



# EDP Redes España 2024 Sustainability Report

The Earth.  
The only home we know.

In the biggest and smallest decisions, it is the Earth that guides our actions. Step by step, we are forging a future where humanity and the planet can thrive harmoniously. Becoming net-zero by 2040 and having above 95% renewable production, are our strongest commitments.

Earth is at a tipping point. But we are building strong foundations to improve the direction of our path. We belong to a wide, complex and yet delicate system. We need synergies and balance. We need to give more and take less. We must shift from exploiting to giving back.

Through sustainable innovation, we are putting all our energy into renewable resources, by harnessing the power of the sun, wind, and water.

Because when **We Choose Earth**, we choose to be part of a never-ending natural and positive cycle.

**We Choose Earth. Do you?**

# EDP Redes España 2023 Sustainability Report



## EDP Redes España Sustainability Report

This Sustainability Report of EDP Redes España has been prepared in accordance with the Global Reporting Initiative (GRI) standards and Directive 2014/95/EU of the European Parliament and of the Council, of 22 October 2014, and the national laws transposing it.

This Report supplements the Annual Integrated Report of the EDP Group, as regards its activity in Spain:

### Annual Integrated Report of the EDP Group

The Integrated Annual Report and its sustainability performance is prepared in accordance with the European Sustainability Reporting Standards (ESRS), as defined in Commission Delegated Regulation EU 2023/2772 of 31 July 2023, which complements the requirements of the Corporate Sustainability Reporting Directive. It also follows other regulatory reporting frameworks, namely those set by the Portuguese Securities Market Commission (CMVM), the International Financial Reporting Standards Sustainability Standards (IFRS S), Sustainable Finance Disclosures Regulation (SFDR), Pillar 3, Benchmark Regulation and EU Climate Law. This integrated report has been audited by an authorised external entity under the ISAE 3000 (revised) standards. This report incorporates the ESG information for all the companies and geographical areas of the EDP Group, including EDP Redes España material information, which is detailed below in this Sustainability Report.

With the introduction of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), the status on EDP's Climate Transition Plan has been integrated into the Sustainability Statement. This inclusion ensures compliance with the new reporting standards, specifically addressing the requirements of the ESRS E1 standard, which focuses on climate-related disclosures.

EDP also publishes an additional set of reports available at [www.edp.com](http://www.edp.com):

- **Annual Report of the General and Supervisory Board.**
- **Annual sectoral reports, in particular:** Safety and Business, Continuity Report, Internal Audit Report, Ethics Ombudsperson's

Report and Social Investment Report.

- **Bi-annual sectoral reports:** Human and Labour Rights Report, Biodiversity Report, Circular Economy Report.
- **Quarterly ESG reports and bi annual ESG report for EDP Redes España.**

This Report is a free translation of the EDP Redes España Sustainability Report originally issued in Spanish. In the event of discrepancies, the Spanish language version prevails.



## Message from the Chairman



Dear Shareholders and Stakeholders, I am pleased to address all of you to share the achievements and significant advances that we have reached together at EDP Redes España during 2024. This year has witnessed important milestones and progress in our mission to distribute sustainable and quality energy to our customers, strengthening our position as facilitators in the energy transition.

EDP Redes España is the company that integrates the three distribution companies of EDP in Spain (E-Redes, Viesgo Distribución, and BEGASA), thus constituting a group that once again renews its global leadership in sustainability, reaching for the third consecutive year the first European position in the GRESB international sustainability index of infrastructure assessment.

In the year 2024, the geopolitical context has been characterised once again by complexity and uncertainty in all scenarios. The energy sector has not been immune, and it has been impacted by volatility in energy prices, disruptions in supply chains, fluctuations in capital costs, all within an unstable regulatory context, especially regarding aspects of remuneration, competencies, and administrative complexity.

The review of the PNIEC (National Integrated Energy and Climate Plan) has established very ambitious objectives in the deployment of renewables and electrification of consumption that inherently require investments in the distribution and transport network infrastructure. This requires increasing the maximum allowed investment volume and reviewing other aspects such as anticipatory investments and speeding up connection times and permits to the network. Aware of this context, EDP's strategic plan 2023-2026 commits to an investment of more than €20 Bn, focusing on accelerating the deployment of renewables, strengthening networks, and new sustainable services for customers. In this way, the group's strategic plan assumes the fundamental role of networks in the energy transition, as a necessary lever in the fight against climate change, as they are essential infrastructures for the development and connection of renewable energies, promotion of self-consumption and distributed generation, energy storage, and electric mobility, among others.

EDP Redes España's investment plan responds to these challenges, maximising the return on investments, promoting operational efficiency leading in supply quality in Spain, putting the customer at the centre, and with ESG excellence and fostering innovation in all operations. Our performance level in 2024 demonstrates this, with resilience and adaptability, capturing all opportunities and anticipating risk management and reducing our environmental footprint in terms of climate change, promoting the circular economy, and with a net positive management of biodiversity, all without forgetting the social implications throughout our value chain and in local communities.

We have a commitment to our Communities, our Planet, and our Partners, therefore having a resilient network is one of the most important values we can offer, ensuring agile response capacity and managing our assets throughout their life cycle, optimising maintenance and appropriately prioritising investments, and with the customer at the centre of our operations, facilitating network connections and the energy transition of the industrial network we have in our distribution areas.

To develop all this activity, we have a high-performance human team, such as the team that makes up EDP Redes España. It is our duty to assume with them a commitment of maximum demand in terms of safety and health, in order to achieve a zero-accident scenario, the company's maxim. In this regard, I want to convey my deepest condolences to the families for the fatal accident recorded in 2024. From EDP, we reinforce one of our essential principles: safety is non-negotiable and it is our daily commitment to ensure that everyone who works with EDP does so in safe conditions. This vision is complemented by excellent people management in terms of employment quality and stability, work environment, diversity, equality, and social inclusion, among others.

I would like to highlight at this point the performance of our distribution teams in the Valencia community after the disastrous effects of the DANA suffered. Their dedication and effort have allowed us to restore supply in record time to our more than 8,000 customers in the area. We have not been immune to this human catastrophe and from the first moment, we have coordinated our actions with the authorities and deployed forces, both in the field and remotely. Likewise, I would like to thank the involvement of EDP employees and the EDP Foundation in Spain who have raised funds to help in the recovery. From here, I also want to convey our solidarity to all those affected, as well as our condolences to the families of the victims.

Finally, I conclude by thanking the commitment and dedication of the entire EDP Redes España team, as well as the Board of Directors, and especially our partners at Macquarie, whose drive has facilitated the excellent execution of the business plan and will allow us to face future challenges.

**José Ferrari Careto**  
Chairman of EDP Redes España

## Message from the CEO



It is an honour for me to present my first Sustainability Report as CEO of EDP Redes España. The year 2024 has undoubtedly been an excellent year in terms of our operational performance and ESG matters, with the aim of this report being to convey the most relevant milestones of the year to all our stakeholders in a transparent manner.

From an operational aspect, EDP Redes España has continued to create value for the EDP Group and address the challenges of the Energy Transition. The execution of the 2024 business plan has been excellent, with total investments of €167 million in projects for network modernisation, digital transformation, new network capacity, infrastructure resilience, and environmental investments. This investment is part of an ambitious medium-term strategic plan of the company, committed with €1,137 million for the period 2025–2030.

Alongside traditional network improvement and extension projects, transformative projects stand out, such as the unification of Advanced Distribution Management Systems (ADMS), the technological renewal of the remote management system, and network automation projects as key aspects in the strategy of building increasingly intelligent networks as a lever for the mitigation and adaptation against climate change.

An important pillar in the Networks business strategy is placing the customer at the centre of our operations, which is why we are developing projects to improve customer experience, such as the implementation of AI in call support, the automation of network connection report management, and the optimisation of the restoration process. Current times require transparency in information, proactivity, speed in responses, closeness to customers, and that we be facilitators of their network connections and the energy transition of the industrial fabric we have in our distribution areas.

In terms of service quality, we maintain leadership with a TIEPI of 18.75 minutes, in a year that has seen storms and extreme weather events, demonstrating excellent performance of our distribution network and field teams.

Our ESG performance once again positions EDP Redes España as a leader in the international sustainability index of infrastructure assessment GRESB, with 99 points out of 100, thus joining the international leadership positions of the EDP Group, which maintains its position in the Dow Jones Best-in-Class index and is in the Top 5% of the S&P Global Sustainability Yearbook 2025.

GRESB recognises our overall operational excellence, highlighting aspects such as the fight against climate change through efficiency actions and measures undertaken to monitor and reduce the environmental footprint of our activity, our climate resilience and business continuity plan, and our ESG risk and opportunity management in line with best international practices such as TCFD and currently

also TNFD. Similarly, social aspects are considered in this evaluation both in the management of our stakeholders, society, and local communities, and in the good governance of EDP Redes España, based on the highest ethical standards, integrity, and fairness. Once again, in this line, I declare our public commitment to the United Nations Global Compact and the 2030 Agenda.

Our Climate Resilience Plan directly addresses how we manage our assets to make them more resilient from the outset, in the project phase, but also optimising maintenance and appropriately prioritising investments including ESG criteria. Another lever of this plan addresses the relationship with our value chain to have an agile and effective response to extreme events, while promoting new nature-based solutions.

These material aspects relate to biodiversity protection and natural capital management, or the promotion of effective circular economy initiatives. Noteworthy is the E-Redondo programme for the inclusion of circular economy requirements in the technical specifications of the main distribution equipment and the definition of internal asset reuse policies. In addition to circularity, this project positively impacts the reduction of our carbon footprint, in its scope 3.

We have been pioneers in managing the social risks of our activity, responding to the needs and expectations of the different stakeholders in the communities where we operate. To this end, we have a whole set of social impact programmes and projects that seek to strengthen our commitment to local communities by creating value, employment, population retention, diversity and equality, and other aspects. Projects such as ENTAMA, supporting local entrepreneurs, and initiatives promoting STEAM vocations, such as STEAM Talent Girl Cantabria and MASSTEAM in Asturias, are examples of this.

EDP Redes España continues with the firm commitment to be a company with an exceptional working environment, ratified by the results obtained by EDP from the Top Employers Institute, which has valued the entire employee cycle in terms of development and social benefits.

Special mention is required for all EDP teams who, from afar or directly on the ground, have been involved in the response to the dramatic situation of the DANA in Valencia, managing the restoration of supply in record time and socially supporting those affected.

I would like to conclude this letter by highlighting my personal commitment and that of the entire organisation to the management of occupational health and safety. After 15 years without recording any fatalities in our operations or those of our collaborating companies, this year we have to regret a fatal accident. Safety must continue to be our absolute priority and Zero accidents is our unwavering goal, which obliges us to continue strengthening our safety practices, working hand in hand with our suppliers, continuously reinforcing all preventive aspects.

We face the year 2025 with great challenges and projects in the pipeline, which will allow EDP Redes España to continue being a leader and reference in the energy transition, for which I count on an excellent team of people to whom I want to express my gratitude for their commitment and dedication.

Finally, I would like to thank the Board of Directors for their work, trust, and support.

**Francisco Rodríguez López**  
CEO of EDP Redes España

## Purpose

# Our energy

speaks of our stamina, our track record, and what drives us to continuously deliver green energy

# and heart drive

highlights our people and their key role in fulfilling our commitment to our clients, partners, and communities

reflects our ambition and leadership in making change happen

# a better tomorrow

The reason why we work every day

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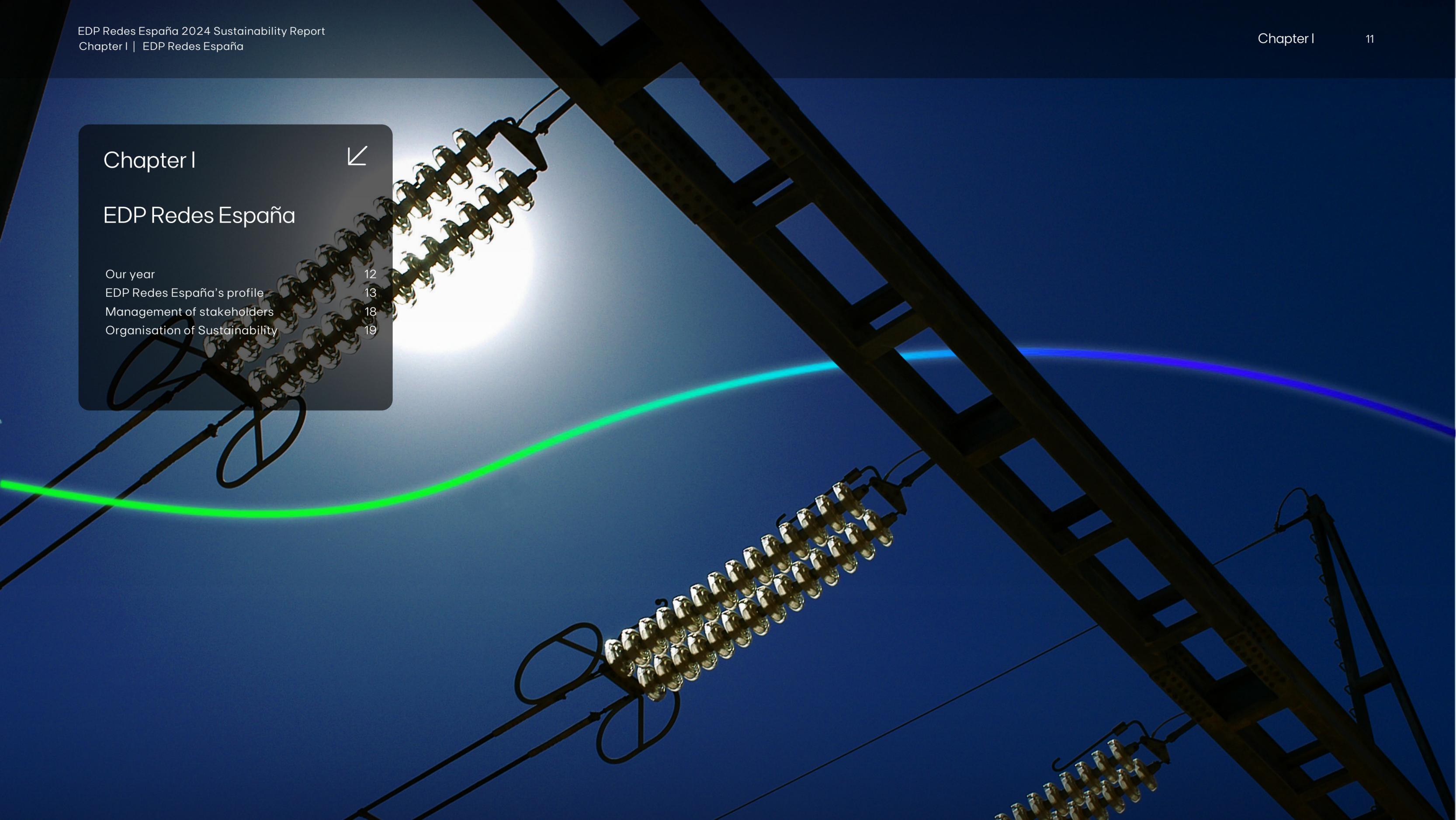
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## Our year

1Q 2024



- EDP recognized as one of the best companies to work for by **Top Employer** in 11 countries, including Chile and Singapore for the first time.
- EDP once again recognized by the Ethisphere Institute as **one of the World's Most Ethical Companies**.



- New websites and apps from EDP Redes España distributors aimed at providing a unified and simplified user experience for all our customers.



- Francisco Rodríguez, new CEO of EDP Redes España.
- EDP renews certification as a Family Responsible Company (efr) on a global scale.



- EDP Redes España certifies business continuity capacity according to ISO 22301 standard.
- InnoTeam: 15th edition of the program, whose main objective is to promote and develop a culture of ideas and innovation.

2Q 2024

- EDP Redes España recognized by El Periódico de la Energía for its **low voltage remote monitoring and operation project** in La Fresneda (Siero).

- Zero accidents objective: XXXII Excellence in Prevention Conference.
- Promotion of equality and local development with the execution of projects from the 5th edition "ENTAMA" led entirely by women.

- Pedro Vasconcelos leading EDP's business in Iberia and CEO of EDP España.
- New Equality Plans, renewing our commitment to equal treatment and non-discrimination.

- EDP Redes España renews its ISO 45001 certification of the Health and Safety Management System.
- EDP participates in the II Nature Business Ambition Forum (Nature Business Ambition of Eforética), whose objective is to achieve a 'Nature Positive' planet by 2030.

3Q 2024

- EDP wins' **"Net Zero Progression of the Year"** award at Environmental Finance's Sustainable Company Awards, highlighting the company's leadership in energy transition and recognizing its strategy to achieve carbon neutrality by 2040.

- Satellite identification system for fires near assets.
- New integrated network operation standard.

- New EDP operating model to create a more rational, efficient, and agile organization.
- XXV edition: EDP España Occupational Risk Prevention Awards.

- New Energy summer course at UIMP: 'Electric networks key to the deployment of renewable energies.'
- EDP participates in the XVI edition of Climate Week NYC under the theme "It's Time."

4Q 2024

- EDP global leader in the **Dow Jones Sustainability Index**, maintaining **Best in Class** positions.
- EDP Redes España **European leader** in the **GRESB** infrastructure evaluation index.

- Zero accidents objective: XXXIII Excellence in Prevention Conference.
- Project "Customer experience at the center from a common perspective."
- New asset inspection contract including BVLOS drones.

- Climate Survey 2024: Most employees feel proud to be part of EDP and would recommend it as a great place to work.

- Launch of the 2024 "Life Stop" Cortaderia project, a project to eradicate the invasive species pampas grass, awarded the Natura2000 prize.
- EDP participates in the XVII Cotec summit in Europe.

## EDP Redes España's profile

### Gross Profit



### OPEX



### EBITDA



### EBIT



# ESG Data



## INDICATOR

## UNIT

## 2024

## 2023

## Var

Specific CO2 emissions	gCO2/kWh	4.1	5.2	-21 p.p.
Assets certified under ISO 14001	%	100	100	✓
% fleet electrification	%	32.9	31.6	+4 p.p.
Environmental investment	m€	8,901	11,151	-20 p.p.
Recovery of hazardous waste	%	99.1	93.7	+6 p.p.
Recovery of non-hazardous waste	%	92.0	96.2	-4 p.p.



Nº of employees	#	546	544	+0 p.p.
% of women	%	18.7	18.6	+1 p.p.
Training hours	h	21,121	17,231	+3,890 h
Training hours	#	557	556	+0 p.p.
Nº of accidents involving leave of own staff	#	0	1	-100%
Nº of accidents involving leave of contractors	#	0	4	-100%
Quality of supply: TIEPI	min	18.8	15.7	-19 p.p.



Women in leadership positions	%	24.0	22.6	+6 p.p.
Remuneration linked to ESG for the top management		✓	✓	✓
Cybersecurity			✓	✓
Upper quartile in sustainability indices		✓	✓	✓

# EDP Redes España's presence

546

total employees

12

provinces

13.261 GWh

energy distributed

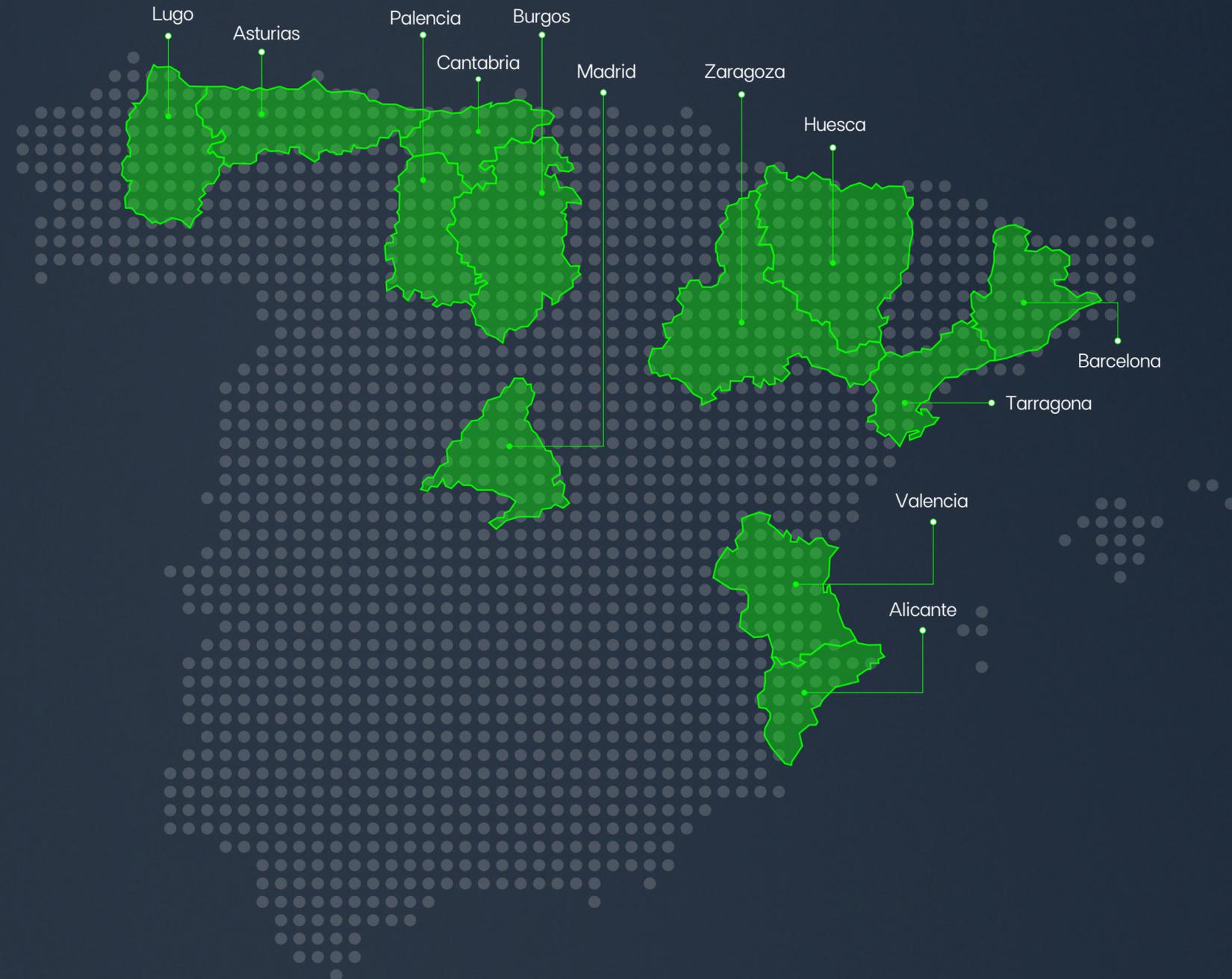
53.067 km

kilometres of lines

1.398.633

clientes

supply points



## Our values

### Innovation

With the aim of creating value in all the areas in which we operate.

### Sustainability

For the purpose of improving the quality of life of current and future generations.

### Social Responsibility

Aimed at building true and trusting relationships with our employees, customers, partners, and communities.

## Our commitments

### Sustainability

We assume the social and environmental responsibility resulted from our activity, thus contributing to the development of the regions in which we operate. We avoid specific greenhouse gas emissions through the energy we produce, and we guarantee a competent, honest, and engaging governance of our business.

### Customers

We put ourselves in our customers' shoes whenever a decision needs to be made. We listen to our customers and answer them in a plain and transparent way. We surprise our customers, getting ahead of their needs.

### People

We combine professional conduct and rigour with enthusiasm and initiative, fostering teamwork. We promote skill-building and merits. We believe that balance between personal and professional life is essential to succeed.

### Results

We meet the commitments assumed vis-à-vis our shareholders. We are leaders thanks to our anticipation and execution capacity. We demand excellence in everything we undertake.

## Our vision

Being a global energy company,  
leading the energy transition to create  
higher value



EDP Redes España: our vision is to lead the energy transition on the basis of five pillars:



Maximising capital investment, improving the ROI for our stakeholders, seizing opportunities for sustainable growth



Maintaining our position at the forefront of operational efficiency in Spain, being leaders in supply quality, minimizing energy losses, and leveraging the best practices of the Networks platform



Leader in operational excellence, focusing on the transformation of the networks and placing the customer at the center, anticipating their needs as facilitators of the energy transition



Committed to fight against climate change and demonstrating resilience and adaptability, efficiently executing our investment plan



Leader in innovation, taking advantage of the EDP Group's capacities to implement new facilitating and sustainable technologies

## Management of stakeholders

Stakeholder Management has the absolute purpose of transparency and openness towards society, particularly all those affected by EDP's activities.

The baseline to EDP Group's policies is listening, understanding and working alongside with the stakeholders following a dynamic process that creates shared value, which allows to anticipate challenges, minimise business risks and create new opportunities.

To ensure the balance between company objectives and stakeholder interests, it is important to define and create strong stakeholder management plans, beginning with identifying stakeholders, their roles, and the impact they have. At EDP, stakeholders are organised into four categories, as shown on the right side of the page, according to their characteristics and interests.

Engaging with stakeholders is an extremely demanding exercise for companies, that involves sharing information and being transparent in their relationship with society and with all who are affected by their activities. EDP seeks to achieve this through its Stakeholder Management Policy and its Methodology and its Local Stakeholder Engagement Policy and Local Stakeholder Engagement Procedures, all based in [four major Guiding Commitments](#):

**UNDERSTAN** (include, identify y prioritise)

**COMMUNICATE** (inform, listen, respond)

**TRUST** (transparency, integrity, respect, ethics)

**COLLABORATE** (integrate, share, cooperate, report)

### Market



- Competitors
- Investors and analysts
- Financial institutions
- Shareholders
- Owners of assets
- Market agents

### Democracy



- Government
- Public bodies
- Political parties
- Municipalities
- International institutions and associations

### Social and local communities



- NGOs
- Land owners
- General public
- Educational institutions
- Media
- Opinion leaders

### Value chain



- Employees and trade unions
- Suppliers
- Partners
- Universities and scientific community
- Off-takers
- Business associations
- Start-ups
- Customers and representatives

EDP firmly believes that this activity is key to enabling the implementation of the business plan, improving business success, anticipating risks, and also creating value for stakeholders.

# Organisation of Sustainability

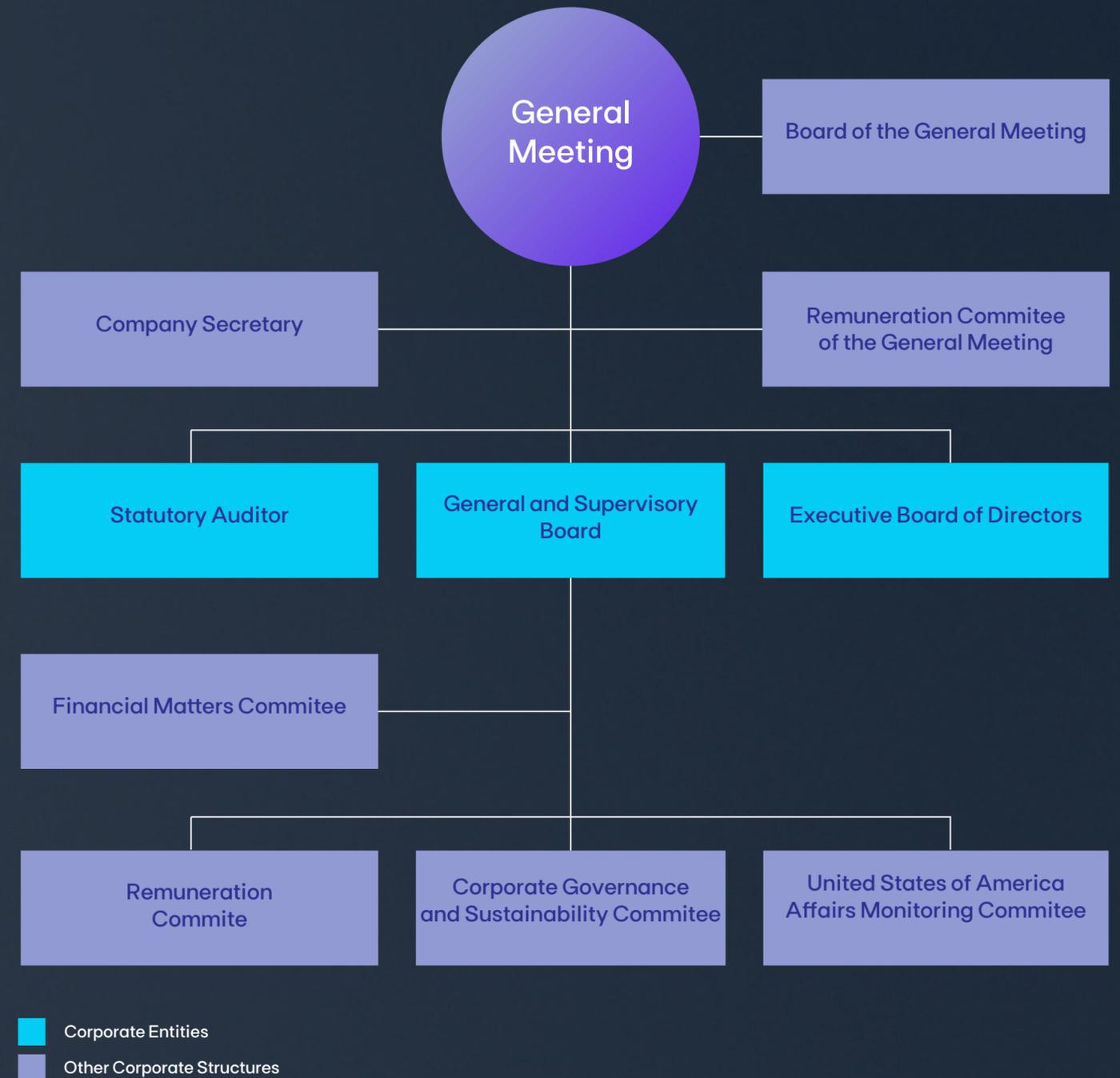
EDP has a dual model governance structure, as the separation of management and supervision roles is embodied in an Executive Board of Directors, responsible for the management of the Company’s business, and in a General and Supervisory Board, the highest supervisory body.

In 2024, EDP has defined a new operating model to create a more efficient and agile organization, which involves a matrix organization characterized by a dual information system composed of Platforms, Regions, Business Enablement Functions (BEF), and Global Business Services (GBS), with the following key principles: Platforms and Regions coexist to offer an integrated EDP presence with a single market approach for our customers and stakeholders; streamlined BEFs with a single Corporate Center to create optimized end-to-end functional support; a GBS to create a high-quality service portfolio at scale to drive efficiency; and a simplified governance model with clear decision guidelines and responsibilities. In this new model, EDP Redes España is integrated in the Networks Platform.

Within the Networks Platform, the Risks & Sustainability Director has delegated responsibilities in the management and reporting of ESG aspects, and from the region (Spain), the Environment Director and the Stakeholder Management Director are established. All of them are responsible for the deployment of projects, programs, and actions that cover EDP’s sustainable development principles.

Along with the bi-annual ESG report, the Board of Directors of EDP Redes España holds at least 8 sessions a year, which include the review of the sustainability plan management. Similarly, the Management Team of the Networks Platform meets monthly to supervise the ESG performance in Iberia.

At least twice a year, the Environment Committee meets, where the responsible parties of EDP Redes España follow up on material issues in their respective activities.

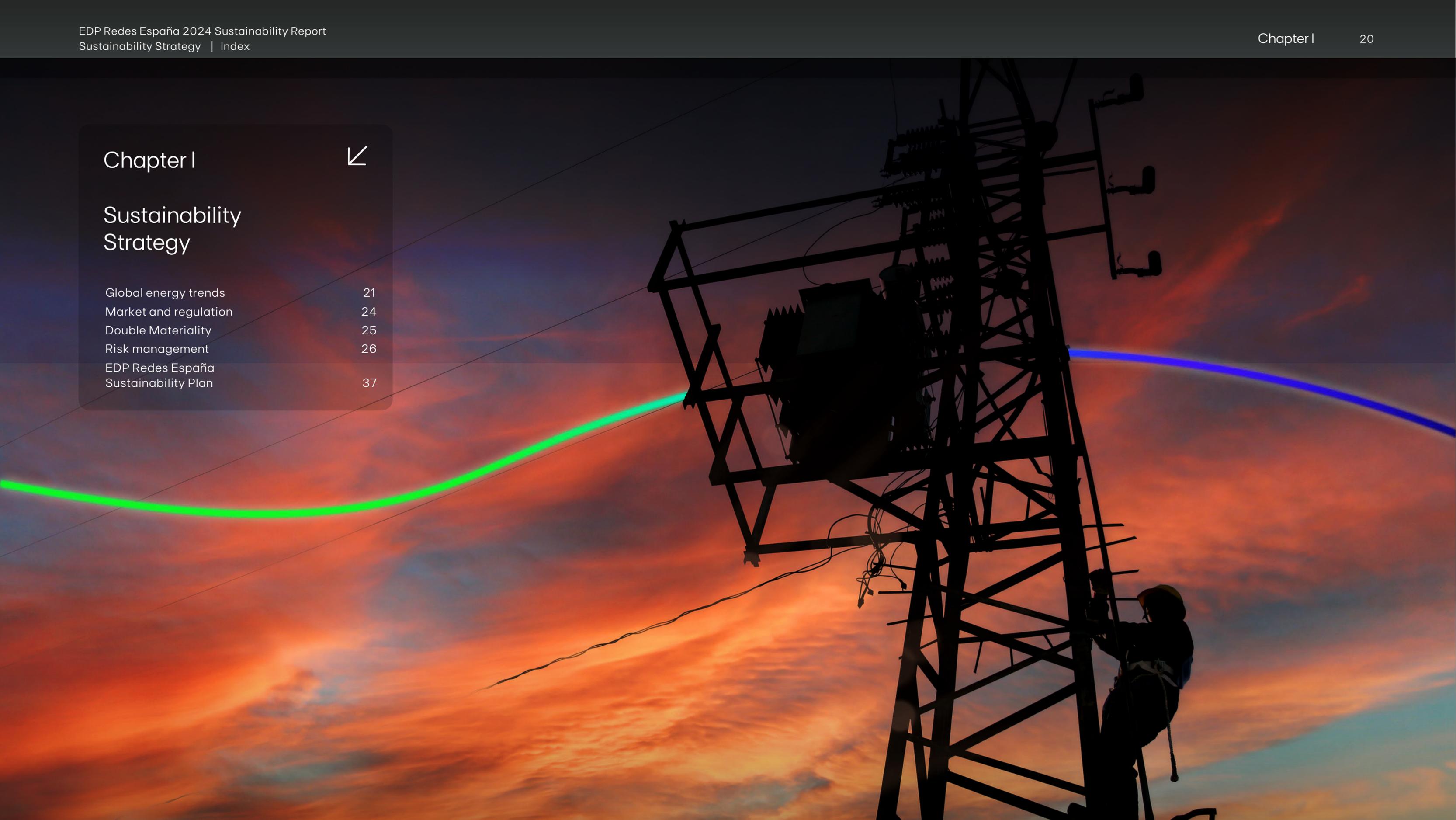


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## Global energy trends

**Geopolitical tensions and regional conflicts** continued throughout 2024, significantly impacting global stability and energy systems. The ongoing war in Ukraine remained a focal point, with continued international sanctions against Russia and military support for Ukraine defining geopolitical alliances. In the Middle East, heightened tensions raised fears of a broader regional conflict. These conflicts contributed to energy price volatility, as disruptions in supply chains and production capacities led to fluctuating prices.

In 2024, **inflation** kept on following the downward trend already felt in 2023. In the Eurozone inflation was 2.4% by 2024, a drop from 5.4% in 2023, while in the United States, it stood at 2.9% against 4.1% in 2023 (source: Focus Economics). There was a decreasing trend across markets for commodity prices, when considering average annual prices.

The **Brent price** was around 80 dollars per barrel (\$/bbl) at the beginning of the year and started to increase to reach the maximum of €90/bbl by April, following the geopolitical tensions in Russia and the Middle East, and the concerns over the potential supply disruptions. Prices decreased towards the end of the year with an average price of \$75/bbl in the last trimester. The year ended with an average price of \$81/bbl, very close to the 2023 price of \$83/bbl.

In 2024, **average gas prices** decreased both in the US and in Europe. This was especially driven by the lower prices in the first half of the year, with a milder winter on average in the northern hemisphere, good gas storage levels in Europe, and new Liquefied natural gas (LNG) projects coming online and reinforcing supply. Henry Hub – reference index in the US – reached an average price of 2.1 dollars per million British thermal units (\$/MMBtu) in 2024, compared to \$2.5/MMBtu in 2023. The European reference gas index (Title Transfer Facility or TTF) price had an average price of €33/MWh in 2024, a ≈18% decrease compared to the average price of €41/MWh in 2023.

In Europe, the reference **carbon price** of the European Emissions Trading System (ETS) was on average €65/ton in 2024, decreasing from the €84/ton average price in 2023, following additional supply and lower emissions.

2024 was a year with multiple **political changes and elections** taking place in several countries worldwide. Of all, at least three should be highlighted, as they may bring significant changes to the energy sector. In June, a new European Parliament was elected, with centrist parties ensuring the majority and right-wing parties gaining seats, which could weaken net-zero target ambitions. Secondly, the UK election brought to power the Labour Party bringing forward strong ambition on renewables

and nuclear deployment. And thirdly, the elections in the US with a victory for the Republican party potentially threatening the climate transition pathway the country has been pursuing in the past years.

**Electricity demand** keeps growing worldwide with special attention on artificial intelligence and data centres, a source of additional demand with big growth potential in the coming years. The electrification of other end-uses such as road transport is a key trend for the energy sector with the unprecedented growth of electric vehicles, which reached 7 million in global sales in the first half of 2024 (25% more than in 1H2023), mainly led by China with over 4 million (source: IEA WEO 2024).

### Global warming in 2024

2024 has become the warmest year on record, according to the European Earth Observation Programme, “Copernicus”. Unprecedented global temperatures led 2024 to become the hottest year ever registered, overtaking 2023. From January to September, global mean surface air temperature was 1.54°C warmer than the 1850–1900 pre-industrial level, boosted by the warming event El Niño. 2024 is the year in which the threshold of the 1.5°C agreed under the Paris Climate Agreement is surpassed.

Global warming has already caused devastating disruptions in ecosystems, populations, and economies all around the globe, and impacts seem to be increasingly catastrophic. The year 2024 was no exception and important climate-related events caused widespread damage all around the world. Italy and South America were hit by severe droughts, while there were extreme floods in Nepal, Sudan, and Europe. Heatwaves in Mexico, Mali, and Saudi Arabia killed thousands and the US, and the Philippines experienced devastating cyclones (source: Reuters).

### Climate negotiations: 29th Conference of the Parties of the UNFCCC (COP 29)

The 2024 United Nations Conference of the Parties (COP) took place in Baku, Azerbaijan from November 11<sup>th</sup> to 22<sup>nd</sup>.

A new climate finance goal was agreed upon, targeting investment for the developing nations and their climate efforts. Developed countries committed to mobilize at least \$300 Bn annually for developing countries by 2035 (previous commitment was \$100 Bn set in 2009 for the 2020–2025 period), with a long-term goal to scale up to \$1.3 trillion per year by 2035, from all public and private sources.

After many years of negotiations, the rules and guidelines on international carbon trading were finalised and formally adopted (Article 6 of the Paris Agreement). With this program, it will be possible for countries to trade carbon credits from greenhouse gas reductions or removals, and in this way help other countries meet their climate goals, allowing as well the private sector to participate.

### European Energy Policy

In 2024, European energy policy saw several significant developments aimed at enhancing energy security, sustainability, and the transition to a net-zero future. In February, the European Commission presented a climate assessment setting targets for 2040, including a 55% reduction in greenhouse gas emissions compared to 1990 levels, a 45% share of renewable energy in the EU's energy mix, and a 40% improvement in energy efficiency. Moreover, there was relevant progress on legislative pieces.

The revision of the **Regulation and Directive on the Internal Electricity Market** came into force in July 2024, aiming to stabilise electricity prices while ensuring a resilient electricity system fit to meet the ambitious decarbonization targets. The revision promotes price predictability through enhancing the uptake of Power Purchase Agreements (PPAs) and 2-ways contracts for differences (CfDs). Resiliency is ensured by identifying capacity mechanisms as structural elements of the market design, complemented by non-fossil flexibility support schemes. Anticipatory investments in grids are recognized to support the energy transition, while customers benefit from additional protection mechanisms.

The **Regulation on Wholesale Energy Market Integrity and Transparency (REMIT)** was strengthened to prevent market manipulation and increase transparency. The revised REMIT

came into force in May 2024. The amendments included enhanced monitoring and enforcement mechanisms, better alignment with financial market regulations, and increased penalties for non-compliance.

The **Net Zero Industry Act (NZIA)** came into force in July 2024 to strengthen European manufacturing capacity and promote measures to overcome barriers to the scaling up of such capacity, facilitating market access for net-zero products. The Regulation also includes provisions for financial support, innovation incentives, and the development of a skilled workforce in the net-zero technology sector.

To secure the supply of critical and strategic raw materials, **the Critical Raw Materials Act** entered into force in May 2024. The Regulation identifies lists of raw materials needed for key technologies for the EU's green ambitions and goals. It sets benchmarks to be achieved by 2030: the EU should mine 10% of its annual needs, process 40% of its needs, and cover 25% of its needs through recycling. It also promotes international partnerships and sustainable sourcing practices.

The **Energy Performance of Buildings Directive** was revised and entered into force in May 2024. The revision aimed to increase the rate of building renovations and support decarbonisation. An implementation guide was launched in November 2024 to help stakeholders enhance energy efficiency in buildings. The Directive also includes measures to promote smart technologies and protect vulnerable consumers.

Additionally, the **Hydrogen and Gas Decarbonisation Package** came into force in July 2024, introducing a new regulatory framework for hydrogen infrastructure, promoting the development of a competitive hydrogen market, and an update on EU natural gas market rules. The hydrogen regulatory framework includes provisions for the certification of renewable and low-carbon hydrogen, the repurposing of existing natural gas infrastructure for hydrogen transport, and the establishment of hydrogen networks. It aims to facilitate the integration of hydrogen into the energy system and support the EU's hydrogen strategy.

Finally, to strengthen EU competitiveness, Mario Draghi was tasked by the European Commission to prepare a report on his vision for the future of European competitiveness. **The Draghi Report**, published in September 2024, looks at the challenges faced by the industry and companies in the single market and offers recommendations for sectoral policies, including on energy, clean technologies, and energy-intensive industries. The findings of the report will contribute to the development of the new Clean Industrial Deal, which will be presented in the first 100 days of the new Commission mandate.

### Storage and flexibility: key drivers for a resilient and decarbonized energy future

The global energy system is undergoing a profound transformation, driven primarily by the increasing share of renewable energy, the deployment of distributed energy resources, and progress in digitalization. However, to successfully achieve the clean energy transition and ensure secure and resilient power systems, flexibility must be integrated throughout the entire system.

Energy system flexibility refers to the ability to adjust supply and demand to achieve an energy balance. It has become a critical priority because larger shares of variable renewables (in particular wind and solar PV) increase the potential for imbalances, curtailment and negative prices.

There are different tools and technologies to increase flexibility, including electricity storage, stronger grids, demand-side response and dispatchable lower-emissions sources of power.

The **global energy storage** market has been rapidly increasing since 2020 and is set for another record year, with experts forecasting around 64–69 GW of additions, of which around 50% would be in China.

Hydro pumped storage remains the dominant form of energy storage today, accounting for the majority of global storage capacity. As a mature and well-established technology, it plays a crucial role in balancing supply and demand, providing grid stability, and supporting the integration of renewable energy. By using surplus electricity to pump water to a higher elevation and then releasing it to generate power when needed, hydro pumped storage has been a reliable and efficient solution for decades. However, as the energy landscape evolves, new storage technologies, such as batteries, are emerging to complement hydro pumped storage.

Batteries—particularly lithium-ion batteries—are becoming an increasingly vital component of energy systems. Their widespread deployment could transform the global energy landscape by enabling sustainable technologies to meet demand, ultimately reducing global emissions and accelerating the transition to clean energy. Batteries are also versatile, serving both grid-scale applications and smaller, behind-the-meter uses in residential and commercial settings to optimize energy consumption.

As battery costs continue to fall due to lower raw material prices and expanded manufacturing capacity, they are becoming more cost-competitive, with further reductions anticipated as electric vehicle production scales up. However, challenges remain. Energy storage must be integrated into national energy plans, with dedicated support mechanisms established to ensure long-term revenue stability and predictability. A well-designed market, including effective capacity markets and flexible market mechanisms, is also essential to fully unlock the potential of storage. In the context of European

market design, the development of such markets will be crucial to promote efficient integration of storage technologies and enhance grid stability. Furthermore, conducting comprehensive flexibility assessments will be key to optimizing the role of storage in balancing supply and demand. Additionally, diversifying and strengthening supply chains is crucial, as battery production is currently concentrated in specific regions, posing potential security of supply risks.

**Grid infrastructure and interconnectors** are vital for flexibility, as they enable electricity to flow across countries and within national borders, helping to balance geographic fluctuations in wind and solar power generation. While global investments in grids have significantly increased in recent years, delays in grid improvements and extensions remain a major obstacle to the wider deployment of renewable energy. However, these challenges can be addressed through: (i) long-term grid planning, (ii) anticipatory investments, (iii) faster permitting processes, (iv) implementation of smart grid technologies, and (v) new mechanisms to reduce connection backlogs, among other measures.

In 2024, at COP 29, countries acknowledged that energy storage and grid infrastructure are essential for building resilient and decarbonized energy systems. This was crystallized in their commitment to (i) achieving 1,500 GW of energy storage in the global power sector by 2030, more than six times the level in 2022, and (ii) enhancing grid capacity through a global goal of adding or refurbishing 25 million kilometres of grid infrastructure by 2030.

## Market and regulation

Regarding distribution of electricity activity in Spain, **the main regulatory milestones have been :**

**By the Resolution of January 18, 2024, the CNMC** established the methodology for calculating the adjustment to the annual remuneration of electricity distribution companies for the use of optical fiber in activities other than electricity distribution.

**Regulation (EU) 2024/573 of the European Parliament and of the Council of February 7, 2024, on fluorinated greenhouse gases**, amending Directive (EU) 2019/1937, and repealing Regulation (EU) No 517/2014.

**By means of Order TED/113/2024, of February 9, the prices applicable to the different tariff segments of the electrical system** charges were established as of February 15, 2024.

**Royal Decree-Law 4/2024, of June 26**, extending certain measures to address the economic and social consequences arising from conflicts in Ukraine and the Middle East and adopting urgent measures in fiscal, energy, and social matters.

**By Resolution of June 27, 2024, of the CNMC**, the remuneration adjustment for the years 2020, 2021, 2022, 2023, and 2024 was established for electricity transmission and distribution companies for the use of regulated assets and resources in activities other than the transmission and distribution of electricity.

**Circular 1/2024, of September 27, from the CNMC**, establishing the methodology and conditions for access and connection to the transmission and distribution networks of electricity demand installations.

**Order TED/1193/2024, of October 30, establishing energy policy guidelines for the CNMC** in relation to the proposed amendment of Circular 2/2019, of November 12, which establishes the calculation methodology for the financial remuneration rate of electricity transmission and distribution activities, and regasification, transportation, and distribution of natural gas.

**Royal Decree-Law 7/2024, of November 11**, aimed at adopting urgent measures **to promote the Immediate Response**, Reconstruction, and Relaunch Plan in response to the damage caused by the Isolated Depression at High Levels (**DANA**) in different municipalities between October 28 and November 4, 2024.

**Royal Decree-Law 8/2024, of November 28**, adopting urgent complementary measures within the framework of the Immediate Response, Reconstruction, and Relaunch Plan in response to the damage caused by the Isolated Depression at High Levels (**DANA**) in different municipalities between October 28 and November 4, 2024.

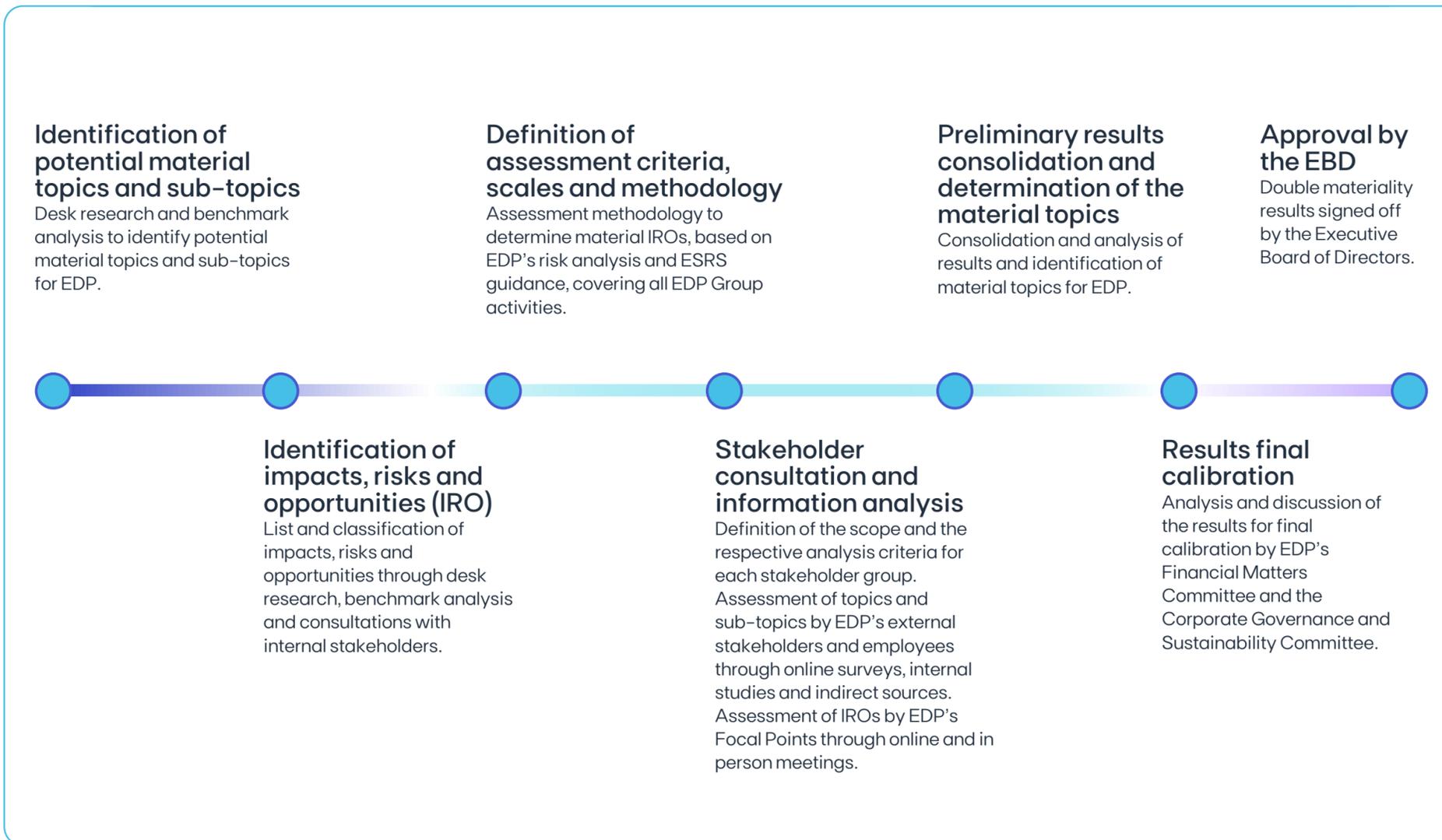
**Law 6/2024, of December 5, on administrative simplification in the Valencian Community.** Resolution of December 21, 2023, from the National Commission of Markets and Competition, establishing the values of access tolls to electricity transmission and distribution networks applicable from January 1, 2024.

**Law 5/2024, of December 27, on fiscal and administrative measures of Galicia.**

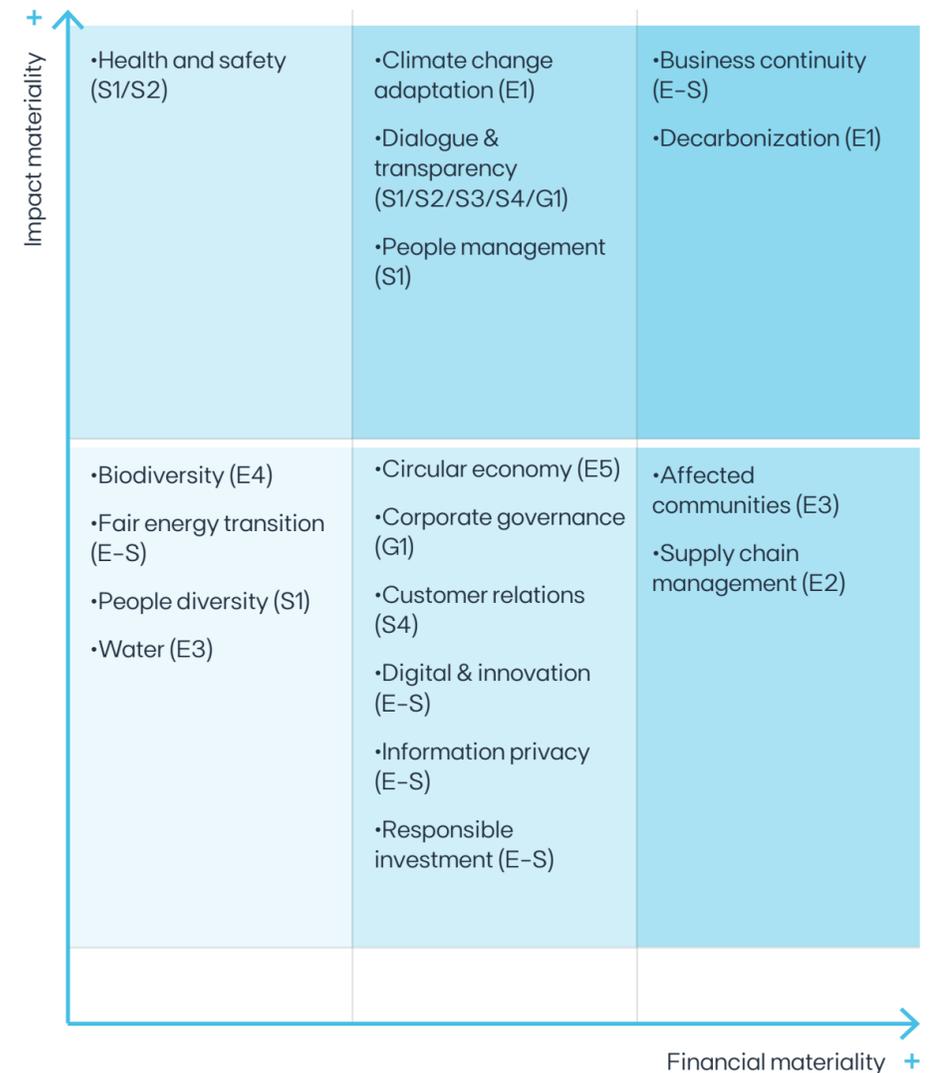
## Double Materiality

Through the double materiality assessment, EDP identifies and prioritizes key issues from both financial and impact perspectives, integrating them into its strategic pillars. Based on these pillars, EDP sets targets aligned with its long-term vision, ensuring effective resource management and market competitiveness.

### Methodological Approach



### 2024 double materiality matrix



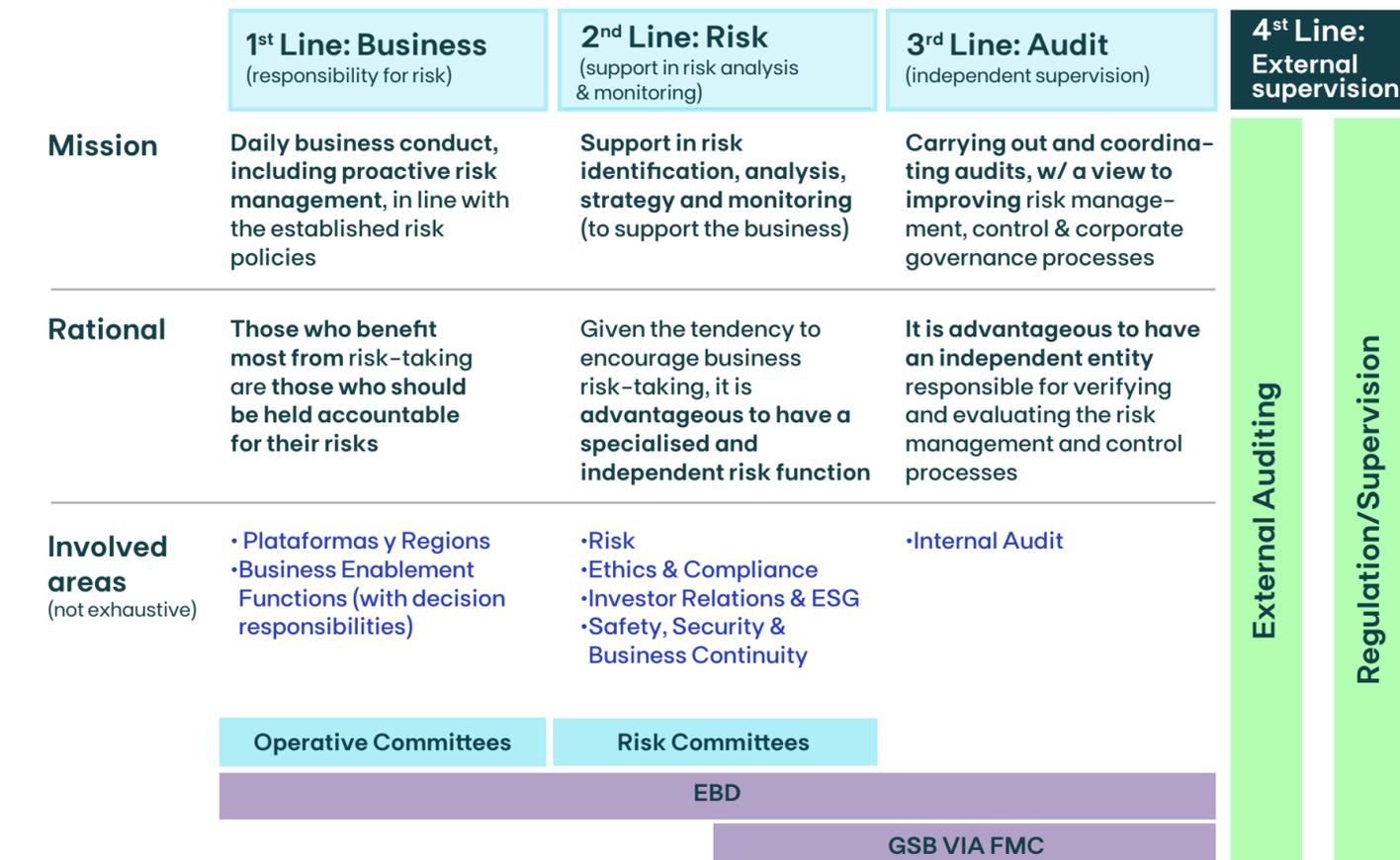
E#, S#, G1- relation to topical ESRS  
E-S- Entity-specific, in accordance with ESRS standards

## Risk management

### Risk governance model

The EDP group adopts a risk governance model, widely accepted in most relevant literature, that relies on the idea of three internal lines of defence for the organisation – which can be supplemented, in certain situations, by a fourth external line of defence, in the form of external auditing and regulation/supervision<sup>1</sup>.

#### The Three Lines of Defence Risk Governance Model



Each line of defence has designated entities and forums that are officially set up to implement each line of defence at Corporate, Platform and Region levels, preventing any overlap or omission and encouraging collaboration and coordination between the different areas.

Risk management is embodied by the Risk Business Enablement Function (RISK), encompassed by overarching Centres of Excellence (CoE) and Platform Business Partners (BP), ensuring fluid articulation and communication throughout EDP regarding the main sources of exposure and risk mitigation measures. Additionally, Regional focal points are also defined to ensure an overarching perspective of the risk of each region and serve as a link to the Region organization.

Moreover, the group has several Risk Committees, where top management and relevant specialists meet to examine, discuss, and advise on key risk exposures for the group, their limits and mitigation actions.

The Internal Audit Business Enablement Function, as the third line of defence, performs internal audits on the group’s processes that manage, control, and monitor the different risks it faces. To do this, annually, it decides which audit activities should be part of the next year’s activity plan, based on, among other things, the inputs and concerns of the first and second lines of defence. In this regard, for 2024, the Internal Audit Business Enablement Function did internal audits to the risk management process, giving continuity to the verification initiated in 2023 of the operationalization of the counterparty risk management policy in the main business units of the EDP group, carrying out specific assignments regarding the EDP group Risk Appetite Framework Policy and executing internal audits on other topics, such as security and cybersecurity or compliance with policies and procedures promoted by the second lines in the areas of Compliance and Internal Control. The Head of the Internal Audit Business Enablement Function is part of the Risk Committees, thus facilitating the monitoring of projects carried out by RISK.

RISK regularly meets with the General and Supervisory Board (GSB) and the Financial Matters Committee (FMC) to monitor the effectiveness of the risk management system. The Financial Matters Committee defines in its annual planning sessions dedicated to monitoring the main exposures and risk management issues, addressing matters related to financial, strategic, ESG, business and operational risks.

1.- IIA Institute of Internal Auditors, Position Paper, The IIA’s Three Lines Model: An update of the Three Lines of Defense, July 2020

In 2024, RISK had three meetings with the General and Supervisory Board, three with the Financial Matters Committee and the yearly meeting of the Audit Committees, addressing several risk issues, namely the monitoring of EDP's main exposures and Key Risk Indicators (KRIs), an overview of the RISK execution plan (financial and non-financial risks, including ESG risks with detail on climate risks), risk reporting mechanisms, ESG investments criteria, long-term contracting strategy, foreign exchange risk management policy, risk appetite framework review and RISK strategic priorities for 2025. In June 2023, a presentation was also made to this Commission on the project that began in 2024 to prepare the company for the Sustainability Reporting Directive (CSRD), regarding the Internal Control System for Sustainability Reporting (ICSSR), as well as climate risk analysis and the ESG risk framework.

EDP's external audits also contribute to assess the degree of internal compliance with the risk management system. The last external audit took place in 2022 and focussed on assessing the level of maturity of the Enterprise Risk Management system at Group and Business Unit levels.

A description of those involved in the EDP group's risk governance model, as well as their respective responsibilities, is available in the Corporate Governance Report and, in more detail, on the EDP website: EDP group Risk Governance Model | edp.com.

### Risk appetite

The EDP group is exposed to several risks due to its size and diversity of businesses and geographies in which it operates. Therefore, it recognises risk-taking as an integral and unavoidable component of its activity, both in terms of threat and opportunity. In this context, the group explicitly and implicitly establishes its risk appetite with its stakeholders, at Corporate and Platform/ Region level, through a series of mechanisms:

- The development and periodic approval by the Executive Board of Directors of the group's Business Plan, which sets out and explains the main strategic guidelines over a three-to-five-year horizon.

Rigorous assessment of the risk associated with investment and divestment opportunities carried out by the Regions and approved by the Executive Board of Directors, supported by the opinion of the Investment Committee.

- The development of risk management policies, establishing guidelines, assessment methodologies and exposure limits for key risks<sup>2</sup>.

- Periodic risk maps based on objective, quantitative and comparable criteria, with the aim of analysing exposure to the most relevant risks and taking preventive action to deal with excessive exposure in relation to the established risk tolerance.
- The development of periodic risk reports for the main risk categories, making it possible to regularly monitor the evolution of current and emerging risks and compare the various exposures against the established limits. Dissemination of said reports in line with the group's strategy and performance metrics to the Executive Board of Directors and General and Supervisory Board.
- The definition of an internal Risk Appetite Framework, approved by the Executive Board of Directors.

The EDP group's risk appetite framework is structured around four pillars:

- The governance model identifies the main players in the risk appetite process and their responsibilities.
- The risk appetite statement formally defines a set of risk appetite statements complemented by risk indicators and thresholds. In terms of positioning, the group has established maintaining a controlled risk profile as a fundamental pillar of its strategy.
- Monitoring and follow-up, defining the key processes of monitoring, update and action plan.
- And the reporting platform, embodied in a risk appetite dashboard, that allows the EDP group's risk appetite to be monitored.

2.- These include, among others, the Enterprise Risk Management Policy, the Risk Appetite Framework Policy, the Energy Risk Management Policy, the Financial Management Policy, the Counterparty Risk Policy, the Insurable Risk Management Policy, the Occupational Health and Safety Policy, the Information Security Policy and the Crisis Management and Business Continuity principles, structure and procedures.

1st Level Declaration	2nd Level Declaration	KRI (Objective)
Balanced business	<b>GEOGRAPHICAL CONCENTRATION</b> Geographical diversification and focus on geographies/markets with reduced country risk.	Max EBITDA by Market/Country (<50% in Iberia)
	<b>BUSINESS SEGMENTS</b> Diversified portfolio across the value chain with a strong growth focus in medium to long-term viable renewable generation and grids.	Max EBITDA by Technology
	<b>REGULATED/Long Term CONTRACTED</b> Activity focused mainly in regulated or long-term contracted operations.	Min Regulated EBITDA / LT Contracted Min Contracted Duration of Generation Assets
	<b>REGULATORY MONITORING</b> Foresight of possible high impacting regulatory/political changes in current portfolio and potential new geographies.	Max Expected Loss of Regulatory Risk
Solid financials	<b>RATING</b> Alignment between business and financial profiles to target a solid Investment Grade.	Min Long-Term Rating (BBB target) Min Funds from Operations/Net Debt (>20%)
	<b>DIVIDENDS</b> Predictability and sustainability of dividend policy as a fundamental element of the shareholders' value proposition.	Max Payout Ratio (recurring Net Income) (target payout of 60-70%) Max Net Income Recurring @Risk
	<b>LIQUIDITY</b> Maintenance of liquidity reserves enough to cover cash needs in short-medium term in times of stress.	Min Survival Period (coverage > 100%)
	<b>FINANCIAL MARKET RISK</b> Proactive management of the exposure to financial markets, namely FX and Interest Rate, controlling the impacts on the	Max P95% Net Investment Loss - Foreign Exchange
	<b>CREDIT &amp; COUNTERPARTY</b> Controlled exposure to credit & counterparty risk, favouring higher rated counterparties. business activity. Investments are financed in local currency if possible.	Max Expected Portfolio Loss Max Exposure to non-Investment Grade Counterparties Max Concentration of counterparty exposure
	<b>IMPLEMENTATION OF THE INVESTMENT PLAN</b> Investment in projects with an attractive risk adjusted profitability, limited market exposure and short time to cash.	Min IRR P90 / WACC (1x)
	<b>SOCIAL LIABILITIES</b> Full coverage of funded social liabilities, through a diversified asset portfolio of limited duration gap, with new pension plans as defined contribution.	Min Funded Pension Coverage Ratio Max V@R of the Assets
	Credible business plan with sound financials, aiming for a solid investment grade rating and sustainable dividend policy.	

## Risk appetite statement

1st Level Declaration	2nd Level Declaration	KRI (Objective)
ESG Excellence	<b>ENVIRONMENT</b> Leading the energy transition to create superior value accounting for climate change resilience and limiting the environmental impact of the group activities.	Min Percentage of Renewable Generation (93% in 2026) Min Percentage of Revenues aligned with the EU taxonomy (70% in 2025)
	<b>SOCIAL</b> People-oriented way-of-working, with zero tolerance for non-compliance with safety measures, assuring Human and Labour Rights, attracting and retaining diverse top talent, and empowering communities.	Max Rate of Work Accidents Max Work-Related Fatalities (target of 0 fatal accidents)
	<b>GOVERNANCE</b> Maintain the highest standards of ethical behaviour, transparency and accountability, with zero tolerance to corruption and to any other illicit behaviour or non-compliance with laws and/or regulations, and continuously work towards the enhancement of our governance practices for the benefit of our stakeholders.	Max Outstanding Value of Passive Legal Contingency Max High Integrity Risk Counterparties Min RepRisk Score Leading Position in the DJSI Index
Operational excellence	<b>DEVELOPMENT/CONSTRUCTION OF PHYSICAL ASSETS</b> Excellence in project management, limiting risk of CAPEX deviation and COD delays, allowing the fulfilment of the Investment plan.	Max CAPEX Weighted Deviation Max COD Weighted Deviation
	<b>AVAILABILITY AND INTEGRITY OF PHYSICAL ASSETS AND ENERGY LOSSES</b> Prudent O&M and security of physical assets, complemented with insurance and contingency and recovery planning, guarantying limited operational losses, outstanding quality of service and assets availability. Control of technical and non-technical losses in electrical grid through adequate tech, maintenance, operation and fraud anticipation processes.	Max Losses after Insurance in Physical Assets
	<b>SECURITY, CONFIDENTIALITY, INTEGRITY AND AVAILABILITY OF SYSTEMS</b> Prudent management, targeted maintenance, security and availability of IT and OT systems and related services, ensuring resiliency capability under abnormal/disruptive situations.	Min Bitsight Security Performance Rating
	<b>PROCESSES</b> Pursue of increasingly efficient and adequately controlled processes, digitalization and, for business critical and intersecting processes, assurance of business continuity and recovery under abnormal/disruptive situations and minimization of procedural errors.	Min Digitised Processes
Prudent operational risk management, following best-practices and assuring business continuity.	<b>SUPPLY CHAIN</b> Reinforcement of the effectiveness, sustainability, resilience and continuity of the supply chain, providing service excellence to customers and partners in a secure manner, while ensuring supplier compliance.	Max Supply of High-Risk Regions Max Suppliers Concentration by Product

### Monitoring Risk

EDP has a comprehensive risk monitoring framework to safeguard its operations and investments, reporting on a recurring basis to the Executive Board of Directors and Risk Committees.

At the forefront of this strategy is the annual mapping of risks, complemented by monthly interim updates, to identify, quantify and prioritise the risks of the different categories of the risk taxonomy.

The quarterly risk appetite dashboard is a vital tool that systematically assesses the company's risk exposure, comparing the value of the Key Risk Indicators with the limits defined in the Risk Appetite Statement. In the table above are some examples of these limits, within brackets.

In addition, RISK prepares a monthly report focused on monitoring the exposures for all the risk limits,

which is presented and discussed in the Risk Monitoring Committee.

At a platform level, there are dedicated reports for monitoring risk, focused on more operational metrics, some of which updated daily.

To reinforce the risk monitoring infrastructure, EDP has a Global Risk Committee, which includes four annual meetings, as well as other dedicated risk committees (Risk Monitoring Committee & Financial Risk Committee).

These committees play a key role in monitoring risk exposure and defining risk mitigation policies and measures, as well as discussing new analysis and policies.

## Risk management for the year

The EDP group's risk management endeavours to act in an integrated manner across five fundamental pillars:

### Risk management activities overview

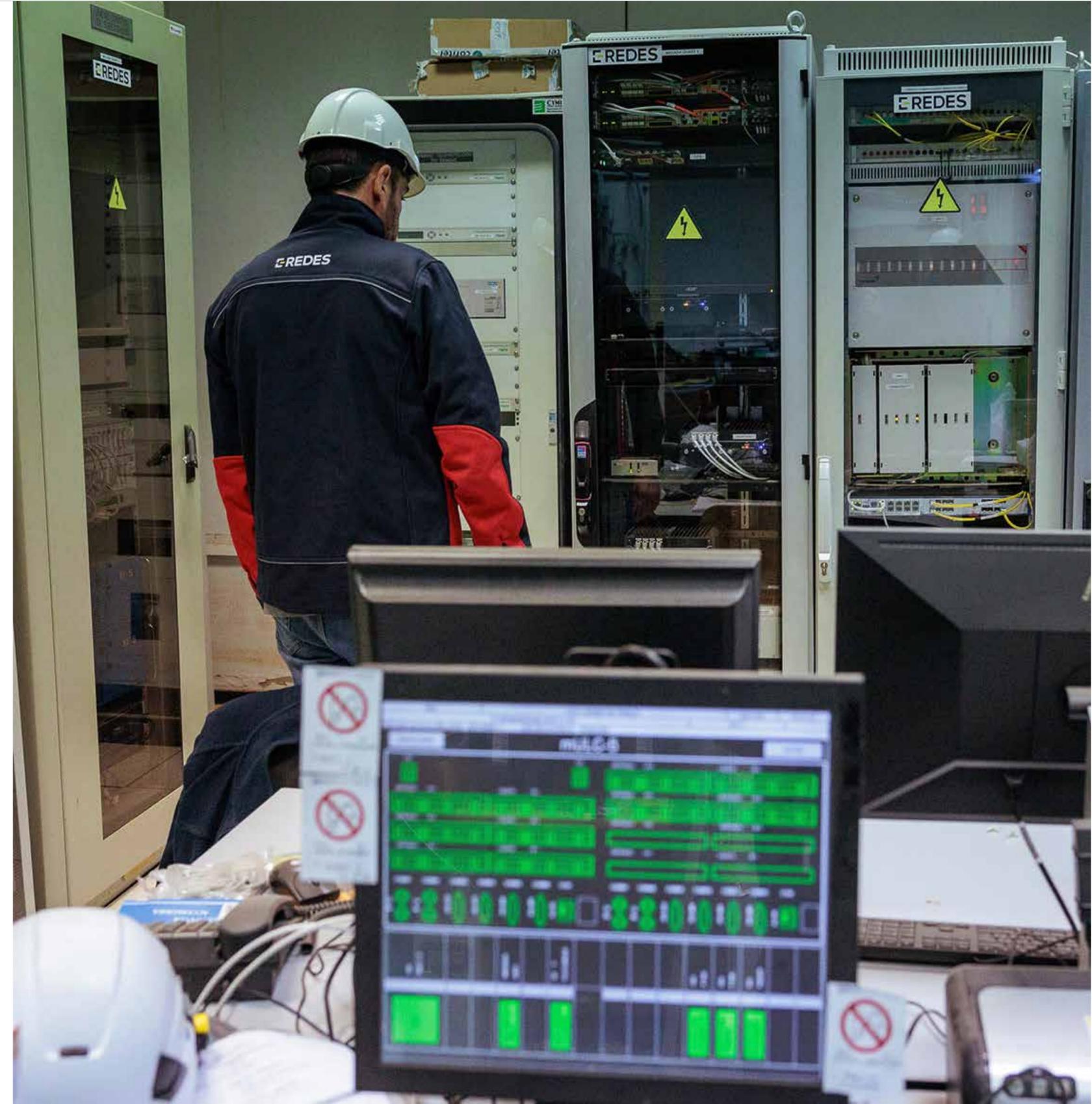
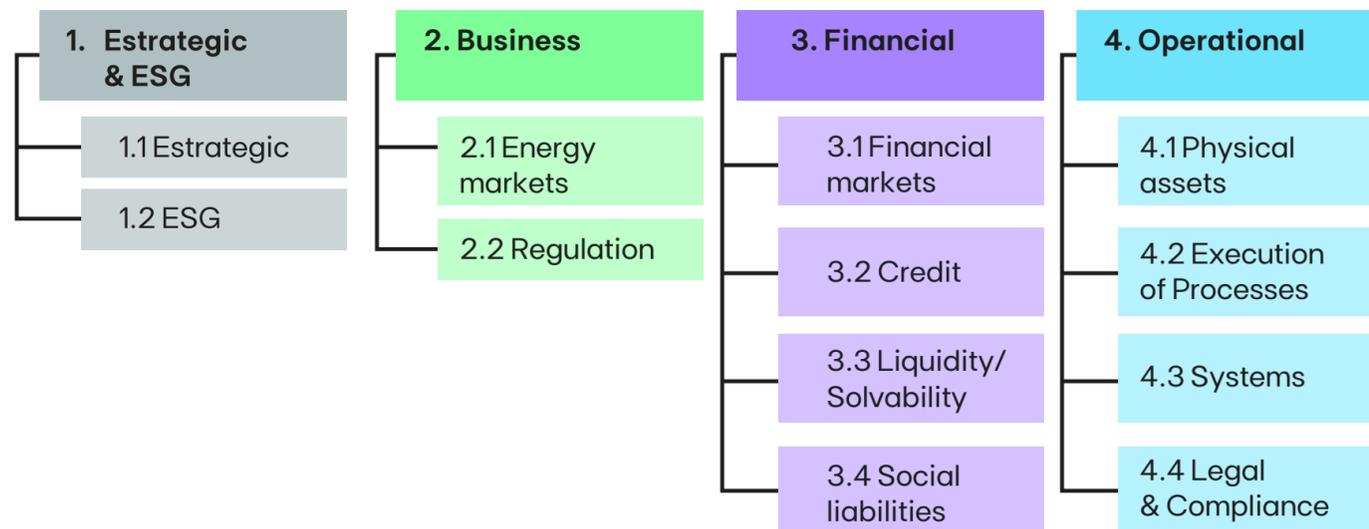
	Recurring activities	Developments in 2024	Priorities for 2025
In-depth knowledge about key main sources of risk exposure	<ul style="list-style-type: none"> <li>• Development of the risk map with the main risks for the following year and the Business Plan horizon, with updates for the main risks during the year.</li> <li>• Quantitative analysis of exposures (based on expected loss and maximum loss).</li> <li>• Development of the climate risk assessment.</li> <li>• Presence at national and international forums on risk management.</li> </ul>	<ul style="list-style-type: none"> <li>• Finalization of a project to develop an Ethical Risk framework.</li> <li>• Update of the main strategic and emerging risks analysis for the EDP group.</li> <li>• In-depth analysis of the main IT/ OT risks.</li> <li>• In-depth analysis of the main operational risks.</li> <li>• Deep-dive analysis of inflation and interest rate risk.</li> <li>• Detailed analysis on operational assets availability and curtailment.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic reflection on insurance coverage in the group.</li> <li>• Develop in-depth risk analysis of each region.</li> <li>• Revision of Climate Risk quantification leveraging an external tool.</li> </ul>
Definition of risk management strategy	<ul style="list-style-type: none"> <li>• Support for explaining and reflecting on risk-return trade-offs (and risk appetite) in key management decisions.</li> <li>• Periodic updating of the risk appetite statement, formalised and disclosed in the Annual Report and Accounts.</li> <li>• Periodic updating of specific risk management policies.</li> </ul>	<ul style="list-style-type: none"> <li>• Finalization of the Enterprise Risk Management Roadmap.</li> <li>• Extension of the Counterparty Risk Project to the other Platforms.</li> <li>• Fine-tuning of EDP group's energy management risk policy and creation of a market risk policy for the retail business.</li> <li>• Creation of a framework for analysing and controlling inflation risk.</li> <li>• Definition of limits for off-shore business exposure.</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of a Financial Risk Policy at group level.</li> <li>• Development of an analysis of the current and future contracted profile.</li> </ul>
Active participation of risk in key management decisions and processes	<ul style="list-style-type: none"> <li>• Risk advice on the Business Plan and Budget exercises.</li> <li>• Support for investment decisions (including participation in the Investment Committee).</li> <li>• Support in defining coverage strategies for key exposures.</li> <li>• Analyses and advice on topics with possible impact on the group's risk profile.</li> <li>• Follow-up and control of key exposures (through periodic reports at group level and for the most relevant Platforms).</li> <li>• Periodical Risk Committees (for debate of key sources of risk exposures and treatment measures).</li> </ul>	<ul style="list-style-type: none"> <li>• Standardization of risk investment inputs, namely contingencies for BOP/BOS and COD buffers.</li> </ul>	<ul style="list-style-type: none"> <li>• Standardization of contingencies for Main Equipment.</li> <li>• Introduction of an ESG framework analysis in new investments.</li> </ul>
Formalisation of the risk governance model	<ul style="list-style-type: none"> <li>• Updating the EDP group's risk management policies and principles.</li> </ul>	<ul style="list-style-type: none"> <li>• Updating of EDP group's Enterprise Risk Management Manual.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete revision of EDP group's Enterprise Risk Management under the new organization.</li> </ul>
Promoting a solid risk culture throughout the organisation	<p>Carrying out a wide range of awareness initiatives, adapted to the different target audiences:</p> <ul style="list-style-type: none"> <li>• Training on risk issues and new trends in risk management at the Annual Meeting of the Audit Committees, for members of the General and Supervisory Board.</li> <li>• Specialised courses for all employees (e.g., ethics, health and safety, cyber security).</li> <li>• Annual Risk Summit to promote a risk culture and train risk teams, as well as members of the Risk Committee (such as Internal Audit) and members of the General and Supervisory Board.</li> <li>• Programme to boost the EDP group's network of risk teams: annual planning meeting, sharing of information in the Enterprise Risk Management Repository, quarterly masterclasses and participation in Risk Committees.</li> </ul>	<ul style="list-style-type: none"> <li>• Development of several sessions dedicated to risk for senior management (executives and non-executives): four Risk Committees dedicated to analysing the main risk issues with senior executive management; participation in three sessions of the Financial Matters Committee and three plenary sessions with the General and Supervisory Board.</li> <li>• Training workshop for the General and Supervisory Board on main ESG risks.</li> <li>• Definition of a development plan for all members of the risk teams, based on an exhaustive competences' diagnosis.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of quarterly townhalls with all members of risk teams.</li> </ul>

## Main risks for 2025

EDP group seeks to have a comprehensive view over the key risks it is exposed to, at strategic and ESG, business, financial and operational levels, establishing processes to ensure their monitoring and proactive management.

A detailed description of the various risks relevant to the EDP group is available on the EDP website: [EDP Risk Taxonomy | edp.com](https://www.edp.com). The table below details the risks expected to have the greatest potential impact on the group's EBITDA in 2025, in an adverse scenario.

### Macro Categories of EDP's Risk Taxonomy



## 2025 Main Risk Factors: EDP Redes España

The year 2024 was marked by a relevant decline in energy prices, after the significantly high prices from the European energy crisis. The financial markets also continued with high uncertainty regarding inflation, interest rates and exchange rate. Risk management reaffirmed its importance, playing an essential role in this disruptive context.

The table below details the risks expected to have the highest potential impact on the EBITDA of EDP Redes España in 2025, in an adverse scenario (non-exhaustive detail).

EDP favours risk management based on quantitative analysis and continuous monitoring of the risks that may affect its business. For this purpose, the company regularly carries out sensitivity analyses of financial and non-financial risks, as well as analyses of stressed scenarios.

The quantification of EDP’s risks is based on the potential loss in EBITDA, in a P95% scenario, estimated through the application of Monte Carlo simulations. Monte Carlo simulation, through the definition of probabilistic distributions for each risk factor/variable, allows to simulate possible future outcomes; for each simulation, different values are randomly generated for each of the probability distributions of the various risk variables (inputs). The result of a Monte Carlo simulation is a probability distribution, i.e., a representation of the different possible future outcomes and their probability of occurrence. In addition, EDP also makes a qualitative assessment of the potential financial impact and probability/ likelihood of each risk, and the impact matrix for the main risks identified.

EDP fosters risk management based on quantitative analysis and continuous monitoring of risks that may affect its business. For this purpose, the company regularly conducts sensitivity analyses. Additionally, every two years, a climate risk analysis exercise is carried out using three different scenarios, which can be consulted in more detail in EDP’s Sustainability Statement.

A detailed description of the various risks relevant to the EDP group is available on the EDP website: EDP Risk Taxonomy | edp.com. Given the multidimensional nature of the risks, the taxonomy defined in the system includes additional classification variables for better tracking, control, and reporting of them.

The system includes continuous monitoring and detection of other non-financial risks, such as those related to the environment, societal impact, and group governance (known by their English acronym “ESG”), with significant reputational implications.

	Perception	Impact
Legal&Fiscal	●	●
Comp. Customers   Commercial	●	●
Comp. Customers   Damages	●	●
Processes		
Insurable Asset Damages		
Financials		
Regulatory	●	●
CAPEX Execution	●	●
Grid Losses	●	●
Regulatory Bonus	●	●

## Monitoring Risk

In addition to closely monitoring the main risks inherent to the group’s activity, the main trends (at global and sectoral level) that may translate into threats and opportunities for the group are also comprehensively mapped, and appropriate mitigation strategies are proactively developed. In 2024, the mapping of emerging risks was updated, with an assessment by the EDP group’s top, executive and non-executive management.

In 2024, the following stand out: (1) economic wars and sanctions impacting EDP’s geographies; (2) military conflicts causing business instability; (3) climate risks from extreme weather, reduced precipitation, and regulatory transitions; (4) weakening climate transition efforts; (5) rising cyberattacks threatening operations; (6) labour shortages in renewable energy; and (7) changes in the insurance landscape with higher costs and reduced coverage.

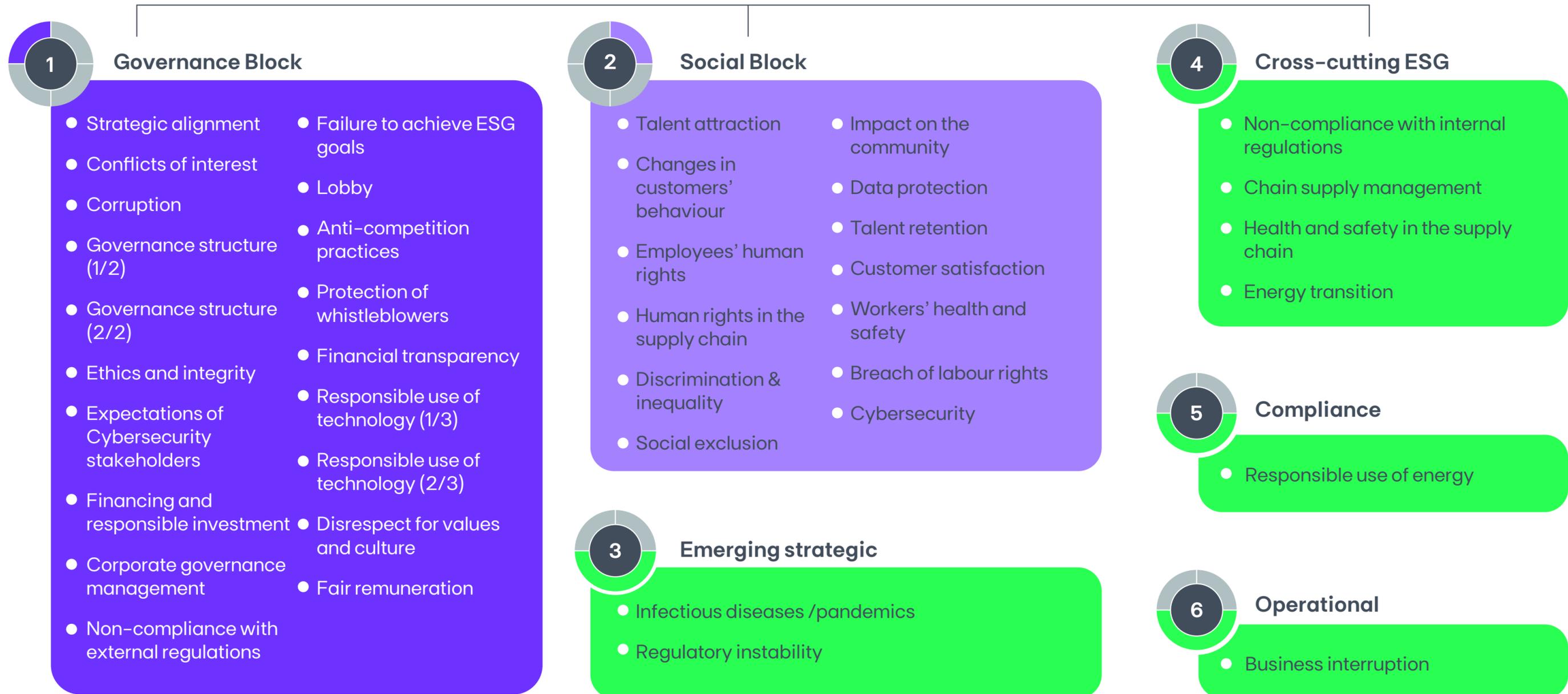
	Description	Potential Impacts	Mitigation Measures
<p>Economic Wars and Tensions at Global Level leading to sanctions/ tariffs in EDP geographies</p>	<p>Increasing use of economic tools, policies, and sanctions as instruments of geopolitical competition. Instead of traditional warfare, nations leverage trade restrictions, tariffs, currency manipulation, and supply chain disruptions to achieve strategic objectives or assert dominance.</p>	<ul style="list-style-type: none"> <li>• The intensification of economic wars and geopolitical tensions presents a risk for EDP, especially in the context of the energy sector. These disputes, often manifesting as sanctions, tariffs, and other trade barriers, can disrupt supply chains, inflate costs, and limit market access.</li> </ul>	<ul style="list-style-type: none"> <li>• Geographical and business diversification</li> <li>• Value chain diversification by contracting different equipment suppliers in different geographical areas.</li> <li>• Establishment of Frame Agreements with main equipment suppliers to secure future MWs volume (with fixed price).</li> <li>• Compliance Integrity Due Diligence screening of most relevant stakeholders.</li> </ul>
<p>Military Conflict between World Powers leading to business environment instability</p>	<p>Significant risk to the global business environment by creating widespread instability. Escalations between major nations can disrupt trade routes, supply chains, and critical resource access, leading to market volatility and economic uncertainty.</p>	<ul style="list-style-type: none"> <li>• Trigger of widespread economic disruptions, including supply chain interruptions restricting access to key resources, increased commodity prices, heightened market volatility.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial counterparty analysis for all relevant counterparties with exposure limits depending on the risk level.</li> <li>• Continuous monitoring of geopolitical events with external advisors (identifying and quantifying main potential risks)</li> <li>• Duty of Care in the process of being updated for travelling collaborators.</li> </ul>
<p>Climate risks, Physical extreme events and precipitation reduction, regulatory transition risks</p>	<p>Adverse effects of climate change include extreme weather events, chronic changes in physical parameters, and the economic, regulatory, social, and technological shifts required for a low-carbon future.</p>	<ul style="list-style-type: none"> <li>• Continuous rise in the number and severity of extreme weather events worldwide (e.g., storms, wildfires, heavy precipitation and floods, and landslides events). Reliability of infrastructure to more frequent and severe extreme climate events and overall costs increase (inc. insurance) are major risks.</li> </ul>	<ul style="list-style-type: none"> <li>• Structured climate risks assessment (TCFD) and integration of climate criteria in investment analysis (project in development) with support tool (from Swiss Re).</li> <li>• Development of specific climate adaption plans, for example: <ul style="list-style-type: none"> <li>- Greater involvement with suppliers to ensure the resilience of assets.</li> </ul> </li> <li>• Replacement of conventional grids with compact grids.</li> </ul>

	Description	Potential Impacts	Mitigation Measures
<p><b>Weakening Climate Transition Efforts</b></p>	<p>The energy transition faces a growing risk from waning political support, which can adversely affect policy stability, funding, and long-term investment in renewable energy projects. Political shifts or a lack of consensus may result in delays or rollbacks of critical initiatives, creating uncertainty for stakeholders and undermining momentum. This challenge is further compounded by increasing social resistance to project approvals, as local communities increasingly oppose new developments due to perceived environmental, economic, or social impacts. Such opposition is often driven by misinformation or inadequate stakeholder engagement, further delaying the deployment of essential energy infrastructure. Together, these factors jeopardize the pace and success of the energy transition, hindering global efforts to combat climate change and achieve sustainable energy systems.</p>	<ul style="list-style-type: none"> <li>• Increase in curtailment for operational EDP assets in case there is a lower investment in preparing networks for a decentralized generation world.</li> <li>• Community resistance (Not In My Backyard) and misinformation slow infrastructure deployment and strain relationships, limiting projects' development and risking reputational damage.</li> <li>• Regulatory uncertainty complicates compliance and adds financial pressure.</li> <li>• Hindered progress toward sustainability goals, reduce access to green financing, and divert resources from innovation, affecting long-term competitiveness.</li> </ul>	<ul style="list-style-type: none"> <li>• Close monitoring of regulatory evolution and active participation in discussions at international &amp; national levels.</li> <li>• Geographic diversification (top EBITDA per country, 18% Spain) and Technological diversification (top EBITDA per technology)</li> </ul>
<p><b>Increase in Cyber-attacks</b></p>	<p>EDP, as an energy utility company, has become heavily reliant on its digital infrastructure for efficient operations and service delivery. However, this increased technological sophistication and integration also heightens its exposure to various types of cyber risks. EDP is actively pursuing a digital transformation to further enhance business performance, with cyber resilience as a key component. Despite all the efforts made by organizations, there is probable risk that cyber-attacks become more frequent and with higher magnitude.</p>	<ul style="list-style-type: none"> <li>• The economic and reputational impact of cybersecurity issues remains a concern, with the frequency and sophistication of cyberattacks expected to continue rising. The impact may affect both IT and OT levels (e.g., attacks on EDP's generation and distribution assets), particularly in the following areas:             <ul style="list-style-type: none"> <li>• Losses resulting from the unavailability of critical EDP systems (e.g., dispatch/plants, billing, customer service).</li> <li>• In extreme cases, damage or destruction to physical assets and potential harm to human lives.</li> <li>• Data breaches or data loss (personal and other sensitive information).</li> <li>• Fines incurred due to GDPR violations.</li> <li>• Increased costs driven by higher investments in cybersecurity measures.</li> <li>• Damage to EDP's reputation in the event of a cyberattack that affects power availability or compromises data privacy.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Dedicated Global SOC (ISO 27001 certified) for continuous security monitoring, detection, and response for the group's IT and OT infrastructure.</li> <li>• Cyber Executive Committee with top management participation.</li> <li>• Online and in-person training sessions, phishing simulations, and cyber exercises.</li> <li>• Cyber risk insurance.</li> <li>• Ongoing compliance initiatives to adhere to various and dispersed regulations.</li> <li>• Implementation of a Zero Trust Cybersecurity roadmap based on five key pillars: Security by Design, Resilient Architecture, Integration and Automation, Uniform Governance, Risk and Compliance, and Human Behaviour Security.</li> <li>• Specific OT cybersecurity roadmaps to address cyber risks in mission-critical infrastructures (e.g., networks, generation, energy management).</li> <li>• IT/OT Risk Project for identifying and managing the most critical IT/OT assets.</li> <li>• Participation at strategic, tactical, and operational levels in local and global cyber groups (e.g., World Economic Forum).</li> </ul>

	Description	Potential Impacts	Mitigation Measures
<p><b>Social Risk</b> Gap in labour market and risk of unavailability of talent</p>	<p>Demographic trends indicate a projected decline in the working-age population in Europe, along with a stabilization in the United States. This demographic shift, along with a projected increase in the need for workers in renewable assets (which is expected to increase 3–4 times by 2030 in the EU), is set to result in a global shortage of skilled labour in the green economy. This shortage of skilled labour represents a notable risk to EDP's business plan. In the digital and innovation sectors, the expected increase in headcount is around 20%.</p>	<ul style="list-style-type: none"> <li>• Increased competition in attracting and retaining talent, leading to more competitive and aggressive recruitment and retention strategies in the market.</li> <li>• Companies, such as EDP, will need to become more involved in strategic workforce planning to identify critical roles, assess skills gaps, and implement measures to mitigate the impact of workforce shortages.</li> <li>• Heavier investment in innovation and automation to reduce reliance on manual labour, streamline processes, and boost efficiency, as well as invest in research and development.</li> <li>• Delayed project deadlines and risk of execution of the Business Plan.</li> <li>• Increased global mobility of the workforce, attracting talent from regions where there is a surplus of qualified labour in the renewable energy sector, increasing global collaboration, and the diversity of the workforce.</li> <li>• Significant investment in training and development programs to improve the skills of current employees and prepare them for roles in the renewable energy sector.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement a proactive and strategic global recruitment strategy to attract young, qualified professionals by creating internship and apprenticeship programs that offer first-hand experience to students interested in the renewable energy sector, fostering long-term relationships and retention, and more specific opportunities for experienced profiles.</li> <li>• Develop and implement strategies to retain existing skilled workers, offering competitive compensation packages, providing career development opportunities, and cultivating a positive work environment to minimize turnover and enhance knowledge management.</li> <li>• Conduct regular workforce needs assessments to identify critical roles and develop strategic learning plans to address skills gaps.</li> <li>• Promote a flexible, diverse, and inclusive workplace that welcomes and leverages the strengths of a diverse workforce, ensuring talent retention regardless of demographic or professional characteristics.</li> <li>• EDP has been working on innovative projects within automation to overcome the labour shortage challenge and to increase efficiency. It also advocates for government and institutional support through policies, incentives, and funding to bolster workforce development efforts.</li> </ul>
<p><b>Change in insurance landscape</b></p>	<p>The insurance landscape is shifting as insurers reevaluate coverage in a fast-changing environment. On one hand, increasingly severe natural disasters driven by climate change are leading to higher premiums, stricter exclusions, and reduced availability of coverage for events like floods, wildfires, and hurricanes. At the same time, the escalating frequency and sophistication of cyberattacks are prompting insurers to tighten policy terms, lower limits, and introduce exclusions for specific cyber outcomes (e.g., impact on physical assets). Additionally, heightened regulatory scrutiny and litigation risks related to environmental legal claims (e.g., concentration of chemical components) are causing insurers to reevaluate liability coverage, raising premiums or limiting options for affected industries.</p>	<ul style="list-style-type: none"> <li>• The overall shift in insurance policies drives up expenses associated with securing adequate coverage or addressing existing risks, meaning that EDP will have a higher cost with insurance premiums and/or decrease the ability to mitigate risk through insurance.</li> <li>• Lack of protection for insurance also leads to additional costs with infrastructure fortification for EDP assets, advanced cybersecurity measures, and alternative risk transfer mechanisms to mitigate gaps in coverage and ensure business continuity.</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance Infrastructure Resilience, through investment in climate-resilient infrastructure and fortification of assets against extreme weather events to reduce vulnerability and potential damages.</li> <li>• Insure assets in bundles both of geographies (globally) and types of assets (e.g., generation and network assets), offering a more attractive portfolio which enables an improved negotiating stance (easier to ensure assets/ risks are not excluded).</li> <li>• Work closely with insurers to enable an accurate assessment of the asset base risks, avoiding that risk premiums and exclusions are inappropriate.</li> <li>• Implement robust cybersecurity measures, including advanced threat detection systems, regular vulnerability assessments, and employee training to mitigate cyber risks.</li> <li>• Diversify Risk Transfer Strategies, exploring alternative risk transfer mechanisms, such as catastrophe bonds, captives, or risk-sharing partnerships, to offset gaps in traditional insurance coverage.</li> <li>• Improve Risk Assessment and Planning, conducting regular risk evaluations and integrating advanced analytics to anticipate and prepare for emerging threats, including climate, cyber, and liability risks.</li> <li>• Engage in Stakeholder Collaboration, partnering with insurers and industry peers to advocate for fair and sustainable insurance solutions and share best practices for risk management.</li> <li>• Increase Compliance and Safety Standards, by proactively adhere to evolving regulations and improve safety protocols to minimize liability risks associated with hazardous substances and chemical components.</li> <li>• Build Financial Reserves for Self-Insurance, allocating financial resources to self-insure against high-probability risks, reducing reliance on external coverage.</li> </ul>

## Social and Governance Risks for EDP Redes España

The results of the diagnosis and analysis at the level of EDP Redes España in the identification, analysis, and mitigation measures remain valid in 2024 in the following risk categories, covering 100% of material issues in social and governance aspects:



## EDP Redes España: Sustainability Plan

EDP has assumed a leading role in the energy transition, maintaining and strengthening its commitments to climate neutrality by 2040. Our goals are:

### We will be

#### Decarbonising for a positive climate world

Coal-free by 2025 | 100% renewable by 2030 | Net Zero by 2040

### We are

Empowering our communities to play an active role in the energy transition

~€200M in social investments | >3,000 new (accumulated) contracts

Protecting our planet and contributing to its regeneration

100% projects with net biodiversity gain monitoring system | 90% waste recovery throughout the value chain

Involving our partners for an impactful transformation

100% of suppliers compliant with ESG rules | 90% of the procurement volume in line with EDP's ESG goals

### We have

A solid ESG culture that protects and empowers human life

Reach zero fatal accidents

70% ESG training received

ESG-related remuneration

EDP has assumed a leading role in the energy transition, with ambitious commitments that include dropping coal production by 2025, becoming 100% renewable by 2030, and being Net Zero by 2040, advancing the targets set in the Paris Agreement.

With the slogan 'We Choose Earth', the current 2023 ESG Master Plan was approved with the aim of becoming the world leader in sustainability: 'We will lead the energy transition to have a positive impact on climate through decarbonisation, and we will do this empowering our communities, protecting our planet, and acting jointly with our partners for an effective transformation, driven by a solid ESG culture'.

Therefore, the **Sustainability ambition is established on the basis** of these 5 pillars:



• **We are a Decarbonising:** We pursue the Net Zero commitment by 2040, for which, in addition to decarbonising our own activities, we will actively influence on the decarbonisation of our supply chain, we will provide our customers with low-carbon solutions, and we will explore the absorption and offsetting role for residual emissions.



• **In order to do this, we want Our communities to have an active role in the energy transition: we seek** to generate a positive and long-lasting impact on the communities we serve, with a positive creation of employment, taking into account the creation of direct, indirect, and induced employment during the energy transition.

We will prioritise local employment, retraining, and innovation to support the transition to a low-carbon economy.



• **Protecting Our planet:** We will promote the regeneration of ecosystems, seizing synergies of land use and nature-based solutions to better address the protection of biodiversity. We intend to measure and assess the efforts to contribute to a positive environment by 2025.



• **Acting jointly with Our partners for an effective transformation:** we will build a common path with our business partners, collectively working to improve ESG performance. We will help our suppliers to adjust the ESG goals and targets to their respective situations, according to their relevance and maturity.

We will strengthen the execution of agreements to reduce ESG risks in the supply chain.



• **And all this will be driven by an ESG culture focused on the creation of long-term value:** We will integrate the sustainability values and practices into everything we do and promote. Our first step is to aspire to zero accidents in any of our activities, integrating this culture and boosting the continuous improvement of the processes related to accident prevention as regards all the employees, contractors, and suppliers of services.

## DECARBONISATION



**Iberian Net Zero Program:** Sharing best practices from the Networks platform and with the aim of achieving EDP's climate change commitments, we promote moving from ambition to action in order to achieve the "Net Zero Emissions" goal of the Sustainability Plan and in accordance with the SBTi targets.

**Climate Transition Plan** with Iberian projects to increase the resilience of our networks.

**Decarbonization of the supply chain:** accelerating the commitment of our suppliers to improve CO2 information and continue reporting the monitoring of scope 3 and emission reductions.



### OUR COMMUNITIES



**Energy poverty:** support for vulnerable electricity consumers to improve energy efficiency.

**Community development:** fostering stakeholder engagement at the level of customized projects associated with the needs of the communities in which we operate, anticipating risks with transparent communication.

### OUR PLANET



**Space4Nature:** accelerating the use of nature-based solutions to tackle business challenges, simultaneously supporting biodiversity.

**Close the loop:** promoting circular economy to optimise the use of resources and boost circular business models. E-redondo key Project in Networks Iberia.

### OUR PARTNERS



**Commitment to our partners:** promoting the commitment of the supply chain to EDP's strategic sustainability goals, having a positive impact on the community.



## ESG CULTURE

**ESG Risks and Opportunities:** continue advancing in the strength of the Risk model and conduct cyclical assessments of climate performance according to TCFD.

**Playitsafe:** health and safety programme to foster continuous improvement in processes related to accident prevention.

**Diversity and equity:** promote STEAM actions and collaborations to achieve EDP's objectives.

**ESG Culture:** top positions in sustainability indexes.

## Contribution to EDP's Sustainable Development Goals according to the 2023-2026 Strategic Plan



## Chapter II



### Accelerated and sustainable growth

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## Customers connected to smart grids

For the fourth consecutive year, EDP Redes España stands out as a leading company in security and quality of supply, as a result of the investment made in aspects of digitisation and operational improvement of the system to achieve a truly smart grid.

The security and quality of supply are the key aspects for customers. In 2024, EDP Redes España's TIEPI (Interruption Time Equivalent to Installed Power) has maintained its leading position in the historical series with 18.75 minutes, in line with the results obtained in previous years, demonstrating an excellent performance of our distribution network the record of different storms and events of force majeure, which demonstrates excellent grid performance.

### Key data



A large-scale **DANA** affected our distribution area in Valencia (Quart, Loriguilla, Manises, Aldaia, Bonaire, Benageber, etc.) on 10/29, and from EDP Redes España we proceeded to activate the Continuity Plan PCN04 - Unavailability of Network Elements:

-Safety was prioritized above all, and no accidents were recorded, neither by our personnel nor by our collaborating companies. The teams in the affected area were supported with personnel from other unaffected areas, multiplying the existing resources in the affected area by 4.

-Our substation in Quart de Poblet lost supply from REE at 220 kV, affecting a maximum of 1,900 customers. Our other substation in Aldaia remained in service and allowed the gradual recovery of the market, prioritizing essential services such as the Manises Hospital, although with many difficulties, as it was even impossible to access some of our facilities in the first hours. Nevertheless, the configuration of our network with underground medium voltage lines and a strongly meshed structure allowed the recovery of service to domestic customers in less than 48 hours.

## Investment for the energy transition

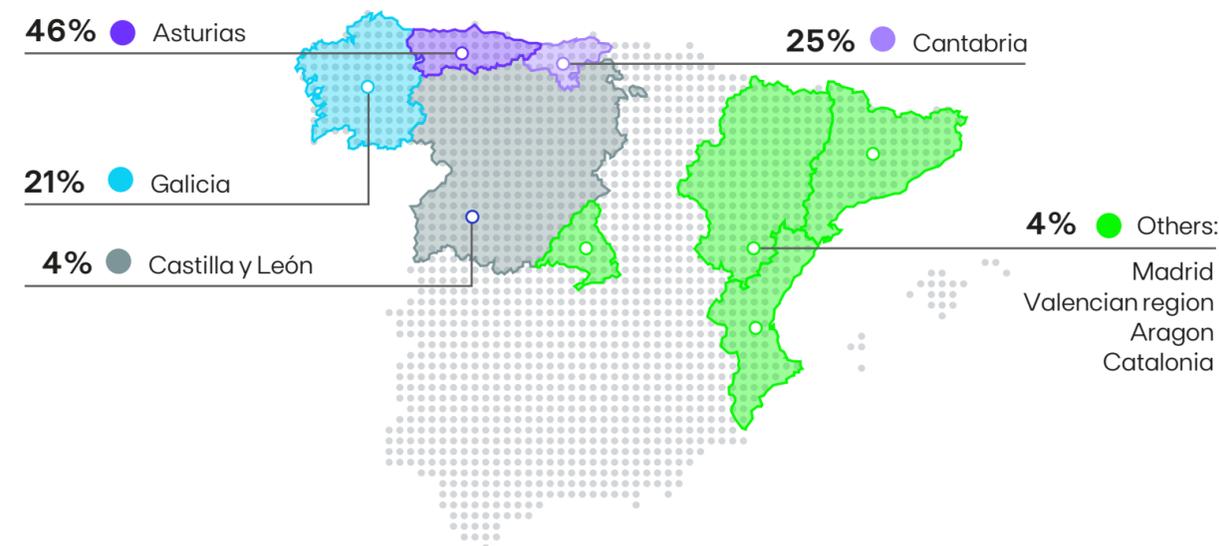
EDP Redes España's total investment in 2024 in its distribution area has amounted to 166.7 million euros.

This investment is part of the company's ambitious medium-term strategic plan, allocated 1.137 million euros for the 2025-2030 period.

Distributed by year, the investment planned for 2025 is 182 million; 177 million in 2026; 189 million in 2027, 195 million in 2028, 194 million in 2029 y 200 million in 2030.



The distribution of the investment by autonomous region in 2023 is around 46% in Asturias, 25% in Cantabria, 21% in Galicia, and 4% between Castilla y León, the Valencian Region, Aragon, Catalonia, and Madrid.



According to the strategic purpose of the investments, they are segregated into:

	15%	Electrification and decarbonisation	These are the investments made in new grid capacity, including new customers/connections, new power lines, reinforcements, and additional transformer capacity.
	3%	Resilience and environment	This includes investments related to improving the quality of service and the environment. For example: new connections between lines; transformers and mobile substations, and conductor reinforcement.
	38%	Modernisation	Investments in asset renovation and modernisation; replacement of obsolete assets (for example, assets that have reached the end of their useful life – technical and accounting –, obsolete technology, or harmonisation of grid voltage).
	41%	Digital transformation	These are the investments made in: <ul style="list-style-type: none"> <li>• Grid automation, communications, and digitisation.</li> <li>• Specific grid automation and monitoring projects.</li> <li>• IT Systems.</li> <li>• Smart meters, including remote-controlled meter implementation programs, equipment, and metering systems.</li> </ul>
	1%	Specific losses	This category includes specific investments to reduce non-technical losses: metering, investments in telemetry, investment in anti-theft wires, replacement of old or broken meters, and other projects.
	2%	Support	These are investments related to facility management and others, for example, equipment, fleet, etc.

## Smart grids for the energy transition

### Systems to foster the energy transition

Some of the most outstanding projects of 2024 for the digitisation and operational improvement of the grids have been:

**Mobility Phase 1** Allows field teams managing faults to have basic information for their resolution, with the first integration with our current operation system and allowing the definition of the bases for the operation of the future unified ADMS, advancing towards an operational change in the handling of incidents in the EDP Redes España network.

**GIA: ATR Portal** The customer service portal for retailers in the switching process has been unified by migrating the GIA system (E-Redes) to the ATR Portal that was already operating in Viesgo and Begasa.

**Data Lake and IoT** Both platforms continue to develop functionality/use cases of value for the company. Notable are the fault reports and the classification of notices received in the Contact Center (in the case of the Data Lake) and the projects for monitoring WEBCAMS in the IoT field.

Additionally, the commissioning of the following systems is planned for 2025.

#### ADMS

The project for the unification of Advanced Distribution Management Systems is a strategic project that will conclude in 2025 and will enable the integration of the operational management of distribution networks. It is a platform project in which the E-Redes Portugal team and the network business of the EDP group in Brazil are also involved.

During November and December 2024, FAT tests of the system were carried out with positive results. Also, during this year, HW infrastructures have been developed for the deployment of the ADMS system, preparing us for the Operation of the Future.

#### GIS

It will allow us to have a unique geographic information system in our distributors.

#### Commercial Systems, settlement and balances

The Geiser commercial system (E-Redes) will be integrated into DUOS (Viesgo), and the SLB settlement and balance system (E-Redes) will also be integrated into CSA (Viesgo), which will allow **the unification of processes for new supplies, billing, collections, and ATR management.**

It is also planned to start in 2025 the projects that will allow the **unification of mobility systems and the integration of the Asset Management systems** INFORED and SGA, which will evolve towards the SAP S4/HANA platform.

The Datalake systems and IoT platform continue to evolve with the base cases proposed by each Director.

### Technological renewal of the remote management system

After the obligation to replace all meters under 15 kW (domestic customers and small businesses) before 2018, a process that distributors began around 2011, it has been decided to carry out a complete technological renewal of all components of the remote management system, which consists of the following parts: smart meters, data concentrators and other communication equipment, and the IT system (AMI) for managing the equipment and obtaining readings.

#### Meters

A new version of the communication protocol (PRIME 1.4) has been developed within the PRIME Alliance, which improves the previous one in two fundamental aspects: more robust communications with more stable messages and expansion of communication bands, which allows solving what has been one of the biggest problems in operation: electronic noise that complicated and even in some cases prevented communication through electrical cables.

Suppliers have developed new equipment according to the new protocols, and already in 2023, some suppliers started manufacturing. A significant number of suppliers are expected to appear by 2024.

Distributors conducted pilots with this new technology and equipment during 2023, having started deploying the new meters at the end of the year. During 2024, several manufacturers developed PRIME 1.4 meters, but there have been delays in their external certifications and internal approvals that have prevented their use. An increase in certified meter manufacturers is expected in 2025.

### Hubs and other communication equipment

To control the new PRIME 1.4 smart meters, it is necessary to first install the hubs and other communication equipment that control the meters, also with the new PRIME 1.4 protocol.

In mid-2023, distributors began deploying these devices. Therefore, the physical deployment of the new remote management equipment started in 2023, intensified in 2024, and is planned to extend until 2028 for Viesgo and Begasa distributors and until 2032 for E-redes. This planning may vary based on the experience of the first years of deployment.

### Network automation project

Network automation is another key aspect in the strategy of building increasingly intelligent networks as a lever for mitigating and adapting to climate change. Thus, during 2024, network automation tasks have been developed aimed at improving the operation of the network by quickly detecting and isolating sections in faults, which reduces the travel of field teams and the execution of local maneuvers. Control and protection systems of substations have been renewed, such as SE Corredoria (22 kV room), SE Gijón Norte (132 kV), SE Cogersa (132 kV), SE Ribadesella (50 kV), SE Fonsagrada (132 kV), SE Telleo (220 kV), SE Cacicedo (new 55 kV yard), SE Candina (12 kV), as well as in several MV substations (Noceda, Puelo, Vega de Rengos, or Sama).

411 Transformation Centers have been remotely controlled, and 150 new IATs (Remotely Controlled Air Switches) have been installed on overhead lines.

33 Low Voltage panels with automation and network monitoring have been installed. This is a key project in digital transformation because it allows optimizing the management of the electrical network through the use of technologies such as advanced sensors, SCADA systems, and real-time data analysis. This improves service quality by reducing interruptions, enabling predictive maintenance, and detecting non-technical losses such as fraud or overloads. Additionally, it facilitates the integration of renewable energies and the efficient management of energy flow in areas close to the user, aligning with sustainability, operational efficiency, and modernization goals of the electrical infrastructure.

Additionally, the Flash BT system has been installed in 839 low voltage panels, allowing us to have real-time data on voltages and currents for each of the low voltage lines. These installations increase the network automation ratio in 2024 to 41% for the Medium Voltage network and to 14.5% for the Low Voltage network.

### Project for adaptation to the Avifauna RD

Project for adaptation to the RD avifauna Significant work has been done in adapting our lines to RD 1432/2008, which establishes measures for the protection of avifauna against collision and electrocution on high voltage power lines.

In 2024 were adapted:

423  
LINES Km

3.479  
POLES



Finally, highlight the digital transformation and innovation projects, with the most relevant examples as:

#### Smart CT Pilot (CT2I)

Successful implementation of a project for the protection of avifauna in electrical infrastructures, specifically in outdoor-type transformation centers (CTI). Focus on mitigating risks for birds and reducing incidents in electrical infrastructures, seeking an innovative solution based on electromagnetic field protection devices and sound devices connected to an AI camera that prevents birds from approaching electrical infrastructures while allowing surveillance and control of these facilities. Two pilots have been carried out in different outdoor-type transformation centers (CTI) with sensorized CBTs where these technologies have been successfully tested, continuously monitoring avifauna protection actions and the condition of the transformation center equipment.

#### Early Fire Detection System Phase 4:

The year 2024 has seen a significant improvement in the Fire Detection System near EDP network assets. This has been the integration of information captured by the third-generation Meteosat satellite (MTG). Being a geostationary satellite, data is obtained 24 hours a day, overcoming the current information gaps that are several hours, caused by the movement of non-geostationary satellites. Additionally, the data acquisition latency is significantly improved, going from 1-3 hours to 20 minutes.

This will allow us to know the existence of fires and their evolution permanently and updated, favoring their monitoring and control, as well as the possibility of proposing new functionalities aimed at preventive action and improving reactive measures.

### **Fault Location in MV Networks – Safegrid**

Implementation of a fault detection and location system in the Medium Voltage network with Isolated Neutral through the installation of instant connection wireless sensors and data analysis and cloud monitoring based on artificial intelligence and machine learning. This system allows the location of real faults and also latent faults, reducing service restoration times in the case of the former, anticipating supply cuts and helping to prevent fires in the case of the latter, minimizing physical visits and travel in both cases. During the pilot project, 37 sensors were installed in two different areas of Cantabria and Galicia, they were put into service, and the precision level of fault location is currently being monitored.

### **Monitoring with Fixed Cameras**

The objective of the project is to optimize real-time supervision and maintenance of substations. Two pilots have been carried out in the Corredoria and Siero substations. Through an alarm system specifically configured for the regions of interest, alarms have been identified that allow preventive action in the substations. In parallel, real-time visualization of assets is enabled to supervise maneuvers, attend to incidents, and resolve contingencies. The result obtained has been fully satisfactory due to the identification of additional functional improvements that will allow progress in the availability of a continuous monitoring system in all fundamental aspects of an outdoor substation: preventive detection of hot spots, identification of emergency situations (explosion, fire, intrusion in danger zones), remote supervision of assets in real-time through precision images, and measurement/location of partial discharges.

### **Asset Defect Detection using AI**

Through the Asset Defect Detection System based on Artificial Intelligence, automation is achieved in search of efficiency. This system uses artificial vision through Deep Learning to obtain automated inspection of power lines, using neural network models to detect anomalies in medium and low voltage lines. The objective of the project is to seek efficiency through the automation of image processing captured in the inspection of High and Medium Voltage overhead lines, as well as outdoor transformation centers.

The artificial vision system based on neural networks automatically identifies defects in our assets by reviewing the resulting images from their inspection. Among the types of defects that can be detected, we can highlight (among others): insulators, anti-climbing devices, danger signs, undergrowth, broken conductors, damaged material, crossarms, insulators...

The system will improve the levels of certainty about the detected anomaly (more efficiently and accurately). During 2024, detection models for a series of defect typologies have been refined, further

improving the results, and it has also been possible to relate the defects identified in the images with the affected assets through AI algorithms, requiring only the metadata of the images. In this way, progress is made towards the automation of the end-to-end process, eliminating human intervention, minimizing the risk of errors, greatly reducing the process time and the associated environmental footprint.

### **Automatic Substation Monitoring using AGV**

Development of an autonomous supervision system for substations using a mobile robot with autonomous monitoring capabilities that improves the safety and preventive maintenance of electrical substations. Thanks to the implementation of this system, breakdowns are reduced as continuous monitoring of the facilities is carried out, anticipating preventive maintenance (due to wear and aging of materials, as well as early detection of hot spots and SF6 losses), reducing personnel costs in travel and losses of damaged equipment. The device is equipped with an infrared thermographic camera capable of detecting SF6 in the environment, Lidar sensor, front and rear vision camera. During the development of the robot, special emphasis has been placed on autonomy, detection of hot spots, discrimination of false positives, its watertightness, and mobility through outdoor parks... The teleoperation capability greatly reduces field trips.

### **Work Area Delimitation with Lidar Technology (WAL20)**

System that minimizes the complexity for signaling or delimiting work areas in the electrical sector, especially in work carried out at height, where delimitation capability is complex and sometimes ineffective. In 2024, a program has been carried out incorporating several of these devices based on LIDAR technology into the works, which allow the creation and programming of work area delimitation, so that alarms and pre-alarms can be programmed to warn workers that they are exceeding them. It serves both for delimitation in vertical, horizontal, or oblique planes. Thanks to the implementation of the system, it is possible to define vertical and horizontal separation planes of the work area that allow identifying risk areas (with and without tension), safe transit areas, and load movement areas; all aimed at improving work safety.

### **SF6-Free Pilot Programs**

EDP Redes España is developing a program to eliminate the use of SF6 gas (sulfur hexafluoride) in all its assets with the aim of complying with Regulation (EU) 2024/573 of the European Parliament and the Council, dated February 7, 2024, which regulates the marketing and handling of fluorinated gases and equipment based on them, as well as the certification of professionals who use them and establishes the technical requirements for installations that carry out activities emitting fluorinated gases.

EDP Redes España has designed a business plan for 2026–2030 aimed at reducing SF6 emissions by replacing existing distribution cells in the company’s various assets. To this end, it has 11 pilots in operation and another 4 in the design and construction phase in the three geographies where it operates. These pilots aim to validate the technology available in the market to ensure the incorporation of SF6-Free equipment over the coming years and thus maximize emission reductions.

### **Vegetation Management**

For the companies Viesgo and Begasa, the capture data and orthophotos from Lidar flights are loaded into the Geovisor application and integrated with the SGA system for generating the corresponding maintenance orders. In a later phase, it will be extended to E-Redes and integrated with the Infored system. In 2024, an initiative was launched within the scope of the Asset Performance platform related to vegetation management at the Iberian level, aiming to achieve synergies in this activity between the different geographies of Spain and Portugal, to strive for a more efficient and operational management model, ensuring the quality of the work performed and maintaining the regulatory framework of each geography. Currently, work is being done on defining new contracts under the new operational model.



## Customer experience at the center from a shared perspective

An important pillar in the business strategy of Networks is to **put the customer at the center** of our operations. Current times require transparency in information, proactivity, speed in responses, closeness with customers, and being facilitators of their connections to the network and the energy transition of the industrial fabric in our distribution areas.

Undoubtedly, all of this is what will give us a differential point in our positioning as a DSO and in conversations with Regulators. In this regard, in recent years, the different geographies of EDP have worked on improving Customer Experience and preparing to meet the objectives of the PNIEC, and now, with the cross-functional work on the Networks platform, we have begun to capture **quick-wins** among the different countries and have started **initiatives that are born jointly with an integrated vision**.

### Targets

#### Improvement of customer experience

- Transparency in information, proactivity, speed in responses, and closeness.

#### One dashboard:

Unified KPIs across all geographies to facilitate decision-making and continuous improvement in our operations.

#### Operational efficiency.

Focused and specialized team.

#### Implementation of best practices

- Sharing knowledge and identifying synergies (processes and technology).

- Roadmap of initiatives for convergence of tools and methodologies.

#### Joint initiatives in different geographies

- New transformative initiatives placing the **customer at the center**.

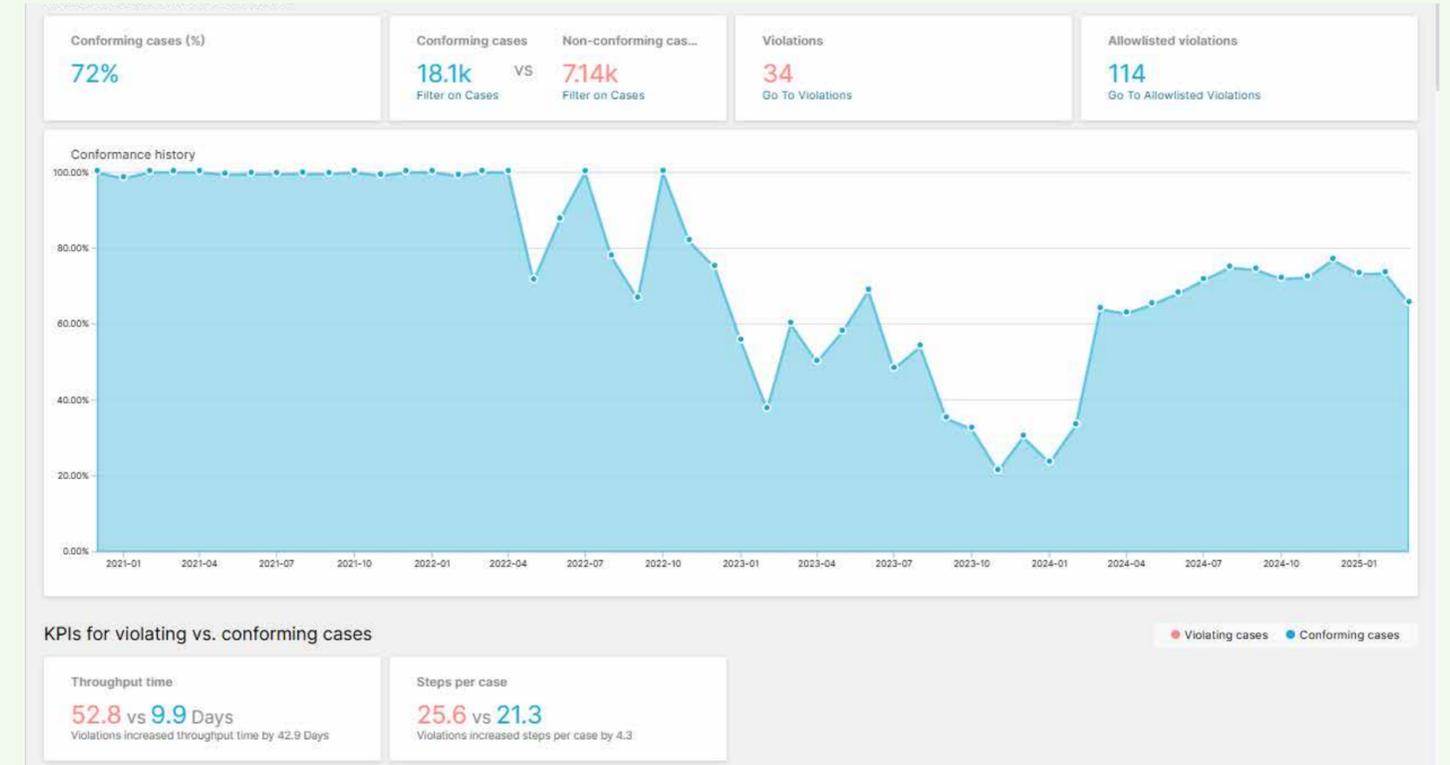
- **Joint projects** at the platform level, with an integrated governance model.

- **Evolution of shared tools** with a unified approach.

## Process Mining. Network Access Process. Spain

**Process mining** is a key for transformation, as it allows for increased efficiency and identification of improvements in procedures and systems, which in turn contributes to increasing **customer satisfaction**.

This process analysis will be carried out using the **Celonis** tool, a process intelligence platform that will help the EDP Networks platform to discover, monitor, and improve its processes by analyzing the event data recorded in its systems.



Initiative identified as quick-win. Participants include Network Access from Spain, PLR from Portugal, and Transformation Office.

## Projects that initiate as joint initiatives

The second step has been to start with projects that originate as **joint initiatives** and are being specified in common, in terms of type of need and required system. Among these, we already have in progress the **application of AI with virtual operators in telephone channels**, the automation of claims, and the identification of advanced tools to **facilitate network connections**.



### Automated telephone service: AI

- Evolution of customer service with AI to automated telephone service with voices that sound natural.

#### Targets:

- Improve customer and agent experience.
- Mitigate call peaks.
- Quick and accurate responses.



### Complaints Management Automatization

- Joint analysis of automation in complaints responses.

#### Targets:

- Improve customer and agent experience.
- Mitigate call peaks.
- Quick and accurate responses.



### Estimated Restoration Time Information (TER)

- Joint configuration of the options that the new ADMS 3.9 will deliver a TER close to reality that we can provide to the customer.

#### Targets:

- Our customers' satisfaction increases when they have more information.



### Automation of network connection access reports

- Preparation of reports and automatic budgeting in low voltage, allowing further improvement in response times to our customers.

#### Targets

- Improvement in response times to our customers.

## 2025 Plan



### Joint Iberian Plan

- Joint Targets with an integrated governance model.
- Common dashboard.
- Regulatory targets: PNIEC.



### Customer Journey

- Analysis of Customer Experience through a Customer Journey and an in-depth analysis of the experience in critical interactions.



### Capture of opportunities

- Identify new transformative initiatives that will facilitate improving the experience of our customers.
- Continuous improvement: Feedback on initiatives.



## Automation of network connection access reports

In the value chain of the network connection service for new customers, there is a set of opportunities to capture efficiency through the automation and digitization of operations using AI tools. In this context, the smarTEC platform from Minsait was identified for the preparation of reports and automatic budgeting in low voltage, allowing further improvement in response times to our customers.

It is based on an intelligent integrated system to automate the main processes associated with the definition of technical-economic solutions related to new supply requests or expansion of existing supplies of the electrical network; this automation of engineering work is carried out through Machine Learning and Artificial Intelligence.

This will allow the automation of design, budgeting, and generation of associated documentation processes. The reduction of times and increase in quality are directly related to the level of digitization of the Network and the criteria of the Distributors.

Each geography conducted a pilot with its data and test cases to evaluate the quality of the information and the effectiveness of the algorithm.

This development requires an adequate level of digitization of the networks and cartography to be used, integration with the systems of the EDP Redes España Distributors, review of automation rules and criteria, monitoring and control of solutions with the intention of adapting the criteria and ensuring compliance with the regulations.

The results have been satisfactory, and it is expected that in the last quarter of 2025, a first phase of industrialization of the solution can begin, starting with the E-Redes distributor in the province of Asturias. From here, and in coordination with the planned integrations of the systems, it will be extended to the rest of EDP Redes España.

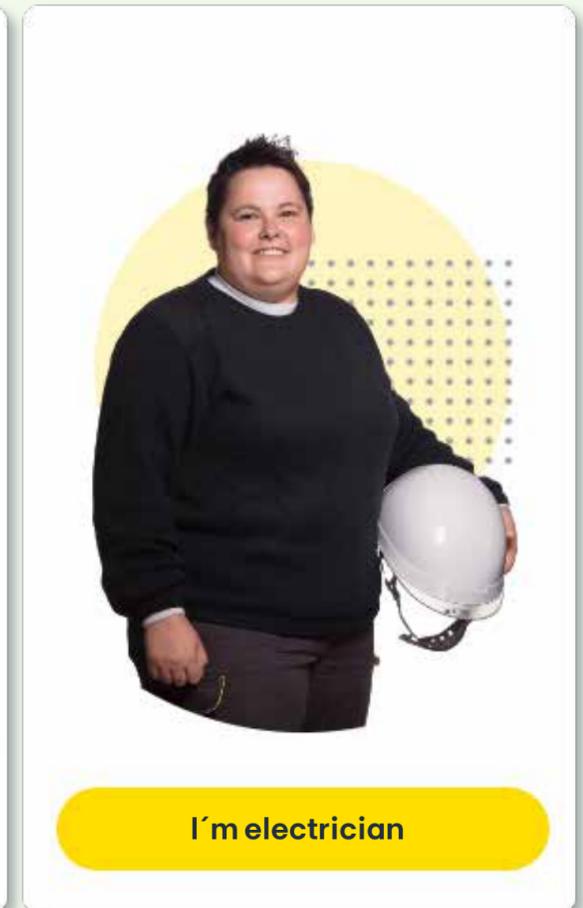


Iberian MVP. Elaborated with DGU.

*EDP Redes España responds more agilely to an increase in requests resulting from the energy transition, thus improving the customer experience*



I'm customer



I'm electrician

## Increased efficiency of our grid

The main lines of action where investment has been made are: modernisation of substations, digitisation of transformer substations, and adaptations or renovation of lines. Below, we highlight some of the most relevant actions of investment in distribution grids, by geographical area:

### Galicia:

#### Extension of the Ludrio substation

Expansion with a new 132/20 kV transformer and 20 kV distribution room to reinforce and improve the reliability of the distribution network in the area.

#### Ring closing in the 20-kV line in Meira

Construction of new sections of line to close the ring of the 20 kV Meira line in the Muimenta Industrial Estate, and replacement of other sections with increased cross-section, to improve the quality of supply in the industrial area.

#### New overhead-underground link line between Bretoña and Meira 20 kV lines

Construction of a new overhead-underground link line between the Bretoña and Meira lines, the aim of increasing reliability and improving the quality of electricity supply in the municipalities of Abadín and A Pastoriza (Lugo).

#### Battery energy storage system “Orbazai”, in Lugo

Installation of a Switching station in a prefabricated building equipped with battery energy storage in the municipality of Lugo, connected to the 20 kV medium voltage overhead line “Tablicia”, which allows voltage elevation and power supply to the area in case of network incidents, given its antenna typology and very complex meshing with other lines due to the terrain’s orography.

#### Battery energy storage system in Negueira de Muñiz

Installation of a Switching station in a prefabricated building equipped with battery energy storage in the municipality of Negueira de Muñiz (Lugo), connected to the 12 kV medium voltage overhead line “Salime\_Gra”, which allows voltage elevation and power supply to the area in case of network incidents.



## Cantabria:

### Renovation of the Polientes substation

Renovation of the 12 kV cells to improve supply reliability, including the installation of digital control and protection systems with IEC 61850 protocol.

### Renovation of the Penagos substation

Renovation of 55 kV equipment, eliminating oil circuit breakers, installing surge arresters in all 55 kV line positions for overvoltage protection, and installing interconnection boxes in the outdoor switchyard.

### Renovation of the 132 kV Urdón-Reinosa high voltage overhead line

Partial renovation of the line, replacing the existing conductors due to their deterioration, and supports to correct regulatory deficiencies.

### Diversion of 55 kV high voltage lines “EL\_BOSQUE-M\_CUDEYO” and “ASTILLERO-M\_CUDEYO\_1”

Diversion of the underground section of the lines to allow the expansion of the M\_CUDEYO substation.

### New 12 kV link lines from SE Labarces

Construction of two 12 kV overhead-underground lines to link the Labarces substation with the “CABEZÓN - VALDÁLIGA” and “S\_VICENTE - CABEZÓN 1” lines, to improve the quality of supply in the area by ensuring dual feed.

### Renovation of underground lines – exit from Candina

Substation Renovation of 12 kV medium voltage underground conductors in the lines exiting the Candina SE, taking advantage of the trace of the ducting carried out for the replacement of the 55 kV high voltage lines Candina-Tantín.



## Asturias:

### Langreo Substation Renovation

Renovation of the 132 kV switchyard with polymeric insulation equipment that significantly reduces the risk of harm to people in case of internal fault, including the renewal of the digital control and protection system with IEC 61850 protocol. Additionally, the 132/50 kV transformer has been renewed by installing a new one with lower noise emission, polymeric bushings, automatic silicagel dehydrators, monitorable protections, and gas sensors.

### Pumarín Substation Renovation

Renovation of the 132/50 kV transformer by installing a new transformer with lower noise emission, polymeric bushings, automatic silicagel dehydrators, monitorable protections, and gas sensors. The 22 kV room has also been completely renovated with air insulation, replacing masonry equipment with shielded cells.

### Trasona Substation Renovation

Renovation of the 132/50 kV transformer by installing a new one with lower noise emission, polymeric bushings, automatic silicagel dehydrators, monitorable protections, and gas sensors.

### Camarmeña Substation Renovation

Complete renovation of the 5/16 kV substation with shielded cells and digital control and protection system with IEC 61850 protocol, including the expansion with a second 5/16 kV transformer with vegetable esters to improve distribution reliability in the area.

### Arbón Substation Renovation

Renovation of the 132 kV switchyard with polymeric insulation equipment that significantly reduces the risk of harm to people in case of internal fault.



### Complete Renovation of San Luis Substation

Complete renovation of the substation to improve supply reliability, framed within a project to eliminate the 10 kV network in the area, including the installation of digital control and protection systems with IEC 61850 protocol. In this project, a cold reserve transformer was utilized as an example of actions within the framework of the circular economy.

### Expansion of a Transformer at Entrepeñas Substation

Expansion of a 30/12 kV transformer to improve supply reliability.

### Complete Renovation of La Cabaña Substation

Complete renovation of the MV substation to improve the reliability of the area, including the installation of digital control and protection systems with IEC 61850 protocol.

### Complete Renovation of Instituto Substation

Complete renovation of the MV substation to improve the reliability of the area, including the installation of digital control and protection systems with IEC 61850 protocol.

### Partial Renovation of 132 kV High Voltage Overhead Lines Tabimar/Costa and Tabimar/Tabiprax

Partial renovation of the line, with replacement of conductors, deteriorated supports, and auxiliary elements.

### Partial Renovation of 132 kV High Voltage Overhead Line Narcea-Trasona

Partial renovation of the line in 2 sections of the La Barca-Romio and Romio-Trasona circuits, with replacement of conductors, deteriorated supports, and auxiliary elements.

### Partial Renovation of 50 kV High Voltage Overhead Line Riera-Priañes

Partial renovation of the line, with replacement of conductors, deteriorated supports, and auxiliary elements.



### **Conductor Replacement of 50 kV High Voltage Overhead Line Villaquinta**

Replacement of the line conductor, including adaptation/replacement of supports and auxiliary elements, and installation of bird protection measures.

### **Conductor Replacement of 24 kV High Voltage Overhead Lines Sietes and Miravalles**

Replacement of the conductor including adaptation/replacement of supports and auxiliary elements, including insulation replacement, and adoption of bird protection measures (anti-collision and anti-electrocution).

### **Conductor Replacement of 20 kV High Voltage Overhead Lines Vega-Luiña and Monasterio**

Replacement of the conductor including adaptation/replacement of supports and auxiliary elements, including insulation replacement, and adoption of bird protection measures (anti-collision and anti-electrocution).

### **Power Supply to Electric Vehicle Charging Point “EASYCHARGER PARQUE PRINCIPADO”**

Construction of 2 underground 22 kV high voltage lines for power supply and a Sectioning Center for the electric vehicle charging point at the Parque Principado Shopping Center, Siero.

### **Power Supply to Electric Bus Charging Point “TRANSPORTES UNIDOS DE ASTURIAS”**

Construction of 2 underground 22 kV high voltage lines for power supply and a Sectioning Center for the electric vehicle charging point at the Espíritu Santo Industrial Park, Oviedo.



## Castilla y León:

### Herrera Substation Renovation

Renovation of the 12 kV cells to improve supply reliability, including the installation of digital control and protection systems with IEC 61850 protocol.

### Battery Energy Storage System in Castrejón de la Peña

Installation of a Transformation Center in a prefabricated building equipped with battery energy storage in the municipality of Castrejón de la Peña (Palencia), connected to the 12 kV medium voltage overhead line “Castrejon”, which allows voltage elevation and power supply to the area in case of network incidents, given its antenna typology and very complex meshing with other lines.



## Madrid:

### Extension of the Pinto–Arenal substation

Expansion with a new 220/20 kV transformer and a 20 kV distribution room as reinforcement and improvement of the reliability of the distribution network in the area.

### New El Gallo Substation

New 20 kV substation for interconnection between the Pinto–Ayuden and Pinto–Arenal substations.

### New Lines SE Pinto–Arenal and SE El Gallo

Construction of new underground lines originating from the new SE Pinto–Arenal and El Gallo, and interconnection with existing networks.

## Chapter III



### Organisation prepared for the future

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## Ethics and Compliance

EDP, in line with its commitment to ensuring the exercise of its activities in accordance with the highest standards of ethics and integrity, has implemented a Compliance Management System, coordinated by the Ethics and Compliance area.

This System, aligned with the risk management model, is based on an internal control structured according to the “three lines of defense”, which operate in an integrated manner to identify and adequately manage the risks arising from the activity. This model allows for the rationalization of resources and efforts, promotes coordination between functions, and standardizes language, linking the different areas through a common infrastructure that shares the same processes and information systems.

EDP Redes España is guided by principles of trust and transparency in the development of its activities and in its relationships with all its stakeholders. These principles are reflected in the Code of Ethics and its Integrity Policy. Additionally, there is a reporting channel that allows stakeholders to communicate any behavior they perceive as a violation of the Code of Ethics, internal regulations, or legal requirements. This channel, called Speak Up Channel, emerged in 2023 as an adaptation of the complaint management system of EDP Redes España, in accordance with Directive (EU) 2019/1937, “Whistleblower Directive”, and Law 2/2023 of February 20, regulating the protection of persons who report regulatory violations and fight against corruption. Thanks to this channel, the company has continued to reinforce its commitment to transparency and integrity, providing a safe and confidential channel for employees and other stakeholders to report unethical or illegal conduct. In this regard, during 2024, employee training on the Speak Up Channel continued through e-learning launched at the end of 2023 and aimed at all employees of EDP Redes España.

The Compliance Management System of EDP Redes España is formalized under the EDP Group Compliance Standard, updated in 2024. This system is aligned with the best international practices, with the EDP Matrix having obtained ISO 37301 certification - Compliance Management Systems. The Compliance Management System reflects the EDP Group’s commitment to ensure (i) proper identification, evaluation, and management of compliance risks, to minimize the risk of sanctions, including financial impacts and possible operational and reputational impacts, and (ii) the trust of its stakeholders, reinforcing the competitiveness of the EDP Group.

The System harmonizes the guidelines and methodologies for compliance management throughout the organization, aligning with other internal policies and procedures and seeking continuous improvement.

Aligned under this Global Compliance Program, EDP Redes España develops different Specific Compliance Programs in those relevant regulatory areas that apply to it, always from a risk management perspective.

At the level of each Specific Compliance Program (PEC) and based on the identification and evaluation of the respective specific risks, policies, procedures, and other compliance mechanisms are developed. These policies, procedures, and mechanisms formalize the fundamental principles of compliance management and detail the applied standards and control mechanisms, which impact activities carried out internally or by third parties on behalf of EDP Redes España and are key elements to disseminate a culture of compliance throughout the Group.



### EDP Redes España has implemented all the applicable Specific Compliance Programmes, which would be:

-  **Criminal Legal Risk Prevention Model (Criminal / Antibribery)**
-  **Personal data protection**
-  **Internal Financial Reporting Control System**
-  **Competition**
-  **Unbundling**
-  **Environment, health, and safety<sup>(1)</sup>**

(1) This refers to the management systems implemented in this area, covering compliance risks.

Another fundamental element for the development of Specific Compliance Programs are the training and awareness actions carried out both at the transversal level of the group and at the specific level or regulatory scope. During the 2024 fiscal year, the ComplianceFlix training program continued, with the launch of the second season of the series “How I Met Integrity II”, which presents different scenarios featuring employees related to contracting with suppliers, accepting gifts, making donations, and certain conflict of interest situations, with the need to make decisions aligned with the Group’s integrity policy and procedures.

In 2024, another notable training was the course “Avoid Harassment”, which reflects EDP’s commitment to promoting a culture free of inappropriate behaviors and protecting the value of its employees both as individuals and as workers. This course addresses EDP’s guidelines for preventing, confronting, and reporting harassment situations. Throughout 2024, continuous communication of the main milestones of the global Compliance Program was maintained in relation to policy and procedure updates, training launches and awareness actions, program audits, as well as specific communications on relevant dates related to Compliance, such as World Whistleblower Day, Compliance Day, or International Anti-Corruption Day, as channels to raise employee awareness on this matter and to publicize the mechanisms established by the Group to combat and mitigate compliance risks.

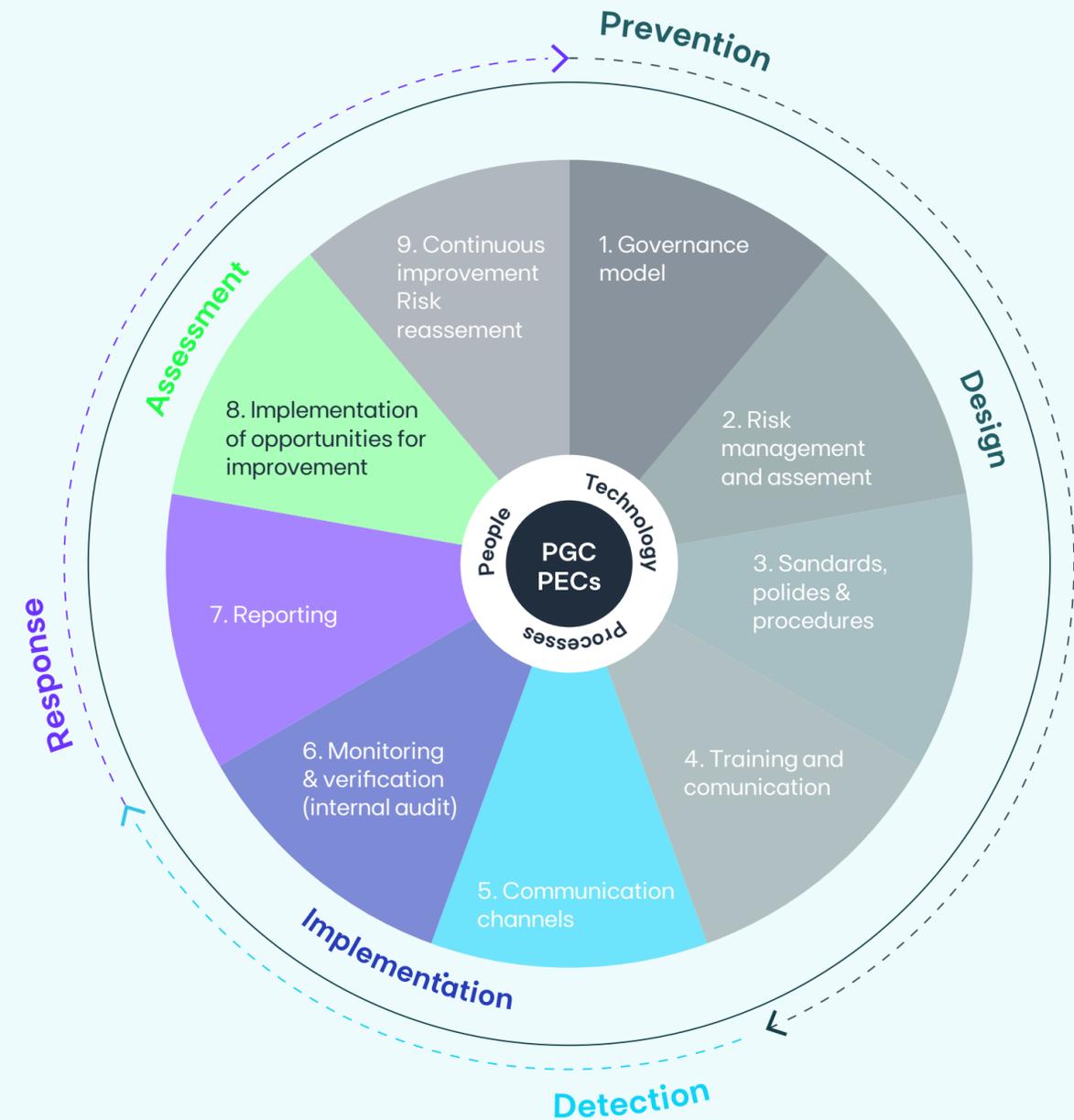
During the 2024 fiscal year, the project initiated the previous year to strengthen the digitalization of the Ethics & Compliance function, in relation to the documentation system of standards and procedures, was also completed.

The compliance function ensures the monitoring and tracking of the development, operation, and implementation of Specific Compliance Programs. In turn, and in accordance with the respective annual activity plan, the Internal Audit function carries out specific audit work, addressing compliance issues, with some specific programs subject to external review.

The results of the monitoring and any recommendations issued by internal and/or external audits are considered with the aim of improving compliance management, from a continuous improvement perspective.

EDP Redes España has certificates in its criminal Compliance and Anti-Bribery programs under the UNE 19601 standards for Criminal Compliance and ISO 37001, the international standard for establishing, implementing, maintaining, reviewing, and improving an anti-bribery management system.

**This Compliance Management System is divided into nine components and nine Specific Compliance Programmes (PECs):**



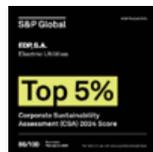
## Recognition of EDP in ESG values

EDP Redes España continuously reports on ESG indicators for the sustainability indices in which the Group participates, as well as specific indices that apply directly to the electricity distribution business, such as the case of GRESB.

The most relevant ESG evaluation processes in which EDP participates include key rating agencies such as:

- MSCI
- Sustainalytics
- ISS ESG
- S&P Global
- CDP
- EcoVadis
- Ethisphere

Specifically, EDP Redes España is a candidate for the GRESB infrastructure sustainability index, achieving exceptional results as a global benchmark.



## EDP Redes España, European leader in ESG in the GRESB index

### The electricity distribution activity in Spain is recognized as the most sustainable on the continent and reaches the first global position in the Performance category

EDP's electricity distribution in Spain has received a **score of 99 points out of 100 in the GRESB** (Global Real Estate Sustainability Benchmark) index. This achievement makes **EDP Redes España the electricity distribution company that best integrates ESG criteria into its strategy in Europe for the second consecutive year.**

Additionally, **EDP Redes España leads the global index in the Performance category**, competing against 695 other entities from all infrastructure sectors. This distinction highlights EDP Redes España's firm commitment to setting measurable and comparable objectives in areas such as diversity and equity, safety and health, employee engagement, as well as energy management, emissions, biodiversity, and habitat management.

The GRESB index, created in 2009, aims to understand the integration and development of ESG criteria in companies and is used by private and institutional investment funds as an evaluation and comparison tool to measure and assess the quality of infrastructures in these sustainability-related aspects.

Unlike other indices that evaluate isolated projects, GRESB measures the behavior of companies comprehensively. It considers the environmental footprint of the asset, with the actions and efficiency measures undertaken to monitor and reduce the footprint; the direct social impact, measuring the relationship and impact of the entity on its stakeholders and its activities on society; and the governance of sustainability, considering the policies, procedures, and sustainability approach at the entity or organization level. Additionally, it evaluates other aspects such as stakeholder engagement, risks and opportunities including those related to climate change and transition, and the company's level of transparency.

"This rating is the result of our commitment as a company to carry out a strategy that integrates sustainability transversally into our activity. Furthermore, achieving this recognition for the second consecutive year underscores that we are on the right path and encourages us to continue the same path for the future".

**Francisco Rodríguez, CEO of EDP Redes España.**





## EDP remains among the most sustainable electric companies in the world in the Dow Jones index

**EDP has once again been recognized as one of the leading electric companies in the world in the field of sustainability, consolidating this position in the Dow Jones Best-in-Class indices. EDP is also part of the top 5% in the 2025 S&P Global Sustainability Yearbook.**

S&P Global Sustainable has once again recognized EDP as one of the most sustainable electric companies in the world, among 264 electric utilities from different countries. In addition to its prominent position in the Dow Jones Best-in-Class index, it also remains the Portuguese company that has been part of the global sustainability benchmark index for the longest time.

This recognition reflects EDP's sustained leadership position over the past 17 years. This year, among the more than 7 600 companies evaluated, EDP once again appears in the S&P Sustainability Yearbook, which distinguishes companies with the best sustainability practices in each sector. In 2025, the company will once again be part of the ranking that, since 2022, distinguishes companies whose revenues from coal-fired power generation represent less than 5%, in addition to recognizing companies with a positive impact on sustainable development leadership. It includes only 780 companies distributed across 62 industries. In this edition of the Dow Jones indices, EDP has been distinguished as "Best in Class" with a maximum score of 100 points in five of the 23 criteria, one more than the previous year, thus confirming its good practices in areas as diverse as: transparency and reporting, business ethics, human rights, customer relations, and market opportunities. The analysis of the 23 criteria, carried out using the Corporate Sustainability Assessment (CSA) methodology of S&P Global Sustainable<sup>1</sup>, determines whether or not companies are included in the Dow Jones index.

In the transparency and reporting indicator, EDP stood out with the 2023 Integrated Annual Report, which presents short-term operational objectives and ambitious long-term goals aligned with the company's strategy. This report has also been recognized by the World Business Council for Sustainable Development as one of the top 10 reports among the 181 analyzed for the third consecutive year. In the market opportunities indicator, the company demonstrates its commitment to sustainability by offering a diverse portfolio of solutions, such as smart meters. Also in customer relations, a constant

improvement in EDP customer satisfaction has been recognized over the past three years. Regarding the ethics criterion, EDP reinforces its actions with various initiatives, including, for example, a Code of Ethics and transparent reporting of violations, complemented by training and awareness actions and a Speak Up channel for dialogue with stakeholders. Additionally, in human rights, the group presents good results, as a result of the identification, prevention, and monitoring of risks, in line with the United Nations Guiding Principles on human and labor rights.

### Resource Management, Risk Management, and Crisis Highlights

EDP was also awarded for its best results in the criteria of waste and pollutants, water, and risk and crisis management. In the waste and pollutants indicator, the circular economy strategy, complemented by initiatives such as digitalization and resource recovery adopted by the company, has led to a continuous reduction in waste over the past four years. In risk and crisis management, the company continuously invests in improving processes that ensure rigorous risk assessment and support decision-making.

Created in 1999, the Dow Jones Best-in-Class Index is the first benchmark index of non-financial results of publicly traded companies worldwide. For the 2024 edition, 3 550 companies were analyzed to integrate the Dow Jones Best-in-Class indices. EDP is one of the eight electric companies included in the Dow Jones Best-in-Class World and one of the five in the Dow Jones Best-in-Class Europe.

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

## Recognition of EDP in ESG values

EDP wants to be identified as a leader in sustainability. To achieve this, in Spain, it participates in different working groups, thematic clusters, observatories, and other initiatives focused on training and awareness, informing and communicating the company's best practices and sharing experiences, ESG trends, while monitoring emerging issues and practices from other stakeholders, all under the perspective of creating shared value with our stakeholders.

We highlight the most relevant initiatives in which we have participated in 2024:

### Spanish Global Compact Network

EDP Redes España has been a signatory of the Global Compact since 2020.

In 2024, it has renewed its commitment to the Global Compact by completing the Sustainability Report as a Progress Report, thus fulfilling the objective of reporting annually on progress in the management of the 10 principles and the contribution to the 2030 Agenda and its 17 Sustainable Development Goals (SDGs).

### EDSO -European Distribution System Operators

EU DSO ENTITY, created in 2021, aims to develop technical and regulatory proposals at the European level, including the European Network Codes, and to foster cooperation between distribution system operators (DSO) and transmission system operators (TSO). The participation of EDP Redes España in the EU DSO Entity IVZW allows the company to actively contribute to the development of guidelines and standards that promote efficiency, sustainability, and resilience of electrical networks in Europe, consolidating its leadership in the energy sector.

### EU DSO ENTITY IVZW

EDP leads the Task Force FIN where it developed the concept of Anticipatory Investments in the field of electricity distribution during 2024 and is working in collaboration with other European distribution companies, the European Commission, and European regulators in defining financing mechanisms for electricity distribution activities, allowing the competitive execution of investment plans for the energy transition.

### PRIME ALLIANCE

Participation in PRIME ALLIANCE allows EDP Redes España to actively contribute to the development and deployment of PRIME specifications, which have been established as the standard for smart meters, ensuring they continue to meet the changing needs of energy providers, regulators, and consumers.

## CIGRE

In 2024, EDP Redes España presented the results of two works on AI sensors for partial discharge detection and ground impedance monitoring at the biennial CIGRE congress in Paris. These works were carried out in collaboration with the supplier Ampacimon and the Central Official Electrotechnical Laboratory and had already been successfully presented in 2023 at the CIGRE Spain congress.

The team of professionals from EDP Redes España who are members of CIGRE collaborate with other industry experts to share knowledge, develop new technologies, and establish global standards that promote efficiency and sustainability in electricity distribution. This participation reinforces EDP Redes España's leadership in the transition towards a more modern and resilient electrical grid, contributing to the advancement of the energy sector both nationally and internationally.



### **AELEC – Association of Electric Energy Companies**

EDP participated in the “Creérnoslo” campaign launched by AELEC in March 2024 to communicate the essential role it plays in the Spanish electric sector in the growth of the country’s economy. The campaign aims to generate knowledge and awareness about the importance of electricity for decarbonization, the country’s energy independence, and the sustainable development of society. Our natural resources have enormous value, as does the capacity of our electric system to transform them into renewable electricity.

EDP participated in the event organized in October 2024 by CEOE and AELEC, presenting the update of the occupational risk prevention (ORP) training standard developed to standardize the required training in this field within the electric sector. The safety and health training standard, developed in 2023, has evolved to ensure the ability to manage risks in activities carried out in electric installations. Additionally, it contributes to improving the employability of professionals at a key moment, such as the 560,000 new jobs expected by the PNIEC in 2030. The standard facilitates greater and faster alignment of users to the training standard, such as contractor companies in the sector. EDP was present at the VI AELEC congress, which commemorated the 80<sup>th</sup> anniversary of this association that was born under the name UNESA. The congress addressed relevant issues for the sector, such as demand management mechanisms necessary to effectively integrate renewable energy, measures to modernize and expand the electric grid in line with demand growth, how to accelerate electrification in transportation, housing, or industrial processes, and the role of emerging technologies for consumers to achieve a more effective energy transition.

### **AENOR**

EDP Redes España has demonstrated its commitment to excellence and continuous improvement by actively participating in 20 subcommittees of 9 AENOR Technical Standardization Committees. Through its participation in these committees, EDP Redes España collaborates with other industry experts to develop and review technical standards that ensure quality, safety, and efficiency in electricity distribution. This collaboration allows it to be at the forefront of implementing best practices and complying with international standards, thus reinforcing its leadership and contributing to the advancement of the energy sector in Spain.

### **AUSAPE – Association of SAP Users in Spain**

EDP Redes España has strengthened its commitment to digital transformation and continuous improvement by joining AUSAPE (Association of SAP Users in Spain) in 2024. As an active member of AUSAPE, EDP Redes España collaborates with other industry leaders to share experiences and best practices in the use of SAP solutions. This participation allows EDP Redes España to increase the training of its human resources, optimize its operational processes, and improve efficiency in the management

of its energy resources, consolidating its position as a benchmark in operational excellence within the energy industry.

### **Technological Platform for Future Networks – FUTURED**

EDP has led the Energy Storage Working Group, which is preparing a second deliverable since its establishment in 2021 on the Integration of Storage in Flexibility Markets, which is expected to be completed during Q1 of 2025.

### **UIMP – Menéndez Pelayo International University**

Once again, EDP has organized the summer course at the Menéndez Pelayo International University (UIMP) in Santander on July 17 and 18, under the title ‘Electric Networks: Key in the Deployment of Renewable Energies’. The seminar featured top-level speakers both from EDP and externally.

During the seminar, the current paradigm shift facing the energy sector was highlighted, which could be summarized into six major blocks:

1. From an energy system based on variable costs to one based on fixed costs.
2. The system balance is now provided by demand, not generation.
3. From large industrial hubs to smaller areas that take advantage of local renewable power.
4. From a centralized generation and distributed consumption system to a distributed generation and concentrated consumption system.
5. From a cheap transportation system to an expensive one.
6. From independence between the electrical and thermal systems to the integration of electricity and heat.

### **CEOE – CEPYME Cantabria**

In 2024, EDP has worked with CEOE/CEPYME Cantabria in the development of the new Administrative Simplification Law of Cantabria, as well as sharing its know-how on sustainability in the 2024 Plenary and in the Environment Commission.

Since October 2024, we have become part of the CEOE Board of Directors, where we will assume new responsibilities that will allow us to continue putting EDP at the disposal of the society of Cantabria.

### **CEL – Confederation of Entrepreneurs of Lugo and CEL Foundation**

During 2024, we have continued our work from the Advisory Council of the Confederation of Entrepreneurs of Lugo, promoting and facilitating close access to EDP for the province’s entrepreneurs, as well as in the Board of Trustees, which promotes entrepreneurship in the Lugo area.

### **APD Cantabria**

EDP’s participation in the Association for the Progress of Management (APD) of Cantabria offers various strategic and operational advantages. Firstly, it provides access to a wide network of contacts and collaboration opportunities with other companies and business leaders in the region, fostering the exchange of knowledge and best practices. Additionally, it allows the company to stay up-to-date with the latest trends and developments in the field of management and leadership. Participation in events and seminars organized by APD also provides a platform for continuous learning and professional development of its employees. Furthermore, being a member of APD reinforces EDP’s commitment to excellence in management and the economic and social progress of Cantabria.

### **Cantabria Chamber of Commerce**

In 2024, EDP has collaborated as members of the Executive Committee of the Cantabria Chamber of Commerce, its Industry and Energy Commission, and the Navigation and Port Council of Santander in the transformation that this entity is carrying out to modernize its activities and services. We have actively participated in various activities for the development of commercial and industrial activities in the region, continued to facilitate contact between Cantabrian entrepreneurs and EDP, and promoted sectoral meetings related to the energy sector, such as the electrification of ports.

### **Business associations of the O Ceao (Lugo) and Parayas (Cantabria) industrial estates**

Through its subsidiaries BEGASA and VIESGO, EDP has facilities in these two industrial estates, which allow it to carry out its functions of construction, operation, and maintenance of electrical networks close to the markets of these two geographical areas. Membership in the business associations of both industrial estates reinforces the commitment to the community and allows direct information to be obtained about the quality of supply and business needs in these industrial groups.

### **CTC Centro Tecnológico de Componentes**

As a member of the board of trustees of this technological center in Cantabria, EDP has participated in the meetings of this management body, evaluating its portfolio of projects and technological development initiatives. Supporting regional technological development reinforces the company’s commitment to the community and being part of.



## Alignment of the stakeholders with EDP's strategy

Stakeholder management is carried out in accordance with the EDP Group's 2014 Stakeholder Relations Policy and the EDP Group's 2015 Stakeholder Relations Management Methodological Guide. During financial year 2023, the process of reviewing and updating this policy was launched as regards specific aspects of local stakeholder engagement (policy) and its implementation procedure, as well as concerning the EDP Group's interest representation policy. In both cases, the starting point is an effective identification of the stakeholders and organizations of interest to the Group, at any point in the life cycle of the projects and businesses, their involvement, and their relevance.

In terms of stakeholder management, the purpose of the action is to build and strengthen relationships of trust, share knowledge and relevant information, anticipate challenges, and identify new opportunities for cooperation in the face of the challenges that the EDP Group confronts in all the local areas in which it operates.

The four main guiding commitments of the Policy are:

**Understand | Communicate | Trust | Collaborate**

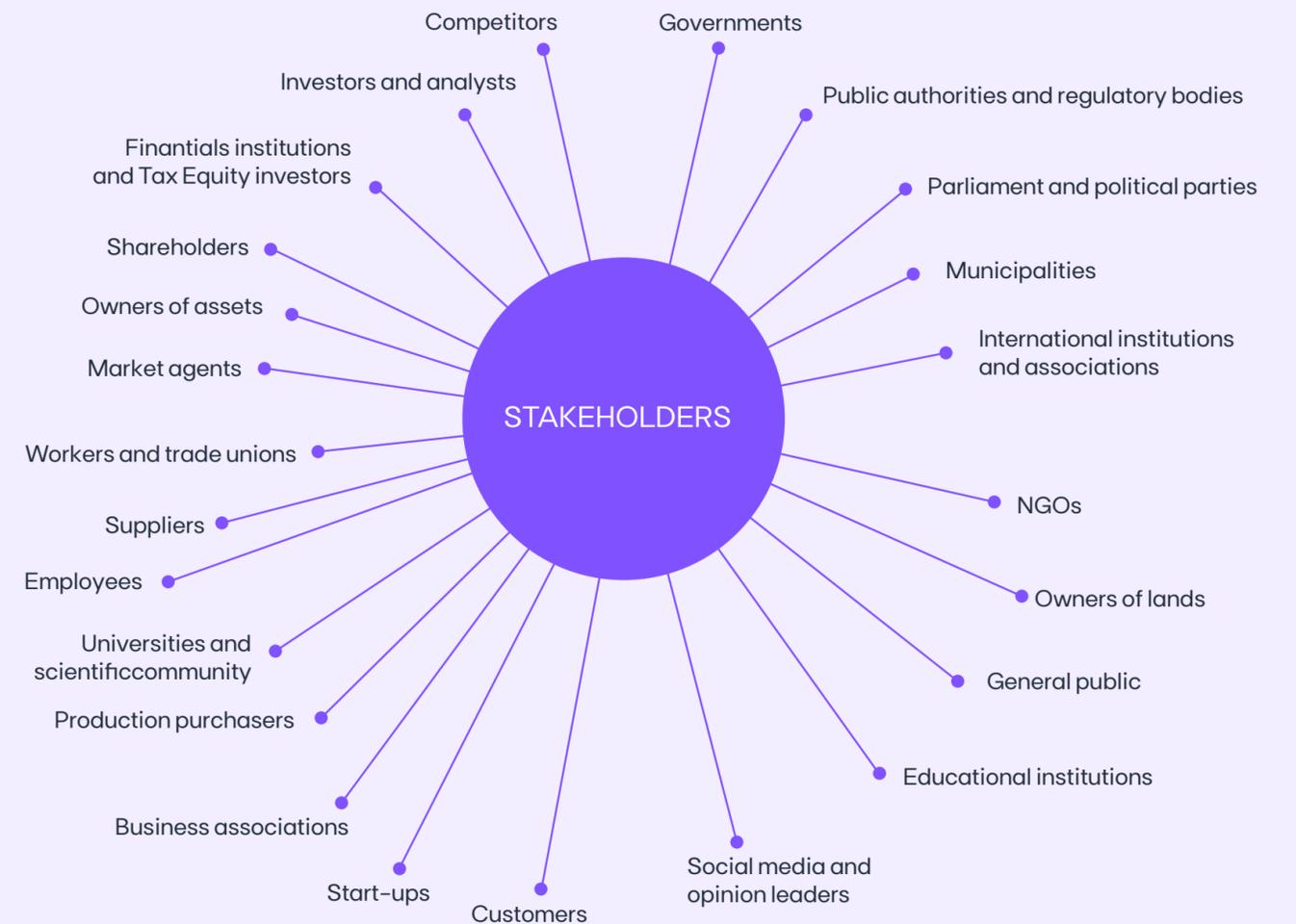
The stakeholders of the EDP Group are organized into four well-defined segments:

-  **Democracy:** Governance and public bodies, Political parties, International institutions
-  **Market:** Competitors, Financial entities, Shareholders, Investors
-  **Social & local communities:** NGOs, Local communities, Scientific community, Town councils, Media, Opinion leaders
-  **Value chain:** Customers, Business partners, Suppliers, Employees

## Segmentation of the EDP Group's stakeholders

MARKET

DEMOCRACY



VALUE CHAIN

SOCIAL ENVIRONMENT AND LOCAL COMMUNITIES



## Democracy

In this segment, we work with governments, regulatory agents, political parties, and international institutions and organisations, among others, with the objectives of conveying EDP's commitment to the just energy transition, facilitating the activity of EDP's business platforms in Spain; defending EDP's sectoral positions at European, national, regional, and local level; and anticipating information relevant to EDP's regulatory strategy, as well as EDP's interests vis-à-vis all priority stakeholders.

Therefore, work has been carried out with the coordinating entities of the Climate Change and Biodiversity COP, Eurelectric, aelec, MITERD, MITECO, Autonomous Regions, and Chambers of Commerce, among others. In all cases, we actively participate in commissions, task forces, technical sessions, project monitoring actions, and sectoral benchmarking.



## Market

This segment includes the stakeholders of competitors, business associations, shareholders, and financial institutions. Here, we maintain ongoing relationships with entities such as the CEOE and its regional partners, the Spanish Energy Club, OMIE, UNEF, AEPICAL, AEH2, COTEC, Ihobe, Fundación Biodiversidad (MITECO), Aemener, Global Compact and the Spanish Global Compact Network,. The objectives are to position and make EDP visible as a benchmark in ESG excellence.

Together with all of them, it actively participates in projects and initiatives articulated by its own governing bodies, as well as in more technical and/or operational forums.



## Social & local communities

The actions together with the social and local communities segment involve massive actions together with the Town Councils of the municipalities in which there are Distribution assets, as well as with the associations of their local social fabric. Together with them, work is being done to adjust and co-design EDP Suma+ actions and projects to their specific needs and expectations.



## Value chain

Finally, the Value Chain segment includes the stakeholders directly involved in the business, mainly customers, employees, suppliers, business partners, and universities and the educational community. The objectives of the management of the stakeholders of this segment are to position EDP as a leading and benchmark company in the areas where it has assets, and to promote the success of just transition and economy electrification projects, as well as actions to attract and retain talent.

Among other universities and entities in the world of education, there are collaboration agreements with the UIMP (Cantabria).

## Innovation and digital transformation

### EDP's Innovation corporate model

EDP's global research and innovation operating model is built on a fast adopter approach, with a clear purpose: accelerating impactful new businesses and driving the rapid adoption of innovative solutions while exploring new pathways to lead the energy transition, aligning with the company's strategic priorities.

By integrating new technologies, processes, products, and business models, EDP follows an Open Innovation philosophy, engaging stakeholders and fostering adoption through parallel and complementary innovation pathways.

#### Key Levers



##### Internal delivery

- Internal incubation projects



##### Open ecosystem

- Open innovation pilots



##### Venture investments

- Investments (VC) in startups



##### Research & development

- Collaborative R&D projects

Periodic heads-up sessions have been standardized, in which network experts from EDP Group companies participate and share initiatives, projects, and startups identified in the field of future networks.



## Digitalisation as key driver in the energy transition

EDP considers it crucial to maximize **digital and technological value creation**, setting the group's global vision and strategy in this field and then implementing them in full partnership with the business. This strategy is focused on creating value across four key dimensions:



##### Boosting business value creation

Additional cash flow generated with technology

Pushing Data & AI Big and spreading a culture and capabilities of Data & AI across EDP

Delivering technology to make business strategy happen



##### Accelerating business delivery

Faster time-to-value of business endeavors

Hyper-automating IT servicing, reducing lead times from days-weeks to hours-minutes

Boosting productivity and quality in App. delivery



##### Minimizing risk to business continuity

Lower financial impact of business continuity events

Constantly upgrading cybersecurity and business continuity

Future-proofing IT-OT architecture, including "Back to standart"



##### Efficiently managing technology costs

Higher Return on Investment from Digital & Tech

Streamlining IT spend base to converge towards best-practice benchmark

## Support for startups

### EDP ENERGY STARTER

EDP Energy Starter is the main open innovation initiative with startups from EDP. Organized into **three major Tracks or thematic areas** (“Future Networks”, “Renewable Energies & Green Hydrogen” and “Customer Solutions and Mobility”), **the program focuses on the selection and execution of pilot projects with the most innovative startups in the energy ecosystem**. The solution selection process includes an initial phase of defining needs, a stage of global identification of proposals and startups, a presentation of possible solutions, and a selection of solutions with innovative differential value. Specifically, for the **“Future Networks”** area, during 2024, projects were carried out with two of the **finalist startups from the Bootcamp** held at the end of 2023. Specifically:

- **SafeGrid:** The Safegrid Smart Grid System, GrayFox for underground cables and GrayHawk for overhead lines, uses “Traveling Waves” technology to locate faults in the Medium Voltage network (single-phase and multi-phase), predict and prevent faults. The pilot project includes 37 wireless sensors powered by photovoltaic systems deployed on 2 Medium Voltage lines (overhead and underground) in the regions of Cantabria and Lugo.
- **Safeguard:** The goal of this pilot is to familiarize EDP with a specific health and safety device (Compass Pro) and its corresponding software and emergency system, with our internal teams and our Service Providers, testing the equipment at all Distribution Voltage Levels (from Low Voltage to High Voltage) in Iberia.

At the beginning of 2025, a **new edition of EDP Energy Starter** will be launched with a **“Future Networks”** module, following a process of defining needs and searching for startups.

### FREE ELECTRONS

Free Electrons, **the world’s leading open innovation program in the energy sector**, concluded its 8th edition, carried out throughout 2024. EDP, along with the other utilities responsible for carrying out the program (CLP, E.ON, ESB, Jera, Hydro Quebec, and Origin), participated in the selection of the startup of the year, which in this case was reLi Energy. The German startup, with whom EDP has signed a pilot project, was recognized for its groundbreaking innovation in **optimizing energy storage systems** with a special focus on **improving battery performance**, extending their lifespan, and maximizing financial returns for companies. In the 2024 edition of Free Electrons, the program attracted **more than 1,000 proposals from over 75 countries**, reinforcing its global impact, combining various activities in a selection process that included a Bootcamp organized by EDP in Madrid, Spain.

### REPRESENTATION IN THE ENTREPRENEURSHIP ECOSYSTEM

From June 5 to 7, 2024, EDP participated in **the national and European reference entrepreneurship event “South Summit”** in Madrid. With a very representative stand aimed at creating impact and fostering meetings with the ecosystem, the EDP Innovation and Ventures team participated as a **jury in the startup competition**, had representation in several round tables, and showcased one of the group’s innovation projects in robotics. Additionally, the Innovation team participated, during 2024, in various sectoral initiatives and events aimed at connecting with the ecosystem and facilitating the creation of joint projects with startups, academia, and other corporations.

Some examples of these interactions are the **4YFN** event (within the framework of Mobile World Congress Barcelona), the new edition of **AI Andalus Innovation Venture** (in Seville), the **Smart City Congress** (Barcelona) in collaboration with ACCIÓ, and other sectoral activities and events, such as the open innovation programs **Bind 4.0** in the Basque Country or the **XTELA Program** in Cantabria. In these spaces, the innovation team participated in round tables, was part of the startup competition jury, took part in working sessions, and held meetings aimed at selecting pilot projects with startups.



## Technological monitoring and reinforcement of the positioning of EDP Redes España

### Cotec España

EDP has participated in the Intrapreneurship Working Group, which has developed a practical guide to promote intrapreneurship as a key innovation tool within organizations. EDP moderated one of the round tables at the XVII Cotec Europe Summit in Las Palmas de Gran Canaria focused on Technological Sovereignty. This summit brought together delegations from Italy, Portugal, and Spain along with the highest authorities from each country.

### FutuRed

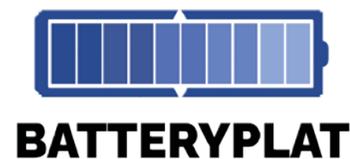
EDP has led the Energy Storage Working Group, which is preparing a second deliverable since its establishment in 2021 on the Integration of storage in flexibility markets, which is expected to be completed during Q1 2025. EDP participated in the III electric networks congress organized by Futured, moderating one of the project presentation tables.

### Green Powered Future Mission

The EDP representative in Futured is also the representative of the Spanish industry designated by Futured in the Green Powered Future Mission of Mission Innovation. Throughout 2024, GPFM has consolidated the report of the 80 projects from 25 countries included in the National Pilots Report of the mission, among which is the Redox2025 project of EDP in Spain.

### BatteryPlat

EDP leads the Spanish Technological and Innovation Platform for energy storage. Throughout 2024, BatteryPlat has produced various documents, including the Taxonomy and State of the Art of Technologies Report, the Technological Monitoring Study, and the Vision 2050 document. In 2024, the consultancy BCARE, linked to the CIC Energigune research center, was awarded the preparation of a technical guide on safety in energy storage installations, which will be available during Q1 2025. EDP was present through BatteryPlat at the annual event of Spanish Energy Technological Platforms organized by the State Innovation Agency.



## People

EDP's global purpose "**Our energy and heart drive a better tomorrow**" guides its People and Organization strategy, ensuring the company remains agile, efficient, and future-proof. "**Our Energy**" represents the strength and motivation of EDP's people to deliver green energy, "**Our Heart**" reflects the fundamental role of employees in fulfilling commitments to stakeholders, and "**Our Drive**" highlights the company's agility and boldness in leading the energy transition.

Building on this foundation, EDP prioritizes delivering an inclusive and meaningful employee experience by creating development opportunities, promoting well-being, and offering flexibility measures. The company places a strong emphasis on attracting and retaining top talent, fostering a culture of collaboration and internal mobility. Leadership development is a key priority, empowering leaders to drive team growth and support organizational goals.

Diversity, equity, and inclusion are essential drivers of innovation, enhancing EDP's ability to adapt and thrive in an evolving context. To further strengthen agility and operational efficiency, EDP is committed to digitalization and standardization, streamlining decision-making, and equipping leaders with the tools to drive strategic planning on a global scale.

The year 2024 continued the consolidation of this purpose in people management, further strengthening employees' sense of belonging and pride:

Nuestra energía y nuestro corazón impulsan un mañana mejor / **Our energy and heart drive a better tomorrow.**

## OUR ENERGY

This purpose-driven dimension reflects the strength, legacy, and motivation of the staff to continuously deliver green energy, leading to an increasingly empowered organization.



## New Organisational model

In 2024, EDP has defined a new operating model to create a more streamlined, efficient, and agile organization that can support the growth and successful delivery of EDP's Business Plan.

This new model assumes a matrix organization characterized by a dual reporting system composed of Platforms, Regions, Business Enablement Functions (BEF), and Global Business Services (GBS), with the following key tenets: Platforms and Regions coexist to deliver a collaborative P&L; an integrated EDP presence with a single go-to-market approach for our customers and stakeholders; streamlined BEFs with a single Corporate Center to create optimized functional end-to-end support; a GBS to create a scaled high-quality service portfolio to drive efficiency and consistency, improving costs; and a simplified governance model with clear decision guidelines and accountabilities.

In this new model, EDP Redes España is integrated into the Networks Platform, from where certain processes have been redesigned, such as:



**In the 'Iberia' region**, Spain and Portugal remain as autonomous organizations with separate Boards of Directors, respecting regulation and the partnership structure. Iberian coordination is strengthened in the areas of Grid, Assets, and Customer and Market, with Iberian leads and dual reporting. All of this supports the implementation of joint projects in Iberia to explore synergies and reinforces a unified vision, enabling the allocation of resources where they are most needed.



**At the level of EDP Redes España**, the Operational Units were maintained with slight adjustments, focusing on Customer Service and unifying Network Access and Planning, as well as consolidating the Network Operations areas. The Digital Transformation area was also integrated within the business and the platform, aiming to create synergies.



**At the Networks Platform level**, the areas of Strategy and Networks Planning were defined in an integrated manner, considering local requirements and establishing global standards and policies through the integration of experiences and best practices, to ensure synergies in knowledge and costs. Additionally, shared service centers were created to make better use of resources and take advantage of different markets, coordinating global projects to gain scale and optimize (e.g., ADMS, Project Design, ...).

## OUR HEART

People are at the heart of EDP's strategy, and this dimension of its global purpose reflects their importance and fundamental role in fulfilling the organization's commitments. In recent years, the EDP group has rethought its working models in favor of a more agile and flexible work environment and has developed an active listening strategy that highlights the work carried out by the organization in this regard.

### Climate Survey

The Organizational Climate Study is an essential tool to reinforce the active listening strategy, with the main objective of understanding the main perceptions, motivations, and feelings of employees on various topics within the company.

In 2024, EDP employees were once again invited to participate in the global study, developed in collaboration with Perceptyx, which ensures confidentiality in data collection and processing. The questionnaire consisted of 71 questions, evaluating various aspects of their life at EDP on a scale from 1 (strongly disagree) to 5 (strongly agree).

El 76% de los colaboradores de Networks España invitados a participar respondieron a la encuesta. 76% of Networks Spain employees invited to participate responded to the survey. In the engagement category, Networks Spain achieved the same result as in 2023, with 71% of employees feeling involved with the company, where the majority intend to stay for at least the next 12 months (88%) and are proud to work at EDP (74%).

Regarding empowerment, Networks Spain increased by 4 percentage points compared to 2023, with 62% of employees believing they have the opportunity to do work that motivates them, 61% valuing the opportunity to take on challenging work and that their skills and abilities are well utilized, and 60% feeling they have the authority to make the necessary decisions to perform their job.



## Compensation and Benefits

In the area of **Compensation**, at the end of 2024, an adjustment was made to the Global Compensation Framework to adapt it to the new matrix organizational model, which was communicated to all employees through various internal channels.

### Benefits (Well-being and Cultural Diversity):

In 2024, EDP adopted a matrix operating model to increase synergies, agility, and provide a more harmonized experience for employees. The commitment to well-being and cultural diversity was strengthened through strategic global initiatives that promoted an inclusive, collaborative, and healthy environment. These initiatives were guided by the five dimensions of well-being: emotional, physical, social, professional, and financial.

#### Benefits & Perks

Ensuring greater equity and establishing principles for the implementation of global benefits and well-being measures across all regions is one of EDP Group's objectives in the People & Organization actions. An example of this is the availability of support lines and psychological support for all geographies.

#### Events and Initiatives

Workshops were held on World Cultural Diversity Day and during Well-being Week, highlighting the importance of an inclusive digital environment and the appreciation of cultural diversity, aligned with the theme "Thriving Together in the Digital Age". More than 1,100 employees participated in the Diversity and Well-being Moments campaign. Promoting an inclusive digital environment that respects and values employees' cultural diversity is essential for fostering a positive, productive, and balanced work environment, **highlighting:**

-  Launch of 5 Digital Well-being Recommendations: Respect time zones and working hours
-  Limit participants and define the agenda
-  Respond to meeting requests
-  Manage notifications
-  Days without meetings

- **Head of Digital's video, João Nascimento, also available on [linkedin](#).**
- **Workshops conducted with the help of Microsoft.**

In the month of World Mental Health Day (October 10), the 5<sup>th</sup> edition of the global campaign **Mind Your Mind**, with the slogan “It’s OK to ask for help”, emphasized the importance of taking care of mental health and promoting psychological safety within teams. Throughout the month of October, the Mind Your Mind campaign had more than 3,500 participants in global and local initiatives.

Highlights include:

- **The Importance of Mental Health at EDP:** Article by Paula Carneiro & José Miguel Vaz.
- **Inspirational messages** shared by the members of the Executive Board (CAE) and Heads of Platforms and Regions about what is “OK” (“It’s OK”). These messages aim to contribute to a more welcoming and supportive work environment, reinforcing that taking care of mental well-being is essential for establishing healthier relationships.
- Global session – “It’s OK to Feel Anxious” with Lisa Damour and Dacher Keltner, specialists who helped define the emotional landscape of the movie “Inside Out”, to talk about understanding emotions such as anxiety, especially during times of change.
- **Launch of guides for P&O managers on promoting mental health.**
- Additionally, there was greater promotion of the “**EDP is Reconciliation Program**”, which offers specialized support to employees and their families in Spain.



## efr (Family-Responsible Company) – The Importance of Global Certification

EDP believes that balancing personal and professional life is essential for building more competitive companies and a fairer society, based on flexibility, respect, and equal opportunities.

With the aim of auditing and continuously improving EDP’s global well-being strategy, the scope of the **efr** certification has evolved from local to global. As a global company with a shared purpose, we understand the importance of developing a well-being strategy that reflects our commitment to putting people at the center of our actions, implementing concrete measures to promote a balance between professional and personal life.

In this regard, EDP was once again certified by the Másfamilia Foundation as a family-responsible company (efr), a recognition granted to the entire group.



## OUR DRIVE

This dimension of EDP's global purpose reflects the ambition and leadership to achieve change, as an organization prepared for the challenges of the future.

### Talent Development and Management

In 2024, the second cycle of holistic assessment was completed, which evaluates individual past performance, current skills, and agility to face future challenges, in line with the global development mindset implemented the previous year – The Global Development Mindset. The Development Mindset consists of a comprehensive evaluation with a triple focus: performance evaluation, competency evaluation, and agility evaluation.

The results of this assessment have been considered for the development of talent management, continuing with the implementation of development programs such as:

- **Mentoring** – A program that offers the opportunity for talent development and enhances mutual motivation between mentor and mentee. The first edition of this program concluded in June 2024, with the participation of 11 mentors from EDP's leadership team and 23 mentees from different business areas.
- **External Coaching** – This program involves the assignment of a renowned external professional to support the development of leadership skills and competencies. The 4<sup>th</sup> edition took place in the first half of 2024, with the participation of 12 employees.
- **ADN Learning Program** – For leaders, to act as drivers of change, aiming to develop the competencies identified as development opportunities in the Holistic Assessment. In 2024, all managers at EDP Spain completed training in these competencies.

## CONTINUOUS EVALUATION CYCLE

The continuous evaluation cycle is supported by two fundamental pillars:

**Feedback Culture:** Development conversations should take place regularly and continuously, ensuring greater engagement and a sense of belonging. This provides our employees with opportunities to grow, develop, and feel valued—greater engagement translates into higher retention.

**A new flexible learning experience,** led by each employee according to their needs.

The total training volume for Networks Spain in 2024 exceeded 21,000 hours of training, representing a significant increase compared to the previous year. This was further reinforced by global access to on-demand content through Udemy, enabling learning anytime, anywhere. To make the most of the learning process, we must consider a combination of Training, Social Interaction, and On-the-Job Experience. These initiatives are aligned with the business and support the implementation of new processes and procedures, such as the new operation standard in 2024, following the unification of EDP's "Bono de Descargo" standard and the Viesgo Operation Standard. Training was delivered to approximately 334 Networks employees in Spain, totaling over 2,000 hours.

Other initiatives to foster closeness with employees were also developed throughout the year, notably the **2024 EDP Networks Spain Meeting**, which took place in September in a hybrid format—in person in Oviedo, Santander, and Lugo, and via Teams. The event included the presence of the leadership team and the participation of over 570 employees, serving as an opportunity to delve into the new operating model of the Networks Platform and the EDP Group, as well as the objectives of the networks business and the ongoing challenges and projects.

With people at the center of its strategy, EDP will continue working to provide an increasingly attractive, human, and meaningful experience for all its candidates and employees, in order to keep promoting a better tomorrow.



## The Top Employer certification positions the EDP Group as one of the best companies to work for in a total of 13 countries, and EDP Spain has received this recognition for the second time.

At the Group level, EDP has been recognized as a Top Employer for the eighth consecutive year, achieving an average score above the global and energy sector companies.

This certification further strengthens EDP Group's position as a Top Employer for EDP in Portugal, Spain, and Brazil, and for EDP Renewables in Portugal, Spain, France, Italy, Poland, Romania, Brazil, Greece, Colombia, Chile, and Singapore—this year also including the United Kingdom and, for the first time, the United States of America.

EDP was assessed across 20 different areas through the analysis of 350 HR management practices under the certification program. **The company received the highest score in the areas of business strategy and ethics & integrity, and also stood out in HR digitalization, work environment, and performance.**

With over 30 years of experience, the Top Employers Institute is a global benchmark in recognizing best practices in people management, having certified more than 2,000 organizations worldwide.

The Top Employer certification reflects EDP's continuous commitment to evolving as a global, agile, and efficient organization, offering an engaging and positive work environment. EDP invests in ongoing initiatives that enrich employees' work experiences, promoting a diverse, inclusive, and attractive culture focused on personal and professional development. These include actions related to well-being, sustainability, and valuing feedback, contributing to a more positive and dynamic workplace. At the same time, and in line with its growth strategy, EDP invests in attracting top professionals in various fields, creating specific programs for talent attraction.

In 2024, EDP Spain was once again distinguished in the **Top 20 of the ranking of the best companies to work for in Spain**. The newspaper Actualidad Económica published the ranking of "**The Best Companies to Work For in Spain**", which resulted from an exhaustive questionnaire, prepared with the participation of consultants and independent experts in the field of human resources, in which all companies with more than 100 employees can participate.



## Local Communities

Looking ahead to 2025 and given the reorganization that the EDP Group underwent in 2024, work is underway on a **new Local Communities Action Plan aimed at the Iberia region, Spain and Portugal, as a Community Engagement Plan.**

This new Plan seeks to facilitate the **development of the EDP Group's Business Plans in the region to accelerate the Energy Transition** in a complex socioeconomic context, including the necessary investments by EDP Redes Spain. The objective is, therefore, to facilitate these **new investments in Networks from the permitting perspective and by ensuring the social acceptance of the projects through programs and activities** that maximize the positive **impact** on the local communities that host them.

The Plan is structured around **four "clusters"** of activities that are considered material both from the company's perspective and from the perspective of the stakeholders in the social and territorial environment. The aim is to **facilitate the permitting processes of projects with environmental and social excellence characteristics, and to invest in the development of municipalities according to their needs and expectations, supporting their own decarbonization and electrification** pathways in order to capture the benefits of these new developments (savings from self-consumption and efficiency, increased income from new activities, support for local industry, attraction of new investments, etc.), **improving the local natural environment and ecosystem services, stimulating employment and entrepreneurship, and promoting effective and relevant agreements and participatory processes with the local social fabric.**



Energy

Initiatives to support **decarbonization and electrification** in municipalities with EDP assets



Nature

Initiatives aimed at restoring **biodiversity and ecosystem services**



Nature

Initiatives to **promote local employability** and support local **entrepreneurs**



Together

Local Action to promote **acceptance or approval** by a community and other stakeholders towards our activities

This **new Plan** will be based on a **new open citizen participation process**, to be developed in the first half of 2025 in **municipalities representative of the distribution areas and municipalities** where the most relevant projects are expected due to their impact on the local community. Once the needs and expectations of local stakeholders are captured, **local programs and actions will be organized around these four clusters, aiming to maximize the socio-economic and social return of the areas.**



## Volunteering

### EDP's Solidarity Commitment: A Year of Volunteering in Action

**EDP's volunteering program promotes social justice and sustainability through the voluntary work of its employees, who can dedicate up to four working hours per month to volunteer activities. EDP Redes España and its collaborators have participated in all the actions promoted by Volunteering.**

Throughout the year, EDP volunteers have participated in various initiatives focused on education, the environment, social inclusion, and support for local communities.

#### Energy Campaign: Awareness and Solidarity in Motion

Through the **Energy Campaign**, EDP has combined awareness about responsible consumption with solidarity. In this initiative, volunteers have **accumulated solidarity kilometers in sports activities** to raise funds for **social dining halls**. Additionally, they have visited schools to teach classes and conduct experiments with children aged 4 to 14 through the **"Teach by Experimenting"** program, promoting learning about clean energy and sustainability in a dynamic and participatory way.



During the campaign, **multiple educational sessions** were developed with the participation of volunteer employees who dedicated their time and knowledge to explain **key concepts about energy and its impact on the environment**. Thanks to these actions, children have learned in a practical and fun way the importance of **responsible consumption and renewable energies**. In turn, the solidarity kilometers covered by the volunteers have helped raise resources that will contribute to the well-being of people in vulnerable situations, reaffirming **EDP's commitment to education and solidarity**.

## Environmental Initiatives

**Environmental commitment** has been a fundamental pillar of volunteering in 2024. Among the notable actions in this area are tree **plantings in Quirós and Teverga**, contributing to reforestation and improving biodiversity. Additionally, various **natural environment cleanup** days were carried out, such as the Xagó beach with the participation of interns, the Virgen del Mar beach in Santander, and the mouth of the Nalón river in Soto del Barco, reinforcing EDP's commitment to environmental conservation.

Furthermore, the program included activities related to sports and nature, such as the **EDP Gijón Surf City 2024 Surf Festival** and the **Open Session in Cantabria** during the **La Invernal de Laredo Surf Festival**. These initiatives not only promote physical activity and contact with the environment but also reinforce the message of respect and protection of the environment in every action taken.



During November and December, EDP carried out its traditional **Christmas Campaign**, an initiative full of solidarity and support for those who need it the most. Among the key activities were the **solidarity markets and craft workshops**, organized with the goal of **raising funds** and showcasing the work of **organizations such as AECC and APACI**.



Additionally, the Christmas spirit was present in “**Haz de Rey Mago**”, allowing children in vulnerable situations to receive personalized gifts. Also, **the gift delivery at the Siervas de Jesús breakfasts and the visit of EDP’s Three Kings Messengers** brought joy and hope to many people during these special times. Finally, thanks to the **10th Solidarity Padel Tournament**, the funds raised through registrations allowed the purchase of gifts for families of social canteens, reinforcing the positive impact of this campaign.

### Emergency Support: Solidarity with Those Affected by the DANA

In response to the emergency caused by the **DANA in the Valencian Community**, EDP launched a donation campaign. More than 277 employees participated in this initiative in just ten days, **resulting in a total of 284 donations amounting to €23,305**. **The EDP Foundation matched this amount**, bringing the total raised to **€46,610** — the highest figure achieved to date in an initiative of this kind.

The funds raised were allocated to three key humanitarian aid organizations: **Cáritas**, which received **€20,800**; the **Spanish Red Cross**, which received **€13,760**; and the **Valencia Food Bank**, which received **€12,050**. This act of solidarity reflects EDP and its employees’ strong commitment to emergency response and supporting the most vulnerable communities.



### Volunteer Impact in Numbers

Participation in **EDP’s 2024 volunteer** program has been remarkable, with **82 volunteers** involved in **142 different activities**. In total, 31 initiatives were carried out in collaboration with 26 social organizations, directly **benefiting 9,469 people**. The collective effort amounted to **381 hours of volunteer work**, once again demonstrating EDP employees’ commitment to building a fairer and more sustainable society.

Each action taken strengthens the positive impact of this program and encourages the continued promotion of **volunteering as a key tool for social change**.

### Key Data

9.469

People **BENEFITED**

381 Hours

**FROM VOLUNTEERING**

26

**SOCIAL Organizations**

31

**INICIATIVES**



## Health and Safety

The **Health and Safety** of all those who contribute to the development of EDP Group – employees, suppliers, service providers, customers, and other stakeholders – is deemed a key value and a priority for EDP. The consolidation of a positive safety culture is only possible with the involvement of everyone through a **participatory and collaborative attitude towards safety at work**.

In special to matters related to Occupational Health and Safety (OH&S), EDP recognizes it as essential for its sustainable development, placing particular focus on its ambition of “**Zero accidents, no personal harm**”. EDP is determined to constantly strengthen the **OH&S culture by developing awareness, deepening willingness and making available the resources required for:**

-  **A safe and healthy work environment**
-  **Ensuring compliance with legislation and other requirements**
-  **Promoting the training and formation of employees**
-  **Protecting facilities and equipment with the best techniques**
-  **Ensuring the participation and consultation of employees and their representatives**

Throughout 2024, EDP Redes España has reaffirmed its commitment to the safety, health, and well-being of its employees and collaborators, strengthening a **culture of prevention** reflected in concrete actions and measurable results, thanks largely to **the integration of processes, the sharing of best practices, and the use of innovative tools**.

### Key Data

0,31

Accident frequency rate  
-80% vs 2023

1

Fatal accidents  
+1 vs 2023

0

Accidents with lost work days  
-100% vs 2023

## Safety Walk & Talk

Visible leadership in preventive matters has once again been demonstrated through the execution of **SWATs** by the Board of Directors, involving substation refurbishment works, meter replacements, underground line renewals, and regulatory inspections by helicopter, among other tasks. SWATs have also become an essential tool to bring the activity closer to all EDP employees, with excellent reception reflected in **average attendance of over 250 people at each of the 8 SWATs conducted**.



In 2024, we continued making progress on already implemented programs, which are enriched daily with new initiatives as part of the continuous improvement process. The **PLEX (Excellence in Safety and Health Project)**, the backbone of preventive safety improvement initiatives at EDP Redes España, has progressed as planned. In 2024, it includes 89 initiatives, of which 21 have been completed, achieving 100% execution within the established timeframe. This plan is structured around six strategic pillars:

-  Communication
-  Operational Excellence
-  Preventive Culture
-  Procedures and Standards
-  Activity Monitoring
-  Well-being

These measures include **operational actions** of all kinds, such as:

- Establishing a **rule to halt activities** in the event of a **serious or fatal accident** across all of EDP Redes España.
- **Increasing the presence of the Management Team and Directors in the field** as a tangible sign of commitment to safety.
- Holding an **annual Safety Week** that includes activities to reinforce the **preventive culture**, both in the workplace and in personal life.
- Establishing simple and unequivocal rules to determine whether it is necessary to **appoint a Safety Coordinator for a specific task**.
- **Developing unified procedures for lockout, tagging, and delimitation.**

- Establishing a **database** containing **planned works** with at least 24 hours' notice.
- **Improving the safety qualifications of work supervisors**, both for in-house staff and employees of partner companies.
- Establishing specific "**Safety Contacts**" within a broader range of meetings for all EDP Redes España employees, promoting a continuous focus on preventive aspects.
- A **periodic meeting program with contractor companies** to **share HSE topics** and ensure direct communication and feedback with their managers and HSE leaders.
- **Periodic joint meetings with contractor companies for Live Work and the Live Work technical team** to discuss key issues related to planning and operations of Live Work.
- Promoting internally and externally the **importance of the Preventive Resource in work with specific risk characteristics and its proper designation**, compatibilities, and incompatibilities.

One of the main levers included in the Excellence Plan, the **Field Safety Supervision Model (FSSM)**, has allowed valuable information to be captured regarding risks and hazards in our daily operations, addressing incidents before they could result in damage. **By the end of 2024, more than 12,300 field safety supervisions** were conducted, surpassing the target of 11,000, which is **13% above the set goal for 2024, with an average of 3.8 supervisions for every 1,000 hours worked.**

The findings have focused on non-compliance with procedures on-site (52% of the incidents), with **more than 80% of the inspections focused on SIF-risk activities.**

## PlayItSafe

To cultivate a strong safety culture throughout the organization, EDP launched the **PlayItSafe Program** in 2021, aiming to increase awareness about the importance of safe habits among employees. Since then, the initiative has been focusing on **safety practices to increase continuous improvement in safety performance**.

Within PlayItSafe, EDP has also been dedicated to eliminating SIF (Serious Injuries and Fatalities), through regular training, reinforced leadership presence in the field, more control in the field, risk assessments, and the integration of safety measures into daily operations. Building on these efforts, during the year 2024, **EDP remained persistent in fostering a zero-accident culture within the group, emphasizing:**

<p><b>Contractors' management standards</b>                  Development digital tools to control the process                  Implementation and performance monitoring of "selection" questionnaires</p>	<p><b>Safety reviews panel</b>                  Continuous assessment for fatalities                  Monitoring of implemented measures and impact assessment on accident prevention</p>	
<p><b>Near misses</b>                  Development, implementation and monitoring of near misses' model</p>	<p><b>Risk factor training</b>                  Monitoring of training process                  Development of strategies to train "less skilled" workers</p>	<p><b>Life saving rules</b>                  Workers training on life saving rules and application of first consequences on misconducts</p>

At the **Platform Networks** level, the PlayitSafe program continued advancing in 2024 with **different initiatives:**

- 1. Risk Factor Training**, where EDP REDES España was a leader both in participation (100%) and completion time, placing us at the forefront of other regions.
- 2. Training for employees**, with basic, simple, and accessible training for all employees.
- 3. The LSR "Life Saving Rules"** program was completed, and the 5 group LSRs and 4 LSBs were published. The Unified Consequences Policy is currently under development at the EDP Group level.
- 4. At the beginning of 2024, the new Contractor Management Model** was launched for implementation in the bidding phase, now disseminated to in-house staff and partner companies.
- 5. Implementation of the Safety Panels Review.**



## H&S Forums and Meetings

The **creation of participation spaces** has also been a priority in 2024. In addition to the legally required ones, we would like to **highlight the following forums or meetings:**

- **Signaling and Lockout Standards Monitoring Committee:** Key in the update and monitoring of lockout and signaling procedures.
- **IV Virtual Meeting of Partner Companies (June 27) and Virtual Meeting TER AT and BT with Partner Companies (July 5):** Meetings that consolidate inter-company collaboration, facilitating the exchange of experiences and the adoption of best practices across all levels.
- **XXXII EDP Prevention Excellence Day (April 25) and World Safety and Health at Work Day (April 28):** Events aimed at reinforcing the preventive culture and sharing safety experiences.
- **DGU Safety Meeting with Contractors in Santander:** A space to align criteria and reinforce preventive practices with our external partners.

These participation groups have been **complemented with:**

**Visit exchanges between the companies forming the Networks Platform.** These visits have served to strengthen bonds and enrich existing procedures and initiatives. An example is the visit we received from our colleagues in Portugal last September.

**Thematic meetings with companies from the Macquarie Group,** one of our shareholders, such as the one held in Slovakia in November 2024.

## Innovation in H&S

Innovation and the search for technological solutions to help us achieve excellence have been manifested in the following pilot projects:

### SafeGuard

A device attached to the helmet that provides information for worker geolocation, detection of live lines, and automatic alarm in the event of a “dead man” situation, among multiple functionalities. This initiative won the first prize on January 18 in the Ideas and Innovation Projects Development Program (InovTeam).

### Safe Delimit

A solution that allows the creation of vertical, horizontal, and diagonal virtual barriers.

### Exoskeletons

Devices worn by workers that help reduce physical strain and increase capabilities.

### CRM Forwood

Analysis of critical risks in the field as a way to anticipate the occurrence of an accident.

More than 150 people, from EDP and its partner companies, have participated in the previous pilot projects, which have allowed us to identify their applicability in our activities and have enabled us to move to the **next phase: field implementation.**



### Certifications and recognitions in H&S for EDP Redes España

Our health and safety management systems and road safety management systems have once again passed the audits conducted by **AENOR** against the **ISO 45001 and ISO 39001** standards without any non-conformities, a recognition that reflects the work carried out. Similarly, **the rest of the audits included in the EDP Redes España certification plan were successfully passed**. We refer to the **ISO 14001** (Environmental Management) and **ISO 22301** (Business Continuity) certifications, reaffirming the **company's commitment to international standards of excellence and recognizing the great work done**.

#### Other recognitions in H&S matters for EDP:

Among more than 260 applications, our **Open Doors PlayitSafe project was a finalist in the V Edition of the PREVENTION Awards** for the best preventive practice. In relation to this initiative, on January 26<sup>th</sup>, we held its III Edition to continue with the effort of bringing the activity closer to the families of our employees, getting to know firsthand the protocols and protective equipment, reaffirming that **"for EDP, people and their safety come first"**.

Regarding its **contribution to the promotion of road occupational safety** (involvement and execution of road occupational safety actions in the company), the Regional Institute for Safety and Health at Work (IRSST), Ministry of Economy, Finance and Employment, Autonomous Community of Madrid awarded us the **highest score** on June 26<sup>th</sup>.

### EDP Redes España recognizes the best practices in H&S of its value chain

On July 17<sup>th</sup>, during the **XXV EDP Spain Occupational Risk Prevention Awards and Prevention Awards Ceremony – 25<sup>th</sup> Anniversary**, we highlighted and **awarded the best prevention practices both from EDP personnel** (the entire team that participated in the development of signaling and blocking standards) **and the collaborating company GUJORSA**.

Similarly, through initiative **#73 of the Excellence Plan**, we have started field recognition with the **Safety Excellence Program**, a program that aims to highlight in the field those individuals whose involvement in the safety, health, and well-being of everyone is above the usual.

**The year 2024 has witnessed significant consolidation in our health and safety processes.** The diversification of formats – both in-person and virtual – the integration of innovative tools, and close collaboration with companies and organizations, at both national and international levels, have allowed us to identify and correct areas for improvement, fostering a **robust and prevention-oriented safety culture** with a set of health and safety actions that positively impacted **more than 1.8 thousand people in 4 DSOs and 8 regions**, including **545 own employees and 1.3 thousand employees from collaborating companies**.

The achievements reached, evidenced in the fulfillment of the Excellence Plan, the surpassing of the objectives of the Field Supervision Model, **the success of the PlayitSafe program**, and the incident-free **renewal** of our **ISO certifications**, reaffirm EDP Redes España's commitment to the protection and well-being of its staff and collaborators. These advancements lay the foundation for continuing to perfect our processes and achieving new standards of excellence in the coming years.

This summary reflects the continuous effort and dedication of **EDP Redes España to prioritize safety and health, integrating innovation, operational excellence, and a preventive culture** that protects all individuals involved in our operations.



## Business continuity

### Resilience

Business Continuity is defined as the capacity of an organisation to continue to perform its critical functions and activities within reasonable timeframes, during emergency or disruptive events.

EDP Redes España continues to focus on resilience and continuous improvement associated with the services provided, **committing to formalize a set of principles and guidelines at the level of structure, processes, and support tools for Business Continuity Management**, to protect, reduce the likelihood of occurrence, prepare, respond, and recover from interruptions, based on uniform criteria and within established tolerance thresholds. Additionally, in 2024, it has expanded the scope of its **ISO 22301** certificate, covering the **processes: Operation and maintenance, customer service in case of breakdowns, communication channels with customers, and the evaluation and optimization of network quality.**

**The Business Impact Analysis (BIA)** covers **34 activities** associated with these processes, of which **14 are considered critical**. EDP Redes España continues to **promote awareness**, reaching more than 100 people within the organization who have received training in key continuity concepts. During 2024, a new business continuity plan has been drafted: **the CAC Provider Unavailability Plan**, which allows the strategy of providing an **alternative call center** to be applied in case a logical threat makes customer service from the provider's premises unfeasible. One of the notable real exercises carried out was the **activation of two continuity plans simultaneously** (PCN01 Unavailability of the main Control Center and PCN02 Unavailability of the main and secondary Control Centers) in coordination with the Safety drill and with the participation of the collaborating Security company. The **AENOR audit process** was highlighted by the absence of non-conformities and numerous strengths that **emphasize the maturity of the implemented management system.**

### Activation of continuity plans due to two real cases: Storm Karlotta and Dana Valencia.

**+100**

People involved  
 6 working groups  
 4 workshops or desk exercises  
 1 corporate crisis management exercise  
 2 real exercises  
 6 awareness days

**1**

Unavaoilability of the CAC supplier  
 In addition on the 6 existing plans

**34**

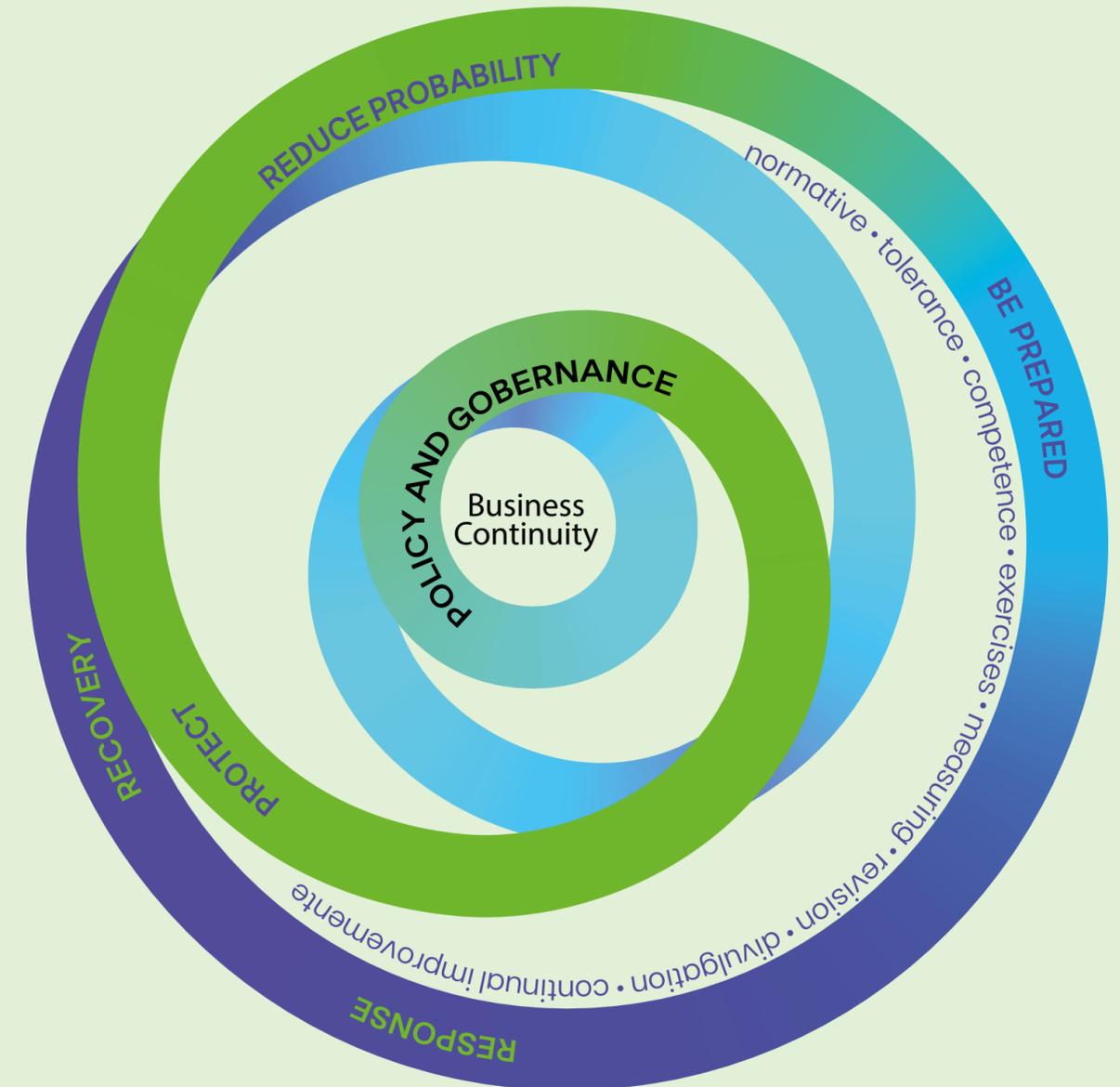
BIA and AARR of 34 activities  
 4 groups of precesses  
 12 processes  
 34 activities

**0**

ISO 22301BC audit successfully passed  
 With no non-conformities and a wide buch of strengths

**2**

Dana Valencia  
 Karlotta



## Chapter IV



### ESG Excellence

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## Decarbonisation

**The fight against climate change demands an urgent acceleration in global decarbonization.** The electricity sector plays a key role by leveraging renewables to electrify transport, buildings, and industry.

Given its business nature, **EDP is at the forefront of this collective effort**, making it a core part of its global strategy.

As a pioneer in the power sector, **EDP** was among **the first companies to align its strategy with the CO<sub>2</sub> reduction trajectory needed to meet global climate goals**. In 2005, renewable energy accounted for only 21% of EDP's generation portfolio. By 2024, this share has surpassed 95%, reflecting significant progress in decarbonization and strengthening EDP's alignment with sustainable investment criteria. On the path to be all green by 2030, EDP is reinforcing its position as a global leader in the energy transition, driving the shift toward a cleaner and more sustainable energy future.

At the heart of this strategy sits a Business Plan with global investments focused to boost sustainable growth over the longer term through scaling up renewables and reinforcing our position in electricity networks, all while supporting our employees, clients, communities, shareholders, and partners in achieving a climate positive world, in line with **our ambition to be Net Zero in 2040**.

In summary, **EDP maintains the commitments as a leader in the energy transition: leaving coal production in 2025, becoming a 100% renewable company by 2030, and achieving Net Zero by 2040**.

As in previous years, Miguel Stilwell, CEO of the EDP group, participated in September at the United Nations (UN) headquarters in New York in the Climate Ambition Summit during Climate Week. This is one of the most relevant events on the global climate action agenda, discussing the challenges of the climate crisis, decarbonization, and carbon neutrality, and serves as a preview of the COP29 agenda that will take place in Baku in November.



### COP29 in Baku (Azerbaijan)

The conference called as the “**financing summit**” had the mandate to agree on a new global financing goal that would continue and surpass the goal agreed upon in **2009 to mobilize \$100 billion annually for developing countries**, a goal that was reached in 2022. Pending negotiations also included aspects such as advancing the Dubai mandate to triple global renewable capacity and double energy efficiency by 2030; transitioning away from fossil fuels in the just transition work program; and the global adaptation goal to climate change.

There was also intense discussion on what to do with the results of the first global stocktake carried out in Dubai, highlighting that countries’ contributions do not ensure the 1.5°C target, thus the ambition of the commitments presented should be updated by February 2025. Additionally, finalizing the rules for market mechanisms included in Article 6 of the Paris Agreement and operationalizing the loss and damage fund were notable aspects still pending.

The summit began marked by the absence of world leaders such as China, India, France, Germany, Brazil, or the USA, and candidate Trump warned that if he were elected president, he would withdraw from the Paris Agreement, which has ultimately come true.

After marathon final sessions, the so-called “**Baku Climate Unity Pact**” was reached, which includes the three key agreements: the adoption of a **climate financing goal of at least \$300 billion annually by 2035**, led by developed countries and with voluntary participation from developing countries, **advances in the Global Goal on Adaptation (GGA)**, and **guidelines for future dialogues and investments** within the framework of **the Mitigation Work Program (MWP)**, among other decisions.

Significant disagreements persisted, such as in the dialogue on the implementation of the Global Stocktake (GST) results and the just transition work program, which will continue in the sessions of the subsidiary bodies in June 2025.

**Considered the great failure of the summit was the lack of progress on the mitigation agenda.** No progress was made on the “**transitioning away**” from fossil fuels goals agreed upon in Dubai nor on tripling global renewable capacity and doubling energy efficiency by 2030. No reference was made in any of the decisions to fossil fuels or how to advance these goals. Nor on how to include these goals in the NDCs.

For all these reasons, the summit held in Baku was considered a transitional episode before the 2025 summit, COP30, which will take place in Belém (Brazil) and in which EDP wants to play a very significant role.

**EDP participated in COP29**, represented by the **Climate & Sustainability Global Partnerships Team**, holding high-level meetings and encounters where they shared **EDP’s commitments** and demonstrated them with various use cases implemented in different geographies. As in previous years, the organization was continuously informed about the progress and news at the climate summit through available means, mainly **Yammer and EDPon**.

### Update of the Integrated National Energy and Climate Plan (PNIEC 2023–30)

In September 2024, **the Government of Spain published an update of the PNIEC 2023–2030**. With the need to **increase energy autonomy and supported by the Recovery, Transformation, and Resilience Plan**, it has resulted in a significant increase in the ambition of the new PNIEC 2023 and an increase in measures to achieve the objectives. The reduction of emissions compared to 1990 GHG is raised to 32%, based on energy efficiency, the deployment of renewable energies, and the electrification of the economy.

**The new version of the PNIEC** updates all the objectives established in 2020, highlighting **the boost to renewables and storage**. The document estimates mobilizing a total investment of €308 billion by 2030, of which 82% will be private and 18% will be public (13% from European funds). 37% of that investment will be allocated to renewable energies, 28% to savings and efficiency, 17% to energy networks, and 17% to the electrification of the economy.

The main role of electrical networks as an enabler of many of the measures included in the PNIEC is mainly reflected in the Decarbonization chapter, which includes a measure for the “**Adaptation of electrical networks for the integration of renewables**”. It is highlighted that without investment in the development of networks that allows the integration of the growth not only of renewables but also of other actors such as storage, distributed generation, self-consumption, or hydrogen, many of the projections foreseen in the plan would have no chance of success.

### Carbon Border Adjustment Mechanism in the European Union (CBAM)

In the EU, environmental and climate policies have been defined with a level of requirement in line with its climate ambition, but this is not the case in all countries outside the Union. **These differences in the level of requirement lead to the so-called “carbon leakage”, which could ruin the EU’s climate efforts** by diverting polluting production and emissions to other countries with less strict policies.

Therefore, the **EU has defined a new mechanism** for the importation of goods from outside the EU. A system that sets a fair price for the carbon emitted during production and promotes cleaner energy in non-EU countries. This mechanism is known as the **CBAM or Carbon Border Adjustment Mechanism**.

In this first phase, the CBAM focuses on goods with the **highest risk of carbon leakage: cement, iron and steel, aluminum, fertilizers, hydrogen, and electricity**. A transitional regime is established from October 1, 2023, to December 31, 2025, during which companies must report the imports they make of those goods or equipment covered by the regulation and limited to the aforementioned sectors.

EDP Redes España has not had to report any imports subject to CBAM, and within the EDP Group, very few imports have been affected. At the group level, a working group has been established, which also includes EDP Redes España, to analyze the implications that the application of CBAM has or could have on the company’s activities. The main messages during this period are to **prioritize purchasing operations within the EU** due to the potential economic impact in the future and to set the requirement for suppliers subject to CBAM from the outset to provide the necessary information for the declarations that EDP would have to make within the regulatory framework.

Subsequently, from 2026, **importers of products to the EU to which CBAM applies will have to acquire the corresponding certificates**. The price of the certificates will be calculated based on the average weekly auction price of EU ETS allowances expressed in €/ton of CO<sub>2</sub> emitted. It should also be noted that after the transitional period, a review will be carried out, and the sectors and goods affected by CBAM could be expanded, so EDP will be continuously monitoring the potential impacts this could have on our activities.

The importer must declare by May 31 of each year the quantity of products imported into the EU the previous year and the emissions embedded in those products. Simultaneously, the importer will present the number of CBAM certificates corresponding to the amount of greenhouse gas emissions embedded in the products.

### Greenhouse Gas Emissions in Spain 2023

In September 2024, last updated of the **Greenhouse Gas Emissions (GHG) Inventory was published, estimating gross emissions of 275.7 million tons of CO<sub>2</sub> equivalent for the year 2023**. This represents a decrease of 6.3% compared to the previous year, -4% compared to 1990, and -37% compared to 2005.

In a context of economic growth, with a GDP growth of 2.5% compared to 2022, the decoupling between GHG emissions and GDP growth already observed in the previous year is confirmed. Similarly, if we compare the emissions of 2023 with those of 2019, just before the pandemic crisis, they have been 10% lower.

**The main causes of the reduction of 18.5 Mt CO<sub>2</sub>eq** can be attributed to several factors. Firstly, the **reduction of 30.7% compared to 2022 in emissions from electricity generation**. The national generation mix has been predominantly renewable for the first time in history (50.4%). It is confirmed that emissions from manufacturing and construction industries have reduced their emissions by 7.7%, and those from the transport sector have reduced by 0.7% compared to 2022.

GHG emissions from sectors subject to the European emissions trading system, which accounted for 29.4% of the total, decreased by 15.8% in 2023 compared to the previous year, while emissions from diffuse sectors decreased by 1.7%. **The activity subsector with the most weight in total GHG emissions continues to be transport (32.6%), followed by industry (18.1%), agriculture and livestock as a whole (12.2%), electricity generation (10.7%), fuel consumption in the Residential, Commercial, and Institutional sectors (10.7%), and waste management (5.4%).**

## Carbon footprint

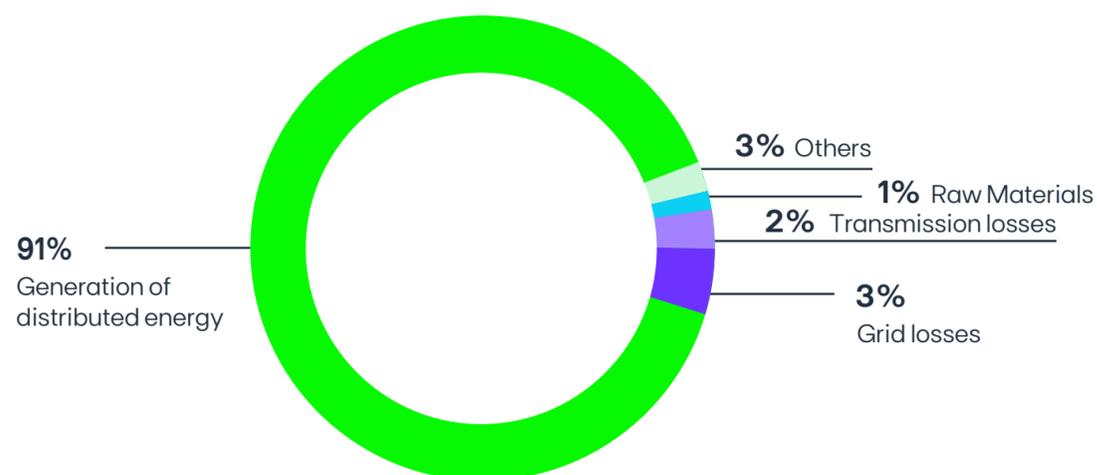
Calculation, verification, and recording of EDP España's carbon footprint has become an unavoidable annual commitment for the company. Knowing the volume of emissions involved in our activity and their origin is essential to be able to define actions to minimise the impact and meet the targets.

The CO<sub>2</sub> footprint of EDP Redes España for the year 2023 has externally assured verified, covering the scope of 100% of EDP Redes España and 17 work centers in different autonomous communities, while the Mitigation Plan and the Adaptation Plan 2023-2026 continue to be developed.

Almost 100% of 2024 GHG emissions at EDP Redes España refers to emissions from the generation mix of the total distributed energy, losses in the distribution and transmission grids, and those related to the raw materials used.

**The rest of the categories, as a whole, account for less than 1% of the carbon footprint.**

### GHG emissions in EDP Redes España:



Carbon footprint data of EDP Redes España in 2024 classified by Scopes:

	Category	Total emissions per emission source (t CO <sub>2</sub> e)
Scope 1	Fossil Fuels	14.16
	Fluorated gas leakage	65.71
	Sulphur hexafluoride leakage	1,650.21
	Vehicle fleet	499.29
Scope 2	Grid Losses	30,150.99
	Electricity consumption	5.44
Scope 3	Generation of distributed energy	1,065,696.86
	Transmission losses	23,052.01
	Waste	1,243.86
	Water consumption	2.46
	Business trips	175.17
	Commute	119.97
	Raw materials	16,400.87
	Investments	30,577.91
<b>Total</b>		<b>1,169,654.92</b>

### 2024 Forecast:



**Scope 1** or direct emissions are those generated by the direct effect of EDP Redes España's activities. The majority of Scope 1 footprint, 77%, corresponds to SF6 leaks, and secondly, 22% to vehicle fleet emissions. The search for alternatives to the use of SF6 in the installed equipment, as well as the electrification of the vehicle fleet, will contribute to the reduction of this scope.

**Scope 2** emissions are indirect emissions related to the electricity purchased and consumed by the organization. In this chapter, distribution network losses are the main one, followed by the electricity consumption of work centers. Although some measures can be taken to reduce losses, they are intrinsic to the activity and will only be reduced as the generation system is decarbonized. To reduce emissions linked to electricity consumption, any efficiency measure or reduction in net consumption will contribute to the reduction. The contracting of electricity supplies with GDOs, as EDP Redes España has, makes the electricity consumption category practically zero emissions due to its renewable origin.

Finally, **Scope 3** emissions include indirect emissions that affect the activity, both "upstream" and "downstream". In this section, emissions from the generation of distributed energy (94%) are the main contributor, followed by raw materials (1%) and losses in the transport network (2%). To reduce them, it is necessary to advance in the decarbonization of the system and ensure that, like us, our customers and suppliers also advance in the same path of emission reduction.

**It is important to remark that the emission factor of the national energy mix was "decarbonized" by more than 16% in 2024 compared to 2023, thus contributing significantly to the reduction of both Scope 3 and Scope 2, due to the direct link of the main categories with the national mix.**



## Mitigation of climate change

After identifying the sources that contribute to an organization's GHG emissions through the calculation of the Carbon Footprint, **the Mitigation Plan** defines the actions that will be implemented to reduce it.

With the approval of **the Mitigation Plan of EDP Redes España**, which was the first within the EDP group, **four initiatives were identified to reduce the carbon footprint: minimization of losses, reduction of SF6 emissions, renewable electricity consumption, and sustainable mobility**. The Mitigation Plan has been followed by the EDP Redes España Council, noting progress in all defined lines. The procurement of electricity supply with guarantees of origin has been carried out in all workplaces, and the installation of photovoltaic panels in substations and workplaces is a reality. The gradual electrification of the vehicle fleet is underway, making it less carbon-intensive, with a 12% reduction in emissions compared to 2020. Regarding SF6, although there is still no available technology that allows planning a transition to an SF6-free network, progress is being made in early leak detection, sealing recurrent leaks, and placing and testing SF6-free equipment, achieving a 75% reduction compared to 2020. Finally, in the chapter on loss reduction, operational measures and asset modifications are being implemented to contribute to the reduction of the carbon footprint.

**All the measures implemented in Redes**, combined with the acceleration of the national system's decarbonization, have allowed the estimation at the end of 2024 of scopes 1 and 2 to be reduced by 40% compared to 2020, and the reduction in scope 3 to be around 35%. Both results **far exceed the set objectives and are in line with the goals defined for 2030 and 2040**.

As a significant milestone and as a result of the reorganization carried out at EDP in 2024, which seeks greater integration of distributors within the corporation, it is worth highlighting the development of an integrated **Mitigation Plan for all EDP distributors in the Iberian Peninsula**. This allows leveraging knowledge and optimizing efforts in the search for reducing the carbon footprints of distribution activities within the EDP group.

## EDP Redes España Mitigation plan: 4 key levers

### a) Resource Consumption

One of the work lines of the Carbon Footprint Mitigation Plan of EDP Redes España is the reduction of electricity consumption in workplaces and substations, which includes actions such as the analysis and implementation of energy efficiency measures in buildings or the installation of photovoltaic panels in workplaces and substations. Specifically, there are currently panels installed in the workplaces of Corredoria and Roces, as well as in the substations of San Esteban, Castiello, Pumarín, and Villalegre.

### b) Grid Losses

The percentage of losses in the network remains at similar values to previous years, with significant differences observed between the companies due to the different voltage levels of the network and the different positioning of demand and generation (the higher the energy flow through high voltage levels, the lower the losses; therefore, the drop in demand from large industrial consumers in Cantabria and Asturias negatively influences the losses). The reduction of energy losses in the network is another work line of the Carbon Footprint Mitigation Plan of EDP Redes España, considering both operational measures and work at voltage levels. In 2024, initiatives related to infrastructure construction have been carried out, mainly modifications of overhead lines (increasing the section of the overhead line and increasing the voltage level) and the implementation of environmentally friendly designed transformers.

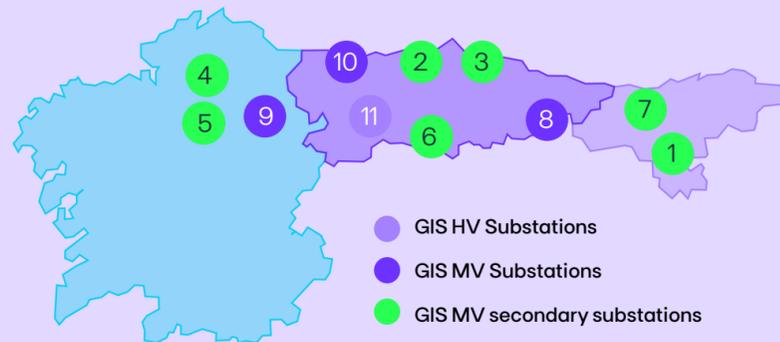
### c) Fluorinated Gas Leakage into the Atmosphere

In electrical distribution facilities, a greenhouse gas, SF6 or sulfur hexafluoride, is handled, which is highly valuable for its insulating power but very harmful regarding climate change, as its warming potential is almost 23,000 times higher than that of CO2. The reduction of SF6 leaks is another work line of the Carbon Footprint Mitigation Plan of EDP Redes España. Existing measures include the installation of leak monitoring systems, conducting pilot tests and evaluating alternatives to SF6 in electrical equipment, defining a plan for the implementation of SF6-free equipment, and executing a leak repair plan, which includes identifying equipment with recurrent leaks, testing sealing systems, identifying solutions to apply with the supplier, and defining and implementing an action plan.

**Specifically, the actions to highlight would be:**

- Installation of leak monitoring systems, currently installed in the substations of Carrió, Corredoria, Maruca, Pumarín, Tabiella, and Trasona.
- Compliance with the leak repair plan, with actions in 21 substations.

Eleven pilot projects with different SF6-free technologies in various primary and secondary distribution network facilities:



**d) Vehicle Fleet**

The electrification of the vehicle fleet is another work line of the Carbon Footprint Mitigation Plan of EDP Redes España. The technical feasibility of replacing each type of vehicle according to current market technologies and offers has been analyzed, evaluating practical operational limitations and excluding those cases where the offer is very restricted, aiming to achieve a fleet electrification rate (EV + PHEV) of 58% in 2025.

**Key data**

100%

Administrative buildings with guarantee of origin

33%

Light fleet electrified

**Offsetting of unabated emissions**

As is widely known, despite the actions identified in the Mitigation Plans, it will not be possible to completely reduce emissions. **Our commitments require us to achieve climate neutrality for all our activities by 2040.**

Therefore, EDP Redes España is working on a **compensation strategy**, identifying and exploring all possible avenues to achieve our goals.

In 2024, authorization was obtained to plant **20 hectares in the Concejo de Quirós**, of which 50% have been completed. When the planting of the entire 20 hectares is finished, another 10,000 tons of CO2 will be enabled to contribute to emission compensation and the achievement of the Net Zero goal. This action is also carried out on a slope through which an EDP Redes España LAT runs, with one of the project’s objectives being to stabilize it to prevent landslides that could undermine supports and cause supply cuts.

**TCFD recommendation**

**The Financial Stability Board (FSB) of the G20 created the TCFD in 2015, a working group to encourage corporations to report on climate-related risks, how they impact the company’s activities, and how they are managed to reduce their potential impacts.** However, these TCFD recommendations, which were adopted voluntarily, are being incorporated into various regulatory bodies at both European and national levels, such as the Spanish Climate Change Law or the EU Corporate Sustainability Reporting Directive (CSRD). This implies that in the medium term, organizations like EDP will be required to report on how they are internally managing the mitigation of the impacts that various climate risks have on their activities.

Thus, all progress made in aligning climate management with TCFD requirements will contribute in the future to compliance with regulatory requirements that are pending finalization and will arrive in the short to medium term.

The work carried out in 2022 at EDP Redes España, which allowed the identification of a series of improvement actions, and which were completed throughout 2022, 2023, and 2024, will enable us to be in a better position, ensuring that climate risk management is already integrated into daily operations. It also allows us to demonstrate that **there are defined risk mitigation measures in our business plan, and that we monitor these and verify their effectiveness by setting objectives that contribute to achieving the established goals.**

## Adaptation to climate change

EDP España has been working to improve the response of assets to the action of climate variables since 2019. In 2023, work continued on monitoring the actions identified in the **Distribution Adaptation Plan**.

EDP Redes España, work has been done to identify the actions to be carried **out to improve the resilience of assets** and how these should be included in the Business Plan. More than 350 assets at risk have been detected, for which investments worth €89M have been identified, of which €69M are already included in the 2023–27 business plan.

In 2024, significant progress was made, and as with the Mitigation Plan, work is underway to design an Integrated **Adaptation Plan for EDP Redes at the Iberian level**. This will take advantage of all possible synergies so that actions developed in one geography can be implemented in the rest of the EDP Group's distributors.

Additionally, taking advantage of the **review of the technical investment valuation model**, a category has been included in the **new taxonomy** that allows consideration of the contribution that a particular investment can make to **improving resilience to Climate Change**. Through this mechanism, it is expected that investments that contribute to improving the response to Climate Change will receive a better rating and be prioritized within the business plan of EDP Redes España. Among the actions carried out, a **novel Innovation project can be highlighted, which, through the placement of different sensors in the distribution network, allows anticipating various events to minimize the effects of certain impacts related to Climate Change**. The Less Project validated the operation of devices that identify the formation of ice sleeves on lines, support slippage, corrosion effects on conductors, or vegetation impact on our lines. Currently, these solutions are being deployed within the investment plan of EDP Redes España.

EDP Group periodically conducts the Climate Risk Identification exercise led by the corporate Risk Management. At EDP Redes España, participation has been made in identifying and quantifying risks and opportunities. The exercise carried out in 2023 was done in an integrated manner, allowing for the homogenization of criteria and methodology used regardless of geography. In 2025, the update of the analysis carried out in 2023 is planned.

## CLIMATE RESILIENCE PLAN: 4 key areas to promote



### Asset Management

- Catalog of operational resilience solutions and engineering in operation.
- Risk maps with future climate scenarios.
- Evaluation of climate risks in investment criteria for network planning.



### Supply and Resource Management

- Optimize the logistics strategy to react to extreme climate events.
- Contracts with suppliers allow an effective response to events.



### Nature-Based Adaptation Solutions

- Criteria to prioritize intervention areas (management strips).
- Models for integrated vegetation management.
- Methodology to promote carbon capture.
- Quantify the carbon capture potential: pilot project.



### Monitoring and Measurement of Adaptation

- Monitor and report on resilience KPIs (dashboard).
- Projects co-financed by the EU.

## Our communities

The local Stakeholder Participation policy is of special importance to EDP, especially in relation to its local communities. EDP Redes España promotes a culture of transparency aimed at strengthening long-term relationships, encouraging public participation, and minimizing impacts, ensuring proper interaction with stakeholders. As a reflection of this commitment, EDP develops both a preventive and engagement approach with communities. The preventive approach begins by assessing local communities, informing them of planned projects, and incorporating their contributions into action plans, which include support, development, and reinforcement measures for the communities.

The latest perception study in local communities in areas with distribution assets was conducted in 2022-2023. No significant changes have been identified in the local communities where there is activity, in terms of context and socioeconomic aspects, so the results are considered valid.

**The municipalities selected for the study, as representative municipalities of the whole, have been:**

**Asturias:** El Franco, Aller, Vegadeo, Carreño, Ribera de Arriba, Somiedo, Laviana, Mieres, Navia, and Parres

**Cantabria:** Reinosa, Santoña, Cabezón de la Sal, and Suances

**Lugo:** Vilalba, A Fonsagrada, Foz, and Castro de Rei

Los **asuntos relevantes** identificados han sido:

-  **Job creation**
-  **Environment**
-  **Depopulation**
-  **Engagement and dialogue**
-  **Equality and equity**
-  **Commitment to the community**

To address these issues, there is a Local Communities Action Plan that is part of EDP's Social Investment Plan, which in 2024 was identified as EDP Suma+.

**The projects and programs** that make up **EDP Suma+** are:

**ENTAMA:** Support program for local entrepreneurs aimed at projects with the capacity to generate added value and sustainable economic growth with future projection, linked to the areas of influence of the assets.

**TECH CAMPS EDP (formerly EDP +Joven):** Support for children and young people in local communities, mainly focusing on acquiring skills to improve their future employability and promoting STEAM vocations and competencies in digitalization and new technologies.

**EDP +Cerca:** EDP activities with a presence in the territory through citizen participation, new services, leisure, promotion of sustainable tourism, and support for the maintenance of public use spaces.

**Mi entorno EDP:** Environmental projects to be developed with a local partner under a logic of creating shared value, such as projects with a positive impact on natural capital and biodiversity, as well as improving ecosystem services.

**EDP Partners:** Program for developing joint projects with technological platforms, business partners, ESG associations, and the educational and university community.

	 Job creation	 Environment	 Depopulation	 Engagement and dialogue	 Equality and equity	 Commitment to the community
ENTAMA	●		●		●	
TECH CAMPS	●					●
EDP +Cerca				●		●
Mi Entorno EDP		●				
EDP Partners	●			●	●	●

In detail, the actions carried out during the 2024 exercise were:

**ENTAMA:** In 2023, the fifth edition of the Program was launched, consolidating the areas of action already expanded in 2022, which include all the municipalities of Asturias, Cantabria, and Lugo where there are distribution assets, prioritizing those identified as at risk of depopulation.

In 5th edition, 5 projects have been selected in Distribution municipalities, 3 in Asturias and 2 in Cantabria, which represent a total investment of €58,000 for their execution during 2024.

Among other aspects, these projects have been selected for their job creation (they involve 12 direct jobs), and their impact on female employment, as they are all led by women.

	Municipality	Project name	Company
Asturias	Salas	Lavandería Fonte Xana	E-Redes
	Cabrales	Agrolinera Astur	E-Redes
	Llanera	Finca Terramor	E-Redes
Cantabria	Camaleño	Turnatur	Viesgo
	Llanos de Penagos	FIQA, fibra de alpaca	Viesgo

All the information about the ENTAMA program can be found on its own website: [www.comunidadentama.com](http://www.comunidadentama.com)

As a reminder, it is worth highlighting that ENTAMA has received the Award of the III Edition of the go!ODS Recognitions from the United Nations Global Compact, for its impact on SDG 11, “Sustainable Cities and Communities”, while it is a program that the Just Transition Institute of the Ministry for Ecological Transition and Demographic Challenge (MITECO) highlights as a good practice in all its interventions in the public sessions of the Just Transition Agreements.

### TECH CAMPS EDP (former EDP +Joven)

TECH Camps program aims to promote digitalization and the development of new technological and STEAM skills through camps aimed at children between 7 and 15 years old, with the goal of providing a technological journey. The program seeks to foster the interest of young people in various topics such as design and animation, video game design (physics engines), metaverse and artificial intelligence, home automation, robotics, and mobile application design, among others.

During the exercise, 9 Tech Camps were held in 8 municipalities with the participation of 149 students and a high level of satisfaction reported by mayors, families, and attendees. The sessions were held in Asturias (Sobrescobio, Tineo, Carreño (2 sessions), Teverga, Belmonte de Miranda, Quirós, and Ribera de Arriba) and in Cantabria (Comillas).



### EDP +Cerca

Within the activities directly developed by EDP Redes España together with City Councils and local associations, aimed at improving citizen participation, new services, leisure, promoting sustainable tourism, and supporting the maintenance of public use spaces, during 2024, there have been occasional collaborations with municipalities in Asturias and Cantabria. The only notable actions were the installation of lighting on the front facade and tower of the Cathedral of San Vicente Mártir de Roda de Isábena, located in Roda de Isábena, in the province of Huesca, Aragón.

### Mi entorno EDP

The most notable project of this program is the Life STOP Cortaderia project carried out in alliance with the environmental NGO SEOBirdLife, which in 2023 launched a new edition that continues the actions already executed in previous years. In this new edition, to be developed over 4 years, actions will be carried out in Cantabria and Asturias in areas influenced by electrical distribution assets to combat the invasive species Cortaderia selloana.

In 2024, actions have been planned in Cantabria, around the Cacicedo Substation, with plans to expand the actions in 2025 to electrical installations also in Asturias.

It is worth highlighting that the Life STOP Cortaderia project was recognized by the European Union with the Natura 2000 award in the category of “social benefits”, as this environmental program promotes the social integration of people with disabilities through the work of eradicating Cortaderia selloana in protected natural areas of Cantabria. The jury highlighted this social and environmental collaboration of the project as an “inspiring initiative that empowers people with disabilities through the fight against an invasive species”.

### EDP Partners

Program for the development of joint projects with technological platforms, business partners, ESG associations, and the educational and university community, the following are noteworthy.

- **Summer course at the International Menéndez Pelayo University (UIMP) in Santander**, under the title ‘Electric networks as key elements in the deployment of renewable energies’. The course has been a key forum to discuss and understand the paradigm shifts facing the energy sector, at a time when electric networks are revealed as fundamental to unlocking the energy transition. These changes not only affect infrastructure and regulation but also offer new opportunities for investment and sustainable development.

With the proper collaboration between the public and private sectors, and the utilization of emerging technologies, it is possible to accelerate the transition towards a greener and more efficient energy future.

- **Sponsorship of the Menéndez Pelayo International Award – UIMP.**

- **Promotion of STEAM vocations:**

- **a. MASSTEAM:** Developed by CTIC and FADE, MASSTEAM (Asturian Women STEAM) is an educational project with immersive orientation through mentoring actions in companies. 20 students from the MASSTEAM program have been tutored by 5 mentors from EDP and have participated in a shadowing session at the Oviedo headquarters, alongside two EDP mentors to learn about their experience and the real application of STEAM studies.



Also noteworthy within MASSTEAM 2024 is the masterclass given by Alejandra López, Director of Development, Access & Customer Management at EDP Redes España. Titled “Leading the energy transition in terms of employment”, Alejandra shared her vision of the energy sector as a sector with great employability and stood out as a role model, especially for the girls attending the event, students of 3<sup>rd</sup> ESO from IES La Fresneda (Siero, Asturias).

- **b. AEMENER:** Continuous collaboration in the association’s activities to enhance and make visible the role of women in the sector. Sponsorship and participation in the III AEMENER STEM Careers Fair held at the School of Mines of UPM.

- **c. STEAM Talent Girl:** Development of the activities planned in the agreement signed between EDP Redes España and the Mujer y Talento Cantabria Association, aimed at stimulating, attracting, and developing the talent of girls, young women, and women for their empowerment, growth, and prominence within the social transformation towards real equality. The closing event of the 2024 program was led by María Casares, one of the female executives of EDP in Spain, with a presentation on women and STEAM talent in the energy sector.

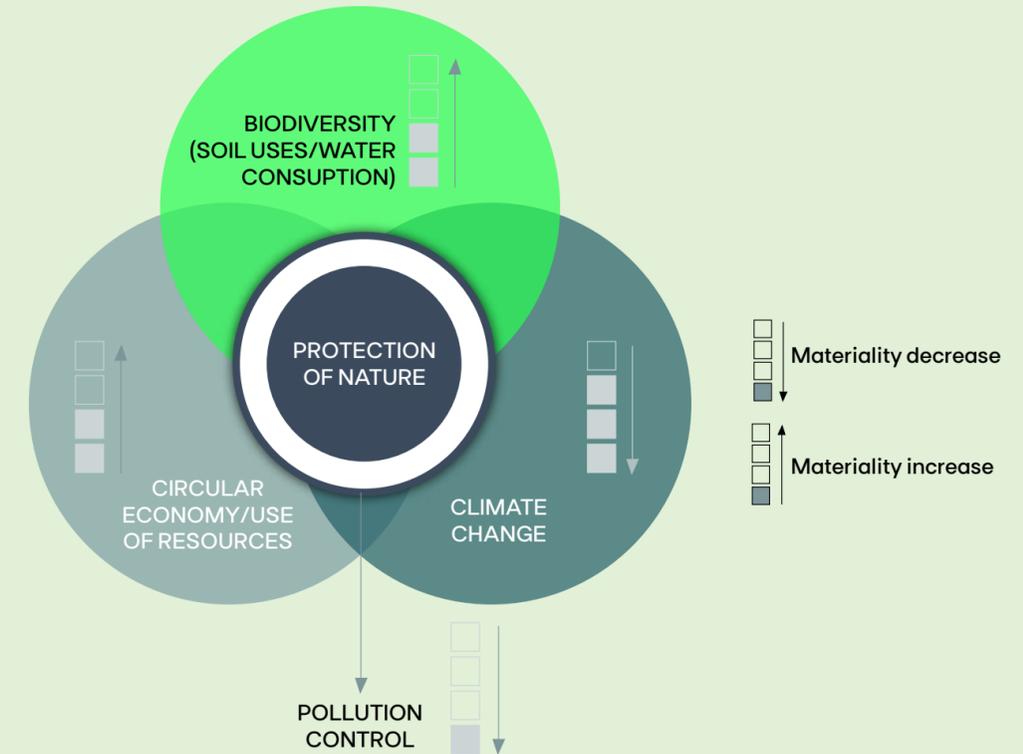
## Our planet

EDP has a defined approach to biodiversity protection and enhancement, integrating it into its broader environmental management strategy. EDP has made a first exercise following the LEAP approach (TNFD) to assess nature-related impacts and dependencies, ensuring a structured approach to identifying risks and opportunities. Moreover, in 2024, EDP became a TNFD adopter, planning to report TNFD-aligned disclosures in 2026. EDP's commitment to biodiversity is reflected in its Environmental Policy, which prioritizes the mitigation hierarchy, aiming for a net positive impact on biodiversity in the long term.

Furthermore, EDP upholds a strict commitment to not developing new power generation facilities in UNESCO World Heritage Sites, ensuring that those infrastructure do not interfere with areas of exceptional ecological and cultural value.

EDP has established a structured approach to biodiversity risk management, embedded within its corporate Environmental Management System. This process is based on a comprehensive assessment of both internal and external factors, enabling the identification of key biodiversity risks and opportunities. Risk screenings are conducted using internationally recognized datasets such as the World Database of Key Biodiversity Areas (KBA), the World Database on Protected Areas (WDPA), and the IUCN Red List of Threatened Species, ensuring informed decision-making.

Moreover, biodiversity action plans are being developed and implemented for all sites recognized as posing significant risks to biodiversity, ensuring that conservation measures are effectively integrated into operations. Through continuous monitoring, strategic partnerships, and local engagement, EDP reinforces its commitment to enhancing biodiversity and ecosystem resilience within its areas of operation.



## Pollution control

The environmental control and monitoring of the facilities are carried out based on the Environmental Policy of the EDP Group, which is implemented in accordance with the requirements established for an Environmental Management System (EMS) in the UNE-EN ISO 14001:2015 standard and is reviewed annually with internal and external audits.

Thus, the EMS of EDP Redes España includes the measures adopted to minimize environmental risks, and the preventive measures and controls to avoid committing environmental risks.

During the year 2024, EDP Redes España has accounted for a total of €8.9 million in environmental expenses and investments, aimed at adapting its facilities to the environmental operating requirements and implementing good environmental practices.

Additionally, environmental monitoring of work on overhead lines for which there are conditions (legal requirements established in the Environmental Impact Statement and other authorizations) has continued.

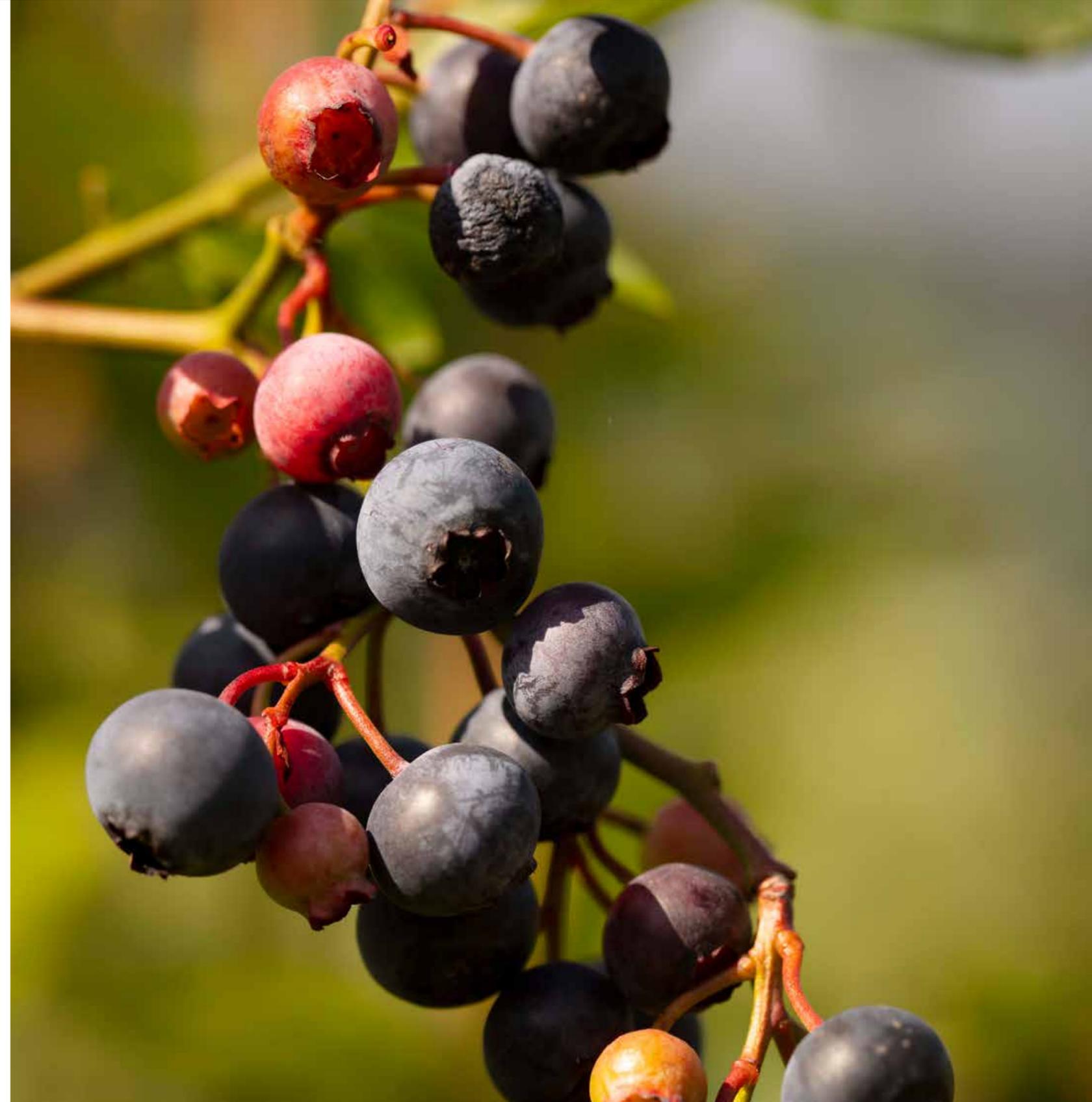
## Natural Capital and Biodiversity

During 2024, EDP Group has developed a gap analysis on the LEAP methodology of the TNFD (recognized as one of the main frameworks used to report on the relationship that companies have with nature, and which analyzes both impacts and dependencies as well as business risks and opportunities, based on their relationship with species, their ecosystems, and the ecosystem services they offer). This LEAP methodology consists of 4 phases: Locate (locate your interface with nature), Evaluate (evaluate your dependencies and impacts), Assess (evaluate your risks and opportunities), and Prepare (prepare to respond to nature-related risks and opportunities and report on them).

The gap analysis has allowed the detection of strengths and weaknesses and the identification of optimal resource allocation, so that they are directed to actions with the highest impact on nature. The definition of an action plan to implement a Natural Capital strategy aligned with TNFD standards is now pending.

On the other hand, EDP Redes España has continued its work in the second phase of the Natural Capital Protocol Application group in the energy sector. The target has been the definition of impact and dependency matrices on nature, agreed upon by all participating companies, consistent for all generation technologies and energy networks, so that an action plan can be defined for each one that minimizes risks and maximizes opportunities, aligned with TNFD guidelines.

As part of the unification of the network platform at the Iberian level, in 2024 EDP Redes España has participated, along with E-Redes Portugal and other stakeholders, in the LIFE GreenLINK project, which arises from the need to address the adverse effects of linear infrastructures on biodiversity and ecosystem services, by causing habitat fragmentation and creating physical barriers that isolate species and alter their natural migration and dispersion patterns. On behalf of EDP España, the proposed participation has consisted of the execution of a pilot project on the Negrón line, in the Ubiñas Park, which aims to create an ecological corridor on the line street that allows the connection of existing brown bear populations on both sides of it. The participation of EDP España has been endorsed by both the Ministry of Ecological Transition and the Ministry of Development of the Principality of Asturias.



### **Biodiversity: Avifauna**

Incidents involving avifauna on power lines are currently the most relevant aspect in electrical networks. Royal Decree 1432/2008 establishes that power lines must be adapted with the aim of reducing electrocution and collision of avifauna. This required each Autonomous Community to publish the Avifauna Protection Zones and subsequently the publication of the Inventory of dangerous lines located within them. Furthermore, the application of this Royal Decree established the funding method for adaptation projects to be covered by the State of Spain Budget.

The protection zones and inventories of affected lines have already been published in all the autonomous communities where we have networks. Since more than 6,000 km of lines of EDP Redes España are affected, it is impossible to carry out an individualized adaptation project. For this reason, “standard projects” for adaptation have been drafted, which have been communicated to the competent bodies of each Community, and which become specific and individualized projects as the adaptation works are carried out.

In response to this situation, common Avifauna Plans have been developed, according to which a number of lines to be adapted each year by autonomous community has been determined based on homogeneous technical and environmental criteria. The horizon of 2030 has been established to have all lines adapted to the legal requirements for avifauna protection, regardless of the existence or not of specific subsidies (the current Royal Decree provides for adaptation to be funded by the State of Spain Budget).

### **Biodiversity: Cutting and Pruning**

In order to monitor compliance with all environmental best practices for pruning and cutting activities, external environmental monitoring is in place to supervise the tasks to be carried out in critical sections in all autonomous communities, both in the phase prior to the execution of the work and subsequently to verify the actual maintenance performed.

In the case of Galicia, the requirements of the Administration are almost opposite, with specific conditions related to fire prevention, specifically, the mandatory periodic clearing of 5 meters on each side of the lines, including low voltage lines, which have led to some sanction proposals when the work has not been carried out according to this criterion. Thus, the main risk arising from line maintenance work is the control and compliance with two opposing requirements: the protection of protected vegetation, which involves minimizing actions on existing trees, and forest fire prevention, which involves ensuring the adequate distance between these trees and the lines.

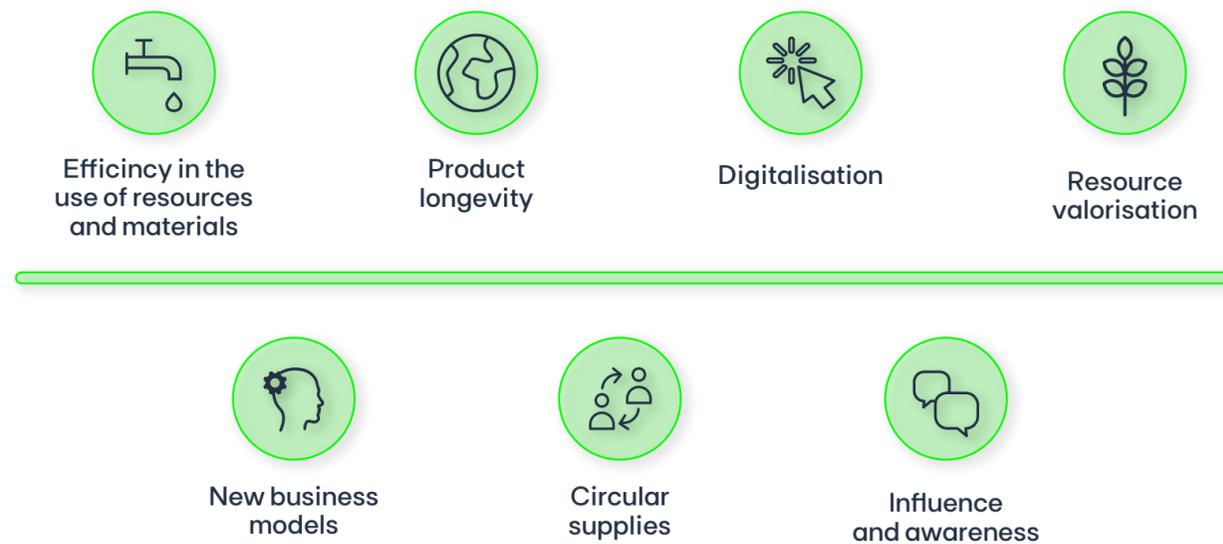
### **Environmental monitoring of facilities under construction**

Environmental Monitoring Plans for works subject to Environmental Impact Assessment and any other environmental processing ensure that the works are carried out following the guidelines established in the Resolutions of the competent Environmental Authority, specific to each project. Additionally, environmental monitoring is carried out on those works that are relevant from an environmental point of view. The results of the environmental monitoring carried out during the year 2024 were generally satisfactory.

## Circular economy

**EDP’s circular economy strategy is built on the principles of reducing, optimizing, and recovering resources throughout its operations.** The strategy emphasizes the efficient use of natural resources and integrates circular design into the business model to minimize material extraction and consumption. EDP focuses on reducing resource and material inputs while enhancing waste recovery and promoting material reuse across its value chain. By prioritizing circularity, EDP is committed to minimizing environmental impact, promoting sustainable resource management, and driving the transition toward a circular economy across industries. This is achieved through the implementation of seven key action areas.

A key component of **EDP’s circular economy approach is to work closely with its business partners to increase the circularity levels of the materials and equipment’s used in the company activities.** By enhancing supplier assessments and promoting sustainable practices within its supply chain, EDP ensures that circular economy principles are embedded in the sourcing, production, and end-of-life management of materials. Through these initiatives, EDP contributes to the broader adoption of circular practices and resource optimization in its sector.



## 2024 Actions in Circular Economy

**In 2024, EDP** has continued with the implementation of its **Circular Economy strategy**, within the company’s ESG strategy, under which 12 main initiatives are developed, including **Close the Loop**. Its objective is to move towards a more circular organization, promoting efficiency in the use of resources and encouraging new circular business models. The program collaborates with more than 20 specialized recycling partners in material recycling, product and component refurbishment, and resale.

**There are four lines of action within this initiative, focused on monitoring, supplier requirements, internal training/awareness, and the valorization of scalable pilot projects for the rest of the company.** Spain leads, with Circumetric, the action line related to monitoring, which allows for qualitative evaluation of the circularity of actions and the implementation and prioritization of those that contribute most to circularity and sustainability. Transformed in 2022 into an internal application of the EDP Group available to all employees, during 2024 version 2.0 was implemented, allowing access to the application in three languages (EN, SP, and PT) and the definition of administrators by platform and geography, thus ensuring consideration of different realities between countries.

The unification of the network platform at the Iberian level has led, in 2024, to the definition of a joint program, ERedondo, to be developed in 2024–2025, consisting of different **initiatives involving business people in Spain and Portugal**, and which foresee the inclusion of circular economy requirements in the technical specifications of the main equipment acquired by Networks and the definition of internal reuse policies for assets that are removed from their location but meet the technical conditions necessary to remain operational.

Regarding waste management, the waste recovery rate remains at satisfactory levels, with an overall value of 90%, showing a reduction in the quantities generated compared to the year 2023 (a year in which significant works were carried out, such as the renovation of the Santa Cruz and Arenas de Iguña Substations, or the underground 55 kV DC Candina – Tantin I and II LAT renovation).



## Our business partners

### Sustainability in procurement processes

EDP believes in **working in partnership, fostering collaboration with suppliers and stakeholders who are aligned with the same objectives, building transparent and responsible relationships** that drives sustainable progress. The effective integration of ESG criteria into the supply chain strengthens EDP's risk management and resilience in an evolving global landscape. Given the dynamic nature of ESG requirements, it is essential to continuously adapt by implementing strategies that involve data collection and ongoing stakeholder engagement, ensuring long-term competitiveness.

EDP has **ESG-related risk management** requirements that must be met by its suppliers throughout the entire procurement **process: [1] registration and qualification, [2] request for proposals and contracting and, finally, [3] monitoring and assessment of suppliers.**

EDP has established a supplier strategy that plays a key role in achieving its sustainability and decarbonization goals. **A rigorous due diligence process is in place to ensure that suppliers align with EDP's ethical and sustainability commitments.** This process includes assessing suppliers' policies, targets, and strategies, as well as incorporating contractual clauses covering human rights, greenhouse gas emissions, and circular economy principles.

Beyond compliance, **EDP actively engages its suppliers in the transition to more sustainable practices, integrating circular economy and decarbonization criteria into procurement processes.** The company fosters collaboration to enhance supply chain data quality, map priorities for green procurement, and drive supplier engagement. This structured approach is critical to increasing circularity in business operations and ensuring a resilient, sustainable supply chain.



**For this purpose**, the company has a set of policies and procedures that frame the entire sustainable procurement process across the Group:

- Supplier Code of Conduct that governs the purchasing and contract negotiation processes with

suppliers to ensure the alignment of critical suppliers with the company's ethics and sustainability commitments.

- Sustainable Procurement Policy that establishes the principles and commitments to sustainability to be implemented throughout the purchasing process.
- Sustainable Supply Chain Policy that defines the company's action protocol and due diligence process related to the supply chain. This Protocol includes the identification of critical suppliers based on their activity with EDP.

#### Key stages in the procurement process:

##### [1] Registration and classification

The registration process is a mandatory requirement for any company who intends to become a supplier. EDP's corporate System of Supplier Registration supports supplier's selection, providing detailed information, validated and updated by credible sources, in order to guarantee their accreditation under financial, technical quality and ESG criteria.

Aims to provide an analysis on critical issues of each supplier and to establish minimum requirements to ensure their ESG qualification, according to which criteria are regularly revised and reassessed to ensure that they reflect the main market trends and regulations and that the information has a high level of quality.

##### [2] Request proposals and contracting

The incorporation of adequate criteria in the contracting processes is essential to ensure in-depth management, mitigation, and avoidance of operational and ESG risks in the supply chain.

Five ESG priorities are included: decarbonization, circular economy, human and labor rights (including specific aspects of diversity and equality), health and safety, transparency, and biodiversity.

At this stage, EDP analyses suppliers' policies, targets, strategies, statements, roadmaps, and other documents or procedures that show their alignment with EDP's stance, while helping the company to identify potential ESG risks.

Adequate compliance by all EDP suppliers with the ESG requirements is essential to guarantee the correct performance of the contracted services and works. The company has also a system of disciplinary measures, which is included in contracts and purchase orders.

### ESG Criticality matrix

Detailed in Sustainability Protocol, the Critical Matrix is an instrument to identify if a contract should be considered as critical and, if so, the awarded supplier is also “marked” as critical supplier (although is not something inherent to supplier, but to contract). If so, the contract should consider a great robustness in contractual clauses namely in aspects where the criticality was identified.

ESG Critical matrix		LOW	MED	HIGH
Business Plan	1. Supply category <small>(value chain country/sector/activity level risks)</small>			
	2. Purchase amount (EUR)			
	3. Duration of the contract and frequency of supplies			
	4. Importance for operation, innovation and investment			
	5. Consequence of sudden supply interruption			
Exposure to ESG risks	6. Irreplaceability of suppliers			
	7. Supplier access to equipment/facilities			
	8. Supplier access to customers			
	9. Supplier access to protected personal data			
	10. Supplier access to reserved data and Cybersecurity			
	11. Risks of occupational accidents from the contracted activity			
	12. Environmental risk from the contracted activity			
	13. Ethical, human and labour rights the contracted activity			

### [3] Monitoring and assessment of suppliers

In order to ensure suppliers’ compliance with the previously mentioned requirements, EDP monitors critical suppliers when they provide their services and perform their activity in the Group’s facilities. EDP has two mechanisms to ensure compliance with contractual obligations: a passive mechanism,

related to suppliers directly reporting any anomaly that may affect the contract, and a number of other active mechanisms directly executed by EDP, which consist in physical audits, inspections, and requirement of certified management systems.

### ESG Assessment criteria for supplier selection

ESG criteria are technical specifications that suppliers must prove in order to be selected for the negotiation stage.

The definition of the required ESG criteria is established at two levels:

- As minimum contractual conditions applicable to all public contracts.
- As specific conditions for certain types of contracts, depending on previously identified and relevant risks.

These specifications are ‘go/no go’ criteria. For example, for a contract exposed to occupational accident risks, the supplier must demonstrate the existence of a certified management system, including the qualifications of its employees, and report accident indicators below the set threshold.

Applying a minimum weighting to ESG criteria in procurement based on thresholds ensures that ESG criteria are non-negotiable.

## Chapter V



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**Financial Data**

UN	2024	2023	2022
Gross Profit	M€ 449	439	431
OPEX	M€ 126	117	101
EBITDA	M€ 349	349	358
EBIT	M€ 209	213	233

**Economic Indicators**

UN	2024	2023	2022
<b>ENVIRONMENTAL EXPENDITURE AND INVESTMENT</b>	<b>M€ 8,901</b>	<b>11,151</b>	<b>7,228</b>
Management of waste, waste water, and soil protection	M€ 369	415	236
Environmental management and prevention	M€ 8,489	9,621	6,988
Others	M€ 43	1,115	4

## ELECTRICITY DISTRIBUTION

### Electricity distribution installations

	UN	2024	2023	2022
Overhead HV lines (50/132 kV)	km	2,828	2,820	2,805
Overhead MV lines (5/10/16/20/22/24 kV)	km	13,107	13,080	13,073
Underground HV lines (50/132 kV)	km	117	116	109
Underground MV lines (5/10/16/20/22/24 kV)	km	3,952	3,904	3,863
Overhead LV grids	km	23,755	23,723	23,693
Underground LV grids	km	9,308	9,206	9,100
Transformation centres	Nº	18,022	17,939	17,895
Transformation centres' installed capacity	MVA	5,160	5,107	5,083
Substations <sup>(1)</sup>	Nº	275	274	274
Transformers in substations <sup>(2)</sup>	Nº	317	313	315
Installed capacity in substations	MVA	13,664	13,439	13,238

(1) It includes MV substations (MV/MV and Manoeuvre-Interconnection. (2) Power transformers in substations and cold reserves.

### Electricity distribution

#### SUPPLY POINTS

	UN	2024	2023	2022
Low voltage (< 1 kV)	Nº	1,398,663	1,390,525	1,383,123
Medium voltage (> 1 kV and <36 kV)	Nº	2,426	2,387	2,367
High voltage (> 36 kV)	Nº	235	233	238

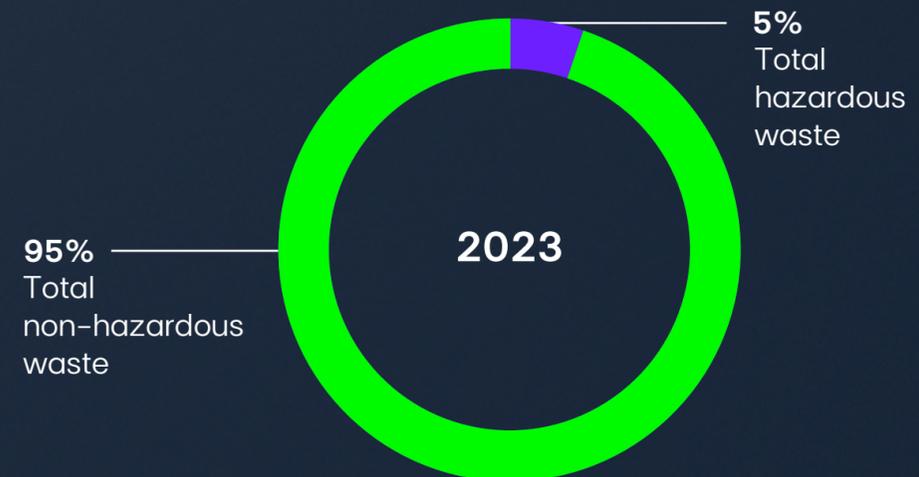
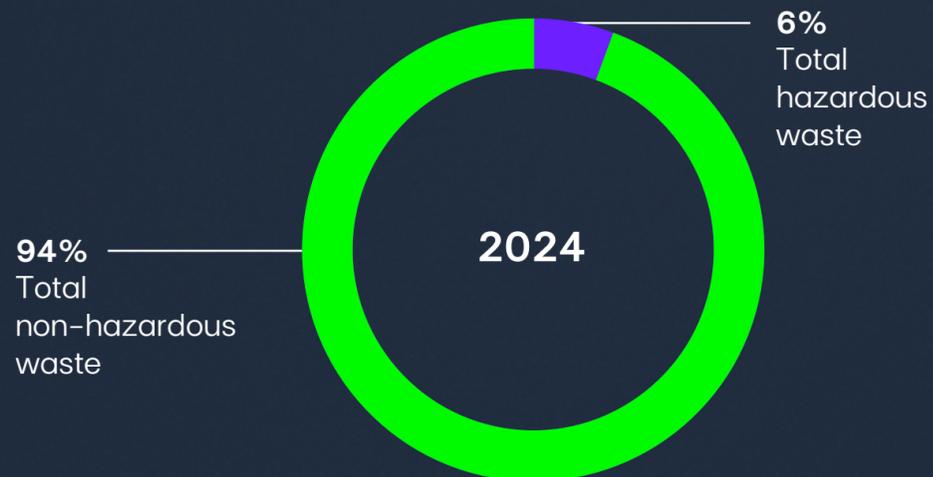
#### Distributed energy

	GWh	13,261	12,673	13,286
Low voltage (< 1 kV)	GWh	3,958	3,912	3,914
Medium voltage (> 1 kV and <36 kV)	GWh	2,861	2,759	2,813
High voltage (> 36 kV)	GWh	6,441	6,002	6,558

<b>Emissions (ktCO2eq)</b>	<b>UN</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Scope 1	ktCO2eq	2.2	2.8	1.9
Scope 2	ktCO2eq	52.1	62.7	96.2
Scope 3	ktCO2eq	1,109.2	1,317.0	1,907.2

<b>Waste and by-products</b>	<b>UN</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Total hazardous waste	t	1,165.4	1,716.1	694.7
Total hazardous waste recovered (%)	%	99%	94%	86%
Total non-hazardous waste	t	19,880.9	29,632.2	14,874.6
Total non-hazardous waste recovered (%)	%	92%	96%	89%

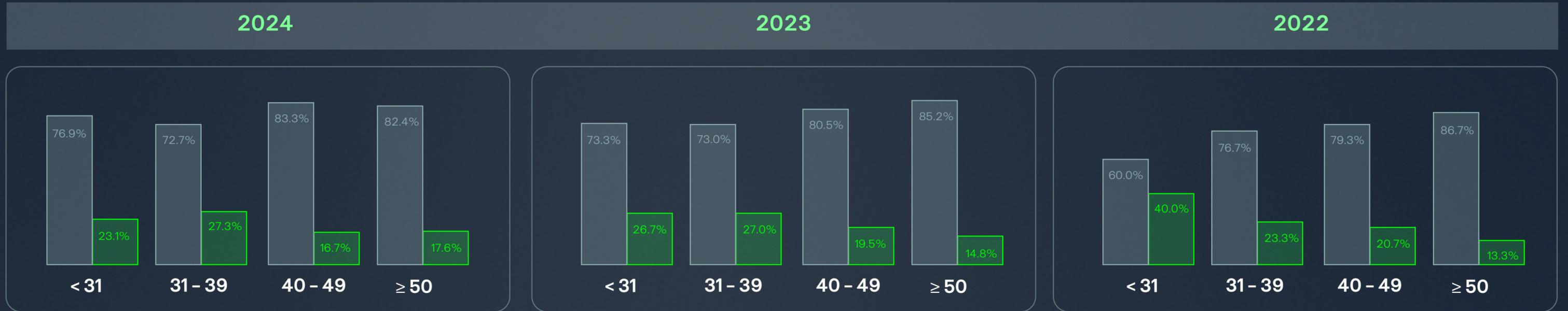


	2024	2023	2022
Total Employees	546	544	540
Female overall	18.7%	18.6%	17.8%
Female on leadership	24.0%	22.6%	21.4%

### EMPLOYEE PROFILE BY PROFESSIONAL CATEGORY AND GENDER



## EMPLOYEE PROFILE BY AGE AND GENDER



## EMPLOYEE PROFILE BY PROFESSIONAL CATEGORY

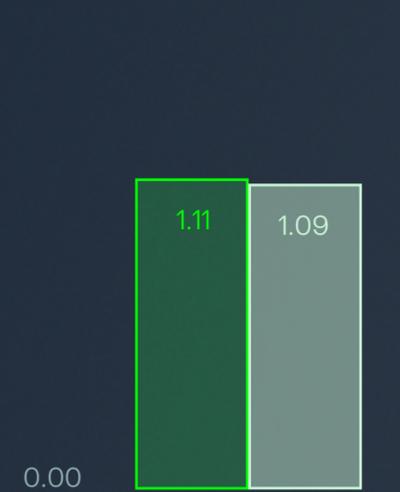
Male Female



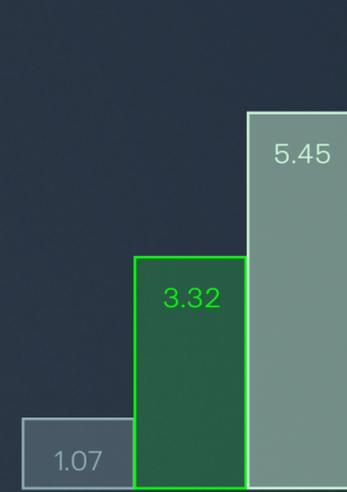
## EMPLOYEES PROFILE BY AGE



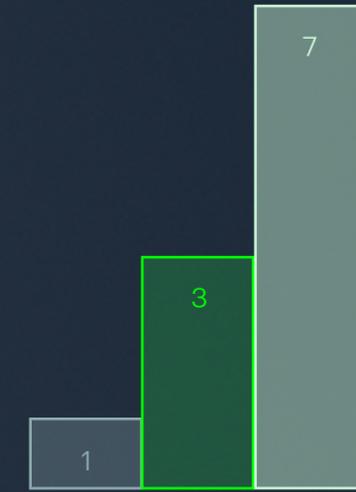
## OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT



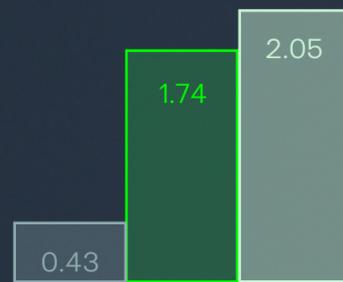
Frequency rates (LTIFR) Own workforce



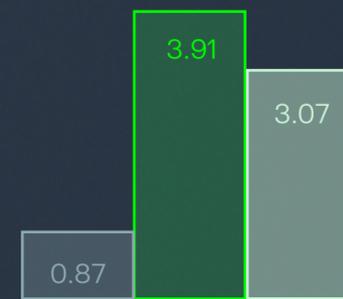
TRIFR. Own workforce



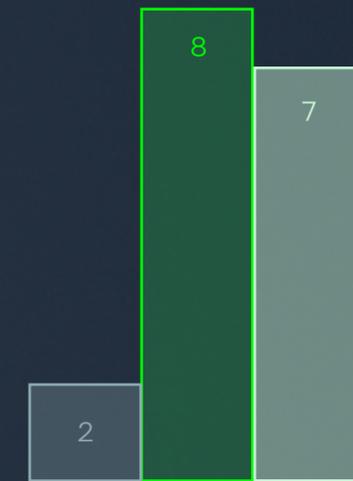
Accidents. Own workforce



Frequency rate (LTIFR) Contractor staff



RIFR. Contractor staff



Accidents. Contractor staff

