of the Company's strategy, these goals have a direct impact on employees' variable compensation.

Percentage of employees receiving regular performance and career development assessments GRI 404-3



Retirement

The Retirement Incentive Program (PIA) aims to support professionals who have dedicated many years of their lives to the joint construction of our history, providing them with differentiated severance pay and guidance for the new post-employment stage. The program is voluntary and allows the enrolment of employees who are actively working, provided that they meet the prerequisites defined in the Program's regulations.

In addition to the legal severance pay and the compensation paid by EDP Brasil, employees who join the PIA are invited to participate in the "Live Well" Program. The program is conducted through workshops held by a specialised consulting firm. The program covers topics such as motivational guidance, financial health, relationships with loved ones and friends, life projects, testimonials and tributes. Additionally, the Company offers a supplementary pension program, which in 2022 had 2,435 beneficiaries. [GRI 201-3](#)

More indicators related to Careers, Development and Compensation are in the Appendices on page 131.

Percentage of eligible employees for retirement in the next 5 and 10 years, separated by job category and region ^{EU15}

Employees entitled to retirement in the coming years – by position (%)	Up to 5 years			Up to 10 years		
	2020	2021	2022	2020	2021	2022
Management Board	25.0%	20.3%	50.0%	50.0%	40.7%	50.0%
Senior Management	13.3%	10.8%	7.7%	23.3%	19.7%	23.1%
Management	0.5%	1.2%	1.8%	5.1%	6.3%	4.1%
Specialists	0.8%	2.5%	2.0%	6.2%	7.1%	6.3%
Administrative	1.0%	1.2%	0.9%	4.2%	4.0%	4.6%
Operational	0.6%	0.6%	0.7%	3.6%	3.7%	4.0%

Employees entitled to retirement in the coming years – by region (%)	Up to 5 years			Up to 10 years		
	2020	2021	2022	2020	2021	2022
São Paulo	1.0%	1.46%	1.5%	4.1%	4.06%	4.4%
Espírito Santo	1.4%	1.90%	1.2%	6.3%	7.69%	8.0%
Tocantins	5.9%	5.28%	6.3%	11.8%	11.55%	10.6%
Amapá	0.0%	NA	0.0%	0.0%	NA	1.0%
Ceará	0.0%	NA	0.3%	2.9%	3.15%	3.2%
Maranhão	0.0%	0.6%	0.0%	0.0%	6.98%	6.9%
Mato Grosso	0.0%	NA	0.0%	11.1%	NA	0.0%
Pará	0.0%	NA	0.0%	2.5%	2.64%	3.1%
Rio Grande do Sul	0.0%	NA	0.0%	0.0%	4.52%	1.5%
Santa Catarina	3.3%	0.39%	1.6%	10.0%	5.84%	8.1%
Other	1.7%	NA	0.0%	1.7%	10.26%	0.0%

Positive impacts on society



Human Rights	90
Rights of indigenous peoples	91
Suppliers	92
Communities and access to energy	95
Community development	96
Customers	98
<i>Stakeholders Management</i>	100

- MATERIAL TOPICS**
- VULNERABLE CUSTOMERS
- HUMAN RIGHTS
- SOCIAL IMPACT
- SUPPLIER MANAGEMENT
- ENERGY INFRASTRUCTURE
- CUSTOMER SATISFACTION AND SERVICE

Human Rights GRI 3-3

We at EDP Brasil recognise Human Rights as fundamental and universal principles that guide us in conducting business for a more just and inclusive society. In this sense, our actions are guided by national and international legislation, as well as by international agreements of which we are signatories, such as the United Nations Guiding Principles on Business and Human Rights.

At a global level, the EDP Group has four internal declarations of principles, policies and commitments oriented towards respect for Human and Labour Rights: the Stakeholder Engagement Policy, the Declaration of Respect for Human and Labour Rights, the Code of Ethics (*learn more on page 106*) and the Supplier Code of Conduct.

At EDP Brasil, the issue of Human Rights is present in several corporate policies as it is considered transversal to various different stakeholders. Among these policies are the Human Development Policy, the Management Systems & Sustainability Policy, Business Management and Stakeholder Engagement.

In this way, we incorporate in our strategic and operational activities all measures necessary to ensure that there is no direct or indirect relationship with slave or child Labour, sexual exploitation, restrictions on freedom and human condition, violence, torture, arbitrary detention, moral or sexual harassment and discrimination in all its forms.

We have a Human Rights and Labour Monitoring Program, which seeks to identify risks and act to prevent, minimise or repair any negative impacts related to the subject.

Incidents of discrimination and corrective measures taken GRI 406-1

	Unit	2020	2021	2022
Total number of incidents of discrimination	Qty	1	4	40*
Number of incidents assessed	Qty	1	4	4
Number of cases deemed substantiated	Qty	1	1	0
Total number of corrective actions taken to incidents of discrimination	Qty	1	2	1

*After analysis, we identified that during 2022 there was an increase in the number of contacts for each case, meaning that the same case generated two or more reports in EDP's Channel. Furthermore, compared to the market, we have noticed that this fact increased the number of contacts made anonymously and considered unfounded at EDP. Regarding the discrimination, we identified that multiple non-procedural reports were registered for a single situation, which caused the observed variation in the data disclosed.

DECENT WAGE

In December 2022, EDP joined the Decent Wage Movement, an initiative of the Global Compact (United Nations). This occurred in a symbolic month, which marks the International Human Rights Day and reaffirms the Group's commitment to this agenda.

Within this initiative, EDP will partner with the Global Compact to define a calculation methodology, conduct a diagnosis and develop internal governance processes, as well as build indicators for monitoring decent wages considering the different regions where it operates. The adherence to the Decent Wage Movement strengthens EDP's commitment to human rights and the 2030 Agenda and also contributes to engaging other companies that are our business partners.

A decent wage means a sufficient remuneration to ensure a basic yet decent standard of living for the worker and their family. This remuneration should take into account the local cost of living and include factors such as housing, food, health care, education, transportation, clothing and other essential needs. The initiative reinforces EDP's commitment to the United Nations Sustainable Development Goals agenda, particularly SDG 8, which focuses on decent work and economic growth.



Relationship with indigenous peoples and communities

GRI 3-3-3, 411-1

One of our joint venture assets – São Manoel Hydropower Plant – is located on the border between the states of Mato Grosso and Pará. In its area of influence, three indigenous peoples – Kayabi, Munduruku and Apiaká – live on the shores of the Teles Pires River, distributed among 19 villages totalling about 1,400 people who preserve their customs and native languages.

Mitigation and environmental compensation measures were developed in benefit of these peoples, including the Indigenous Components of the Basic Environmental Plan (PBAI) of the São Manoel Hydropower Plant. Respecting the specificities and particularities of each indigenous group, this initiative consisted of a long participatory dialogue process that was accompanied and approved by the National Indian Foundation (Funai) at all development stages.

Each PBAI includes the implementation of 17 programs aimed at improving the quality of life of these peoples. The implementation and monitoring of the programs have been supported by the Management and Monitoring Boards composed of representatives from the Company, Funai and each of the indigenous communities involved.

During 2022, activities within the indigenous lands that depended on technical guidance or execution by non-indigenous labour and were halted due to pandemic-related measures began to be resumed. The priority was given to the implementation of actions linked to subsistence activities, such as: Program for Strengthening Indigenous organisations, Program for Identification and Management of New

Non-Timber Forest Products Sources, Environmental Project for the Management and Conservation of Tracajá and Monitoring Program of Turtles and their Reproductive Habitats.

The Program for the Identification and Management of New Non-Timber Forest Product Sources was essential for providing income generation to the associations during this period and the harvesting activities began in January and continued until March. During this period, the provision of supplies – such as fuel, raffia bags, harvest tools, camping items and other equipment – was essential to the success of the production, resulting in subsequent income generation through the sale of the harvested items.

Highlighted actions in 2022 include the delivery of a school and two cassava flour houses, the resumption of construction of Indigenous Basic Health Units in the Papagaio and Bom Futuro Villages of the Munduruku People and the continuation of the scholarship program for higher education and technical training – as well as support for income-generating projects based on local handicrafts. EDP Institute funded social projects that valued indigenous culture through handicrafts, providing approximately R\$300,000 to the three mentioned ethnic groups. The projects involved the transmission of knowledge and traditions, where the elderly taught the younger generation how to produce handicrafts, which were then sold in partnership with indigenous associations in the region.

In 2022, a sewing and cutting course was also held with the Apiaká people. Ten sewing machines and a series of materials essential for the activities were donated and a specialised professional was hired to teach the course.

Suppliers GRI 3-3, 2-6

During 2022, EDP Brasil carried out several process improvements and automations in the supplier management area and also acquired new customisable market tools according to its needs.

Additionally, throughout the year, we continued to use the Supplier Performance Index (IDF), a tool through which we quarterly evaluate our business partners throughout the length of each contract. The IDF allows us to anticipate and mitigate

operational, environmental and social risks and is particularly important for monitoring suppliers and partners who fall into critical and highly complex categories.

Half of the assessment's result comes from the supplier's performance or, more specifically, the quality and Service Level Agreement (SLA) achieved in deliveries. The remaining score takes into account elements such as Health and Safety, Sustainability and Compliance. Innovation, in turn, is understood by EDP Brasil as a differential that can range from continuous improvement to disruption. Suppliers classified as outstanding, achieving an IDF score above 90 (on a scale of zero to one hundred), were precisely those who demonstrate innovation.

Suppliers with IDF scores between 80 and 90 were considered satisfactory. Suppliers that score below 80 were classified as unsatisfactory. If this level remains the same after three evaluations, the supplier's contract may be terminated – a measure that may also follow the non-regularisation of any pending legal requirement.

In 2022, the IDF evaluated 96 suppliers who, although represent only 6% of EDP Brasil's total suppliers, account for approximately 80% of the company's total expenses in this category.

Percentage of spending on locally-based suppliers GRI 204-1

EDP Brasil Consolidated	Unit	2020	2021	2022
São Paulo	%	72.10	64.98	61.89
Espírito Santo	%	13.80	17.71	26.42
Tocantins	%	22.60	21.13	20.96
Amapá	%	16.40	8.88	11.63
Ceará	%	29.80	12.66	60.52
Maranhão	%	74.00	2.14	1.12
Mato Grosso	%	15.20	12.15	27.89
Pará	%	0.00	0.00	0.00
Rio Grande do Sul	%	28.60	32.84	43.80
Santa Catarina	%	50.10	29.35	42.03
Other	%	0.00	74.23	25.00
Goiás	%	ND	ND	49.74
Percentage of spending and contracts of important operational units local supplier spend in the period	%	ND	25.77	31.45

1,634

Total suppliers with effective agreements

R\$ 5.4 billion

total suppliers expenditure in 2022 GRI 2-6

Total number of suppliers assessed in terms of compliance



The priorities of the Suppliers area in the near future are to expand the IDF, advance in the sustainable procurement agenda, continue with partner development actions (*learn more about the Partner Academy on page 26 of the Case Studies Report*) and work on the procurement plan developed at the end of 2022 – which aims to prospect new suppliers, consolidate demands between businesses and seek optimisations in contracts, with gains in operational efficiency and cost reduction. Additionally, the department is constantly seeking innovative tools that provide greater operational efficiency in the relationship between the Company and suppliers.



All suppliers who have more than three employees working with EDP Brasil are monitored. In 2022, this translated into monitoring 12,400 people.

Supplier Social Screening GRI 408-1, 409-1

Number of suppliers evaluated for risks of child labour, forced labour, or slave labour.



No supplier has been identified as a risk for child labour or slave labour in the last three years.

Total significant investment agreements that included human rights clauses

	Unit	2020	2021	2022
Total number of significant investment agreements and contracts	Qty.	1,085	1,253	2,210
Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	%	100	100	100
Total number of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Qty.	1,085	1,235	2,210

Negative social impacts in the supply chain and actions taken GRI 414-2

	Unit	2020	2021	2022
Percentage of suppliers identified as causing actual or potential negative social impacts, with whom improvements were agreed as a result of the screening conducted.	%	100	0	0
Suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment and why	%	0	0	0
Number of suppliers assessed for social impacts	Qty.	60	120	92
Number of suppliers identified as having significant actual and potential negative social impacts	Qty.	0	0	0



Sustainability Goals

During 2022, EDP Brasil completed the definition of criteria that will classify a purchase as sustainable. These criteria take into account how suppliers perform in decarbonization, ethics, diversity and information disclosure. The mapping of suppliers in these aspects has already begun to be carried out by the Suppliers area and will continue during 2023.

The 2021-2025 Strategic Plan sets a goal that 40% of the company's procurements must reach the sustainable level. By 2030, the goal is for 100% of strategic suppliers to be classified as sustainable. In parallel, from 2024, all our suppliers will need to comply with ESG criteria established by the Company.

New suppliers that were screened using environmental criteria GRI 308-1

	Unit	2020	2021	2022
Suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	%	0	0	0
Percentage of suppliers identified as causing significant actual and potential negative social impacts with which the organisation discontinued business relations as a result of the screening	%	0	0	0
Suppliers assessed for environmental impacts	Qty	75	120	92
Suppliers identified as having significant actual or potential negative environmental impacts	Qty	0	0	0

Communities and access to energy GRI 3-3

We are proud to be a company that generates, distributes and transmits energy, something essential for social and economic development. To serve communities well, we always seek to improve our services (*learn more on page 96*) and maintain a close relationship with our customers.

In this sense, we highlight the number of households served by the social rate, as described below, as well as investments in clean energy projects such as solar (*read more on page 37*) and programs developed by the EDP Institute responsible for managing our social investments.

Social Rate GRI 3-3 | DMA Antigo EU23

The so-called Social Rate is a federal government program aimed at low-income populations. Created by Law nº 10.438/02, the Social Rate provides a discount on the electricity rate that can range from 10% to 65%, depending on the consumption of each household.

In November 2021, Aneel regulated Law nº. 14.203/2021, which establishes automatic registration of the population eligible for the Social Rate through cross-referencing of data between the Ministry of Citizenship's systems and those of energy distributors. Therefore, as of January 2022, families that meet the criteria for receiving the benefit but were not yet registered, were able to benefit from the Social Rate. That represents serving more than 451 thousand families and a revenue of over R\$ 200 million for the company.

Social Rate	Unit	EDP São Paulo	EDP Espírito Santo
Total revenue from sales to low-income residential subsector through the Social Rate in relation to total residential revenue	%	7.15	8.00
Number of low-income households served	Qty	229,172	221,947
Total revenue through Social Rate	R\$ thousand	66,663.68	135,168.81

Safe use of electricity GRI 3-3 | EU25

EDP Brasil regularly conducts visits to worksites, construction material sales depots, schools and other locations to raise awareness of the necessary safety measures for work in or near electrical installations. In addition, we also publish informative content on this subject on our social media channels. Despite constantly investing in these types of actions, we have seen an increase in the number of accidents. Whenever an incident occurs, the case is mapped and an investigation is carried out into the causes, with results reported to our CEO. Subsequently, specific prevention measures are developed to avoid similar accidents, with direct supervision from the Company's Senior Management. Our goal is to achieve a zero accident rate with and without fatalities.

To reinforce the management of this type of risk and in pursuit of our goal of zero accidents, both with and without fatalities, a survey was conducted with specialised consultancy and among electricians. These materials gave rise to a plan to be approved by the Company's Senior Management and to be implemented in 2023.

Customer health and safety EU 25

	2020	2021	2022
Total number of nonfatal injuries involving the population	16	9	18
Total number of fatal injuries involving the population	13	12	11

Judicial proceedings related to population health and safety

	2020	2021	2022
Number of judicial proceedings initiated (related to population health and safety)	17	37	20
Number of judicial proceedings resolved (related to population health and safety)	25	36	3
Number of judicial proceedings pending (related to population health and safety)	194	192	195



Community development

EDP Institute GRI 3-3

Founded in 2009, EDP Institute is responsible for managing EDP Group's social investments in Brazil, acting as a relationship platform that contributes to social inclusion, quality of life and well-being in the communities where the Company operates. During its 14-year existence, EDP Institute has invested over R\$130 million in social and cultural projects that benefited more than three million people through around 450 programs across Brazil.

In 2022, the EDP Brasil Institute invested a total of over R\$16.85 million, between direct and tax-deducted funds. This amount directly benefited 179,000 people in social projects and 514,000 in exhibitions and museum visits. Indirectly, another 150,000 people benefited.

The action of EDP Institute is guided by the Social Investments Standard and procedures for tax-deducted funds and the Management of Donation and Sponsorship by Direct Funds. In addition, we also seek to monitor and integrate actions from other areas of the Company that concern the communities where we operate – such as Energy Efficiency, Safety and Volunteering – into the EDP Institute.

The strategic plan developed by the EDP Institute for the period between 2021 and 2024 divides its activities into four pillars:

- **Inclusive Education:** Supporting education as a tool for development and social inclusion through three fronts (environmental education, digital inclusion and skills for educators)

- **Healthy society:** Contribute to strengthening public health policies and the general well-being of society through the fronts of public health, well-being and vulnerable communities (such as those with low-income, indigenous, quilombola and elderly populations)
- **Fair transition:** Accelerate a just energy transition based on clean and accessible energy. There are three fronts to this pillar: new frontiers (i.e., new products and services aimed at the transition towards a low-carbon reality), climate risks that may affect the communities where the Company operates and income generation through projects that employ low-carbon technologies
- **Transformative culture:** Preserve, provide access to and encourage art and culture as vehicles for transformation in society. There are three fronts to this pillar: Portuguese Language (the preservation of the linguistic heritage and Lusophone culture), inclusive art and culture (by promoting artists from peripheral regions) and music as an instrument of social inclusion and development

Get to know the projects of EDP Institute on page 28 of the Case Studies Report.

Social Programs' Beneficiaries

	2020	2021	2022
Number of direct beneficiaries	44,627	66,334	179,206
Number of indirect beneficiaries	134,469	185,817	150,739
Number of municipalities served within our service areas	41	48	53

Infrastructure investments and services supported GRI 203-1

External social investment (Company- and Tax-Funded)	Unit	2020	2021	2022
Combating hunger and food security	R\$ thousand	252.81	868.00	65.00
Culture	R\$ thousand	8,433.93	8,621.00	9,544.00
Education	R\$ thousand	2,611.14	3,544.00	2,917.90
Sports	R\$ thousand	2,660.98	2,390.00	2,736.40
Other	R\$ thousand	1,025.37	1,926.00	1,256.00
Health and sanitation	R\$ thousand	8,285.02	5,695.00	336.20
Total	R\$ thousand	23,269.25	23,044.00	16,855.50

External social investment (Company-funded)	Unit	2020	2021	2022
Combating hunger and food security	R\$ thousand	200.00	868.00	209.60
Culture	R\$ thousand	0.00	109.00	144.60
Education	R\$ thousand	904.21	1,289.00	1,145.80
Sports	R\$ thousand	144.06	103.00	116.00
Other	R\$ thousand	304.87	462.00	677.00
Health and sanitation	R\$ thousand	7,659.83	3,197.00	0.00
Total	R\$ thousand	9,212.97	6,028.00	2,293.00

Number of Beneficiaries (company- and tax-funded)

	2020	2021	2022
Combating hunger and food security	15,699	15,772	8,594
Culture	1,932	128,882	607,466*
Education	18,754	3,770	15,207
Sports	5,126	2,784	13,558
Other	1,841	9,550	24,526
Health and sanitation	1,633	1,920	691
Total	44,985	162,678	670,042

The significant increase in the number of beneficiaries is linked to actions such as the Ipiranga Museum and the Museum of the Portuguese Language Reinauguration and participation in the Biennial Book Fair.

Customer GRI 3-3

EDP Brasil works to continuously increase customer satisfaction with the service offered and reduce complaint rates. One of the measures that helps us achieve this goal is the multi-disciplinary working groups we have created to analyse the demands presented by customers and also market trends.

For end-customers, the main interaction with EDP is through the distribution companies EDP São Paulo and EDP Espírito Santo, which hold concessions in 28 and 70 municipalities in their respective states. The continuous improvement actions involve measures to reduce the DEC and FEC (*learn more on page 34*) and ongoing investment in new technologies for customer service.

Number of consumer units in EDP São Paulo EU 3 | SASB IF-EU-000.A

	2020	2021	2022
Residential	1,810,472	1,848,410	1,901,728
Industrial	13,357	12,062	7,384
Commercial	135,669	141,876	147,810
Rural	5,293	5,383	5,382
Government	9,278	9,938	10,377
Public Lighting	3,933	3,420	4,049
Public Utility	1,514	1,521	1,570
Energy in transit (USD)	798	1,037	1,155
Company consumption	162	167	200
Other	0	0	0
Total	1,980,476	2,023,814	2,079,655.00

Number of consumer units in EDP Espírito Santo EU 3 | SASB IF-EU-000.A

	2020	2021	2022
Residential	1,270,519	1,306,384	1,347,135
Industrial	10,284	10,022	9,337
Commercial	129,182	131,365	134,019
Rural	195,846	194,087	187,693
Government	11,495	11,644	11,920
Public Lighting	611	501	2,331
Public Utility	1,676	1,776	1,809
Energy in transit (USD)	498	615	726
Company consumption	222	230	257
Other	0	0	0
Total	1,620,333	1,656,624	1,695,227.00



Service and satisfaction GRI 2-29

Customer satisfaction is measured through surveys conducted by accredited institutions such as the Brazilian Association of Electricity Distributors (Abradee) and Aneel itself. At EDP Brasil, the management of this topic is conducted according to the procedure Analysis of Distribution Customer Satisfaction Survey Results, which we publish in our internal normative system.

In addition to the multidisciplinary working groups that analyse customer demands, the Realise Program is also noteworthy, with pillars focused on energy supply, field service, customer service and commercial demands.

In 2022, EDP Brasil's goal was to be among the top three companies in the customer satisfaction ranking – the Perceived Quality Satisfaction Index (ISQP), obtained through the Abradee Residential Survey, which is conducted every year. At EDP São Paulo, the number of complaints dropped sharply in 2022. By September of this year, the decrease compared to the same period of 2021 was already 16%. The Equivalent Complaint Frequency (FER), in turn, improved by 22% compared to 2021, reaching 4.04 – a much lower number than the regulatory target (16).

In EDP Espírito Santo, in contrast, the customer satisfaction index ended in 2022 at 74%, compared to the 72.6% recorded at the end of 2021.

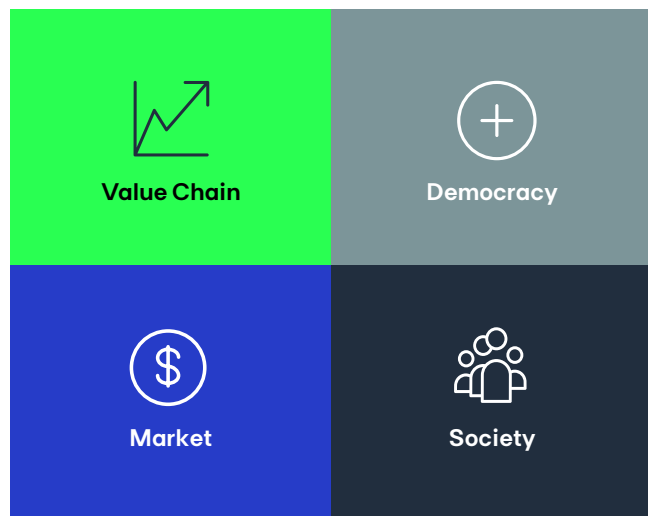
ISQP Survey Results (satisfaction proportion)

	Unit	2020	2021	2022
EDP São Paulo	%	77.5	69.5	69.5
EDP Espírito Santo	%	81.1	72.6	74.0

Stakeholder management GRI 2-29

The Institutional Relations and Stakeholder Management area of EDP Brasil operates in two main fronts. The first one is the management of the relationship with stakeholders, aiming to ensure responsible control and handling of their demands, as well as monitoring relevant issues for the definition of the Company's strategy. The second one is related to institutional relations, oriented towards strategic actions towards different stakeholders in the public and private spheres, representing the Company's capacity to explore opportunities and solve conflicts. Both initiatives, however, permeate the entirety of the company's business.

Stakeholders identification occurs through the global stakeholder segmentation model of the EDP Group, which divides them into the following four macrogroups:



The Institutional Relations and Stakeholder Management area carries out biennial cycles for managing relationships with these stakeholders – the last one was initiated in 2021 and completed in 2022. These cycles consist of a comprehensive in-depth survey, addressing both quantitative and qualitative aspects. Together with the business areas, the Stakeholder Management area defines a sample of respondents for each interested audience.

The inputs generated from these interactions feed the EDP Brasil Strategic Planning – whose first pillar precisely concerns understanding the needs and expectations of stakeholders in order to then transform them into requirements, also defining goals and indicators for monitoring the level of compliance with the requirements (that is, priorities) of each interested party. This process also feeds the Materiality Matrix of EDP Brasil (*learn more about it on page 5*).

In addition, stakeholders relationship activities are an excellent opportunity for the Company to promote its brand and business. In this rich exchange between both sides, the external and internal views about EDP are connected, resulting in a strategy that is increasingly aligned with the reality of the market and our ecosystem.

Among the most important findings of the last stakeholder engagement cycle is the idea that EDP Brasil should intensify its media presence (especially on topics such as ESG, energy transition and innovation), as well as strengthen institutional dialogue with public policy makers – in order to contribute to the modernisation of the sector, also demonstrating the Company's ability to be proactive on regulatory agenda issues. On the other hand, the government and social organisations represent a demand for the continuity and expansion of partnerships with EDP: whether in the context of Distribution or Generation, these stakeholders have the desire to grow with the Company, which is seen as a great partner, acting responsibly and ethically with stakeholders.

As EDP Brasil advances towards new businesses, new stakeholders (such as those related to electric mobility, for example) emerge. Additionally, stakeholders with whom the Company already relates to appear in other contexts. An example of this are municipal governments, which EDP Brasil frequently deals with in matters related to concessions, but which now also enter into dialogue for solar energy matters (whose legislation varies from municipality to municipality).

It is worth noting that transparency is a fundamental premise in the role that the Institutional Relations and Stakeholder Management area plays, reporting on any and all interactions with government officials and always acts in accordance with the Company's Compliance guidelines. EDP Brasil believes that strengthening the relationship with stakeholders ensures an increasingly efficient management and value generation both for the business itself and for the electricity sector and society in general.

Solid governance framework



Governance	102
Ethics and compliance	106
Due diligence	109
Risk management	110

MATERIAL TOPICS

- ETHICS AND COMPLIANCE
- CORPORATE GOVERNANCE
- TRANSPARENCY AND COMMUNICATION
- CRISIS MANAGEMENT
- BUSINESS ECONOMIC SUSTAINABILITY

Governance

EDP Brasil is a publicly traded company that adopts the highest standards of corporate governance, having been listed on B3's Novo Mercado segment since 2005. With a robust structure, the Company has a General Shareholders' Meeting, Board of Directors and Committees, Executive Board and Oversight Board.

Board of Directors

EDP Brasil's Board of Directors is responsible for defining strategies, monitoring risks and assessing general business policies, as well as electing members of the Executive Board and monitoring their activities. Under our Bylaws, the Board of Directors is required to meet at least four times per year and extraordinarily whenever necessary. These meetings can be called by the CEO, Deputy Chairperson or any two members of the Board – provided they are done jointly and with prior written notification.

The Board of Directors conducts annual performance self-assessments and also assesses the Board's performance as a whole. These analyses are part of their accountability and are a fundamental part to assess their effectiveness, evaluate Advisory Committees' competence and the Executive Board's performance. The results of these annual evaluations are systematically monitored in order to allow the development of actions to maintain the quality and performance of the organisations.

The assessment topics applied by the Board of Directors to the Executive Board include the Executive Board's composition and organisation, relationship with the Board of Directors, communication and image issues and activities. The tasks comprise areas such as the architecture of the corporate

risk management system and internal regulation and Compliance, the disclosure of the Company's outcomes, execution of the strategy endorsed by the Board of Directors and fostering sound practices in human resource management. The assessment results are presented to the members of the Board of Directors during a meeting, along with a report submitted by the Chairman of the Board of Directors that shows the progress of the issues and compares them to previous editions. The report also includes the comments made by the Board members, which outlines an action plan to be adopted by the Company's Executive Board after the meeting, aimed at implementing effectively the improvements identified by the Board members. The most recent assessment cycle took place during the Board of Directors' meeting on May 05, 2022.

In 2022, the Board of Directors of EDP Brasil was composed of 9 members, including four independent directors elected at the General Shareholders' Meeting.

GRI 3-3, 2-9, 2-18

Breakdown

Miguel Nuno Simões Nunes Ferreira Setas

Chairman of the Board of Directors and Chair of the Ethics Committee

João Manuel Veríssimo Marques da Cruz

Deputy Chairman of the Board of Directors and member of the Sustainability and Inclusion and Diversity Committees

Rui Manuel Rodrigues Lopes Teixeira

Board Member and member of Oversight and Remuneration Committee

Vera de Moraes Pinto Pereira Carneiro

Board Member and member of the Inclusion and Diversity Committee

Vera de Moraes Pinto Pereira Carneiro

Board Member and member of the Inclusion and Diversity Committee

Pedro Sampaio Malan

Independent Board Member and Chair of the Sustainability Committee

Francisco Carlos Coutinho Pitella

Independent Board Member, Chair of the Oversight Committee and member of the Corporate Governance and Related Parties Committee

Modesto Souza Barros Carvalhosa

Independent Board Member, Chair of the Corporate Governance and Related Parties Committee and member of the Oversight and Remuneration Committees

Juliana Rozenbaum Munemori

Independent Board Member, Chair of the Inclusion and Diversity Committee and member of the Sustainability and Corporate Governance and Related Parties Committee

Advisory committees

EDP Brasil has five support committees to assist its Board of Directors in their deliberations. Of these five committees, four are composed of three members, all of whom are part of the Company's Board of Directors and can request information and suggestions from the members of the Executive Board or the management team of EDP Brasil. We highlight the Corporate Governance and Related Parties Committee, which is exclusively composed of independent board members. Moreover, the Inclusion and Diversity Committee is composed of five members, four of whom are women, including one representative from civil society.

Remuneration Committee

The committee has an advisory role with collective decision-making and a non-permanent character, advising the Board of Directors on its decisions regarding the compensation policies of the Company and its subsidiaries. Its members are chosen from the Board of Directors, two of whom are appointed by the controlling shareholder and one member considered independent under the Novo Mercado Listing Regulations.

Sustainability Committee

The committee has a permanent character and the mission of ensuring the organisation's sustainability. Through the incorporation of social and environmental considerations in the definition of the Company's business and operation, the Sustainability Committee increases the value of the organisation as a whole and contributes to ensuring that the long-term vision of the business is sustainable in all aspects. The committee is chaired by an independent member of the Board of Directors in accordance with the Novo Mercado Listing Regulations and also includes the presence of another independent member and a third member appointed by the controlling shareholder.

Corporate Governance and Related Parties Committee

The committee is exclusively composed of independent members of the Board of Directors who are responsible for, among other tasks, evaluating the nominations of members of the Board of Directors and the Company's Executive Board based on their professional experiences and skills, including those specific to the business, while also ensuring diversity in terms of gender, age range, academic background and availability of time to perform the function. The Board of Directors evaluates the adherence of each candidate for the position of Board member to the legal and Company criteria, as well as the reasons why each candidate qualifies as an independent director, in accordance with the Novo Mercado Listing Regulations of B3.

Additionally, this Committee is responsible for advising the Board of Directors on the adoption of best corporate governance practices and the highest ethical principles to preserve and optimise the value of the Company, facilitating access to capital at lower costs and contributing to its longevity.

Inclusion and Diversity Committee

The committee has a permanent character and the responsibility to advise the Board of Directors in the evaluation of the Company's performance in activities related to promoting diversity, inclusion and equal opportunities. This committee is composed of five members (four of whom are women) and chaired by an independent member of the Board of Directors in accordance with the Novo Mercado Listing Regulations, in addition to the presence of the Company's CEO and a representative from civil society.

Oversight Committee

The committee is of a permanent and non-statutory nature and is responsible for monitoring and evaluating the activities of external and internal oversight, monitoring business risks in the Company, following accounting practices and information transparency and also advising the Board of Directors in its deliberations on the matters at hand. The Oversight Committee is composed of three members (with its chair and another member considered independent under the Novo Mercado Listing Regulations), while a third member is appointed by the controlling shareholder.



Executive Board GRI 2-11, 2-12, 2-13

The Executive Board of EDP Brasil is responsible for all necessary or convenient acts related to the management of the business, except for those that fall under the purview of the General Meeting or the Board of Directors, either by law or by some assignment in the Company's Bylaws. In the case of EDP Brasil, the chair of the highest governance body is not an executive officer.

The Executive Board acts in accordance with the general business guidance established by the Board of Directors and meets weekly or whenever called by the CEO or any two Vice-Presidents together.

People and ESG Vice-President

Since 2021, EDP Brasil has maintained the People and ESG Vice-Presidency, which, among other responsibilities, is responsible for recommending Sustainability, Safety, Health, Environment, Social, Human Rights, Diversity, Community Relations and Corporate Governance matters to the Company's strategic planning and reviewing the approach to these matters as needed. The People and ESG Vice-Presidency evaluates, complements and suggests changes to the Company's strategies, accompanying their implementations alongside other administrative bodies. Additionally, they ensure the application of corporate policies and sustainable development principles in all activities under their responsibility.

Advisory Committees

The impacts of EDP Brasil's actions on the economy, environment and society are also discussed in meetings of the Executive Board and Advisory Committees (especially the Sustainability Committee).

Breakdown

João Manuel Veríssimo Marques da Cruz
CEO

Henrique Manuel Marques Faria Lima Freire
Executive Vice President of Finance and Investor Relations

Luiz Otavio Assis Henriques
Executive Vice President of Generation, Transmission and Trading

Carlos Emanuel Baptista Andrade
Executive Vice President of Customers

Fernanda Nascimento Pires
People and ESG Vice-President

Ethics and compliance GRI 3-3

Code of Ethics

Approved by the Board of Directors, EDP Brasil's Code of Ethics establishes the ethical principles and limits that guide the Company's actions in all regions where it operates – not only respecting current legislation but also the various commitments made to stakeholders.

Launched at the end of 2022, the current edition of EDP's Code of Ethics has been reviewed and updated to expand its scope – addressing pressing issues today, such as inclusion and diversity, decarbonization and energy transition, data protection and privacy and digital inclusion.

With clear language, objective reflections on the Company's day-to-day issues, a new design, a more interactive format, concise language, graphic elements, videos and testimonials, the document has become closer to the reality of all our employees, who can now understand it in a simpler and more practical way. Therefore, the Company's values are better detailed and the various examples show in a very practical way which behaviours are appropriate and which are not in the most relevant ethical issues – thus favouring awareness of risks in this field and improving decision-making at various levels.

Our Code of Ethics applies to all employees of EDP Brasil Group companies and their subsidiaries. Training and communication actions involving the Code of Ethics are coordinated by the Compliance area and employees who do not comply with the provisions of the document are subject to disciplinary actions in accordance with applicable infractions. The suppliers and service providers to whom the Code is applicable are subject

to the measures or sanctions established contractually or resulting from the assessment and qualification procedures in effect at the EDP Group.

Ethical conduct

Integrity and transparency are non-negotiable values at EDP Brasil and they represent the basis of our credibility with our stakeholders and guide every decision we make. These values permeate all spheres of the Company, making us a sustainable company that is capable of inspiring our employees, establishing fair relationships with partners in our value chain, earning the trust of investors and shareholders and gaining the respect of society.

We act to identify and value aspects related to human rights, labour relations, respect for the environment and anti-corruption policies that allow us to build a Company that is increasingly solid and reliable for all of our stakeholders.

Our ongoing efforts to ensure the best ethical and compliance principles in our value chain are recognised by external institutions, as demonstrated by EDP's presence for eleven consecutive years in the ranking of the Ethisphere Institute, which brings together the most ethical companies in the world.

Highlights in trainings and actions

Among the policies that govern the topic in the Company are:

- **Code of Ethics**
- **Compliance Standard**
- **Standard for Interaction with Government Officials**
- **Standard for Gifts**

- **Standards for Donations, Sponsorship and Support Made Outside the Scope of EDP Institute**
- **Standards for Combating Illicit Acts.**
- **Consequence Balance**
- **Due Diligence Procedures**
- **Procedure for Prevention and Management of Conflicts of Interest**

98%
of employees have already been impacted by the Compliance Game

We have a Compliance and Internal Controls area responsible for promoting a culture of integrity in the Company – and which has full support from the Management Board and Ethics Committees. In addition, the EDP Brasil Compliance Program has been recertified by ISO 37001 – Anti-bribery Management System.

GRI 3-3

Operations assessed for risks related to corruption GRI 205-1

	2020	2021	2022
Percentage of operations within the organisation that are assessed for risks related to corruption	64%	100%	100%
Total number of operations within the organisation that are assessed for risks related to corruption	9	16	31

INTERACTION WITH GOVERNMENT OFFICIALS

Interactions with government officials are currently the main focus of attention of EDP's Compliance area when it comes to risk. The Company has a standard that provides employees with a series of guidelines on when and how these interactions should occur, as well as a platform where each of these interactions is recorded. In addition, during 2022, a process was initiated to map the areas most sensitive to this potential problem.

Communication and training on anti-corruption policies and procedures GRI 205-2

Number of employees that received communication and/or training on anti-corruption policies and procedures	Unit	2020	2021	2022
Total number of suppliers assessed in terms of compliance	Qty.	1307	678	673
Governance members	%	100	100	100
Governance members	Qty.	8	9	9
Employees	Qty.	3,436	3,508	3,509
Management Board	Qty.	4	5	4
Senior Management	Qty.	31	27	29
Management	Qty.	213	160	152
Specialists	Qty.	1,051	1,146	1,090
Administrative	Qty.	282	234	301
Operational	Qty.	1,727	1,699	1,756
Interns	Qty.	102	147	126
Apprentices	Qty.	26	68	44
Business Partners	%	ND	100	100
Business Partners	Qty.	3,727	4,358	6,883



Ethics Hotline GRI 2-26

Reports related to violations of the Company's Code of Ethics can be registered in our Ethics Channel – which is operated by an external specialised entity, in order to ensure greater transparency and independence. Anonymous or identified reports are allowed, always with a guarantee of the principles of secrecy, confidentiality and non-retaliation.

The Ethics Channel is disclosed to all stakeholders of the Company and offers several means for making reports, such as the internet, email, voice channel and mailbox. The channel is operated by the Internal Audit area of the EDP Group – which, after received and initial treatment, presents all reports to the Ethics Committee (which, in turn, analyses the situation and issues an opinion on the infringement processes, as well as on the relevance of their classification).

In 2022, the Ethics Committee underwent a change in its composition, in order to provide even more independence to the evaluation processes and also greater adherence to the ESG agenda. The committee is now composed of two external counsellors: the Ethics Provider of EDP Portugal and the Directors of Internal Audit, Compliance and Internal Controls and Legal and People Management.

EDP Brasil's Ethics Channel indicators are disclosed quarterly to all employees and now also cover diversity-related topics in 2021. During 2022, the Ethics Channel received 291 reports – of which 7 were related to diversity topics, that is, covering creed/religion, gender and race/ethnicity/cultural origin. Three of these cases are still ongoing and the others were considered unfounded.

Confirmed incidents of corruption and actions taken [GRI 205-3]

	2020	2021	2022	Actions taken
Total cases recorded in Ethics Hotline	139	115	291	-
Total number of confirmed corruption reports	4	1	2	-
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.	4	1	2	Severance
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.	0	0	0	-

Due diligence

EDP Brasil adopts due diligence procedures to protect its interactions with various counterparts, maintaining a more transparent and less prone relationship with them to corrupt practices.

These processes may be applicable according to rules defined in an internal procedure. These rules are used to evaluate potential business partners and investments, suppliers, customers, donations and sponsorships, social support and new business projects (such as acquisitions, mergers and green-field, among others).

In 2022, 98% of our contracts (or R\$ 3.3 billion) went through this analysis – and there was no obligation to do the same with the remaining 2%. On average, more than one hundred counterpart inquiries are made per month by the Company's Due Diligence area.

EDP Brasil has been employing tools such as Artificial Intelligence, Big Data and Machine Learning in initial research so that analysts automatically receive various information from different databases.

Brazilian General Data Protection Regulation (BR GDPR)

Between November 2018 and September 2020, the Company underwent a process of adaptation to the Brazilian General Data Protection Regulation (BR GDPR), which has been in effect since September 18, 2020. In 2019, we began mapping all our processes that use personal data. This survey – which involved 136 interviews and found more than 500 processes – was followed by several actions, including:

- **Training was provided to employees whose activities represent a higher risk in the processing of personal data**
- **Development and implementation of various action plans**
- **Creation of a working group to address privacy issues in identified gaps, as well as in adjustments and issues related to process improvements**
- **Issuance of more than 3,732 guidance opinions**
- **Monthly disclosure of institutional information on the topic**
- **Monthly publications on the topic**
- **Update of cookies on the Group's websites**
- **Internal regulations related to the topic were made available**

In addition, in October 2020, EDP Brasil launched its Privacy and Data Protection Program. An initiative aimed at anticipating and preventing risks, it is based on governance aspects, privacy culture, data protection and response and remediation actions.

Meeting another legal requirement, the Company has a data protection officer who acts as a communication channel between the controller, data subjects and the National Data Protection Authority (ANPD). In addition, we created and made available an exclusive Petition Channel to attend requests from data subjects.

During 2023, we will finalise the update on sensitive data subjects already mapped, while consolidating the acculturation phase. In this way, everyone who acts on behalf of the Company will have definitively incorporated the topic as one of the pillars of our conduct. In 2022, there were no substantiated complaints regarding breaches of customer privacy and losses of customer data. GRI 418-1

92%
of EDP Brasil employees have already completed the BR GDPR training

Risk management GRI 3-3

EDP Brasil believes that the potential profitability of a business must be evaluated considering the impacts arising from threats and risks present, both those caused by the external environment to the company and internal factors. This is the foundation that guides our risk management system.

The Company has businesses with different levels of risk. Transmission activities, for example, have low profitability and low risk as well. On the other hand, selling solar energy in a decentralised manner and in shorter contracts presents higher profitability, but the exposure to business risk is also higher.

This demonstrates the importance of establishing and adopting a policy, a standard and corporate risk management procedures, with guidelines that ensure the mapping and periodic assessment of threats and risks in order to allow preventive and/or reactive action to mitigate the impacts.

The Risk Management Process of EDP Brasil is based on widely recognised and practiced methodologies in the market, such as COSO ERM (Committee of Sponsoring organisations of the Treadway Commission) and ISO 31000 standard (Risk Management). The governance of this topic is consolidated and defined in the Corporate Risk Management Policy, which is publicly available to the market, with the guidelines of its methodology formalised in the Corporate Risks Norm and Procedures.

To better support the risk management work and present the scenario of the control and risk environment of the company, EDP Brasil updates its Corporate Risk Matrix annually with business managers.

This update also goes through an approval process in internal executive forums, such as the Audit Committee, the Risk Committee and meetings of the Board of Energias do Brazil.

The Corporate Risk Taxonomy of EDP Brasil adopts the following macro classification: Strategic, Business, Financial and Operational. At a second level, risks are broken down into 56 categories. The ESG theme, for example, is part of the Strategic component and is represented by three categories.

The Risk and Security Management department of EDP Brasil reports to the Audit Committee and Board of Directors. Underneath it, there are the Executive Management of Occupational Safety and Risk, Crisis and Business Continuity, which perform integrated risk management and provide a rapid response to disruptive events that may impact the business.

2022

During 2022, the Risk Management and Crisis area conducted a more in-depth risk assessment with business managers, addressing specific risks for each business unit of the Company. Throughout this work, the Risk and Crisis Management team supported the Sustainability department, with a special focus on ESG issues. Therefore, the Sustainability team was able to map the threats and vulnerabilities present in ESG risks and other factors that may eventually contribute to this type of impact on the Company. The Sustainability area monitors and controls this scenario, thus offering subsidies for decision making by Senior Leadership when necessary.

Another highlight in the performance of the Risk and Crisis Management area during 2022 was the update of the Corporate Risk Map in which risks are plotted and graphically represented by a Risk Matrix. The change was validated in executive forums at the end of the year.

One of the challenges initiated in 2022 and that will continue throughout 2023 is the cultural change of employees regarding the importance of their role and responsibility in risk management. It is necessary that everyone incorporates the technical view of risks in the execution of their daily activities, relating this action to the needs of the business in order to maximise results and mitigate losses.

In 2022, the establishment of a corporate methodology for Business Continuity was also a highlight. This is EDP Brasil's Business Continuity Management System (BCMS), which includes BIA (Business Impact Analysis), RAR (Risk Analysis and Assessment), strategies, procedures, testing and monitoring. The ultimate goal of the project is to establish Business Continuity Plans (BCP) and it has already resulted in the completion of some pilot exercises to test the application of the new methodologies. It is worth noting, however, that the Contingency Plans (CPs) and Emergency Response Plans (ERPs), already widely used in the Company, also align with the scope of the BCMS.

CRISIS COMMITTEES GRI 3-3

The Risk and Crisis Management area, together with the Business area, is responsible for coordinating EDP Brasil's Crisis Committees.

Throughout 2022, some crisis committees were registered. Among the incidents that triggered them was a fatal work accident involving a third party who provided services to the Company.

The Crisis Management process is structured in all its stages, which are: activation, investigation and/or deepening, identification of facts and causal factors, definition of actions/countermeasures, governance/status and systematic control and monitoring of events and/or actions derived from the committees. The Risk and Crisis Management area is responsible for monitoring and systematically monitoring the measures created to materialise the commitment(s) made after the investigations.

Appendices

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Follow-up of the 2022 goals

SDGs	Goal	Goal 2022	Performance 2022
5	Increase the rate of women employees	30%	23%
7	Maintain renewable installed capacity	75%	73% ¹
	Increase the installed solar power (centralised and decentralised)	135.5 MWp	110.73 MWp
8	Eliminate employees and service providers fatal injuries	0	Unfortunately, during the goal period between 2019 and 2022, there were nine fatalities among own employees and contractors. ²
	Improve customers' energy efficiency	318.7 GWh	EDP B2B 149.83 GWh Regulatory (PEE): 75.33
9	Reach carbon neutrality in EDP administrative buildings	100%	100% – Emissions were neutralised from the purchase of carbon credits and IRECs
	• Improve customers' satisfaction rate	75%	EDP SP: 69.5% EDP ES: 74%
11	Maintain the level of community investments (accumulated value since 2015)	R\$ 52 million	R\$ 120 million
	Ensure a high level of participation in volunteer activities	46%	47%
12	maintaining the average waste to value rate	75%	There was no ash generation in 2022 due to the absence of dispatch from Pecém TPP.
	Eliminate single-use plastics	100%	Plastic cups were removed from our administrative headquarters and some operational bases in Distribution. The Circular Economy Program aims to expand these initiatives and definitively remove single-use plastics from all activities where there is no regulatory impediment.
13	Reduce specific CO ₂ eq emissions	21%	90.2%
	Reinforce the number of customers with electric mobility solutions	4,400	5,400
	Promote the electric fleet acquisition for light vehicles	11%	2%
	Internalise TCFD recommendations	100%	100% ³
15	Implement Adaptation Plans to Climate Change	100%	20% ⁴
	Eliminate accidents and environmental penalties	0	0

1. The percentage of renewable installed capacity suffered a slight reduction due to the sale of Mascarenhas HPP at the end of 2022.

2. After the increase seen in 2021, in 2022 it was possible to observe a reduction in accidents (from five to one accident). EDP reiterates its commitment to life and constantly strives for continuous improvement to ensure no accidents occur.

3. Annually, information regarding climate change management at EDP and its risks to the business is disclosed in the format recommended by the TCFD.

4. The Climate Adaptation plans are in the process of being implemented in the companies that make up EDP Brasil Group.

Quarterly ESG Indicators

In order to bring transparency and reinforce our commitment to ESG performance, we included in the Appendices of the Annual Report the same structure disclosed quarterly in the ESG Performance Reports. Therefore, it is possible to compare and track the evolution of the indicators throughout the year.

INDICATORS	UNIT	2022	2021	Δ %
ENVIRONMENTAL DISCLOSURES*				
GHG Emissions				
Specific CO ₂ emissions	tCO ₂ eq/MWh	0.07	0.39	-82%
Scope 1 Emissions	ktCO ₂ eq	262.09	4,088.76	-94%
Scope 2 Emissions	ktCO ₂ eq	133.74	407.05	-67%
Air quality				
NO _x emissions (total)	kt	ND ¹	4.67	-
SO ₂ emissions	kt	ND ¹	10.52	-
Dust emissions (total)	kt	ND ¹	1.10	-
Water stewardship				
Total freshwater withdrawal	10 ³ m ³	324.15	9,192	-96%
Percentage of water consumption in regions with high water stress	%	69%	98%	-30%
Coal and waste management				
Total waste directed to disposal	t	126,952	151,418	-16%
Total coal combustion waste	t	- ²	118,838	0%
Average rate of ash waste recovery	%	- ³	75%	-

* The quarterly environmental indicators consolidate only the companies controlled by EDP Brasil, with the exception of the "Low Carbon Economy" block, which included values proportionally to EDP's stakes in joint venture assets.

1. In 2022, the Pecém TPP was not dispatched for electricity generation by the National System Operator (ONS) due to a favourable water situation. In May, a load verification test was carried out on the two Generating Units, which started up with the goal of verifying their generation capacity. The test lasted around 14 hours and the units were turned off afterwards. The testing period is not sufficient to parameterise the systems and compile actual emissions under standard operating conditions, therefore, NO_x, SO₂, and Particulate Matter emissions are not available for the current year.
2. There was no ash generation in the period due from the absence of dispatch from Pecém TPP in 2022.
3. There was no ash generation during the period due to the absence of dispatch from the Pecém TPP, however more than 88 thousand tons of fly ash that were in the internal ash yard were destined for co-processing in the cement industry.

INDICATORS	UNIT	2022	2021	Δ %
Environmental matters				
Investments	R\$ thousand	241,857	149,290	62%
Expenses	R\$ thousand	12,142	15,379	-21%
Environmental fees and penalties	R\$ thousand	0	0	-
Environmental Management				
Environmental incidents	#	0	0	-
Low-Carbon Economy				
EBITDA in Renewals**	%	62%	65% ¹	-4%
Coal installed capacity	%	27%	25%	8%
Renewable Generation	%	100%	70%	42%

1. The 2021 historical data has been adjusted to align with the disclosure assumptions of the 2022 Results. Data excluding GSF (Generation Scaling Factor). **GRI 2-4**

** Proportion calculated in relation to the EBITDA of the Generation segment

SOCIAL DISCLOSURES

Employment*				
Women in our workforce	%	23.1%	23.0%	0.5%
People with disabilities	%	2.1%	2.0%	4.1%
Racial Diversity**	%	33.6%	25.7%	30.5%
Number of beneficiaries of supplementary pension plans	%	73.0%	74.0%	-10%
Turnover	%	11.0%	13.3%	-17.3%
Total employees who returned to work and remained 12 months after parental leave ended				
Women	%	91%	100%	-9%
Men ***	%	86%	ND	-

* Indicators related to employees consider controlled and partially controlled companies in their consolidation.

** The indicator consolidates employees who identified themselves as belonging to underrepresented groups, namely, black, mixed-race, indigenous, Asian, as well as "not informed".

This indicator only considers the extended leave of 30 days granted after joining the Empresa Cidadã Program.

Training				
Total hours of training	h	46,480	92,492	50%
Trained employees	%	89%	95%	-6%
Direct investment in training	R\$ thousand	4,256.31	1,462.28	291%

INDICATORS	UNIT	2022	2021	Δ %
Health and Safety				
Accidents with direct employees	#	28	13	115%
Accidents with service providers	#	108	131	-18%
Fatalities with direct employees	#	0	0	0%
Fatalities with service providers	#	1	5	-80%
Frequency rate – Direct employees	Rate	1.12	0	-
Frequency rate – Service providers	Rate	1.12	1.58	-29
Accidents with communities	#	29	21	38%
Social Investment				
EDP Volunteers	%	47%	46%	1%
Beneficiaries	#	306,430 ¹	252,151	22%
Total investment	R\$	16,856	23,044	-27%
Sustainable Value Chain				
IDF Global	%	85	91	-7
Spending on local suppliers	%	31.45%	24.31%	29%
Partner satisfaction	%	83	88	-6%
GOVERNANCE INDICATORS				
Governance				
Women in leadership positions	%	20.6%	18.7%	10.2%
Cybersecurity	Bitsight rating	799	790	1%
Cases recorded in the Ethics Hotline	#	291	115	153%
Gender diversity on the Board of Directors	%	33%	33%	-

1. The significant increase in the number of beneficiaries is linked to actions such as the Ipiranga Museum and the Museum of the Portuguese Language Reinauguration and participation in the Biennial Book Fair.

INDICATORS	UNIT	2022	2021	Δ %
NEW BUSINESS INDICATOR				
Electric Mobility				
Charging stations	#	531	320	66%
Customers with electric mobility solutions	#	5,401	2,345	130%
Energy Efficiency and Solar Energy				
Installed Solar Capacity	MWp	110.73*	85.92	29%
CO ₂ emissions avoided by the projects	ktCO ₂	45.28	52.09	-13%

* The value considered is the installed capacity by EDP and Blue Sol. The values in this line are accumulated.

SASB Disclosures

SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS				
TOPIC	CODE	ACCOUNTING METRIC	UNIT	2022
Greenhouse gas emissions planning and resource use	IF-EU-110a.1	(1) Gross global scope 1 emissions and percentage covered under (2) emissions-limiting regulations and (3) emissions-reporting regulations	tCO2eq; %	(1) 262,088.86 (2) Non-applicable; (3) Non-applicable.
	IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	tCO2eq	Scope 1: 251,294.38 scope 2 132,397.99
	IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	n/a	Page 60
	IF-EU-110a.4	(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market	Qty; %	ND
Air Quality	IF-EU-120a.1	Air emissions for the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb) and (5) mercury (Hg); percentage of each in or near areas of dense population	t; %	(1) NOx: ND (2) SO2: ND (3) MP: ND (4) Pb: ND (5) Hg: ND In 2022, the Pecém TPP was not dispatched for electricity generation by the National System Operator (ONS) due to a favourable water scenario. In May, a load verification test was carried out on the two Generating Units, which started up with the goal of verifying their generation capacity. The test lasted around 14 hours and the units were turned off afterwards. The testing period is not sufficient to parameterise the systems and compile actual emissions under standard operating conditions, therefore, NOx, SO2 and Particulate Matter emissions are not available for the current year.
Water Management	IF-EU-140a.1	(1) Total water withdrawal, (2) total water consumed, percentage of each in regions with high or extremely high water stress from the baseline	m ³ ; %	(1) 9,192,377.47; 98% (2) 8,194,138.89; 98%
	IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations	Qty	ND
	IF-EU-140a.3	Discussion of water management risks and description of strategies and practices to mitigate those risks	n/a	Page 48

SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS				
TOPIC	CODE	ACCOUNTING METRIC	UNIT	2022
Coal Ash Management	IF-EU-150a.1	Amount of coal combustion residuals (CCR), percentage recycled	t; %	ND – There was no ash generation due to the absence of dispatch from Pecém TPP and in 2021 the ash monetisation rate was 75%
	IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Qty	0
Energy accessibility	IF-EU-240a.1	Average retail electric rate for (1) residential, (2) commercial and (3) industrial customers	R\$/MWh	EDP SP (1) Residential: 630.85 (2) Business: 645.05 (3) Industrial Carriage: 602.66 (4) Rural: 568.89 (5) Other: 513.24 EDP ES (1) Residential: 613.44 (2) Business: 676.13 (3) Industrial: 667.64 (4) Rural: 620.85 (5) Other: 552.13
	IF-EU-240a.2	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	R\$	ND
	IF-EU-240a.3	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Qty; %	Total of residential power disconnections: EDP SP: 167,552 EDP ES: 172,412 Residential reconnection: Less than 24 hours – 244,707 Between 24 hours and one week – 28,270 More than one week – 998
	IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	n/a	Page 95 – Social Rate

SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS				
TOPIC	CODE	ACCOUNTING METRIC	UNIT	2022
Workforce Health & Safety	IF-EU-320a.1	(1) Total recordable injury rate (TRIR), (2) fatality rate and (3) near miss frequency rate (NMFR)	Rate	Direct employees Number of lost-time injuries: 8 Number of no-lost-time injuries: 20 Absolute number of deaths: 0 Frequency rate: 1.12 Severity rate: 39
				Contractors Number of lost-time injuries: 23 Number of no-lost-time injuries: 85 Absolute number of deaths: 1 Frequency rate: 1.12 Severity rate: 335
End-Use Efficiency & Demand	IF-EU-420a.1	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	%	ND
	IF-EU-420a.2	Percentage of electric load served by smart grid technology	%/MWh	ND
	IF-EU-420a.3	Electric energy savings for customers from efficiency measures, by market	MWh	Commercial (EDP B2B) 2,331.84 Regulatory (PEE): 26,164.16
Nuclear Safety & Emergency Management	IF-EU-540a.1	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Qty	Not applicable
	IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	n/a	Not applicable
Network Resilience	IF-EU-550a.1	Number of incidents of non-compliance with standards or regulations on physical and/or cyber security	Qty	0
	IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI) and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Hours	EDP SP (1): DEC – 6.07 hours (2): FEC – 3.27 hours (3): ND EDP ES: (1): DEC – 6.87 hours (2): FEC – 3.25 hours (3): ND

ACTIVITY METRICS				
CODE	ACTIVITY METRICS	CATEGORY	UNIT	2022
IF-EU-000.A	Number of: (1) residential, (2) business, and (3) industrial customers served	Quantitative	Qty	EDP SP (1) Residential: 1,901,728 (2) Business: 47,810 (3) Industrial: 7,384 Rural: 5,382 Government Sector: 10,377 Public Lighting: 4,049 Public Service 1,570 Energy in transit (USD): 1,155 Finished Goods: 200 EDPE S (1) Residential: 1,347,135 (2) Business: 134,019 (3) Industrial: 9,337 Rural: 187,693 Government Sector: 11,920 Public Lighting: 2,331 Public Service 1,809 Energy in transit (USD): 726 Finished Goods: 257
IF-EU-000.B	Total electricity delivered to: (1) residential, (2) business, (3) industrial, (4) all other retail customers and (5) wholesale clients	Quantitative	MWh	(1) residential: 6,892,500 (2) business: 2,990,790 (3) industrial: 1,201,530 (4) other retail customers: 2,610,670 (5) retail customers: ND
IF-EU-000.C	Length of transmission and distribution lines	Quantitative	km	Distribution: EDP SP – 29,284.84 EDPE S – 66,770.27 Transmission: 2,199 km in operation and 515 km in construction
IF-EU-000.D	Total generated energy, percentage by energy sources, percentage in regulated markets	Quantitative	MWh; %	Net energy output – Hydraulic: 8,366.68; 99.9% Net energy output – Thermal: 5.82; 0.1%
IF-EU-000.E	Total wholesale electricity purchased	Quantitative	MWh	The Company's electricity consumption comes from its own consumption in the generation units and from consumption in the regular market in the case of Distribution (discriminated own consumption) and administrative headquarters.

GRI Supplementary Indicators

Entities included in the consolidated financial statements GRI 2-2

- EDP – ENERGIAS DO BRASIL S.A.
- EDP SÃO PAULO DISTRIBUIÇÃO DE ENERGIA S.A.
- EDP ESPÍRITO SANTO DISTRIBUIÇÃO DE ENERGIA S.A.
- EDP – TRADING COMERCIALIZAÇÃO E SERVIÇOS DE ENERGIA S.A.
- EDP SMART SOLUÇÕES S.A.
- EDP SMART SERVIÇOS S.A.
- EDP SMART ENERGIA LTDA.
- EDP VENTURES S.A.
- ENERPEIXE S.A.
- INVESTCO S.A.
- LAJEADO ENERGIA S.A.
- PORTO DO PECÉM GERAÇÃO DE ENERGIA S.A.
- PORTO DO PECÉM TRANSPORTADORA DE MINÉRIOS S.A.
- PECÉM OPERAÇÃO E MANUTENÇÃO DE UNIDADE DE GERAÇÃO ELÉTRICA S.A.
- EMPRESA DE ENERGIA CACHOEIRA CALDEIRÃO S.A.
(Indicators consolidated proportionally to the equity interest)
- EMPRESA DE ENERGIA SÃO MANOEL S.A.
(Indicators consolidated proportionally to the equity interest)

- COMPANHIA ENERGÉTICA DO JARI – CEJA
(Indicators consolidated proportionally to the equity interest)
- EDP TRANSMISSÃO GOIÁS S.A.
- EDP TRANSMISSÃO LITORAL SUL S.A.
- MATA GRANDE TRANSMISSORA DE ENERGIA LTDA.
- EDP TRANSMISSÃO ALIANÇA SC S.A.
- EDP TRANSMISSÃO SP-MG S.A.
- EDP TRANSMISSÃO NORTE S.A.
- UFV SP V EQUIPAMENTOS FOTOVOLTÁICOS LTDA
- AES INOVA SOLUÇÕES DE ENERGIA LTDA.
- NOVA GERAÇÃO SOLAR LTDA.
- ENERGIA SOLAR I SPE LTDA.
- PEQUENA CENTRAL HIDRELÉTRICA SL S.A.
- RESENDE ENGENHARIA E ASSESSORIA LTDA

The companies Companhia Energética do Jari, Porto do Pecém Transportadora de Minérios S.A., Pecém Operação e Manutenção de Unidades de Geração Elétrica S.A., Empresa de Energia Cachoeira Caldeirão S.A. and Empresa de Energia São Manoel S.A. are not part of EDP Brasil's consolidation. However, due to the materiality of the social and environmental aspects related to their activities, the indicators consider the performance of these companies proportionally to EDP's interest in the case of joint venture assets and fully for companies that provide services to Pecém TPP.

Controlled and partially controlled companies are considered for the Sustainability Report. In the case of mergers, acquisitions and divestments, the inclusion of social and environmental data is proportional to the time the asset was present in the company's portfolio and its relevance for generating social and environmental impact.

Employees GRI 2-7

	Unit	2021	2022
North	Qty.	161	163
Northeast	Qty.	328	320
Midwest	Qty.	4	94
Southeast	Qty.	2,714	2,699
South	Qty.	63	49
Total	Qty.	3,270	3,325

The total number of employees does not include the number of temporary and part-time employees. Telecommuting employees were not allocated to any specific region in the state table. The data only considers consolidated and partially consolidated companies with HC=1, therefore disregarding interns and employees placed on leave.

Workers that are not employees GRI 2-8

	Unit	2020	2021	2022
Outsourced workforce composition	Qty.	14,862	13,588	9,219

Annual Sustainability Report Approval GRI 2-14

Currently, the Annual Sustainability Report is submitted for approval by the EDP Brasil Board of Directors before its external disclosure. The material is previously approved by the Executive Board of EDP Brasil, which, in addition to analysing and validating all materials, also actively participates in the construction process of the Materiality Matrix through inputs for the Business dimension and collegial discussion of the material themes resulting from the process.

Processes used by the highest governance body to ensure that conflicts of interest are prevented and mitigated GRI 2-15

EDP Brasil has a Corporate Governance and Related Parties Committee composed exclusively of independent members of the Board of Directors, which is responsible, among other things, for monitoring, evaluating and supervising internal procedures related to conflicts of interest, as well as the effectiveness of conflict of interest assessment and resolution systems; and opining on conflicts of interest raised in the context of the activities of the Company and its Subsidiaries and their management bodies, especially with respect to direct or indirect shareholders.

The Corporate Governance and Related Parties Committee is responsible for issuing opinions on transactions of any nature between the Company and its Subsidiaries, or between direct or indirect Subsidiaries that involve the marketing of energy, regardless of the amount involved. The Committee may also, from time to time and by specific resolution, waive prior approval or grant global approval for transactions that have a common purpose and are expected to be contracted on a regular basis or in the ordinary course of business of the Company or its Subsidiaries.

Communicating critical concerns GRI 2-16

Currently, the main sources of communications that could be considered crucial are focused on Risk Management, including Crisis Committees and the Compliance area, which carries out the Integrity Due Diligence – IDD process. This process aims to assess the integrity of a potential partner (Legal Entity/Individual) and mitigate risks associated with illicit acts, image, etc. After this evaluation, all information identified in this stage is weighed and a Compliance risk rating is assigned to the counterparty, which can range from low to very high risk. The opinion has an advisory nature, it is not an approval or authorisation and the final decision on carrying out the transaction lies with the respective areas. For the execution of contracts with counterparties who have been classified as high and very high risk, approval by the EDP Brasil Executive Board is mandatory. Therefore, after communication of the main concerns and identified points, it will be up to the Management Board to make the hiring decision. In 2022, 7 IDDs with high or very high risk went through this type of deliberation.

Remuneration policy GRI 2-19, 2-20

EDP Brasil has a Compensation Policy to ensure the attraction and retention of highly qualified professionals and encourage the achievement of objectives and surpassing of targets, in order to add the maximum possible value to the Company's activities. The entire process is based on constant market research (both qualitative and quantitative) and is currently conducted by a renowned international specialised company.

EDP Brasil also has a Compensation Committee, which is responsible for advising the Board of Directors on decisions related to the compensation policies of the Company and its Subsidiaries. In addition, it is among its responsibilities to coordinate the evaluation process of the entire Executive Board and key executives of the Company and its subsidiaries, proposing the level of compensation for the Executive Board and key executives of the Company and its Subsidiaries – as well as other compensation mechanisms appropriate to market practices, which vary depending on the evaluation of economic-financial, environmental and social performance.

The remuneration for the Board of Directors is fixed and composed of salary or compensation and also by compensation for participation in committees. In both cases, the compensation is paid monthly and calculated according to the seniority and complexity of the position in question and in accordance with best market practices. This variable compensation does not apply to the Board of Directors.

In the case of the Executive Board, there is payment of fixed and variable compensation. The first component is composed of salary or director's fee, paid monthly and supplemented with benefits such as medical and dental assistance, medication subsidy, food and meal vouchers, life insurance and private pension. The variable compensation includes bonuses, which are a way of rewarding the achievement or surpassing of the Company's objectives. The objective of the variable remuneration is to stimulate the productivity of the directors and to serve as additional compensation for the achievement of the established goals and for the satisfactory performance of their functions. It is important to note that these goals do not only include financial results, but also ESG issues (which encompass topics such as safety, diversity and climate change).

Compensation – EDP Brasil consolidated GRI 2-19

	Unit	2020	2021	2022
Gross payroll	R\$ thousand	403,007.67	453,352.34	504,628.09
Compulsory social charges	R\$ thousand	98,981.23	106,383.40	121,203.23
Gross remuneration of direct employees	R\$ thousand	380,717.92	425,271.35	475,523.49
Management gross remuneration	R\$ thousand	22,289.75	28,080.99	29,104.60

Annual total compensation ratio GRI 2-21

	Unit	2020	2021	2022
Percentage increase in the remuneration of the highest-paid individuals in the year prior to the one covered by the report.	%	6%	5.7%	7.3%
Percentage increase in annual total compensation for all employees	%	3%	4.2%	10.1%
Ratio of the highest remuneration to the lowest remuneration paid by the company	Rate	53.69	47.86	49.58
Ratio of the lowest remuneration paid by the company to the effective minimum wage	Rate	1.36	1.56	1.49
Ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees (excluding the highest paid individual)	Rate	147.95	146.97	140.33
Relationship between the percentage increase in total compensation of the highest paid individual and the percentage increase in the average annual total compensation of all employees	Rate	92%	83%	49%

Laws and regulations GRI 2-27

Non-compliance with environmental laws and regulations	Unit	2020	2021	2022
Environmental administrative proceedings initiated in the year	Qty.	12	13	13
Administrative proceedings pending at the end of the year (if submitted to dispute resolution mechanisms)	Qty.	2	0	2
Environmental judicial proceedings initiated in the year	Qty.	6	10	3
Judicial proceedings pending at the end of the year (if submitted to dispute resolution mechanisms)	Qty.	1	3	3
Total number of non-monetary sanctions	Qty.	0	0	0
Total value of environmental fines in administrative proceedings	R\$ thousand	0	0	0
Total value of environmental fines in judicial proceedings	R\$ thousand	0	9,000	0

Non-compliance with environmental laws and regulations	Unit	2020	2021	2022
Monetary value of significant fines	R\$ thousand	0	0	1,040.49
Total number of non-monetary sanctions	Qty.	53	21	8
Total cases resolved through arbitration mechanisms	Qty.	4	3	3

Legal proceedings	Unit	2020	2021	2022
Number of environmental violations	Qty.	12	13	13
Number of environmental crimes	Qty.	1	2	0
Number of pending environmental proceedings	Qty.	190	207	202
Environmental crimes (cost)	R\$	0	0	0
Environmental offsets (cost)	R\$	0	0	0

Labor claims	Unit	2020	2021	2022
Labor practices grievances reported	Qty.	181	183	343
Number of labour claims brought against the company	Qty.	1,458	1,221	1,283
Number of labour claims deemed to be substantiated	Qty.	30	126	104
Number of labour claims rejected in the period	Qty.	247	307	173
Amount provisioned for in the period	R\$ thousand	5,299	0	0
Value of damages and fines paid under court awards	R\$ thousand	4.25	1,425	22,142

Main memberships in national/international associations and/or organisations for advocacy GRI 2-28

- ABCE – Associação Brasileira de Concessionárias de Energia Elétrica (Brazilian Association of Power Concessionaires)
- ABDIB – Associação Brasileira da Infraestrutura e Indústrias de Base (Brazilian Infrastructure and Heavy Industry Association)
- ABESCO – Associação Brasileira das Empresas de Serviços de Conservação de Energia (Brazilian Power Conservation Companies Association)
- ABNT – Associação Brasileira de Normas Técnicas (Brazilian Association for Standardisation)
- ABRACEEL – Associação Brasileira dos Comercializadores de Energia (Brazilian Association of Energy Traders)
- ABRACONEE – Associação Brasileira dos Contadores do Setor de Energia Elétrica Brasileira (Brazilian Power Sector Accountants Association)
- ABRADDEE – Associação Brasileira de Distribuidores de Energia Elétrica (Brazilian Association of Electricity Distributors)
- ABRAGET – Associação Brasileira Geradoras Termelétricas (Brazilian Association of Thermal Power Generators)
- ABRASCA – Associação Brasileira das Companhias Abertas (Brazilian Association of Listed Companies)
- ABSOLAR – Associação Brasileira de Energia Solar Fotovoltaica (Brazilian Association for Photovoltaic Solar Power)
- AECIPP – Associação das Empresas do Complexo Industrial e Portuário do Pecém (Association of Pecem Industrial and Port Complex Companies)
- APIMEC – Associação dos Analistas e Profissionais de Investimentos do Mercado de Capitais (Association of Analysts and Professionals from the Capitals and Investment Market)
- APINE – Associação Brasileira dos Produtores Independentes de Energia Elétrica (Brazilian Association for Independent Energy Producers)
- Associação para Transmissoras – IDTE (Associations for Transmission Companies)
- Bovespa (B3 S/A)
- Chamber RJ
- Chamber SP
- CEBRI – Brazilian Centre for International Relations
- CEO-Chief Executives organisation
- LUSO BRAZILIAN Community Council
- CRC – Regional Accounting Council
- CREA – Regional Council for Engineering and Agronomy

- CVM – Brazilian Securities Commission
- Embassy of Portugal
- Federation of Employees in Generation, Transmission and Distribution Companies
- IBRI – Brazilian Investor Relations Institute
- ABRADDEE Institute
- ACENDE BRASIL INSTITUTE
- ETHOS INSTITUTE
- LIDE – Business Leadership
- Movimento Brasil
- Movimento Empresarial Espírito Santo em Ação
- NIRI – National Investor Relations Institute
- ONS – National Electric System Operator
- Settaport – Union of Terrestrial Employees in Waterway Transport and Port Operators of São Paulo state
- Union of Workers in the Electric Power Industry of São Paulo
- Union of the Electric Power Industry Workers of Espírito Santo
- The Union of Electricity Workers in the State of Tocantins
- SindiEnergia – Energy Industry Union in São Paulo State
- YPO Brasil – Young Presidents' organisation
- YPO International – Young Presidents' organisation

List of stakeholders engaged by the organisation GRI 2-29

The stakeholders of the EDP Group comprise all parties involved with the activities, products and services offered by the Company:

- | | | |
|---------------------------|------------------------------|-----------------------|
| • State Assemblies | • Competition | • NGOs |
| • Consumer Associations | • National Congress | • Government Agencies |
| • Residents Associations | • Subsidiaries | • Regulatory Agencies |
| • Business Associations | • Public Companies | • Partners |
| • Local Authorities | • Financial Entities | • Political Parties |
| • Municipal Councils | • Schools | • Executive Branch |
| • Customers | • Suppliers | • Judicial Branch |
| • Staff | • International Institutions | • Awards |
| • Scientific Community | • Institutes | • Trade Unions |
| • International Community | • Investors | • Startups |
| • Local Communities | • Opinion leaders | |
| | • Media | |

Basis for identification and selection of stakeholders with whom to engage GRI 2-29

The procedures related to the Stakeholder Relationship Model of EDP Brasil, as well as the Stakeholder Relationship Policy of the EDP Group, define criteria and establish guidelines for the planning, execution and monitoring of the active listening agenda to stakeholders, as well as for the subsequent treatment of strategic demands related to interested parties. The processes and subprocesses are mapped and monitored through performance indicators.

Based on the definition of the Value Proposition for Stakeholders, with the prioritisation of strategic themes and segments for EDP, the Institutional Relations and Stakeholder Management core team works in an integrated manner with the leadership and focal points of the different business units of EDP Brasil to plan and execute a set of activities that allow for customising EDP's communication with each stakeholder, conveying and capturing strategic information.

The stakeholder mapping results in an Impact Matrix that, together with a qualitative analysis of relevant issues that involve the relationship with each stakeholder, allows us to prioritise the most relevant and strategic stakeholders to engage with.

The stakeholder map of EDP Brasil has approximately 1500 stakeholders mapped. Out of this universe, 300 stakeholders were interviewed in the last active listening cycle (2021-2022).

Approach adopted by the Company to engage stakeholders and to assess stakeholder engagement GRI 2-29

EDP Brasil's engagement with external stakeholders is proactive and constant, through the application of a methodology for stakeholder management and active listening. This methodology is guided by the interaction with other geographies (especially with the headquarters in Portugal, which provides global guidelines for Stakeholder Management of the EDP Group), as well as by engagement with different business areas of EDP Brasil.

After identifying and prioritising stakeholders, we structure an interview agenda with stakeholders to evaluate essential aspects of the relationship between these audiences and EDP Brasil. The process also includes anticipating risks and issues, as well as monitoring relevant issues for the definition of the company's strategy – and consequently, for making assertive decisions. The Stakeholder Management process takes place biennially. Throughout each cycle, several stages can be observed, ranging from the selection of internal areas and stakeholder mapping to the reporting and monitoring phase, which is accompanied by the construction

of action plans based on the identified results, with inputs that guide the construction of the business strategy. Within the process of consulting with priority stakeholders, there are specific questions about the relevance of social and environmental issues that later form part of the process of constructing the Materiality Matrix used in the Company's Annual Reports.

Financial assistance received from government GRI 201-4

Category	Unit	2020	2021	2022
Tax benefits and credits	R\$ thousand	91,619	83,212	76,579
Subsidies	R\$ thousand	0	0	0
Tax-deducted investment	R\$ thousand	0	0	0
Cultural Incentive Law (Rouanet Act)	R\$ thousand	7,459	7,669	5,703
Sports	R\$ thousand	1,806	1,921	1,400
Children and Adolescent Fund	R\$ thousand	1,807	1,921	1,197
Program of Cultural Initiative	R\$ thousand	0	0	0
PRONON – National Cancer Care Program	R\$ thousand	0	1,632	0
Other	R\$ thousand	1,398	1,910	1,400

Ratio of standard entry level wage by gender compared to local minimum wage GRI 202-1

	Unit	2020	2021	2022
Ratio of the lowest remuneration paid by the company to the effective minimum wage	Rate	1.36	1.56	1.49
Proportional variation between the lowest salary paid to female employees and the local minimum wage	%	36%	50%	49%
Proportional variation between the lowest salary paid to men employees and the local minimum wage	%	53%	51%	56%

Emissions intensity rate GRI 305-4

	Unit	2020	2021	2022
GHG emissions by hydro energy generated	tCO ₂ e/GWh	0.05	0.05	0.03
GHG emissions by thermal energy generated	tCO ₂ e/GWh	1,127.72	1,181.55	1,789.49
GHG emissions by energy distributed	tCO ₂ e/GWh	14.63	30.45	10.17
GHG emissions by net revenue	tCO ₂ e/R\$ thousand	0.11	0.24	0.023

Waste generation and significant waste-related impacts GRI 306-1

Wastewater report	Unit	2020	2021	2022
Temperature increase in the receiving environment 30 meters from the discharge point	°C	ND	ND	ND
Inform the amount of total residual Chlorine	mg/L	0.00	0.00	0.00
The quality of the rejected effluent – CBO5	mg/L	ND	ND	ND
The Chemical Oxygen Demand (DQO)	mg/L	ND	ND	ND
Discharge of heavy metals into water	mg/L	ND	ND	ND
Report the quantity of Total Suspended Solids (SST) in the discharged effluents	mg/L	97.63	94.00	484.00
Amount of Nitrogen in discharged effluents (total ammonia – mg/l)	mg/L	1.31	1.94	3.36
Amount of Iron in discharged effluents	mg/L	0.15	0.05	0.05
Amount of Copper in discharged effluents	mg/L	0.01	0.03	0.01
Amount of Zinc in discharged effluents	mg/L	0.06	0.03	0.08
Amount of Nickel in discharged effluents	mg/L	< 0.01	0.01	0.01
Amount of Chrome in discharged effluents	mg/L	< 0.01	0.00	0.01
Amount of and fats in discharged effluents	mg/L	8.60	10.00	10.00
Report the average pH value of rejected wastewater	pH	9.05	7.87	7.47

Waste diverted from disposal GRI 306-4

	2021			2022		
Total waste diverted from disposal, by recovery operation in tonnes (t)*	Within the organisation	Outside the organisation	Total	Within the organisation	Outside the organisation	Total
Hazardous waste						
Preparation for reuse	0	285.41	285.41	0	0	0
Recycling	0	1,611.45	1,611.45	0	2,244.54	2,244.54
Other recovery operations	0	8.98	8.98	0	67.64	67.64
Total	0	1,905.84	1,905.84	0	2,312.18	2,312.18
Nonhazardous waste						
Preparation for reuse	0	0	0	0	9.48	9.48
Recycling	0	16,154.01	16,154.01	0	19,187.34	19,187.34
Other recovery operations	10	100,649.95	100,649.95	88,453.97	1,504.02	89,957.99
Total	10	116,803.96	116,813.96	88,453.97	20,700.84	109,154.81

Waste directed to disposal GRI 306-5

	2021			2022		
Waste directed to disposal, by disposal operation, in tonnes (t)	Within the organisation	Outside the organisation	Total	Within the organisation	Outside the organisation	Total
Hazardous waste						
Incineration (with energy recovery)	0	0	0	0	0	0
Incineration (without energy recovery)	0	0.27	0.27	0	4.82	4.82
Landfilling	0	8.08	8.08	0	42.95	42.95
Other disposal operations	0	502.88	502.88	0	899.91	899.91
Total	0	511.23	511.23	0	947.68	947.68
Nonhazardous waste						
Incineration (with energy recovery)	0	0	0	0	0	0
Incineration (without energy recovery)	0	0	0	0	0	0
Landfilling	29,823.08	915.33	30,738.41	0*	2,554.17	2,554.17
Other disposal operations	0	1,448.18	1,448.18	0	10,133.05	10,133.05
Total	29,823.08	2,363.51	32,186.59	0	12,687.22	12,687.22

* The volume of non-hazardous waste that goes to the internal landfill at EDP is associated with the production of ashes at Pecém TPP, but since it was not dispatched in 2022, the volume has been significantly reduced.

New hires and turnover GRI 401-1

Turnover		Unit	2020	2021	2022
Under 30	Men	%	13.2	19.1	19.9
	Women	%	14.1	25.0	24.7
	Total	%	13.5	20.8	21.4
30 to 50	Men	%	7.3	10.5	11.9
	Women	%	8.3	14.8	12.3
	Total	%	7.5	11.5	12.0
Over 50	Men	%	12.0	11.7	16.1
	Women	%	12.1	9.0	18.7
	Total	%	12.0	11.2	16.5
Hires and turnover		Unit	2020	2021	2022
Under 30	Men	Qty.	96	121	106
	Women	Qty.	38	60	66
	Total	Qty.	134	181	172
30 to 50	Men	Qty.	142	155	215
	Women	Qty.	44	66	62
	Total	Qty.	186	221	277
Over 50	Men	Qty.	10	5	15
	Women	Qty.	1	3	1
	Total	Qty.	11	8	16
Under 30	Men	Qty.	29	51	63
	Women	Qty.	16	33	27
	Total	Qty.	45	84	90
30 to 50	Men	Qty.	117	220	226
	Women	Qty.	36	82	65
	Total	Qty.	153	302	291
Over 50	Men	Qty.	70	65	82
	Women	Qty.	14	8	22
	Total	Qty.	84	73	104

Consolidated turnover GRI 401-1

	2020	2021	2022
General turnover – Voluntary	7%	9%	10%
General turnover – Non-Voluntary	8%	10%	11%

Parental leave GRI 401-3

Return to work after parental leave	Unit	2020	2021	2022
Rate of employees who returned to work after parental leave ended (men)	%	NA	97%	100%
Rate of employees who returned to work and remained 12 months after parental leave ended (men)	%	NA	92%	91%
Rate of employees who returned to work after parental leave ended (women)	%	92%	94%	100%
Rate of employees who returned to work and remained 12 months after parental leave ended (women)	%	88%	77%	86%
Number of employees who were entitled to parental leave (men)	Qty	NA	105	148
Number of employees who took leave (men)	Qty	NA	60	108
Total employees who returned to work after parental leave ended (men)	Qty	NA	60	108
Number of employees who remained at the company 12 months after returning to work (men)	Qty	NA	55	98
Number of employees who were entitled to parental leave (women)	Qty	34	27	37
Number of employees who took leave (women)	Qty	33	26	37
Total employees who returned to work after parental leave ended (women)	Qty	33	26	37
Number of employees who remained at the company 12 months after returning to work (women)	Qty	29	20	32

Average hours of training per year per employee GRI 404-1

Average hours of training per women employees	2020	2021	2022
Management Board	0.00	60.00	31.00
Senior Management	0.97	34.70	12.00
Management	10.69	25.00	25.00
Specialists	2.52	8.60	7.00
Administrative	8.31	8.10	8.00
Operational	21.75	20.70	13.00
Total	4,944.19	9,026.32	7,580.32

Average hours of training per male employee	2020	2021	2022
Management Board	ND	12.80	10.00
Senior Management	9.81	19.40	10.00
Management	23.22	26.30	19.00
Specialists	10.45	14.20	9.00
Administrative	26.86	26.90	13.00
Operational	2.15	38.50	16.00
Total	56,244.59	83,465.73	38,899.47

Consolidated	Unit	2020	2021	2022
Trained employees	%	72%	90%	89%
Direct investment in training	R\$ thousand	3,905,961.72	5,325,191.10	4,256,311.23

Installed capacity, broken down by primary energy source and by regulatory regime EU1

Company	Indicator	Unit	2020	2021	2022
Pecém TPP	Installed capacity	MW	720.2	720.2	720.2
	Energy assured	Average MW	645.3	645.3	645.3
Enerpeixe	Installed capacity	MW	498.7	498.7	498.7
	Energy assured	Average MW	280.5	280.5	266.6
Investco	Installed capacity	MW	902.5	902.5	902.5
	Energy assured	Average MW	505.1	505.1	479.9
Cachoeira Caldeirão HPP*	Installed capacity	MW	109.5	109.5	109.5
	Energy assured	Average MW	129.7	129.7	123.3
São Manoel HPP	Installed capacity	MW	245.2	245.2	245.2
	Energy assured	Average MW	430.4	430.4	430.4
Santo Antônio do Jari HPP	Installed capacity	MW	196.5	196.5	196.5
	Energy assured	Average MW	222.0	222.0	211.3
Energest**	Installed capacity	MW	198	198	198
	Energy assured	Average MW	134.8	134.8	128.1

* Installed capacity referring to EDP Brasil's participation in joint venture power plants.

** The power plant was sold at the end of 2022, but the information was included to ensure comparability, as it remained in the portfolio for most of the year.

EDP Brasil Consolidated	Unit	2020	2021	2022
Installed capacity	MW	2,870.78	2,870.78	2,672.78*
Energy assured	Average MW	2,347.80	2,347.80	2,156.80

Mascarenhas HPP, associated with Energest, was sold in 2022, leaving EDP Brasil's portfolio.

Energy output ^{EU 2}

Net energy output	Unit	2020	2021	2022
Hydro	GWh	7,521.54	8,123.55	8,366.68
Thermal	GWh	1,627.75	3,416.62	5.82

Distribution Lines Length ^{EU4 | SASB IF-EU-000.C.}

Type of distribution line	Unit	EDP SP	EDPES
Low-Voltage Lines (lower than 1kV) – Areal	km	12,684.51	9,938.02
Medium-Voltage Lines (higher than 1kV and lower than 69 kV) – Areal	km	15,345.86	53,559.25
High-Voltage Lines (greater or equal to 69 kV) – Areal	km	1,019.94	3,223.74
Total of areal distribution grid in rural areas	km	7,688.28	47,455.20
Total of areal distribution grid in urban areas	km	20,342.09	16,042.07
Low-Voltage Lines (lower than 1kV) – Underground	km	92.82	1.56
Medium-Voltage Lines (higher than 1kV and lower than 69 kV) – Underground	km	135.39	47.70
High-Voltage Lines (greater or equal to 69 kV) – Underground	km	6.32	0.00
Total of underground distribution grid in rural areas	km	2.29	1.54
Total of underground distribution grid in urban areas	km	225.91	47.72

Average generation efficiency of thermal plants by energy source and by regulatory regime ^{EU11}

Global Efficiency	%	ND*
Average Efficiency in Generator Unit 1 (UG1)	%	ND
Average Efficiency in Generator Unit 2 (UG2)	%	ND

* Efficiency could not be calculated for 2022 due to the absence of dispatch from the TPP throughout the entire year.

Number of residential disconnections due to non-payment, by disconnection duration and regulatory system ^{EU27}

EDP São Paulo	Unit	2020	2021	2022	
Residential disconnections	Less than 48 hours	Qty.	32,692	58,835	71,841
	48 hours – 1 week	Qty.	7,746	42,550	47,104
	1 week – 1 month	Qty.	8,321	29,223	43,230
	1 month – 1 year	Qty.	14,377	4,760	5,376
	Over one year	Qty.	0	0	1
	Non-classified	Qty.	0	0	0
Residential reconnections	Less than 24 hours	Qty.	64,934	87,601	120,183
	Between 24h and 1 week	Qty.	9,894	11,021	15,137
	More than a week	Qty.	1,308	487	533
	Up to 30 days	Qty.	ND	ND	0
Non-classified	Qty.	0	0	0	

		EDP Espírito Santo	Unit	2020	2021	2022
Residential disconnections	Less than 48 hours	Qty.		26,889	12,551	31,526
	48 hours – 1 week	Qty.		61,449	45,105	70,675
	1 week – 1 month	Qty.		23,515	39,969	55,89
	1 month – 1 year	Qty.		7,478	8,550	14,321
	Over one year	Qty.		0	0	0
	Non-classified	Qty.		0	0	0
Residential reconnections	Less than 24 hours	Qty.		92,088	26,528	124,524
	Between 24h and 1 week	Qty.		11,613	26,564	13,133
	More than a week	Qty.		420	ND	465
	Up to 30 days	Qty.		0	0	0
	Non-classified	Qty.		0	0	0

Average availability factor ^{EU30}

		Unit	2020	2021	2022
Pecém TPP	Average Availability	%	92%	94%	98%
	Planned Stoppages	Hours	1,439.00	732.00	427.80
	Unplanned Stoppages	Hours	199.70	209.00	10.20
Energest	Average Availability	%	76%	90%	95%
	Planned Stoppages	Hours	549.33	2,246.83	1,568.1
	Unplanned Stoppages	Hours	7,635.63	1,042.22	98.03
Enerpeixe	Average Availability	%	100%	100%	97%
	Planned Stoppages	Hours	66.17	21.37	655.05
	Unplanned Stoppages	Hours	0.32	0.43	46.53
Investco	Average Availability	%	96%	98%	97%
	Planned Stoppages	Hours	1,715.52	755.18	1,359.90
	Unplanned Stoppages	Hours	7.82	4.55	8.13
Cachoeira Caldeirão HPP	Average Availability	%	86%	87%	94%
	Planned Stoppages	Hours	3,396.05	3,246.48	1,563.37
	Unplanned Stoppages	Hours	250.00	131.05	85.82
São Manoel HPP	Average Availability	%	93%	92%	92%
	Planned Stoppages	Hours	2,014.10	1,767.35	2,334.32
	Unplanned Stoppages	Hours	316.27	1,086.90	347.52
Santo Antônio do Jari HPP	Average Availability	%	86%	83%	76%
	Planned Stoppages	Hours	687.57	2,893.72	6,478.97
	Unplanned Stoppages	Hours	4,195.42	2,607.12	623.98

GRI Content Index

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Use of proceeds EDP reported the information mentioned in this GRI Content Index for the period from January 01 to December 31, 2022, based on the GRI Standards.

GRI 1 used GRI 1: Foundation 2021

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Concepts and Definitions

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B3

Brazil, Bolsa, Balcão – The official stock exchange of Brazil

Bitsight rating

Evaluation based on data of an organisation's cybersecurity performance

CDP

Carbon Disclosure Project

Cybersecurity

Cybersecurity – Protection of computers, servers, mobile devices, electronic systems, grids and data against malicious attacks

EBITDA

Earnings before Interest, Tax, Depreciation and Amortisation

Scope 1

Direct emissions caused by the activities of an organisation:

Scope 2

Indirect emissions resulting from an organisation's energy consumption

Scope 3

Indirect emissions from our value chain

GHG

Greenhouse gases

GRI

Global Reporting Initiative

ICO2

Carbon Efficient Index (B3)

IDF

Suppliers Performance Index

IIRC

International Integrated Reporting Council

ISE

Corporate Sustainability Index (B3 ISE)

SASB

Sustainability Accounting Standards Board

SBTi

Science Based Targets initiative (SBTi)

TCFD

Task Force on Climate-Related Financial Disclosures

Turnover

Employee turnover

External assurance

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Independent auditors' limited assurance report on non-financial information included in the Annual Report

(A free translation of the original report in Portuguese, containing the Assurance Report).

To the Board of Directors and Shareholders
 EDP Energias do Brasil S.A.
 São Paulo - SP

Introduction

We have been engaged by EDP Energias do Brasil S.A. ("EDP" or "Company") to present our limited assurance report on the non-financial information included in the "EDP Brasil Annual Report 2022 - ESG Report" of the Company, for the year ended December 31, 2022.

Our limited assurance does not extend to prior period information or to any other information disclosed in conjunction with the EDP Brasil Annual Report 2022 - ESG Report, including any embedded images, audio files or videos.

Responsibilities of the Company's management

The management of the Company is responsible for:

- select and establish appropriate criteria for the elaboration of the information contained in the EDP Brasil Annual Report 2022 ESG Report;
- prepare the information in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI - Standards);
- design, implement, and maintain internal control over information relevant to the preparation of EDP Brasil Annual Report 2022 - ESG Report that is free from material misstatement, whether due to fraud or error.

Responsibility of the independent auditors

Our responsibility is to express a conclusion on the non-financial information included in the EDP Brasil Annual Report 2022 - ESG Report, based on the limited assurance engagement conducted in accordance with Technical Communication CTO 07/2022 issued by the CFC, and based on NBC TO 3000 - Assurance Engagements other than Audits and Reviews, also issued by the CFC, which is equivalent to international standard ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information, issued by the International Auditing and Assurance Standards Board (IAASB). These standards require



compliance by the auditor with ethical requirements, independence, and other responsibilities relating to it, including the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented policies and procedures on compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Additionally, the standards require that the work be planned and performed with the objective of obtaining limited assurance that the non-financial information in the EDP Brasil Annual Report 2022 -ESG Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) mainly consists of inquiries to the Company's management and other EDP's professionals who are involved in the preparation of information, as well as the application of analytical procedures to obtain evidence that enables us to conclude, in a limited assurance manner, on the information taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead him to believe that the information disclosed in the EDP Brasil Annual Report 2022 - ESG Report, taken as a whole, may present material misstatements.

The procedures selected were based on our understanding of the aspects relating to the compilation, materiality and presentation of the information contained in the EDP Brasil Annual Report 2022 -ESG Report, other circumstances of the engagement and our consideration of areas and the processes associated with the material information disclosed in the EDP Brasil Annual Report 2022 - ESG Report where material misstatements could exist. The procedures comprised, among others:

- a. planning the work, considering the materiality of the aspects for the Company's activities, the relevance of the information disclosed, the volume of quantitative and qualitative information and the operating and internal control systems that served as a basis for the preparation of the information contained in the EDP Brasil Annual Report 2022 - ESG Report.
- b. the understanding of the calculation methodology and the procedures for the compilation of the indicators through inquiries with the managers responsible for the preparation of the information;
- c. the application of analytical procedures on the quantitative information and inquiries on the qualitative information and its correlation with the indicators disclosed in the information contained in the EDP Brasil Annual Report 2022 - ESG Report; and
- d. for the cases in which the non-financial data correlate with indicators of a financial nature, the confrontation of these indicators with the accounting statements and/or accounting records.
- e. analysis of the processes for preparing the Report and its structure and content, based on the Content and Quality Principles of the Sustainability Reporting Standards of the Global Reporting Initiative - GRI;
- f. evaluation of the sampled non-financial indicators from GRI-Standards;
- g. understanding the calculation methodology and the procedures for the compilation of the indicators through interviews with the managers responsible for the preparation of the information.

KPMG Auditores Independentes Ltda. - uma sociedade simples brasileira, de responsabilidade limitada e inscrita no registro de empresas do Brasil (CNPJ nº 07.000.000/0001-90) e inscrita no registro de empresas de responsabilidade limitada.

KPMG Auditores Independentes Ltda., a Brazilian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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The limited assurance work also comprised adherence to the guidelines and criteria of the GRI - Standards elaboration framework applicable in the preparation of the information included in the EDP Brasil Annual Report 2022 - ESG Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures performed in limited assurance work vary in nature and timing, and are smaller in extent than in reasonable assurance work. Consequently, the level of assurance obtained in limited assurance work is substantially lower than that which would be obtained if reasonable assurance work had been performed. If we had performed reasonable assurance work, we could have identified other issues and possible distortions that may exist in the information contained in the EDP Brasil Annual Report 2022 - ESG Report. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, given the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretations of materiality, relevance, and accuracy of the data are subject to individual assumptions and judgments. Additionally, we did not perform any work on data reported for prior periods, nor in relation to future projections and targets.

The preparation and presentation of sustainability indicators followed the GRI - Standards criteria and, therefore, are not intended to ensure compliance with social, economic, environmental or engineering laws and regulations. These standards do, however, provide for the presentation and disclosure of any non-compliance with such regulations when significant sanctions or fines are incurred. Our assurance report must be read and understood in this context, inherent to the selected criteria (GRI - Standards).

Conclusion

Based on the procedures performed, described in this report and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial information included in the EDP Brasil Annual Report 2022 - ESG Report for the year ended December 31, 2022 of EDP, have not been prepared, in all material respects, in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative – GRI;

São Paulo, February 27th, 2023

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6
Original report in Portuguese signed by

Sebastian Yoshizato Soares
Accountant CRC 1SP257710/O-4

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Credits

EDP Brasil

Overall coordination

grupo report - rpt sustentabilidade

Project management, writing, GRI consulting,
graphic design and layout

Latam Translations

Translation