



ENERGY COMPACT SUBMISSION

Energy Compacts have been identified as High Impact Initiative to drive SDG 7 and clean energy goals. The instructions alongside each line item will serve as a guide to support you in this process. All items marked with an asterix (*) are mandatory. Kindly supplement your application with any relevant files. Please note that by submitting an Energy Compact you indicate a willingness to align with the guiding principles and subject to appraisal against them. You can find the Energy Compact guiding principles here:

https://www.un.org/sites/un2.un.org/files/2021/04/guiding_principles_for_the_selection_of_an_energy_compact_april_12.pdf

SECTION 1: GENERAL INFORMATION

PROPONENT NOTES

Use this column to add any additional comments

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Energy Compact Title	EDP - All Green Generation by 2030	
Proponent name(s) *	EDP – Energias de Portugal, S.A.	
Proponent type *	Business	
Primary contact name *	Nuno Joia	Head of the Planning and Control Office
Additional contact name *	Maria João Lois; Miguel Peres	Sustainability Senior Specialist; Communication Officer at Sustainability Global Unit
Region *	Global	

SECTION 2: AMBITION		PROPONENT NOTES Use this column to add any additional comments
<i>Linkages *</i>	7.1	
<i>Target *</i>	<p>Invest up to €20M in A2E companies from 2021-2025 (compared to an investment of €6M in the period 2018-2020)</p> <p>A2E CSR FUND, granting €4M to support energy access projects developed by NGOs and Private Sector (compared to €1,5M in grants for the period 2018-2020)</p>	<p>EDP intends to invest up to €20M in clean energy companies up to 2025, concentrating its efforts mainly on Sub-Saharan Africa and on solar home systems, mini-grids and decentralized commercial & industrial solutions companies. Those investments will enable the growth of the local companies which are engines of jobs, inclusive growth and shared prosperity.</p> <p>With a yearly budget of €1M it focuses on five areas in which energy plays a critical role: education, health, water and agriculture, businesses, and community. Since 2018, the fund has held 4 editions, having supported 28 projects in 7 countries African countries (Angola, Malawi, Mozambique, Nigeria, Kenya, Rwanda and Tanzania) that contributed to improving the lives of around 120,000 people (directly) and more than 2 million (indirectly); Mozambique and Kenya are the countries with the most projects. In total, support for these projects involved funding of 2.5 million euros.</p>
<i>Linkages</i>	7.2	
<i>Target</i>	<p>100% renewable installed capacity by 2030 with interim target of >90% by 2025 (compared to 79% in 2022)</p>	<p>EDP's most recent Business Strategy 2023-2026 ramps up the efforts to reduce emissions and decarbonize its portfolio with a gross investment of €25Bn, committing to have zero contribution of coal to our revenues by 2025 year-end, with all green generation by 2030 and to be Net Zero by 2040, as recognized by SBTi.</p> <p>EDP has therefore launched two units that exploit the potential of green hydrogen and energy storage systems and set out ambitious plans for €25Bn gross investment plan of further investment in the energy transition by 2026 to be allocated to Renewable energy technologies (€21Bn) and Electricity Networks (€4Bn).</p>
<i>Linkages</i>	7.2	
<i>Target</i>	<p>Investment in technologies to promote the integration of renewables in the energy system:</p> <p>~12Mn connection points by 2026 (vs. +~500 in 2022)</p> <p>500 MW of battery storage capacity by 2026 (compared to close to 1MW in 2022)</p>	<p>EDP's most recent Business Strategy 2023-2026 ramps up the efforts to reduce emissions and decarbonize its portfolio with a gross investment of €25Bn, committing to have zero contribution of coal to our revenues by 2025 year-end, with all green generation by 2030 and to be Net Zero by 2040, as recognized by SBTi.</p> <p>EDP has therefore launched two units that exploit the potential of green hydrogen and energy storage systems and set out ambitious plans for €25Bn gross investment plan of further investment in the energy transition by 2026 to be allocated to Renewable energy technologies (€21Bn) and Electricity Networks (€4Bn).</p>
<i>Linkages</i>	Other	

<i>Target</i>	Net Zero by 2040	EDP is committed to reach Net Zero by 2040, by including its scope 3 emissions in the targets. With a baseline year set for 2020, EDP aims to reach net-zero greenhouse emissions across the value chain by 2040, with ambitious mid-term targets by 2030. In this context, EDP commits to the overall goal of reducing 90% of scope 1, 2 and 3 emissions by 2040 vs. 2020 as base year and offset all remaining emissions.
<i>Linkages</i>	Other	
<i>Target</i>	Coal free by 2025 (zero contribution of coal to our revenues by 2025 year-end)	<p>This commitment comprises coal fire power plants in Iberia and in Brazil. In 2022 this capacity was 10% of the overall portfolio. In adopting its commitment to have zero contribution of coal to our revenues by 2025 year-end, EDP has undertaken the responsibility of working together with governments and local authorities in promoting a Fair and Just Transition in the regions affected by the closure of its plants, along with plans for the use of the site to deploy technologies aligned with the energy transition: renewable energy, green H2, storage and flexibility.</p> <p>With these plans, EDP aims to transform Sines in Portugal into a center of H2 tech excellence, and in Spain, Aboño into the hydrogen valley of Asturias, Soto de Ribera into a center for the storage of renewable energy and new uses of green hydrogen, Los Barrios into the green energy of Córdoba including H2, and Puente Nuevo the supplier of green energy for the entire Bay of Algeciras.</p>

SECTION 3: ACTIONS & OUTCOMES TO ACHIEVE TARGETS		PROPONENT NOTES Use this column to add any additional comments
<i>Relevant target *</i>	<p>Invest up to €20M in A2E companies from 2021-2025 (compared to an investment of €6M in the period 2018-2020)</p> <p>A2E CSR FUND, granting €4M to support energy access projects developed by NGOs and Private Sector (compared to €1,5M in grants for the period 2018-2020)</p>	
<i>Action (s) & Outcome (s) *</i>	<p>Action:</p> <ul style="list-style-type: none"> Invest in promising companies in the field of access to energy (€20M by 2025) Co-fund access to energy projects promoted by NGOs and Private sector (increase grants to 1€M/year to a total of investment of €4M, via A2E CSR Fund) <p>Outcome:</p> <p>Have a direct positive impact over 1 million people by 2025 (compared to the >120k direct beneficiaries in the period of 2018- 2022)</p>	
<i>Due dates *</i>	2025	

<i>Financial commitment *</i>	USD 28.25 Million (EUR 24 Million)	<p>Actions will be financed through own funds or green/sustainable financial instruments.</p> <p>The file was completed in September 2021, by which the average exchange rate was EUR:USD = 1.1771 : 1.</p> <p>EUR 24 Million = USD 28.25 Million</p>
<i>Relevant target</i>	100% renewable installed capacity by 2030 with interim target of >90% by 2025 (compared to 79% in 2022)	
<i>Action (s) & Outcome (s)</i>	<p>Action:</p> <p>By 2026, invest in the energy transition €25Bn, of which</p> <ul style="list-style-type: none"> • €21Bn gross investment in RES installed capacity • €4Bn in Networks <p>Outcome:</p> <ul style="list-style-type: none"> • By 2025 > 90% of RES installed capacity • 4.5 GW avg. gross additions per year (2023-2026) • By 2030, achieve >50 GW renewables additions 	
<i>Due dates</i>	2026; 2030	
<i>Financial commitment</i>	USD 29.43 Billion (EUR 25 Billion)	<p>Actions under these commitments (€25Bn) will be financed namely through green/sustainable financial instruments, project finance and asset rotation. The decision on the instrument will be made as needed and considering market conditions at the time.</p> <p>The file was completed in September 2021, by which the average exchange rate was EUR:USD = 1.1771 : 1.</p> <p>EUR 25 Billion = USD 29.43 Billion</p>
<i>Relevant target</i>	Net Zero by 2040	
<i>Action (s) & Outcome (s)</i>	<p>Action:</p> <ul style="list-style-type: none"> • Achieve 100% RES installed capacity by 2030 • Reduce scope 1 & 2 emissions • Reduce supply chain emissions (Scope 3) – continued work with green procurement, support suppliers’ decarbonization path • Offset residual emissions <p>Outcome:</p> <p>90% of scope 1, 2 and 3 emissions by 2040 vs. 2020 as base year and offset all remaining emissions</p>	<p>details on targets at Science Based Targets Initiative edp.com</p>
<i>Due dates</i>	2030; 2040	

<i>Financial commitment</i>		Actions under these commitments (€25Bn) will be financed namely through green/sustainable financial instruments, project finance and asset rotation. The decision on the instrument will be made as needed and considering market conditions at the time.
<i>Relevant target</i>	Coal free by 2025 (zero contribution of coal to our revenues by 2025 year-end)	
<i>Action (s) & Outcome (s)</i>	<p>Action:</p> <ul style="list-style-type: none"> • Phase-out coal power plants; with zero contribution of coal to our revenues by 2025 year-end • Be an active shaper of the green future of the affected regions, with actions to support workers and communities (leaving no one behind) and new investments in renewable capacity additions (mainly solar, wind and H2) <p>Outcome:</p> <ul style="list-style-type: none"> • Zero contribution of coal to our revenues by 2025 year-end • 100% implemented Just Transition Plans (JTP) in all EDP's Phase-Out Coal Power Plants 	
<i>Due dates</i>	2025	
<i>Financial commitment</i>		Actions under these commitments (€25Bn) will be financed namely through green/sustainable financial instruments, project finance and asset rotation. The decision on the instrument will be made as needed and considering market conditions at the time.

Supplementary Note

This supplementary note aims to provide additional context to the Energy Compact, elaborating on the broader societal and environmental impact, monitoring and reporting mechanisms, and potential for partnerships.

Impact

Countries planned for implementation including number of people potentially impacted.

EDP is a multinational, vertically integrated utility company. Throughout over 40 years of history, EDP has been building a relevant presence in the world energy scene, being present in 29 markets, in 4 continents. With more than 13.000 employees, EDP is present throughout the electricity value chain and in the gas commercialization activity. EDP is one of the largest wind energy production companies in the world, with 81% of its energy being already produced from renewable resources. EDP provides electricity and gas to more than 9 million customers.

EDP's strategy is global, so our commitments are aligned in that way, impacting European countries such as Portugal, Spain, France, United Kingdom, Ireland, Italy, Belgium, Poland, Romania, Hungary, Greece. Across the Atlantic, EDP has a strong presence in the United States, Brazil, with projects in Canada, Mexico, Peru, Colombia, and Chile. Our investment in Asia Pacific started in China and recently EDP Group entered Vietnam and now operates in APAC region through a platform based in Singapura. In Africa, due to our A2E investment, we are currently present also in Mozambique, Nigeria, Malawi, Ruanda, Angola, Tanzania, Kenya, amongst others where we have contributed to improving the lives of around 120,000 people (directly) and more than 2 million (indirectly).

Annually, EDP supports more than 300 projects in communities around the world through our social investment with of over €30M. The majority of this investment corresponds to projects whose scope of action contributes to the UN Sustainable Development Goals (SDGs) – assessed with B4SI international methodology.

Our vision is to be a global energy company, leading the energy transition to create superior value, so our main commitment is to continuously invest worldwide, with sustainability as our main driver.

Alignment with the 2030 Agenda for Sustainable Development – Please describe how each of the actions from section 2 impact advancing the SDGs by 2030.

All actions contribute to SDG 7, as described above. Additional impacts in other SDGs are described below.

Commitment 1. Invest €24M in Access to Energy between 2021 and 2025

Actions:

- Invest in promising companies in the field of access to energy (€20M by 2025)
- Co-fund access to energy projects promoted by NGOs and Private sector (increase grants to 1€M/year to a total of investment of€4M, via A2E CSR Fund)

SDGs:

Both actions contribute to SDGs 1: No Poverty, 8: Decent Work and Economic Growth, 13: Climate Action and also SDG 17, as EDP will be developing renewable energy solutions for emerging economies where communities have low electricity grid coverage, thus contributing to tackle energy poverty and promote secure community access to energy.

The promotion of access to energy benefits from partnerships with NGOs and the private sector.

It will also contribute to mobilize financial resources, promoting the development and diffusion of environmentally sound technologies, effectively aiding these countries to implement the SDGs.

Commitment 2. 100% RES installed capacity by 2030

Actions:

- By 2026, invest in the energy transition €25B, of which
 - €21Bn gross investment in RES installed capacity, Customers and Energy management
 - €4Bn in Networks

An energy transition EBITDA of 100%, by 2030

SDGs:

All listed actions contribute to SDG 13. By reinforcing the production of electricity from renewable sources and phasing out coal, in addition to electrifying consumption and improving energy efficiency, EDP makes a strong contribution to the transition for a low carbon economy and thereby mitigating the effects of climate change. Our Climate Transition Plan published in 2023 sets out the path to curb our global emissions (19.2MtCO₂e in all scopes in 2022).

The electricity sector is known to play a key role in this transition, while promoting the decarbonization of other activity sectors, with emphasis on transport and climatization in buildings and industry.

Furthermore, the actions contribute to SDG 9, as investment new solutions, contributes to developing quality, reliable, sustainable, and resilient infrastructures.

Commitment 3. Net Zero by 2040

Actions:

- 100% RES installed capacity by 2030
- Lower supply chain emissions – continued work with green procurement, support suppliers' decarbonization path
- Off-set residual emissions

SDGs:

This commitment is strongly linked to SDG 13, as reducing CO₂ emissions is the most direct way to tackle climate change. By anticipating the European target by 10 years, EDP recognizes the major concerns of society around the change in climate patterns and the need to reduce carbon emissions and limit the increase of global average temperature. In accordance with the specific targets of SDG 13, EDP has

integrated climate change measures into strategies and planning with decarbonization as its main driver. Throughout the value chain, the company will improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation and impact reduction for its different stakeholders.

Commitment 4. Coal free by 2025 (zero contribution of coal to our revenues by 2025 year-end)

Actions:

- Zero contribution of coal to our revenues by 2025 year-end
- Be an active shaper of the green future of the affected regions, with actions to support workers and communities (leaving no one behind) and new investments in renewable capacity additions (mainly solar, wind and H2)

SDGs:

By having Zero contribution of coal to our revenues by 2025 year-end, EDP contributes to SDG 13, reducing CO2 emissions that in 2022 amounted to 5 944 ktCO_{2e}. As an active supporter of local communities affected by the closing, EDP is also contributing to SDG 8, as it promotes development-oriented policies that support productive activities, decent job creation, entrepreneurship, encouraging the formalization and growth of micro-, small- and medium-sized enterprises in the affected regions, while implementing policies to promote sustainable tourism that creates jobs and promotes local culture and products. In Sines (Portugal) where a coal power plant closed in January 2021, a social programme was put together, contemplating a reskilling program and an entrepreneurship scholarship and close work with local authorities and communities. In Spain where we still have coal operations EDP is already engaged to a Just Transition path towards our target to be coal free by 2025, with zero contribution of coal to our revenues by 2025 year-end. Finally, through careful planning of the decommissioning process, EDP will pay particular attention to circularity and the possibility of valuing all possible materials, achieving an environmental sound management of waste, reducing as much as possible the landfill as final destination, contributing to SDG 12.

Alignment with Paris Agreement and net-zero by 2050 - Please describe how each of the actions from section 2 align with the Paris Agreement and national NDCs (if applicable) and support the net-zero emissions by 2050.

EDP's strategy is based on a strong investment in new renewable capacity, thermal generation phase out, as well as on new energy services where decarbonization, both through energy efficiency and electrification, plays a decisive role in achieving the targets of the Paris Agreement. EDP's CO_{2eq} emissions reduction target towards Net Zero by 2040 has been recognized by the SBTi, as being in line with the trajectory to contain the increase in the global average temperature by 1.5°C and with the Net Zero Standard.

All the actions listed in section 2 are aligned with the Paris Agreement and net-zero by 2040 goal.

Monitoring and reporting

EDP tracks the progress of the listed outcomes in the quarterly and annual sustainability reports and in its quarterly ESG Report, a dedicated report aimed at investors. Progress is also disclosed on EDP's corporate website.

Progress of the outcomes already follows existing frameworks such as: SDFR, GRI Standards, SASB, TCFD and EDP Green Bond Framework (by the rules of the ICMA 2018).